

**KIP REIT Capital Sdn Bhd (“Issuer”)  
Medium Term Notes (“MTNs”) Programme of RM2.0 billion in nominal value (“MTN Programme”)**

- **Supplemental Terms and Conditions (“Supplemental PTC”) in relation to Issue 3 (in relation to KIPMall Kota Warisan, KIPMall Kota Tinggi, KIPMall Melaka, and Teju Logistics) (“Issue 3”)**

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**DETAILS OF THE ISSUE**

*[All capitalised terms used in this Supplemental PTC shall, unless otherwise defined herein, have the same meaning ascribed to it in the Master Lodgement Form for MTN Programme (“Master Lodgement Form”), where relevant]*

- (1) Issue 3 Description** : The MTNs under the MTN Programme which will be secured by Secured Properties – Issue 3 (as defined hereinafter in the section entitled “*Details of security/collateral pledged*”) (“**Issue 3**”) shall be issued as follows:
- (a) MTNs to be issued under Issue 3 which may comprise:-
    - (i) unrated Tranche(s) (“**MTN Tranche(s)**”); and
    - (ii) one or more Series under the relevant MTN Tranches (“**MTN Series**”),all to be determined and agreed between the Issuer and CIMB Investment Bank Berhad (as the lead manager for Issue 3) (“**LM**”) prior to issuance.
  - (b) Issue 3 shall be named in accordance with the naming convention stipulated in the Master Lodgement Form; and
  - (c) Issue 3 and the respective tranches stipulated thereunder shall have the ranking ascribed to it in the Master Lodgement Form.

Unless otherwise specifically described in this Supplemental PTC, all other terms and conditions as stated in the Master Lodgement Form lodged with the Securities Commission Malaysia (“**SC**”) shall be deemed incorporated into this Supplemental PTC as if the same were expressly set out herein.

- (2) Issue size (RM)** : **Size of each Tranche(s) under Issue 3**

The size of each issuance of each MTN Tranche(s) under Issue 3 (collectively, the “**Tranche(s)**”) will be determined and mutually agreed between the Issuer and the LM prior to issuance of such Tranche(s) and

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set out in the relevant Transaction Documents (“**Initial Size**”).

After the first issuance of the MTNs under Issue 3, and upon written request by the Issuer supported by valuation report(s) of the Secured Properties – Issue 3, the Issuer may issue additional MTNs under Issue 3 for such nominal value exceeding the Initial Size, as agreed between the Issuer, the LM and the holders of MTNs under Issue 3.

- (3) **Tenure of Issue 3** : Each MTNs issued under Issue 3 shall have an expected tenure (“**Expected Tenure**”) of more than one (1) year and up to seven (7) years from the date of issuance, and legal tenure (“**Legal Tenure**”) of more than three (3) years and up to nine (9) years provided always that the last day of the Legal Tenure (“**Legal Maturity Date**”) shall fall on the date which is two (2) years after the last date of the Expected Tenure (“**Expected Maturity Date**”) and which shall be determined and agreed between the Issuer, the REIT Trustee and the LM prior to issuance and stated in the relevant Transaction Documents).
- (4) **Availability period for Issue 3** : Issue 3 under the MTN Programme is available for issuance upon completion of the Transaction Documents and fulfilment of all conditions precedent for Issue 3 to the satisfaction of the LM (unless otherwise waived or deferred by the LM).
- (5) **Clearing and settlement platform** : Bank Negara Malaysia (“**BNM**”).
- (6) **Mode of issue** :
  - Book running
  - Bought deal
  - Direct placement
  - Private placement
- (7) **Selling restriction** : **Selling Restrictions at issuance:**

The MTNs under the MTN Programme may only be offered, sold, transferred or otherwise disposed directly or indirectly to persons falling within the relevant category of the persons specified in Section 2(6) of the Companies Act 2016, as may be amended and/or substituted from time to time (“**Companies Act**”), and persons to whom an offer or invitation to subscribe the MTNs may be made and to whom the

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MTNs are issued falling within Part I of Schedule 6 (or Section 229(1)(b)) of the Capital Markets and Services Act 2007 as amended from time to time (“**CMSA**”); and Part I of Schedule 7 (or Section 230(1)(b) of the CMSA), to be read together with Schedule 9 or Section 257(3) of the CMSA and does not constitute an offer to the public within the categories specified in Section 2(6) of the Companies Act and subject to any law, order, regulation or official directive of BNM and/or the SC from time to time.

**Selling Restrictions thereafter:**

The MTNs under the MTN Programme may only be offered, sold, transferred or otherwise disposed directly or indirectly to persons to whom an offer or invitation to purchase the MTNs falling within the relevant category of the persons specified in Section 2(6) of the Companies Act, and persons to whom an offer or invitation to purchase the MTNs falling within Part I of Schedule 6 (or Section 229(1)(b)) of the CMSA to be read together with Schedule 9 (or Section 257(3)) of the CMSA and does not constitute an offer to the public under Section 2(6) of the Companies Act and subject to any applicable law, order, regulation or official directive of BNM and/or the SC from time to time.

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| (8) <b>Tradability and transferability</b>        | :    Tradable and transferable.  |
| (9) <b>Details of security/collateral pledged</b> | :    For the purpose of this Supplemental PTC, the “ <b>Secured Properties – Issue 3</b> ” shall refer to, collectively:-  |
|   | (a) <b>KIPMall Kota Warisan</b> , all that piece(s) of freehold land held under issue document of title GRN 336020, Lot No. 109945, Mukim of Dengkil, District of Sepang, State of Selangor, measuring 41,048 square metres together with a one and a half (1½)-storey retail centre comprising a single storey commercial centre with a mezzanine floor, a drive-thru fast food restaurant, a refuse chamber and a bin centre with a total gross floor area of 28,015.71 square metres erected thereon, more particularly described and identified in the conditional sale and purchase agreement |

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dated 16 June 2023 and made between Cahaya Serijaya Sdn Bhd (“**Vendor**”) and the REIT Trustee on behalf of KIP REIT as purchaser (“**SPA**”, which expression shall include any further variation thereof and any other document executed supplemental thereto);

- (b) **KIPMall Kota Tinggi**, all that piece(s) of freehold land held under issue document of title GRN 353762, Lot 28861, Mukim of Kota Tinggi, District of Kota Tinggi, Johor Darul Takzim together with a single-storey retail centre with a mezzanine floor with 196 numbers of car park bays erected thereon;
- (c) **KIPMall Melaka**, all that piece(s) of leasehold land held under issue document of title PN61677, Lot No 19541 (formerly known as HSD76142, PT6786), Mukim of Bachang, District of Melaka Tengah, Melaka together with a two-storey retail centre with 521 numbers of car park bays erected thereon; and
- (d) **Teju Logistics**, all that piece(s) of leasehold land held under issue document of title H.S.(D) 163577, PT 154141, Mukim of Klang, District of Klang, State of Selangor together with industrial premises accommodating a single storey factory/warehouse, guard house, pump house and refuse chamber erected thereon.

**Note:**

- 1. The creation of a third party first ranking legal charge over KIPMall Kota Warisan by the REIT Trustee in favour of the Security Trustee is subject to the release of the existing security created in favour of a third party. Pending that:-
  - (a) the Security Trustee will lodge a private caveat over KIPMall Kota Warisan;
  - (b) the REIT Trustee shall assign its rights, titles, benefits and interests in the SPA (including supplementals made thereto); and

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- (c) the REIT Trustee shall create a specific debenture over KIPMall Kota Warisan in favour of the Security Trustee.
- 2. The creation of a third party first ranking legal charge over KIPMall Kota Tinggi by the REIT Trustee in favour of the Security Trustee is subject to the release of the existing security created pursuant to the relevant existing financing. Pending that:-
  - (a) the Security Trustee will lodge a private caveat over KIPMall Kota Tinggi; and
  - (b) the REIT Trustee will create a specific debenture over KIPMall Kota Tinggi in favour of the Security Trustee.
- 3. The creation of a third party first ranking legal charge over Teju Logistics by the REIT Trustee in favour of the Security Trustee is subject to the receipt of the state consent to charge. Pending that:-
  - (a) the Security Trustee will lodge a private caveat over Teju Logistics; and
  - (b) the REIT Trustee will create a specific debenture over Teju Logistics in favour of the Security Trustee.

The Issue 3 shall be secured, inter-alia by the following:-

- (a) a third party first ranking legal charge by the REIT Trustee over KIPMall Kota Warisan in favour of the Security Trustee (“**Land Charge (KIPMall Kota Warisan - Issue 3)**”);
- (b) a third party first ranking legal charge by the REIT Trustee over KIPMall Kota Tinggi in favour of the Security Trustee (“**Land Charge (KIPMall Kota Tinggi - Issue 3)**”);
- (c) a third party first ranking legal charge by the REIT Trustee over KIPMall Melaka in favour of the Security Trustee (“**Land Charge (KIPMall Melaka - Issue 3)**”);

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- (d) a third party first ranking legal charge by the REIT Trustee over Teju Logistics in favour of the Security Trustee (**“Land Charge (Teju Logistics - Issue 3)”**);
- (e) a specific debenture over KIPMall Kota Warisan in favour of the Security Trustee (**“Specific Debenture (KIPMall Kota Warisan - Issue 3)”**);
- (f) a specific debenture over KIPMall Kota Tinggi in favour of the Security Trustee (**“Specific Debenture (KIPMall Kota Tinggi - Issue 3)”**);
- (g) a specific debenture over KIPMall Melaka in favour of the Security Trustee (**“Specific Debenture (KIPMall Melaka - Issue 3)”**);
- (h) a specific debenture over Teju Logistics in favour of the Security Trustee (**“Specific Debenture (Teju Logistics - Issue 3)”**);
- (i) an undertaking from the REIT Manager in favour of the Trustee and the Security Trustee (**“REIT Manager’s Letter of Undertaking (Issue 3)”**), amongst others:
  - (i) to deposit all rental cash flows, deposits and other income, in relation to the Secured Properties – Issue 3 and any proceeds generated from the Secured Properties - Issue 3 into the respective Individual Collection Accounts – Issue 3;
  - (ii) to deposit all claims from bank guarantee in respect of the tenants’ or lessees’ obligations in relation to the Secured Properties – Issue 3 into the respective Individual Collection Accounts – Issue 3;
  - (iii) to deposit all net proceeds from the disposal of the Secured Properties – Issue 3 and all insurance claim proceeds in relation to the Secured Properties – Issue 3 into the Proceeds Account – Issue 3 (as described below);

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- (iv) to maintain the Security Cover Ratio (as described below) of not less than 1.50 times at all times;
  - (v) to maintain the Gearing Ratio of not more than 0.4 times at all times;
  - (vi) that it shall not make or permit to make any withdrawal from the Designated Accounts – Issue 3 (as defined hereinafter) for the declaration of any income distributions to KIP REIT’s unitholders, if:
    - (1) an Event of Default and/or Trigger Event under Issue 3 has occurred and is continuing or will occur as a result of such payment or distribution; or
    - (2) the Financial Covenants under Issue 3 are not met prior to and/or will not be met after such distribution;
  - (vii) to procure the necessary state authority consent in relation to the relevant Secured Properties - Issue 3 having expressed restriction of interest (in terms of creation of charge, with respect to the issue document of title) in accordance with the stipulated timeline; and
  - (viii) in the case where the creation of legal charge or charges over the Secured Properties - Issue 3 are subject to existing charge(s) in favour of the existing chargee(s), to present the charge over the Secured Properties - Issue 3 in favour of the Security Trustee within the stipulated timeline;

for the avoidance of doubt, nothing in the above shall restrict the REIT Trustee and the REIT Manager from paying the income distributions to the unitholders of KIP REIT using monies from other accounts of the REIT Trustee and/or the REIT Manager which are

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not assigned and/or charged to secure Issue 3;

- (j) an undertaking from the REIT Trustee in favour of the Trustee and the Security Trustee (**“REIT Trustee’s Letter of Undertaking (Issue 3)”**), amongst others, to perform all its obligations and comply with all the covenants and undertakings under the MTN Programme and Issue 3;
- (k) an undertaking from the REIT Trustee in favour of the Issuer (**“REIT Trustee’s Letter of Undertaking 2 (Issue 3)”**), amongst others, to pay to the Issuer an amount sufficient to redeem the MTNs of Issue 3 following a Trigger Event or an Event of Default or on the Expected Maturity Date;
- (l) first ranking legal charge and assignment in favour of the Security Trustee over all rights, titles, interest and benefit in and under the Designated Accounts – Issue 3 (as defined hereinafter in the section entitled *“Details of Designated Accounts”*) (i.e. third party legal assignment and charge by the REIT Trustee over the Master Collection Account – Issue 3, Individual Collection Accounts – Issue 3, Proceeds Account – Issue 3 and Operations Account – Issue 3 (**“Assignment and Charge of REIT Trustee’s Designated Accounts (Issue 3)”**); and first party legal assignment and charge by the Issuer over the DSRA – Issue 3 (**“Assignment and Charge of Issuer’s Designated Account (Issue 3)”**);
- (m) third party legal assignment in favour of the Security Trustee over all the REIT Trustee’s rights, titles, interest and benefit in and under the SPA (**“Assignment of Sale and Purchase Agreement (Issue 3)”**);
- (n) third party legal assignment in favour of the Security Trustee over all the REIT Trustee’s rights, titles, interest and benefit in and under the tenancy agreements and/or lease agreements and/or like agreements in relation to the Secured Properties – Issue 3, and/or as



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the case may be, the letting and/or leasing of the Secured Properties - Issue 3 (including without limitation any and all consideration and/or proceeds of sale and/or rental payable thereunder), provided that for the assignment which requires consent from the relevant counterparty, the REIT Trustee is able to obtain such consent from the relevant counterparty. In the event the REIT Trustee is unable to obtain consent from the relevant counterparty for such assignment despite best effort by the REIT Trustee to the satisfaction of the Security Trustee, the REIT Trustee shall assign all the REIT Trustee’s rights, titles, interest and benefit in and under the proceeds arising from the tenancy agreements and/or lease agreements and/or like agreements in relation to the Secured Properties – Issue 3 and/or as the case may be, the letting and/or leasing of the Secured Properties – Issue 3 including the rights to claim, take legal action and recover such proceeds from the counterparty (**“Assignment of Tenancy Agreements (Issue 3)”**).

For the avoidance of doubt, notwithstanding the foregoing assignment, the relevant documentation shall make provisions for circumstances where the REIT Trustee shall be permitted to utilise monies received from tenancy/lease/income/like agreements that are subject to refund;

- (o) third party legal assignment in favour of the Security Trustee over all the REIT Trustee’s rights, titles, interest and benefit in and under the insurance policies in relation to the Secured Properties - Issue 3 (**“Assignment of Insurances (Issue 3)”**).

For the avoidance of doubt, notwithstanding the foregoing assignment, the relevant documentation shall make provisions for circumstances where the REIT Trustee shall be permitted to utilise monies received from third party insurance policies that are to be paid to third parties;

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- (p) an irrevocable Power of Attorney to be granted by the REIT Trustee in favour of the Security Trustee to deal with matters including without limitation to the application for subdivision (if any), the collection of title on behalf of REIT Trustee, the disposal of the Secured Properties - Issue 3; and the collection of rental, the management and operation of the Secured Properties - Issue 3 upon occurrence of a Trigger Event under Issue 3 (“**Power of Attorney (Issue 3)**”); and
  - (q) first party assignment in favour of the Security Trustee over all the Issuer’s rights, titles, interest and benefit in and under the financing agreement (“**REIT Trustee Financing Agreement – Issue 3**”) entered and/or to be entered into between the Issuer and the REIT Trustee for the provision of the inter-company loan from the Issuer to the REIT Trustee using the proceeds raised from Issue 3 (“**Assignment of REIT Trustee Financing Agreement (Issue 3)**”).

The security for Issue 3 is referred to as “**Issue 3 Security**”.

**(10) Details of covenants : Positive Covenants**

All positive covenants under the Master Lodgement Form shall be applicable to Issue 3. In addition, any other positive covenants as may be advised by the Solicitor to be mutually agreed between the LM, the Issuer and the REIT Trustee, including but not limited to the following positive covenants shall also be applicable to Issue 3:

**(A) In respect of the Issuer**

- (1) the Issuer shall deliver and/or shall procure the REIT Trustee to deliver copies of the following valuation report(s) in respect of the Secured Properties – Issue 3 to the Security Trustee as follows:-
  - (a) a full valuation report(s) prepared by the valuer at least once in every three (3) years;

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- (b) in the year where a full valuation is not done, a desktop valuation;
- (2) the Issuer shall provide and/or shall procure the REIT Trustee to provide to the Trustee:-
  - (a) a yearly budget for the Secured Properties - Issue 3; and
  - (b) the tenancy and leasing status report on the aforesaid Secured Properties - Issue 3 on a half yearly basis;
- (3) the Issuer shall deliver and/or shall procure the REIT Trustee to deliver to the Trustee and the Security Trustee half-yearly tenancy and leasing status report and the management account on the Secured Properties – Issue 3, which shall include the details on the tenants, the space leased out, tenure of lease, amount of deposit collected and lease rental amount, within two (2) months after the end of each financial half year of KIP REIT or as and when the Trustee and/or the Security Trustee may reasonably request subject to confidentiality; and
- (4) the Issuer shall ensure that the conditions subsequent in relation to Issue 3 are complied with in accordance with the terms and conditions of Issue 3 or the MTN Programme.

**(B) In respect of the REIT Trustee**

- (1) the REIT Trustee shall notify or cause to notify the Trustee in writing promptly (and in any event within three (3) business days from the date the REIT Trustee is aware) in the event of:-
  - (a) any breach or disputes arises or claims made under the SPA; or
  - (b) any extension of time, forbearance or indulgence granted under the SPA; or

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- (c) the SPA is terminated for any reason whatsoever; or
  - (d) any variation to the terms of SPA and the REIT Trustee shall deliver to the Security Trustee the original supplemental SPA (with a copy to the Trustee) immediately upon execution of the same by the parties thereto; or
  - (e) any land acquisition by the governmental authority which will affect the Secured Properties – Issue 3;
- (2) the REIT Trustee shall comply with the terms and conditions of the SPA;
- (3) the REIT Trustee shall ensure that the conditions subsequent in relation to Issue 3 are complied with in accordance with the terms and conditions of Issue 3 or the MTN Programme; and
- (4) in the event any of the tenancy agreements and/or lease agreements of any Secured Properties – Issue 3 is expired, terminated, repudiated or rescinded by any party thereto, the REIT Trustee shall, as soon as practicable, together with the REIT Manager and on best effort basis:-
  - (a) cause such vacant unit(s) to be replaced or substituted with a new tenancy agreement and/or lease agreement on terms which are similar in substance and no less favourable to the REIT Trustee; and
  - (b) deliver to the Security Trustee (with a copy to the Trustee), a certified true copy of the new tenancy agreement and/or lease agreement.

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**(C) In respect of the REIT Manager**

- (1) the REIT Manager shall maintain in full force and effect all relevant authorisations, consents, rights, licences, approvals and permits (governmental and otherwise) and will promptly obtain any further authorisations, consents, rights, licences, approvals and permits (governmental and otherwise) which is or may become necessary to enable the REIT Manager to manage the Secured Properties – Issue 3; and
- (2) the REIT Manager shall remain as the manager of KIP REIT.

**Negative Covenants**

All negative covenants under the Master Lodgement Form shall be applicable to Issue 3. In addition, any other negative covenants as may be advised by the Solicitor to be mutually agreed between the LM, the Issuer and the REIT Trustee, including but not limited to the following shall also be applicable to Issue 3:

**(A) In respect of the Issuer**

- (1) the Issuer shall not charge, pledge, assign or otherwise create or permit to exist any security interest over the whole or any part of the Issue 3 Security, which shall include but not limited to the Secured Properties – Issue 3, and present or future revenues of the Secured Properties – Issue 3, except:-
  - (a) security interest created in connection with liabilities which are subject to liens or rights of set off arising in the normal course of business;
  - (b) security interest created in connection with liabilities which are preferred solely by the laws of Malaysia and not by reason of any security interest; or
  - (c) security interest created or to be created to secure Issue 3 under the MTN Programme; and

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- (2) the Issuer shall not add, extend, vary or otherwise modify any conditions subsequent for Issue 3.

**(B) In respect of the REIT Trustee**

- (1) the REIT Trustee shall not charge, pledge, assign or otherwise create or permit to exist any security interest over the whole or any part of the Issue 3 Security, which shall include but not limited to the Secured Properties – Issue 3, and present or future revenues of the Secured Properties – Issue 3, except:-

- (a) any liens arising by operation of law and in the ordinary course of business and not by way of contract; and
- (b) those disclosed to and consented by the LM, the Trustee and/or identified investors (as the case may be) prior to an issuance of Issue 3; and

- (2) the REIT Trustee shall not:-

- (a) terminate the SPA for any reason whatsoever (unless due to the expiry or completion of the SPA);
- (b) waive or agree to waive any breach or potential breach under the SPA by the Vendor;
- (c) consent to any novation of the SPA;
- (d) vary or agree to vary any terms in the SPA which will have a Material Adverse Effect; and
- (e) do or omit to do any act or execute or omit to execute any document which may render the SPA to be illegal or void;

- (3) the REIT Trustee shall not:-

- (a) terminate the tenancy agreement and/or the lease agreement of any Secured Properties – Issue 3 for any reason

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whatsoever, unless such tenancy agreement and/or lease agreement is replaced or substituted with a new tenancy agreement and/or lease agreement on terms which are similar in substance and no less favourable to the REIT Trustee;

- (b) waive or agree to waive any breach or potential breach under the tenancy agreement and/or the lease agreement of any Secured Properties – Issue 3 by the counterparty(ies);
  - (c) vary or agree to vary any terms in the tenancy agreement and/or the lease agreement of any Secured Properties – Issue 3 which will have a Material Adverse Effect; and
  - (d) do or omit to do any act or execute or omit to execute any document which may render the tenancy agreement and/or the lease agreement of any Secured Properties – Issue 3 to be illegal or void;
- (4) the REIT Trustee shall not cause any insurance coverage in respect of the Secured Properties – Issue 3 to be rendered void/voidable; and
- (5) the REIT Trustee shall not add, extend, vary or otherwise modify any conditions subsequent for Issue 3.

#### **Financial Covenants**

The financial covenants for Issue 3 shall be the following which shall be calculated based on the formula prescribed in the Master Lodgement Form:

- (1) (a) the Issuer will maintain the Debt Service Cover Ratio (“**Issuer’s DSCR**”) of at least 1.50 times at all times for Issue 3; and
- (b) the REIT Trustee will maintain DSCR (“**REIT Trustee’s DSCR**”) of at least 1.50 times at all times at KIP REIT level.

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(2) the Issuer will maintain the Security Cover Ratio (“**SCR**”) of at least 1.50 times at all times for Issue 3.

(3) KIP REIT will maintain the Gearing Ratio of not more than 0.4 times at all times.

For the avoidance of doubt, the reporting of the above covenants shall be in accordance with the Master Lodgement Form.

**(11) Details of Designated Accounts**

		: The following Designated Accounts – Issue 3 will be opened by the Issuer and/or the REIT Trustee for Issue 3:	
		(a) REIT Trustee’s Designated Accounts – Issue 3	
<b>No</b>	:	1	
<b>Account Name</b>	:	Master Collection Account – Issue 3	
<b>Parties responsible for opening of account</b>	:	REIT Trustee with the financial institution(s) rated at least A2 or P1 (or its equivalent)	
<b>Parties responsible to maintain and operate account</b>	:	REIT Trustee (save and except after the declaration of an Event of Default or the occurrence of a Trigger Event, whichever is earlier, whereupon the Master Collection Account – Issue 3 shall be operated solely by the Security Trustee)	
<b>Signatories to the account</b>	:	REIT Trustee (save and except after the declaration of an Event of Default or the occurrence of a Trigger Event, whichever is earlier, whereupon the Master Collection Account – Issue 3 shall be operated solely by the Security Trustee)	



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- **Supplemental Terms and Conditions (“Supplemental PTC”) in relation to Issue 3 (in relation to KIPMall Kota Warisan, KIPMall Kota Tinggi, KIPMall Melaka, and Teju Logistics) (“Issue 3”)**

<b>Sources of funds</b>	: The following shall be deposited or cause to be deposited into the Master Collection Account – Issue 3:-  (i) all amounts standing to the credit of the respective Individual Collection Accounts – Issue 3 (as referred below) are to be deposited by the REIT Trustee; and  (ii) any excess of the Minimum Required Amount (as defined below) in the Debt Service Reserve Account – Issue 3 is to be deposited by the Security Trustee.
<b>Utilisation of funds</b>	: <u>Prior to the declaration of an Event of Default or occurrence of a Trigger Event</u>  The funds in the Master Collection Account – Issue 3 will be applied to meet the following permitted expenditure in the following order of priority:-  (a) Contributions to the Operations Account – Issue 3 as and when required by the REIT Manager, subject however to the budget for operating expenditure and capital expenditure (which exclude the capital expenditure set out in (h) below) of the Secured Properties – Issue 3 on yearly basis (“ <b>Yearly Budget</b> ”) prepared by the REIT Manager;

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	<p>(b) Refunds of tenancy/ lease/ income deposits to the relevant tenants/ lessees/ licensees/ occupiers on termination/ expiry of the relevant tenancy/lease/agreement as notified in writing by the REIT Manager;</p> <p>(c) Deposit into the Debt Service Reserve Account – Issue 3 to meet the Minimum Required Amount of Issue 3;</p> <p>(d) Fees and expenses incidental to the MTN Programme (if applicable) to be pro-rated among the outstanding Issues under the MTN Programme;</p> <p>(e) Coupon under the Issue 3 as and when due;</p> <p>(f) Nominal amount of the outstanding MTNs under the Issue 3;</p> <p>(g) All trust expenses, charges and fees in relation to KIP REIT which are permitted to be incurred by the REIT Trustee pursuant to the provision of the KIP REIT trust deed and not part of the operating expenses under (a) above. Such amounts are apportioned based on the investment property value;</p> <p>(h) Contributions to the Operations Account – Issue 3 for capital expenditure (other than</p>
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	<p>those which are deemed necessary for the upkeep of the Secured Properties – Issue 3) as and when required by the REIT Manager;</p> <p>(i) Income distribution to the KIP REIT unitholders to the extent permitted by the respective Transaction Documents of the MTN Programme; and</p> <p>(j) Permitted Investment.</p> <p>Any withdrawal of monies from the Master Collection Account – Issue 3 other than in the manner as set out above shall be subject to the consent of the Security Trustee.</p> <p><u>After declaration of an Event of Default or occurrence of a Trigger Event pending the disposal process of the Secured Properties – Issue 3</u></p> <p>The funds in the Master Collection Account – Issue 3 will be applied to meet the following permitted expenditure in the following order of priority:-</p> <p>(a) to pay any outstanding taxes, government charges, and such other statutory obligations due in relation to the Secured Properties – Issue 3;</p> <p>(b) to pay rateably and on pari passu basis or to provide for all outstanding costs, charges, expenses and liabilities incurred in relation to the MTN</p>
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	<p>Programme, amongst others the Security Trustee, the Facility Agent and Trustee in carrying out their respective duties, powers and discretions or the execution of the powers contained in the Transaction Documents, including the cost of realising any security for Issue 3;</p> <p>(c) in the event there is any shortfall in the Operations Account – Issue 3, to pay for any outstanding insurance premiums and utilities bills on the Secured Properties – Issue 3, when due and payable;</p> <p>(d) to pay rateably and on pari passu basis (based on outstanding), payment in full of:</p> <p>(i) in the case of occurrence of a Trigger Event:</p> <p>(A) any accrued and unpaid coupon under Issue 3; and</p> <p>(B) any nominal amount of the outstanding MTNs under Issue 3.</p> <p>(ii) in the case of a declaration of an Event of Default: any accrued and unpaid coupon and any nominal amount of</p>
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	the outstanding MTNs under Issue 3.  Any excess monies after the application of the priority of payments above and subject to all indebtedness under the MTN Programme shall have been fully repaid or provided for, as the case may be transferred to the Issuer/REIT Trustee or such other person as may be instructed by the Issuer/ REIT Trustee.
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<b>No</b>	:	2
<b>Account Name</b>	:	Individual Collection Account – Issue 3 (KIPMall Kota Warisan)  Individual Collection Account – Issue 3 (KIPMall Kota Tinggi)  Individual Collection Account – Issue 3 (KIPMall Melaka)  Individual Collection Account – Issue 3 (Teju Logistics)  (collectively, <b>“Individual Collection Accounts – Issue 3”</b> )
<b>Parties responsible for opening of account</b>	:	REIT Trustee with the financial institution(s) rated at least A2 or P1 (or its equivalent)
<b>Parties responsible to maintain and operate account</b>	:	REIT Trustee (save and except after the declaration of an Event of Default or the occurrence of a Trigger Event, whichever is earlier, whereupon the Individual Collection Accounts – Issue 3 shall be operated solely by the Security Trustee)

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<b>Signatories to account</b>	:	REIT Trustee (save and except after the declaration of an Event of Default or the occurrence of a Trigger Event, whichever is earlier, whereupon each of the Individual Collection Accounts – Issue 3 shall be operated solely by the Security Trustee)
<b>Sources of funds</b>	:	All revenue proceeds from each of the Secured Properties – Issue 3 (which shall include but is not limited to rental income, tenant's/ lessee's/ licensee's security/ income deposits and refund of taxes) from the letting/ leasing of the relevant Secured Properties – Issue 3 and all such other miscellaneous income in relation to the Secured Properties – Issue 3.
<b>Utilisation of funds</b>	:	<p>The REIT Trustee shall transfer and/or remit all amounts standing to the credit of the Individual Collection Accounts – Issue 3 on a weekly basis into the Master Collection Account – Issue 3 or on such other periodic intervals as may be mutually agreed between the REIT Trustee and the Security Trustee.</p> <p>The funds in the Individual Collection Accounts – Issue 3 cannot be withdrawn save and except for purposes of transfer to the Master Collection Account – Issue 3.</p>

<b>No</b>	:	3
<b>Account Name</b>	:	Proceeds Account – Issue 3

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<b>Parties responsible for opening of account</b>	:	REIT Trustee with the financial institution(s) rated at least A2 or P1 (or its equivalent)
<b>Parties responsible to maintain and operate account</b>	:	Security Trustee
<b>Signatories to account</b>	:	Security Trustee
<b>Sources of funds</b>	:	<p>The sources of funds for the Proceeds Account – Issue 3 are:</p> <p>(i) all insurance proceeds receivable by KIP REIT in respect of all or any of the Secured Properties – Issue 3; or</p> <p>(ii) net sale proceeds in respect of all or any of the Secured Properties – Issue 3 following the occurrence of a Trigger Event or the declaration of an Event of Default; or</p> <p>(iii) net sale proceeds receivable by KIP REIT in respect of all or any of the Secured Properties – Issue 3 (other than following the occurrence of a Trigger Event or the declaration of an Event of Default); or</p> <p>(iv) the refund of the proceeds from Issue 3 pursuant to:-</p> <p>(aa) the rescission of the SPA, of which such proceeds from Issue 3 are to finance or part-finance the purchase</p>

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	<p>of KIPMall Kota Warisan; and/or</p> <p>(aa) the rescission of the sale and purchase agreement of property, of which such proceeds from Issue 3 are to finance or part-finance the purchase of such property,</p> <p>where applicable; or</p> <p>(v) monies transferred from:-</p> <p>(aa) the Operations Account – Issue 3 upon completion of the disposal of all the Secured Properties – Issue 3 pursuant to the exercise of the Power of Attorney (Issue 3) upon occurrence of Trigger Event or a declaration of an Event of Default; and</p> <p>(bb) the DSRA – Issue 3 upon the completion of the disposal of all the Secured Properties – Issue 3 pursuant to the exercise of the Power of Attorney (Issue 3) upon occurrence of Trigger Event or a declaration of an Event of Default; or</p> <p>(vi) the refund by the existing financier/lender of the existing financing of the Issuer or KIP REIT (which is</p>
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		secured against KIPMall Kota Tinggi) of the issuance proceeds received by them in the event the security created over KIPMall Kota Tinggi cannot be discharge or released, if applicable ( <b>“Refunded Refinance Proceeds”</b> ).
<b>Utilisation of funds</b>	:	<p>The funds in the Proceeds Account – Issue 3 may only be withdrawn for the following purposes:-</p> <p>(a) <u>Insurance Claims</u></p> <p>(i) <u>Minor Insurance Claims</u></p> <p>In respect of insurance proceeds of RM5.0 million or less following a claim by KIP REIT and credited into the Proceeds Account – Issue 3, to make good/repair the damage, loss and/or disrepair to the Secured Properties – Issue 3 or made as compensation due to loss of business income with respect to the Secured Properties – Issue 3 (in respect of which such insurance proceeds were paid by the insurance companies) PROVIDED THAT such withdrawal must be accompanied by relevant supporting documents evidencing the</p>

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		<p>amount payable to make good/repair such damage, loss and/or disrepair to be furnished by KIP REIT and acceptable to the Security Trustee;</p> <p>(ii) <u>Major Insurance Claims</u></p> <p>In respect of insurance proceeds of more than RM5.0 million following a claim by KIP REIT and credited into the Proceeds Account – Issue 3, subject to the consent of the Security Trustee, to make good/repair the damage, loss and/or disrepair to the Secured Properties – Issue 3 or made as compensation due to loss of business income with respect to the Secured Properties – Issue 3 (in respect of which such insurance proceeds were paid by the insurance companies) PROVIDED THAT such withdrawal must be accompanied by relevant supporting documents evidencing the amount payable to make good/repair such damage, loss and/or disrepair to be furnished by KIP REIT</p>
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**KIP REIT Capital Sdn Bhd (“Issuer”)  
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Programme”)**

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		and acceptable to the Security Trustee;
		(b) <u>Sale of Secured Properties – Issue 3 following occurrence of Trigger Event or declaration of an Event of Default</u>
		Upon receipt of 100% of the net proceeds of disposal of any of the Secured Properties – Issue 3 arising from the occurrence of a Trigger Event or the declaration of an Event of Default deposited into the Proceeds Account – Issue 3 shall be applied in the following order of priority:-
		(i) to pay any outstanding taxes, government charges and such other statutory obligations due in relation to the Secured Properties – Issue 3;
		(ii) to pay rateably and on pari passu basis or to provide for all outstanding costs, charges, expenses and liabilities incurred in relation to the MTN Programme, amongst others the Security Trustee, the Facility Agent and Trustee in carrying out their respective duties, powers and discretions or the execution of the

**KIP REIT Capital Sdn Bhd (“Issuer”)  
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		<p>powers contained in the Transaction Documents including the cost of realising any security of Issue 3;</p> <p>(iii) in the event there is any shortfall in the Operations Account – Issue 3, to pay for any outstanding insurance premiums and utilities bills on the Secured Properties – Issue 3 and the remaining undisposed Secured Properties – Issue 3 (if any) when due and payable;</p> <p>(iv) to pay rateably and on pari passu basis (based on outstanding), payment in full of:</p> <p>(A) in the case of occurrence of a Trigger Event:</p> <p>(aa) any accrued and unpaid coupon under Issue 3; and</p> <p>(bb) any nominal amount of the outstanding MTNs under Issue 3;</p>
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		<p>(B) in the case of a declaration of an Event of Default: any accrued and unpaid coupon and any nominal amount of the outstanding MTNs under Issue 3.</p> <p>(c) <u>Sale of Secured Properties – Issue 3 by KIP REIT (other than pursuant to a Trigger Event or an Event of Default)</u></p> <p>In the event of a sale of the Secured Properties – Issue 3 of which the net proceeds of sale is sufficient to redeem in full, the outstanding MTNs (including the principal amount together with all accrued and unpaid coupon (if any)) of Issue 3 at the redemption amounts, the net proceeds of sale shall be applied on a pari passu basis, towards redemption and/or early redemption of the outstanding MTNs of Issue 3 under the MTN Programme.</p> <p>(d) <u>Rescission of SPA and/or sale and purchase agreement of property</u></p> <p>In the event any MTN of Issue 3 for the purpose of financing or part-financing the purchase of KIPMall Kota Warisan or such other property(ies) and such purchase is</p>
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**KIP REIT Capital Sdn Bhd (“Issuer”)  
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		<p>subsequently aborted pursuant to the rescission of the SPA or the relevant sale and purchase agreement, in such circumstances, on pari passu basis, to early redeem the outstanding MTNs of Issue 3.</p> <p>(e) <u>Refunded Refinance Proceeds</u></p> <p>In the event the security created over KIPMall Kota Tinggi in favour of the existing financier/lender of the existing financing of the Issuer or KIP REIT (which is secured against KIPMall Kota Tinggi) cannot be discharged or released, in such circumstances, on pari passu basis, to early redeem the outstanding MTNs of Issue 3.</p> <p>(f) <u>Monies transferred from the Operations Account – Issue 3 and the DSRA – Issue 3</u></p> <p>Upon receipt of the monies transferred from:-</p> <p>(aa) the Operations Account – Issue 3 upon completion of the disposal of all the Secured Properties – Issue 3 pursuant to the exercise of the Power of Attorney (Issue 3) upon occurrence of Trigger Event or a</p>
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	<p>declaration of an Event of Default; and</p> <p>(bb) the DSRA – Issue 3 upon the completion of the disposal of all the Secured Properties – Issue 3 pursuant to the exercise of the Power of Attorney (Issue 3) upon occurrence of Trigger Event or a declaration of an Event of Default,</p> <p>such monies shall be applied in the order of priority set out in (b)(i), (b)(ii) and (b)(iv) above.</p> <p>Any excess monies after the application of the priority of payments above and subject to all indebtedness under the MTN Programme (based on its priority ranking) shall have been fully repaid or provided for (as the case may be), shall be transferred to the Issuer/ REIT Trustee or such other person entitled thereto.</p>
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<b>No</b>	:	4
<b>Account Name</b>	:	Operations Account – Issue 3
<b>Parties responsible for opening of account</b>	:	REIT Trustee with the financial institution(s) rated at least A2 or P1 (or its equivalent)
<b>Parties responsible</b>	:	REIT Manager (save and except after the declaration of an Event

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<b>to maintain and operate account</b>		of Default or the occurrence of a Trigger Event, whichever is earlier, whereupon the Operations Account – Issue 3 shall be operated solely by the Security Trustee)
<b>Signatories to account</b>	:	REIT Manager (save and except after the declaration of an Event of Default or the occurrence of a Trigger Event, whichever is earlier, whereupon the Operations Account – Issue 3 shall be operated solely by the Security Trustee)
<b>Sources of funds</b>	:	<p>Funds will be transferred into the Operations Account – Issue 3 from the Master Collection Account – Issue 3 as and when required by the REIT Manager subject however to the Yearly Budget.</p> <p>The REIT Manager shall prepare a Yearly Budget.</p> <p>Any variation of ten per cent (10%) or higher above the Yearly Budget shall require the approval of the Security Trustee.</p>
<b>Utilisation of funds</b>	:	<p>The funds in the Operations Account – Issue 3 will be applied to meet the Secured Properties – Issue 3’s projected operating expenditure (including the statutory obligations required for the Secured Properties – Issue 3) and capital expenditure.</p> <p>For the avoidance of doubt, payment for operating expenditure shall rank ahead of payment for capital expenditure, unless such capital expenditure</p>



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	<p>is deemed necessary for the upkeep of the Secured Properties – Issue 3 or not related to asset enhancement initiatives.</p> <p>Balances standing to the credit of the Operations Account – Issue 3 at the end of each month (if any) shall remain in the account until the end of the then prevailing Yearly Budget (“<b>Ending Balance</b>”).</p> <p>Such amounts that are required to pay for accruals and other operating expenditure and capital expenditure relating to the said period shall then be set aside (“<b>Accrued Amount</b>”) in the Operations Account – Issue 3. The difference between the Ending Balance and the Accrued Amount shall be referred to as the “<b>Surplus Amount</b>”.</p> <p>Pursuant to the next Yearly Budget, the first transfer of funds from the Master Collection Account – Issue 3 for the next yearly period shall be net-of the Surplus Amount (i.e. the budgeted transfer amount for the next yearly period less the Surplus Amount shall be equal to the actual amount of funds to be transferred).</p> <p>Funds held in the Operations Account – Issue 3 may be utilised for investments in Permitted Investments, provided always that such Permitted Investments shall mature and the proceeds be remitted into the Operations Account – Issue 3 no later than</p>
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	<p>five (5) business days before any payment obligations become due and payable.</p> <p>Upon completion of the disposal of all the Secured Properties – Issue 3 pursuant to the exercise of the Power of Attorney (Issue 3) upon occurrence of Trigger Event or a declaration of an Event of Default, the funds in the Operations Account – Issue 3 shall be transferred to the Proceeds Account – Issue 3.</p>
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**(b) Issuer’s Designated Account – Issue 3**

<b>No</b>	:	5
<b>Account Name</b>	:	Debt Service Reserve Account – Issue 3 (“ <b>DSRA – Issue 3</b> ”)
<b>Parties responsible for opening of account</b>	:	Issuer with the financial institution(s) rated at least A2 or P1 (or its equivalent)
<b>Parties responsible to maintain and operate account</b>	:	Security Trustee
<b>Signatories to account</b>	:	Security Trustee
<b>Sources of funds</b>	:	Monies transferred from Master Collection Account – Issue 3 for the purpose of meeting the Minimum Required Amount in accordance with the permitted utilization as stated therein.

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<b>Utilisation of funds</b>	<p><b>: “Minimum Required Amount”</b> shall mean at any time, the amount equivalent to:-</p> <p>(a) in case of fixed coupon rate, any of the following (either (A) or (B) below, whichever is applicable); or</p> <p>(b) in case of floating coupon rate, any of the following (either (A) or (B) below, whichever is applicable).</p> <p>(A) Upon issuance of the MTNs and prior to Trigger Event</p> <p>Six (6) months' equivalent of coupon payable under the MTNs of Issue 3.</p> <p>(B) Upon the occurrence of a Trigger Event</p> <p>As soon as practicable, to top up the Minimum Required Amount balance to the amount equivalent to twelve (12) months' aggregate coupon payable.</p> <p>Prior to the occurrence of a Trigger Event or the declaration of an Event of Default, the funds in the DSRA – Issue 3 shall be utilized for the following permitted purposes:-</p> <p>(a) meeting the Issuer's payment obligations in respect of the coupon due and payable in the event there is insufficient funds in the Master Collection Account – Issue 3 to make such payment when such payment is due; and</p>
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		<p>(b) investments in Permitted Investments.</p> <p>In the event that the Minimum Required Amount requirement is being satisfied with cash equivalent to such amount and the balance held in the DSRA – Issue 3 is less than/exceeds the Minimum Required Amount, the shortfall/excess shall be topped up from/released to the Master Collection Account – Issue 3 (as the case may be).</p> <p>Any non-compliance of the Minimum Required Amount which is not remedied within a period of ten (10) business days from the date of the Minimum Required Amount is to be deposited, will lead to a Trigger Event and not an Event of Default.</p> <p>Upon completion of the disposal of all the Secured Properties – Issue 3 pursuant to the exercise of the Power of Attorney (Issue 3) upon occurrence of Trigger Event or a declaration of an Event of Default, the funds in the DSRA – Issue 3 shall be transferred to the Proceeds Account – Issue 3.</p>
<b>(12)</b>	<b>Name of credit rating agency and credit rating</b>	: Issue 3 shall be unrated.
<b>(13)</b>	<b>Conditions Precedent for Issue 3</b>	: In addition to the conditions precedent for issuance of the Relevant Issue stated in the Master Lodgement Form, the conditions precedent for the first issuance under Issue 3 shall also include the following:- <ul style="list-style-type: none"> <li>(1) the Deed of Covenant for Issue 3 shall have been duly executed by the parties thereto, endorsed as exempted from stamp duty and</li> </ul>

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presented for registration with the relevant authority, if applicable;

- (2) the following security documents for Issue 3 Security have been duly executed by the parties thereto and endorsed as exempted from stamp duty:-

- a) the Specific Debenture (KIPMall Kota Warisan – Issue 3);
- b) the Specific Debenture (KIPMall Kota Tinggi – Issue 3);
- c) the Specific Debenture (KIPMall Melaka – Issue 3);
- d) the Specific Debenture (Teju Logistics – Issue 3);
- e) the REIT Manager’s Letter of Undertaking (Issue 3);
- f) the REIT Trustee’s Letter of Undertaking (Issue 3);
- g) the REIT Trustee’s Letter of Undertaking 2 (Issue 3);
- h) the Assignment and Charge over REIT Trustee’s Designated Accounts (Issue 3);
- i) the Assignment and Charge over Issuer’s Designated Account (Issue 3);
- j) the Assignment of Sale and Purchase Agreement (Issue 3);
- k) the Assignment of Tenancy Agreements (Issue 3);
- l) the Assignment of Insurances (Issue 3);
- m) the Assignment of REIT Trustee Financing Agreement (Issue 3); and
- n) the Power of Attorney (Issue 3);

- (3) the notice of assignment of the following security documents have been served by the Issuer and the REIT Trustee on the relevant counterparty, and the acknowledgement of such notice of assignment has been received by the Security Trustee:-

- a) the Assignment and Charge over REIT Trustee’s Designated Accounts (Issue 3);
- b) the Assignment and Charge over Issuer’s Designated Account (Issue 3);
- c) the Assignment of Sale and Purchase Agreement (Issue 3);

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- d) the Assignment of Insurances (Issue 3) in respect of KIPMall Melaka and Teju Logistics; and
  - e) the Assignment of REIT Trustee Financing Agreement (Issue 3);
- (4) a private caveat in favour of the Security Trustee shall have been lodged on the Secured Properties – Issue 3, if applicable;
  - (5) documentary evidence showing that application for consent from the state authority for the Land Charge (Teju Logistics - Issue 3) has been made;
  - (6) the original issue document of title in respect of KIPMall Melaka and Teju Logistics shall be deposited with the Solicitor;
  - (7) the receipt of land search result over the Secured Properties – Issue 3;
  - (8) in relation to KIPMall Kota Tinggi, the receipt of undertaking and redemption letter from the existing financier/lender of the existing financing of the Issuer or KIP REIT (which is secured against KIPMall Kota Tinggi), confirming the redemption amount, and its undertaking to release the original issue document of title and valid and registrable discharge documents in respect of KIPMall Kota Tinggi to the Solicitors upon full repayment/settlement, in form and substance acceptance to the LM;
  - (9) in relation to KIPMall Kota Warisan, the receipt by the LM of the following:-
    - (a) a copy of the duly executed, stamped and registrable memorandum of transfer (“**MOT**”) in favour of the REIT Trustee together with all relevant documents, fees and penalty (if any) for the presentation of the MOT under the provisions of the National Land Code (Revised 2020);
    - (b) a certified true copy of the SPA;

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- (c) documentary evidence confirming *inter alia* the total purchase consideration, the deposit amount and/or the outstanding purchase consideration and all other costs and expenses payable in connection with the acquisition of KIPMall Kota Warisan;
- (d) documentary evidence confirming that the differential sum between the total purchase price and the proceeds of the issuance has been paid or to be paid concurrently with the issuance proceeds of the first issuance under Issue 3 by or on behalf of the REIT Trustee;
- (e) an undertaking to the Security Trustee in form and substance acceptable to the LM:-
  - (i) from the Vendor, to refund fully the issuance proceeds released to the Vendor or to hold KIPMall Kota Warisan on trust for the REIT Trustee, as the case may be, in the event the transfer of KIPMall Kota Warisan in favour of the REIT Trustee cannot be registered for any reason whatsoever attributable to the Vendor; and/or
  - (ii) from the Vendor’s financier, to refund fully the issuance proceeds released to the Vendor’s financier, in the event the security created over KIPMall Kota Warisan cannot be discharged or released;
- (f) the original redemption statement and undertaking from the existing lender or financier of the Vendor, addressed to the Facility Agent and the Security Trustee in respect of the existing facility and undertaking to, amongst others, deliver the discharge documents in relation to the existing facility and all other relevant documents to register the

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discharge of charge following payment of the redemption sum, in form and substance acceptable to the LM;

- (g) certified true copy of the REIT Trustee’s board of director’s resolution and the shareholders’ resolution, if required, for the acquisition of KIPMall Kota Warisan;
  - (h) certified true copy of the Vendor’s board of director’s resolution, the shareholders’ resolution, if required, and all relevant constitutional documents of the Vendor; and
  - (i) legal opinion from the solicitor acting for the REIT Trustee in relation to the legality, validity and enforceability of the SPA and that all conditions precedent of the SPA have been duly fulfilled and the SPA has become unconditional;
- (10) the receipt of a tenancy listing in respect to KIPMall Kota Tinggi, KIPMall Melaka and Teju Logistics and a certified true copy of the lease agreement / tenancy agreement of all the lessee / tenant of KIPMall Kota Tinggi, KIPMall Melaka and Teju Logistics;
  - (11) the LM shall have received the documentary evidence showing that authorisations/instructions have been issued by the REIT Trustee to the account bank to transfer all amounts standing to the credit of each of the Individual Collection Accounts – Issue 3 to the Master Collection Account – Issue 3 on weekly basis;
  - (12) the receipt of valuation reports (which are dated no more than one (1) year prior to the proposed issue date) of the Secured Properties – Issue 3 in form and substance acceptable to the LM and the liabilities are to be extended to the LM and the primary subscriber of Issue 3;
  - (13) evidence that all the transaction fees, costs and expenses in relation to the first issuance of the Issue 3 have been paid or will be paid in full; and



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- (14) such other conditions precedent as advised by the Solicitors and mutually agreed between the LM and the Issuer, and will be set out in the relevant Transaction Documents.

**Conditions Subsequent in respect of the first issuance under Issue 3 (“Tranche 1 CSs”)**

- (1) Within three (3) months from the date of the subscription agreement in respect of the first issuance under Issue 3, the receipt of the following:-
- (a) documentary evidence that the Land Charge (KIPMall Kota Warisan - Issue 3), the Land Charge (KIPMall Kota Tinggi - Issue 3), the Land Charge (KIPMall Melaka - Issue 3) and the Land Charge (Teju Logistics - Issue 3) have been executed, endorsed as exempted from stamp duty and presented for registration at the relevant authority(ies);
  - (b) documentary evidence that the consent from the state authority for the Land Charge (Teju Logistics - Issue 3) has been obtained;
  - (c) documentary evidence that the relevant notice of assignment of the Assignment of Insurances (Issue 3) in respect of KIPMall Kota Warisan and KIPMall Kota Tinggi have been served by the REIT Trustee on the relevant counterparty;
  - (d) documentary evidence that the relevant notice of assignment of the Assignment of Tenancy Agreements (Issue 3) have been served by the REIT Trustee on the relevant counterparty;
  - (e) documentary evidence that the acknowledgement of the notice of assignment of the Assignment of Insurances (Issue 3) in respect of KIPMall Kota Warisan and KIPMall Kota

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Tinggi have been received by the Security Trustee;

- (f) documentary evidence that the acknowledgement of the notice of assignment of the Assignment of Tenancy Agreements (Issue 3) in respect of the tenancy agreements by tenants comprising the top 50% of revenue contributors of KIPMall Kota Warisan, KIPMall Kota Tinggi and KIPMall Melaka respectively and 100% of revenue contributor of Teju Logistics have been received by the Security Trustee; and
- (g) legal opinion from the Solicitors addressed to the LM and the Trustee with respect to the legality, validity and enforceability of the relevant Security Documents and confirmation to the LM and the Trustee that all conditions subsequent for Issue 3 have been fulfilled or otherwise waived, with a copy extended to the primary subscriber of Issue 3.

**Conditions Precedent for further issuance under the Issue 3:-**

In addition to the conditions precedent for further issuance of the Relevant Issue stated in the Master Lodgement Form, the conditions precedent for further issuance under Issue 3 shall also include the following:-

1. documentary evidence that all Tranche 1 CSs have been fulfilled or otherwise waived;
2. evidence that all the transaction fees, costs and expenses in relation to such further issuance of the Issue 3 have been paid or will be paid in full; and
3. in the event the proceeds raised from the MTNs of such issuance is for the purpose of advancing to KIP REIT to finance or part-finance the acquisition, the receipt of the following:-

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- (a) a copy of the duly executed, stamped and registrable MOT in favour of the REIT Trustee together with all relevant documents, fees and penalty (if any) for the presentation of the MOT under the provisions of the National Land Code (Revised 2020) in respect of the property to be acquired by the issuance proceeds (“**New Property**”);
  - (b) a certified true copy of the sale and purchase agreement in relation to the New Property;
  - (c) documentary evidence confirming *inter alia* the total purchase consideration, the deposit amount and/or the outstanding purchase consideration and all other costs and expenses payable in connection with the acquisition of the New Property;
  - (d) documentary evidence confirming that the differential sum between the total purchase price and the proceeds of the issuance has been paid or to be paid concurrently with the issuance proceeds of such further issuance under Issue 3 by or on behalf of the REIT Trustee;
  - (e) an undertaking to the Security Trustee in form and substance acceptable to the LM:-
    - (i) from the vendor, to refund fully the issuance proceeds released to the vendor or to hold the New Property on trust for the REIT Trustee, as the case may be, in the event the transfer of the New Property in favour of the REIT Trustee cannot be registered for any reason whatsoever attributable to the vendor; and/or
    - (ii) if applicable, from the vendor’s financier, to refund fully the

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issuance proceeds released to the vendor’s financier, in the event the security created over the New Property cannot be discharged or released;

- (f) if applicable, the original redemption statement and undertaking from the existing lender or financier of the vendor of the New Property addressed to the Facility Agent and the Security Trustee in respect of the existing facility and undertaking to, amongst others, deliver the discharge documents in relation to the existing facility and all other relevant documents to register the discharge of charge following payment of the redemption sum, in form and substance acceptable to the LM;
- (h) certified true copy of the REIT Trustee’s board of director’s resolution and the shareholders’ resolution, if required, for the acquisition of the New Property;
- (i) certified true copy of the vendor’s board of director’s resolution, the shareholders’ resolution, if required, and all relevant constitutional documents of the vendor of the New Property; and
- (j) legal opinion from the solicitor acting for the REIT Trustee addressed to the LM and the Trustee in relation to the legality, validity and enforceability of the sale and purchase agreement of the New Property that all conditions precedent of the sale and purchase agreement of the New Property have been duly fulfilled and the sale and purchase agreement of the New Property has become unconditional; and

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4. such other conditions precedent as advised by the Solicitors and mutually agreed between the LM and the Issuer, and will be set out in the relevant Transaction Documents.
- (14) Representations and Warranties** All representations and warranties under the Master Lodgement Form shall be applicable to Issue 3. In addition, the following representations and warranties shall also be applicable for Issue 3:
- (A) In respect of the REIT Trustee**
1. the SPA is legal, valid and binding and is subsisting; and
2. save and except as contemplated under Issue 3, the REIT Trustee has not assigned, transferred or encumbered any of its rights, benefit, titles and interest under the SPA.
- (15) Events of default or enforcement events, where applicable** : All Events of Default under the Master Lodgement Form shall be applicable for Issue 3.
- (16) Governing laws** : Laws of Malaysia.
- (17) Provisions on buy-back** : **Repurchase and Cancellation**
- The Issuer or its subsidiary(ies), if any, or its agent(s) may purchase the MTNs under Issue 3 at any price in the open market or by private treaty. All MTNs under Issue 3 purchased and cancelled shall not be resold. New MTNs under Issue 3 may be issued and subject to the limit of the MTN Programme and within the tenure prescribed thereunder.
- The MTNs under Issue 3 purchased by the interested person (as defined in the Guidelines on Trust Deeds issued by the SC on 12 July 2011 (revised on 23 July 2020) (as may be amended and/or substituted from time to time) of the Issuer need not be cancelled but such MTNs under Issue 3 so purchased and held by the interested person of the Issuer will not be counted for purposes of voting at any meeting of the holders of the MTNs under Issue 3.

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**Redemption**

Unless previously redeemed in accordance with the terms of the MTN Programme, purchased and cancelled, the MTNs under Issue 3 shall be redeemed by the Issuer at their respective nominal value on their respective Expected Maturity Date(s).

For avoidance of doubt, the non-payment of the outstanding MTNs under Issue 3 on its Expected Maturity Date will not in itself constitute an Event of Default under the Issue 3, but a Trigger Event under Issue 3 is deemed to have occurred. The non-payment of the MTNs under Issue 3 on the Legal Maturity Date will be an Event of Default under Issue 3.

All MTNs under Issue 3 redeemed or purchased may not be reissued. However, the Issuer can issue fresh MTNs under the MTN Programme provided always that the outstanding MTNs (other than existing MTNs which will be refinanced by fresh issuance of MTNs) at any time shall not exceed the limit of the MTN Programme.

**Special Redemption Pursuant to Trigger Event under Issue 3 / Mandatory Redemption**

Upon receipt of the proceeds from the disposal of the relevant Secured Properties – Issue 3 in full pursuant to:-

- (a) the occurrence of a Trigger Event under Issue 3 and exercise of the Power of Attorney (Issue 3) by the Security Trustee; or
- (b) the occurrence of Mandatory Redemption in the section entitled “*Mandatory Redemption, Other Terms and Conditions*” of the Master Lodgement Form,

and receipt of written notification by the Trustee from the Security Trustee, the disposal proceeds shall immediately be applied towards redemption of the outstanding MTNs of Issue 3 (in accordance with the priority of ranking of the MTNs under Issue 3), and the holders of MTNs of Issue 3 shall be obligated to allow the outstanding MTNs of Issue 3 to be redeemed.

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- (18) Provisions on early redemption** : The Issuer may at any time after the issuance of Issue 3, early redeem MTNs under Issue 3, in whole or in part, on any coupon payment dates, provided that:-
- a) the Issuer has given the holders of MTNs under Issue 3 not less than thirty (30) business days written notice stating the nominal value to be early redeemed;
  - b) the Issuer has paid to the holders of MTNs under Issue 3 an early redemption premium amount (if applicable) to be agreed between the Issuer and the holders of MTNs under Issue 3 as a result of such early redemption (“**Early Redemption Premium**”) if applicable;
  - c) the Issuer has paid in full all accrued coupon and other amount due on such early redemption date; and
  - d) such other terms as maybe agreed between the holders of MTNs under Issue 3 and the Issuer.

For the avoidance of doubt, the Early Redemption Premium may be waived by the holders of MTNs under Issue 3 at their sole discretion. In the event the Issuer undertakes and the holders of MTNs under Issue 3 participate(s) (in its capacity as lender, investor or otherwise) in a fund raising exercise which refinances the MTNs under Issue 3 to be early redeemed, without prejudice to the rights of the holders of MTNs under Issue 3, the consent from the holders of MTNs under Issue 3 in waiving the Early Redemption Premium shall not be unreasonably withheld.

- (19) Voting** : **For purposes of voting under Issue 3**

All voting under Issue 3 shall:-

- (a) for all matters, including declaration of an Event of Default but excluding matters relating to enforcement of securities, be carried out on “per Class” basis whereby the holders of each Class of MTNs under Issue 3 within their own Class, be entitled to vote on such matter relating to Issue 3; and

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- (b) for enforcement of the Issue 3 Security pursuant to the declaration of an Event of Default, be carried out in the manner, whereby the holders of Issue 3 shall be treated as a single class and be entitled to vote on the enforcement of the Issue 3 Security.

**(20) Permitted Investments, if applicable** : Permitted Investments shall mean:-

- (a) securities issued and/or guaranteed by the Government of Malaysia;
- (b) investment in money market instruments where there is the flexibility of early withdrawal without incurring any penalty such as bankers' acceptance or promissory notes or certificates of deposit issued by any bank licensed pursuant to the Financial Services Act 2013 ("FSA") and having a minimum long term rating of AA3 or AA- and short term rating of P1 or MARC-1 as determined by RAM Rating Services Berhad or its equivalent by Malaysian Rating Corporation Berhad;
- (c) deposits with any bank licensed pursuant to the FSA and having a minimum long term rating of AA3 or AA- and short term rating of P1 or MARC-1 as determined by RAM Rating Services Berhad or its equivalent by Malaysian Rating Corporation Berhad; and
- (d) other debt or capital market instruments of entities having a long term rating of at least AA1 or AA+ and short term rating of P1 or MARC-1 as determined by RAM Rating Services Berhad or its equivalent by Malaysian Rating Corporation Berhad, subject to the following:-
  - (i) the permitted investment under this item (d) shall not exceed 50% of the total funds available to be invested in the permitted investment; and
  - (ii) the exposure to each counterparty in this item (d) shall not exceed 10% of the total funds available to be invested in permitted investment under this item (d),



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Provided that the Permitted Investments shall mature no later than five (5) business days before any payment obligations are due and payable.

**OTHER TERMS AND CONDITIONS**

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|-----|---|---|--|
| (1) | <b>Coupon or Equivalent Rate (%)</b>      | : | <p>The coupon rates for the MTNs of Issue 3 shall be determined prior to issuance of such MTNs under Issue 3.</p> <p>The coupon rates for the unrated MTNs can either be fixed or floating rate which will be decided prior to the issuance.</p> <p>For floating rate, the coupon rate for the MTNs shall be a credit spread (%) per annum (to be determined prior to each issuance) above the Kuala Lumpur Interbank Offered Rate (“<b>KLIBOR</b>”) or such other reference to be agreed between the Issuer and the identified investors, and it shall be subject to a ceiling rate to be agreed prior to the issuance.</p>       |
| (2) | <b>Coupon Payment Frequency and Basis</b> | : | <p>The coupon of each MTN issued under Issue 3 shall be payable semi-annually in arrears from the relevant issue date or such other period as may be mutually agreed between the Issuer and the LM, provided that the coupon payment date for the Tranche(s) of Issue 3 issued subsequent to the first Tranche issued under Issue 3 (“<b>First Tranche</b>”) shall co-terminus with the coupon payment date of the First Tranche, but subject to the PayNet Rules and Procedures.</p> <p>The coupon will be calculated on the basis of the actual number of days in the relevant period divided by 365 days (Actual/365 days).</p> |
| (3) | <b>Yield to Maturity (“YTM”) (%)</b>      | : | <p>The YTM shall be determined prior to or at issuance on a when issued basis.</p>   |
| (4) | <b>Details on Utilisation of Proceeds</b> | : | <p>Proceeds raised from the issuance of each Tranche(s) under the Issue 3 shall be utilised by the Issuer for the following purposes:-</p>   |

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- (i) to advance to KIP REIT pursuant to the REIT Trustee Financing Agreement (Issue 3) for the sole or a combination of the following purposes:-
- a) financing or part-financing, including without limitation, the related acquisitions of KIP REIT; and/or
  - b) refinancing of existing and/or future borrowings / facilities of KIP REIT, for its investment activities (including without limitation capital expenditures, asset enhancement and the related acquisition and financing expenses).
- (5) Status :** The MTNs under Issue 3 shall constitute direct, secured, unconditional and unsubordinated debt obligations of the Issuer and shall rank:-
- (a) in accordance with the ranking as stated in the Master Lodgement Form among themselves; and
  - (b) at least pari passu with all other present and future unsecured and unsubordinated obligations of the Issuer,
- subject to those preferred by law and under the Transaction Documents.
- (6) Trigger Events :** All Trigger Events under the Master Lodgement Form shall be applicable for Issue 3.
- Upon the occurrence of a Trigger Event under Issue 3, the Security Trustee shall, whilst such Trigger Event is still subsisting, proceed with the disposal of the Secured Properties – Issue 3.
- The disposal process shall be managed by the Security Trustee, under the rights conferred to the Security Trustee pursuant to a Power of Attorney (Issue 3) that is to be executed in favour of the Security Trustee to sell the Secured Properties – Issue 3. The disposal price shall be determined in accordance with a pre-agreed mechanism (i.e. with reference to a valuation by a valuer acceptable to the Security Trustee) subject always to the REIT Guidelines.

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The sale proceeds from the disposal of the Secured Properties – Issue 3 shall be paid into the Proceeds Account – Issue 3, and shall be utilised in accordance with the provision of Proceeds Account – Issue 3 for the redemption of outstanding MTNs of Issue 3 in order of its ranking, and thereafter any residual amount shall be returned to the REIT Trustee, as the security provider.

For avoidance of doubt, the occurrence of a Trigger Event under Issue 3 will not affect the other Issues of MTNs where a Trigger Event has not occurred.

**Stepped-up Coupon During Trigger Event**

Upon the occurrence of a Trigger Event under Issue 3 and during the period where such Trigger Event remains subsisting, the Issuer shall pay the stepped-up coupon at the rate to be agreed between the Issuer, the REIT Trustee, the LM and the relevant qualified investor on the outstanding amount of such MTNs under Issue 3 as set out in the relevant Transaction Documents.

- (7) **Mandatory Redemption** :
- Subject to the prior approval of the holders of the MTNs of Issue 3 in accordance with the terms herein, in the event:-
- (a) the REIT Trustee dispose all or any part of the relevant Secured Properties – Issue 3, the REIT Trustee (upon receipt of the same) shall deposit and the Issuer shall procure the REIT Trustee to deposit the proceeds from such disposal into the Proceeds Account – Issue 3 (“**Disposal Proceeds**”); or
  - (b) the proceeds from Issue 3 which are to finance or part-finance the purchase or acquisition of asset(s) or property(ies) whereby such purchase or acquisition is terminated, the REIT Trustee (upon receipt of the same) shall deposit and the Issuer shall procure the REIT Trustee to deposit the proceeds from such termination into the Proceeds Account – Issue 3 (“**Refunded Proceeds**”).

The said Disposal Proceeds and Refunded Proceeds in the Proceeds Account – Issue 3 shall be utilized for the redemption of outstanding MTNs of Issue 3 in

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order of its ranking and thereafter any residual amount (upon full settlement of the outstanding amount) shall be returned to the REIT Trustee, as the security provider.

The disposal price of any proposed disposal by the REIT Trustee of all or any part of the relevant Secured Properties – Issue 3 shall be determined in accordance with a pre-agreed mechanism (i.e. with reference to a valuation by a valuer acceptable to the Security Trustee) subject always to the REIT Guidelines and the REIT trust deed.

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|------------------------------|---|---|
| <b>(8) Taxes</b>             | : | All payments in respect of MTNs under Issue 3 shall be made by the Issuer subject to withholding or deductions for or on account of any present or future taxes, duties or charges of whatsoever nature imposed or levied by the Government of Malaysia or any authority thereof or therein having power to tax unless such withholding or deduction is required by law. In the event that such withholding or deduction is required by law, the Issuer shall be obliged to gross up for such withholdings or deductions. For the avoidance of doubt, the Issuer’s obligation to gross up does not apply to tax on the general income of the holders of the MTNs under Issue 3. |
| <b>(9) Documentation</b>     | : | The terms and conditions of the MTNs under Issue 3 shall be set out in various agreements in form and substance acceptable to the LM and the Issuer.  |
| <b>(10) Limited Recourse</b> | : | The MTNs under Issue 3 is limited recourse in nature in that payment obligation of the Issuer under the MTNs of Issue 3 and the payment obligations of the REIT Trustee under the relevant security documents for Issue 3 are limited to the extent of the Issue 3 Security. If the net proceeds from the realisation of the Issue 3 Security are not sufficient to make all payments due to the holders of MTNs under Issue 3 which are secured by Issue 3 Security, the relevant holders of MTNs under Issue 3 will have no further claim against the Issuer or the REIT Trustee in respect of such shortfall and any unsatisfied claims shall be extinguished.               |