
16. TERMS AND CONDITIONS OF THE ICULS

(As extracted from Trust Deed dated 17 January 2003 and the Supplemental Trust Deed dated 8 April 2003 in respect of the ICULS)

By ordinary resolution of the Company duly passed on 14th January 2003, approval was given by the shareholders of the Company to the Directors to create and issue Eighteen Million and Five Hundred Thousand (18,500,000) nominal value of irredeemable convertible unsecured loan stocks ("ICULS"), which are to be issued by the Company to MGR, the Creditors and/or the Creditors Agent in registered form in denominations and multiples of RM1.00 (but subject to such exclusions or arrangements as the Directors may deem necessary or expedient to deal with any legal or practical requirements or problems under or in connection with the laws of any jurisdictions (other than Malaysia) or the requirements of any regulatory bodies or stock exchanges) bearing interest rates of three per cent (3%), five per cent (5%) and seven per cent (7%) per annum for the first (1st), second (2nd) and third (3rd) year respectively payable in arrears annually on the first (1st), second (2nd) anniversary and on the Maturity Date. The last day for the irredeemable convertible unsecured loan stocks to be converted is the Maturity Date.

Unless the context otherwise requires, all definitions herein shall have the same meaning ascribed to them in the Trust Deed.

1. PAYMENT OF INTEREST

- 1.1. The Company agrees with the Trustee that, subject to the other provisions of the Trust Deed, the Company will and until the relevant Original Loan Stocks shall have been converted upon exercise of the Conversion Right in accordance with the Trust Deed, or otherwise satisfied, pay to the Loan Stockholders (as well after as before any judgment or other order of a court of competent jurisdiction) interest on the relevant outstanding Original Loan Stocks during the Interest Period at the rate of three per cent (3.0%), five per cent (5.0%) and seven per cent (7.0%) per annum for the First (1st), Second (2nd) and Third (3rd) year respectively based on the nominal value of the Original Loan Stocks, payable in arrears annually on the First (1st) and Second (2nd) anniversary of the date of issuance of the Original Loan Stocks and on the Maturity Date.
- 1.2. Interest will be calculated on the basis of a three hundred and sixty five (365) day year and on the actual number of days elapsed and accrued daily from and including the Issue Date or the previous Interest Payment Date (whichever is the later) up to but excluding the Interest Payment Date on which the interest is paid and will be rounded downward to the nearest Sen. In the event of a leap year, then the interest shall be calculated on the basis of a three hundred and sixty six (366) day year and the rest of this provision shall apply mutatis mutandis.
- 1.3. Every payment by the Company direct to the Loan Stockholders in respect of interest on the Original Loan Stocks held by them respectively shall be a satisfaction pro tanto of the obligation of the Company in respect of that interest under the Trust Deed and the obligation and liability of the Trustee with regard to that relevant interest payment.
- 1.4. In the event the Company fails to pay the interest referred to in Clause 1.1 upon expiry of the relevant anniversary date of the Issue Date or any other monies payable pursuant to the Trust Deed, the Company shall be liable to pay default interest at the rate of Eight per cent (8%) per annum on such interest or other monies outstanding commencing from the due date and expiring on the date of payment of the same.

2. CONVERSION RIGHT

- 2.1. Each Loan Stockholder shall have the right to convert all or any part of his Loan Stocks into fully paid New Shares of the Company at the Conversion Price (any fraction of a New Share resulting therefrom to be disregarded and the Company shall not be required to pay the value of such fraction to the Loan Stockholder) on a Market Day during the conversion Period in accordance with the provisions of Clause 8 of the Trust Deed and Condition 2 of the First Schedule (Part II) of the Trust Deed.

- 2.2 Each Loan Stockholder may exercise the Conversion Right by giving Conversion Notice which shall be effective on the Conversion Date and only if:-
- (a) the Conversion Notice is in the form set out in the First Schedule of the Trust Deed or in such other form as the Company may agree or prescribed from time to time;
 - (b) the Conversion Notice is duly completed, signed and, if required, stamped;
 - (c) the Loan Stockholder has complied with the requirements set out in the Conversion Notice and has paid the Conversion Price in the manner herein provided and in the form and manner provided in this Trust Deed;
 - (d) the Conversion Notice is received by the Company at its registered office for the time being (or the Transfer Office if the Company permits or requires) on a Market Day during the Conversion Period and such evidence (if any) as the Directors may require to prove the title of the persons exercising the Conversion Right and due execution of the Conversion Notice; and
 - (e) the Loan Stockholder has paid any taxes and stamp, issue, registration and other duties arising on or in connection with the exercise of the Conversion Right and also all taxes (if any) arising by reference to any disposal or deemed disposal of a Loan Stock in connection with such conversion.
- 2.3 If the Conversion Right has been duly exercised in accordance with Clause 8 of the Trust Deed and Condition 2 of the First Schedule (Part II) of the Trust Deed, the Company will on conversion (which for the purpose of Clause 8.5 of the Trust Deed and Condition 2.4 of the First Schedule (Part II) of the Trust Deed shall be on a day chosen by the Directors which is within ten (10) Market Days of the date of receipt of the Conversion Notice by the Company) allot and issue to the relevant Loan Stockholder such number of New Shares credited as fully paid to which the Loan Stockholder is entitled by virtue of the exercise of the Conversion Right, and such allotment and issue shall constitute full satisfaction of the principal moneys in respect of the Loan Stocks so converted.
- 2.4 The Company shall within ten (10) Market Days after every such allotment credit the new Shares into the CDS account of the person entitled thereto.
- 2.5 The Company will compulsory convert on the last day of the Conversion Period any Loan Stock which is still outstanding and has not been converted in accordance with the Trust Deed at the end of the Conversion Period into New Shares at the Conversion Price in compliance with any provision of the Securities Industry (Central Depositories) Act 1991 ("SICD Act") and the Rules of the Central Depository ("the Rules") (any fraction of a New Share resulting therefrom to be disregarded and the Company shall not be required to pay the value of such fraction to the Loan Stockholder) and the other provision of Clause 8 of the Trust Deed and Condition 2 of the First Schedule (Part II) of the Trust Deed shall mutatis mutandis apply to such conversion and the Company will, thereafter allot and issue such New Shares to the relevant Loan Stockholder which allotment and issue shall constitute full satisfaction of principal moneys in respect of the Loan Stocks so converted. For the avoidance of doubt, the Conversion Price can only be, and shall be deemed to have been satisfied by way of utilizing the nominal amount of the Loan Stocks only.
- 2.6 All Loan Stocks converted under the Trust Deed shall cease to carry interest from and including the Conversion Date.
- 2.7 The New Shares issued and allotted upon conversion of the Loan Stocks shall rank pari passu in all respects with the existing Shares in issue at the Conversion Date, except that they will not be entitled to any dividends, rights, allotments and/or other distributions the Record Date of which is prior to such Conversion Date.
- 2.8 Without Prejudice to other provisions of this Trust Deed, if at any time the aggregate principal amount of all outstanding Loan Stocks is not more than twenty five percent (25%) of the total Loan Stocks, the Company may on any day before the last day of the Conversion Period compulsorily convert all (but not some) of the outstanding Loan Stocks at the Conversion Price by giving thirty (30) days' notice to the relevant Loan Stockholders, and clause 8.8 of the Trust Deed and Condition 2.6 of the First Schedule (Part II) of the Trust Deed shall apply mutatis mutandis to such compulsory conversion by the Company. For the avoidance of doubt, the Conversion Price can only be, and shall be deemed to have been, satisfied by way of utilising the nominal amount of the Loan Stocks only and not by paying the applicable Cash Component.

- 2.9 For the avoidance of doubt, all Loan Stock in respect of which Loan Stocks have been converted (whether compulsorily or otherwise) shall cease to be valid for all purposes after the relevant Conversion Date, and the Company shall have no further obligations in respect of them.
- 2.10 In a case of compulsory conversion under either Clauses 8.8 or 8.12 of the Trust Deed and Conditions 2.6 or 2.10 of the First Schedule (Part II) of the Trust Deed, the New Shares will be credited into the securities account of the Trustee at the risk of the relevant Loan Stockholders, if the Company does not have the CDS account number of the respective Loan Stockholders. The Trustee and the Company shall then deal with the New Shares in the manner provided in section 353 of the Companies Act or any other relevant provisions of the Companies Act.

3. CDS ACCOUNT AND REGISTER

- 3.1 The Loan Stocks shall be credited directly into the CDS Account of the Loan Stockholders.
- 3.2 The Company shall comply with the Conditions of the Trust Deed and shall give effect to the Conversion Right if exercised in accordance with this Trust Deed and the Loan Stocks shall be held subject to and with the benefit of the Conditions under the Trust Deed all of which shall be deemed to be incorporated in this Trust Deed, and this Trust Deed shall be binding on the Company, the Trustee and the Loan Stockholders and all persons claiming through or under them respectively.
- 3.3 The Further Loan Stocks (if any) shall if issued will be also credited into the CDS Account of the Loan Stockholders.
- 3.4 There shall not be any joint-holder(s) of the Loan Stock.
- 3.5 Subject to the provisions of the SICD Act and the Rules, the Loan Stocks are transferable in multiples of one (1) in the manner prescribed in the Third Schedule of the Trust Deed but each Board lot shall be in the amount of RM100.00 Loan Stocks.
- 3.6 Each Loan Stockholders shall be deemed to remain the registered holder of the Loan Stocks appearing under his name standing to the credit of his CDS Account until such time as the name of the transferee is entered in the Record of Depositors and the Register hereunder. In the event of any discrepancy whatsoever, the entries in the Record of Depositors shall be deemed to be the correct entries.
- 3.7 The executors or administrators of a deceased Loan Stockholder shall be the only persons recognised by the Company as having any title to such Loan Stocks.
- 3.8 Any person becoming entitled to Loan Stocks in consequence of the death, bankruptcy or liquidation of any Loan Stockholder may, upon producing such evidence that he sustains the character in respect of which he proposes to act under this Condition or of his title, be registered as the holder of such Loan Stocks or may transfer such Loan Stocks in the manner as prescribed in the Third Schedule of the Trust Deed.
- 3.9 The Company shall maintain the Register in accordance with the Third Schedule of the Trust Deed.

4. ADJUSTMENT OF THE CONVERSION PRICE

- 4.1 Subject to the Conditions in the Fourth Schedule of the Trust Deed and the Trust Deed, the Conversion Price shall from time to time be adjusted in accordance with the following provisions by the Directors in consultation with an Approved Merchant Bank and certified by the Auditors (but so that if the event gives rise to more than one adjustment under Conditions 4.1(a) to 4.1(d) below, the adjustment shall be made in such manner as the Approved Merchant Bank shall determined:-
- (a) If and whenever a Share by any reason including consolidation, reduction, subdivision or conversion shall have a different par value, the Conversion Price shall be adjusted by multiplying it by the following fraction:-

$$\frac{\text{Revised par value for each Share}}{\text{Original par value for each Share}}$$

Such adjustments will be effective from the close of the Market Day immediately preceding the date on which the consolidation or subdivision or conversion becomes effective.

- (b) If and whenever the Company shall make any issue of Shares to its Shareholders credited as fully paid by way of capitalisation of profits or reserves (whether of a capital or income nature and including any share premium account and capital redemption reserve fund but excluding any issue of Shares made where the Shareholders had an option to take a cash or other dividend in lieu of the relevant Shares), the Company shall vary the Conversion Price, in which event the Conversion Price shall be adjusted by multiplying it by the following fraction:-

$$\frac{A}{A + B}$$

where:-

A = the aggregate number of issued and fully paid-up Shares immediately before such capitalisation issue;

B = the aggregate number of Shares to be issued pursuant to any allotment to Shareholders credited as fully paid by way of capitalisation of profits or reserves (including any share premium account and capital redemption reserve fund but excluding any issue of Shares made where the Shareholders had an option to take a cash or other dividend in lieu of the relevant Shares); and

Such adjustments will be effective (if appropriate, retroactively) from the commencement of the day next following the Record Date for such issue.

- (c) If and whenever the Company shall make a Capital Distribution (as defined below) to its Shareholders whether on a reduction of capital (but excluding any reduction in respect of capital which is lost or unrepresented by available assets) or otherwise, then the Conversion Price shall be adjusted by multiplying it by the following fraction:-

$$\frac{C - D}{C}$$

where:-

C = the Current Market Price (as defined below) of each Share on the Market Day immediately preceding the date on which the Capital Distribution is publicly announced or (failing any such announcement) immediately preceding the date of the Capital Distribution (as defined below);

D = the fair market value as determined (with the concurrence of the Auditors) by an Approved Merchant Bank of the portion of the Capital Distribution attributable to one Share; and

For the purposes of this Condition 4.1(c) above, "Capital Distribution" shall (without prejudice to the generality of that expression) include distributions in cash or specie (other than dividends) or by way of an issue of Shares (not falling under Condition 4.1(b) above or other securities credited as fully or partly paid by way of capitalisation of profits or reserves (including any share premium account or capital redemption reserve fund). Any dividend charged or provided for in the accounts of any period shall (whenever paid and howsoever described) be deemed to be a Capital Distribution unless it is paid out of the aggregate of the net profits attributable to the Shareholders for any period after 30th September 2002 as shown in the audited income statement of the Company, Crest Builder Sdn Bhd and Crestland Development Sdn Bhd.

For the purpose of this Condition 4.1(c) above, "Current Market Price" in relation to each Share for the relevant day shall be the weighted average (rounded down to the nearest RM0.01 per Share) of transacted prices of such Shares quoted on the KLSE for the 5 consecutive Market Days immediately preceding the day in question.

Such adjustments will be effective (if appropriate, retroactively) from the commencement of the day next following the date on which Shareholders must be registered to participate therein.

- (d) If and whenever the Company shall make any offer or invitation to its Shareholders whereunder they may acquire or subscribe for Shares by way of rights, then the Conversion Price shall be adjusted by multiplying it with the following fraction:-

$$\frac{C - D}{C}$$

where:-

- C = the closing market price of each Share on the Market Day immediately preceding the date determined by KLSE to be the date on which the Shares are to be traded ex-all; and
 D = the value of rights attributable to one Share (as defined below).

For the purpose of the definition of "D" above, the "value of the rights attributable to one Share" shall be calculated in accordance with the formula:-

$$\frac{C - E}{F + 1}$$

where:-

- C = as in C above;
 E = the subscription price for one additional Share under the offer or invitation to acquire or subscribe for Shares by way of rights;
 F = the number of Shares which it is necessary to hold in order to be offered or invited to acquire or subscribe for one additional Share by way of rights; and
 1 = one

Such adjustments will be effective (if appropriate, retroactively) from the commencement of the Market Day next following the closing date for such issue.

For the purpose of this provision, "closing date" in relation to the relevant transaction means the date on which the payment of the proceeds of that transaction becomes due and payable.

4.2 Notwithstanding any of the provisions contained herein, no adjustment to the Conversion Price will be required in respect of:-

- (a) the issue of New Shares upon the exercise of the Conversion Right by the Loan Stockholders or the issue of Shares upon the conversion of any securities convertible into Shares or the exercise of the securities with rights to acquire or subscribe for Shares issued by the Company on or prior to the date of the Trust Deed including but without limitation to the warrants issued or to be issued under the Deed Poll dated 17th January 2003 and the RCULS issued under the Trust Deed dated 17th January 2003;
- (b) the issue of Shares or the issue of Shares upon the conversion of securities convertible into Shares or upon the exercise of securities with rights to acquire or subscribe for Shares granted or to be granted from time to time by the Company pursuant to any purchase or option scheme established for the benefit of officers (including directors holding executive office) and employees of the Company and/or any of its subsidiaries and approved by the Shareholders (whether before or after the date of the Trust Deed); or
- (c) the issue by the Company of shares or securities convertible into Shares or securities with rights to acquire or subscribe for Shares in full or part satisfaction of any consideration for the purchase or acquisition of any shares in any other company or corporation, of any other securities or of property, assets, undertakings or business;
- (d) the issue by the Company of shares or securities convertible into Shares or securities with rights to acquire or subscribe for Shares for cash or consideration other than for cash in conformity to any economic or other policy of the Government of Malaysia or other appropriate authority;

- (e) the issue by the Company and/or debentures holders of the Company of Shares or securities convertible into Shares or securities with rights to acquire or subscribe for Shares by way of a rights issue;
 - (f) the issue by the Company to Shareholders of Shares or securities convertible into Shares or securities with rights to acquire or subscribe for Shares by way of a rights issue by subscription in cash where the offer for such an issue have been extended rateably to both the Shareholders and the Loan Stockholders;
 - (g) the issue by the Company of Shares or securities convertible into Shares or securities with rights to acquire or subscribe for Shares as long as any such issue of Shares (or in the case of securities convertible into Shares or securities with rights to acquire or subscribe for Share the total number of Shares to be issued upon full conversion or full exercise) does not exceed Ten per centum (10%) of the issued and paid up capital of the Company as at the date of issue of the Shares or the securities (as the case may be); and
 - (h) any issue of Shares or securities under the scheme of reconstruction of MGR.
- 4.3 Any adjustment to the Conversion Price will be rounded upwards to the nearest one sen and in no event shall any adjustment (otherwise than as provided under Condition 4.5 below and otherwise than upon the consolidation of Shares into shares of a larger par value) involve an increase in the Conversion Price or a reduction in the Conversion Price below the par value of the Shares for the time being. No adjustments to the Conversion Price shall be made unless it has been certified to be in accordance with the Fourth Schedule of the Trust Deed by the Auditors. No adjustments will be made to the Conversion Price in any case in which the amount by which the same would be reduced would be less than one sen but any adjustment which would otherwise then be required will be carried forward and taken into account appropriately in any subsequent adjustment.
- 4.4 If for any reason an event giving rise to an adjustment (the "first adjustment") made to the Conversion Price pursuant to these Conditions is cancelled, revoked or does not occur in its entirety, the New Conversion Price or adjusted Conversion Price shall be re-adjusted to the Conversion Price prevailing immediately prior to the first adjustment with effect from such date and in such manner and on such terms and conditions as an Approved Merchant Bank may consider appropriate.
- 4.5 Notwithstanding the provisions referred to in the Fourth Schedule of the Trust Deed, in any circumstances where the Directors consider that any adjustment to the Conversion Price provided under the said provisions should not be made or should be calculated on a different basis or date or should take effect on a different date or that an adjustment to the Conversion Price should be made notwithstanding that no such adjustment is required under the said provisions, the Company may appoint an Approved Merchant Bank to consider whether for any reason whatsoever the adjustment to be made (or the absence of an adjustment) or the adjustment to be made in accordance with the provisions of the Fourth Schedule of the Trust Deed is appropriate or inappropriate, as the case may be, and if such Approved Merchant Bank shall consider the adjustment to be appropriate or inappropriate (as the case may be), the adjustment shall be modified or nullified or an adjustment made instead of no adjustment in such manner and on such terms and conditions as shall be considered by such Approved Merchant Bank to be in its opinion appropriate.
- 4.6 Whenever there is an adjustment as herein provided, the Company shall give notice to Loan Stockholders in accordance with Clause 36 of the Trust Deed that the Conversion Price has been adjusted and setting forth the event giving rise to the adjustment, the Conversion Price in effect prior to such adjustment, the adjusted Conversion Price and the effective date of such adjustment and shall at all times thereafter as long as any of the Loan Stocks remains exercisable, make available for inspection at its registered office a signed copy of the certificate of the Auditors certifying the adjustment to the Conversion Price and a certificate signed by a Director setting forth brief particulars of the event giving rise to the adjustment, the Conversion Price in effect prior to such adjustment, the adjusted Conversion Price and the effective date of such adjustment and shall, on request and at the expense of the relevant Loan Stockholder, send a copy thereof to any Loan Stockholder.

- 4.7 If the Directors, Approved Merchant Bank and the Auditors are unable to agree upon any adjustment to the decision of another approved Merchant Bank acting as expert and not as arbitrator and whose decision as to such adjustment shall be final and conclusive and no certification by the Auditors shall in such circumstances be necessary.
- 4.8 Without prejudice to the generality of Condition 4.5 above, if the Company shall in any way modify the rights attached to any Share or loan capital so as to convert or make convertible such Share or loan capital, or attach thereto any rights to acquire or subscribe for Shares, the Company shall appoint an Approved Merchant Bank to consider whether any adjustment is appropriate and if such Approved Merchant Bank and the Directors shall determine that any adjustment is appropriate, the Conversion Price shall be adjusted accordingly.
- 4.9 In giving any certificate or making any adjustment hereunder, the Auditors and the Approved Merchant Bank shall be deemed to be acting as experts and not as arbitrators and in the absence of manifest error, their decisions shall be conclusive and binding on all Loan Stockholders and persons having an interest in the Loan Stocks.

5. LIMITATION ON BORROWING

- 5.1 The Company agrees with the Trustee that so long as any of the Original Loan Stocks remains outstanding, except with the prior sanction of a Special Resolution of the Loan Stockholders, the Company and its subsidiaries will not borrow any sum or sums if the borrowing would have the effect that the aggregate outstanding principal amount borrowed by the Company and its subsidiaries (whether before or after such borrowing) on secured or unsecured accounts exceeds or would exceed three (3) times the amount of shareholders' funds as disclosed in the latest consolidated balance sheet of the Group (i.e. the Company and its subsidiaries).
- 5.2 Subject only to clause 7.1 of the Trust Deed, the Company shall be entitled to ensure the repayment of any money borrowed, raised or owing in such manner as the Company shall think fit, and in particular by the issue of debentures or debenture stock, perpetual or otherwise, charged upon, and by mortgage, charge, lien, debentures or debenture stock of and on the whole of any part of the Company's property or assets (both present or future), including its uncalled capital, and also by a similar mortgage, charge or lien to secure and guarantee the performance by the Company of any obligation or liability it may undertake. The debentures, debenture stock, mortgage, charge or lien created by the Company hereunder may rank in priority to the Company's obligations under the Trust Deed.

6. EVENTS IN WHICH LOAN STOCKS BECOME REPAYABLE

The Trustee may, and if so directed by a Special Resolution, shall (subject to its right to be indemnified under this Trust Deed), declare (by giving a written notice to the Company) that the outstanding Loan Stocks are immediately due and repayable, and the Loan Stocks then outstanding shall thereupon become immediately due and repayable at their nominal amounts of Ringgit Malaysia One (RM1.00) each together with accrued interest up to and including the date of repayment, if any of the following events shall occur, that is to say:

- (a) if the Company fails to pay any interest owing on the Loan Stocks for at least ninety (90) days;
- (b) if the Company fails to perform or observe any of its obligations under this Trust Deed (other than as provided in clause 9.1(a) of the Trust Deed) and/or the Facility Agency Agreement upon receipt of a notice from AmMerchant Bank Berhad informing of the same and (except where the Trustee reasonably considers that such default is not capable of remedy) such failure continues for thirty (30) days after a written notice from the Trustee to the Company requiring the Company to remedy such default is received by the Company;
- (c) if a distress or execution or seizure before judgment is levied or enforced upon or sued out against a substantial part of the assets of the Company and is not paid out, withdrawn or discharged within thirty (30) days (or such longer period as the Trustee may consider appropriate in relation to the jurisdiction concerned), except if the same is disputed in good faith under or pursuant to proceedings duly instituted by the Company;
- (d) if a petition to wind up the Company is presented against the Company, except if the same is disputed in good faith under or pursuant to proceedings duly instituted by the Company;

- (e) if an encumbrancer takes possession or a receiver is appointed in respect of the whole or any substantial part of the assets of the Company and such possession or appointment is certified by the Trustee to be in its reasonable opinion materially prejudicial to the interests of the Loan Stockholders;
- (f) if an effective resolution is passed by the Company or an order of a court of competent jurisdiction is made for the winding-up of the Company, except for the purposes of or pursuant to a consolidation, amalgamation, merger or reconstruction the terms of which shall have been agreed in writing by the Trustee;
- (g) if it is or will become unlawful for the Company to perform or comply with any one or more of its obligations under the Trust Deed;
- (h) if the Company ceases or threatens to cease to carry on the whole or substantial part of its business which it carries on as at the date of the Trust Deed;
- (i) if the Company is for the purposes of section 218 of the Companies Act deemed to be unable to pay its debts; or
- (j) if the Original Loan Stocks shall have been delisted or shall cease to be listed on the KLSE by reason of the Company's default of the Listing Requirements of the KLSE (and, for the avoidance of doubt, a suspension of trading at the request of the Company or the KLSE shall not be considered a de-listing or cessation of listing);
- (k) any borrowed money of the Company is not paid when due or becomes due and payable or any guarantee or indemnity given by the Company in respect of such borrowed money is not honoured when due and called upon, but only if the aggregate amount of such borrowed money which is not paid and the amount under such guarantee or indemnity which is not honoured (both of which have occurred and is continuing) equals or exceeds RM10,000,000.00 or its equivalent in other currency;
- (l) any consent, authorisation, licence or approval of, registration with or declaration to governmental or public bodies or authorities or courts in Malaysia (if any) required by the Company to authorise or required by the Company in connection with the execution, issue, sale, delivery, validity, enforceability or admissibility in evidence of the Trust Deed or the Loan Stocks or the performance by the Company of its obligations under the Trust Deed or the Loan Stocks (as the case may be) is modified to such degree as would be materially prejudicial to the interests of the Loan Stockholders or is not granted or is revoked or terminated or expired and is not renewed or otherwise ceases to be in full force and effect; or
- (m) all or a material part of the undertaking(s) or assets of the Company is seized, nationalised, expropriated or compulsorily acquired by or under the authority of any governmental body in Malaysia, but only if the relevant governmental body does not make or does not propose to make an offer of compensation which would be sufficient to repay amounts due on all outstanding Loan Stocks;
- (n) if a scheme of arrangement under Section 176 of the Companies Act 1965 is entered into between the Company and its creditors;

PROVIDED that upon the occurrence of any of the events specified in clauses 9.1(a) or (c) of the Trust Deed, the Loan Stocks shall nevertheless not become immediately due and repayable unless and until the Trustee shall have first served a written notice on the Company requiring the Company to pay the interest in arrear or to remove, discharge or pay out such distress, execution or seizure and the Company shall have failed to comply with such notice for a period of at least thirty (30) days.

7. ENFORCEMENT OF RIGHTS

Except as otherwise stated in the Trust Deed, only the Trustee may pursue the rights and remedies available under the general law or under the Trust Deed to enforce the rights of the Loan Stockholders against the Company, and no Loan Stockholder shall be entitled to pursue such rights and remedies against the Company unless the Trustee, having become bound to do so in accordance with the terms of the Trust Deed, fails to do so within the reasonable period and such failure shall be continuing.

8. SERVICE OF NOTICE

Any notice or demand to the Company or the Trustee required to be given, made or served for any purpose of the Trust Deed, shall be given, made or served by sending the same by pre-paid ordinary post (airmail if overseas), or by fax, telegram, cable or telex, in each case to be confirmed by a copy forthwith sent by pre-paid ordinary post as provided above, or by delivering the same by hand to the Company or the Trustee, as the case may be, at its registered office for the time being. Any notice sent by post as provided in this Clause shall be deemed to have been given, made or served forty-eight (48) hours after despatch if sent by inland post and ninety-six (96) hours after despatch if sent by overseas post and any notice sent by fax, telegram, cable or telex as provided in this Clause shall be deemed to have been given, made or served immediately on despatch.

9. MODIFICATION OF TRUST DEED

9.1 The Trustee may, subject to the approval of the SC (if required), at any time and from time to time without any consent from the Loan Stockholders concur with the Company in making any addition, deletion or modification to this Trust Deed, provided that the Trustee shall be of the opinion that such addition, deletion or modification will not be materially prejudicial to the interests of the Loan Stockholders or is necessary to correct manifest error or which is of a formal, minor or technical nature.

9.2 Without limiting the generality of clause 25.1 of the Trust Deed, the Trustee may, subject to the approval of the SC (if required), and the Company, without the consent of the Loan Stockholders at any time and from time to time approve any addition to, or modification of or deletion from the Trust Deed (including any amendment, addition, modification or deletion for the purpose of giving effect to clause 24 of the Trust Deed or any change in the law governing the Trust Deed or the cancellation of the Trust Deed and the substitution therefor or a new trust deed or other instrument) and may if appropriate, approve the appointment by the Company of any new or substitute trustee of any such amended, modified or substituted trust deed or instrument, provided that the Trustee is satisfied that the rights and interests of the Loan Stockholders are properly safeguarded and that, having regard to the Company's Successor (or the relevant subsidiary of the Company Successor, as the case may be) and to the jurisdiction and law applicable to the Company's Successor (or the relevant subsidiary of the Company Successor, as the case may be), the rights and interests of the Loan Stockholders under the amended, modified or substituted trust deed or other instrument are, as nearly as is practicable, the same as or comparable to the rights and interests of the Loan Stockholders under the Trust Deed.

9.3 The Company may effect any modification, addition or deletion in respect of any provisions of the Trust Deed with the consent of the Trustee which consent shall not be unreasonably withheld but without the consent of the Loan Stockholders at any time and from time to time for the purpose of complying with the Rules, the SICD Act, the rules of the SC and any applicable laws and each Loan Stockholder and the Trustee shall comply with the Rules, the SICD Act, the rules of the SC and all applicable laws.

9.4 The Company shall notify the Loan Stockholders of any such modification, addition or deletion (unless the Trustee otherwise agrees) made under this clause 25 of the Trust Deed as soon as practicable thereafter in the manner provided in the Trust Deed. For avoidance of any doubt, any such modification, addition or deletion shall be binding upon the Loan Stockholders.

10. GENERAL INDEMNITY OF TRUSTEE

10.1 Without prejudice to any rights of indemnity given to the Trustee by law but subject to Clause 21 of the Trust Deed, the Trustee and every person appointed by the Trustee, or to whom any trust, power or discretion may be delegated by it, shall be indemnified by the Company in priority to any payment to the Loan Stockholders in respect of all liabilities and reasonable expenses (including reasonable professional fees) incurred by it or such person in the execution or purported execution of the trusts, powers, authorities or discretions vested in them under the Trust Deed, and against all liabilities, actions, proceedings, costs, claims and demands in respect of any matter or thing done or omitted in any way relating to the Trust Deed, provided that it is not due to the negligence, wilful default or fraud of the Trustee or such persons, and the Trustee may retain and pay out of any moneys in its hands upon the trust under the Trust Deed all sums necessary to effect such indemnity and also the remuneration of the Trustee as provided in the Trust Deed.

- 10.2 The Trustee is not liable for anything done or omitted to be done in accordance with a direction given to the Trustee by the Stock Holders at any meeting called under section 86, 87 or 88 of the Securities Commission Act 1993.

11. ISSUE OF FURTHER LOAN STOCKS

- 11.1 The Company shall have the right at any time and from time to time (but subject always to the provisions of Clause 5 and Clause 7 of the Trust Deed) without the consent of the Loan Stockholders or the Trustee to create and issue further unsecured loan stocks either identical in all respect to the Original Loan Stocks (or in all respects except the date from which the same shall rank for interest) so that the same can be consolidated and form a single series with the Original Loan Stocks, or upon such terms and conditions as to interest, premium and otherwise and to raise further borrowing on such terms and conditions as the Company may think fit, provided that whenever it is proposed to create and issue any further unsecured loan stocks pursuant to the provisions of this clause 5 of the Trust Deed which is proposed to be constituted by a deed supplemental to the Trust Deed, the Company shall give to the Trustee not less than fourteen (14) days' notice in writing of its intention to do so stating the amount of further unsecured loan stocks proposed to be created and issued.
- 11.2 Any further unsecured loan stocks created and issued pursuant to the provisions of Clause 5 of the Trust Deed so as to form a single series with the Original Loan Stocks shall be constituted by a deed supplemental to the Trust Deed and any other further unsecured loan stocks created and issued pursuant to the provisions of Clause 5 of the Trust Deed may (if the Trustee so agrees) be constituted by a deed supplemental to the Trust Deed. In any such case, the Company shall prior to the allotment of any further unsecured loan stocks to be so constituted or as soon as practicable thereafter execute and deliver to the Trustee a duly stamped deed supplemental to the Trust Deed and containing undertakings by the Company in the form mutatis mutandis of Clause 3 of the Trust Deed in relation to the payment of interest in respect of such Further Loan Stocks and such other provisions (corresponding to any of the provisions contained in this Trust Deed) as the Trustee shall reasonably require.
- 11.3 A memorandum of every deed supplemental to the Trust Deed shall be endorsed by the Trustee on the Trust Deed and by the Company on the duplicate of the Trust Deed.

12. NOTICE OF MEETINGS

- 12.1 Every Loan Stockholder shall be entitled to receive notice of all meetings of Loan Stockholders.
- 12.2 The Company will upon written request send to each Loan Stockholder copy of the Company's annual report and audited accounts together with all other documents required by law to be annexed thereto within 21 days after the date of receipt of the request by the Company.
- 12.3 All notices and the notice of allotment of the New Shares and other documents to be sent to the Loan Stockholders will be sent by registered post at the risk of the Loan Stockholders to their respective addresses in Malaysia as shown in the Register, or, in the case of notice, may be given by publishing the notice in a newspaper in Malaysia, or in such manner as the Company and the Trustee may agree at any time and from time to time. Any notice or document sent by post to the Loan Stockholders shall be deemed to have been given twenty-four (24) hours after despatch and, in proving the giving of any notice or document by post, it shall be sufficient to prove that the envelope containing the notice or document was properly addressed, stamped and posted. Any notice given by publishing the same in a newspaper in Malaysia shall be deemed to have been given on the first date of such publication. Notwithstanding any other provisions of the Trust Deed, a Loan Stockholder who has not supplied an address in Malaysia to the company for inclusion in the Register shall not be entitled to receive any notices and documents to be given pursuant to the Trust Deed.
- 12.4 Each Loan Stockholder must provide an address in Malaysia to the Company for inclusion in the Register and that address shall be the only address included in the Register.

13. GOVERNING LAW AND JURISDICTION

The Trust Deed shall be governed by and construed in all respects in accordance with the laws of Malaysia. The Company and the Trustee irrevocably submit to the non-exclusive jurisdiction of the courts of Malaysia in respect of any matter arising out of or in connection with the Trust Deed and the Loan Stocks.