

T E R M S H E E T

OFFERING OF UP TO 50,000,000 EUROPEAN STYLE NON-COLLATERALISED CASH-SETTLED CALL WARRANTS OVER ORDINARY SHARES OF SIME DARBY BERHAD (“SIME”) (“SIME SHARES”) WITH AN EXERCISE RATIO OF 8 CALL WARRANTS: 1 SIME SHARE (“CALL WARRANTS”) AT AN ISSUE PRICE OF RM0.15 PER CALL WARRANT

Issuer and Market Maker

OCBC BANK (MALAYSIA) BERHAD
(Company No. 295400-W)
(Incorporated in Malaysia under the Companies Act, 1965)



This Term Sheet is published in connection with the offering of the Call Warrants to be issued by OCBC Bank (Malaysia) Berhad (the “**Issuer**”) for the purpose of providing information on the Call Warrants. This Term Sheet is supplemental to, and should be read in conjunction with the Base Prospectus dated 26 March 2015 (“**Base Prospectus**”) and First Supplementary Base Prospectus dated 13 October 2015 which sets out the information on the Issuer and the Call Warrants.

We may update or amend the Base Prospectus from time to time by way of successor documents. You may request from us if there is any supplement to the Base Prospectus being issued. Any supplement to the Base Prospectus will also be made available on the website of Bursa Malaysia Securities Berhad (“**Bursa Securities**”), www.bursamalaysia.com. These documents will also be made available for inspection at our registered office during office hours for a period of twelve (12) months from the date of the Base Prospectus.

You are warned that the price of SIME Shares and the Call Warrants may fall in value as rapidly as it may rise and you may sustain a total loss of your investment. **YOU ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THE BASE PROSPECTUS, THE FIRST SUPPLEMENTARY BASE PROSPECTUS AND THIS TERM SHEET. IF IN DOUBT, PLEASE CONSULT A PROFESSIONAL ADVISER. THERE ARE CERTAIN RISK FACTORS WHICH PROSPECTIVE INVESTORS SHOULD CONSIDER. TURN TO PAGE 3 OF THIS TERM SHEET AND PAGE 37 OF THE BASE PROSPECTUS FOR RISK FACTORS.**

The Call Warrants constitute general unsecured contractual obligations of the Issuer and of no other person. Therefore, if you purchase the Call Warrants, you are relying on the creditworthiness of the Issuer and have no recourse or rights against SIME.

The Call Warrants are to be listed and traded on the Structured Warrants Board of Bursa Securities.

We have received Bursa Securities’ permission to list and quote the Call Warrants on the Official List of the Structured Warrants Board of Bursa Securities.

This Term Sheet is dated 28 January 2016

RESPONSIBILITY STATEMENTS

OUR DIRECTORS HAVE SEEN AND APPROVED THIS TERM SHEET. OUR DIRECTORS COLLECTIVELY AND INDIVIDUALLY ACCEPT FULL RESPONSIBILITY FOR THE ACCURACY OF THE INFORMATION CONTAINED IN THIS TERM SHEET AND CONFIRM, HAVING MADE ALL REASONABLE ENQUIRIES, THAT TO THE BEST OF THEIR KNOWLEDGE AND BELIEF, THERE ARE NO FALSE OR MISLEADING STATEMENTS OR OTHER FACTS THE OMISSION OF WHICH WOULD MAKE ANY STATEMENT IN THIS TERM SHEET FALSE OR MISLEADING.

NOTWITHSTANDING THE FOREGOING, OUR DIRECTORS DO NOT ACCEPT RESPONSIBILITY FOR THE CONTENTS OF INFORMATION ON SIME CONTAINED IN THIS TERM SHEET SAVE FOR THE FACT THAT THE INFORMATION IS AN ACCURATE EXTRACT OR SUMMARY OF RELEVANT PUBLICLY RELEASED INFORMATION.

WE ACKNOWLEDGE THAT BASED ON ALL AVAILABLE INFORMATION, AND TO THE BEST OF OUR KNOWLEDGE AND BELIEF, THE BASE PROSPECTUS DATED 26 MARCH 2015, FIRST SUPPLEMENTARY BASE PROSPECTUS DATED 13 OCTOBER 2015 AND THIS TERM SHEET CONSTITUTE A FULL AND TRUE DISCLOSURE OF ALL MATERIAL FACTS CONCERNING THE OFFER (AS DEFINED HEREIN).

STATEMENTS OF RISK

YOU ARE WARNED THAT THE PRICE OF SIME SHARES AND THE CALL WARRANTS MAY FALL IN VALUE AS RAPIDLY AS IT MAY RISE AND YOU MAY SUSTAIN A TOTAL LOSS OF YOUR INVESTMENT. YOU SHOULD THEREFORE MAKE SURE YOU UNDERSTAND THE TERMS AND CONDITIONS OF THE CALL WARRANTS, THE RISK FACTORS INVOLVED, AND WHERE NECESSARY, SEEK PROFESSIONAL ADVICE BEFORE INVESTING IN THE CALL WARRANTS.

THE CALL WARRANTS CONSTITUTE GENERAL UNSECURED CONTRACTUAL OBLIGATIONS OF THE ISSUER AND OF NO OTHER PERSON. THEREFORE, IF YOU PURCHASE THE CALL WARRANTS, YOU ARE RELYING ON THE CREDITWORTHINESS OF THE ISSUER AND HAVE NO RECOURSE / RIGHTS AGAINST SIME.

STATEMENTS OF DISCLAIMER

A COPY OF THIS TERM SHEET HAS BEEN REGISTERED WITH THE SECURITIES COMMISSION MALAYSIA ("SC"). THE REGISTRATION OF THIS TERM SHEET SHOULD NOT BE TAKEN TO INDICATE THAT THE SC RECOMMENDS THE OFFER OR ASSUMES RESPONSIBILITY FOR THE CORRECTNESS OF ANY STATEMENT MADE OR OPINION OR REPORT EXPRESSED IN THIS TERM SHEET.

THE SC IS NOT LIABLE FOR ANY NON-DISCLOSURE ON OUR PART AND TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS TERM SHEET, MAKES NO REPRESENTATION AS TO ITS ACCURACY OR COMPLETENESS AND EXPRESSLY DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWSOEVER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS TERM SHEET. **YOU SHOULD RELY ON YOUR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT. IN CONSIDERING THE INVESTMENT, IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.**

APPROVAL HAS BEEN OBTAINED FROM BURSA SECURITIES FOR THE LISTING OF AND QUOTATION FOR THE CALL WARRANTS BEING OFFERED. ADMISSION OF THE CALL WARRANTS TO THE OFFICIAL LIST OF BURSA SECURITIES IS NOT TO BE TAKEN AS AN INDICATION OF THE MERITS OF THE OFFER, THE UNDERLYING COMPANY OR THE UNDERLYING EQUITIES.

A COPY OF THIS TERM SHEET HAS ALSO BEEN LODGED WITH THE REGISTRAR OF COMPANIES. THE REGISTRAR OF COMPANIES DOES NOT TAKE RESPONSIBILITY FOR THE CONTENTS OF THIS TERM SHEET.

OTHER STATEMENTS

YOU ARE ADVISED TO NOTE THAT RECOURSE FOR FALSE OR MISLEADING STATEMENTS OR ACTS MADE IN CONNECTION WITH THIS TERM SHEET IS DIRECTLY AVAILABLE THROUGH SECTIONS 248, 249 AND 357 OF THE CAPITAL MARKETS AND SERVICES ACT, 2007 ("**CMSA**").

SECURITIES LISTED ON BURSA SECURITIES ARE OFFERED TO THE PUBLIC PREMISED ON FULL AND ACCURATE DISCLOSURE OF ALL MATERIAL INFORMATION CONCERNING THE ISSUE FOR WHICH ANY OF THE PERSONS SET OUT IN SECTION 236 OF THE CMSA, E.G. DIRECTORS AND ADVISERS, ARE RESPONSIBLE.

THE DISTRIBUTION OF THIS TERM SHEET AND THE OFFER ARE SUBJECT TO THE LAWS OF MALAYSIA. THIS TERM SHEET WILL NOT BE DISTRIBUTED OUTSIDE MALAYSIA. NO ACTION HAS BEEN TAKEN TO PERMIT THE OFFERING OF THE CALL WARRANTS IN ANY JURISDICTION OTHER THAN MALAYSIA. ACCORDINGLY, THIS TERM SHEET MAY NOT BE USED FOR THE PURPOSE OF AND DOES NOT CONSTITUTE AN OFFER FOR SUBSCRIPTION OR PURCHASE OR INVITATION TO SUBSCRIBE FOR OR PURCHASE, ANY CALL WARRANTS IN

ANY JURISDICTION IN WHICH SUCH OFFER OR INVITATION IN ANY JURISDICTION OR IN ANY CIRCUMSTANCES IN WHICH SUCH AN OFFER IS NOT AUTHORISED OR LAWFUL OR TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR INVITATION. THE DISTRIBUTION OF THIS BASE PROSPECTUS AND THE SALE OF CALL WARRANTS IN CERTAIN JURISDICTIONS OUTSIDE MALAYSIA MAY BE RESTRICTED BY LAW. YOU ARE REQUIRED TO BE AWARE AND OBSERVE THE LAWS OF COUNTRIES OR JURISDICTION OTHER THAN MALAYSIA THAT YOU ARE OR MIGHT BE SUBJECT TO.

PRIVACY NOTICE

PURSUANT TO SECTION 7 OF THE PERSONAL DATA PROTECTION ACT 2010, WE ARE REQUIRED TO ISSUE A PRIVACY NOTICE TO YOU WITH REGARD TO COLLECTION AND MANAGEMENT OF YOUR PERSONAL DATA. THE PRIVACY NOTICE (IN ENGLISH AND BAHASA MALAYSIA VERSIONS) IS ATTACHED AS ANNEXURE II OF THE BASE PROSPECTUS DATED 26 MARCH 2015 FOR YOUR REFERENCE AND IS ALSO AVAILABLE AT OUR WEBSITE, [HTTP://WWW.OCBC.COM.MY/PERSONAL-BANKING/SECURITY-PRIVACY.HTML](http://www.ocbc.com.my/personal-banking/security-privacy.html) .

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TENTATIVE TIMETABLE

The indicative timing of events leading up to the listing of and quotation for the Call Warrants on the Structured Warrants Board of Bursa Securities are as follows:-

<u>Tentative Dates</u>	<u>Event</u>
28 January 2016	: Launch of the Call Warrants
28 January 2016	: Allotment of the Call Warrants
29 January 2016	: Listing of the Call Warrants

THIS TIMETABLE IS SUBJECT TO CHANGES WHICH MAY BE NECESSARY TO FACILITATE IMPLEMENTATION PROCEDURES.

Note:-

The Price Fixing Date for the Call Warrants is 18 January 2016.

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DEFINITIONS

All references to “our Company” or “the Issuer” or “OCBC Malaysia” in this Term Sheet are to OCBC Bank (Malaysia) Berhad (295400-W) and references to “we”, “us”, and “our” are to our Company.

All references to “**you**” in this Term Sheet are to investors of the Call Warrants.

References to “Ringgit”, “Ringgit Malaysia”, “RM” or “sen” are to the lawful currency of Malaysia. Any reference to a time of day in this Term Sheet shall be a reference to Malaysian time, unless otherwise stated. Words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. References to persons shall include companies and corporations.

Any reference in this Term Sheet to any enactment is a reference to that enactment as for the time being amended or re-enacted.

This Term Sheet should be read in conjunction with and by reference to the Base Prospectus and the First Supplementary Base Prospectus.

In this Term Sheet, unless where the context requires otherwise, the following words and abbreviations shall have the following meanings:-

Base Prospectus	:	Base Prospectus dated 26 March 2015 relating to the offering of Call Warrants to be issued by us, as supplemented from time to time
Bursa Depository	:	Bursa Malaysia Depository Sdn Bhd (165570-W)
Bursa Securities	:	Bursa Malaysia Securities Berhad (635998-W)
CMSA	:	Capital Markets and Services Act 2007
Deed Poll	:	Deed Poll dated 18 March 2015 executed by us for the Call Warrants, as supplemented from time to time. The term sheet to be issued for each series of the Call Warrants will form a new supplement to the Deed Poll
Exercise Expenses		All costs and expenses reasonably incurred in respect of the exercise of the Call Warrants, including but not limited to any charges or expenses as may be charged by the Issuer and/or any taxes or duties (which are payable under any applicable law). We wish to highlight that, effective 1 April 2015, a goods and services tax of 6 per centum (6%) pursuant to the Goods And Services Tax Act 2014 will be payable in respect of the exercise of the Call Warrants. Exercise expenses are currently borne by the Issuer and no charge shall be incurred by the Holder.
First Supplementary Base Prospectus	:	First Supplementary Base Prospectus dated 13 October 2015
Holder(s)	:	The person or persons whose names for the time being appear on the Record of Depositors for the Call Warrants

DEFINITIONS (Cont'd)

LPD	:	18 January 2016, being the latest practicable date for the purpose of ascertaining certain information contained in this Term Sheet
Market Day	:	A day (other than Saturday, Sunday or public holiday) on which Bursa Securities is open for trading during the normal trading hours
Market Maker	:	A person who performs Market Making and is registered as a market maker under the Rules of Bursa Securities
Market Making	:	The act of entering bid and offer prices in the automated trading system of Bursa Securities
OCBC Malaysia Group	:	OCBC Malaysia and its subsidiaries
Offer	:	Our offering of the Call Warrants
Official List	:	The list specifying all securities which have been admitted for listing on Bursa Securities and not removed
Price Fixing Date	:	18 January 2016, being the date on which the exercise price and issue price for the Call Warrants are determined.
Record of Depositors	:	The record provided by Bursa Depository to OCBC Malaysia or the Structured Warrants Registrar under the Rules of Bursa Depository
Reference Price	:	RM 7.09, being the closing price of SIME shares on the Price Fixing Date
Relevant Currency	:	Ringgit Malaysia
RM and sen	:	Ringgit Malaysia and sen respectively
Rules of Bursa Depository	:	The Rules of Bursa Malaysia Depository Sdn Bhd as issued under the Securities Industry (Central Depositories) Act 1991
Rules of Bursa Securities	:	The Rules of Bursa Malaysia Securities Berhad
Settlement Currency	:	Ringgit Malaysia
SIME	:	Sime Darby Berhad (752404-U)
SIME Shares	:	Ordinary shares of Sime Darby Berhad
Structured Warrants Registrar	:	Symphony Share Registrars Sdn Bhd (378993-D)
Term(s)	:	Term(s) and condition(s) of the Call Warrants contained in the Base Prospectus and this Term Sheet
VWAP	:	Arithmetic mean of daily volume weighted average market price

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CORPORATE DIRECTORY

- ISSUER / MARKET MAKER** : OCBC Bank (Malaysia) Berhad (295400-W)
19th Floor, Menara OCBC
18 Jalan Tun Perak
50050 Kuala Lumpur
- Telephone no.: 03-2034 5077
Website: www.ocbc.com.my
- STRUCTURED WARRANTS REGISTRAR** : Symphony Share Registrars Sdn. Bhd. (378993-D)
Level 6, Symphony House
Pusat Dagangan Dana 1
Jalan PJU 1A/46
47301 Petaling Jaya
Selangor Darul Ehsan
- Telephone no.: 03-7841 8000
- LISTING** : Structured Warrants Board of Bursa Securities

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1. TERMS AND CONDITIONS OF THE CALL WARRANTS

The following are the Terms of the Call Warrants and should be read in conjunction with, and are qualified by reference to, the Base Prospectus and First Supplementary Base Prospectus and the other information set out in this Term Sheet. Holders are bound by and are deemed to have notice of all provisions contained in the Deed Poll.

Issuer	:	OCBC Malaysia
Market Maker	:	OCBC Malaysia
Call Warrants	:	Up to 50,000,000 non-collateralised European style cash-settled Call Warrants over Underlying Equities
Issue Size	:	Up to 50,000,000 Call Warrants
Underlying Equities	:	Ordinary shares of SIME, which are quoted on Bursa Securities
Exercise Ratio	:	8 Call Warrants: 1 SIME Share
Exercise Price	:	RM 8.07, being an amount equal to 113.82% of the Reference Price. The Exercise Price shall be rounded to the nearest two (2) decimal places. In the event of any dispute regarding the calculation of the Exercise Price, our determination shall be final and conclusive
Exercise Style	:	European style (i.e. may only be exercised on the Expiry Date)
Settlement	:	Cash Settlement only
Closing Price	:	The VWAP of SIME Shares (subject to any adjustments as may be necessary to reflect any capitalisation, rights issue, distribution or others) for the 5 Market Days prior to and including the Market Day immediately before the Expiry Date (subject to the Market Disruption Event)
Market Disruption Event	:	If in the absolute discretion of the Issuer, there is a Market Disruption Event on the Expiry Date, the Expiry Date shall be the next following Market Day after the Market Disruption Event. If the Market Disruption Event continues to occur up to the eighth (8 th) Business Day following the original Expiry Date, then the Expiry Date shall be : <ul style="list-style-type: none"> (i) that eighth (8th) Business Day ; and (ii) the Issuer shall determine at its absolute discretion and on the basis of the Issuer's good faith estimate the Closing Price for that Expiry Date by determining the price of the SIME Shares based on the prevailing market conditions and other factors as the Issuer may consider relevant.
Issue Price	:	RM0.15 , being an amount equal to (i) 16.93% of the Reference Price, divided by (ii) the Exercise Ratio rounded up to the nearest half sen. In the event of any dispute regarding the calculation of the Issue Price, our determination shall be final and conclusive
Implied Volatility	:	65.85%

2. TERMS AND CONDITIONS OF THE CALL WARRANTS (Cont'd)

Delta	:	50.73%
Gearing	:	5.91 times
Effective Gearing	:	3.00 times
Premium	:	30.75%
Board Lot	:	100 Call Warrants
Cash Settlement Amount	:	In the absence of a Settlement Disruption Event (as disclosed on Page 60 Annexure 1 Principal Terms of Deed Poll of the Base Prospectus), OCBC Malaysia shall within seven (7) Market Days from the Expiry Date or such other period as may be prescribed by Bursa Securities, pay to the relevant Holder, the Cash Settlement Amount in Ringgit Malaysia calculated as set out below less Exercise Expenses:

$$\text{Cash Settlement Amount} = \left[\text{Number of Call Warrants} \times (\text{Closing Price} - \text{Exercise Price}) \times \frac{1}{\text{Exercise Ratio}} \right] - \text{Exercise Expenses}$$

In the event that the Cash Settlement Amount after deducting all the Exercise Expenses is equal to or less than zero on the Expiry Date, the Call Warrants shall terminate on the Expiry Date and cease to be valid and the Issuer's obligations in respect of the Call Warrants shall terminate absolutely. The Holders shall not be required to pay or top up the Exercise Expenses in the event the Cash Settlement Amount is negative after deducting Exercise Expenses.

Exercise Expenses are currently borne by the Issuer and no charge shall be incurred by the Holder.

Expiry Date	:	20 October 2016
Automatic Exercise	:	The Call Warrants shall be automatically exercised at 5.00 p.m. on the Expiry Date if the Cash Settlement Amount calculated in accordance with the above formula after deducting all Exercise Expenses, is greater than zero (without the Holders having to deliver a valid exercise notice and without notice of automatic exercise being given by us to the Holders). If the Expiry Date is not a Market Day then it shall be deemed to be exercised on the next following Market Day.

The Call Warrants will automatically terminate and cease to be valid at 5.00 p.m. on the Expiry Date if the Cash Settlement Amount after deduction of the Exercise Expenses is equal to or less than zero and the Issuer's obligations in respect of the Call Warrants shall terminate absolutely. For the avoidance of doubt, the Holder shall not be required to pay or top-up the Exercise Expenses, as the case may be, where the Cash Settlement Amount after deduction of the Exercise Expenses is less than zero.

Listing	:	We have received Bursa Securities' permission to list and quote the Call Warrants on the Official List of Structured Warrants Board of Bursa Securities
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2. RISK FACTORS

BEFORE INVESTING IN THE CALL WARRANTS, YOU SHOULD CONSIDER CAREFULLY THE RISK FACTORS AND OTHER INFORMATION CONTAINED IN THE BASE PROSPECTUS AS WELL AS THE RISK FACTORS DESCRIBED BELOW (WHICH MAY NOT BE EXHAUSTIVE) IN ADDITION TO ALL OTHER RELEVANT INFORMATION CONTAINED IN THIS TERM SHEET.

Your investment decision should be based solely upon your own independent assessment of our financial condition and affairs, and your own appraisal of our prospects, OCBC Malaysia's creditworthiness, the Terms, the SIME Shares and any other factors relevant to your decision, including the merits and risks involved.

(a) No investigation or review performed on SIME

We have not performed any investigation or review of the business operations and prospects of SIME. Therefore, investors should not assume that the issuance of any Call Warrants represents a recommendation by us of an investment in SIME. You have no rights in SIME Shares throughout the Terms of the Call Warrants.

In addition, you should be aware that SIME has not participated in the preparation of the Base Prospectus, First Supplementary Base Prospectus and this Term Sheet, or in establishing the Terms. As a consequence, there can be no assurance that all events occurring before the date of this Term Sheet that would affect the trading price of SIME Shares (and therefore the price of the Call Warrants) have been publicly disclosed. Subsequent disclosure of any such events or the disclosure of or failure to disclose material future events concerning SIME could affect the trading price of the SIME Shares and therefore the trading price of the Call Warrants. Further, SIME has no obligation with respect to the settlement amount to be paid to you (if any) upon exercise of the Call Warrants, including any obligation to take into account, for any reason, our needs, or your needs.

(b) Value of Call Warrant affected by inherent sectorial risk of SIME's business

The principal activity of SIME is investment holding. Its subsidiaries are involved in the cultivation of oil palm, processing of palm oil and palm kernel, property development, operation of golf course and hotels, manufacturing and assembly of generators, agricultural and industrial machinery, service support for industrial products, distribution of motor vehicles and provision of after sales services, and management and provision of healthcare services.

SIME is subject to risks inherent in the abovementioned sectors. You should therefore note that the occurrence of any material or adverse events in this industry, may affect the performance of the SIME Shares on Bursa Securities, which may consequentially affect the value of the Call Warrants.

(c) Adjustment related risks

The occurrence of certain events (including a rights issue or bonus issue by SIME, a subdivision and consolidation of SIME and a restructuring event of SIME) may entitle us to adjust the Terms of the Call Warrants. However, we are not obliged to adjust the Terms of the Call Warrants for every event that affects SIME. Any adjustment or decision not to make any adjustment may adversely affect the value of the Call Warrants.

2. RISK FACTORS (Cont'd)

(d) The Base Prospectus, First Supplementary Base Prospectus and Term Sheet are not the sole basis for making an investment decision

The Base Prospectus, First Supplementary Base Prospectus and this Term Sheet do not take into account your investment objectives, financial situation or particular needs. Nothing in the Base Prospectus, First Supplementary Base Prospectus or this Term Sheet should be construed as a recommendation by us or our affiliates to invest in the Call Warrants or SIME.

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3. PARTICULARS OF THE OFFER

The distribution of this Term Sheet in certain other jurisdictions outside Malaysia may be restricted by law. You are required to be aware of such restrictions and to observe it. This Term Sheet does not constitute and may not be used for the purpose of an invitation to subscribe for or an offer to sell SIME shares in any jurisdiction in which such offer or invitation is restricted, not authorized or lawful or to any person to whom it is unlawful to make such offer or invitation.

3.1 Information on the Underlying Company

Information on SIME may be obtained from the following:

- (a) SIME's website, www.simedarby.com; and
- (b) Bursa Securities' website, <http://www.bursamalaysia.com>.

Please note, however, the information contained in the above websites does not form part of this Term Sheet, Base Prospectus and First Supplementary Base Prospectus.

3.2 Basis of Arriving at the Issue Price

The Issue Price of the Call Warrants of RM0.15 (rounded up to the nearest half sen) was based on an option pricing model after taking into account the interest rates, tenure and the Exercise Price of the Call Warrants, the volatility and expected dividend yields of SIME.

3.3 Utilisation of Proceeds

For illustration purposes, based on the Issue Price of RM0.15, the Offer is expected to raise gross proceeds of up to RM7,500,000 which will be utilised in the following manner:

	Amount (RM)
(i) Working capital	RM7,450,000
(ii) Estimated expenses relating to the Offer	50,000
Total proceeds	RM7,500,000

We will bear all expenses and fees incidental to the listing of and quotation for the Call Warrants on the Structured Warrants Board of Bursa Securities. The expenses, which include professional fees, fees to the authorities, printing and advertising costs are estimated to be RM50,000.

3.4 Break-Even Analysis

Holders may calculate the break-even level for their investment in Call Warrants by using the following formula:

$$\text{Break-even level} = \text{Exercise Price} + [(\text{Purchase Price}^{(1)} \times \text{Exercise Ratio}) + \text{Exercise Expenses}^{(2)}]$$

3. PARTICULARS OF THE OFFER (Cont'd)

A positive payoff is only attainable if the price of SIME Shares exceeds the break-even level upon exercise of the Call Warrants.

Notes:

- (1) *Purchase Price is the amount incurred by the investor for the purchase of one (1) unit of the Call Warrant in the primary or secondary market, and includes all relevant transaction costs such as stamp duty, clearing fee and brokerage charges, whichever is applicable.*
- (2) *Exercise Expenses are currently borne by the Issuer and no charge shall be incurred by the Holder.*

3.5 Market Making

We are the registered Market Maker for the Call Warrants pursuant to the Rules of Bursa Securities. We will be providing bid and offer quotes for the Call Warrants on the trading system of Bursa Securities on each Market Day, over the life of the Call Warrants on the following basis:

- (i) The minimum presence on each day that Bursa Securities is open for trading in the Structured Warrants : 70% of trading hours
- (ii) The maximum spread of two-sided Market Making quotes : 25 bids
- (iii) The minimum quantity on each of the two-sided market making quotes : 10 board lots (1,000 units of call warrants)

There will be circumstances under which we may not be able to provide bid and offer quotes, or reply to a request for quotes. Such circumstances are set out in Section 5.2 of the Base Prospectus.

3.6 Further Issue

The Deed Poll allows us to create and issue further Call Warrants in respect of the same series of Call Warrants ("**Further Issue**") without the consent or sanction of the existing Holders of the Call Warrants. The Further Issue will form part of the existing Call Warrants in issue ("**Existing Issue**").

For the purpose of facilitating Market Making, we may apply for Further Issue in respect of this Call Warrants, subject to the following conditions:

- (i) the Further Issue is for the purpose of facilitating Market Making;
- (ii) the Terms of the Existing Issue either permit the Further Issue or have been properly amended to give us the right to issue and list one (1) or more Further Issues;
- (iii) the Terms of the Further Issue and the Existing Issue must be identical except for the size and tenure of the issue; and
- (iv) we hold not more than 50% of the Existing Issue at the time of application for the Further Issue.

4. SUPPLEMENTAL GENERAL INFORMATION

4.1 Agreements, Arrangements or Understanding

As at the LPD, there are no agreements, arrangements or understanding in place between us and/or OCBC Malaysia Group and/or our associated companies, and any substantial shareholders of SIME in relation to the issuance of the Call Warrants or which will have an effect on the issuance of the Call Warrants.

4.2 Consents

The Structured Warrants Registrar has given and has not subsequently withdrawn its written consent to the inclusion in this Term Sheet of its name in the form and context in which it appears.

4.3 Documents for Inspection

Copies of the following documents may be inspected at our registered office during normal business hours for a period of twelve (12) months from the date of the Base Prospectus:-

- (a) Deed Poll;
- (b) Warrant Agency Agreement dated 11 February 2015 for the Structured Warrants;
- (c) Our audited financial statements for the last 3 financial years ended 31 December 2012, 31 December 2013, 31 December 2014; and
- (d) Letter of consent referred to in section 4.2 of this Term Sheet.

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4. SUPPLEMENTAL GENERAL INFORMATION (Cont'd)

4.4 Responsibility Statements

- (a) Our Directors have seen and approved this Term Sheet. Our Directors collectively and individually accept full responsibility for the accuracy of the information contained in this Term Sheet and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no false or misleading statements or other facts the omission of which would make any statement in this Term Sheet false or misleading.

Notwithstanding the foregoing, our Directors do not accept responsibility for the contents of information on SIME contained in this Term Sheet save for the fact that the information is an accurate extract or summary of relevant publicly released information.

- (b) We acknowledge that, based on all available information and to the best of our knowledge and belief, the Base Prospectus, First Supplementary Base Prospectus and this Term Sheet constitute a full and true disclosure of all material facts concerning the Offer.

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