

PRICING SUPPLEMENT

ZAMARAD ASSETS BERHAD

(Company No. 1283847-P)

Issue of First Tranche Sukuk Murabahah of RM265,000,000.00 in nominal value

pursuant to an Islamic medium term notes programme under a Sukuk Murabahah asset-backed securitisation programme of Ringgit Malaysia Two Billion (RM2,000,000,000.00) in nominal value based on the Shariah principle of *Murabahah* (via *Tawarruq* arrangement) (“**Sukuk Murabahah Programme**”)

JOINT PRINCIPAL ADVISERS, JOINT LEAD ARRANGERS & JOINT LEAD MANAGERS



AmInvestment Bank



CIMB



HongLeong Investment Bank

**AmINVESTMENT BANK
BERHAD**

(Company No. 23742-V)

**CIMB INVESTMENT BANK
BERHAD**

(Company No. 18417-M)

**HONG LEONG INVESTMENT BANK
BERHAD**

(Company No. 10209-W)

The date of this Pricing Supplement is 22 March 2019

This document ("**Pricing Supplement**") is issued to give details of proposed issue of the First Tranche Sukuk Murabahah of RM265,000,000.00 ("**Subject Sukuk Murabahah**") by **ZAMARAD ASSETS BERHAD** (Company No. 1283847-P) (the "**Issuer**") under its Sukuk Murabahah Programme.

This Pricing Supplement is to be read in conjunction with the terms and conditions of the Sukuk Murabahah (the "**Conditions**") set out in the Trust Deed dated 19 March 2019 made between the Issuer and MTrustee Berhad (the "**Sukuk Trustee**") which is made a part hereof as if set forth herein and all documents incorporated by reference therein (collectively the "**Trust Deed**") and the information memorandum dated 11 March 2019 issued by the Issuer in relation to the Sukuk Murabahah Programme. Unless otherwise defined in this Pricing Supplement, capitalised terms used herein have the same meaning as in the Trust Deed.

The establishment of the Sukuk Murabahah Programme and the issuance of the Sukuk Murabahah under the Sukuk Murabahah Programme has been duly authorised by a resolution of the Board of Directors of the Issuer dated 15 February 2019.

The Issuer has authorised the Joint Lead Managers and/or its affiliates to circulate or distribute this Pricing Supplement on their behalf in respect of or in connection with the proposed offer or invitation to subscribe for and issue of the Subject Sukuk Murabahah to prospective investors who fall within the ambit of the Selling Restrictions for the purpose of the sale of the Subject Sukuk Murabahah and that no further evidence of authorisation is required.

This Pricing Supplement is for information purposes only and does not constitute and may not be used for the purposes of an offer or solicitation by anyone in any jurisdiction.

This Pricing Supplement and its contents are strictly confidential and are made strictly on the basis that the recipient shall ensure that they will remain confidential. Accordingly, this Pricing Supplement and its contents or any information which is made available in connection with any further enquiries must be held in complete confidence.

This Pricing Supplement is sent to selected persons who fall within the ambit of the Selling Restrictions. Any person who receives this Pricing Supplement who does not fall within the ambit of the Selling Restrictions must immediately notify the Joint Lead Managers and return this Pricing Supplement to the Joint Lead Managers or the Issuer.

This Pricing Supplement or any document delivered under or in relation to the issue, offer and sale of the Subject Sukuk Murabahah is not, and should not be construed as, a recommendation by the Issuer, the Joint Lead Managers or any other party to the recipient to subscribe for or purchase the Subject Sukuk Murabahah. This Pricing Supplement is not a substitute for, and should not be regarded as, an independent evaluation and analysis and does not purport to be all inclusive. Each recipient is solely responsible for seeking all appropriate expert advice as to the laws of all jurisdictions to which it is subject. Each recipient should perform and is deemed to have made its own independent investigation and analysis of the Issuer, the Subject Sukuk Murabahah and all other relevant matters, and each recipient should consult its own professional advisers.

The recipient must return this Pricing Supplement and any other information in connection therewith to the Joint Lead Managers promptly upon the Joint Lead Managers' request.

THE DISTRIBUTION OF THIS PRICING SUPPLEMENT AND THE OFFERING OR SALE OF THE SUKUK MURABAHAH IN JURISDICTIONS OTHER THAN MALAYSIA IS RESTRICTED. PERSONS INTO WHOSE POSSESSION THIS PRICING SUPPLEMENT COMES INTO ARE REQUIRED BY THE ISSUER, THE JOINT LEAD ARRANGERS AND THE JOINT LEAD MANAGERS TO INFORM THEMSELVES ABOUT AND TO OBSERVE SUCH RESTRICTION. FOR A DESCRIPTION OF CERTAIN RESTRICTIONS ON OFFERS AND SALES OF THE SUKUK MURABAHAH AND ON THE DISTRIBUTION OF THIS PRICING SUPPLEMENT, SEE "SELLING RESTRICTIONS" IN THE TRUST DEED.

Terms of First Tranche Sukuk Murabahah

Tranche No. 1

Issue Date: 27 March 2019

Classes of Sukuk Murabahah	Series	Nominal Value (RM million)	Issue Price (RM million)	Tenure of Expected Maturity (years)*	Expected Maturity Date	Tenure of Legal Maturity (years)*	Legal Maturity Date	Profit Rate (% p.a.)	Additional Profit Rate (% p.a.)	Rating (RAM)	Yield to Expected Maturity or Yield to Maturity (as the case maybe) (%)	Profit payment frequency
Class A Sukuk Murabahah	1	35.0	35.0	N/A	N/A	1.0	27/03/2020	4.55	N/A	AAA	4.55	Semi-annually in arrears
Class A Sukuk Murabahah	2	60.0	60.0	N/A	N/A	3.0	25/03/2022	4.70	N/A	AAA	4.70	Semi-annually in arrears
Class A Sukuk Murabahah	3	50.0	50.0	N/A	N/A	5.0	27/03/2024	4.85	N/A	AAA	4.85	Semi-annually in arrears
Class A Sukuk Murabahah	4	50.0	50.0	N/A	N/A	7.0	27/03/2026	5.00	N/A	AAA	5.00	Semi-annually in arrears
Class B Sukuk Murabahah	N/A	45.0	45.0	7.0	27/03/2026	8.5	27/09/2027	5.50	4.00	AA2	5.50	Semi-annually in arrears
Class C Sukuk Murabahah	N/A	25.0	25.0	N/A	N/A	8.5	27/09/2027	33.00	N/A	Not Rated	33.00	Semi-annually in arrears **
	Total	265.0										

N/A - Not applicable

* from the Issue Date

** only payable (in full or in part) upon the full redemption of the First Tranche - Class A and Class B Sukuk Murabahah.

<p>1. Utilisation of Proceeds:</p>	<p>(i) an amount to be determined based on the relevant Master Sale and Purchase Agreement to be entered into prior to the Issue Date of First Tranche to meet the Purchase Consideration of the Acquired Islamic Financing Agreements;</p> <p>(ii) to meet the Minimum Required Profit Balance under the Finance Service Reserve Account which will be determined prior to the Issue Date of First Tranche and subject to the agreed Profit Rate of the Sukuk Murabahah; and</p> <p>(iii) an amount to be determined prior to the Issue Date of First Tranche to reimburse the Originator all expenses (including the deposit paid or to be paid into the Trustee's Reimbursement Account) and/or to meet all expenses in connection with the Sukuk Murabahah Programme.</p>
<p>2. Early Redemption:</p>	<p>After the end of fifth (5th) year from the Issue Date and up to the date immediately before the Legal Maturity Date, the Issuer may early redeem ("Early Redemption") the outstanding Class A Sukuk Murabahah and Class B Sukuk Murabahah in whole but not in part at the relevant early redemption sum ("ERS") provided that the Issuer provides the relevant Sukukholders (vide the Sukuk Trustee), the Facility Agent and the Paying Agent with a prior written notice of its intention to redeem the relevant Class of Sukuk Murabahah and such notice shall be given not less than twenty-one (21) days before the intended Early Redemption date ("Early Redemption Notice").</p> <p>For the Sukuk Murabahah to be redeemed, the ERS shall be calculated by the Facility Agent based on the following formula and the calculation of the Facility Agent shall be final and binding:</p>

$$EKS = \frac{NV \times ERP}{100}$$

where:

NV= Aggregate nominal value of the relevant series of the Sukuk Murabahah to be redeemed

ERP= Early redemption price per RM100 (rounded to 2 decimal places) subject to a minimum of RM100, calculated as follows:

$$ERP = \frac{100}{\left(1 + \frac{YTM}{2}\right)^{(N-1) + \left(\frac{1}{2}\right)}} + \sum_{k=1}^N \frac{100 \times \frac{Profit}{2}}{\left(1 + \frac{YTM}{2}\right)^{(k-1) + \left(\frac{1}{2}\right)}}$$

To calculate ERP, the following variables shall be used:

Profit = Original profit rate of the relevant Sukuk Murabahah;

YTM= lower of:

- (a) the original yield to maturity of the relevant Sukuk Murabahah; or
- (b) Reference Malaysian Government Securities ("MGS") + Relevant Spread

Such Relevant Spread for Class A Sukuk Murabahah and Class B Sukuk Murabahah shall be 0.35% and 0.60% respectively.

"Reference MGS" shall be the MGS rate for the tenure which is equal to the remaining tenure of the relevant series of the Sukuk Murabahah and shall be determined from:-

- (1) the latest consolidated Government Securities Rates (Islamic) published by BNM weekly, two (2) business days prior to the date of the Early Redemption Notice; or
- (2) if (1) above is unavailable, the arithmetic average of the mid-rates quoted by any five (5) principal

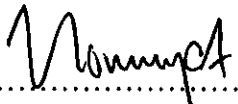
	<p>dealers, two (2) business days prior to date of the Early Redemption Notice and/or in the case where the rate for a particular tenure is not available directly, then such a rate shall be extrapolated on a linear basis using available arithmetic average mid-rates, provided that if the tenure of the relevant series of the Sukuk Murabahah is not an integer, the Reference MGS shall be the arithmetic mean of the rates of the two nearest tenures derived from (1) or (2) above.</p> <p>N = Number of profit payment dates between the date of Early Redemption and the Legal Maturity Date or Expected Maturity Date (as the case may be)</p> <p>T = Number of days from the date of Early Redemption to the date of the immediate next profit payment date</p> <p>E = Number of days between the immediate preceding Profit Payment Date from the date of Early Redemption to the date of the immediate next profit payment date following the date of Early Redemption</p> <p>For avoidance of doubt, the ERS after the Expected Maturity Date shall be equivalent to the aggregate outstanding nominal value payable and any accrued but unpaid profit (including any Additional Profit).</p>
3. Revolving Option:	Not applicable
4. Ibra':	<p><u>Upon the Declaration of an Event of Default, Mandatory Redemption in Full or Redemption after the Expected Maturity Date</u></p> <p>Ibra' shall be granted based on the Sale Price less aggregate of the nominal value of the Sukuk Murabahah and the accrued but unpaid Profit Payment (including any Additional Profit)</p>

	<p><u>Upon Early Redemption</u></p> <p>Ibra' shall be granted based on the Sale Price less the ERS</p>
5. Clean-Up Call	<p>The Issuer will grant the Originator an option to repurchase all the outstanding Acquired Islamic Financing Agreements of the First Tranche on a date to be agreed, at the Repurchase Price, in accordance with the terms of the Master Sale and Purchase Agreement, provided that the Issuer would be able to discharge all its payment obligations to the Sukukholders of all the Class A and Class B Sukuk Murabahah, payments preferred by law and incidental expenses and fees to the Joint Principal Advisers/Joint Lead Arrangers/Joint Lead Managers/ Joint Shariah Advisers, the Solicitors, Rating Agency, Reporting Accountant, the Sukuk Trustee, the Security Trustee, the Servicer Fee (if the Servicer is not the Originator or a related corporation of the Originator) and such other party(ies) appointed in connection with the Sukuk Murabahah Programme, if:</p> <p>(a) the outstanding principal value of the Acquired Islamic Financing Agreements of such Tranche shall fall to or below ten percent (10%) of the outstanding principal value of the Acquired Islamic Financing Agreements initially purchased from the Originator; or</p> <p>(b) all the Classes of the Sukuk Murabahah of the First Tranche save and except the Class C Sukuk Murabahah shall have been fully redeemed.</p>
6. Servicer:	RCE Marketing Sdn Bhd
7. Other terms and conditions:	N/A

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in this Pricing Supplement. The Issuer confirms that having made all enquiries as were reasonable, the information contained in this Pricing Supplement is in accordance with the facts and is not false, misleading or contain any material omission.

For and on behalf of
ZAMARAD ASSETS BERHAD
(Company No. 1283847-P)


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Authorised Signatory(ies)
Name: NORHAYATI BINTI AZIT
Designation: DIRECTOR
Date: 22 MAR 2019