

**IDEAL WATER RESOURCES SDN BHD - SUKUK MURABAHAH PROGRAMME OF 1.0 BILLION IN NOMINAL VALUE UNDER THE SHARIAH PRINCIPLE OF MURABAHAH**  
**Other Terms and Conditions**

	<b>Other terms and conditions</b>	:	
(a)	<b>Status</b>	:	<p><b><u>In respect of Sukuk Murabahah that are secured</u></b>  The Sukuk Murabahah that are secured shall constitute direct, unsubordinated, unconditional and secured obligations of the Issuer.</p> <p>Each Tranche may be secured by differed secured assets and therefore will not rank pari passu with each other, but it shall at all times at least rank pari passu with all other present and future unsecured and unsubordinated obligations of the Issuer, subject to those preferred by law and the Transaction Documents.</p> <p>The Sukuk Murabahah that are secured by the security issued within each Tranche shall rank pari passu without any preference or priority among themselves unless otherwise provided under the Transaction Documents.</p> <p><b><u>In respect of Sukuk Murabahah that are unsecured</u></b>  The Sukuk Murabahah that are unsecured shall constitute direct, unsecured, unsubordinated and unconditional obligations of the Issuer. The Sukuk Murabahah that are unsecured shall rank pari passu without any preference or priority among themselves unless otherwise provided under the Transaction Documents or those preferred by law and at least rank pari passu with all other present or future unsecured, unconditional and unsubordinated obligations of the Issuer.</p>
(b)	<b>Utilisation of Proceeds</b>	:	<p><b><u>First Tranche Sukuk Murabahah</u></b></p> <p>The proceeds in relation to the issuance of the First Tranche Sukuk Murabahah shall be utilised for the following Shariah-compliant purposes:</p> <ul style="list-style-type: none"> <li>(a) to fund general working capital requirements of PNHB and its subsidiaries (collectively “<b>PNHB Group</b>”);</li> <li>(b) to fund the Projects (as defined below);</li> <li>(c) to fund the D44 Project (as defined below); and/or</li> <li>(d) payment of fees and costs in relation to the establishment of the Sukuk Murabahah Programme and the issuance of the First Tranche Sukuk Murabahah thereunder.</li> </ul> <p>For the avoidance of doubt, the advance(s) by the Issuer to the PNHB Group shall be made in a Shariah-compliant manner.</p>

**IDEAL WATER RESOURCES SDN BHD - SUKUK MURABAHAH PROGRAMME OF 1.0 BILLION IN NOMINAL VALUE UNDER THE SHARIAH PRINCIPLE OF MURABAHAH**  
**Other Terms and Conditions**

		<p><b>“Projects”</b> shall mean the following projects being undertaken by the PNHB Group:-</p> <p>(a) subcontract works of RM47.2 million being undertaken by Puncak Niaga Construction Sdn Bhd (<b>“PNC”</b> or <b>“ProjectCo”</b>) for the proposed construction of a water treatment plant and upgrading of the distribution system in Gua Musang, Kelantan under a sub-contract agreement dated 14 July 2023 between PNC and the main contractor, Pembinaan Era Dinamik Sdn Bhd; and</p> <p>(b) subcontract works of RM82.9 million being undertaken by PNC for the old pipe replacement programme for year 2020 in Johor, under a sub-contract agreement dated 28 March 2023 between PNC and the main contractor, Jalur Cahaya Sdn Bhd.</p> <p><b>“D44 Project”</b> shall mean the construction of new sewer pipe networks at Bunus, Kuala Lumpur (Design and Build) under Package D44 awarded by Jabatan Perkhidmatan Pembentungan under Kementerian Alam Sekitar Dan Air to Puncak Niaga (M) Sdn Bhd worth RM393.9 million, which was subsequently novated to PNC.</p> <p><b><u>Subsequent Tranche(s) of Sukuk Murabahah</u></b></p> <p>To be determined prior to each Issue Date of the relevant Tranche of Sukuk Murabahah.</p> <p>For the issuance of Sustainability Sukuk Murabahah and/or Sustainability-Linked Sukuk Murabahah, the proceeds thereof shall be utilised for the purposes as set out in the Sustainability Sukuk Framework or the Sustainability-Linked Sukuk Framework (both as defined below) and the applicable Sustainability Guidelines and/or Sustainability-Linked Guidelines under which such Sustainability Sukuk Murabahah and/or Sustainability-Linked Sukuk Murabahah are issued, as further set out in the relevant pricing supplement in relation to the issuance of such Sustainability Sukuk Murabahah and/or Sustainability-Linked Sukuk Murabahah.</p> <p>The <b>“Sustainability Sukuk Framework”</b> shall refer to the framework to be issued by the Issuer in relation to the issuance of Sustainability Sukuk Murabahah under the Sukuk Murabahah Programme and shall include amendments or revisions thereof from time to time.</p> <p>The <b>“Sustainability-Linked Sukuk Framework”</b> shall refer to the framework to be issued by the Issuer in relation to the issuance of Sustainability-Linked Sukuk Murabahah under the Sukuk Murabahah Programme and shall include</p>
--	--	---

**IDEAL WATER RESOURCES SDN BHD - SUKUK MURABAHAH PROGRAMME OF 1.0 BILLION IN NOMINAL VALUE UNDER THE SHARIAH PRINCIPLE OF MURABAHAH**  
**Other Terms and Conditions**

		<p>amendments or revisions thereof from time to time.</p> <p>For the avoidance of doubt, the utilisation of proceeds under the Sukuk Murabahah Programme shall at all times be for Shariah-compliant purposes only.</p>
(c)	<b>Tenure of Sukuk Murabahah</b>	: The tenure of each Sukuk Murabahah issued shall be for a period of one (1) year or more than one (1) year from the Issue Date, as the Issuer may elect.
(d)	<b>Issue price</b>	: The Sukuk Murabahah may be issued at par, at a premium or at a discount to be determined prior to each issuance of the Sukuk Murabahah and the issue price will be calculated in accordance with the BNM Procedures and Rules (as defined below).
(e)	<b>Purchase and selling price/rental</b>	<p>: <b><u>Purchase Price</u></b></p> <p>The Purchase Price shall be an amount equivalent to the proceeds raised from the issuance of the relevant Sukuk Murabahah which shall be in compliance with the asset pricing requirements stipulated under the Guidelines on ICMPs.</p> <p><b><u>Deferred Sale Price</u></b></p> <p>The Deferred Sale Price shall be an amount equivalent to the aggregate of:-</p> <p>(i) the Purchase Price; and</p> <p>(ii) the Profit Margin,</p> <p>payable on a deferred payment basis.</p> <p><b>“Profit Margin”</b> means:</p> <p>(a) in respect of the Sukuk Murabahah issued at a discount, the aggregate of the periodic Profit Payment plus the Discounted Amount (as defined below);</p> <p>(b) in respect of the Sukuk Murabahah issued at par, the aggregate of the periodic Profit Payment; and</p> <p>(c) in respect of the Sukuk Murabahah issued at a premium, the aggregate of the periodic Profit Payment less the Premium Amount (as defined below).</p> <p><b>“Discounted Amount”</b> means where the Sukuk Murabahah is issued at a discount, the difference between:-</p>

**IDEAL WATER RESOURCES SDN BHD - SUKUK MURABAHAH PROGRAMME OF 1.0 BILLION IN NOMINAL VALUE UNDER THE SHARIAH PRINCIPLE OF MURABAHAH**

**Other Terms and Conditions**

		<p>(i) the nominal value of the relevant Sukuk Murabahah; and</p> <p>(ii) the proceeds from the issuance of such Sukuk Murabahah.</p> <p><b>“Premium Amount”</b> means the difference between the Purchase Price and the nominal value of the relevant Sukuk Murabahah in the case of Sukuk Murabahah issued at a premium.</p>
(f)	<b>Profit/coupon/rental rate</b>	<p>: The profit rate (<b>“Profit Rate”</b>) of the Sukuk Murabahah may be based on a fixed or floating rate to be determined prior to each issuance of the Sukuk Murabahah.</p> <p>If the Sukuk Murabahah is issued on a floating basis, such Profit Rate shall be the aggregate of the Spread for Floating Rate (as defined below) and the Relevant Floating Rate Benchmark (as defined below) (<b>“Floating Profit Rate”</b>), subject to the Maximum Profit Rate (as defined below).</p> <p>If the Floating Profit Rate is higher than the Maximum Profit Rate, the Issuer shall be obliged to make Profit Payment at the Maximum Profit Rate only.</p> <p>The Sukukholders consent to grant an Ibra’ if the Floating Profit Rate is lower than the Maximum Profit Rate.</p> <p><b>“Maximum Profit Rate”</b> is a rate to be agreed between the Issuer and the Lead Manager prior to each issuance of Sukuk Murabahah for the purposes of calculating the Profit Payment in determining the Deferred Sale Price.</p> <p><b>“Relevant Floating Rate Benchmark”</b> means the relevant benchmark to be determined and agreed between the Issuer and the Lead Manager prior to the issuance of the relevant Sukuk Murabahah.</p> <p><b>“Spread for Floating Rate”</b> means the spread to be determined and agreed between the Issuer and the Lead Manager at the point of issuance of the relevant Sukuk Murabahah, where applicable, and expressed as a rate in per cent per annum.</p>
(g)	<b>Profit/coupon/rental payment frequency</b>	<p>The profit payment (<b>“Profit Payment”</b>) frequency shall be made in arrears on a monthly, quarterly or semi-annual basis, or such other period to be determined prior to each issuance of the Sukuk Murabahah.</p>
(h)	<b>Profit/coupon/rental payment basis</b>	<p>: Actual/365 days.</p>

**IDEAL WATER RESOURCES SDN BHD - SUKUK MURABAHAH PROGRAMME OF 1.0 BILLION IN NOMINAL VALUE UNDER THE SHARIAH PRINCIPLE OF MURABAHAH**  
**Other Terms and Conditions**

(i)	<b>Form and Denomination</b>	<p>The Sukuk Murabahah shall be issued in accordance with:-</p> <ul style="list-style-type: none"> <li>(i) the Operational Procedures for Securities Services and Operational Procedures for Malaysian Ringgit (MYR) Settlement in the Real Time Electronic Transfer of Funds and Securities System (RENTAS) issued by BNM or its successor-in-title, assign or any other successor in such capacity and as amended/ substituted from time to time ("<b>BNM Procedures</b>");</li> <li>(ii) the Participation and Operation Rules for Payments and Securities Services issued by BNM or its successor-in-title, assign or any other successor in such capacity and as amended/ substituted from time to time ("<b>BNM Rules</b>") (the BNM Procedures and BNM Rules are collectively referred to as the "<b>BNM Procedures and Rules</b>"); and</li> <li>(iii) any other procedures, guidelines and rules applicable to the Sukuk Murabahah as issued by the relevant authorities and amended/ substituted from time to time.</li> </ul> <p>The Sukuk Murabahah shall be represented by a global certificate (exchangeable for definitive certificates on the occurrence of certain limited events as stated in the Trust Deed). The global certificate shall be deposited with BNM and shall be in bearer form.</p> <p><b><u>Denomination</u></b></p> <p>The denomination of the Sukuk Murabahah shall be Ringgit Malaysia One Thousand (RM1,000.00) or in multiples of Ringgit Malaysia One Thousand (RM1,000.00) thereof or such other denominations to be mutually agreed by the Issuer and the Lead Arranger as may be allowed under the BNM Procedures and Rules at the time of issuance.</p>
(j)	<b>Material Adverse Effect</b>	<p>: In relation to any event(s) or circumstance(s), the occurrence of which, in the opinion of the Sukuk Trustee, has resulted in, or will likely result in a material adverse effect on:</p> <ul style="list-style-type: none"> <li>(i) the ability of the Issuer to perform or comply with any of their obligations under the Transaction Documents; or</li> <li>(ii) the assets, business, prospects, condition (financial or otherwise) or results of the operations of the Issuer.</li> </ul>
(k)	<b>Mandatory Redemption</b>	<p>: <b><u>First Tranche Sukuk Murabahah</u></b></p> <p>The First Tranche Sukuk Murabahah shall be fully redeemed upon the issuance of the second Tranche Sukuk</p>

**IDEAL WATER RESOURCES SDN BHD - SUKUK MURABAHAH PROGRAMME OF 1.0 BILLION IN NOMINAL VALUE UNDER THE SHARIAH PRINCIPLE OF MURABAHAH**  
**Other Terms and Conditions**

		<p>Murabahah, whereby an amount sufficient to fully repay the First Tranche Sukuk Murabahah ("<b>Second Tranche Sukuk Proceeds</b>") shall be remitted into the Escrow Account and be utilised to redeem the First Tranche Sukuk Murabahah on the next immediate Profit Payment date.</p> <p><b><u>Subsequent Tranche(s) of Sukuk Murabahah</u></b></p> <p>Where applicable, the terms and conditions for the mandatory redemption of the Sukuk Murabahah shall be determined prior to its respective Issue Date and reflected in the relevant documentation in respect of such Tranche which is to be vetted by the Shariah Adviser.</p>
(l)	<b>Fees and expenses</b>	: All costs and expenses in relation to the Sukuk Murabahah Programme (including legal fees, out of pocket expenses, reasonable traveling expenses and all goods and services, value added and other duties or taxes payable on such cost and expenses) whether on an abortive basis or otherwise shall be for the account of the Issuer.
(m)	<b>Taxation</b>	: All payments by the Issuer shall be made without withholding or deductions for or on account of any present or future tax, duty or charge of whatsoever nature imposed or levied by or on behalf of Malaysia or any other applicable jurisdictions, or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law, in which event the payer shall be required to make such additional amount so that the payee would receive the full amount which the payee would have received if no such withholding or deductions are made.
(n)	<b>Sukuk Trustee's Reimbursement Account</b>	: The Issuer shall set up, or procure the setting up of a " <b>Sukuk Trustee's Reimbursement Account</b> " with a sum of RM100,000.00 (which shall be maintained at all times throughout the tenure of the Sukuk Murabahah). The said account shall be operated solely by the Sukuk Trustee and the money shall only be used strictly by the Sukuk Trustee in carrying out its duties in relation to the occurrence of an Event of Default. Any unutilised money in the Sukuk Trustee's Reimbursement Account shall be returned to the Issuer upon the expiry of the Sukuk Murabahah Programme.
(o)	<b>Transaction Documents</b>	<p>The legal documentation necessary for the issuance of the Sukuk Murabahah which shall include, inter alia, the following:-</p> <ol style="list-style-type: none"> <li>1. Trust Deed;</li> <li>2. Programme Agreement;</li> <li>3. Securities Lodgement Form;</li> </ol>

**IDEAL WATER RESOURCES SDN BHD - SUKUK MURABAHAH PROGRAMME OF 1.0 BILLION  
IN NOMINAL VALUE UNDER THE SHARIAH PRINCIPLE OF MURABAHAH  
Other Terms and Conditions**

			<ol style="list-style-type: none"> <li>4. Relevant Islamic documents;</li> <li>5. Security documents (if applicable);</li> <li>6. Pricing Supplement; and</li> <li>7. any other relevant documentation in relation to the Sukuk Murabahah as may be advised by the Solicitors.</li> </ol>
<b>(p)</b>	<b>Trust Deed</b>	:	The Sukuk Murabahah shall be constituted by a trust deed, which shall be administered by the Sukuk Trustee acting on behalf of the Sukukholders. The trust deed shall be in compliance with the Guidelines on Trust Deeds issued by the SC on 12 July 2011 and as may be amended and/ or substituted from time to time.
<b>(q)</b>	<b>Other Conditions</b>	:	The Sukuk Murabahah shall at all times be governed by the guidelines issued and to be issued from time to time by the SC and BNM (where applicable) having jurisdiction over matters pertaining to the Sukuk Murabahah.