

ELECTRONIC DISCLAIMER

STRICTLY PRIVATE AND CONFIDENTIAL

AT ISSUANCE, THE SUKUK MURABAHAH (AS DEFINED HEREIN) UNDER THE SUKUK MURABAHAH FACILITY (AS DEFINED HEREIN) MAY ONLY BE OFFERED, SOLD, TRANSFERRED OR OTHERWISE DISPOSED DIRECTLY OR INDIRECTLY TO PERSONS FALLING WITHIN THE RELEVANT CATEGORY OF THE PERSONS SPECIFIED IN SECTION 2(6) OF THE COMPANIES ACT 2016 (AS AMENDED AND/OR SUBSTITUTED FROM TIME TO TIME) ("**COMPANIES ACT**"), AND PERSONS TO WHOM AN OFFER OR INVITATION TO SUBSCRIBE THE SUKUK MURABAHAH MAY BE MADE AND TO WHOM THE SUKUK MURABAHAH ARE ISSUED FALLING WITHIN PART I OF SCHEDULE 6 (OR SECTION 229(1)(B)) OF THE CAPITAL MARKETS AND SERVICES ACT 2007 (AS MAY BE AMENDED AND/OR SUBSTITUTED FROM TIME TO TIME) ("**CMSA**") AND PART I OF SCHEDULE 7 (OR SECTION 230(1)(B)) OF THE CMSA, TO BE READ TOGETHER WITH SCHEDULE 9 (OR SECTION 257(3)) OF THE CMSA AND DOES NOT CONSTITUTE AN OFFER TO THE PUBLIC WITHIN THE CATEGORIES SPECIFIED IN SECTION 2(6) OF THE COMPANIES ACT AND SUBJECT TO ANY APPLICABLE LAW, ORDER, REGULATION OR OFFICIAL DIRECTIVE OF BANK NEGARA MALAYSIA ("**BNM**") AND/OR SECURITIES COMMISSION MALAYSIA ("**SC**") FROM TIME TO TIME.

THEREAFTER, THE SUKUK MURABAHAH UNDER THE SUKUK MURABAHAH FACILITY MAY ONLY BE OFFERED, SOLD, TRANSFERRED OR OTHERWISE DISPOSED DIRECTLY OR INDIRECTLY TO PERSONS TO WHOM AN OFFER OR INVITATION TO PURCHASE THE SUKUK MURABAHAH FALLING WITHIN THE RELEVANT CATEGORY OF THE PERSONS SPECIFIED IN SECTION 2(6) OF THE COMPANIES ACT, AND PERSONS TO WHOM AN OFFER OR INVITATION TO PURCHASE THE SUKUK MURABAHAH FALLING WITHIN PART I OF SCHEDULE 6 (OR SECTION 229(1)(B)) OF THE CMSA TO BE READ TOGETHER WITH SCHEDULE 9 (OR SECTION 257(3)) OF THE CMSA AND DOES NOT CONSTITUTE AN OFFER TO THE PUBLIC UNDER SECTION 2(6) OF THE COMPANIES ACT AND SUBJECT TO ANY APPLICABLE LAW, ORDER, REGULATION OR OFFICIAL DIRECTIVE OF BNM AND/OR SC FROM TIME TO TIME.

IMPORTANT: YOU MUST READ THE FOLLOWING DISCLAIMER BEFORE CONTINUING.

Please find attached an electronic copy of the information memorandum dated 18 September 2019 ("**Information Memorandum**"), in relation to the proposed issue of, offer for subscription or purchase of, or invitation to subscribe for or purchase of Islamic medium term notes of up to Ringgit Five Hundred and Thirty-Five Million (RM535,000,000.00) ("**Sukuk Murabahah**") in nominal value under the Shariah principle of Murabahah (via Tawarruq Arrangement) by AZRB Capital Sdn Bhd (Company No. 1333273-A) ("**Issuer**" or "**ACSB**").

The following disclaimer applies to the attached Information Memorandum. You are advised to read this disclaimer carefully before accessing, reading or making any other use of the attached Information Memorandum. By accepting this e-mail and accessing the attached Information Memorandum, you agree to be bound by the following terms and conditions, including any modifications to them from time to time, each time you receive any information from us as a result of such access.

AZRB CAPITAL SDN BHD

SUKUK MURABAHAH FACILITY OF UP TO RM535.0 MILLION IN NOMINAL VALUE
INFORMATION MEMORANDUM

Confirmation of Your Representation: The Information Memorandum is not a prospectus and has not been registered nor will it be registered as a prospectus under the CMSA. In order to be eligible to view the attached Information Memorandum or make an investment decision with respect of the Sukuk Murabahah, you must be a person falling within any one or more of the categories of persons specified in Section 2(6) of the Companies Act, and persons to whom an offer or invitation to subscribe the Sukuk Murabahah and to whom the Sukuk Murabahah may be made and to whom the Sukuk Murabahah are issued falling within Part I of Schedule 6 or Section 229(1)(b) and Part I of Schedule 7 (or Section 230(1)(b) of the CMSA, to be read together with Schedule 9 or Section 257(3) of the CMSA and does not constitute an offer to the public within the categories specified in Section 2(6) of the Companies Act and subject to any applicable law, order, regulation or official directive of BNM and/or the SC from time to time at issuance, and Section 2(6) of the Companies Act, and persons to whom an offer or invitation to purchase the Sukuk Murabahah falling within Part I of Schedule 6 or Section 229(1)(b) of the CMSA to be read together with Schedule 9 or Section 257(3) of the CMSA and does not constitute an offer to the public under Section 2(6) of the Companies Act and subject to any applicable law, order, regulation or official directive of BNM and/or the SC from time to time thereafter ("**Selling Restrictions**").

By accepting the e-mail and accessing the attached Information Memorandum, you shall be deemed to have represented to us (1) that you are a person falling within the Selling Restrictions; and (2) that you consent to the delivery of the attached Information Memorandum and any amendments or supplements thereto by electronic transmission.

You are reminded that documents transmitted via this medium may subject to interruptions, transmission blackout, delayed transmission due to internet traffic, data corruption, interception, unauthorised amendment, tampering, viruses or other technical, mechanical or systemic risks associated with internet transmissions. Maybank Investment Bank Berhad (Company No. 15938-H) as the principal adviser, lead arranger and lead manager ("**Principal Adviser**", "**Lead Arranger**" and "**Lead Manager**") of the Sukuk Murabahah or any person who controls any of them nor any of their respective directors, officers, employees, representatives or affiliates have not accepted and will not accept any liability and/or responsibility for any such interruptions, transmission blackout, delayed transmission due to internet traffic, data corruption, interception, unauthorised amendment, tampering, viruses or other technical, mechanical or systemic risks associated with internet transmissions or any consequence thereof.

RESTRICTIONS:

The Information Memorandum is strictly confidential and does not constitute an issue, offer or sale of, or an invitation to subscribe or purchase the Sukuk Murabahah or any other securities of any kind by any party in any jurisdiction in which such offer or sale of, or an invitation to subscribe or purchase the Sukuk Murabahah would be unlawful prior to qualification under the securities laws of such jurisdictions.

The Information Memorandum has not been and will not be made to comply with the laws of any jurisdiction other than Malaysia ("**Foreign Jurisdiction**"), and has not been and will not be lodged, registered or approved pursuant to or under any legislation of (or with or by any regulatory authorities or other relevant bodies of) any Foreign Jurisdiction and it does not constitute an issue, offer or sale of, or an invitation to subscribe or purchase the Sukuk Murabahah or any other securities of any kind by any party in any Foreign Jurisdiction.

You are reminded that you have accessed the Information Memorandum on the basis that you are a person into whose possession the Information Memorandum may be lawfully delivered in

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INFORMATION MEMORANDUM

accordance with the laws of the jurisdiction in which you are located and you may not nor are you authorised to deliver this document, electronically or otherwise, to any other person. **If you have gained access to this transmission contrary to the foregoing restrictions, you will be unable to purchase any of the Sukuk Murabahah described therein.**

Actions that You May Not Take: If you receive this document by e-mail, you should not reply by e-mail, and you may not purchase any Sukuk Murabahah by doing so. Any reply e-mail communications, including those you generate by using the "Reply" function on your e-mail software, will be ignored or rejected.

YOU ARE NOT AUTHORISED AND YOU MAY NOT FORWARD OR DELIVER THE ATTACHED INFORMATION MEMORANDUM, ELECTRONICALLY OR OTHERWISE, TO ANY OTHER PERSON OR REPRODUCE SUCH INFORMATION MEMORANDUM IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION, REPRODUCTION OR ALTERATION OF ANY OF THE CONTENTS OF THIS DOCUMENT AND THE ATTACHED INFORMATION MEMORANDUM IN WHOLE OR IN PART IS UNAUTHORISED. BY OPENING AND ACCEPTING THE ATTACHED INFORMATION MEMORANDUM YOU AGREE TO THE FOREGOING.

THIS E-MAIL AND ANY ATTACHMENT HERETO ARE INTENDED ONLY FOR USE BY THE ADDRESSEE NAMED HEREIN AND MAY CONTAIN LEGALLY PRIVILEGED AND/OR CONFIDENTIAL INFORMATION. IF YOU ARE NOT THE INTENDED RECIPIENT OF THIS E-MAIL, YOU ARE HEREBY NOTIFIED THAT ANY DISSEMINATION, DISTRIBUTION OR COPYING OF THIS EMAIL, AND ANY ATTACHMENTS THERETO, IS STRICTLY PROHIBITED. IF YOU HAVE RECEIVED THIS EMAIL IN ERROR, PLEASE IMMEDIATELY NOTIFY US BY REPLY EMAIL AND IMMEDIATELY DELETE ALL COPIES OF THIS E-MAIL PERMANENTLY AND DESTROY ALL PRINTOUTS OF IT.

THE FOREGOING IS IN ADDITION TO AND WITHOUT PREJUDICE TO ALL OTHER DISCLAIMERS AND AGREEMENTS WHICH A RECIPIENT OF THE INFORMATION MEMORANDUM SHALL BE DEEMED TO HAVE AGREED TO OR BE BOUND BY AS SET OUT IN THE INFORMATION MEMORANDUM.

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SUKUK MURABAHAH FACILITY OF UP TO RM535.0 MILLION IN NOMINAL VALUE
INFORMATION MEMORANDUM

STRICTLY PRIVATE AND CONFIDENTIAL

AZRB CAPITAL SDN BHD

(Company No: 1333273-A)

INFORMATION MEMORANDUM

**PROPOSED ISSUE OF, OFFER FOR SUBSCRIPTION OR PURCHASE OF, OR
INVITATION TO SUBSCRIBE FOR OR PURCHASE OF ISLAMIC MEDIUM TERM
NOTES UNDER THE ISLAMIC MEDIUM TERM NOTES FACILITY OF UP TO RM535.0
MILLION IN NOMINAL VALUE UNDER THE SHARIAH PRINCIPLE OF MURABAHAH
(VIA TAWARRUQ ARRANGEMENT) ("SUKUK MURABAHAH FACILITY")**

PRINCIPAL ADVISER AND LEAD ARRANGER



MAYBANK INVESTMENT BANK BERHAD

(Company No. 15938-H)

LEAD MANAGER



MAYBANK INVESTMENT BANK BERHAD

(Company No. 15938-H)

This Information Memorandum is dated 18 September 2019

IMPORTANT NOTICE

This Information Memorandum is not an offer to sell securities and is not soliciting an offer to buy securities described herein in any jurisdiction where the offer or sale is not permitted.

Responsibility Statements

This Information Memorandum ("**Information Memorandum**") has been approved by the respective directors of **AZRB CAPITAL SDN BHD** (Company No. 1333273-A) ("**Issuer**" or "**ACSB**") and **AHMAD ZAKI RESOURCES BERHAD** (Company No. 432768-X) ("**Guarantor**" or "**AZRB**") and the Issuer and the Guarantor accept full responsibility for the accuracy of the information contained in this Information Memorandum in relation to the proposed issue of, offer for subscription or purchase of, or invitation to subscribe for or purchase of Islamic medium term notes ("**Sukuk Murabahah**") under the Islamic medium term notes facility of up to Ringgit Five Hundred and Thirty-Five Million (RM535,000,000.00) in nominal value under the Shariah principle of Murabahah (via Tawarruq Arrangement) ("**Sukuk Murabahah Facility**") by the Issuer, to be guaranteed by the Guarantor. The Issuer and the Guarantor, after having made all reasonable enquiries, confirm that all information contained in this Information Memorandum is true and correct in all material respects, that there is no omission of a material fact necessary to make the information contained in this Information Memorandum, in the light of the circumstances under which it is provided, not misleading, and that the opinions and intentions expressed in the information contained in this Information Memorandum are honestly held. Enquiries have been made by the Issuer and the Guarantor to ascertain all material facts have been disclosed and to verify the accuracy of all such information and statements. In this context, each of the Issuer and the Guarantor accepts full responsibility for such information contained in this Information Memorandum.

Important Notice and General Statement of Disclaimer

This Information Memorandum is being furnished on a private and confidential basis solely for the purpose of enabling prospective investors to consider the purchase of the Sukuk Murabahah under the Sukuk Murabahah Facility.

The Sukuk Murabahah Facility has been accorded with an indicative rating of AA- by Malaysian Rating Corporation Berhad ("**MARC**"). A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by MARC.

No application is being made to list or quote the Sukuk Murabahah on any stock exchange as at the date of this Information Memorandum. The Sukuk Murabahah shall not be listed on Bursa Malaysia Securities Berhad or any other stock exchanges.

The Issuer and the Guarantor have authorised Maybank Investment Bank Berhad as the lead manager ("**Lead Manager**") to distribute this Information Memorandum on a confidential basis to potential investors for the sole purpose of assisting them to decide whether to subscribe or purchase the Sukuk Murabahah. At issuance, the Sukuk Murabahah may only be offered, sold, transferred or otherwise disposed directly or indirectly to persons falling within the relevant category of the persons specified in Section 2(6) of the Companies Act 2016, as may be amended from time to time ("**Companies Act**"), and persons to whom an offer or invitation to subscribe the Sukuk Murabahah and to whom the Sukuk Murabahah may be made and to whom the Sukuk Murabahah are issued falling within Part I of Schedule 6 or Section 229(1)(b) and Part I of Schedule 7 (or Section 230(1)(b) of the Capital Markets and Services Act 2007, as may be amended from time to time ("**CMSA**"), to be read together with Schedule 9 or Section 257(3) of the CMSA and does not constitute an offer to the public within the categories specified in Section 2(6) of the Companies Act and subject to any

applicable law, order, regulation or official directive of Bank Negara Malaysia ("**BNM**") and/or the Securities Commission Malaysia ("**SC**") from time to time. For the avoidance of doubt, this Information Memorandum shall not constitute an offer to the public within the categories specified in Section 2(6) of the Companies Act and subject to any law, order, regulation or official directive of BNM and/or the SC.

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

This Information Memorandum may not be reproduced, in whole or in part, or used for any other purpose, or shown, given, copied to or filed, in whole or in part, with any person including, without limitation, any government or regulatory authority except with the prior consent of the Issuer and the Guarantor or as required under Malaysian laws, regulations or guidelines.

None of the information or data contained in this Information Memorandum has been independently verified by Maybank Investment Bank Berhad as the principal adviser ("**Principal Adviser**"), lead arranger ("**Lead Arranger**") and the Lead Manager. Accordingly, no representation, warranty or undertaking, express or implied, is given or assumed by the Principal Adviser, the Lead Arranger and the Lead Manager as to the authenticity, origin, validity, accuracy or completeness of the information or data contained in this Information Memorandum or that such information or data remains unchanged in any respect after the relevant date shown in this Information Memorandum. To the extent permitted under the laws of Malaysia and/or the CMSA, the Principal Adviser, the Lead Arranger and the Lead Manager have not accepted and will not accept any responsibility for the information and data contained in this Information Memorandum or otherwise in relation to the Sukuk Murabahah and shall not be liable for any consequences of reliance on any of the information or data in this Information Memorandum.

It is to be noted that although the Issuer has sought the advice of the Shariah Adviser (as hereinafter defined) with regards to the conformity of the Sukuk Murabahah with Shariah, no representation, warranty or undertaking, express or implied, is given by the Issuer as to the status of the Sukuk Murabahah's compliance with Shariah and the Issuer shall not be liable for any consequences of such reliance and/or assumption of any such compliance. Each recipient should perform and is deemed to have consulted its own professional advisers and obtained independent Shariah advice on whether the structure of the issues and trading of the Sukuk Murabahah are in compliance with Shariah.

The information in this Information Memorandum supersedes all other information and material previously supplied (if any) to the recipients. By taking possession of this Information Memorandum, the recipients are acknowledging and agreeing and are deemed to have acknowledged and agreed that they will not rely on any previous information supplied. No person is authorised to give any information or data or to make any representation or warranty other than as contained in this Information Memorandum and, if given or made, any such information, data, representation or warranty must not be relied upon as having been authorised by the Issuer, the Guarantor, the Principal Adviser, the Lead Arranger and the Lead Manager or any other person.

This Information Memorandum has not been and will not be made to comply with the laws of any jurisdiction other than Malaysia ("**Foreign Jurisdiction**"), and has not been and will not be lodged,

registered or approved pursuant to or under any legislation of (or with or by any regulatory authorities or other relevant bodies of) any Foreign Jurisdiction and it does not constitute an issue, offer or sale of, or an invitation to subscribe or purchase the Sukuk Murabahah or any other securities of any kind by any party in any Foreign Jurisdiction.

This Information Memorandum is not and is not intended to be a prospectus and has not been registered or lodged under the laws of Malaysia or of any Foreign Jurisdiction as a prospectus. Unless otherwise specified in this Information Memorandum, the information contained in this Information Memorandum is current as at the date of this Information Memorandum.

The distribution or possession of this Information Memorandum in or from certain jurisdictions may be restricted or prohibited by law. Each recipient is required to seek appropriate professional advice regarding, and to observe, any such restriction or prohibition. Neither the Issuer, the Guarantor nor the Principal Adviser, Lead Arranger and the Lead Manager accept any responsibility or liability to any person in relation to the distribution or possession of this Information Memorandum in or from any such Foreign Jurisdiction.

By accepting delivery of this Information Memorandum, each recipient agrees to the terms upon which this Information Memorandum is provided to such recipient as set out in this Information Memorandum, and further agrees and confirms that:

- (a) it will keep confidential all of such information and data;
- (b) it is lawful for the recipient to subscribe for or purchase the Sukuk Murabahah under all jurisdictions to which the recipient is subject to;
- (c) the recipient has complied with all applicable laws in connection with such subscription or purchase of the Sukuk Murabahah;
- (d) the Issuer, the Guarantor the Principal Adviser, the Lead Arranger and the Lead Manager and their respective directors, officers, employees and professional advisers are not and will not be in breach of the laws of any jurisdiction to which the recipient is subject as a result of such subscription or purchase of the Sukuk Murabahah, and they shall not have any responsibility or liability in the event that such subscription or purchase of the Sukuk Murabahah is or shall become unlawful, unenforceable, voidable or void;
- (e) it is aware that the Sukuk Murabahah can only be offered, sold, transferred or otherwise disposed of directly or indirectly in accordance with the relevant selling restrictions and all applicable laws;
- (f) it has sufficient knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of subscribing or purchasing the Sukuk Murabahah, and is able and is prepared to bear the economic and financial risks of investing in or holding the Sukuk Murabahah;
- (g) it is subscribing or accepting the Sukuk Murabahah for its own account; and
- (h) it is a person to whom an issue, offer or invitation to subscribe or purchase the Sukuk Murabahah would constitute persons falling within any one or more of the categories of persons specified in Section 2(6) of the Companies Act and Part I of Schedule 6 (or Section 229(1)(b)) of the CMSA, and Part I of Schedule 7 (or Section 230(1)(b)) of the CMSA, to be read together with Schedule 9 (or Section 257(3)) of the CMSA and does not constitute an offer to the public within the categories specified in Section 2(6) of the Companies Act and

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subject to any law, order, regulation or official directive of BNM and/or the SC at issuance, and Section 2(6) of the Companies Act and Part I of Schedule 6 (or Section 229(1)(b)) of the CMSA, read together with Schedule 9 (or Section 257(3)) of the CMSA thereafter and does not constitute an offer to the public within the categories specified in Section 2(6) of the Companies Act and subject to any law, order, regulation or official directive of BNM and/or the SC.

Each recipient is solely responsible for seeking all appropriate expert advice as to the laws of all jurisdictions to which it is subject. For the avoidance of doubt, this Information Memorandum shall not constitute an offer or invitation to subscribe or purchase the Sukuk Murabahah in relation to any recipient who does not fall within item (h) above.

This Information Memorandum or any document delivered under or in relation to the issue, offer and sale of the Sukuk Murabahah is not, and should not be construed as, a recommendation by the Issuer and/or the Guarantor and/or the Principal Adviser, the Lead Arranger and the Lead Manager to subscribe or purchase the Sukuk Murabahah. This Information Memorandum 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 should perform and is deemed to have made its own independent investigation and analysis of the financial condition, status and affairs, and its own appraisal of the creditworthiness and nature, of the Issuer, the Guarantor, the Sukuk Murabahah and all other relevant matters, and each recipient should consult its own professional advisers. All information and statements herein are subject to the detailed provisions of the respective agreements referred to herein and are qualified in their entirety by reference to such documents.

Neither the delivery of this Information Memorandum nor the offering, sale or delivery of any Sukuk Murabahah shall in any circumstance imply that the information contained herein concerning the Issuer and/or the Guarantor is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Sukuk Murabahah is correct as of any time subsequent to the date indicated in the document containing the same. The Principal Adviser, the Lead Arranger and the Lead Manager expressly do not undertake to review the financial condition or affairs of the Issuer and the Guarantor during the tenor of the Sukuk Murabahah or to advise any investor of the Sukuk Murabahah of any information coming to its attention. The recipient of this Information Memorandum or any potential investor should review, inter alia, the most recently published information on the Issuer, the Guarantor or the Sukuk Murabahah when deciding whether or not to purchase or subscribe for any of the Sukuk Murabahah.

Certain statements, information, estimates and reports in this Information Memorandum are based on historical data, which may not be reflective of the future, and others are estimated based on or derived from sources mentioned in the Information Memorandum. Such information, estimates, or reports have been included solely for illustrative purposes. No representation or warranty is made as to the accuracy or completeness of any information, estimates and/or reports thereon derived from such sources or from other third party sources. Certain statements are forward-looking in nature and are subject to risks and uncertainties, including, among others, discussions on the Issuer's and the Guarantor's business strategy, future operations, growth prospects and industry prospects. While the Board of Directors of the Issuer and the Guarantor believe that these forward-looking statements are reasonable, these statements are nevertheless subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from the future results, performance or achievements expressed or implied in such forward-looking statements. In light of all these, the inclusion of forward-looking statements in this Information Memorandum should not be regarded as a representation or warranty by the Issuer and/or the Guarantor that the plans and objectives of the Issuer and/or the Guarantor will be achieved.

Acknowledgement

The Issuer hereby acknowledges that it has authorised the Lead Manager and such other financial institution(s) which the Issuer appoints as the lead manager(s) to circulate or distribute this Information Memorandum on its behalf in respect of or in connection with the proposed offer or invitation to subscribe for and issue of, the Sukuk Murabahah to prospective investors and that no further evidence of authorisation is required.

Rounding

All discrepancies (if any) in the tables included in this Information Memorandum between the listed amounts and total thereof are due to rounding, and certain numbers appearing in this Information Memorandum are shown after rounding.

Statements of Disclaimer by the Securities Commission Malaysia

In accordance with the CMSA, a copy of this Information Memorandum will be lodged with the SC, which takes no responsibility for its contents.

The issue, offer or invitation in relation to the Sukuk Murabahah Facility in this Information Memorandum or otherwise are subject to the fulfilment of various conditions precedent including without limitation the acknowledgement in respect of the lodgement of the Sukuk Murabahah to the SC pursuant to the Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework issued by the SC on 9 March 2015 (effective on 15 June 2015, which was subsequently revised and effective on 11 October 2018 and as amended, substituted or replaced from time to time) ("**LOLA Guidelines**").

The lodgement of the Sukuk Murabahah with the SC pursuant to the LOLA Guidelines has been made on 4 September 2019. Each recipient of this Information Memorandum acknowledges and agrees that the acknowledgement of the SC shall not be taken to indicate that the SC recommends the subscription or purchase of the Sukuk Murabahah.

The SC shall not be liable for any non-disclosure on the part of the Issuer and/or the Guarantor and assumes no responsibility for the correctness of any statements made or opinions or reports expressed in this Information Memorandum.

Statements of Disclaimer on Shariah Pronouncements

Maybank Islamic Berhad as the Shariah adviser ("**Shariah Advisers**") has approved the structure and mechanism of the Sukuk Murabahah and their compliance with Shariah vide the Shariah pronouncement dated 19 August 2019. However, the approval is only an expression of the view of the Shariah Adviser based on their experience in the subject. There can be no assurance as to the Shariah permissibility of the structure of the issue and the trading of the Sukuk Murabahah and none of the Issuer, the Guarantor, the Principal Adviser, the Lead Arranger and the Lead Manager makes any representation as to the same. Investors are reminded that, as with any Shariah views, differences in opinion are possible. Investors are advised to obtain their own independent Shariah advice and make their own determination as to whether the structure and the future tradability of the Sukuk Murabahah on any secondary market meet their individual standards of Shariah compliance.

EACH SERIES OF THE SUKUK MURABAHAH WILL CARRY DIFFERENT RISKS AND ALL INVESTORS SHOULD EVALUATE EACH SUKUK MURABAHAH ON THEIR RESPECTIVE MERITS AND RISKS OF THE INVESTMENT.

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INVESTORS SHOULD RELY ON THEIR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT.

IT IS RECOMMENDED THAT PROSPECTIVE INVESTORS CONSULT THEIR FINANCIAL, LEGAL AND OTHER ADVISERS BEFORE PURCHASING OR ACQUIRING OR SUBSCRIBING FOR THE SUKUK MURABAHAH.

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Documents incorporated by reference

This Information Memorandum should be read and construed in conjunction with:

- (a) all supplements or amendments to this Information Memorandum from time to time; and
- (b) any annual or interim financial statements (whether audited or unaudited) of the Issuer and/or the Guarantor that are published subsequent to the date of this Information Memorandum as amended and supplemented from time to time,

which shall be deemed to be incorporated in, and to form part of, this Information Memorandum and which shall be deemed to modify or supersede the contents of this Information Memorandum.

Any statement contained herein or in a document which is deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Information Memorandum to the extent that a statement contained in any such subsequent document modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Information Memorandum.

The Issuer will provide, without charge, to each person to whom a copy of this Information Memorandum has been delivered, upon the request of such person, a copy of any or all of the documents deemed to be incorporated herein by reference unless such documents have been modified or superseded as specified above. Requests for such documents should be directed to the Issuer at its office set out at the end of this Information Memorandum.

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INFORMATION MEMORANDUM

CONFIDENTIALITY

To the recipients of this Information Memorandum:

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

This Information Memorandum is submitted to prospective investors specifically in reference to the Sukuk Murabahah and may not be reproduced or used, in whole or in part, for any purpose, nor furnished to any person other than those to whom copies have been sent by the Lead Manager.

In the event that there is any contravention of this confidentiality undertaking or there is reasonable likelihood that this confidentiality undertaking may be contravened, the Issuer may, at its discretion, apply for any remedy available to the Issuer whether at law or equity, including without limitation, injunctions. The Issuer is entitled to fully recover from the contravening party all costs, expenses and losses incurred and/or suffered, in this regard. For the avoidance of doubt, it is hereby deemed that this confidentiality undertaking shall be imposed upon the recipient of this Information Memorandum, the recipient's professional advisors, directors, employees and any other persons concerned with the Sukuk Murabahah.

The recipients must return this Information Memorandum and all reproductions whether in whole or in part and any other information in connection therewith to the Principal Adviser, the Lead Arranger and the Lead Manager promptly upon the Principal Adviser, the Lead Arranger or the Lead Manager's request, unless that recipient provides proof of a written undertaking satisfactory to the Principal Adviser, the Lead Arranger and the Lead Manager with respect to destroying these documents as soon as reasonably practicable after the said request from the Principal Adviser, the Lead Arranger and the Lead Manager.

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DEFINITIONS

In this Information Memorandum, the following words or expressions shall have the following meanings except where the context otherwise requires:

- | | |
|--------------------------------------|---|
| ACSB or Issuer | - means AZRB CAPITAL SDN BHD (Company No. 1333273-A), a company incorporated in Malaysia and having its registered address at Menara AZRB, No. 71, Persiaran Gurney, 54000 Kuala Lumpur. |
| Additional Works | - has the meaning ascribed to it in Section 5.5 (<i>Business Overview of PMSB</i>) of this Information Memorandum. |
| Administrator | - means AMANAHRAYA TRUSTEES BERHAD (Company No. 766894-T). |
| Advance (ACSB) | - means a one-off advance of the entire issuance proceeds of the Sukuk Murabahah of up to RM535,000,000.00 made or to be made by the Issuer to AZRB upon the terms and subject to the conditions contained in the Intercompany Financing Agreement (ACSB). |
| Advance Pact or Subcontractor | - means Advance Pact Sdn Bhd, the subcontractor engaged by PMSB to provide the facilities management services for the IIUM Medical Centre. |
| Advance (PMSB) | - means the periodic advances made or to be made by PMSB to AZRB from time to time upon the terms and subject to the conditions contained in the Intercompany Financing Agreement (PMSB). |
| Allowed Variance | - means such variance to the Annual Budget of not exceeding five per cent (5%) of total costs and expenses for the applicable annual period in the agreed financial model. |
| Annual Budget | - means, in relation to each annual period, a budget with monthly breakdown of all operating, maintenance and capital costs and expenses for the applicable annual period, as approved by the board of directors of PMSB, which shall be in accordance with the agreed financial model and subject to the Allowed Variance. |
| AZRB or Guarantor | - means AHMAD ZAKI RESOURCES BERHAD (Company No. 432768-X), a company incorporated in Malaysia and having its registered address at Menara AZRB, No. 71, Persiaran Gurney, 54000 Kuala Lumpur. |
| AZRB Group or Guarantor Group | - means the Guarantor and its subsidiaries whose accounts are consolidated in the Guarantor's audited consolidated financial statements in accordance with approved accounting standards in Malaysia. |
| AZSB | - means AHMAD ZAKI SDN BHD (Company No. 81250-W), a company incorporated in Malaysia and having its registered address at Menara AZRB, No. 71, Persiaran Gurney, 54000 Kuala Lumpur. |
| BNM | - means Bank Negara Malaysia. |
| Business Day | - means any day, excluding a Saturday and a Sunday, on which the |

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financial institutions are open for general business in Kuala Lumpur.

Collection Account	- means the Shariah compliant collection bank account opened or to be opened and maintained by the Issuer with an account bank acceptable to the Security Agent.
CMSA	- means Capital Markets and Services Act 2007 and includes any statutory amendment or re-enactment thereof.
Commodities	- means the Shariah-compliant commodities which may include but not limited to crude palm oil or such other acceptable commodities (excluding ribawi items in the category of medium of exchange such as currency, gold and silver) which are available through Bursa Suq Al-Sila' commodity platform and/or other independent commodity trading platform acceptable to the Shariah adviser which will be identified on or prior to the time of issuance of the Sukuk Murabahah.
Commodity Purchase Price	- has the meaning ascribed to it in Section 1.3 (<i>Brief Description of the Sukuk Murabahah Facility</i>) of this Information Memorandum.
Companies Act	- means Companies Act 2016 and includes any statutory amendment or re-enactment thereof.
Concession Agreement	- means the concession agreement dated 21 September 2011 entered into between the Government, IIUM and PMSB in relation to the Project, and includes any amendments, variations and/or supplemental made or entered into from time to time.
Concession Payments	- means the monthly availability charges and asset management service charges received by PMSB from IIUM under the Concession Agreement.
Deferred Sale Price	- means a price equivalent to the aggregate of the Commodity Purchase Price and the Profit Margin payable on a deferred payment basis.
EKVE	- means EKVE SDN BHD (Company No. 794911-W), a company incorporated in Malaysia and having its registered address at Menara AZRB, No. 71, Persiaran Gurney, 54000 Kuala Lumpur.
Event of Default	- means any event classified as an event of default (or enforcement event, where applicable) under the PTC.
Facility Agent	- means Maybank IB.
FSRA	- means the Shariah compliant finance service reserve bank account opened or to be opened and maintained by the Issuer with an account bank acceptable to the Security Agent.
Government	- means the Government of Malaysia.
ICSB	- means INTER-CENTURY SDN BHD (Company No. 227448-T), a company incorporated in Malaysia and having its registered address at Menara AZRB, No. 71, Persiaran Gurney, 54000 Kuala Lumpur.

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IIUM	- means International Islamic University Malaysia.
IIUM Medical Centre	- means the IIUM teaching hospital and tertiary referral centre complementing the medical and allied health faculty provisions located in Kuantan, Pahang.
Intercompany Financing Agreement (ACSB)	- means the Shariah-compliant inter-company financing agreement entered or to be entered into between the Issuer and AZRB in respect of the Advance (ACSB).
Intercompany Financing Agreement (PMSB)	- means the Shariah-compliant inter-company financing agreement entered or to be entered into between PMSB and AZRB in respect of the Advance (PMSB).
Lead Arranger	- means Maybank IB.
Lead Manager	- means Maybank IB.
Lodgement Date	- means the date of lodgement of the Lodgement Kit with the SC pursuant to the LOLA Guidelines, being 4 September 2019.
Lodgement Kit	- means the information and documents relating to the Sukuk Murabahah Facility as required to be lodged with the SC under Part 3 (<i>Corporate Bonds and Sukuk</i>) of the LOLA Guidelines.
LOLA Guidelines	- means the Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework and Lodgement Kit issued by the Securities Commission on 9 March 2015 (effective on 15 June 2015, which was subsequently revised and effective on 11 October 2018 and as amended, substituted or replaced from time to time).
Kafalah Guarantee	- has the meaning ascribed to it in Section 2.3 (<i>Details of the Kafalah Guarantee</i>) of this Information Memorandum.
MARC or Credit Rating Agency	- means Malaysia Rating Corporation Berhad (Company No. 364803-V).
Maybank IB	- means MAYBANK INVESTMENT BANK BERHAD (Company No. 15938-H).
MRSB	- means MATRIX RESERVOIR SDN BHD (Company No. 1082792-H), a company incorporated in Malaysia and having its registered address at Menara AZRB, No. 71, Persiaran Gurney, 54000 Kuala Lumpur.
Periodic Payment Date	- has the meaning ascribed to it under the PTC.
Periodic Payment Rate	- has the meaning ascribed to it under the PTC.
PMSB	- PENINSULAR MEDICAL SDN BHD (Company No. 929795-A), a company incorporated in Malaysia and having its registered address at Menara AZRB, No. 71, Persiaran Gurney, 54000 Kuala Lumpur.

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PMSB Shares	- has the meaning ascribed to it in Section 2.2 (<i>Security Arrangement</i>) of this Information Memorandum.
Principal Adviser	- means Maybank IB.
Profit Margin	- has the meaning ascribed to it under the PTC.
Project	- means the planning, design, development, construction, financing, landscaping, equipping, installation, completion, testing and commissioning of the facilities and infrastructure and carrying out the asset management services in relation to the IIUM Medical Centre undertaken by PMSB pursuant to the Concession Agreement.
Project Account	- means the project account opened and maintained by PMSB, being one of the four accounts permitted to be opened and maintained by PMSB pursuant to the terms of the RCPS-i Subscription Agreement and the Concession Agreement.
PTC	- means the principal terms and conditions of the Sukuk Murabahah Facility in <i>Appendix II Principal Terms and Conditions of the Sukuk Murabahah Facility</i> of this Information Memorandum.
RCPS-i	- means the Shariah-compliant redeemable convertible preference shares.
RCPS-i Subscription Agreement	- means the subscription agreement entered or to be entered into between AZRB and PMSB in respect of the subscription of the RCPS-i to be issued by PMSB to AZRB.
Redemption Amount	- has the meaning ascribed to it under the PTC.
Related Party Contracts	- means collectively: (a) the Intercompany Financing Agreement (ACSB); (b) the Intercompany Financing Agreement (PMSB); and (c) the RCPS-i Subscription Agreement.
Ringgit or RM	- means the lawful currency of Malaysia.
SAC	- means SC's Shariah Advisory Council.
SC	- means Securities Commission Malaysia.
Security Agent	- means Maybank IB.
Security Documents	- has the meaning ascribed to it in Section 2.2 (<i>Security Arrangement</i>) of this Information Memorandum.
Shariah Adviser	- means MAYBANK ISLAMIC BERHAD (Company No. 787435-M).
Solicitors	- means Messrs. Wong & Partners.

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- Standing Instruction** - means the irrevocable standing instruction issued or to be issued by PMSB in respect of the Project Account to effect a sweep of all cash balances from the Project Account on a daily basis less such nominal amount as required and specified by the account bank to be retained in the Project Account to a bank account specified by AZRB, and includes any periodic renewal, revision or amendment to the standing instruction.
- Sukuk Murabahah** - means the Islamic medium term notes to be issued pursuant to the Sukuk Murabahah Facility under the Shariah principle of Murabahah (via Tawarruq arrangement).
- Sukuk Murabahah Facility** - means the Islamic medium term notes facility of up to Ringgit Five Hundred and Thirty-Five Million (RM535,000,000.00) in nominal value under the Shariah principle of Murabahah (via Tawarruq arrangement) to be undertaken by the Issuer.
- Sukuk Trustee** - means **AMANAHRAYA TRUSTEES BERHAD** (Company No. 766894-T).
- Sukukholders** - means the holders of the Sukuk Murabahah and references to "**Sukukholder**" shall mean any one of them.
- Transaction Documents** - means in respect of the Sukuk Murabahah shall include each of the following documents:
- (a) the facility agreement;
 - (b) the trust deed;
 - (c) the Kafalah Guarantee;
 - (d) the Security Documents;
 - (e) the Securities Lodgement Form;
 - (f) the relevant Islamic transaction documents as may be advised by the Solicitors and the Shariah Adviser; and
 - (g) all other documents of whatsoever nature executed or to be executed in connection with or pursuant to any of the above documents or otherwise in connection with the Sukuk Murabahah, including any supplemental document(s) thereof.
- Trust Deeds Guidelines** - means the Trust Deeds Guidelines (revised 12 July 2011 and effective 12 August 2011 and as amended, substituted or replaced from time to time).

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SECTION 1.0 EXECUTIVE SUMMARY

This summary is qualified by and must be read in conjunction with the more detailed information and financial statements appearing elsewhere in this Information Memorandum. Each investor should read this entire Information Memorandum carefully, including the appendices.

1.1 Introduction on the Issuer

The Issuer was incorporated in Malaysia on 8 July 2019 as a private limited company. The Issuer is a wholly-owned subsidiary of AZRB. The Issuer was established by AZRB as a special purpose vehicle to raise funds through the issuance of the Sukuk Murabahah pursuant to the Sukuk Murabahah Facility and to provide Shariah-compliant financing to AZRB.

Further details on the Issuer are set out in Section 3.0 (*Information on the Issuer*) of this Information Memorandum.

1.2 Introduction on the Guarantor

AZRB is a company listed on the Main Market of Bursa Malaysia since June 1999 and is involved in the industries of engineering & construction, concession, property, oil and gas and plantation.

Further details on AZRB are set out in Section 4.0 (*Information on AZRB*) of this Information Memorandum.

1.3 Brief Description of the Sukuk Murabahah Facility

The Sukuk Murabahah Facility has a size of up to Ringgit Malaysia Five Hundred and Thirty Five Million (RM535,000,000.00) in nominal value and a tenure of twelve (12) years. The Sukuk Murabahah shall be issued under the Shariah principle of Murabahah (via Tawarruq arrangement), which is a Shariah principle and concept approved by the SAC. Please refer to the paragraph below and the PTC for the details of the underlying transaction.

Underlying Islamic Transaction

The issuance of the Sukuk Murabahah shall be effected as follows:

Step 1 The Sukuk Trustee (on behalf of the Sukukholders) and the Issuer shall enter into an agency agreement ("**Agency Agreement**"), pursuant to which the Issuer is appointed as the purchase agent ("**Agent**") for the purchase and sale of the Commodities.

The Agent shall then appoint the Facility Agent, via a sub-agent agreement ("**Sub-Agent Agreement**"), to act as the sub-agent ("**Sub-Agent**") for the purchase and sale of the Commodities.

Step 2 Pursuant to a commodity Murabahah master agreement ("**Commodity Murabahah Master Agreement**") to be entered into between the Issuer (in its capacity as "**Purchaser**"), the Agent, the Sub-Agent and the Sukuk Trustee, the Purchaser shall issue a purchase order ("**Purchase Order**") to

the Agent and the Sub-Agent. In the Purchase Order, the Purchaser will request the Agent and the Sub-Agent to purchase the Commodities and will irrevocably and unconditionally undertake to purchase the Commodities from the Sub-Agent (on behalf of the Sukukholders) at the Deferred Sale Price.

Step 3

Based on the Purchase Order and pursuant to a CTP purchase agreement ("**CTP Purchase Agreement**") entered into between the Sub-Agent and the commodity trading participant ("**CTP**"), the Sub-Agent (on behalf of the Agent who is acting on behalf of the Sukuk Trustee (on behalf of the Sukukholders)) shall appoint the CTP to purchase on a spot basis the Commodities from the commodity vendor(s) in the Bursa Suq Al-Sila' commodity platform and/or other independent commodity brokers acceptable to the Shariah Adviser, which shall be identified prior to issuance of the Sukuk Murabahah ("**Commodity Seller**") at a purchase price which shall be an amount equivalent to the proceeds from the issuance of the Sukuk Murabahah ("**Commodity Purchase Price**"). The Commodity Purchase Price shall be in line with the asset pricing requirement stipulated under the LOLA Guidelines.

Step 4

The Issuer shall issue the Sukuk Murabahah, which shall evidence the Sukukholders' ownership of the Commodities and all rights thereto (including all rights against the Purchaser under the Purchase Order) and subsequently once the Commodities are sold to the Purchaser, the Sukukholders' entitlement to receive the Deferred Sale Price.

The proceeds received in relation to issuance of the Sukuk Murabahah shall be used to pay the Commodity Purchase Price by the Sub-Agent to the Commodity Seller.

Step 5

Thereafter, pursuant to a sale and purchase agreement ("**Sale and Purchase Agreement**"), the Sub-Agent (on behalf of the Agent as wakeel to the Sukukholders) shall sell the Commodities to the Purchaser at the Deferred Sale Price.

Step 6

Upon completion of such sale, the Purchaser shall appoint the Facility Agent, via a sale agent agreement ("**Sale Agent Agreement**"), to act as its agent ("**Sale Agent**") to on-sell the Commodities to the commodity buyer(s) in the Bursa Suq Al-Sila' commodity platform and/or other independent commodity brokers acceptable to the Shariah Adviser, which shall be identified prior to each issuance of the Sukuk Murabahah ("**Commodity Buyer**") once it has purchased the Commodities from the Sukukholders via the Sub-Agent.

Pursuant to a CTP sale agreement ("**CTP Sale Agreement**"), the Sale Agent (on behalf of the Purchaser) shall appoint the CTP to sell the Commodities to the Commodity Buyer on a spot basis for a selling price which is equivalent to the Commodity Purchase Price payable to the Purchaser for the sale of the Commodities.

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- Step 7 The Sukuk Murabahah will be issued with periodic profit payments ("**Periodic Profit Payments**") based on the Periodic Payment Rate. During the tenure of the Sukuk Murabahah, the Purchaser as part of its obligation to pay the Deferred Sale Price, shall make Periodic Profit Payments on the relevant Periodic Payment Date forming part of the Deferred Sale Price to the Sukukholders during the tenure of the Sukuk Murabahah and final payment of the outstanding Deferred Sale Price to the Sukukholders on the relevant maturity dates of the Sukuk Murabahah.
- (i) On the maturity date of the Sukuk Murabahah; or (ii) upon declaration of an Event of Default, of the relevant Sukuk Murabahah, whichever is earlier, all amounts then outstanding on the Deferred Sale Price (subject to Ibra', where applicable), shall be paid by the Purchaser to the Sukukholders as final settlement of the same, whereupon the relevant Sukuk Murabahah shall be cancelled.
- Step 8 AZRB (as the Guarantor) shall provide an unconditional and irrevocable corporate guarantee under the Shariah principle of Al-Kafalah as a continuing obligation, in favour of the Security Agent for and on behalf of the Sukukholders under which AZRB shall guarantee all payment obligations of the Issuer under or in connection with the Transaction Documents including the Purchaser's obligation to pay the Deferred Sale Price which is due and payable on the relevant maturity dates and/or the relevant Periodic Payment Date and/or such other date where the Sukuk Murabahah shall be due for redemption, as the case may be, including any payment obligation in respect of *Ta'widh* (compensation) and all fees, expenses and charges in relation to the Sukuk Murabahah and the Sukuk Murabahah Facility.

1.4 Utilisation of Proceeds

The proceeds raised from the Sukuk Murabahah shall be utilised to provide the Advance (ACSB) to AZRB for AZRB's Shariah-compliant general working capital requirements and corporate purposes.

1.5 Rating

The Sukuk Murabahah Facility has been assigned an indicative rating of AA- with a stable outlook by MARC.

1.6 Lodgement with the SC

Information and documents in relation to the Sukuk Murabahah has been lodged with the SC on 4 September 2019 in accordance with the LOLA Guidelines.

1.7 Selling Restrictions

(a) Selling Restrictions at Issuance

The Sukuk Murabahah may only be offered, sold, transferred or otherwise disposed directly or indirectly to persons falling within the relevant category of the persons specified in Section 2(6) of the Companies Act, and persons to whom an offer or invitation to subscribe the Sukuk Murabahah may be made and to whom the Sukuk Murabahah are issued falling within Part I of Schedule 6 (or Section 229(1)(b)) of the CMSA and Part I of Schedule 7 (or Section 230(1)(b)) of the CMSA, to be read together with Schedule 9 (or Section 257(3)) of the CMSA and does not constitute an offer to the public within the categories specified in Section 2(6) of the Companies Act and subject to any applicable law, order, regulation or official directive of BNM and/or the SC from time to time.

(b) Selling Restrictions Thereafter

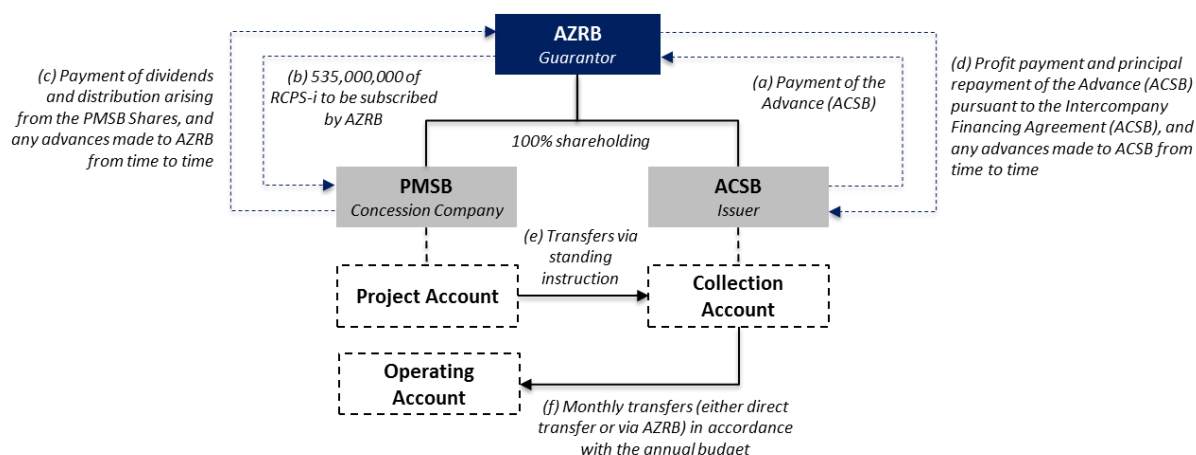
The Sukuk Murabahah may only be offered, sold, transferred or otherwise disposed directly or indirectly to persons to whom an offer or invitation to purchase the Sukuk Murabahah falling within the relevant category of the persons specified in Section 2(6) of the Companies Act, and persons to whom an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

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SECTION 2.0 OVERVIEW OF THE TRANSACTION STRUCTURE

2.1 Description of the Transaction Structure

The transaction structure envisages the following:



- (a) Upon issuance of the Sukuk Murabahah, the Issuer shall make a one-off advance of the entire issuance proceeds of the Sukuk Murabahah of up to Five Hundred and Thirty Five Million (RM535,000,000.00) to AZRB upon the terms and subject to the conditions contained in the Intercompany Financing Agreement (ACSB) (i.e. the Advance (ACSB)).
- (b) Upon receipt of the Advance (ACSB), AZRB shall use such proceeds for its working capital requirements and general corporate purposes, which includes the subscription of 535,000,000 of the RCPS-i to be issued by PMSB pursuant to the RCPS-i Subscription Agreement.
- (c) Thereafter, AZRB shall be entitled to receive any dividends and distributions, whether income or capital in nature, arising from the RCPS-i or ordinary shares of PMSB, as well as the proceeds of any advances from PMSB as may be received by AZRB from time to time under the Intercompany Financing Agreement (PMSB), i.e. the Advance (PMSB).
- (d) The primary source of payment and servicing of the financing obligations of the Sukuk Murabahah shall be from receipts by the Issuer of profit payments and principal repayments by AZRB in accordance with a stipulated payment schedule under the Intercompany Financing Agreement (ACSB), as well as the proceeds of any advances from AZRB as may be received by the Issuer from time to time, i.e. the Advance (AZRB).
- (e) In connection with paragraphs (c) and (d) above, PMSB shall transfer all balances in the Project Account (save for the minimum amount as required and specified by the account bank to maintain the account) by way of a Standing Instruction to the Issuer's Collection Account, which is solely operated by the Security Agent.
- (f) ACSB shall repay the Advance (AZRB) in such amount and on a monthly basis in accordance with the Annual Budget whereupon AZRB shall utilise such proceeds

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received from ACSB towards repayment of the Advance (PMSB) on a monthly basis in accordance with the Annual Budget.

The salient terms of the Intercompany Financing Agreement (ACSB), Intercompany Financing Agreement (PMSB) and the RCPS-i Subscription Agreement are set out in Appendix III (*Salient Terms of Related Party Contracts*).

2.2 Security Arrangement

The Sukuk Murabahah under the Sukuk Murabahah Facility shall be secured by the following security documents ("**Security Documents**") in favour of the Security Agent (for the benefit of the Sukukholders):

- (a) a charge over the entire issued and fully paid up share capital of PMSB owned or to be owned by AZRB ("**PMSB Shares**") and over any dividends and distributions, whether income or capital in nature, arising from the PMSB Shares;
- (b) a charge over the entire issued and fully paid up share capital of ACSB owned or to be owned by AZRB ("**ACSB Shares**") and over any dividends and distributions, whether income or capital in nature, arising from the ACSB Shares;
- (c) a legal assignment of AZRB's rights, title, benefits and interests in and to any dividends and distributions received or to be received by AZRB from PMSB, whether income or capital in nature, arising from the PMSB Shares;
- (d) a legal assignment of AZRB's rights, title, benefits and interests in and under the RCPS-i Subscription Agreement;
- (e) a legal assignment of AZRB's rights, title, benefits and interests in and under the Intercompany Financing Agreement (PMSB);
- (f) a legal assignment and charge of the Issuer's rights, title, benefits and interests in and to the Collection Account and FSRA and the monies standing to the credit of the Collection Account and FSRA and a first ranking charge over the Permitted Investments;
- (g) the Kafalah Guarantee (as described in Section 2.3 (*Details of the Kafalah Guarantee*) of this Information Memorandum);
- (h) a legal assignment of the Issuer's rights, title, benefits and interests in and under the Intercompany Financing Agreement (ACSB) and all monies received or to be received by Issuer from AZRB under the Intercompany Financing Agreement (ACSB);
- (i) a debenture creating a first ranking fixed and floating charge over all the present and future assets and properties of the Issuer; and
- (j) any other security arrangement as advised by the Solicitors and mutually agreed between the Principal Adviser or the Lead Arranger and the Issuer.

2.3 Details of the Kafalah Guarantee

The Sukuk Murabahah Facility shall be secured by an unconditional and irrevocable corporate guarantee under the Shariah principle of Al-Kafalah ("**Kafalah Guarantee**"), as a continuing obligation, in favour of the Security Agent for and on behalf of the Sukukholders under which AZRB shall guarantee all payment obligations of the Issuer under or in connection with the Transaction Documents including the Purchaser's obligation to pay the Deferred Sale Price which is due and payable on the relevant maturity dates and/or the relevant Periodic Payment Date and/or such other date where the Sukuk Murabahah shall be due for redemption, as the case may be, including any payment obligation in respect of Ta'widh (compensation) and all fees, expenses and charges in relation to the Sukuk Murabahah and the Sukuk Murabahah Facility.

Upon declaration of an Event of Default, all amounts guaranteed under the Kafalah Guarantee by the Guarantor shall be payable on demand.

In addition, the Guarantor shall undertake to the Security Agent (for the benefit of the Sukukholders) that the Guarantor shall ensure that the Issuer will always have sufficient funds to meet its finance service obligations in relation to the Sukuk Murabahah Facility and in the event there is any shortfall, the Guarantor shall top up any such cash shortfall or deficiencies. Such undertaking shall be embedded in the Kafalah Guarantee and is operative from the date of the Kafalah Guarantee.

The Sukuk Murabahah Facility is further secured by relevant cashflows received or to be received by AZRB from its wholly-owned subsidiary, PMSB via the legal assignments by AZRB created in favour of the Security Agent as described in Section 2.2 (*Security Arrangement*) above. PMSB is a concession company which was awarded a 25-year concession for the development and maintenance of IIUM Medical Centre for IIUM. Please refer to Section 5.0 (*Information on PMSB*) of this Information Memorandum for further details on PMSB.

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SECTION 3.0 INFORMATION ON THE ISSUER**3.1 Incorporation**

The Issuer is a private limited company incorporated under the Companies Act on 8 July 2019 under the name AZRB Capital Sdn Bhd. Its registered office and business address is at Menara AZRB, No. 71, Persiaran Gurney, 54000 Kuala Lumpur.

3.2 Principal Activity

A special purpose vehicle established solely for the purpose of issuance of sukuk, in compliance with the Shariah principles.

3.3 Share Capital and Shareholding Structure

As at 11 September 2019, the issued and paid-up share capital of the Issuer is as follows:

Share Capital	Amount (RM)
<i>Issued and paid-up share capital:</i>	
1 ordinary share	1

As at 11 September 2019, the structure of shareholding and name of the shareholder of the Issuer is:

Shareholder	Direct	
	No. of Shares	%
AZRB	1	100

The Issuer is a wholly-owned subsidiary of AZRB.

3.4 Profile of Board of Directors

As at 11 September 2019, the directors of the Issuer and their respective profiles are as follows:

Name of Directors	Profiles
Dato' Sri Wan Zakariah Bin Haji Wan Muda	<p>Dato' Sri Wan Zakariah is a director of the Issuer. He joined the board of directors of AZRB as an Executive Director on 24 March 1999, and subsequently was appointed to the post of Group Managing Director on 1 January 2003. He is presently the Chairman of the Employees' Share Scheme Committee and a member of the Remuneration Committee.</p> <p>Dato' Sri Wan Zakariah obtained a Bachelor of Science degree in Quantity Surveying from the Thames Polytechnic, United Kingdom (now known as University of Greenwich) in 1986. He started his career in the same year as Quantity Surveyor with the construction subsidiary, AZSB moving through various posts in AZSB until he was promoted to be the Managing Director of AZSB in 1996.</p> <p>Dato' Sri Wan Zakariah also sits on the board of directors of several private limited companies and has no directorship in other public companies and listed companies.</p>
Dato' Haji Roslan Bin Tan Sri Jaffar	<p>Dato' Haji Roslan is a director of the Issuer. He was appointed as an Executive Director of AZRB on 8 January 2015 and subsequently as Deputy Group Managing Director (2) with effect from 1 December 2017. He sits on the Employees' Share Scheme Committee as an ordinary member.</p> <p>Dato' Haji Roslan holds a Bachelor in Mechanical Engineering degree from Imperial College London, United Kingdom and is a Fellow of the Association of Chartered Certified Accountants.</p> <p>He started his career at PricewaterhouseCoopers in 1999 and was promoted to Associate Director in 2008 specialising in Infrastructure, Government and Utilities sector. Dato' Haji Roslan joined AZRB in 2010 as Chief Operating Officer and was appointed as an Executive Director of AZSB in the same year.</p> <p>Currently, he sits on the Board of Governors of an international school and the Board of Trustees of a Royal foundation.</p> <p>Dato' Haji Roslan does not hold directorship in any other public companies and listed companies but sits on the board of directors of several private limited companies.</p>

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SECTION 4.0 INFORMATION ON AZRB**4.1 Incorporation**

AZRB is a public limited company incorporated under the Companies Act, 1965 on 26 May 1997 and was listed on the Main Market of Bursa Malaysia since June 1999. Its registered office is at Menara AZRB, No. 71, Persiaran Gurney, 54000 Kuala Lumpur.

4.2 Principal Activities

AZRB is principally engaged in investment holding, providing management services and as contractor of civil and structural works.

4.3 Share Capital and Shareholding Structure

As at 11 September 2019, the issued and paid-up share capital of AZRB is as follows:

Share Capital	Amount (RM)
<i>Issued and paid-up Share Capital:</i>	
598,097,678 ordinary shares	197,535,746

As at 11 September 2019, the substantial shareholders of AZRB are as follows:

No.	Shareholder	Direct		Deemed	
		No. of Shares	%	No. of Shares	%
1.	Zaki Holdings (M) Sdn Bhd	250,032,336	41.92	0	0
2.	Amsec Nominees (Tempatan) Sdn Bhd - Pledged Securities Account - Ambank (M) Berhad for Zaki Holdings (M) Sdn Bhd	69,412,500	11.64	0	0
3.	Tan Sri Dato' Sri Haji Wan Zaki Bin Haji Wan Muda	4,747,471	0.79	321,812,959*	53.96*

* Shares held through persons connected with the shareholder

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4.4 Profile of Board of Directors

As at 11 September 2019, the directors of AZRB and their respective profiles are as follows:

Name of Directors	Profiles
<p>Raja Tan Sri Dato' Seri Aman Bin Raja Haji Ahmad</p>	<p>Raja Tan Sri Dato' Seri Aman was appointed as the Chairman and Independent Non-Executive Director and member of Audit and Risk Committee on 26 February 2004. On 8 April 2004, he assumed the Chairmanship of the Audit and Risk Committee. He also sits on the Remuneration and Nomination Committees as an ordinary member.</p> <p>Raja Tan Sri Dato' Seri Aman is a fellow of the Institute of Chartered Accountants in England and Wales and also a member of Malaysian Institute of Accountants and Malaysian Institute of Certified Public Accountants. He held various positions in Maybank Group from 1974 to 1985 prior to joining Affin Bank Berhad (formerly known as Perwira Habib Bank Malaysia Berhad) in 1985 as Executive Director/ Chief Executive Officer. He left Affin Bank Berhad in 1992 to join Perbadanan Usahawan Nasional Berhad as Chief Executive Officer. He was re-appointed as Chief Executive Officer of Affin Bank Berhad in 1995 and retired in 2003.</p> <p>Raja Tan Sri Dato' Seri Aman is also an Independent Non-Executive Director of Tomei Consolidated Berhad and Affin Hwang Investment Bank Berhad. He was appointed as Chairman of the Investment Panel of Lembaga Tabung Angkatan Tentera on 1 December 2018.</p>
<p>Tan Sri Dato' Sri Haji Wan Zaki Bin Haji Wan Muda</p>	<p>Tan Sri Dato' Sri Haji Wan Zaki was appointed as the Executive Vice Chairman of AZRB on 24 March 1999. Subsequently, he held the post of Executive Chairman from 1 March 2000 and was redesignated as Executive Vice Chairman of AZRB on 26 February 2004. He is presently the Chairman of the Remuneration Committee.</p> <p>Tan Sri Dato' Sri Haji Wan Zaki is the founder of AZSB. Prior to venturing into business, he served in various positions in state-owned companies in Pahang and Terengganu, of which his last position was the Managing Director of Pesama Timber Corporation Sdn Bhd ("Pesama"), a Terengganu state-owned company. He left Pesama in 1984 to focus on expanding the</p>

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Name of Directors	Profiles
	<p>engineering and construction business of AZSB.</p> <p>Tan Sri Dato' Sri Haji Wan Zaki had served as the Chairman of Chuan Huat Resources Berhad from 2002 until 2013. He sits on the board of directors of several private limited companies and has no directorship in other public companies and listed companies.</p>
Dato' Sri Wan Zakariah Bin Haji Wan Muda	<p>Dato' Sri Wan Zakariah joined the Board of AZRB as an Executive Director on 24 March 1999, and subsequently was appointed to the post of Group Managing Director on 1 January 2003. He is presently the Chairman of the Employees' Share Scheme Committee and a member of the Remuneration Committee.</p> <p>Dato' Sri Wan Zakariah obtained a Bachelor of Science degree in Quantity Surveying from the Thames Polytechnic, United Kingdom (now known as University of Greenwich) in 1986. He started his career in the same year as Quantity Surveyor with the construction subsidiary, AZSB moving through various posts in AZSB until he was promoted to be the Managing Director of AZSB in 1996.</p> <p>Dato' Sri Wan Zakariah also sits on the board of directors of several private limited companies and has no directorship in other public companies and listed companies.</p>
Dato' W Zulkifli Bin Haji W Muda	<p>Dato' W Zulkifli was appointed as a Non-Executive Director on 2 January 1999. He was redesignated as an Executive Director with effect from 1 March 2003 and subsequently appointed as Deputy Group Managing Director (1) with effect from 1 December 2017. He sits on the Employees' Share Scheme Committee as an ordinary member.</p> <p>Dato' W Zulkifli holds a Bachelor of Science (Civil Engineering) degree, which he obtained in 1985 from the University of Southern Illinois, United States of America. He began his career with AZSB as a Project Engineer in 1985. He was promoted to the position of Project Manager and later as the Executive Director (Operations) of AZSB in 1996 and subsequently became the Managing Director of AZSB effective from 7 February 2003.</p>

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Name of Directors	Profiles
	<p>Dato' W Zulkifli does not hold directorship in any other public companies and listed companies but sits on the board of directors of several private limited companies.</p>
Dato' Haji Roslan Bin Tan Sri Jaffar	<p>Dato' Haji Roslan was appointed as an Executive Director of AZRB on 8 January 2015 and subsequently as Deputy Group Managing Director (2) with effect from 1 December 2017. He sits on the Employees' Share Scheme Committee as an ordinary member.</p> <p>Dato' Haji Roslan holds a Bachelor in Mechanical Engineering degree from Imperial College London, United Kingdom and is a Fellow of the Association of Chartered Certified Accountants.</p> <p>He started his career at PricewaterhouseCoopers in 1999 and was promoted to Associate Director in 2008 specialising in Infrastructure, Government and Utilities sector. Dato' Haji Roslan joined AZRB in 2010 as Chief Operating Officer and was appointed as an Executive Director of AZSB in the same year.</p> <p>Currently, he sits on the Board of Governors of an international school and the Board of Trustees of a Royal foundation.</p> <p>Dato' Haji Roslan does not hold directorship in any other public companies and listed companies but sits on the board of directors of several private limited companies.</p>
Dato' Haji Mustaffa Bin Mohamad	<p>Dato' Haji Mustaffa was appointed as an Executive Director of AZRB on 24 March 1999 and is an ordinary member of the Employees' Share Scheme Committee.</p> <p>Dato' Haji Mustaffa graduated with a Bachelor of Laws (Hons) degree from the University of London in 1976. He was called to the English Bar at Lincoln's Inn, UK in 1981, and was admitted as an Advocate & Solicitor in the High Courts of Malaya in 1994. He also holds a Post Graduate Diploma in Port and Shipping Administration from University of Wales, Institute of Science and Technology, Cardiff (1985); and has been a member of The Chartered Institute of Logistics and Transport, UK since 1986. In 1993 he was awarded a Diploma in Syariah Law and Practice by the International Islamic University, Malaysia.</p>

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Name of Directors	Profiles
	<p>Currently, Dato' Haji Mustaffa sits on the board of directors of several private limited companies and has no directorship in other public companies and listed companies.</p>
Tan Sri Dato' Lau Yin Pin @ Lau Yen Beng	<p>Tan Sri Dato' Lau was appointed as an Independent Non-Executive Director of AZRB on 15 November 2010. He was appointed as a member of the Audit and Risk Committee and Nomination Committee on 1 March 2011 and 24 March 2016, respectively.</p> <p>Tan Sri Dato' Lau obtained his Diploma in Commerce with distinction from Tunku Abdul Rahman College, Malaysia in 1974. He has been a member of the Malaysian Institute of Accountants since 1979. He was made a fellow of the Association of Chartered Certified Accountants, United Kingdom in 1981 and became a graduate member of the Institute of Chartered Secretaries and Administrators, United Kingdom in 1987. He was formerly a Senator of Dewan Negara, appointed by Seri Paduka Baginda Yang di-Pertuan Agong, Malaysia.</p> <p>Tan Sri Dato' Lau had served as a Non-Independent Non-Executive Director and Chairman of the Board of Directors of Nanyang Press Holdings Berhad and Star Publications (Malaysia) Berhad, and as an Independent Non-Executive Director of Media Chinese International Limited, a company listed in Malaysia and Hong Kong. He also served on the Board of Directors of Tenaga Nasional Berhad in various capacities, as Chairman of Audit Committee, Member of Board Disciplinary Committee, Board Tender Committee and Board Member of several subsidiary companies.</p> <p>Tan Sri Dato' Lau does not hold directorship in other public companies and listed companies but sits on the board of directors of several private limited companies.</p>
Datuk (Prof.) A. Rahman @ Omar Bin Abdullah	<p>Datuk (Prof.) A. Rahman was appointed as an Independent Non-Executive Director on 1 January 2003. He was redesignated and appointed as Chairman of the Nomination Committee on 24 March 2016. He also sits on the Audit and Risk Committee and Remuneration Committee as an ordinary member.</p>

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Name of Directors	Profiles
	<p>Datuk (Prof.) A. Rahman holds a Diploma in Quantity Surveying from Thames Polytechnic, London, United Kingdom, and a Master of Science in Construction Management from the Herriot-Watt University, Scotland. He also holds fellowships with The Royal Institute of Chartered Surveyors (UK) and the Royal Institution of Surveyors Malaysia, as well as Professional Membership with The Chartered Institute of Building of United Kingdom.</p> <p>Datuk (Prof.) A. Rahman was the founding Chief Executive Officer of the Construction Industry Development Board ("CIDB") Malaysia, a post which he held from 1995 to 2002, after which he held the post of Chairman of CIDB until December 2006. Prior to CIDB, Datuk (Prof.) A. Rahman started his career in the Public Works Department ("PWD") where he served for 25 years. His last post in PWD was the Deputy Director General of PWD. In 1992, he was accorded as an Honorary Professor by the University Teknologi Malaysia. Among other appointments, he is the past President of the Royal Institution of Surveyors Malaysia, the past President of the Board of Quantity Surveyors Malaysia and currently, he is a fellow of the Academy of Sciences Malaysia.</p> <p>Datuk (Prof.) A. Rahman does not hold directorship in any other public companies and listed companies, but sits on the board of directors of several private limited companies.</p>
Dato' Sr. Abdull Manaf Bin Hj Hashim	<p>Dato' Sr. Abdull Manaf was appointed as an Independent Non-Executive Director of AZRB on 1 July 2016.</p> <p>He holds a Bachelor in Quantity Surveying from Universiti Teknologi Malaysia.</p> <p>Dato' Sr. Abdull Manaf started his career as a Quantity Surveyor in the Education Unit of the Quantity Surveying Branch at Jabatan Kerja Raya ("JKR") Headquarters Malaysia and has served in JKR for 38 years, rising through the ranks until his last post as the Deputy Director General of JKR, Malaysia.</p> <p>He was the Deputy President of the Royal Institution of Surveyors Malaysia ("RISM") for the session</p>

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Name of Directors	Profiles
	<p>2011/2012, the President of RISM for the session 2012/2013 and has served as the President of the Board of Quantity Surveyors for 10 years from 2007 to 2017. Dato' Sr. Abdull Manaf has been re-appointed as a Director (Special Interest) of Lembaga Lebuhraya Malaysia for another 2-year period from 27 November 2018 to 26 November 2020.</p> <p>Dato' Sr. Abdull Manaf does not hold directorship in any other public companies and listed companies.</p>

4.5 Profile of Senior Management of AZRB

Title	Name	Profile
Head, Engineering & Construction Division	Dato' Azman Bin Marzuki	<p><u>Academic/Professional Qualification(s)</u></p> <p>(a) Master of Business Administration from University of Lausanne (IMD), Switzerland</p> <p>(b) Bachelor of Engineering (Civil), University of Wollongong, Australia</p> <p><u>Work Experience(s)</u></p> <p>(a) PJSI Sdn Bhd (2011 to 2012)</p> <p>(b) Kumpulan Hartanah Selangor Berhad (2009 to 2011)</p> <p>(c) Tidalmarine Engineering Sdn Bhd (2007 to 2009)</p> <p>(d) PECD Berhad (1995 to 2007)</p> <p>(e) Pengurusan Lebuhraya Berhad (1989 to 1995)</p> <p>(f) Minconsult Sdn Bhd (1988 to 1989)</p>
Head, Concession Division	Mohammad Fauzi Bin Haji Ahmad	<p><u>Academic/Professional Qualification(s)</u></p> <p>Bachelor in Civil Engineering, University of Pittsburgh, USA</p> <p><u>Work Experience(s)</u></p> <p>(a) Reliance Engineering, USA (2005 to 2011)</p> <p>(b) Radicare (M) Sdn Bhd (2001 to 2005)</p> <p>(c) Abrar-Manfield Consortium (1996 to 2001)</p> <p>(d) Kuala Lumpur City Centre (KLCC) (1993 to 1996)</p> <p>(e) Projek Penyelenggaraan Lebuhraya (PROPEL) (1990 to 1993)</p> <p>(f) Pengurusan Lebuhraya Berhad (PLB) (1989 to 1990)</p>

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Head, Plantation Division	Abdul Halim Bin Ashari	<p><u>Academic/Professional Qualification(s)</u></p> <ul style="list-style-type: none">(a) Senior Management Training Program, Harvard Business School, USA(b) Shun Tzu Art of Management & TQM, National University of Singapore(c) Diploma in Rubber Technology and Plantation Management, Rubber Research Institute of Malaysia <p><u>Work Experience(s)</u></p> <ul style="list-style-type: none">(a) PT Eagle High Plantations Tbk (2013 to 2015)(b) PT BW Plantation Tbk (2002 to 2013)(c) PT Boustead Management Services (subsidiary of Boustead Holdings Berhad) (1996 to 2001)(d) Boustead Estates Agency Sdn Bhd (1981 to 1995)(e) Kulim (M) Berhad (1978 to 1980)
Head, Corporate Services	Wan Shariman Bin Wan Mohamed	<p><u>Academic/Professional Qualification(s)</u></p> <ul style="list-style-type: none">(a) Fellow of Chartered Institute of Management Accountants (CIMA), UK(b) Master in Business Administration (with Distinction), Nottingham Trent University, UK <p><u>Work Experience(s)</u></p> <ul style="list-style-type: none">(a) Idealcap Holdings Sdn Bhd (2013 to 2016)(b) Maju Holdings Group (2010 to 2012)(c) Malaysian Resources Corporation Berhad (2003 to 2010)(d) APL-NOL Malaysia (1995 to 2003)(e) Amanah Capital Berhad (1995)(f) Oriental Bank Berhad (1992 to 1994)
Chief Financial Officer	Mohammad Ashraf Bin Md Radzi	<p><u>Academic/Professional Qualification(s)</u></p> <ul style="list-style-type: none">(a) Member of Malaysian Institute of Accountants (MIA)(b) Member of Association of Chartered Certified Accountants (ACCA), UK(c) Capital Markets Services Representative License (CMSRL) Modules 12 & 19, Securities Commission Malaysia(d) Bachelor of Accounting (Hons), University Tenaga Nasional <p><u>Work Experience(s)</u></p> <ul style="list-style-type: none">(a) MIDF Amanah Investment Bank (2015 to 2016)

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		(b) Johawaki Holdings Sdn Bhd (2013 to 2015) (c) Prokhas Sdn Bhd (2009 to 2013) (d) UBS Investment Bank, London (2007 to 2009) (e) CUNA Mutual Life Assurance (Europe) Ltd, Dublin (2005 to 2007) (f) Ernst & Young, Dublin (2002 to 2005)
Head, Property Division	Ir. Aubrey Michael Shepherdson	<u>Academic/Professional Qualification(s)</u> (a) Master of Business Administration, University of Strathclyde, Scotland (b) Bachelor of Science in Civil Engineering, University of Toledo, Ohio, USA <u>Work Experience(s)</u> (a) Malaysian Resources Corporation Berhad (2014 to 2018) (b) KLCC Projek Sdn Bhd (2009 to 2014) (c) Putrajaya Holdings Sdn Bhd (1997 to 2009) (d) Pengurusan Lebuhraya Berhad (1991 to 1997) (e) HSS Integrated Sdn Bhd (1990 to 1991) Minconsult Sdn Bhd (1987 to 1989)
Chief Operating Officer, TB Supply Base Sdn Bhd	Md Suhaimi Bin Husain	<u>Academic/Professional Qualification(s)</u> B.Sc. Maritime/Nautical Studies from Liverpool John Moores University, United Kingdom <u>Work Experience(s)</u> (a) Muhibbah Engineering Berhad (2015 to 2017) (b) Atlas Merger Sdn Bhd (2006 to 2015) (c) Eastern Pacific Industrial Corporation Berhad (EPIC) (1998 to 2006) (d) Pangkalan Bekalan Kemaman Sdn Bhd (Kemaman Supply Base) (1989 to 1998) (e) Perwaja Terengganu Sdn Bhd (1985 to 1989)
President Director, PT Ichtar Gusti Pudi	Hazmi Bin Hussain	<u>Academic/Professional Qualification(s)</u> (a) Member of Malaysian Institute of Accountants (MIA) (b) Advance Diploma in Accountancy, Universiti Teknologi MARA (UiTM) <u>Work Experience(s)</u> (a) PT SCAN Nusantara (2006 to 2012) (b) PT MAA Indonesia (1999 to 2005)

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		(c) MAA Berhad (1996 to 1999) (d) Bank Negara Malaysia (1986 to 1995)
Chief Compliance Officer	Khairudin Bin Haji Mohd Ali	<u>Academic/Professional Qualification(s)</u> (a) Member of Malaysian Institute of Accountants (MIA) (b) Member of Malaysian Institute of Certified Public Accountants (MICPA) (c) BA (Hons) Accounting and Finance, De Montfort University, Leicester, UK <u>Work Experience(s)</u> (a) Prokhas Sdn Bhd (2009 to 2013) (b) CIMB Investment Bank Berhad (2006 to 2009) (c) KPMG Singapore (2005 to 2006) (d) KPMG Kuala Lumpur (2004 to 2005) (e) Jamal, Amin and Partners (2002 to 2004) (f) PricewaterhouseCoopers (1997 to 2002)
Company Secretary	Seuhailey Binti Shamsudin	<u>Academic/Professional Qualification(s)</u> Associate of The Malaysian Institute of Chartered Secretaries and Administrators (ICSA) <u>Work Experience(s)</u> (a) Ranthill Berhad (2003 to 2005) (b) Mekar Korperat Sdn Bhd (2000 to 2003)

4.6 Corporate Structure of AZRB

As at 11 September 2019, the subsidiary and associate companies of AZRB are as follows:

No.	Division	Company	Principal activities	AZRB's shareholding
1.	Engineering and Construction	AZSB	Contractors of civil and structural contract works	100%
2.		Peninsular Precast Sdn Bhd	Fabricating and marketing of Industrial Building Products and System (IBS) and to undertake any other activities relating to the development of IBS	100%
3.		AZSB Machineries Sdn Bhd	Rental of machineries	100%
4.		Tadok Granite Manufacturing Sdn Bhd	Dormant	100%
5.		Unggul Energy & Construction Sdn Bhd	Dormant	100%

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6.		AZRB International Ventures Sdn Bhd	Investment holding	100%
7.		Ahmad Zaki Saudi Arabia Co Ltd	Contractors of civil and structural contract works	100%
8.		Fasatimur Sdn Bhd	Dormant	50%
9.		Salcon MMCB AZSB JV Sdn Bhd	General contractor	30%
10.	Property	AZ Land & Properties Sdn Bhd	Property development	100%
11.		Peninsular Prokonsult Sdn Bhd	Project management services	100%
12.		Residence Inn & Motels Sdn Bhd	Hotel operator and hotel project consultants	100%
13.		Trend Vista Development Sdn Bhd	Real property and housing development	100%
14.		Temala Development Sdn Bhd	Property development	70%
15.		Kemaman Technology & Industrial Park Sdn Bhd	Property development	60%
16.		TB Realty Sdn Bhd	Leasing of land and building	53%
17.		Betanaz Properties Sdn Bhd	Property development	51%
18.		Palmacorp Sdn Bhd	General contractor	50%
19.		Peninsular IFM Sdn Bhd	Dormant	34%
20.	Concession	EKVE	Engaged in the business of construction, establishment, operation, maintenance and management of highway	100%
21.		PMSB	To carry out maintenance services via concession and assets management agreements at the IIUM Medical Centre	100%
22.		Sambungan Lebuhraya Timur Sdn Bhd	Dormant	60%
23.	Oil and Gas	ICSB	Dealer of marine fuels and lubricants	100%
24.		MRSB	Investment holding	53%
25.		TB Supply Base Sdn Bhd	Logistics management services and vessel related services	53%
26.		Astral Far East Sdn Bhd	Dealer of lubricants and petroleum-based	53%

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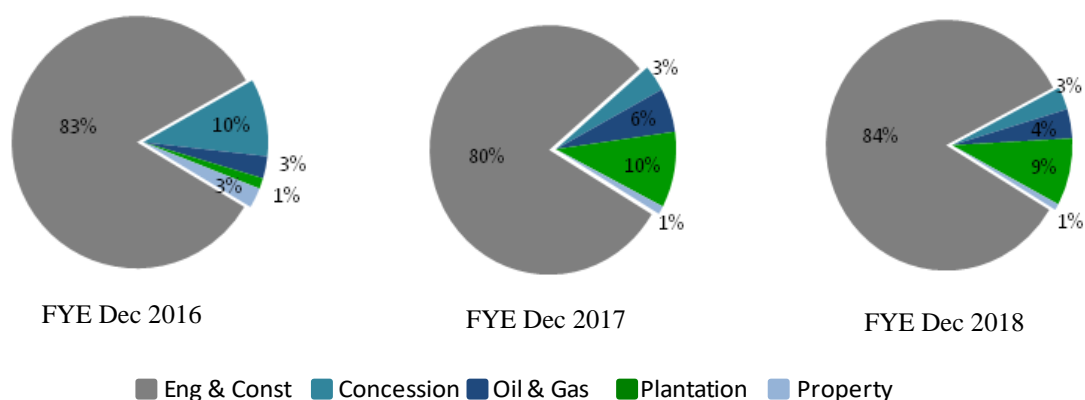
			products	
27.		TB Terminals Sdn Bhd	Dormant	53%
28.	Plantation	PT Ichtiar Gusti Pudi	Oil palm cultivation	95%
29.		Betanaz Mills Sdn Bhd	Operation of palm oil mill	67%
30.		Peak Crops Sdn Bhd	Dormant	40%
31.	Others	AZRB Capital Sdn Bhd	A special purpose vehicle established solely for the purpose of issuance of Sukuk, in compliance with the Shariah principles.	100%

4.7 Business Overview of the AZRB Group

AZRB was incorporated on 26 May 1997, and was listed on Bursa Malaysia since June 1999. AZRB Group has now earned its reputation as the builder of award winning landmarks as well as infrastructure projects in Malaysia.

AZRB Group has completed numerous buildings and infrastructure locally. AZRB Group has since grown from an engineering & construction set up to a multi-disciplined conglomerate diversifying into strategic business ventures namely plantation, oil & gas, concession and property.

Segmental contribution in terms of revenue of the respective divisions of AZRB Group is shown in the pie charts below:-



The Engineering and Construction Division remains competitive despite the current challenging industry environment. For the past three years, the division's average revenue of RM 933 million each year had contributed to more than 80% of AZRB Group's revenue. In early 2019, the division has secured a project from Petroliaam Nasional Berhad ("**Petronas**") to build and refurbish its office complex in Kerteh, Terengganu. In addition to numerous projects awarded by

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the Government, the division also tenders for projects in the private sector which keeps its clientele base sufficiently diversified.

The Oil & Gas Division operates in the East Coast of Peninsular Malaysia, running the TB Supply Base Sdn Bhd ("**TBSB**") that services offshore supply vessels and oilrigs in the North Malay Basin, Malaysia-Thailand Joint Development Area, and Malaysia-Vietnam Commercial Arrangement Area. Currently, TBSB is gearing itself to welcome the next major oil and gas operator to the base, which has commenced in the third quarter of 2019. The AZRB Group also provides bunkering services out of Kemaman Supply Base through its subsidiary Inter-Century Sdn Bhd, which has been in operations since 1993. For the past three years, the revenue generated from the provision of full port services out of TBSB and bunkering services at Kemaman Supply Base contributed on average 4% or RM45 million to AZRB Group's revenue.

The Concession Division currently consists of a long-term concession of the maintenance and facilities management of IIUM Medical Centre in Kuantan, which contributed on average 5% of AZRB Group's total revenue over the past 3 years. The IIUM Medical Centre was built as part of AZRB Group's first private finance initiative project completed in 2016 under the design, build, lease, maintain and transfer model. Please refer to Section 5.5 (*Business Overview of PMSB*) below for further information on the IIUM Medical Centre. In financial year ended 2016, the contracts that PMSB entered into with IIUM to carry out Additional Works amounted to a total of approximately RM120 million, which accounted for 10% of AZRB Group's revenue. This division contributed approximately more than RM30 million annually for the past two years.

The Plantation Division has 9,614-hectares of planted oil palm plantation in West Kalimantan, Indonesia, which is integrated with a palm oil mill of 60 metric tonne per hour (TPH) capacity. In the financial year ended 2016, in comparison to other divisions' performance, this division's contribution of approximately RM17 million contributed the least to AZRB Group's revenue. However, with the commissioning of palm oil mill in 2017, the division's revenue increased significantly to RM94 million for financial year ended 2017.

The Property Division currently has ongoing development projects in Terengganu and pipeline projects in Selangor, Terengganu and Pahang with a combined gross development value of close to RM1 billion. This division currently contributes on average 1% to AZRB Group's revenue.

Some of AZRB Group's significant completed projects, amongst others, include the Klang Valley Mass Rapid Transit, Sungai Buloh-Kajang Line Packages V6 & S6, the award-winning Menara Kerja Raya, Masjid Tuanku Mizan Putrajaya, Universiti Teknologi Petronas, and the 562-bed Ampang Hospital. Civil and infrastructure completed projects include the East Coast Expressway, the Subang Jaya-Kelana Elevated Bypass, and the new Istana Negara interchange.

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4.8 Financial Highlights of AZRB

The following table shows the financial highlights of AZRB Group for the FYE 31 December 2016, 31 December 2017, 31 December 2018 and half year ended 30 June 2019. It should be read in conjunction with the annual report of AZRB for the FYE 31 December 2018, FYE 31 December 2017 and the quarterly report on consolidated results for the financial period ended 30 June 2019.

	RM million			
	Financial Year Ended 31 December 2016 (Audited)	Financial Year Ended 31 December 2017 (Audited)	Financial Year Ended 31 December 2018 (Audited)	Half year ended 30 June 2019 (Unaudited)
Revenue	1,201.3	960.6	1,228.6	496.6
Profit Before Tax	50.5	61.9	24.8	9.3
Profit for the Year	24.6	27.0	8.6	5.4
Total Assets	3,564.3	3,939.6	4,440.7	4,600.5
Equity Attributable to the Owners of the Company	364.9	445.7	461.5	467.2
Loans and Borrowings	2,187.8	2,428.7	2,626.4	2,754.2
Cash and Deposits	190.1	281.3	622.9	421.1

The relevant annual reports may be accessed online via Bursa Malaysia at <http://www.bursamalaysia.com/market/listed-companies/company-announcements/subscribe/7078/option2/AR>

The quarterly report on consolidated results for the financial period ended 30 June 2019 may be accessed online via Bursa Malaysia at <http://www.bursamalaysia.com/market/listed-companies/company-announcements/6272137>

4.9 Awards and Accolades

As at 11 September 2019, the awards and accolades received by AZRB Group during the period from 2016 to 2018 include but not limited to the following:

- **Best Under Billion Awards**
Best Under Billion Awards 2018 (Best Sustainability Reporting)
- **CIDB 5 Star SCORE Award**
- **Green Construction Award**
The Malaysian Construction Industry Excellence Awards 2017

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- **Sistem Penilaian Keselamatan dan Kesihatan Dalam Pembinaan (SHASSIC)**
5 Star Awards in 2018
- **The Best Project Award (Building Project - Major Category)**
The Malaysian Construction Industry Excellence Awards 2017
- **Builder of the Year Award**
Winner of the coveted "Builder of the Year" award three times (in 2000, 2006 and 2017)
- **Engineering & Construction Division (Menara Kerja Raya)**
 - (a) First high-rise office building with Green Building Index (GBI) platinum rating
 - (b) ASEAN Energy Awards 2016
 - (c) FIABCI Malaysia Property Award 2016: Public Sector Category Winner
 - (d) Business Insider, United Kingdom: The 10th Best Skyscrapers in the World

4.10 Future Prospects and Business Plan of AZRB Group

Engineering & Construction Division

The Engineering & Construction Division is expected to remain AZRB Group's main revenue source in the next few years with outstanding order-book of RM2.37 billion as at the date of the Information Memorandum including amongst others, the ongoing projects, i.e. East Klang Valley Expressway, Jabatan Kerja Raya for Tanjung Lumpur Bridge, infrastructure development for Perbadanan Pembangunan Kampong Bharu and PNB Merdeka Ventures, Package S206 and V202 for the MRT Sungai Buloh-Serdang-Putrajaya Line, etc..

The AZRB Group will continue with its effort to grow and replenish its order-book whilst the current order book is expected to sustain AZRB for the next two to three years.

Concession Division

In addition to the stable recurring income over the years ahead pursuant to the concession for the maintenance and facilities management of the IIUM Medical Centre, the Concession Division is anticipating to receive proceeds of toll collections arising from the toll concession of the East Klang Valley Expressway, of which the construction work is due to complete by mid 2020.

Oil & Gas Division

While the Oil & Gas sector remains challenging, the price of Brent crude has demonstrated the Oil & Gas Division's ability to remain resilient, maintaining above USD60 per barrel in the year of 2019. From a pure bunkering operator out of Kemaman Supply Base, the division's prospects are positive with the inclusion of TBSB as a full-fledged supply base in the East Coast of Peninsular Malaysia. Additionally, AZRB Group intends to continue to invest and install more facilities to better accommodate current customers as well as to attract new ones to set up their base of operations at TBSB.

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Plantation Division

Given that the crude palm oil price is expected to remain volatile in 2019, AZRB Group is now implementing division-wide cost-cutting measures as well as seeking avenues or alternatives to enhance operational efficiency.

Property Division

The Property Division will continue to focus on its on-going developments, namely Puncak Temala in Marang as well as industrial park and residential developments in Paka, with new launches expected in 2020. This division is also expecting to contribute positively to AZRB Group in the future, mainly deriving from its unbilled sales from its current launches amounting to RM15.7 million.

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SECTION 5.0 INFORMATION ON PMSB**5.1 Incorporation**

PMSB is a private limited company incorporated under the Companies Act on 14 January 2011. Its registered office is Menara AZRB, No. 71, Persiaran Gurney, 54000 Kuala Lumpur.

5.2 Principal Activities

PMSB's principal activity is to carry out maintenance services via concession and assets management agreements at IIUM Medical Centre.

5.3 Share Capital and Shareholding Structure

PMSB is a wholly-owned subsidiary of AZRB.

As at 11 September 2019, the issued and paid-up share capital of PMSB is as follows:

Share Capital	Amount (RM)
<i>Issued and paid-up share capital:</i>	
10,000,000 ordinary shares	10,000,000

As at 11 September 2019, the structure of shareholding and name of the shareholder of PMSB is:

Shareholder	Direct	
	No. of Shares	%
AZRB	10,000,000	100

5.4 Profile of the Board of Directors

As at 11 September 2019, the directors of PMSB and their respective profiles are as follows:

Name of Directors	Profiles
Dato' Sri Wan Zakariah Bin Haji Wan Muda	<p>Dato' Sri Wan Zakariah has been appointed as director of PMSB in 2011. He joined the Board of AZRB as an Executive Director on 24 March 1999, and subsequently was appointed to the post of Group Managing Director on 1 January 2003. He is presently the Chairman of the Employees' Share Scheme Committee and a member of the Remuneration Committee.</p> <p>Dato' Sri Wan Zakariah obtained a Bachelor of Science degree in Quantity Surveying from the Thames Polytechnic, United Kingdom (now known as University</p>

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Name of Directors	Profiles
	<p>of Greenwich) in 1986. He started his career in the same year as Quantity Surveyor with the construction subsidiary, AZSB moving through various posts in AZSB until he was promoted to be the Managing Director of AZSB in 1996.</p> <p>Dato' Sri Wan Zakariah also sits on the board of directors of several private limited companies and has no directorship in other public companies and listed companies.</p>
Dato' Haji Roslan Bin Tan Sri Jaffar	<p>Dato' Haji Roslan has been appointed as director of PMSB in 2011. He was appointed as an Executive Director of AZRB on 8 January 2015 and subsequently as the Deputy Group Managing Director (2) with effect from 1 December 2017. He currently sits on the Employees' Share Scheme Committee as an ordinary member.</p> <p>Dato' Haji Roslan holds a Bachelor in Mechanical Engineering degree from Imperial College London, United Kingdom and is a fellow of the Association of Chartered Certified Accountants.</p> <p>He started his career at PricewaterhouseCoopers in 1999 and was promoted to Associate Director in 2008 specialising in Infrastructure, Government and Utilities sector. Dato' Haji Roslan joined AZRB in 2010 as Chief Operating Officer and was appointed as an Executive Director of AZSB in the same year.</p> <p>Currently, he sits on the Board of Governors of an international school and the Board of Trustees of a Royal foundation.</p> <p>Dato' Haji Roslan does not hold directorship in any other public companies and listed companies but sits on the board of directors of several private limited companies.</p>
Mohammad Fauzi Bin Haji Ahmad	<p>Mohammad Fauzi is a director of PMSB since 11 October 2017. He joined AZRB on 3 October 2011 and was appointed as the Head of Concession Division on 6 November 2017.</p> <p>Mohammad Fauzi obtained a Bachelor in Civil Engineering from University of Pittsburgh, USA. He worked at Reliance Engineering in the USA for about six years before joining AZRB.</p>

5.5 Business Overview of PMSB

PMSB (a single purpose company) was awarded a 25-year concession under a design, build, lease, maintain and transfer basis of the IIUM Medical Centre located in Kuantan, Pahang in 2011.

The IIUM Medical Centre is the first hospital in Malaysia to be awarded based on a private finance initiative arrangement through an open tender by the Government. Construction of the project commenced in 2012 and was completed in 2016. The concession will expire in 2038.

PMSB is also responsible for the asset management services in relation to the IIUM Medical Centre, which comprise facility engineering maintenance, cleaning, security and medical equipment maintenance throughout the concession period.

Pursuant to the Concession Agreement, PMSB receives Concession Payments from IIUM throughout the asset management services period. The asset management services charges comprise maintenance service charges and asset management programme. The former will be subject to PMSB meeting key performance indicators while the latter will only apply to replacement assets under the asset management programme.

PMSB is required to submit monthly invoices to IIUM and the Concession Payments are expected to be received by PMSB within 30 days of the submission of these invoices.

In addition to the above, PMSB may also undertake such additional works as permitted under the Concession Agreement, including the purchase of new additional equipment, replacement of equipment, maintenance, renovation or upgrading works as may be requested by IIUM from time to time ("**Additional Works**"). Such Additional Works are subject to the entry into ancillary contracts with IIUM with additional payments (if any) to be mutually agreed.

Upon the expiry of the Concession Agreement, PMSB will hand over the IIUM Medical Centre and all medical equipment to IIUM.

Details of the IIUM Medical Centre

The IIUM Medical Centre is built on a 27.8 acres of land, equipped with 300 beds for inpatients and supported by more than 133 specialists. In addition, the IIUM Medical Centre is also equipped with sophisticated medical technology and equipment including but not limited to the magnetic resonance imaging (MRI) scanners, computerised tomography (CT) scan, digital radiographs and also a heart scanner.

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The IIUM Medical Centre

(Source: IIUM Medical Centre website accessible online at <http://www.iium.edu.my>)

Financial Summary of PMSB

Financial Year Ended	RM million		
	31 December 2016 (Audited)	31 December 2017 (Audited)	31 December 2018 (Audited)
Revenue	136.6	67.5	41.2
Profit Before Tax	37.6	53.3	39.4
Profit After Tax	31.0	40.6	29.7
Total Assets	757.3	765.1	775.7
Total Equity	206.5	247.1	276.9
Loans and Borrowings	440.8	398.5	366.0*
Bank Balances	27.2	57.7	72.6

**Note: PMSB's borrowings include the existing Syndicated Islamic Term Financing-i Facility of up to RM458,350,000.00 granted to PMSB in connection with the construction of the Project. The outstanding amount of the said facility will be fully settled using funds received by PMSB via equity injection from AZRB.*

Termination events under the Concession Agreement and the consequences of such termination

Customary to a private finance initiative project of this nature, during the asset management services period, PMSB is exposed to the risk of termination of the Concession Agreement by IIUM if, inter alia, any of the following events occurs:

- (a) PMSB goes into liquidation;
- (b) an order is made against PMSB for the winding up of PMSB (except for the purpose of reconstruction, amalgamation not involving the realisation of assets which the interest of creditors are protected);
- (c) PMSB fails to provide the asset management services in such manner satisfactory to IIUM under the Concession Agreement;

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- (d) an execution is levied against substantial portion of PMSB's assets unless it has instituted proceedings in good faith to set aside such execution; or
- (e) PMSB breaches any of its obligations under the Concession Agreement.

In the event that the Concession Agreement is terminated pursuant to any of the above defaults committed by PMSB, PMSB is expected to receive only the monthly availability charges and/or asset management services charges due and payable to PMSB as at the termination date of the Concession Agreement.

In the cases where IIUM (a) fails to perform or fulfil its obligations under the Concession Agreement; or (b) fails to make any payment to PMSB as required under the Concession Agreement, PMSB may terminate the Concession Agreement. In the event that the Concession Agreement is terminated pursuant to an unremedied default by IIUM, IIUM will compensate PMSB with the availability charges for the remaining period of the concession at a discount rate as stipulated in the Concession Agreement.

The Concession Agreement may also be terminated by the Government by expropriating the rights vested in PMSB under the Concession Agreement if it considers necessary in the national or public interest. In the event that the Government expropriates the Project, PMSB is entitled to compensation from IIUM in the manner as stipulated in the Concession Agreement.

Termination of the Concession Agreement may have an adverse impact on PMSB, in particular, its ability to pay dividends or distributions or make any advances to AZRB, and in turn, affect the ability of AZRB to meet any profit payment and principal repayment of the advance under the Intercompany Financing Agreement (ACSB).

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SECTION 6.0 INVESTMENT CONSIDERATIONS

The purchase of the Sukuk Murabahah may involve substantial risks and is suitable only for sophisticated investors who have the knowledge and experience in financial and business matters necessary to enable them to evaluate the risks and the mitigating factors of an investment in the Sukuk Murabahah. The following is a summary of certain aspects of the issue about which prospective holders of the Sukuk Murabahah should be aware, but it is not intended to be complete or exhaustive. Prospective investors should undertake their own investigations and analyses on the Issuer, its business and the risks associated with the Sukuk Murabahah and should consider carefully, in the light of their own financial circumstances and investment objectives, the investment considerations set forth below along with all other information set forth in this Information Memorandum before making an investment decision.

Investors should also note that each series under the Sukuk Murabahah may carry different risks and all investors should evaluate each series of the Sukuk Murabahah on its respective merits. The information contained in this Information Memorandum includes forward-looking statements, which implies risks and uncertainties. The Issuer's actual results could differ materially from those anticipated in these forward-looking statements and/or otherwise projected as a result of certain factors, including but not limited to those set forth in this section.

6.1 Considerations Relating to AZRB and the Issuer

6.1.1 Issuer's Ability to Meet Payment Obligations under the Sukuk Murabahah Facility

The Issuer is a special purpose vehicle incorporated in Malaysia on 8 July 2019 under the Companies Act and therefore has no operating history and/or track record. As at the date of the Information Memorandum, the only activities that the Issuer will engage in are the issuance of Sukuk Murabahah under the Sukuk Murabahah Facility and other activities incidental or related to the foregoing as permitted under the Transaction Documents. The Issuer will not engage in any other business activity.

In this regard, the Issuer's ability to meet its payment obligations under the Sukuk Murabahah Facility on a timely basis will depend on receipts by the Issuer of profit payments and principal repayments from AZRB in accordance with a stipulated payment schedule under the Intercompany Financing Agreement (ACSB), as well as the proceeds of any advances from AZRB as may be received by the Issuer from time to time.

AZRB, in turn, will receive dividends and distributions, whether income or capital in nature, arising from the redeemable preference shares or ordinary shares of PMSB. In addition to these receipts, the rights of AZRB to receive monies in the form of periodic advances from PMSB pursuant to the Intercompany Financing Agreement (PMSB) are assigned by AZRB in favour of the Security Agent.

The ability of PMSB to make dividend payments and distributions as well as any advances (from time to time) under the Intercompany Financing Agreement (PMSB) to AZRB will depend on the Concession Payments received from IIUM under the Project over the concession period.

In the event the Issuer fails to pay any amounts due and payable in respect of the Sukuk Murabahah, by virtue of the Kafalah Guarantee, AZRB has a continuing obligation to ensure that the Issuer will always have sufficient funds to meet its finance service obligations in relation to the Sukuk Murabahah Facility and in the event there is any shortfall, AZRB shall top up such shortfall or deficiencies to make good on the payment. Upon the declaration of an

Event of Default under the Sukuk Murabahah Facility, all amounts guaranteed under the Kafalah Guarantee by AZRB shall be payable on demand.

The payment of all amounts due and payable under the Sukuk Murabahah Facility will be solely the responsibility and obligation of the Issuer and AZRB (as the Guarantor) and will not be the obligations or responsibilities of the Principal Adviser, the Lead Arranger, the Lead Manager, the Facility Agent, the Security Agent, the advisers of the Issuer and/or AZRB, the Sukuk Trustee, or any of their respective subsidiary or affiliate thereof, and any other person involved or interested in the transactions envisaged under the Sukuk Murabahah Facility. None of such persons will accept any liability whatsoever to the Sukukholders in respect of any failure of the Issuer and/or AZRB (as the Guarantor) to pay any amount due and payable under the Sukuk Murabahah Facility.

6.1.2 Reliance on Cashflow Generated from the Project

As described in Section 6.1.1 above, the source of payment of the Sukuk Murabahah is dependent on the cashflow generated and received by PMSB from IIUM under the Project, via AZRB in the following manner whereby:

- (a) AZRB will receive from PMSB (i) periodic advances using the Concession Payments received and standing to the credit of the Project Account in accordance with the Intercompany Financing Agreement (PMSB); and (ii) payment of dividends, and distributions, whether income or capital in nature, arising from the redeemable preference shares or ordinary shares of PMSB using the cashflow generated from the Project (if any); and
- (b) AZRB shall utilise such proceeds pursuant to paragraph (a) above from PMSB to make the profit payments and principal repayments under the Intercompany Financing Agreement (ACSB) to the Issuer.

Under the terms of the RCPS-i Subscription Agreement, PMSB is only allowed to maintain four (4) permitted accounts, namely (i) the Project Account (to be jointly operated by PMSB and the Administrator); (ii) the operating account (solely operated by PMSB); (iii) the maintenance reserve account (to be jointly operated by PMSB and IIUM); and (iv) an additional works account (solely operated by PMSB) designated to capture all payments from IIUM for the Additional Works that PMSB undertakes.

The Project Account shall capture all income, revenue and receipts of PMSB under the Concession Agreement but excluding (i) payments from IIUM in relation to the asset management programme, which shall be transferred directly to the maintenance reserve account, and (ii) payments from IIUM (if any) for the Additional Works, which shall be transferred directly to the additional works account.

In addition to the above, PMSB will be subjected to certain restrictive covenants under the RCPS-i Subscription Agreement to ensure that the ability of PMSB to deal with the Concession Payments is always subject to consent to be obtained from AZRB. AZRB's rights and benefits under the RCPS-i Subscription Agreement will be assigned to the Security Agent (for the benefit of the Sukukholders) as part of the security package for the Sukuk Murabahah. As such, the Sukukholders' consent will need to be sought for any change to the terms of the Concession Agreement. Please refer to Appendix III (*Salient Terms of Related Party Contracts*) for the brief overview and key highlights on the RCPS-i Subscription Agreement.

6.1.3 Business Risk of AZRB

The Sukuk Murabahah is guaranteed by AZRB, as a continuing obligation, in favour of the Security Agent for and on behalf of the Sukukholders under which AZRB shall guarantee the payment obligations of the Issuer including the payment of the Deferred Sale Price which is due and payable on the relevant maturity date(s) and/or the relevant Periodic Payment Date and/or such other date where the Sukuk Murabahah shall be due for redemption, as the case may be, including any payment obligation in respect of *Ta'widh* (compensation) and all fees, expenses and charges in relation to the Sukuk Murabahah and the Sukuk Murabahah Facility.

The performance of AZRB is dependent on the global and domestic economic conditions and impact it has on the industry. Hence, AZRB and its subsidiary or associate companies are exposed to certain business risks inherent to the engineering and construction, concession, property, oil & gas and plantation industries, such as changes to the governmental laws, regulations, rules and orders, taxation, inflation, interest rates, exchange rate of foreign currencies and changes to business conditions such as deterioration in market conditions, rising cost of raw materials, building materials and labour supply and cost. There is no assurance that the occurrence of any of these events will not adversely affect the financial strength of AZRB. Prospective investors are requested to conduct their own independent assessment and evaluation on AZRB.

The performance of AZRB is also dependent on the abilities and efforts of its existing directors, senior management and skilled personnel. The AZRB group is currently being managed by a professional management team with proven skills and vast experience in the various businesses which the group operates. It also has established succession planning practices in place to mitigate the effect of the loss of any of its directors or key management team.

6.2 Considerations Relating to the Sukuk Murabahah

6.2.1 The Credit Rating of the Sukuk Murabahah Facility

The Sukuk Murabahah Facility has been accorded an indicative rating of AA- with a stable outlook by MARC. A credit rating is not a recommendation to buy, hold or sell the Sukuk Murabahah and there can be no assurance that such a credit rating will not be revised on a periodic review basis by MARC during the tenure of the Sukuk Murabahah Facility or that such a credit rating will not be withdrawn entirely if circumstances in the future so warrant. Further, such rating is not a guarantee of payment or that there will be no default by the Issuer under the Sukuk Murabahah Facility. In the event that the rating initially assigned to the Sukuk Murabahah is subsequently downgraded, suspended or withdrawn for any reason, no person or entity will be obliged to provide any additional credit enhancement with respect to the Sukuk Murabahah. Any downgrading, suspension or withdrawal of a rating may have an adverse effect on the liquidity and market price of the Sukuk Murabahah. Any downgrading, suspension or withdrawal of a rating will not in itself constitute an Event of Default under the Sukuk Murabahah Facility or an event obliging the Issuer to redeem the Sukuk Murabahah.

6.2.2 No Prior Market for the Sukuk Murabahah

The Sukuk Murabahah comprises a new issue of securities for which there is currently no secondary market. There is no assurance that a secondary market for the Sukuk Murabahah will develop or, if it does develop, that it will provide the Sukukholders with liquidity of investment or that it will continue for the tenure of the Sukuk Murabahah Facility. If a market develops, the market value of the Sukuk Murabahah may fluctuate. Any trading of the Sukuk

Murabahah in such a secondary market may be at a discount or premium from the original issue price of the Sukuk Murabahah Facility, depending on many factors, including the prevailing interest rates and the market for similar securities.

6.2.3 Market Risk

Other than the operating results and/or the financial conditions of the Issuer, the price of the Sukuk Murabahah in the secondary market may be influenced by numerous factors, including but not limited to, the political, economic, and any other factors that can affect the capital markets, the industry and/or the Issuer in general. Adverse economic and financial developments could have a material adverse effect on the market value of the Sukuk Murabahah.

6.2.4 Profit Rate Risks

Sukukholders may suffer unforeseen losses due to fluctuations in interest rates. Although the Sukuk Murabahah are Islamic securities which do not pay interest, they are similar to fixed income securities and may therefore see their prices fluctuate due to fluctuations in interest rates. Generally, a rise in the benchmark interest rates may cause a fall in the prices of fixed income securities. The Sukuk Murabahah may be similarly affected, resulting in a capital loss for the Sukukholders. Conversely, when the benchmark interest rates fall, prices of fixed income securities and the prices at which the Sukuk Murabahah are traded may rise and thus results in a capital gain.

6.2.5 Suitability of Investments

Each potential investor in the Sukuk Murabahah must determine the suitability of the investment in light of its own circumstances. In particular, each potential investor should:

- (a) have sufficient knowledge and experience to make a meaningful evaluation of the Sukuk Murabahah Facility, the merits and risks of investing in the Sukuk Murabahah and the information contained in this Information Memorandum;
- (b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Sukuk Murabahah and the impact the Sukuk Murabahah will have on its overall investment portfolio;
- (c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Sukuk Murabahah;
- (d) understand thoroughly the terms of the Sukuk Murabahah and be familiar with the behaviour of any relevant indices and financial markets; and
- (e) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic and other factors that may affect its investment and its ability to bear the applicable risks.

6.2.6 Shariah Compliance

Notwithstanding that the Shariah Adviser has provided a Shariah pronouncement on the structure and mechanism of the Sukuk Murabahah Facility, case law in Malaysia indicates that the courts in Malaysia may still examine the issue of whether the Sukuk Murabahah Facility are in compliance with Shariah principles, and if held to be non Shariah-compliant,

the recoverability of the profit element under the Sukuk Murabahah may be affected. Investors who are permitted to hold only Shariah-compliant sukuk may not be able to hold the Sukuk Murabahah in the event the Sukuk Murabahah are held to be non-Shariah compliant, and may be required to sell the Sukuk Murabahah held by them, which may expose them to losses. No assurance is given that the confirmation of the Shariah Adviser will not be subject to challenge on grounds that the Sukuk Murabahah is not Shariah-compliant.

6.2.7 Enforcement and Realisation of Security

Following the enforcement of the security upon the declaration of Event of Default, the Sukuk Trustee (on behalf of the Sukukholders) will have recourse to the security provided to secure the Sukuk Murabahah Facility. The realisation value of the security or any part thereof may be adversely affected by numerous factors, including without limitation, general changes in political and economic conditions, changes in governmental rules and regulations, war or acts of violence and other factors which are beyond the control of the Issuer, the Security Agent and any person or party involved or interested in the Sukuk Murabahah Facility.

No assurance can be given that the Security Agent will be in a position to realise the security provided to secure the Sukuk Murabahah Facility for an amount that is sufficient to pay all amounts outstanding in relation to the Sukuk Murabahah Facility.

6.3 Considerations Relating to PMSB and the Concession Agreement

6.3.1 Termination Risk

Being a concession-based business, PMSB is exposed to the risk of termination of the Concession Agreement by IIUM or the Government, which will disrupt the Concession Payments to be received by PMSB under the Concession Agreement. Such a disruption may affect the ability of PMSB to pay dividends or distributions or make any advances (from time to time) to AZRB, and in turn, affect the ability of AZRB to meet any profit payment and principal repayment of the advance under the Intercompany Financing Agreement (ACSB).

In the event that the Concession Agreement is terminated pursuant to an unremedied default by PMSB, as mentioned in Section 5.5 (*Business Overview of PMSB*) of this Information Memorandum, PMSB is expected to receive only the monthly availability charges and/or asset management services charges due and payable to PMSB as at the termination date of the Concession Agreement.

Notwithstanding, the risk of termination due to non-performance by PMSB is considered low by virtue of the track record of PMSB to date. Since commencement of the asset management services in mid 2016, there have been less than 1% performance deductions in relation to the asset management service charges received by PMSB.

6.3.2 Timeliness Risk of IIUM's Payments

PMSB relies on timely payments from IIUM to conduct its operations. A prolonged delay in the receipt of payments from IIUM may affect the ability of PMSB to pay dividends, distributions and/or make any advances from time to time on timely basis to AZRB.

However, since commencement of the asset management services in mid 2016 until the most recent billing period up to the date of this Information Memorandum, payments from IIUM have been mostly prompt, with payments received within the payment terms in accordance with the Concession Agreement. Any administrative delay that could potentially lead to a

delay in the payment of the availability charges not being received within the payment terms is expected to be mitigated by the minimum required balance maintained by the Issuer in the FSRA charged to the Security Agent for the Sukuk Murabahah Facility.

6.3.3 Single Counterparty Risk

PMSB receives its revenue from a single counterparty, namely IIUM. However, comfort is drawn from the fact that the Government is the ultimate obligor of the Concession Payments and is a direct signatory party to the Concession Agreement via the Ministry of Higher Education.

6.3.4 Operational Risk

There are certain operational risks inherent in the maintenance and asset management services business, such as, shortages of technical and skilled workers, non-availability or breakdown of utilities supply and repair material, labour disputes, force majeure and natural events such as earthquakes, floods and fire. To the extent possible, such risks will be mitigated via a takaful plan/ insurance coverage to be taken throughout the concession period in accordance with standard industry practice relevant to asset management and maintenance services. However, there can be no assurance that the above measures will always be protective against any unforeseen event.

6.3.5 Performance Risk

PMSB has the responsibility to maintain and manage the facilities and infrastructure for IIUM as agreed under the Concession Agreement. The asset management services charges received by PMSB may be subject to performance deductions in the event of any failure to meet certain key performance indicators, and as a result, affect the ability of PMSB to pay dividends, distributions or make any advances from time to time to AZRB.

Nonetheless, PMSB has engaged an experienced third party subcontractor, namely Advance Pact to manage and maintain the IIUM Medical Centre. The contract with Advance Pact has been entered into for the asset management services period which allows for PMSB's asset management responsibilities under the Concession Agreement to be passed to Advance Pact wherein the scope, obligations, rights, liabilities thereunder are aligned with the obligations of PMSB in the Concession Agreement to ensure the performance of the maintenance obligations under the Concession Agreement. Under this arrangement, PMSB does not have material costs to be incurred save for the limited management personnel costs.

In addition, PMSB is also led by an experienced personnel with more than 20 years of experience in the maintenance and asset management services business. It also has established operating processes and procedures to ensure quality and consistency in the services provided at all times. Since the commencement of the asset management services in mid 2016, there have been less than 1% performance deductions in relation to the asset management service charges received by PMSB, evidencing its record of accomplishment in terms of performance under the Concession Agreement.

6.3.6 Risks Relating to Operational Cost Overrun pursuant to Asset Management Services

In respect of the maintenance services of the IIUM Medical Centre, PMSB has entered into a long-term, fixed-price facilities management services agreement with Advance Pact for the provision of such maintenance services. Payment to the Subcontractor is based on a fixed service fee payment schedule covering the entire concession period, hence any risk of cost

overrun in respect of the maintenance services shall be borne by the Subcontractor. Further, payments to the Subcontractor shall also be subject to (a) in the event of any downward revision of the relevant maintenance charges received under the Concession Agreement, PMSB shall be entitled to reduce the fixed service fee payable to the Subcontractor based on a proportion to be mutually agreed; and (b) in the event of any deduction of the relevant maintenance charges received under the Concession Agreement due to failure to meet the key performance indicators, such deduction shall be passed on to the Subcontractor via a corresponding penalty or deduction on the service fee.

Further, pursuant to the terms of the Transaction Documents, the operating costs and expenses of PMSB shall be made in relation to the Annual Budget prepared in accordance with the agreed financial model and subject to the Allowed Variance. AZRB shall also provide an undertaking in the Sukuk transaction documents to which it is a party in favour of the Security Agent that it shall not permit any increase in the Annual Budget beyond the Allowed Variance by PMSB unless AZRB has obtained confirmation from the Credit Rating Agency that the existing rating accorded to the Sukuk Murabahah will not be downgraded as a result of such increase.

6.3.7 Adequacy of Takaful/ Insurance Coverage

Although PMSB will take the necessary measures to ensure that all its asset management services are adequately covered by takaful/insurance in accordance with standard industry practice, there can be no assurance that the coverage would be adequate for any consequential losses arising thereof.

6.3.8 No Assignment of the Concession Agreement

The Sukuk Murabahah Facility will be secured by the security as set out in Section 2.2 (*Security Arrangement*) of this Information Memorandum. As the security does not include an assignment of PMSB's rights and benefits under the Concession Agreement and as a result, the Sukukholders will not have direct recourse against the Government and IIUM as they would have had by virtue of being an assignee of the Concession Agreement. However, given that the Sukukholders have a charge over the PMSB Shares, the Sukukholders would be able to exercise rights of the shareholder of PMSB subject to the terms and conditions of the charge document. By doing so, the Sukukholders would be in a position to enforce their rights as shareholders of PMSB against IIUM and the Government, where necessary, pursuant to the Concession Agreement.

6.3.9 No Direct Recourse to PMSB

Under the security provided for the Sukuk Murabahah Facility set out in Section 2.2 (*Security Arrangement*) of this Information Memorandum, PMSB is not a security party in the Sukuk Murabahah Facility. This means that the Sukukholders will have no direct recourse to PMSB and its assets in the case of a declaration of an Event of Default under the Sukuk Murabahah Facility, but will instead have recourse to the security provided under the Sukuk Murabahah Facility, including but not limited to the charge over the PMSB Shares and the Kafalah Guarantee.

6.3.10 Amendments in relation to the Concession Agreement

The terms of the Concession Agreement may from time to time be amended, varied, replaced and supplemented by mutual consent. It is a negative covenant by AZRB (with back to back covenant from PMSB to AZRB in the Related Party Contracts in the transaction documents in

respect of the Sukuk Murabahah Facility) to not terminate, revoke, suspend, modify or waive any conditions of the Concession Agreement without the prior written consent of the Sukukholders.

As at the date of this Information Memorandum, PMSB intends to enter into a supplemental concession agreement in relation to the mode of operation of the maintenance reserve account opened in accordance with the terms of the Concession Agreement, which will be jointly operated by PMSB and IIUM.

6.4 General Considerations

6.4.1 Force Majeure

An event of force majeure is an event which is not within the control of the party affected, which that party is unable to prevent, avoid or remove and shall include the following: acts of God, national disorder, armed conflict or serious threat of the same, hostilities, embargo, detention, revolution, riot, looting or other labour or industrial disputes, earthquake, typhoon, outbreak of war, outbreak of disease, the declaration of a state of national emergency, blackout, act of the government of each country where the Issuer, the Guarantor and/or the Guarantor Group operates, or change in law. Force majeure events do not include economic downturn, non-availability or insufficient or lack of financing on the part of the Issuer and/or the Guarantor. The occurrence of a force majeure event may have a material impact on the business and operations of the Issuer, the Guarantor and/or the Guarantor Group.

6.4.2 Change in Law

The issue of the Sukuk Murabahah is based on Malaysian law, tax and administrative practices in effect at the date hereof and have due regard to the expected tax treatment of all relevant statutes under such law and practice. No assurance can be given that Malaysian law, tax or administrative practice will not change after the closing or that such changes will not adversely impact the structure of the transaction and the treatment of the Sukuk Murabahah.

6.4.3 Inherent Regulatory Risk

The Guarantor, via its concession division, is involved in concession-based businesses. Regulatory risk is an inherent feature for concession-based companies such as PMSB.

To date, PMSB has not received any notice from the Government stating its intention to review the Concession Agreement. However, there can be no assurance that the Government would not review the concession in the future.

6.4.4 Political, Economic and Regulatory Considerations

Adverse developments in the political conditions in Malaysia and other countries in the region could materially affect the financial prospects of the Issuer, the Guarantor and/or the Guarantor Group. Political and economic uncertainties include risks of war, expropriation nationalisation, re-negotiation or nullification of existing contracts, changes in interest rates and methods of taxation and currency exchange controls.

Investors should note that whilst the Issuer, the Guarantor and the Guarantor Group strives to continue to take effective measures such as prudent financial management and efficient operating procedures, there can be no assurance that adverse political and economic factors will not materially affect the Issuer, the Guarantor and the Guarantor Group.

6.4.5 Forward Looking Statements

Certain statements, information, estimates and reports in this Information Memorandum are based on historical data, which may not be reflective of the future results, and others are forward-looking in nature, which are subject to uncertainties and contingencies. All forward-looking statements are based on estimates and assumptions made by the Issuer and the Guarantor, and although each of the board of directors of the Issuer and the Guarantor believes that these forward looking statements are reasonable, the statements are nevertheless subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from the future results, performance or achievements expressed or implied in such forward-looking statements.

In light of these and other uncertainties, the inclusion of forward-looking statements in this Information Memorandum should not be regarded as a representation or warranty by the Issuer, the Guarantor or its advisers or arrangers, and there can be no assurance, that the plans and objectives will be achieved. A deterioration in the financial condition of the Issuer and the Guarantor could adversely affect the market value of the Sukuk Murabahah and the ability of the Issuer and the Guarantor to make payments under the Transaction Documents relating to the Sukuk Murabahah to which it is a party when due, if at all.

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SECTION 7.0 INDUSTRY OVERVIEW

7.1 Overview and Prospects of the Malaysian Economy

Economic and Financial Developments in the Malaysian Economy in the Second Quarter of 2019

Global growth moderated

The global economy grew at a more moderate pace in the second quarter of 2019. In the US, GDP growth moderated in the second quarter of 2019.

The latest data release was accompanied by a revision to the back series to indicate stronger growth from 2017 to the third quarter of 2018, but slower growth in the fourth quarter of 2018 and first quarter of 2019. This suggests that growth peaked in the first half of 2018, and has slowed more than previously anticipated, due mainly to weaker investment activity. Meanwhile, growth in the euro area moderated to its weakest level since the fourth quarter of 2013. Besides softer consumption demand, industrial production remained in contraction, weighed by sluggish global trade activity and supply constraints in the automotive sector. Growth in the UK moderated due mainly to a drawdown of inventories amid sustained private consumption.

In Asia, growth in PR China continued to moderate, as weaker private consumption was only partially offset by an improvement in policy driven investments. Growth in the rest of the Asian region also slowed, mainly affected by weaker external demand amid the ongoing trade dispute between the US and PR China.

The Malaysian economy grew at a stronger pace of 4.9% in the second quarter of 2019

GDP registered a higher growth of 4.9% in the second quarter of 2019 (1Q 2019: 4.5%), supported by continued expansion in domestic demand. On a quarter-on-quarter seasonally-adjusted basis, the economy grew by 1.0% (1Q 2019: 1.1%).

Private sector activity remained the key driver of growth

Domestic demand expanded by 4.6% in the second quarter (1Q 2019: 4.4%), supported by firm household spending and slightly higher private investment.

Private consumption expanded by 7.8% (1Q 2019: 7.6%), supported by continued income growth and festive spending during the quarter. Selected Government measures, such as the special Aidilfitri assistance and Bantuan Sara Hidup, also provided some lift to overall household spending.

After a strong growth in the first quarter of 2019 (6.3%), public consumption expanded marginally by 0.3%, due to lower spending on supplies and services.

Growth in gross fixed capital formation (GFCF) registered a smaller contraction of 0.6% (1Q 2019: -3.5%), driven by a slightly higher private investment growth amid a continued decline in public investment. By type of assets, investments in structures turned around to register a positive growth of 1.2% (1Q 2019: -1.3%), reflecting some improvement in the residential property segment. Capital expenditure on machinery and equipment recorded a smaller decline of 4.2% (1Q 2019: -7.4%), following higher spending on information and communications technology (ICT).

Private investment expanded at a faster pace of 1.8% (1Q 2019: 0.4%), supported by increased capital spending in the services and manufacturing sectors. Nonetheless, uncertainty surrounding global trade tensions and prevailing weaknesses in the broad property segment continued to weigh on the investment growth performance.

Public investment registered a smaller contraction of 9.0% (1Q 2019: -13.2%), mainly reflecting higher fixed asset spending by the Federal Government which partially offset the continued weak investment by public corporations.

Expansion across all economic sectors

The services sector expanded by 6.1% in the second quarter of 2019 (1Q 2019: 6.4%). Growth in the wholesale and retail trade subsector was relatively sustained across the wholesale, retail and motor vehicle segments amid firm household spending. The finance and insurance subsector was supported by the fee-based income segment following a major initial public offering in the capital market. Growth in the transport and storage subsector was driven by higher air passenger traffic and port activity in both transshipment and gateway segments. However, growth in the information and communication subsector moderated following slower demand for data communication services.

Growth in the manufacturing sector registered a marginal improvement at 4.3% (1Q 2019: 4.2%) amid better performance in the domestic-oriented industries. Higher production of motor vehicles mainly reflected strong sales during the festive season. Demand for metal related materials for existing transport and infrastructure projects supported the higher production within the construction-related cluster. Meanwhile, within the export-oriented industries, the production of electronic components continued to be weighed by weaker global demand, with negative spillovers across the global semiconductor value chain.

Growth in the mining sector rebounded to 2.9% (1Q 2019: -2.1%), the first positive growth since the third quarter of 2017. The turnaround was supported mainly by the recovery in natural gas output following the pipeline disruptions in 2018. This had more than offset the continued drag to growth posed by lower oil production amid the planned facility shutdowns in East Malaysia.

The construction sector registered marginally higher growth at 0.5% (1Q 2019: 0.3%), on account of growth improvements in the residential and special trade subsectors. While the residential subsector registered a smaller contraction, activity remained weak amid the high unsold properties. The higher growth in the special trade subsector was due to end-works activity amid completion of some mixed development projects. The near completion of a large petrochemical project continued to affect growth in the civil engineering subsector, while the non-residential subsector remained weak amid the oversupply of commercial properties.

In the agriculture sector, growth moderated to 4.2% (1Q 2019: 5.6%) following the decline in fishing and forestry activities as well as the moderation in natural rubber output growth due to the wintering season. This had partially off set the continued recovery in oil palm yields from the adverse weather in 2018.

Headline inflation increased mainly reflecting the lapse in the impact of the GST zerorisation

Headline inflation, as measured by the annual percentage change in the Consumer Price Index (CPI), averaged higher at 0.6% in 2Q 2019 (1Q 2019: -0.3%).

The increase mainly reflected the lapse in the impact of the GST zerorisation that was implemented in June 2018. This contributed to the rise in headline inflation in June 2019 to 1.5% (May 2019: 0.2%; April 2019: 0.2%).

Fuel inflation recorded a smaller negative largely due to domestic fuel prices averaging higher during the quarter in addition to the base effect (Average RON95 petrol price per litre in 2Q 2019: RM2.08; 1Q 2019: RM2.02).

Core inflation, excluding the impact of consumption tax policy changes, was unchanged at 1.6%. Demand-driven inflationary pressures remained broadly stable and contained, amid the absence of excessive wage pressure and some degree of spare capacity in the capital stock.

Stable labour market conditions

During the second quarter, labour market conditions were stable. Employment growth was sustained at 2.1% (1Q 2019: 2.2%) while the unemployment rate remained unchanged at 3.3% (1Q 2019: 3.3%) as employment gains kept pace with labour force expansion during the quarter.

Private sector wages grew by 4.2% (1Q 2019: 4.9%), driven by the services sector (4.4%; 1Q 2019: 3.8%) as the wholesale and retail trade subsector saw a pick-up in wage growth (4.1%; 1Q 2019: 3.3%). However, growth in manufacturing wages were lower (3.9%, 1Q 2019: 7.0%), especially in the export-oriented industries, such as the E&E (5.1%; 1Q 2019: 9.7%) and petrochemical clusters (3.1%; 1Q 2019: 6.7%).

Slight recovery in exports and smaller decline in imports

In the second quarter of 2019, gross exports turned around to register a positive growth of 0.2% (1Q 2019: -0.7%). This was supported by the rebound in commodities exports amid sustained manufactured exports. The trade surplus remained sizeable, albeit narrower at RM30.1 billion (1Q 2019: RM37.0 billion).

Manufactured export growth was sustained at 0.3% (1Q 2019: 0.3%) as higher non-E&E exports helped offset the contraction in E&E exports. The improvement in non-E&E exports (0.9%; 1Q 2019: -2.5%) was attributed to higher demand for both resource-based and non-resource based exports including iron & steel and chemicals & chemicals products. In contrast, E&E exports declined by 0.4% (1Q 2019: 3.7%) on account of lower demand from PR China due in part to the ongoing trade tensions. Commodities exports rebounded to 0.8% (1Q 2019: -3.7%), supported by LNG and palm oil exports.

Imports recorded a smaller decline of -1.2% (1Q 2019: -2.5%) on account of higher intermediate and consumption imports. Intermediate imports (7.5%; 1Q 2019: 0.0%) were driven by higher crude petroleum imports to cater for refinery activities. Capital imports recorded a smaller contraction due to a lower drag from machinery and equipment investments.

Current account surplus remained sizeable

The current account surplus of the balance of payment remained sizeable at RM14.3 billion or 3.9% of GNI in the second quarter of 2019 (1Q 2019: RM16.4 billion or 4.7% of GNI). This was due to higher investment income earned by Malaysian firms abroad, which partly offset the lower goods surplus.

As the improvement in import growth outpaced export growth, the goods surplus narrowed to RM28.1 billion (1Q 2019: RM33.8 billion).

The primary income account registered a smaller deficit of RM5.5 billion (1Q 2019: -RM10.1 billion) due to the increase in investment income earned by Malaysian firms abroad, particularly from direct and portfolio investments. These investments were mainly in the finance and insurance, mining, information and technology sectors. This development more than offset the increase in investment income accrued to foreign direct investors and foreign portfolio investors in publicly listed firms.

In the services account, the deficit widened to RM3.4 billion (1Q 2019: -RM1.8 billion). This was attributable to higher net payments to foreign providers for transport and insurance services, in line with higher trade activity during the quarter. The travel account surplus narrowed to RM7.1 billion (1Q 2019: RM7.9 billion) on account of lower tourist per capita spending.

The secondary income account deficit amounted to RM4.9 billion (1Q 2019: -RM5.5 billion), reflecting mainly outward remittances by foreign workers.

Financial account registered a net outflow

The financial account registered a net outflow of RM18.6 billion (1Q 2019: -RM13.8 billion), following outflows in the direct investment and portfolio investment accounts. These outflows have more than offset the marginal net inflow in the other investment account during the quarter.

The direct investment account registered a net outflow of RM8.2 billion (1Q 2019: net inflow of RM16.3 billion). Foreign direct investments (FDI) registered a smaller net inflow of RM4.4 billion (1Q 2019: net inflow of RM21.7 billion). Inflows were channelled mainly into the services and manufacturing sectors. Direct investments abroad (DIA) by Malaysian companies registered a larger net outflow of RM12.6 billion (1Q 2019: net outflow of RM5.5 billion). DIA was channelled mainly into the services sector, particularly the financial services subsector and the accommodation and food services subsector, followed by the mining sector.

The portfolio investment account registered a net outflow of RM10.2 billion (1Q 2019: net inflow of RM2.1 billion), following a reversal of non-resident portfolio investments. Non-resident portfolio investments recorded a net outflow of RM5.1 billion during the quarter (1Q 2019: +RM13.5 billion). Following increased risk aversion and more cautious sentiments, non-resident investors pared down holdings in both the domestic equity and debt markets. At the same time, residents' portfolio investments abroad also recorded a smaller net outflow of RM5.0 billion (1Q 2019: -RM11.4 billion).

The other investment account recorded a marginal net inflow of RM0.3 billion (1Q 2019: -RM31.9 billion). This reflected inter-bank borrowings by the domestic banking system, which were almost entirely offset by interbank placements abroad and a net repayment of loans and

trade credits by the private sector. Net errors and omissions amounted to RM2.9 billion, or 0.6% of total trade.

Manageable external debt

Malaysia's external debt amounted to RM931.1 billion, or 61.3% of GDP as at end-June 2019 (end March 2019: RM903.7 billion or 59.5% of GDP). The increase reflects mainly the net drawdown of interbank borrowings and intercompany loans. There was also revaluation adjustment from the weaker ringgit against regional and major currencies during the period. These were partially offset by some liquidation of domestic debt securities and withdrawal of deposits by non-residents.

The country's external debt remains manageable, given its currency and maturity profiles, and the presence of large external assets. Close to one-third of external debt is denominated in ringgit (31.7%; end-March 2019: 32.7%), mainly in the form of nonresident holdings of domestic debt securities (61.7% share of ringgit-denominated external debt) and in ringgit deposits (18.0% share) in domestic banking institutions. As such, these liabilities are not subject to valuation changes from the fluctuations in the ringgit exchange rate.

The remaining external debt of RM636.1 billion or 68.3% of total external debt is denominated in foreign currency (FC). As at end-June 2019, off shore borrowings increased to RM580.5 billion or 38.2% of GDP (end-March: RM546.9 billion or 36.0% of GDP). The corporate sector accounted for slightly more than half of FC-denominated external debt and are largely subject to prudential and hedging requirements.

By instrument, 36.9% (or RM234.9 billion) of FC denominated external debt are accounted by interbank borrowings and FC deposits in the domestic banking system. 78.3% of the interbank borrowings are in the form of largely stable intragroup borrowings from related offices abroad, including parent banks, regional offices and subsidiaries. This reflects banks' centralised liquidity and funding management practices.

During the quarter, banks' FC-denominated short term external debt increased by RM20.6 billion driven by higher interbank borrowings. This was largely attributable to parent bank placements with foreign banks' in Malaysia (including banks in Labuan International Banking and Financial Centre (LIBFC)) to facilitate lending and investment activities. Funds received by foreign LIBFC banks were largely invested abroad with non-resident clients, a reflection of LIBFC banks' 'out-out' business activities. For locally incorporated foreign banks, intragroup funds continue to be primarily used for short-term investments and lending in the domestic interbank market. Domestic banking groups accounted for the remaining increase in interbank borrowings reflecting their central role in managing liquidity and funding needs on a group-wide basis. In line with these developments, banks' total external assets also increased during the quarter by RM22.8 billion.

Overall, banks' funding and liquidity risks continue to be proactively managed via robust internal controls and policies, including internal limits on (i) interbank borrowings; (ii) foreign currency funding and liquidity positions; and (iii) foreign exchange market risk exposures. Foreign-currency risk, measured in terms of the net open position of FC-denominated exposures remained low at 4.9% of banks' total capital.

Long-term bonds and notes issued off shore stood at RM161.7 billion as at end-June 2019, accounting for 25.4% of total FC-denominated external debt. These were mainly by non-financial corporations and channelled primarily to finance asset acquisitions abroad. Intercompany loans, which amount to RM110.5 billion and account for 17.4% of FC

denominated external debt, are typically on flexible and concessionary terms. About 80% of these intercompany loans were obtained by multinational corporations (MNCs) from parent or affiliate companies abroad.

From a maturity perspective, 58.3% of the total external debt is skewed towards medium- to long-term tenure (end-March: 59.2%), suggesting limited rollover risks. Short-term external debt accounted for the remaining 41.7% of external debt.

While rollover risks may be inherent, this is well contained. Close to half of the short-term external debt are intragroup borrowings among banks and corporations which are generally stable, while another 11% are accounted by trade credits, largely backed by export earnings. As at 31 July 2019, international reserves stood at USD103.9 billion, sufficient to finance 7.6 months of retained imports, and is 1.1 time the short-term external debt.

Of significance, reserves are not the only means for banks and corporations to meet their external obligations. The progressive liberalisation of foreign exchange administration rules has resulted in significant increase in non-reserves external assets. In particular, banks and corporations held roughly three-quarters of Malaysia's RM1.8 trillion external assets, which can be drawn down to meet their RM728.3 billion external debt obligations. While the flexible exchange rate remains the first line of defence, adequate international reserves and availability of substantial foreign currency external assets by banks and corporations continue to serve as important buffers against potential external shocks.

(Source: Economic and Financial Developments in Malaysia in the Second Quarter of 2019, Press Release dated 16 August 2019, Bank Negara Malaysia)

7.2 Overview of the Malaysian Construction Sector

Value-added of the construction sector grew 4.8% year-on-year during the first half of 2018 (January – June 2017: 4.8%), supported by civil engineering subsector. For the year, the sector is expected to expand, albeit moderately at 4.5% following near completion of several mega projects and overhang, particularly in the non-residential subsector. The growth momentum is expected to improve slightly in 2019, with the sector expanding 4.7%, following an increase in new planned supply in the affordable homes and industrial segments. However, review of several infrastructure projects as well as subdued activities in non-residential subsector is expected to weigh down the sector's performance.

The civil engineering subsector is expected to remain as the driver of the construction sector in 2018 and 2019 largely supported by ongoing projects. Among the infrastructure projects include the Pan Borneo Highway in Sabah and Sarawak; Central Spine Road in East Coast; as well as Mass Rapid Transit (MRT) Sungai Buloh – Serdang – Putrajaya (SSP) Line and Light Rail Transit Line 3 (LRT 3) in Klang Valley.

The residential subsector is expected to grow at a marginal pace following the mismatch between supply and demand. Towards this end, the Government suspended the development of residential properties, services apartments and luxury condominiums priced over RM1 million in prime areas, effective November 2017. In addition, the developers are focusing on sales of existing projects to address the overhang issues. Meanwhile, the Government will continue to provide affordable housing for the low- and middle-income groups through various programmes.

The non-residential subsector is projected to decline following oversupply and overhang of high-end shops and shopping complexes as well as downward trend in the incoming supply of

AZRB CAPITAL SDN BHD

SUKUK MURABAHAH FACILITY OF UP TO RM535.0 MILLION IN NOMINAL VALUE
INFORMATION MEMORANDUM

commercial buildings. However, the demand for commercial buildings in prime areas is anticipated to remain stable supported by residential development projects in Klang Valley suburbs, particularly in areas along MRT and LRT routes; as well as in major cities such as Johor Bahru, Melaka and Pulau Pinang.

(Source: Ministry of Finance Malaysia, Economic Outlook 2019)

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SECTION 8.0 OTHER MATERIAL INFORMATION

8.1 Related Party Contracts

As at the date of this Information Memorandum:

- (a) save and except for the Intercompany Financing Agreement (ACSB), the Issuer has not entered into any other related party transactions; and
- (b) save and except for such related party transactions that had been published in the public domain prior to the date hereof, the Intercompany Financing Agreement (ACSB), the Intercompany Financing Agreement (PMSB) and the RCPS-i Subscription Agreement, the Guarantor has not entered into any other related party transactions.

8.2 Material Litigation

In relation to the Issuer, as at the date of this Information Memorandum, the board of directors of the Issuer is not aware of any proceedings pending or threatened or of any fact likely to give rise to any proceedings which might materially and adversely affect the Issuer's position or business.

In relation to the Guarantor, as at the date of this Information Memorandum, the board of directors of the Guarantor is not aware of any proceedings pending or threatened or of any fact likely to give rise to any proceedings which might materially and adversely affect the Guarantor's position or business except as disclosed as follows:

- (a) Arbitration in respect of Al-Faisal University ("**AFU**") project

On 3 March 2011, the Company filed its arbitration notice with the ICC International Court of Arbitration seeking various reliefs and claims including the bonds liquidated by King Faisal Foundation ("**KFF**") in respect of the contract entered into by AFU and the Company pertaining to Al-Faisal University Campus Development Project Phase 1 and 2 in Riyadh, Kingdom of Saudi Arabia ("**the Contract**"). AZRB filed its statement of claim in respect of the final relief on 18 January 2012.

The hearing was held on 27 May 2012 and on 29 July 2013; the Company received notification that the Sole Arbitrator in ICC Arbitration case No. 17768/ND/MCP, AZRB vs. AFU and KFF pertaining to the Contract has issued his final judgment and award. In the aforesaid final judgment and award, the Sole Arbitrator had ordered AFU and KFF to jointly and severally pay to AZRB the total amount of SAR92,570,300 in respect of claims made by the Company in the Arbitration ("**ICC Award**").

In April 2018, the Company's solicitors confirmed that the 22nd Circuit of the Riyadh Enforcement Court was in the midst of exercising its jurisdiction to enforce the said ICC Award and the Group is now awaiting for the outcome of the enforcement proceedings under the Kingdom of Saudi Arabia's Enforcement Law.

The Company's solicitors on 5 September 2018 further confirmed that the 21st Circuit of the Riyadh Enforcement Court already ordered the Saudi Arabian Monetary Agency ("**SAMA**"), which acts as the central bank for the Kingdom of Saudi Arabia to transfer the amount corresponding to the aforesaid final judgment and award from

the account of the King Faisal Foundation to the account of the 21st Circuit of the Riyadh Enforcement Court.

AFU and KFF filed an application for a stay of the enforcement proceedings but it was dismissed by the 21st Circuit of the Riyadh Enforcement Court. On 21 November 2018, AFU and KFF filed an appeal against the order for the enforcement of the Award.

On 10th June 2019, AZRB was informed that the Appeal Judge (8th Appeal Circuit) has ordered for the case to be transferred from the 21st Circuit of the Riyadh Enforcement Court to the 11th Circuit of the Riyadh Enforcement Court. The 21st Circuit of the Riyadh Enforcement Court has then transferred the enforcement petition file to the President of the Riyadh Enforcement Court (the said President would then assign the enforcement petition file to the 11th Circuit of the Riyadh Enforcement Court or any other Court as ordered by the Appeal Judge). AZRB's solicitor will follow up with the assigned Enforcement Court until payment of the award.

(b) Notice of Arbitration by Cobrain Holdings Sdn Bhd

On 20th October 2014, AZRB received a Notice of Arbitration from its subcontractor, Cobrain, seeking the full payment of the final claim totaling SAR14,370,941.28.

Cobrain was appointed by AZRB to undertake the sub-contract work to "Supply, Install, Testing and Commissioning of Electrical High Tension, Low Voltage and Structure Cabling Services for the Construction of Phase 1 and Phase 2" for the project known as "Al-Faisal University Campus Development Project" in Riyadh, Kingdom of Saudi Arabia.

On 14 September 2015, the Kuala Lumpur Regional Centre for Arbitration sought clarification on numbers of arbitrators for the dispute but to date there was no response from Cobrain's solicitors, making the case now in abeyance pending further direction from Cobrain.

Cobrain had subsequently appointed a new solicitor, who had recently served AZSB with a notice dated 16 August 2018 for nomination of an Arbitrator.

Sole Arbitrator was appointed by the Asian International Arbitration Centre ("AIAC") (which was formerly known as the Kuala Lumpur Regional Centre for Arbitration) on 19 October 2018, and the Preliminary Meeting with the said appointed Arbitrator was held on 7 December 2018.

On March 2019, the Arbitrator issued an order for Cobrain to proceed with the filing of their application claim by 30 September 2019.

As of this date, Parties are complying with the Arbitrator's order before the hearing date can be fixed.

8.3 Commitment and Contingent Liabilities

The board of directors of the Issuer and the Guarantor are not aware of any commitment or contingent liabilities which upon being enforceable, may have substantial impact on the financial position and the business of the Issuer and the Guarantor respectively.

8.4 Potential Conflict-of-Interest and Appropriate Mitigation Measures

(a) MIB as the Principal Adviser, the Lead Arranger, Lead Manager and Financial Adviser

Save as disclosed below, after making enquiries as were reasonable in the circumstances, Maybank IB is not aware of any circumstances that would give rise to a conflict of interest or potential conflict of interest situation, arising from its roles as the Financial Adviser, Principal Adviser, Lead Arranger and Lead Manager in relation to the Sukuk Murabahah, whereby:

- (i) Maybank Islamic is the Shariah Adviser for the Sukuk Murabahah; and
- (ii) Maybank IB and Maybank Islamic are wholly owned subsidiaries of Malayan Banking Berhad ("**Maybank**")

In view of the above, there may be a potential conflict of interest arising from the roles assumed by Maybank IB in relation to the Sukuk Murabahah Facility. As a mitigating measure and to address the potential conflict of interest set out above, the following measures have been taken:

- (i) Maybank IB, as a licensed investment bank, believes in maintenance of the highest standard of professional responsibility and will ensure that it discharges its professional duty accordingly in relation to the Sukuk Murabahah;
- (ii) Maybank IB's appointments as the Financial Adviser, Principal Adviser, Lead Arranger and Lead Manager is in the ordinary course of its business;
- (iii) Maybank Islamic is a licensed Islamic bank and its appointment as a Shariah Adviser for the Sukuk Murabahah is in its ordinary course of business;
- (iv) Maybank IB and Maybank Islamic (as the case may be) will ensure that each of the above-mentioned roles are governed by separate and legally binding agreements specifying the respective functions, responsibilities, procedures and priorities;
- (v) A due diligence review pursuant to the Sukuk Murabahah has been or will be undertaken together with other independent professional advisers; and
- (vi) Maybank IB undertakes each of its roles on an arm's length basis and its conduct is regulated by BNM and the SC and governed under, inter alia, the Financial Services Act 2013, the CMSA and internal controls and checks.

The board of directors of the Issuer acknowledged and confirmed that it has been informed and is aware of the situations as described above. Notwithstanding the above, the board of directors of the Issuer approves the above said arrangement and is agreeable to proceed with the Sukuk Murabahah, in accordance with the present arrangement and terms herein.

(b) Maybank Islamic

Save as disclosed below, after making enquiries as were reasonable in the circumstances, Maybank Islamic is not aware of any circumstances which may give rise to a conflict of interest or potential conflict of interest situation, arising from its role as the Shariah Adviser in relation to the Sukuk Murabahah, whereby:

- (i) Maybank IB is the Financial Adviser, Principal Adviser, Lead Arranger and Lead Manager of the Sukuk Murabahah; and
- (ii) Maybank IB and Maybank Islamic are wholly owned subsidiaries of Maybank.

In view of the above, there may be a potential conflict of interest arising from the roles assumed by Maybank Islamic in relation to the Sukuk Murabahah. As a mitigating measure and to address the potential conflict of interest set out above, the following measures have been taken:

- (i) Maybank IB, as a licensed investment bank, believes in maintenance of the highest standard of professional responsibility and will ensure that it discharges its professional duty accordingly in relation to the Sukuk Murabahah;
- (ii) Maybank IB's appointments as the Financial Adviser, Principal Adviser, Lead Arranger and Lead Manager is in the ordinary course of its business;
- (iii) Maybank Islamic is a licensed Islamic bank and its appointment as a Shariah Adviser for the Sukuk Murabahah is in its ordinary course of business;
- (iv) Maybank IB and Maybank Islamic (as the case may be) will ensure that each of the above-mentioned roles are governed by separate and legally binding agreements specifying the respective functions, responsibilities, procedures and priorities;
- (v) A due diligence review pursuant to the Sukuk Murabahah has been or will be undertaken together with other independent professional advisers; and
- (vi) Maybank IB undertakes each of its roles on an arm's length basis and its conduct is regulated by BNM and the SC and governed under, inter alia, the Financial Services Act 2013, the CMSA and internal controls and checks.

The board of directors of the Issuer acknowledged and confirmed that it has been informed and is aware of the situations as described above. Notwithstanding the above, the board of directors of the Issuer approves the above said arrangement and is agreeable to proceed with the Sukuk Murabahah, in accordance with the present arrangement and terms herein.

(c) Messrs. Wong & Partners as the Solicitors acting for the Principal Adviser, the Lead Arranger and Lead Manager

After making enquiries as were reasonable in the circumstances, Wong & Partners is not aware of any circumstances, which may give rise to a conflict-of-interest situation or a potential conflict-of-interest situation in its capacity as the Solicitors to the

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Principal Adviser, Lead Arranger and Lead Manager in relation to the Sukuk Murabahah.

(d) AmanahRaya Trustees Berhad as Sukuk Trustee

After making enquiries as were reasonable in the circumstances, AmanahRaya Trustees Berhad is not aware of any circumstances, which may give rise to a conflict-of-interest situation or a potential conflict-of-interest situation in its capacity as the Sukuk Trustee in relation to the Sukuk Murabahah.

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SUKUK MURABAHAH FACILITY OF UP TO RM535.0 MILLION IN NOMINAL VALUE
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APPENDIX I: CASH FLOW PROJECTIONS AND KEY ASSUMPTIONS

The cash flow projections of ACSB and AZRB are prepared for the financial period from 1 January 2019 to 31 December 2031.

AZRB CAPITAL SDN BHD**CASH FLOW PROJECTIONS FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2019 TO 31 DECEMBER 2031 ("Cash Flow Projections")**

Financial Year	1.1.2019 to 31.12.2019 RM'000	1.1.2020 to 31.12.2020 RM'000	1.1.2021 to 31.12.2021 RM'000	1.1.2022 to 31.12.2022 RM'000	1.1.2023 to 31.12.2023 RM'000	1.1.2024 to 31.12.2024 RM'000	1.1.2025 to 31.12.2025 RM'000	1.1.2026 to 31.12.2026 RM'000	1.1.2027 to 31.12.2027 RM'000	1.1.2028 to 31.12.2028 RM'000	1.1.2029 to 31.12.2029 RM'000	1.1.2030 to 31.12.2030 RM'000	1.1.2031 to 31.12.2031 RM'000	Total RM'000
Cash Flows (For)/From Investing Activities														
(Placement of)/Withdrawal from Finance Service Reserve Account	(13,289)	36	-	2,264	(30)	1,977	-	2,221	(19)	19	3,880	-	2,941	-
Placement of Trustee Reimbursement Account	(30)	-	-	-	-	-	-	-	-	-	-	-	-	(30)
Interest income	-	1,249	1,979	1,729	1,613	1,678	1,789	1,851	1,982	3,073	2,669	2,384	2,517	24,513
Intercompany Financing Agreement:														
- One-off advances to AZRB	(535,000)	-	-	-	-	-	-	-	-	-	-	-	-	(535,000)
- Principal payment received from AZRB	-	30,000	30,000	35,000	40,000	40,000	45,000	45,000	50,000	50,000	55,000	60,000	55,000	535,000
- Profit received from AZRB	-	29,509	27,854	26,199	24,269	22,063	19,856	17,374	14,892	12,134	9,377	6,343	3,034	212,904
Net Cash (For)/From Investing Activities	(548,319)	60,794	59,833	65,192	65,852	65,718	66,645	66,446	66,855	65,226	70,926	68,727	63,492	237,387
Cash Flows From/(For) Financing Activities														
Advances from/(Repayment to) AZRB:														
- Advances from AZRB	85,240	41,771	42,914	44,569	46,499	48,705	48,662	53,894	51,376	56,384	56,391	54,425	62,734	693,564
- Repayment to AZRB	(18,915)	(38,147)	(42,186)	(41,136)	(46,423)	(48,033)	(48,544)	(51,963)	(50,701)	(50,178)	(52,141)	(52,099)	(59,846)	(600,312)
Sukuk:														
- Proceeds from issuance of Sukuk	535,000	-	-	-	-	-	-	-	-	-	-	-	-	535,000
- Principal repayment	-	-	-	(95,000)	-	(80,000)	-	(90,000)	-	-	(155,000)	-	(115,000)	(535,000)
- Profit payments	-	(26,578)	(26,578)	(26,578)	(22,037)	(22,037)	(18,133)	(18,133)	(13,678)	(13,678)	(13,678)	(5,897)	(5,897)	(212,902)
Payment for Sukuk recurring fees	-	(275)	(275)	(275)	(275)	(275)	(275)	(275)	(275)	(275)	(275)	(275)	(275)	(3,300)
Cash Flows From/(For) Financing Activities	601,325	(23,229)	(26,125)	(118,420)	(22,236)	(101,640)	(18,290)	(106,477)	(13,278)	(7,747)	(164,703)	(3,846)	(118,284)	(122,950)
Net Increase/(Decrease) in Cash and Cash Equivalents	53,006	37,565	33,708	(53,228)	43,616	(35,922)	48,355	(40,031)	53,577	57,479	(93,777)	64,881	(54,792)	N/A
Cash and Cash Equivalents Brought Forward	-	53,006	90,571	124,279	71,051	114,667	78,745	127,100	87,069	140,646	198,125	104,348	169,229	N/A
Cash and Cash Equivalents Carried Forward	53,006	90,571	124,279	71,051	114,667	78,745	127,100	87,069	140,646	198,125	104,348	169,229	114,437	N/A

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AHMAD ZAKI RESOURCES BERHAD

CASH FLOW PROJECTIONS FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2019 TO 31 DECEMBER 2031 ("Cash Flow Projections")

Financial Year	1.1.2019 to 31.12.2019 RM'000	1.1.2020 to 31.12.2020 RM'000	1.1.2021 to 31.12.2021 RM'000	1.1.2022 to 31.12.2022 RM'000	1.1.2023 to 31.12.2023 RM'000	1.1.2024 to 31.12.2024 RM'000	1.1.2025 to 31.12.2025 RM'000	1.1.2026 to 31.12.2026 RM'000	1.1.2027 to 31.12.2027 RM'000	1.1.2028 to 31.12.2028 RM'000	1.1.2029 to 31.12.2029 RM'000	1.1.2030 to 31.12.2030 RM'000	1.1.2031 to 31.12.2031 RM'000	Total RM'000
Cash Flows For Operating Activities														
Payments for Sukuk expenses	(4,473)	-	-	-	-	-	-	-	-	-	-	-	-	(4,473)
Payments for working capital	(173,203)	-	-	-	-	-	-	-	-	-	-	-	-	(173,203)
Net Cash For Operating Activities	(177,676)	-	-	-	-	-	-	-	-	-	-	-	-	(177,676)
Cash Flows For Investing Activities														
Subscription of RCPS in PMSB	(344,005)	-	-	-	-	-	-	-	-	-	-	-	-	(344,005)
(Advances to)/Repayment from ACSB:														
- Advances to ACSB	(85,240)	(41,771)	(42,914)	(44,569)	(46,499)	(48,705)	(48,662)	(53,894)	(51,376)	(56,384)	(56,391)	(54,425)	(62,734)	(693,564)
- Repayment from ACSB	18,915	38,147	42,186	41,136	46,423	48,033	48,544	51,963	50,701	50,178	52,141	52,099	59,846	600,312
Net Cash For Investing Activities	(410,330)	(3,624)	(728)	(3,433)	(76)	(672)	(118)	(1,931)	(675)	(6,206)	(4,250)	(2,326)	(2,888)	(437,257)
Cash Flows From Financing Activities														
Intercompany Financing Agreement (ACSB):														
- One-off advance from ACSB	535,000	-	-	-	-	-	-	-	-	-	-	-	-	535,000
- Repayment of principal to ACSB	-	(30,000)	(30,000)	(35,000)	(40,000)	(40,000)	(45,000)	(45,000)	(50,000)	(50,000)	(55,000)	(60,000)	(55,000)	(535,000)
- Profit payment to ACSB	-	(29,509)	(27,854)	(26,199)	(24,269)	(22,063)	(19,856)	(17,374)	(14,892)	(12,134)	(9,377)	(6,343)	(3,034)	(212,904)
Intercompany Financing Agreement (PMSB):														
- Advances from PMSB	71,921	101,280	100,768	105,768	110,768	110,768	113,518	116,268	116,268	118,518	120,768	120,768	120,768	1,428,149
- Repayment to PMSB	(18,915)	(38,147)	(42,186)	(41,136)	(46,423)	(48,033)	(48,544)	(51,963)	(50,701)	(50,178)	(52,141)	(52,099)	(59,846)	(600,312)
Cash Flows From Financing Activities	588,006	3,624	728	3,433	76	672	118	1,931	675	6,206	4,250	2,326	2,888	614,933
Net Increase in Cash and Cash Equivalents	-	-	-	-	-	-	-	-	-	-	-	-	-	N/A
Cash and Cash Equivalents Brought Forward	-	-	-	-	-	-	-	-	-	-	-	-	-	N/A
Cash and Cash Equivalents Carried Forward	-	-	-	-	-	-	-	-	-	-	-	-	-	N/A

Note:-

The cash flow projections of AZRB depict the cash flows to be received by AZRB arising from this transaction only and do not represent the complete cash flow projections of AZRB or the AZRB group of companies.

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General Assumptions

1. ACSB, AZRB and PMSB will continue as going-concern during the period of the cash flow projections.
2. There will be no significant changes to the principal activities, composition and group structure of ACSB, AZRB and PMSB.
3. There will be no significant changes to the prevailing economic and political conditions that will adversely affect the activities and performance of ACSB, AZRB and PMSB.
4. There will be no significant changes in the present legislation and government regulations, rates and duties, levies and taxes, which will adversely affect the operations of ACSB, AZRB and PMSB or the market in which they operate.
5. There will be no significant changes in the prevailing inflation rates.
6. There will be no major breakdown or disruptions to ACSB, AZRB and PMSB's operating activities, industrial disputes or any other abnormal factors that will significantly affect the operations at their projected levels or disrupt their planned operations.
7. There will be no significant changes to ACSB, AZRB and PMSB's existing senior management, accounting, management and operational policies that will adversely affect the activities and performance of the respective companies.
8. There will be no material acquisitions or disposals of property, plant and equipment during the projected period for ACSB and AZRB.
9. There will be no relocation of structures of the IIUM Medical Centre during the projected period.
10. There will be no material contingent liabilities and litigations which are likely to give rise to any proceedings which may materially affect ACSB, AZRB and PMSB's assets, financial position, operations and the profit projections.
11. There will be no adverse variations to the Concession Agreement dated 21 September 2011 between The Government of Malaysia, International Islamic University Malaysia and PMSB which would have a material adverse effect on the cash flow projections.
12. There will be no expropriation or termination events leading to termination of the Concession Agreement prior to the end of the term.
13. There will be no changes to the credit rating of the Sukuk Murabahah Facility throughout the projected period.
14. There will be no significant changes in the prices of labour and other operating costs other than those incorporated in the projection.
15. There will be no unusual circumstances, events or transactions that will materially affect the operations and financial results of ACSB, AZRB and PMSB.

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SUKUK MURABAHAH FACILITY OF UP TO RM535.0 MILLION IN NOMINAL VALUE
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16. There will be no serious natural disaster which will occur that will significantly affect the IIUM Medical Centre and its operations, which will adversely affect the activities and performance of PMSB.
17. The cash flow projections are prepared for the purpose of the Islamic medium term notes of up to RM535.0 million ("**Sukuk Murabahah**") in nominal value based on the Shariah principle of Murabahah (via Tawarruq Arrangement).

Specific Bases and Assumptions of ACSB**Revenue Assumptions**

ACSB is a special purpose vehicle established solely for the purpose of issuance of sukuk to provide Shariah-compliant financing to AZRB and will not have revenue from operations.

Operating Cost Assumptions

ACSB is a special purpose vehicle established solely for the purpose of issuance of sukuk to provide Shariah-compliant financing to AZRB and will not incur any costs and expenses from operations.

Investing Assumptions

1. ACSB will make a one-off advance of the entire issuance proceeds of the Sukuk Murabahah to AZRB based on the terms and subject to the conditions contained in the Intercompany Financing Agreement (ACSB) (i.e., Advance (ACSB)).
2. Pursuant to the Advance (ACSB), ACSB will receive principal repayments from AZRB in accordance with a stipulated repayment schedule under the Intercompany Financing Agreement (ACSB) as follows:-

Year	Principal (RM million)
2020	30.0
2021	30.0
2022	35.0
2023	40.0
2024	40.0
2025	45.0
2026	45.0
2027	50.0
2028	50.0
2029	55.0
2030	60.0
2031	55.0
Total	535.0

3. Pursuant to the Advance (ACSB), ACSB will receive semi-annual profit payments from AZRB at 5.52% per annum.
4. Cash balances in ACSB are assumed to earn interest income at an interest rate of 2.00% per annum commencing from year 2020 and to be received in the same year.

AZRB CAPITAL SDN BHD

SUKUK MURABAHAH FACILITY OF UP TO RM535.0 MILLION IN NOMINAL VALUE
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5. Part of the periodic advances to be received from AZRB in year 2019 will be utilised as the initial placement to be deposited into the Finance Service Reserve Account ("FSRA") and Trustee Reimbursement Account ("TRA"). ACSB will deposit fund into or withdraw fund from FSRA in subsequent years to meet the minimum required balance.

Financing Assumptions

1. ACSB will issue Sukuk Murabahah amounting to RM535.0 million in October 2019.
2. ACSB will redeem the Sukuk Murabahah on their respective maturity dates and pay profit payments on a semi-annual basis. The Sukuk Murabahah is assumed to have a weighted average profit rate of 5.52%.
3. ACSB will receive periodic advances from AZRB from time to time and make repayments on such advances on a monthly basis in accordance with the annual budget of PMSB as prepared in accordance with the agreed financial model.
4. ACSB will make payment for recurring fees and expenses in relation to the Sukuk Murabahah Facility.

Other Assumptions

1. ACSB is a special purpose vehicle established solely for the purpose of issuance of sukuk to provide Shariah-compliant financing to AZRB. In view of fulfilling the definition of the special purpose vehicle under Section 60I(4) of the Income Tax Act 1967 ("Act") and pursuant to Section 60I(2) of the Act, ACSB is exempted from the responsibilities provided in the Act which includes filing of income tax return. Therefore, there is no requirement for the preparation of income tax computation.
2. ACSB will not pay any dividends or distributions to AZRB as long as any Sukuk Murabahah is outstanding.

Specific Bases and Assumptions of AZRB**Operating Cost Assumptions**

1. AZRB will pay and bear the Sukuk expenses.
2. AZRB will utilise part of the one-off advance to be received from ACSB for general working capital requirements and corporate purposes, which AZRB expected these expenses to be incurred before 31 December 2019.

Investing Assumptions

1. AZRB will subscribe for 535,000,000 for RCPS-i issued by PMSB pursuant to the RCPS-i Subscription Agreement at a price of RM0.643 per RCPS-i.
2. AZRB will make periodic advances to ACSB from time to time and receive repayments on such advances on a monthly basis in accordance with the annual budget of PMSB as prepared in accordance with the agreed financial model.

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SUKUK MURABAHAH FACILITY OF UP TO RM535.0 MILLION IN NOMINAL VALUE
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Financing Assumptions

1. AZRB will receive a one-off advance of the entire issuance proceeds of the Sukuk Murabahah from ACSB upon the terms and subject to the conditions contained in the Intercompany Financing Agreement (ACSB) (“**Advance (ACSB)**”).
2. Pursuant to the Advance (ACSB), AZRB will make principal repayments to ACSB in accordance with a stipulated repayment schedule under the Intercompany Financing Agreement (ACSB) as follows:-

Year	Principal (RM million)
2020	30.0
2021	30.0
2022	35.0
2023	40.0
2024	40.0
2025	45.0
2026	45.0
2027	50.0
2028	50.0
2029	55.0
2030	60.0
2031	55.0
Total	535.0

3. Pursuant to the Advance (ACSB), AZRB will make semi-annual profit payments to ACSB at 5.52% per annum.
4. AZRB will receive periodic advances from PMSB from time to time based on the terms and subject to the conditions in the Intercompany Financing Agreement (PMSB) and make repayments on such advances on a monthly basis in accordance with the annual budget of PMSB as prepared in accordance with the agreed financial model.

APPENDIX II: PRINCIPAL TERMS AND CONDITIONS OF THE SUKUK MURABAHAH FACILITY

The PTC contained herein are not intended to be a summary of the legal documentation entered or to be entered into in connection with the Sukuk Murabahah Facility. To understand all of the terms and conditions of the Sukuk Murabahah Facility, the prospective investors should read the legal documentation concerned and obtain necessary professional advice on the same.

The PTC have been extracted from the lodgement to the SC, definitions of terms used in this Appendix II of this Information Memorandum may not be similar to the definitions in the definitions section of this information memorandum. In the event of inconsistencies, the definitions used in this Appendix II of this Information Memorandum shall prevail for the purposes of this Appendix II of this Information Memorandum.

AZRB Capital Sdn Bhd ("ACSB" or the "Issuer")

An Islamic medium term notes ("Sukuk Murabahah") facility of up to RM535.0 million in nominal value under the Shariah principle of Murabahah (via Tawarruq arrangement) ("Sukuk Murabahah Facility")

Principal Terms and Conditions

(A) CORPORATE INFORMATION OF ISSUER

- (1) Name : AZRB Capital Sdn Bhd ("ACSB" or the "Issuer")
- (2) Address : Registered Address: Menara AZRB, No. 71 Persiaran Gurney, 54000 Kuala Lumpur
Business Address: Menara AZRB, No. 71 Persiaran Gurney, 54000 Kuala Lumpur
- (3) Date of incorporation: 8 July 2019
- (4) Place of incorporation : Malaysia
- (5) Business registration: 1333273-A
number
- (6) Residence status : Resident Controlled Company
- (7) Place of listing : Not Listed
- (8) Date of listing : Not Listed
- (9) Principal activities : A special purpose vehicle established solely for the purpose of issuance of sukuk, in compliance with the Syariah principles
- (10) Issued and paid-up : RM1.00 divided into 1 ordinary share
share capital
- (11) Structure of shareholdings and names of shareholders or, in the case of a public company, names of all substantial shareholders : As at 21 August 2019

Name	No. of shares held	% of shareholding
Ahmad Zaki Resources Berhad ("AZRB")	1	100

An Islamic medium term notes ("Sukuk Murabahah") facility of up to RM535.0 million in nominal value under the Shariah principle of Murabahah (via Tawarruq arrangement) ("Sukuk Murabahah Facility")

Principal Terms and Conditions

(12) Board of directors :

No.	Name
1	Dato' Haji Roslan bin Tan Sri Jaffar
2	Dato' Sri Wan Zakariah bin Haji Wan Muda

(13) Disclosure of the :
following

- (i) If the issuer or its board members have been convicted or charged with any offence under any securities laws, corporation laws or other laws involving fraud or dishonesty in a court of law, or if any action has been initiated against the issuer or its board members for breaches of the same, for the past ten years prior to the lodgement/ since incorporation (for issuer incorporated less than ten years) : None
- (ii) If the issuer has been subjected to any action by the stock exchange for any breach of the listing requirements or : Not applicable

An Islamic medium term notes ("Sukuk Murabahah") facility of up to RM535.0 million in nominal value under the Shariah principle of Murabahah (via Tawarruq arrangement) ("Sukuk Murabahah Facility")

Principal Terms and Conditions

rules issued by
the stock
exchange, for
the past five
years prior to
the lodgement

(B) CORPORATE INFORMATION OF GUARANTOR

- (1) Name : Ahmad Zaki Resources Berhad
- (2) Address : Registered Address: Menara AZRB, No. 71 Persiaran Gurney, 54000 Kuala Lumpur
Business Address: Menara AZRB, No. 71 Persiaran Gurney, 54000 Kuala Lumpur
- (3) Date of incorporation: 26 May 1997
- (4) Place of incorporation : Malaysia
- (5) Business registration: 432768-X
number
- (6) Residence status : Resident Controlled Company
- (7) Place of listing : Bursa Malaysia
- (8) Date of listing : 9 June 1999
- (9) Principal activities : Engaged in investment holding, providing management services and as contractor of civil and structural works
- (10) Issued and paid-up : RM197,536,000 divided into 598,097,678 ordinary shares as at 21 August 2019
share capital
- (11) Structure of shareholdings and : As at 21 August 2019

Name	No of	% of share-
------	-------	-------------

AZRB Capital Sdn Bhd ("ACSB" or the "Issuer")

An Islamic medium term notes ("Sukuk Murabahah") facility of up to RM535.0 million in nominal value under the Shariah principle of Murabahah (via Tawarruq arrangement) ("Sukuk Murabahah Facility")

Principal Terms and Conditions

names of
shareholders or, in
the case of a public
company, names of
all substantial
shareholders

	shares held	holding
Zaki Holdings (M) Sdn Bhd	250,032,336	41.80
AmSec Nominees (Tempatan) Sdn Bhd - Pledged Securities Account- AmBank (M) Berhad for Zaki Holdings (M) Sdn Bhd	69,412,500	11.64

(12) Board of directors :

No.	Name
1	Raja Tan Sri Dato' Seri Aman bin Raja Haji Ahmad
2	Tan Sri Dato' Sri Haji Wan Zaki Bin Haji Wan Muda
3	Dato' Sri Wan Zakariah Bin Haji Wan Muda
4	Dato' W Zulkifli Bin Haji W Muda
5	Dato' Haji Roslan Bin Tan Sri Jaffar
6	Dato' Haji Mustaffa Bin Mohamad
7	Tan Sri Dato' Lau Yin Pin @ Lau Yen Beng
8	Datuk (Prof) A Rahman @ Omar Bin Abdullah
9	Dato' Sr Abdull Manaf bin Hj Hashim

(13) Disclosure of the following :

- (i) If the guarantor : None
or its board
members have
been convicted
or charged with
any offence
under any
securities laws,
corporation
laws or other
laws involving

AZRB Capital Sdn Bhd ("ACSB" or the "Issuer")

An Islamic medium term notes ("Sukuk Murabahah") facility of up to RM535.0 million in nominal value under the Shariah principle of Murabahah (via Tawarruq arrangement) ("Sukuk Murabahah Facility")

Principal Terms and Conditions

fraud or
dishonesty in a
court of law, or
if any action
has been
initiated against
the guarantor or
its board
members for
breaches of the
same, for the
past ten years
prior to the
lodgement/
since
incorporation
(for guarantor
incorporated
less than ten
years)

- (ii) If the guarantor : None
has been
subjected to
any action by
the stock
exchange for
any breach of
the listing
requirements or
rules issued by
the stock
exchange, for
the past five
years prior to
the lodgement

(C) PARTIES TO THE TRANSACTION

(a) Origination

No.	Roles	Name of parties
1	Issuer	ACSB
2	Guarantor	AZRB

AZRB Capital Sdn Bhd ("ACSB" or the "Issuer")

An Islamic medium term notes ("Sukuk Murabahah") facility of up to RM535.0 million in nominal value under the Shariah principle of Murabahah (via Tawarruq arrangement) ("Sukuk Murabahah Facility")

Principal Terms and Conditions

3	Financial Adviser	Maybank Investment Bank Berhad ("Maybank IB") ("Financial Adviser")
4	Principal Adviser	Maybank Investment Bank Berhad
5	Lead Arranger	Maybank Investment Bank Berhad ("Maybank IB")
6	Solicitors	Messrs. Wong & Partners (acting for the PA/LA and LM (as defined below))
7	Credit Rating Agency	Malaysia Rating Corporation Berhad ("MARC") or "Rating Agency")
8	Shariah Adviser	Maybank Islamic Berhad ("Maybank Islamic")
9	Sukuk Trustee	AmanahRaya Trustees Berhad ("Sukuk Trustee")
10	Security Agents	Maybank IB ("Security Agent")
11	Reporting Accountant	Messrs. Crowe Malaysia PLT ("Reporting Accountant" or "RA")

(b) At the point of distribution

No.	Roles	Name of parties
1	Issuer	ACSB
2	Lead Manager	Maybank IB ("LM")
3	Facility Agent	Maybank IB
4	Central Depository	Bank Negara Malaysia ("BNM")
5	Paying Agent	BNM
6	Shariah Adviser	Maybank Islamic

(c) After distribution

AZRB Capital Sdn Bhd ("ACSB" or the "Issuer")

An Islamic medium term notes ("Sukuk Murabahah") facility of up to RM535.0 million in nominal value under the Shariah principle of Murabahah (via Tawarruq arrangement) ("Sukuk Murabahah Facility")

Principal Terms and Conditions

No.	Roles	Name of parties
1	Issuer	ACSB
2	Guarantor	AZRB
3	Principal Adviser	Maybank Investment Bank Berhad
4	Solicitors	Messrs. Wong & Partners (acting for the PA/LA and LM)
5	Facility Agent	Maybank IB
6	Security Agents	Maybank IB
7	Sukuk Trustee	AmanahRaya Trustees Berhad
8	Credit Rating Agency	MARC
9	Shariah Adviser	Maybank Islamic
10	Central Depository	BNM
11	Paying Agent	BNM

(D) DETAILS OF FACILITY/PROGRAMME

- (1) Name of facility : An Islamic medium term notes ("Sukuk Murabahah") facility of up to RM535.0 million in nominal value under the Shariah principle of Murabahah (via Tawarruq arrangement) ("Sukuk Murabahah Facility")
- (2) One-time issue or programme : One-time issue
- (3) Shariah principles (for sukuk) : 1. Murabahah (via Tawarruq arrangement)

Additional Notes:

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Murabahah (Cost-Plus Sale) - A contract that refers to the sale and purchase of assets whereby the cost and profit margin (mark-up) are made known.

Tawarruq (Tripartite Sale) - Purchasing a commodity on a deferred price and then selling it to a third party for cash.

- (4) Facility description : The issuance of Sukuk Murabahah under the Sukuk Murabahah Facility shall be effected as follows in accordance with the Shariah principle of Murabahah (via Tawarruq arrangement) which is one of the Shariah principles approved by the SAC of SC.
- (for ringgit-denominated sukuk, to provide description as cleared by the SC)

Underlying Transaction

The issuance of the Sukuk Murabahah shall be effected as follows:

Step 1

(a) The Sukuk Trustee (on behalf of the holders of the Sukuk Murabahah ("**Sukukholders**")) and the Issuer shall enter into an agency agreement ("**Agency Agreement**"), pursuant to which the Issuer is appointed as the purchase agent ("**Agent**") for the purchase and sale of the Commodities (as defined in the *(Identified assets)* paragraph of the section entitled *(Other Terms and Conditions)*).

(b) The Agent shall then appoint the Facility Agent, via a sub-agent agreement ("**Sub-Agent Agreement**"), to act as the sub-agent ("**Sub-Agent**") for the purchase and sale of the Commodities.

Step 2

Pursuant to a commodity Murabahah master agreement ("**Commodity Murabahah Master Agreement**") to be entered into between the Issuer 2 (in its capacity as "**Purchaser**"), the Agent, the Sub-Agent and the Sukuk Trustee, the Purchaser shall issue a purchase order ("**Purchase Order**") to the Agent and the Sub-Agent. In the Purchase Order, the Purchaser will request the Agent and the Sub-Agent to purchase the Commodities and will irrevocably and unconditionally undertake to purchase the Commodities from the Sub-Agent (on behalf of the Sukukholders) at the Deferred Sale Price (as defined in the *(Purchase and selling price/rental (where applicable))* paragraph of the section entitled *(Other Terms and Conditions)*).

Step 3

Based on the Purchase Order and pursuant to a CTP purchase agreement ("**CTP Purchase Agreement**") entered into between the Sub-Agent and the commodity trading participant ("**CTP**"), the Sub-Agent (on behalf of the Agent who is acting on behalf of the Sukuk Trustee (on behalf of the Sukukholders)) shall appoint the CTP to purchase on a spot basis the Commodities from the commodity vendor(s) in the Bursa Suq Al-Sila' commodity platform and/or other independent commodity brokers acceptable to the Shariah Adviser, which shall be identified prior to issuance of the Sukuk Murabahah ("**Commodity Seller**") at a purchase price which shall be an amount equivalent to the proceeds from the issuance of the Sukuk Murabahah ("**Commodity Purchase Price**"). The Commodity Purchase Price shall be in line with the asset pricing requirement stipulated under the LOLA Guidelines.

Step 4

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(a) The Issuer shall issue the Sukuk Murabahah, which shall evidence the Sukukholders' ownership of the Commodities and all rights thereto (including all rights against the Purchaser under the Purchase Order) and subsequently once the Commodities are sold to the Purchaser, the Sukukholders' entitlement to receive the Deferred Sale Price.

(b) The proceeds received in relation to issuance of the Sukuk Murabahah shall be used to pay the Commodity Purchase Price by the Sub-Agent to the Commodity Seller.

Step 5

Thereafter, pursuant to a sale and purchase agreement ("**Sale and Purchase Agreement**"), the Sub-Agent (on behalf of the Agent as wakeel to the Sukukholders) shall sell the Commodities to the Purchaser at the Deferred Sale Price.

Step 6

(a) Upon completion of such sale, the Purchaser shall appoint the Facility Agent, via a sale agent agreement ("**Sale Agent Agreement**"), to act as its agent ("Sale Agent") to on-sell the Commodities to the commodity buyer(s) in the Bursa Suq Al-Sila' commodity platform and/or other independent commodity brokers acceptable to the Shariah Adviser, which shall be identified prior to each issuance of the Sukuk Murabahah ("Commodity Buyer") once it has purchased the Commodities from the Sukukholders via the Sub-Agent.

(b) Pursuant to a CTP sale agreement ("**CTP Sale Agreement**"), the Sale Agent (on behalf of the Purchaser) shall appoint the CTP to sell the Commodities to the Commodity Buyer on a spot basis for a selling price which is equivalent to the Commodity Purchase Price payable to the Purchaser for the sale of the Commodities.

Step 7

The Sukuk Murabahah will be issued with periodic profit payments ("**Periodic Profit Payments**") based on the Periodic Payment Rate (as defined in the *(Profit/coupon/rental rate (fixed or floating))* paragraph of the section entitled *(Other Terms and Conditions)*). During the tenure of the Sukuk Murabahah, the Purchaser as part of its obligation to pay the Deferred Sale Price, shall make Periodic Profit Payments on the relevant Periodic Payment Date (as defined in the *(Profit coupon/rental payment frequency)* paragraph of the section entitled *(Other Terms and Conditions)*) forming part of the Deferred Sale Price to the Sukukholders during the tenure of the Sukuk Murabahah and final payment of the outstanding Deferred Sale Price to the Sukukholders on the relevant maturity dates of the Sukuk Murabahah.

(i) On the maturity date of the Sukuk Murabahah; or (ii) upon declaration of an Event of Default (as defined in the section entitled *(Events of default or enforcement events, where applicable, including recourse available to investors)*, of the relevant Sukuk Murabahah, whichever is earlier, all amounts then outstanding on the Deferred Sale Price (subject to Ibra', where applicable), shall be paid by the Purchaser to the Sukukholders as final settlement of the same, whereupon the relevant Sukuk Murabahah shall be cancelled.

Step 8

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AZRB (as the Guarantor) shall provide an unconditional and irrevocable corporate guarantee under the Shariah principle of Al-Kafalah ("**Kafalah Guarantee**"), as a continuing obligation, in favour of the Security Agent for and on behalf of the Sukukholders under which AZRB shall guarantee all payment obligations of the Issuer under or in connection with the Transaction Documents including the Purchaser's obligation to pay the Deferred Sale Price which is due and payable on the relevant maturity dates and/or the relevant Periodic Payment Date and/or such other date where the Sukuk Murabahah shall be due for redemption, as the case may be, including any payment obligation in respect of Ta'widh (compensation) and all fees, expenses and charges in relation to the Sukuk Murabahah and the Sukuk Murabahah Facility.

- (5) Currency : Ringgit
- (6) Expected facility/
programme size : Up to MYR 535,000,000.00
- (7) Option to upsize (for : No
programme)
- (8) Tenure of facility/
programme : 12 year(s)
- (9) Availability period for:
debt/ sukuk
programme : Not applicable
- (10) Clearing and : PayNet
settlement platform
- (11) Mode of issue : ☒ Private/direct placement
☒ Bought deal
☒ Book building
- (12) Selling restrictions : (i) At issuance:
☒ Part 1 of Schedule 6 of the Capital Markets & Services Act, 2007 (CMSA)
☒ Part 1 of Schedule 7 of the CMSA
☒ Read together with Schedule 9 of CMSA
☒ Section 2(6) of the Companies Act 2016
(ii) After issuance:
☒ Part 1 of Schedule 6 of the CMSA
☒ Read together with Schedule 9 of CMSA

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☒ Section 2(6) of the Companies Act 2016

Additional Notes:

Selling Restrictions at Issuance

The Sukuk Murabahah may only be offered, sold, transferred or otherwise disposed directly or indirectly to persons falling within the relevant category of the persons specified in Section 2(6) of the Companies Act 2016 (as amended and/or substituted from time to time) ("**Companies Act**"), and persons to whom an offer or invitation to subscribe the Sukuk Murabahah may be made and to whom the Sukuk Murabahah are issued falling within Part I of Schedule 6 (or Section 229(1)(b)) of the CMSA and Part I of Schedule 7 (or Section 230(1)(b)) of the CMSA, to be read together with Schedule 9 (or Section 257(3)) of the CMSA and does not constitute an offer to the public within the categories specified in Section 2(6) of the Companies Act and subject to any applicable law, order, regulation or official directive of BNM and/or the SC from time to time.

Selling Restrictions Thereafter

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

- | | | |
|--|---|---|
| (13) Tradability and transferability | : | <p>Size in Ringgit which are tradable and transferable:
MYR 535,000,000.00</p> <p>Size in Ringgit which are non-tradable and non-transferable:
Not applicable</p> |
| (14) Secured/combinatio
n of unsecured and
secured, if
applicable | : | <p>The Sukuk Murabahah under the Sukuk Murabahah Facility shall be secured by the following security documents ("Security Documents") in favour of the Security Agent (for the benefit of the Sukukholders):</p> <ul style="list-style-type: none">(i) a charge over the entire issued and fully paid up share capital of Peninsular Medical Sdn Bhd ("PMSB") owned or to be owned by AZRB ("PMSB Shares") and over any dividends and distributions, whether income or capital in nature, arising from the PMSB Shares;(ii) a charge over the entire issued and fully paid up share capital of ACSB owned or to be owned by AZRB ("ACSB Shares") and over any dividends and distributions, whether income or capital in nature, arising from the ACSB Shares;(iii) a legal assignment of AZRB's rights, title, benefits and interests in and to any dividends and distributions received or to be received by AZRB from PMSB, whether income or capital in nature, arising from the PMSB Shares;(iv) a legal assignment of AZRB's rights, title, benefits and interests in and under the RCPS-i Subscription Agreement (as defined in the (<i>Definitions</i>) paragraph of the section entitled (<i>Other Terms and Conditions</i>)); |

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(v) a legal assignment of AZRB's rights, title, benefits and interests in and under the Intercompany Financing Agreement (PMSB) (as defined in the *(Definitions)* paragraph of the section entitled *(Other Terms and Conditions)*);

(vi) a legal assignment and charge of the Issuer's rights, title, benefits and interests in and to the Collection Account and FSRA (as defined in the *(Details of designated account(s), if applicable)* paragraph of the section entitled *(Details of Facility/Programme)* and the monies standing to the credit of the Collection Account and FSRA and a first ranking charge over the Permitted Investments (as defined in the *(Permitted investments, if applicable)* paragraph of the section entitled *(Details of the Facility/Programme)*);

(vii) the Kafalah Guarantee;

(viii) a legal assignment of the Issuer's rights, title, benefits and interests in and under the Intercompany Financing Agreement (ACSB) (as defined in the *(Definitions)* paragraph of the section entitled *(Other Terms and Conditions)*) and all monies received or to be received by Issuer from AZRB under the Intercompany Financing Agreement (ACSB);

(ix) a debenture creating a first ranking fixed and floating charge over all the present and future assets and properties of the Issuer; and

(x) any other security arrangement as advised by the Solicitors and mutually agreed between the PA/LA and the Issuer .

The RCPS-i Subscription Agreement, the Intercompany Financing Agreement (PMSB) and the Intercompany Financing Agreement (ACSB) shall collectively be referred to as the "**Material Contracts**".

For the avoidance of doubt, the above security/collateral charged/pledged under the Sukuk Murabahah Facility are Shariah-compliant.

(15) Details of guarantee,:
if applicable

Kafalah Guarantee

AZRB (as the Guarantor) shall provide the Kafalah Guarantee, as a continuing obligation, in favour of the Security Agent for and on behalf of the Sukukholders under which AZRB shall guarantee all payment obligations of the Issuer under or in connection with the Transaction Documents including the Purchaser's obligation to pay the Deferred Sale Price which is due and payable on the relevant maturity dates and/or the relevant Periodic Payment Date and/or such other date where the Sukuk Murabahah shall be due for redemption, as the case may be, including any payment obligation in respect of Ta'widh (compensation) and all fees, expenses and charges in relation to the Sukuk Murabahah and the Sukuk Murabahah Facility.

Upon declaration of an Event of Default, all amounts guaranteed under the Kafalah Guarantee by the Guarantor shall be payable on demand.

In addition, the Guarantor shall undertake to the Security Agent (for the benefit of the Sukukholders) that the Guarantor shall ensure that the Issuer will always have sufficient funds to meet its finance service obligations in relation to the Sukuk Murabahah Facility and in the event there is any shortfall, the Guarantor shall top up any such cash shortfall/deficiencies. Such undertaking shall be embedded in the Kafalah Guarantee and is operative from the date of the Kafalah Guarantee.

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- (16) Convertibility of issuance and details of the convertability : Non-convertible
- (17) Exchangeability of issuance and details of the exchangeability : Non-exchangeable
- (18) Call option and details, if applicable : No call option
- (19) Put option and details, if applicable : No put option
- (20) Details of covenants : Positive Covenants

To include but not limited to the following:

Applicable to Issuer and Guarantor (each a "Relevant Party")

(a) Each Relevant Party covenants that for as long as the Sukuk Murabahah remains outstanding, each of them shall:

(i) promptly and at all times perform and carry out all its obligations under the Transaction Documents to which it is a party and comply with the provisions of the Transaction Documents to which it is a party and terms and conditions of the Sukuk Murabahah (including in the case of the Issuer, to redeem the Sukuk Murabahah on the relevant maturity date(s) or any other date on which the Sukuk Murabahah are due and payable) and ensure that it shall immediately notify the Sukuk Trustee and the Facility Agent in writing in the event that it is unable to fulfil or comply with any of the provisions of the Transaction Documents to which it is a party;

(ii) obtain and maintain in full force and effect all relevant authorisations, consents, rights, licences, approvals and permits (governmental and otherwise) and shall promptly obtain any further authorisations, consents, rights, licences, approvals and permits (governmental and otherwise) which is or may be necessary, for each Relevant Party to:

(A) lawfully enter into, and exercise its rights and perform its obligations under the Transaction Documents and/or the Material Contracts to which it is a party;

(B) maintain the legality, validity, binding effect and enforceability, admissibility in evidence of the Issuer's and Guarantor's obligations under the Transaction Documents and Material Contracts to which it is a party or the priority of the liabilities and obligations of the Issuer and Guarantor or rights of the Sukuk Trustee, the Security Agent and/or the Sukukholders under the Transaction Documents to which it is a party; and

(C) own its assets and to carry on its business;

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(iii) at all times on written demand by the Sukuk Trustee or the Security Agent, execute all such further documents and do all such further acts reasonably necessary to give full effect to the terms and conditions of the Transaction Documents and/or the Material Contracts or security to the Sukuk Trustee or the Security Agent together with the full benefits of all rights, powers and remedies conferred upon the Sukuk Trustee or the Security Agent in the Transaction Documents and/or the Material Contracts;

(iv) exercise reasonable diligence in carrying out its business and affairs in a proper and efficient manner and in accordance with sound financial and commercial standards and in accordance with its constitution (has the meaning given to it in the Companies Act ("**Constitution**"));

(v) perform and carry out each of their obligations under the relevant Material Contracts to which it is a party and comply with the provisions of the Material Contracts, and shall, to the extent within its reasonable control, procure the other counterparties to the Material Contracts to comply with their respective obligations thereunder;

(vi) at all times maintain proper books and accounts and prepare its financial statements on a basis consistently applied in accordance with generally accepted accounting standards in Malaysia and those financial statements shall give a true and fair view of the results of its operations for the period to which the financial statements are made up and shall disclose or provide against all liabilities (actual or contingent), as the case may be and shall provide the Sukuk Trustee and Security Agent and any person appointed by them access to such books and accounts to the extent permitted by law;

(vii) provide to the Sukuk Trustee and the Security Agent and, if required, to the Credit Rating Agency, such information relating to its respective business, affairs and financial condition of each Relevant Party as required by the Sukuk Trustee in order to discharge its duties and obligations as trustee under the Transaction Documents, to the extent permitted by law;

(viii) file all relevant tax returns and pay all taxes promptly upon the same becoming due except to the extent that taxes are being contested in good faith or an adequate reserve has been set aside with respect thereto;

(ix) comply with all applicable laws, regulations and guidelines including all applicable provisions of the CMSA and/or the notes, circulars, conditions and guidelines issued by SC from time to time in respect of the Sukuk Murabahah; and

(x) such other covenants as may be required by the PA/LA in relation to the Sukuk Murabahah and/or as advised by the Solicitors and agreed by the Issuer.

Applicable to Issuer

(b) The Issuer shall:

(i) maintain a paying agent in Malaysia and procure that the paying agent shall notify the Sukuk Trustee in the event that the paying agent does not receive payment from the Issuer and/or Guarantor on the due dates for payment under the Transaction Documents and the terms and conditions of the Sukuk Murabahah;

(ii) open and maintain the Collection Account, FSRA and the TRA, pay all relevant amounts into such accounts, make all payments from such accounts only as

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permitted under the Transaction Documents, and comply with the terms and conditions of the Transaction Documents in all matters concerning the Collection Account, FSRA and TRA;

(iii) ensure that all loan or advances, if any, by its directors, shareholders and/or its related companies or associated companies, made or to be made to it (to the extent permitted under the Transaction Documents) including the Advance (AZRB) (as defined in the *(Definitions)* paragraph of the section entitled *(Other Terms and Conditions)*) shall be subordinated to the Sukuk Murabahah and no payment, repayment and/or prepayment of such advances shall be made for as long as any Sukuk Murabahah remains outstanding save for the monthly repayment of the Advance (AZRB) to AZRB using the funds standing to the credit of the Collection Account in such amount indicated and in accordance with the Annual Budget (as defined in the *(Definitions)* paragraph of the section entitled *(Other Terms and Conditions)*);

(iv) ensure that all monies owing by AZRB under the Advance (ACSB) (as defined in the *(Definitions)* paragraph of the section entitled *(Other Terms and Conditions)*) pursuant to the Intercompany Financing Agreement (ACSB) shall not be subject to any set-off or deduction by AZRB in respect of any monies owing by the Issuer to AZRB under the Advance (AZRB);

(v) ensure that its obligations under the Transaction Documents at all times rank pari passu in all respects amongst themselves and at least pari passu in all respects with all its other unsecured and unsubordinated obligations, except those preferred solely by operation of law;

(vi) ensure that the terms in the Transaction Documents do not contain any matter which is inconsistent with the provisions of the information memorandum prepared in connection with the offering of the Sukuk Murabahah;

(vii) remain a wholly-owned subsidiary of AZRB for the entire tenure of the Sukuk Murabahah Facility;

(viii) preserve and maintain good and valid title to all of its assets, free and clear of any encumbrance, mortgage, debenture (whether fixed or floating), pledge, lien, charge, assignment, right of set-off, title transfer or retention arrangement, trust arrangement for the purpose of providing security, hypothecation or security interest of any kind or any other agreement or arrangement having a similar effect or any encumbrance or security interest whatsoever howsoever created or arising ("**Security Interest**") other than a Permitted Security Interest (as defined in the *(Permitted Security Interest)* paragraph of the section entitled *(Other Terms and Conditions)*); and

(ix) such other covenants as may be required by the PA/LA in relation to the Sukuk Murabahah and/or as advised by the Solicitors and agreed by the Issuer.

Applicable to Guarantor

(c) The Guarantor shall:

(i) ensure that both the Issuer and PMSB shall remain as its wholly-owned subsidiary for the entire tenure of the Sukuk Murabahah Facility;

(ii) make the Advance (AZRB) and ensure that such proceeds of the Advance (AZRB) are deposited into the Collection Account;

(iii) deliver to the Sukuk Trustee, a copy of all documents received by it in

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connection with the Material Contracts;

(iv) ensure that there is no restriction for PMSB to make distribution of dividends or any other form of income or capital distribution to AZRB unless such distribution will result in a breach of any Project Documents (as defined in the *(Project Agreements)* paragraph of the section entitled *(Other Terms and Conditions)*);

(v) procure PMSB to observe or perform its obligations under the Material Contracts to which it is a party or under any undertaking or arrangement entered into in connection therewith, and promptly notify the Sukuk Trustee if it becomes aware of any such breach;

(vi) procure and ensure that any representation or warranty made by PMSB under any Material Contract to which it is a party or any information, notice, opinion or certificate or other document delivered by PMSB pursuant to the terms of any Material Contract proves and are not incorrect or misleading in any material respect as of the date at which such representation or warranty is made or repeated, or the date at which such information, notice, opinion, certificate or other document is delivered (in each case) by reference to the facts and circumstances existing at such date; and

(vii) such other covenants as may be required by the PA/LA in relation to the Sukuk Murabahah and/or as advised by the Solicitors and agreed by the Issuer.

Negative covenants

Applicable to Issuer and Guarantor

Each Relevant Party covenants that for as long as the Sukuk Murabahah remains outstanding it shall not (without the prior written consent of the Sukuk Trustee acting on behalf of the Sukukholders and subject always to the provisions of the Transaction Documents):

(i) permit any addition, deletion, substitution, amendment, supplement or variation to its Constitution in a manner inconsistent with the provisions of the Transaction Documents or which may be materially prejudicial to the interests of the Sukukholders;

(ii) carry out any other business or activities other than the business or activities as authorised under their respective Constitution;

(iii) undertake or permit any amalgamation, merger, consolidation, reconstruction, or winding up or sell, transfer, lease (other than operating lease), or otherwise dispose of or in any case cease to exercise control over, whether by single transaction or a number of transactions, related or not, any part of its undertaking, business or assets;

(iv) reduce or in any way whatsoever alter (except increase), its issued share capital whether by varying the amount, structure or value thereof or the rights attached thereto or by converting any of its share capital into stock, or by consolidating, dividing or sub-dividing all or any of its shares;

(v) cancel, surrender, abandon or otherwise change in any manner the nature or scope of its existing business nor suspend or threaten to suspend any part of its business which may result in a Material Adverse Effect (as defined in the *(Material Adverse Effect)* paragraph of the section entitled *(Other Terms and Conditions)*);

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- (vi) terminate or amend any agreement or license which may result in a Material Adverse Effect;
- (vii) enter into any agreement, contract or arrangement with its shareholders, subsidiaries or associated companies other than: (a) the Material Contracts; (b) such agreement, contract or arrangement as permitted under the Transaction Documents; or (c) such agreement, contract or arrangement in the ordinary course of business, on an arms-length basis; and the execution of such agreement, contract or arrangement will not result in a Material Adverse Effect;
- (viii) enter into any voluntary winding up or voluntarily enter into, commence or institute for the dissolution or for the appointment of a receiver, receiver and manager, liquidator, judicial manager or such similar officer of any Relevant Party or any of its assets;
- (ix) do or suffer to be done any act, matter or thing whereby any of the Material Contracts may be rendered void, voidable or unenforceable;
- (x) waive or agree to waive any breaches or proposed breaches committed by any counterparty pursuant to any of the Material Contract; and grant indulgence, concession, waiver, forbearance or consent to the counterparty to any of the Material Contract;
- (xi) release, settle, compromise or abandon any claim or the liability of the counterparty to any of the Material Contract or do or omit to do any other act or thing whereby the recovery in full of any sums payable thereunder as and when they become payable may be impeded;
- (xii) take any action or fail to perform any obligation which will or might reasonably be considered likely to cause or lead or contribute to a breach, revocation or termination of any of the Material Contracts;
- (xiii) make amendments to the terms and conditions of any of the Material Contracts; and
- (xiv) such other covenants as may be required by the PA/LA in relation to the Sukuk Murabahah and/or as advised by the Solicitors and agreed by the Issuer.

Applicable to Issuer

The Issuer covenants that for as long as the Sukuk Murabahah remains outstanding, it shall not (without the prior written consent of the Sukuk Trustee acting on behalf of the Sukukholders and subject always to the provisions of the Transaction Documents):

- (i) create, attempt, permit or agree to subsist any Security Interest over any of its property, assets, rights or undertaking or enter into any other preferential arrangement with any person having a similar effect other than a Permitted Security Interest;
- (ii) save for granting of the Advance (ACSB) or loans to its directors, officers or employees as part of their terms of employment, make, assume or permit to exist any other loans or grant advances to others or provide or extend any credit or accommodation or provide any guarantee, indemnity or assurance against loss to or for the benefit of any person, enterprise or company or act as surety or otherwise voluntarily assume any liability, whether actual or contingent;
- (iii) incur, assume or permit to exist any indebtedness for Islamic financing or

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borrowed monies except for the Sukuk Murabahah Facility;

(iv) incur or permit to exist any loans, financing or advances from its directors, shareholders, related companies and/or associated companies, unless such loans, financing or advances are subordinated to the Sukuk Murabahah;

(v) provide or permit to exist any guarantee where the Issuer is a guarantor or is liable to pay for the same thereunder;

(vi) open or maintain any account other than the Collection Account, FSRA and the TRA;

(vii) declare or pay any dividends or make any distribution whether income or capital in nature to its shareholders for so long as any Sukuk Murabahah remains outstanding;

(viii) use the proceeds of the Sukuk Murabahah for any purpose other than for the Shariah-compliant purposes provided under the Transaction Documents;

(ix) enter into any agreements with terms which will have an adverse effect on its ability to observe or perform any of its obligations under the Transaction Documents;

(x) grant any tenancy, license or right to occupy or otherwise part with title to or possession of any of its assets;

(xi) make any investments other than the Permitted Investments;

(xii) enter into a transaction whether directly or indirectly with interested persons (including directors, major shareholders and chief executive) (collectively, "**Interested Persons**") unless:

(A) such transaction shall be on terms that are no less favourable to the Issuer than those which could have been obtained in a comparable transaction from persons who are not Interested Persons; and

(B) with respect to transactions involving an aggregate payment or value equal to or greater than the threshold of the percentage ratios in respect of a related party transaction as provided in paragraph 10.08(2) of Chapter 10 or such other equivalent or replacement paragraph of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Listing Requirements**"), the Issuer shall obtain certification from an independent adviser that the transaction is carried out on fair and reasonable terms,

provided that:

(1) the Issuer certifies to the Sukuk Trustee that the transaction complies with sub-clause (A) above;

(2) the Issuer has received the certification referred to in sub-clause (B) above (where applicable); and

(3) the transaction has been approved by the majority of the Issuer's board of directors or the Issuer's shareholders in a general meeting, as the case may require;

(xiii) change its shareholding structure;

(xiv) permit or create any subsidiaries or associate companies; and

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(xv) such other covenants as may be required by the PA/LA in relation to the Sukuk Murabahah and/or as advised by the Solicitors and agreed by the Issuer.

Applicable to the Guarantor

The Guarantor covenants that for as long as the Sukuk Murabahah remains outstanding, it shall not (without the prior written consent of the Sukuk Trustee acting on behalf of the Sukukholders and subject always to the provisions of the Transaction Documents):

(i) permit PMSB to in any way, alter, amend, modify, vary, supplement, or replace the standing instruction issued or to be issued by PMSB pursuant to the terms of the RCPS-i Subscription Agreement;

(ii) permit PMSB to enter into negotiation to, in any way, alter, amend, modify, vary, supplement, replace or relinquish any of the terms and conditions of the Concession Agreement in any way;

(iii) utilise any dividends and distributions, whether income or capital in nature, received from PMSB for any other purposes save for the following:

(A) for the repayment of the profit and principal in relation to the Advance (ACSB); and

(B) for the repayment of the profit and principal in relation to the Advance (PMSB) (as defined in the *(Definitions)* paragraph of the section entitled *(Other Terms and Conditions)*); and

(iv) permit PMSB to vary the Annual Budget which would result in an increase in the Annual Budget beyond the Allowed Variance (as defined in the *(Definitions)* paragraph of the section entitled *(Other Terms and Conditions)*) prior to AZRB obtaining a written confirmation from the Credit Rating Agency that the existing rating accorded to the Sukuk Murabahah will not be downgraded as a result of such increase;

(v) procure that PMSB does not repudiate any of the Material Contracts or cause to be done any act or thing which evidences an intention to repudiate any of the Material Contracts; and

(vi) such other covenants as may be required by the PA/LA in relation to the Sukuk Murabahah and/or as advised by the Solicitors and agreed by the Issuer.

Financial Covenants

Finance Service Cover Ratio

The Issuer shall maintain a Finance Service Cover Ratio ("**FSCR**") of at least 1.25 times for so long as any Sukuk Murabahah remains outstanding.

The FSCR shall be calculated no later than thirty (30) days from the date of the latest audited financial statements of the Issuer based on the latest audited financial statements of the Issuer. The Issuer shall submit a compliance certificate to the Sukuk Trustee and the Security Agent on an annual basis, which certificate shall be signed by two (2) directors of the Issuer and the Issuer's external auditors certifying the compliance of the FSCR.

"Aggregate Finance Service" means at any time, the aggregate of all Periodic Profit Payments and Nominal Value of the Sukuk Murabahah due and paid by the

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Issuer during that Relevant Period.

"Available Cashflow" means at any time, in relation to a Relevant Period, the aggregate sum of:

(i) all opening cash balances standing to the credit of the Collection Account and the FSRA plus all profit income earned on all cash balances and the nominal value of any Permitted Investments at beginning of that Relevant Period; and

(ii) all revenue and/or cash received by the Issuer during that Relevant Period (if any);

less:

(a) all amount withdrawn from the Collection Account and paid to AZRB as repayment of any Advance (AZRB) which are permitted under the Transaction Documents during that Relevant Period; and

(b) all monies utilised by the Issuer for the payment of all expenses, taxes, duties and any other recurring fees relating to the Sukuk Murabahah and the Sukuk Murabahah Facility during that Relevant Period.

For the avoidance of doubt, any double counting as a result of this definition shall be disregarded.

"FSCR" means, for the Relevant Period the ratio of (1) Available Cashflow to (2) Aggregate Finance Service.

"Relevant Period" means the relevant twelve (12) month period in accordance with the latest audited financial statements of the Issuer.

Group FE Ratio

The Guarantor shall maintain a ratio of Net Finance (as defined herein) to Equity (as defined herein) at the Guarantor's Group (as defined herein) level ("**Group FE Ratio**") of not more than 3.5 times at all times throughout the tenure of the Sukuk Murabahah Facility and so long as any Sukuk Murabahah is outstanding.

The Group FE Ratio shall be tested no later than thirty (30) days from the date of the latest audited financial statements of the Guarantor based on the latest audited financial statements of the Guarantor. The Guarantor shall submit a compliance certificate to the Sukuk Trustee and the Security Agent on an annual basis, which certificate shall be signed by two (2) directors of the Guarantor and shall be duly confirmed by a firm of independent certified public accountants.

"Equity" shall be defined as the shareholders' funds of the Guarantor Group including minority interest, preference equity, fully subordinated shareholders' advances, financing, loans and retained earnings/ losses excluding intangible assets, as disclosed in the audited financial statements of the Guarantor Group.

"Group" is defined as the Guarantor and its subsidiaries whose accounts are consolidated in the Guarantor's audited consolidated financial statements in accordance with approved accounting standards in Malaysia.

"Net Finance" is defined as in any annual period, the aggregate sum of the indebtedness of the Guarantor Group:

(1) which includes:

(a) nominal value of all outstanding Sukuk Murabahah under the Sukuk Murabahah

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Facility; and

(b) principal amount of all other outstanding indebtedness for borrowed monies or any financing arrangements (both conventional and Islamic, secured and unsecured), hire purchase obligations, finance lease obligations, net exposure determined on a marked to market basis under any derivative instrument and letters of credit and any other trade financing facilities of the Guarantor Group (be it actual or contingent obligations under guarantees issued by the Guarantor Group in favour of third parties), as disclosed in the audited financial statements of the Guarantor Group but excluding those indebtedness provided on terms where no member of the Guarantor Group provides credit support of any kind and is neither directly nor indirectly liable as a guarantor or otherwise,

(2) less the aggregate amount of cash and cash equivalent investments (including money market deposits) held by the Guarantor Group, as disclosed in the audited financial statements of the Guarantor Group.

For the avoidance of doubt, any double counting shall be disregarded.

Information Covenants

To include but not limited to the following:

(a) Each Relevant Party shall:

(i) provide to the Sukuk Trustee at least on an annual basis, a compliance certificate signed by two of its (2) directors and addressed to the Sukuk Trustee, confirming that: (i) it has complied with all its obligations under the Transaction Documents and the terms and conditions of the Sukuk Murabahah; (ii) it has complied with the requisite financial covenants based on the then prevailing audited financial statements; and (iii) that there does not exist or had not existed, from the issue date of the Sukuk Murabahah or the date of the previous certificate, as the case may be, any Event of Default or any event which upon the giving of notice and/or the lapse of time and/or the issue of a certificate and/or the fulfilment of the relevant requirement as contemplated under the Transaction Documents would constitute an Event of Default ("**Potential Event of Default**"), and if such is not the case, to specify such event and steps, if any being taken to remedy it;

(ii) as soon as they become available (and in any event within one hundred and eighty (180) days after the end of each of its financial years), supply to the Sukuk Trustee copies of its audited financial statements for that financial year which shall contain the income statement, cash flow statement and balance sheet, which are audited and certified without qualification by a firm of independent certified public accountants;

(iii) as soon as they become available (and in any event within ninety (90) days after the end of the first half of its financial year), supply to the Sukuk Trustee copies of its unaudited half yearly financial statements for that period which shall contain the income statement, cash flow statement and balance sheet, duly certified by any of its directors;

(iv) promptly, provide any information relating to its businesses and operations as the Sukuk Trustee may from time to time reasonably request in order to discharge its duties and obligations as Sukuk Trustee under the Trust Deed to the extent permitted by law;

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(v) promptly, deliver to the Sukuk Trustee all notices, accounts, reports, statements, circulars or other documents received by it from any of its shareholders or its creditors, and a copy of all documents dispatched by the Relevant Party to its shareholders (or any class of them) in their capacity as shareholders or its creditors generally at the same time as these documents are dispatched to these shareholders or creditors and that the Sukuk Trustee may in its discretion circulate such notices, accounts, reports, statements, circulars to the Sukukholders and the Credit Rating Agency;

(vi) promptly notify the Sukuk Trustee in writing of any change in its condition (financial or otherwise) and of any litigation or other proceedings of any nature whatsoever being threatened or initiated against it before any court or tribunal or administrative agency which may have a Material Adverse Effect; and

(vii) on January 2020 and every subsequent year thereafter, provide the Sukuk Trustee the Annual Return of PMSB supported by a yearly statement setting out the outstanding amount under the RCPS-i Subscription Agreement.

(b) Further, each Relevant Party shall immediately give notice to the Sukuk Trustee in writing of the following:

(i) the occurrence of any Event of Default or Potential Event of Default forthwith upon becoming aware thereof, and it shall take all steps and/or such other steps as may be requested by the Sukuk Trustee to remedy and/or mitigate the effect of the Event of Default or the Potential Event of Default;

(ii) the occurrence of any event that has caused or could cause (1) any amount secured and payable under the Sukuk Murabahah to become immediately payable; or (2) the Sukuk Murabahah to become immediately enforceable; or (3) the securities created under the Sukuk Murabahah to become immediately enforceable; or (4) any other right or remedy under the terms and conditions of the Transaction Documents or the Sukuk Murabahah to become immediately enforceable;

(iii) the occurrence of any circumstances that would materially prejudice the Relevant Party, any security created by the relevant Transaction Documents and/or any Material Contract;

(iv) the occurrence of any event of default or dissolution event under any Material Contract forthwith upon becoming aware thereof, and it shall take all steps and/or such other steps as may be requested by the Sukuk Trustee to remedy and/or mitigate the effect of such event of default or dissolution event;

(v) any substantial change in the nature of the business of the Relevant Party;

(vi) any change in name of the Relevant Party;

(vii) any change in the authorised signatories of the Relevant Party;

(viii) any change in the withholding tax position or taxing jurisdiction of the Relevant Party;

(ix) any change in the board of directors of the Issuer;

(x) any change in the utilisation of proceeds arising from the issuance of the Sukuk Murabahah; and

(xi) any other matter that may materially prejudice the interest of the Sukukholders under the Transaction Documents.

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(c) And such other covenants as may be required by the PA/LA in relation to the Sukuk Murabahah and/or as advised by the Solicitors and agreed by the Issuer.

(21) Details of designated account, if applicable :

Name of account:
Collection Account, which shall be Shariah-compliant

Parties responsible for opening the account:
Issuer

Parties responsible for maintaining/operating account:
Party responsible for maintaining the account: Issuer
Party responsible for operating the account: Security Agent

Signatories to account:

Security Agent

Sources of funds:

The following shall be deposited or cause to be deposited into the Collection Account:

(a) all profit payment and principal repayment of the Advance (ACSB) received by the Issuer under the Intercompany Financing Agreement (ACSB);

(b) the Advance (AZRB) and all monies received by the Issuer from its shareholders and/or related companies from time to time; and

(c) such amounts deposited by the Issuer, including any excess fund released from the FSRA.

Utilisation of funds:

Funds in the Collection Account shall not be withdrawn save and except for the following and in the following order of priority provided that no Event of Default has occurred:

(a) monthly repayment of the Advance (AZRB) in such amount indicated and in accordance with the Annual Budget;

(b) payment of taxes and other statutory obligations of the Issuer (if any);

(c) payment of administrative expenses of the Issuer including annual recurring fees, costs and expenses related to the Sukuk Murabahah and fees payable to the Issuer's auditors and tax agents;

(d) payment of the Periodic Profit Payments falling due and payable under the Sukuk Murabahah and/or for redemption of the maturing Series of the Sukuk Murabahah on its scheduled maturity date;

(e) transfers to the FSRA to maintain the FSRA Minimum Required Balance (as defined below); and

(f) investments in Permitted Investments.

(22) Details of

: Name of account:

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designated account,
if applicable

Finance Service Reserve Account ("FSRA"), which shall be Shariah-compliant

Parties responsible for opening the account:
Issuer

Parties responsible for maintaining/operating account:
Party responsible for maintaining the account: Issuer Party responsible for
operating the account: Security Agent

Signatories to account:

Security Agent

Sources of funds:

FSRA shall capture the funds transferred from the Collection Account to:

(a) fund the FSRA Minimum Required Balance on the issue date of the Sukuk Murabahah; and

(b) if required, to maintain the then prevailing FSRA Minimum Required Balance.

The Issuer shall, at all times, maintain an amount not less than the then prevailing FSRA Minimum Required Balance in the FSRA. In the event the credit balance in the FSRA is less than the then prevailing FSRA Minimum Required Balance, the shortfall in the FSRA shall be topped up within thirty (30) days from the date of the occurrence of such shortfall so as to maintain the then prevailing FSRA Minimum Required Balance in the FSRA.

"FSRA Minimum Required Balance" means, in relation to the FSRA, at any time, such sum representing the aggregate nominal value of the Sukuk Murabahah and the Periodic Profit Payments falling due and payable in the next six (6) months period.

Utilisation of funds:

Funds in the FSRA shall be utilised for:

(a) payment of the Periodic Profit Payments falling due and payable under the Sukuk Murabahah and/or for redemption of the maturing Series of the Sukuk Murabahah on its scheduled maturity date in the event there is insufficient funds in the Collection Account; and

(b) investments in Permitted Investments.

If the monies standing to the credit of the FSRA exceed the then prevailing FSRA Minimum Required Balance, excess amounts may be withdrawn and transferred into the Collection Account.

(23) Name of credit rating:
agency, credit rating
and amount rated, if
applicable

No.	Credit rating agency	Credit rating	Final/ indicative rating	Name of Class/ Series/ Tranche	Amount rated
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1	Malaysian Rating Corporation Bhd (MARC)	AA-	Indicative rating	-	MYR 535,000,000.00
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(24) Conditions precedent

: To include but not limited to the following:

(a) Main Documentation

(1) the relevant Transaction Documents have been executed, and where applicable, stamped or endorsed as exempted from stamp duty and presented for registration with the relevant registries/authority;

(2) the relevant Transaction Documents shall have been presented to the relevant courts for the registration of the powers of attorney therein contained;

(b) The Issuer and the Guarantor

(3) receipt of the following from each Relevant Party:

(i) certified true copy of each of: (a) the certificate of incorporation; and (b) the Constitution;

(ii) certified true copies of the latest Return for Allotment of Shares (or Form 24 as prescribed under the Companies Act 1965), the latest Notification of Change in the Registered Address (or Form 44 as prescribed under the Companies Act 1965) and the Notification of Change in the Register of Directors, Managers and Secretaries as prescribed under the Companies Act;

(iii) certified true copy of its board resolution authorising, amongst others:

(A) in the case of the Issuer, the establishment of the Sukuk Murabahah Facility, the issuance of the Sukuk Murabahah, execution of the relevant Transaction Documents and Material Contracts to which it is a party and any other relevant agreements in relation to the issuance of the Sukuk Murabahah to which it is a party and the provision of the Advance (ACSB) to AZRB; and

(B) in the case of the Guarantor, the establishment of the Sukuk Murabahah Facility and the issuance of the Sukuk Murabahah by the Issuer, execution of the relevant Transaction Documents and Material Contracts to which it is a party and any other relevant agreements in relation to the issuance of the Sukuk Murabahah to which it is a party, the incurrence of the Advance (ACSB) and Advance (PMSB) and the provision of the Advance (AZRB) to ACSB from time to time;

(iv) a list of authorised signatories and their respective specimen signatures;

(v) a copy of the company search report from the Companies Commission of Malaysia;

(vi) a copy of the winding-up search report conducted at the Department of Insolvency of Malaysia;

(c) General

(4) evidence that all relevant endorsements, approvals and acknowledgements including the SAC of SC endorsement and acknowledgement in respect of the

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lodgement of the Lodgement Kit from the SC have been obtained;

(5) evidence that the Collection Account, FSRA and TRA have been opened in accordance with the provisions of the Transaction Documents and a certified true copy of the Issuer's board of directors' resolution in relation to the opening and maintenance of the relevant designated accounts;

(6) evidence of the completion of satisfactory legal due diligence and the receipt of the legal due diligence report by the PA/LA from the Solicitors;

(7) receipt of legal opinion from the Solicitors addressed to the PA/LA and Sukuk Trustee confirming that the relevant Transaction Documents are legal, valid, binding and enforceable;

(8) receipt of confirmation from the Solicitors that all conditions precedent to the Sukuk Murabahah have been fulfilled;

(9) receipt of the certified true copies of all the executed and where applicable, stamped Material Contracts and any other supplemental documentation in relation thereto (if any);

(10) evidence that the Statements of Particulars to be lodged with Charge (as prescribed under the Companies Act) in respect of the charges created pursuant to the relevant Security Documents (for the purpose of registration of such charges with the Companies Commission of Malaysia in accordance with Section 352 of the Companies Act) have been duly lodged with the Companies Commission of Malaysia and that immediately prior to the lodgement of such Statements of Particulars to be lodged with Charge, a search conducted on the company in respect of which each of the Statements of Particulars to be lodged with Charge is filed, revealed that there are no subsisting charges which have been registered with the Companies Commission of Malaysia which would adversely affect the interest of the Sukukholders, the Security Agent, the PA/LA or the LM;

(11) evidence that all relevant notices of assignment under the relevant Security Documents have been issued by the Issuer and the Guarantor, and shall have been served to the relevant counterparties, and the original acknowledgements to the notices of assignment by the relevant counterparties have been received;

(12) evidence that all transaction fees, costs and expenses in relation to the Sukuk Murabahah have been or will be paid in full;

(13) evidence of confirmation from the Shariah Adviser that the structure and mechanism of the Sukuk Murabahah and the Transaction Documents are in compliance with Shariah;

(14) delivery of a report on cash flow projections from the Reporting Accountant and tax opinion from the tax adviser respectively, in relation to the transaction structure satisfactory to the PA/LA;

(15) evidence that the Sukuk Murabahah has been accorded a final rating of at least AA-;

(16) receipt of consent from the existing financiers of AZRB (if applicable) under the existing facilities for the creation of Security Interest pursuant to the terms of the Security Documents to which it is a party, the execution of the Material Contracts to which it is a party and provision of the Kafalah Guarantee;

(17) delivery of the agreed financial model from the Issuer;

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(18) receipt of legal opinion from the PA/LA's solicitors advising with respect to, among others, the legality, validity and enforceability of the RCPS-i Subscription Agreement, Intercompany Financing Agreement (PMSB) and Intercompany Financing Agreement (ACSB) and confirming to the PA/LA that all the conditions precedent in relation to the RCPS-i Subscription Agreement, Intercompany Financing Agreement (PMSB) and Intercompany Financing Agreement (ACSB) have been fulfilled or waived; and

(19) such other conditions precedent as advised by the Solicitors and mutually agreed between the PA/LA and the Issuer.

(25) Representations and warranties

To include but are not limited to the following:

Applicable to each of the Issuer or Guarantor as the context may require:

(i) it is (a) a company with limited liability, duly incorporated and validly existing under the laws of Malaysia; and (b) has full power, authority and legal right to carry on its business and to own its properties and assets, and has full legal and/or beneficial ownership of all its properties and assets;

(ii) its Constitution incorporates provisions which authorises its entry into the Transaction Documents and the Material Contracts to which it is a party, and all necessary corporate and other relevant actions have been taken to authorise its entry into the Transaction Documents and the Material Contracts to which it is a party;

(iii) all authorisations, consents, approvals, filings or registration required by it (a) to enable it lawfully to enter into, exercise its rights and comply with its obligations in the Transaction Documents and the Material Contracts to which it is a party; (b) to make the Transaction Documents and the Material Contracts admissible in evidence in Malaysia; and (c) for it to carry on its business, have been obtained and are in full force and effect;

(iv) the Transaction Documents and the Material Contracts to which it is a party constitute, or when executed will constitute, legal, valid, binding and enforceable obligations of each Relevant Party;

(v) neither the execution and delivery of any of the Transaction Documents and the Material Contracts to which it is a party nor the performance of any of the transactions contemplated by the Transaction Documents and the Material Contracts to which it is a party did or does:

(a) conflict with any applicable laws by which any Relevant Party or its assets are bound or affected;

(b) conflict with the Constitution of any Relevant Party;

(c) conflict with any other Transaction Documents or any other agreement which is binding upon any Relevant Party or any of its asset;

(d) result in or create any Security Interest (other than a Permitted Security Interest) or any restriction of any nature on any of its assets; or

(e) cause any limitation on each Relevant Party or the powers of its directors, whether imposed by or contained in its Constitution or in applicable laws or otherwise to be exceeded;

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(vi) no litigation, arbitration or administrative proceeding or claim or lawsuits by a governmental agency or body or other regulatory authority is presently in progress or pending or, threatened or instituted against any Relevant Party, or any of its assets other than those which has been disclosed by the Issuer and/or the Guarantor to the PA/LA;

(vii) no labour disputes or other disputes that are currently taking place or pending or threatened against any Relevant Party;

(viii) no step has been taken by any Relevant Party nor has any legal proceeding including a winding-up proceeding, has been commenced, instituted or threatened for the dissolution or for the appointment of a receiver, receiver and manager, liquidator, judicial manager or such similar officer of that Relevant Party, or any of its assets which in the case of any proceeding undertaken by a person other than that Relevant Party or any of its shareholders, has not been discharged, suspended or set aside within thirty (30) days from the date of service of the notice for such proceeding;

(ix) no Event of Default or Potential Event of Default has occurred or would occur as a result from the issuance of the Sukuk Murabahah or the performance of any transaction contemplated by any Transaction Document to which it is a party and any Material Contracts;

(x) each Relevant Party has, to the extent required by applicable laws and regulation, timely filed all tax returns that are required to be filed by it and has paid all taxes, fees and other charges imposed on it by any relevant governmental authority (other than taxes, fees and other charges, the payment of which are not yet due or which are being contested in good faith and for which adequate, segregated reserves have been established);

(xi) each Relevant Party's audited and unaudited financial statements (if any) (including cashflow statements, income statement and the balance sheet) most recently delivered to the Security Agent and the Sukuk Trustee:

(a) have been prepared in accordance with the Malaysian Financial Reporting Standards; and

(b) give a true and fair view of the results of operation and financial position of the Relevant Party, and the results of its operations for, the financial period to which they relate (and in particular disclose all of its liabilities (actual or contingent)); and

(xii) there has been no material adverse change in the financial conditions of any Relevant Party since the date of its latest audited financial statements;

(xiii) no Security Interest exists over all or any part of the assets of the Issuer which are not a Permitted Security Interest;

(xiv) each Relevant Party is in compliance and will comply with all applicable laws, guidelines, permits and regulations;

(xv) there is no change of law and no other governmental action has occurred which shall make it improbable for any Relevant Party to perform covenants and obligations on its part to be performed under the Transaction Documents and the Material Contracts;

(xvi) no Event of Default has occurred and/or is continuing;

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(xvii) there is no outstanding breach of any term of any Transaction Documents and the Material Contracts to which it is a party and no person has repudiated or disclaimed liability under any of the Transaction Documents and the Material Contracts to which it is a party or evidenced an intention to do so;

(xviii) the Issuer and Guarantor's payment obligations under the Transaction Documents (including the Sukuk Murabahah) shall constitute unconditional, secured and unsubordinated obligations of the Issuer and/or Guarantor and shall at all times rank pari passu without discrimination, preference or priority among themselves and at least pari passu with all other present and future unsecured and unsubordinated obligations of the Issuer and/or Guarantor subject to the provisions of the Transaction Documents and those preferred by law;

(xix) no step has been taken by any Relevant Party, or any its shareholder(s) or any other person on its or their behalf, or to the best of its knowledge, by its creditors, to commence or threaten any legal proceedings or applications under Section 366 of the Companies Act against any Relevant Party;

(xx) information furnished or to be furnished by the Issuer and/or Guarantor in connection with the Transaction Documents, the Material Contracts and the Information Memorandum do not contain any statement or information that is false or misleading and there is no material omission in respect thereof, and any opinions contained therein were honestly made on reasonable grounds after due and careful enquiry;

(xxi) the Information Memorandum and any information in whatever form, document, statement or instrument furnished or to be furnished by the Issuer in connection thereto are true in all respects and do not contain any statements or information that are false or misleading in any respect and there is no material omission in respect thereof, and all or any projections or expressions of expectations, intentions, belief and opinion contained therein were honestly made on reasonable grounds after due and careful inquiry by the Issuer. For the purposes of this sub-paragraph, the Information Memorandum shall include any amendment, modification or update thereto or reissuance thereof; provided that any such amendment, modification, update or reissuance shall not remedy or waive and shall be without prejudice to, any misrepresentation under this sub-paragraph in respect of the Information Memorandum issued prior to such date;

(xxii) each of the Transaction Documents and the Material Contracts is or will when executed and/or issued, as the case maybe, be in full force and effect and constitutes or will when executed or issued, as the case may be, constitute valid, and legally binding obligations of the Relevant Party enforceable in accordance with their respective terms.

(xxiii) each Relevant Party is subject to civil and commercial law with respect to their obligations under the Transaction Documents and the Material Contracts, the transactions contemplated hereby and thereby constitute private and commercial acts done for private and commercial purposes;

(xxiv) neither the Issuer, the Guarantor nor any of its assets are entitled to any immunity or privilege from any set off, judgment, suit, execution, attachment or other legal process in any proceedings taken in Malaysia in relation to any Transaction Document and/or any Material Contract to which it is a party;

(xxv) each Relevant Party's agreement not to claim any immunity to which it or its assets may be entitled is legal, valid, binding and enforceable under the laws of

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Malaysia;

(xxvi) cause and ensure that all authorisations, consents, approvals, filings or registration required by PMSB (a) to enable it lawfully to enter into, exercise its rights and comply with its obligations in the Project Documents to which it is a party; (b) to make the Project Documents admissible in evidence in Malaysia; and (c) for it to carry on the Project, have been obtained and are in full force and effect;

(xxvii) cause and ensure that PMSB has no subsidiary or shareholding (direct or indirect) in any other companies and there is no business being conducted by PMSB other than the business or activities as authorised under its Constitution and the Concession Agreement; and

(xxviii) any other representations and warranties as may be required by the PA/LA in relation to the Sukuk Murabahah and/or as advised by the Solicitors.

The representations and warranties shall be made on the date of the Transaction Documents and repeated on the date of the issue request, the issue date of the Sukuk Murabahah, each Periodic Payment Date and the date of the subscription agreement, the date on which the Information Memorandum is issued, revised, supplemented or amended as if repeated by reference to the then existing circumstances.

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- (26) Events of defaults or : enforcement events, where applicable, including recourse available to investors
- Events of default as advised by the Solicitors and/or the PA/LA, including but not limited to the following (each an **"Event of Default"**) subject to such carve outs and/or remedy period as may be mutually agreed between the PA/LA and the Issuer:
- (i) the Issuer fails to pay:
 - a. any amount due and payable under the Sukuk Murabahah on the due date if so payable or on demand;
 - b. any amount due under the Transaction Documents (other than such amount due under the Sukuk Murabahah) on the due date for payment or on demand, if so expressed to be payable, and such failure to pay is not remedied within seven (7) days from the date such amount is due or demanded;
 - (ii) any Relevant Party fails to observe or perform any of its obligations under the Transaction Documents and/or Material Contracts to which it is a party or under any undertaking or arrangement entered into in connection therewith, other than an obligation of the type referred to in paragraph (i) above, and such failure to observe or perform is not remedied within thirty (30) days after that Relevant Party became aware of the breach or having been notified of such breach by the Sukuk Trustee, whichever is earlier;
 - (iii) any representation or warranty made by the Issuer and/or Guarantor under any provision of the Transaction Documents and/or any Material Contract to which it is a party or any information, notice, opinion or certificate or other document delivered pursuant to the terms of the Transaction Documents and/or any Material Contract proves to have been incorrect or misleading in any material respect as of the date at which such representation or warranty is made or repeated, or the date at which such information, notice, opinion, certificate or other document is delivered (in each case) by reference to the facts and circumstances existing at such date;
 - (iv) any license, authorisation, approval or consent required by any Relevant Party to carry on its business is revoked or withheld or is otherwise not granted or fails to remain in full force and effect or is modified, and such event would, in the reasonable opinion of the Sukuk Trustee, have a Material Adverse Effect;
 - (v) any Relevant Party or its shareholders changes or threatens to change the nature or scope of its business, or suspends or ceases, or threatens to suspend or cease, to carry on all or any part of its business which it now conducts directly or indirectly and such changes or suspensions or cessation in the reasonable opinion of the Sukuk Trustee has Material Adverse Effect;
 - (vi) any governmental authority takes, or provides official notice that it intends to take, any step with a view to the seizure, expropriation, nationalisation or compulsory acquisition (whether or not for fair compensation) of any assets of the Issuer and/or the Guarantor or any shares in the Issuer and/or the Guarantor which in the opinion of the Sukuk Trustee may have Material Adverse Effect;
 - (vii) any governmental authorisation is revoked, terminated, withheld, invalidated, cancelled or not renewed or modified or amended or a notice of violation is issued under any governmental authorisation by the issuing agency or other governmental instrumentality having jurisdiction thereover, or any proceeding is commenced by any governmental instrumentality for the purpose of modifying, revoking, terminating, withholding, invalidating or cancelling any governmental authorisation, which in the opinion of the Sukuk Trustee may have Material Adverse Effect;

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(viii) (a) any step is taken for the winding-up, dissolution or liquidation of any Relevant Party, or (b) a resolution is passed for the winding-up of any Relevant Party, or (c) a petition for winding-up is presented against any Relevant Party unless such winding up petition has been contested in good faith and set aside within thirty (30) days from the date of service of such winding-up petition;

(ix) an encumbrancer takes possession of, or a trustee, receiver, receiver and manager, judicial manager or similar officer is appointed in respect of the whole or part of the business or assets of any Relevant Party, or distress, legal process, sequestration or any form of execution is levied or enforced or sued out against any Relevant Party, or any Security Interest which may for the time being affect the whole or a part of any Relevant Party's assets, becomes enforceable;

(x) any Relevant Party fails to satisfy any judgement passed against it by any court of competent jurisdiction which in the opinion of the Sukuk Trustee may have Material Adverse Effect and no appeal against such judgement has been made to the appropriate appellate court within the time prescribed by law or such appeal has been discussed;

(xi) the Issuer or PMSB ceases to be the wholly-owned subsidiaries (direct or indirect) of AZRB;

(xii) any Relevant Party convenes a meeting of its creditors or proposes or makes any arrangement including any scheme of arrangement or composition or begins negotiations with its creditors, or takes any proceedings or other steps, with a view to a rescheduling or deferral of all or any part of its indebtedness or a moratorium is agreed or declared by a court of competent jurisdiction in respect of or affecting all or any part of its indebtedness or any assignment for the benefit of its creditors (other than for the purposes of and followed by a reconstruction previously approved in writing by the Sukuk Trustee, unless during or following such reconstruction, the Issuer becomes or is declared to be insolvent) or where a scheme of arrangement under Section 366 of the Companies Act has been instituted against any Relevant Party;

(xiii) any Relevant Party is deemed unable to pay any of its debts within the meaning of Section 466(1) of the Companies Act or becomes unable to pay any of its debts generally as they fall due or suspends or threatens to suspend making payments with respect to all or any class of its debts;

(xiv) (a) any indebtedness of any Relevant Party becomes due and payable or capable of being declared due or payable prior to its stated maturity; or

(b) any Relevant Party goes into default under or commits a breach of any agreement or instrument (other than the Transaction Documents) relating to any such indebtedness, guarantee or other obligations; or

(c) any guarantee or similar obligations of any Relevant Party is not discharged at maturity or when called; or

(d) any security created to secure any indebtedness of any Relevant Party becomes enforceable;

(xv) any creditor of any Relevant Party exercises a contractual right to take over the financial management of any Relevant Party;

(xvi) any Transaction Document and/or any Material Contract ceases to be in full force and effect or ceases to be effective to create the Security Interest or to

An Islamic medium term notes ("Sukuk Murabahah") facility of up to RM535.0 million in nominal value under the Shariah principle of Murabahah (via Tawarruq arrangement) ("Sukuk Murabahah Facility")

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provide the priority of security purported to be created thereunder; and for whatever reason, any of the Security Interest created under any Transaction Document and/or any Material Contract cannot be perfected or is in jeopardy or rendered invalid or defective in any way;

(xvii) the Concession Agreement is suspended, terminated, illegal, invalid or ceases to be in full force and effect;

(xviii) at any time any of the provisions of the Transaction Documents or the Material Contracts is or becomes illegal, void, voidable or unenforceable;

(xix) at any time any of the provisions of the Project Documents is or becomes illegal, void, voidable or unenforceable which will in the opinion of the Sukuk Trustee, have a Material Adverse Effect;

(xx) any Relevant Party repudiates any of the Transaction Documents or the Material Contracts or any Relevant Party does or cause to be done any act or thing evidencing an intention to repudiate any of the Transaction Documents or the Material Contracts;

(xxi) any event or events has or have occurred or a situation exists which will in the opinion of the Sukuk Trustee, have a Material Adverse Effect; or

(xxii) any other Event of Default customary to a transaction of this nature as may be required by the PA/LA in relation to the Sukuk Murabahah and/or as advised by the Solicitors.

Upon the occurrence of an Event of Default, the Sukuk Trustee may or shall (if directed to do so by a special resolution of the Sukukholders) declare that the Sukuk Murabahah are immediately due and payable in accordance with the terms of the relevant Transaction Documents.

Upon the declaration of an Event of Default by the Sukuk Trustee, the Redemption Amount (as defined in the *(Ibra')* paragraph of the section entitled *(Details of the Facility/Programme)*) (pursuant to the Purchaser's obligation to pay the Deferred Sale Price) will become immediately due and payable in accordance with the terms of the relevant Transaction Documents.

In respect of the Kafalah Guarantee, the Sukuk Trustee (acting on behalf of the Sukukholders) shall have the right to make a demand against the Guarantor in the event the Issuer fails to pay the Redemption Amount falling due and payable. The Guarantor shall pay the Redemption Amount falling due and payable upon demand being made by the Sukuk Trustee.

(27) Governing laws : Laws of Malaysia

(28) Provisions on buy-back, if applicable : **Purchase and Cancellation**

The Issuer or its subsidiaries or agent(s) of the Issuer who is/are acting on behalf of the Issuer for the redemption or purchase, may at any time purchase the Sukuk Murabahah at any price in the open market or by private treaty. The Sukuk Murabahah which are purchased/redeemed by the Issuer or its subsidiaries or its agent(s) shall be cancelled by the Issuer and cannot be reissued or resold.

Any of the Sukuk Murabahah purchased by the Issuer's interested persons (as

An Islamic medium term notes ("Sukuk Murabahah") facility of up to RM535.0 million in nominal value under the Shariah principle of Murabahah (via Tawarruq arrangement) ("Sukuk Murabahah Facility")

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defined in Trust Deeds Guidelines) or related corporations (which are not the Issuer's subsidiaries) need not be cancelled but shall not entitle them to participate in the voting of any Sukukholders' resolution nor form part of the quorum of any meeting (subject to any exemptions provided in the Trust Deeds Guidelines).

For the purpose of this paragraph, "**interested person**" shall not apply to the following major shareholders who hold the shares whether directly or indirectly for the benefit of the public:

1. a statutory institution who is managing funds belonging to the general public;
2. a closed end fund, unit trust or investment fund (but excluding an investment holding company);
3. a licensed institution as defined under the Financial Services Act 2013 ("**FSA**") or the Islamic Financial Services Act 2013 ("**IFSA**") and a development financial institution as defined under the Development Financial Institutions Act 2002 of Malaysia; and
4. a Takaful/insurance corporation whose activities are regulated by any written law relating to Takaful/insurance and are subject to supervision by BNM and the said Takaful/insurance corporation is managing its Takaful/insurance funds (together with its own shareholders' funds or otherwise). For the purposes of this paragraph, "**insurance funds**" has the meaning given in Section 2 of the FSA and "**Takaful funds**" has the meaning given in Section 2 of the IFSA.

For the avoidance of doubt, all Sukuk Murabahah purchased and cancelled shall not be reissued.

Redemption

Unless previously redeemed or purchased and cancelled, the Sukuk Murabahah will be redeemed by the Issuer at 100% of their nominal value on their respective maturity dates.

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|--|---|---|
| (29) Provisions on early redemption, if applicable | : | No provision on early redemption |
| | | |
| (30) Voting | : | All matters/resolutions which require the consent, waiver or determination by the Sukukholders shall be carried out in accordance with the terms of the relevant Transaction Documents and the provisions of the LOLA Guidelines (or such applicable guidelines as issued or substituted by the SC). |
| | | |
| (31) Permitted investments, if applicable | : | <p>Permitted Investments shall comprise investments in Shariah compliant products approved by the SAC of SC, Shariah Advisory Council of BNM or other recognised Shariah authorities. For the purpose of the Sukuk Murabahah, "Permitted Investments" shall mean:</p> <p>(i) Sukuk guaranteed by the Government of Malaysia ("GOM");</p> <p>(ii) Sukuk issued in Malaysia with the approval of the GOM by any authority established under federal or state law;</p> |

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(iii) Islamic money market instruments (where there is the flexibility of early withdrawal without incurring any penalty) such as Islamic bankers' acceptance issued or Islamic promissory notes or Islamic certificates of deposits issued by any Islamic bank licensed pursuant to the IFSA and having a minimum long term rating of AA3/AA- and short term rating of P1/MARC-1 or its equivalent;

(iv) other Islamic deposits or accounts with any licensed Islamic bank with minimum rating AA3/AA- or P1/MARC-1 pursuant to the IFSA; and/or

(v) other Islamic capital market instruments of private entities having a long term rating of at least AAA and short term rating of P1/MARC-1 or its equivalent,

provided that such investments in sukuk which are equities in nature or incorporate loss-sharing mechanism shall not be allowed.

Permitted Investments shall mature no later than three (3) business days before any payment obligations are due and payable and must be Shariah compliant instruments.

All Permitted Investments shall be denominated in Ringgit Malaysia.

(32) Ta'widh (for ringgit-denominated sukuk) : In the event of any delay in payments of the Deferred Sale Price due and payable under the Sukuk Murabahah, the Issuer (acting as the Purchaser) shall pay to the Sukuk Trustee for the benefit of the Sukukholders Ta'widh (compensation) on such delay in payment at the rate and manner prescribed by the SAC of SC from time to time.

(33) Ibra' (for ringgit-denominated sukuk) : Ibra' refers to an act of releasing absolutely or conditionally one's rights and claims on any obligation against another party which would result in the latter being discharged of his/its obligations or liabilities towards the former. The release may be either partially or in full.

The Ibra' shall be subject to the requirements stipulated under the LOLA Guidelines.

An Ibra', where applicable, shall be granted by the Sukukholders. The Sukukholders in subscribing or purchasing the Sukuk Murabahah, agree to grant Ibra' on the Deferred Sale Price, upon the declaration of an Event of Default.

The Ibra' for redemption upon declaration of an Event of Default shall be calculated as follows:

(i) in the case of Sukuk Murabahah with Periodic Profit Payment and issued at a discount:

the aggregate of unearned Periodic Profit Payment and the unearned Discounted Amount (as defined in the *(Purchase and selling price/rental (where applicable))* paragraph of the section entitled *(Other Terms and Conditions)*);

(ii) in the case of Sukuk Murabahah with Periodic Profit Payment and issued at par: the aggregate of the unearned Periodic Profit Payment; and

(iii) in the case of Sukuk Murabahah with Periodic Profit Payment issued at a premium:

the aggregate of the unearned Periodic Profit Payment.

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The Ibra' in relation to the declaration of an Event of Default above shall be calculated from the date of declaration of an Event of Default up to the Sukuk Murabahah's respective maturity date(s).

The Issuer (acting as the Purchaser) shall pay the Redemption Amount on the date of the declaration of an Event of Default as determined by the Facility Agent pursuant to its obligation to pay the Deferred Sale Price.

For the purpose of this term sheet, "**Redemption Amount**" is the amount equivalent to the Deferred Sale Price determined at the issue date less the aggregate of Periodic Profit Payments and nominal value paid (if any) prior to the declaration of an Event of Default less the Ibra' (if any).

- (34) Kafalah (for ringgit-denominated sukuk) : AZRB (as the Guarantor) shall provide the Kafalah Guarantee, as a continuing obligation, in favour of the Security Agent for and on behalf of the Sukukholders under which AZRB shall guarantee all payment obligations of the Issuer under or in connection with the Transaction Documents including the Purchaser's obligation to pay the Deferred Sale Price which is due and payable on the relevant maturity dates and/or the relevant Periodic Payment Date and/or such other date where the Sukuk Murabahah shall be due for redemption, as the case may be, including any payment obligation in respect of Ta'widh (compensation) and all fees, expenses and charges in relation to the Sukuk Murabahah and the Sukuk Murabahah Facility.
- (35) Waivers from complying with Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework and other relevant guidelines of the SC obtained for the facility/programme, if any : There is no waiver sought and obtained from the SC in relation to the compliance with the LOLA Guidelines and other guidelines of the SC in relation to the Sukuk Murabahah.

AZRB CAPITAL SDN BHD ("ISSUER")

ISLAMIC MEDIUM TERM NOTES ("SUKUK MURABAHAH") FACILITY OF UP TO RM535.0 MILLION IN NOMINAL VALUE UNDER THE SHARIAH PRINCIPLE OF MURABAHAH (VIA TAWARRUQ ARRANGEMENT) ("SUKUK MURABAHAH FACILITY")

OTHER TERMS AND CONDITIONS

- (i) **Identified assets** : Shariah-compliant commodities which may include but are not limited to crude palm oil or such other acceptable commodities (excluding ribawi items in the category of medium of exchange such as currency, gold and silver) which are available through Bursa Suq Al-Sila' commodity platform and/or other independent commodity trading platform acceptable to the Shariah Adviser which will be identified on or prior to the time of issuance of the Sukuk Murabahah ("**Commodities**").

- (ii) **Purchase and selling price/rental (where applicable)** : **Commodity Purchase Price**
"**Commodity Purchase Price**" is defined as a price equivalent to the proceeds raised from the issuance of the Sukuk Murabahah which shall be in accordance with the asset pricing requirements stipulated under the LOLA Guidelines.

Deferred Sale Price

"**Deferred Sale Price**" is defined as a price equivalent to the aggregate of (i) the Commodity Purchase Price; and (ii) the Profit Margin, payable on a deferred payment basis.

For the avoidance of doubt, the Commodity Purchase Price and the Deferred Sale Price shall be determined prior to the issuance of the Sukuk Murabahah under the Sukuk Murabahah Facility.

"**Profit Margin**" is defined as:

- (1) in respect of the Sukuk Murabahah issued at a discount, the aggregate of the Periodic Profit Payments plus the Discounted Amount;
- (2) in respect of the Sukuk Murabahah issued at par, the aggregate of the Periodic Profit Payments; and
- (3) in respect of the Sukuk Murabahah issued at a premium, the aggregate of the Periodic Profit Payments less the Premium Amount (as defined herein).

"**Discounted Amount**" means in the case of Sukuk Murabahah issued at a discount, the difference between the nominal value and the issuance proceeds of the relevant Sukuk Murabahah.

"**Premium Amount**" means in the case of the Sukuk Murabahah issued at premium, the difference between the issuance proceeds and the nominal value of the relevant Sukuk Murabahah.

- (iii) **Profit/coupon/rental rate (fixed or floating)** : The periodic payment rate per annum (if applicable) ("**Periodic Payment Rate**") for each Series (as defined below) of the Sukuk Murabahah on a fixed rate basis shall be determined prior to the issuance of the Sukuk Murabahah.

"**Series**" shall mean, any Sukuk Murabahah with the same issue date, have the same tenure and bear the same stock code generated by FAST.

- (iv) **Profit coupon/rental payment frequency** : Payable semi-annually in arrears with the first Periodic Profit Payment to be made six (6) months from the issue date of the Sukuk Murabahah and the last Periodic Profit Payment for each series of the Sukuk Murabahah to be made on the maturity date of such series ("**Periodic Payment Date**").
- (v) **Profit/coupon/rental payment basis** : Actual/365 days.
- (vi) **Details on utilisation of proceeds by Issuer** : The proceeds raised from the Sukuk Murabahah shall be utilised to provide the Advance (ACSB) to AZRB for AZRB's Shariah-compliant general working capital requirements and corporate purposes.
- (vii) **Listing status and types of listing, where applicable** : The Sukuk Murabahah will not be listed on Bursa Malaysia or any other stock exchange.
- (viii) **Status** : The Sukuk Murabahah shall constitute direct, unconditional, unsubordinated and secured obligations of the Issuer and shall at all times rank *pari passu*, without discrimination, preference or priority amongst themselves and at least *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.
- (ix) **Form and Denomination** : The Sukuk Murabahah shall be issued in accordance with:
 - (a) the Participation and Operation Rules for Payments and Securities Services issued by Paynet ("**Paynet Rules**"); and
 - (b) the Operational Procedures for Securities Services issued by Paynet, as amended or replaced from time to time ("**Paynet Procedures**")
 (collectively, "**Paynet Rules and Procedures**").

Form

The Sukuk Murabahah shall be represented by a global certificate to be deposited with BNM and may be exchanged for definitive bearer form only in certain limited circumstances.

Denomination

The denomination of the Sukuk Murabahah shall be RM1.0 million or in multiples of RM1.0 million at the time of issuance or, subject to PayNet Rules and Procedures, such other denominations as may be agreed between the Issuer and the Facility Agent.

- (x) **Material Adverse Effect** : A material adverse effect or a material adverse change to:
 - (a) the business, operations, property, condition (financial or otherwise) or prospects of any of the Relevant Party;
 - (b) the ability of any of the Relevant Party to perform any of its obligations under the Transaction Documents and/or Material Contracts to which it is a party;

- (c) the legality, validity, binding effect or enforceability of the Transaction Documents or the rights or the remedies of the parties under the Transaction Documents and/or Material Contracts;
- (d) the effectiveness or the priority of ranking of any Security Interest granted or purporting to be granted pursuant to any Transaction Document; or
- (e) the rights or remedies of the Sukuk Trustee, the Security Agent or the Sukukholders under the Transaction Documents and/or Material Contracts.

- (xi) **Transaction Documents** : The Transaction Documents in respect of the Sukuk Murabahah shall include the following documents:
- (a) the Facility Agreement;
 - (b) the Trust Deed;
 - (c) the Kafalah Guarantee;
 - (d) the Security Documents;
 - (e) the Securities Lodgement Form;
 - (f) the relevant Islamic transaction documents as may be advised by the Solicitors and the Shariah Adviser; and
 - (g) all other documents of whatsoever nature executed or to be executed in connection with or pursuant to any of the above documents or otherwise in connection with the Sukuk Murabahah, including any supplemental document(s) thereof,

and references to a "**Transaction Document**" shall mean each or any one of them.

- (xii) **Sukuk Trustee's Reimbursement Account for Sukukholders' Actions ("TRA")** : The Sukuk Trustee (on behalf of the Issuer) shall assist in the opening of a Shariah-compliant TRA with an Islamic bank to be appointed by the Issuer (if necessary) which is acceptable to the Sukuk Trustee with a sum of RM30,000.

The TRA shall be operated by the Sukuk Trustee and the monies shall only be used strictly by the Sukuk Trustee in carrying out its duties in relation to the occurrence of an Event of Default or enforcement events in the manner as provided in the Trust Deed. This sum of money shall be maintained in the TRA at all times throughout the tenure of the Sukuk Murabahah.

The monies in the TRA may be invested in Islamic based account, Shariah-compliant instruments or Shariah-compliant securities in the manner prescribed in the Trust Deed, with any income from such investment to be accrued to the Issuer. These monies shall be returned to the Issuer upon full redemption of the Sukuk Murabahah if no Event of Default or enforcement takes place under the Sukuk Murabahah.

- (xiii) **Permitted Security Interest** : In the case of the Issuer:
- (a) such security interests created to secure the Sukuk Murabahah pursuant to the Transaction Documents;
 - (b) liens arising in the ordinary course of operations and by operation of law and not by way of contract; and
 - (c) such other security interest as may be agreed mutually between the Issuer and the PA/LA and documented in the Transaction Documents.

- (xiv) **Project** : The planning, design, development, construction, financing, landscaping, equipping, installation, completion, testing and commissioning of the facilities and infrastructure and carrying out the asset management services in relation to a teaching hospital located at Kuantan, in the State of Pahang to be undertaken by PMSB pursuant to the Concession Agreement (as defined below).
- (xv) **Project Documents** : The following agreements:
- (a) the concession agreement dated 21 September 2011 entered into between (1) The Government of Malaysia ("**Government**"); (2) International Islamic University Malaysia ("**IIUM**"); and (3) PMSB in relation to the Project ("**Concession Agreement**"); and
 - (b) any other agreement and/or document entered into or to be entered into by PMSB that is pertinent to the Project,
- and include any amendments, variations and/or supplemental made or entered into from time to time and references to "**Project Document**" mean each or any one of them.
- (xvi) **Taxation** : 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 Issuer 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.
- (xvii) **No Payment of Interest** : For the avoidance of doubt and notwithstanding any other provision to the contrary herein contained, it is agreed and declared that nothing in this PTC and the Transaction Documents shall oblige or entitle any party nor shall any party pay or receive or recover interest on any amount due or payable to another party pursuant to the principal terms and conditions or the transaction documents and the parties hereby expressly waive and reject any entitlement to recover such interest.
- (xviii) **Jurisdiction** : The Issuer shall unconditionally and irrevocably submit to the exclusive jurisdiction of the courts of Malaysia.
- (xix) **Definitions** :
- "**Advance (ACSB)**" means a one-off advance of the entire issuance proceeds of the Sukuk Murabahah of up to RM535,000,000.00 made or to be made by the Issuer to AZRB upon the terms and subject to the conditions contained in the Intercompany Financing Agreement (ACSB).
 - "**Advance (AZRB)**" means the periodic advances made or to be made by AZRB to the Issuer from time to time.
 - "**Advance (PMSB)**" means the periodic advances made or to be made by PMSB to AZRB from time to time upon the terms and subject to the conditions contained in the Intercompany Financing Agreement (PMSB).
 - "**Allowed Variance**" such variance to the Annual Budget of not exceeding five per cent (5%) of total costs and expenses for the applicable annual period in the agreed financial model.
 - "**Annual Budget**" means, in relation to each annual period, a budget with monthly breakdown of all operating, maintenance and capital costs and expenses for the applicable annual period, as approved by the board of directors of PMSB, which

shall be in accordance with the agreed financial model and subject to the Allowed Variance.

"Intercompany Financing Agreement (ACSB)" means the Shariah-compliant inter-company financing agreement entered or to be entered into between the Issuer and AZRB in respect of the Advance (ACSB).

"Intercompany Financing Agreement (PMSB)" means the Shariah-compliant inter-company financing agreement entered or to be entered into between PMSB and AZRB in respect of the Advance (PMSB).

"RCPS-i Subscription Agreement" means the subscription agreement entered or to be entered into between AZRB and PMSB in respect of the subscription of the Shariah-compliant redeemable convertible preference shares to be issued by PMSB to AZRB.

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| (xx) | Other Conditions | : | 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/or BNM having jurisdiction over matters pertaining to the Sukuk Murabahah. |
| (xxi) | Conditions Subsequent | 1. | Within thirty (30) days from the date of issuance of the Sukuk Murabahah, receipt of written confirmation from the PA/LA's solicitors confirming to the PA/LA that all the conditions subsequent in relation to the RCPS-i Subscription Agreement, Intercompany Financing Agreement (PMSB) and Intercompany Financing Agreement (ACSB) have been fulfilled or waived. |

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SUKUK MURABAHAH FACILITY OF UP TO RM535.0 MILLION IN NOMINAL VALUE
INFORMATION MEMORANDUM

APPENDIX III: SALIENT TERMS OF RELATED PARTY CONTRACTS**Intercompany Financing Agreement (ACSB)**

Mudharib	-	Ahmad Zaki Resources Berhad
Rabb-al-Mal	-	AZRB Capital Sdn. Bhd.
Capital	-	The capital contribution of an amount up to the relevant Sukuk Murabahah proceeds received by the Rabb-al-Mal from the applicable investors from issuance of Sukuk Murabahah, being an amount of Ringgit Malaysia Five Hundred and Thirty Five Million (RM535,000,000.00) by the Rabb-al-Mal to the Mudharib for AZRB's Shariah-compliant general business .
Utilisation of Proceeds	-	Solely and exclusively for its general working capital requirements and corporate purposes.
Profit Sharing Ratio	-	5 : 95 (Mudharib : Rabb-al-mal).
Expected Return	-	Final rate is to be agreed and stipulated in the Intercompany Financing Agreement (ACSB).
Payment Basis	-	semi-annual with the first profit payment commencing from such date falling six (6) months after the disbursement date.
Maturity date	-	Each maturity date as set out in relevant appendix of the Intercompany Financing Agreement (ACSB).
Ta'widh (compensation) Rate	-	<ul style="list-style-type: none"> (a) 1% per annum on the outstanding amount on a daily basis before the relevant maturity date of the Advance (ACSB); (b) The prevailing daily Islamic Interbank Money Market rate on the outstanding amount after the relevant maturity date of the Advance (ACSB); (c) Ta'widh (compensation) shall not be compounded; and (d) In respect of profit, ta`widh is limited only for failure to pay realised profit and it is not applicable for failure to pay expected profit.
Dissolution Events	-	<p>Dissolution events customary to a transaction of this nature, including but not limited to the following:-</p> <ul style="list-style-type: none"> (a) Non-payment: the Mudharib fails to pay such amounts necessary in accordance with the payment basis as set out in the Intercompany Financing Agreement (ACSB) from the date such amount is due or demanded. (b) Appointment of receiver: a, manager, trustee, custodian, liquidator (provisional or otherwise), administrator, supervisor, nominee, judicial manager, receiver or manager or similar person is appointed in respect of all or any part of the business of the Mudharib.

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		<p>(c) Winding up: (i) any step is taken for the winding up, dissolution or liquidation of the Mudharib; or (ii) a resolution is passed for the winding up of the Mudharib; or (iii) a petition for winding up is presented against the Mudharib; or (iv) an application is made for the judicial management of the Mudharib.</p> <p>(d) Composition and arrangement: the Mudharib convenes a meeting of its creditors generally (or a class of such creditors) or proposes or makes any arrangement including any scheme of arrangement or composition or begins negotiations with its creditors, or takes any proceedings or other steps, with a view to a rescheduling or deferral of all or any part of its indebtedness or a moratorium is agreed or declared by a court of competent jurisdiction in respect of or affecting all or any part of its indebtedness or makes any assignment for the benefit of its creditors, of the Mudharib or where a scheme of arrangement under Section 366 of the Companies Act has been instituted against the Mudharib.</p> <p>(e) Insolvency:</p> <p class="list-item-l1">(i) the Mudharib is deemed unable to pay any of its debts within the meaning of Section 466(1) of the Companies Act or the Mudharib becomes unable to pay any of its debts generally as they fall due or suspend or threaten to suspend making payments (whether of principal or interest) with respect to all or any class of their respective debts; or</p> <p class="list-item-l1">(ii) the value of the assets of the Mudharib is less than its respective liabilities (taking into account contingent and prospective liabilities).</p> <p>(f) Event of Default under the Sukuk Murabahah Facility: an Event of Default under the Sukuk Murabahah Facility has occurred.</p>
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Intercompany Financing Agreement (PMSB)

Mudharib	-	Ahmad Zaki Resources Berhad.
Rabb-al-Mal	-	Peninsular Medical Sdn. Bhd.
Capital	-	The aggregate amount of all advances made from time to time pursuant to the Intercompany Financing Agreement (PMSB) by the Rabb-al-Mal to the Mudharib for AZRB's Shariah-compliant general business (" Venture ").
Utilisation of Proceeds	-	Solely and exclusively for its general working capital requirements and corporate purposes.
Profit Sharing Ratio	-	5 : 95 (Mudharib : Rabb-al-mal).
Expected Return	-	Final rate is to be agreed and stipulated in the Intercompany Financing Agreement (PMSB).
Payment Basis	-	Such payment basis as may be determined by the Rabb-al-Mal from time to time.
Maturity Date	-	<p>(a) on such date such part of the capital provided by the Rabb-al-Mal for the Venture is set off against the redemption amount of the preference shares by the Rabb-al- Mal and/or the amount of the dividends on the ordinary shares and preference shares of the Rabb-al-Mal declared and payable by the Rabb-al-Mal to the Mudharib from time to time; or</p> <p>(b) on such date and in such manner as may be determined by the Rabb-al-Mal from time to time.</p>
Ta'widh (compensation) Rate	-	<p>(a) 1% per annum on the outstanding amount on a daily basis before the relevant maturity date of the advances;</p> <p>(b) The prevailing daily Islamic Interbank Money Market rate on the outstanding amount after the relevant maturity date of the Advance (PMSB);</p> <p>(c) Ta'widh (compensation) shall not be compounded; and</p> <p>(d) In respect of profit, ta`widh is limited only for failure to pay realised profit and it is not applicable for failure to pay expected profit.</p>
Dissolution Events	-	<p>Dissolution events customary to a transaction of this nature, including but not limited to the following:-</p> <p>(a) Non-payment: the Mudharib fails to pay such amounts necessary in accordance with the payment basis as set out in the Intercompany Financing Agreement (PMSB) from the date such amount is due or</p>

		<p>demand.</p> <p>(b) Appointment of receiver: a, manager, trustee, custodian, liquidator (provisional or otherwise), administrator, supervisor, nominee, judicial manager, receiver or manager or similar person is appointed in respect of all or any part of the business of the Mudharib.</p> <p>(c) Winding up:</p> <p>(i) any step is taken for the winding up, dissolution or liquidation of the Mudharib; or</p> <p>(ii) a resolution is passed for the winding up of the Mudharib; or</p> <p>(iii) a petition for winding up is presented against the Mudharib; or</p> <p>(iv) an application is made for the judicial management of the Mudharib.</p> <p>(d) Composition and arrangement: the Mudharib convenes a meeting of its creditors generally (or a class of such creditors) or proposes or makes any arrangement including any scheme of arrangement or composition or begins negotiations with its creditors, or takes any proceedings or other steps, with a view to a rescheduling or deferral of all or any part of its indebtedness or a moratorium is agreed or declared by a court of competent jurisdiction in respect of or affecting all or any part of its indebtedness or makes any assignment for the benefit of its creditors, of the Mudharib or where a scheme of arrangement under Section 366 of the Companies Act has been instituted against the Mudharib.</p> <p>(e) Insolvency:</p> <p>(i) the Mudharib is deemed unable to pay any of its debts within the meaning of Section 466(1) of the Companies Act or the Mudharib becomes unable to pay any of its debts generally as they fall due or suspend or threaten to suspend making payments (whether of principal or interest) with respect to all or any class of their respective debts; or</p> <p>(ii) the value of the assets of the Mudharib is less than its respective liabilities (taking into account contingent and prospective liabilities).</p>
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RCPS-i Subscription Agreement

RCPS -i Issuer	-	Peninsular Medical Sdn. Bhd.
Instrument	-	Redeemable convertible preference shares (" RCPS-i ")
Issue Size	-	Up to 535,000,000 RCPS-i
Subscription Price	-	The RCPS-i will be issued at a price to be agreed between the parties prior to issuance.
RCPS-i Holder	-	Ahmad Zaki Resources Berhad
Ranking of RCPS-i	-	The RCPS-i shall rank ahead of the ordinary shares of the RCPS-i Issuer in the event of winding up or liquidation.
Dividend	-	<p>(a) The RCPS-i Holder shall be entitled to receive out of the profits and reserves available for distribution of the RCPS-i Issuer ("Distributable Profits") dividends in priority to any payment in respect of the ordinary shares of the RCPS-i Issuer ("RCPS-i Dividend").</p> <p>(b) The amount of RCPS-i Dividend paid and the frequency of payment shall be at the discretion of the RCPS-i Issuer.</p> <p>In the event where there are insufficient Distributable Profits, any unpaid RCPS-i Dividend (whether in whole or in part) shall not be cumulative.</p>
Liquidation Preference	-	The RCPS-i Holder shall have preferential rights over ordinary shareholders in the payment of a sum equivalent to the outstanding RCPS-i held by the RCPS-i Holder upon the liquidation, dissolution or winding-up of the RCPS-i Issuer.
Voting Rights	-	<p>The RCPS-i Holder shall have the same rights as the holder of ordinary shares as regards receiving notes, reports and audited accounts and attending any general meeting of the RCPS-i Issuer.</p> <p>The RCPS-i Holder shall not be entitled to a right to vote at any general meeting of the RCPS-i Issuer, save for any resolutions which directly affect its rights, privileges or powers as a holder of the RCPS-i, including on resolutions relating to:</p> <p>(a) a proposal to increase or reduce the RCPS-i Issuer's share capital;</p> <p>(b) a proposal to wind up the RCPS-i Issuer;</p> <p>(c) any proposal that affects the rights and privileges attached to the RCPS-i, including the amendments to the Constitution of the RCPS-i Issuer; and</p> <p>(d) any other circumstances provided for by Malaysian law.</p> <p>In any of the aforesaid circumstances, the RCPS-i Holder shall be entitled to vote at all general meetings, and on a poll at any such general</p>

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		meeting to one vote for each RCPS-i held.
Redemption and Redemption Value	-	<p>The RCPS-i is redeemable any time at the option of the RCPS-i Issuer, subject to applicable laws (including but not limited to the Companies Act) and PROVIDED THAT the RCPS-i Issuer may only redeem up to a maximum of 500,000,000 RCPS-i for the period up to 31 December 2031.</p> <p>Each RCPS-i shall be redeemable at RM1.00 per RCPS-i.</p>
Conversion and Conversion Ratio	-	<p>The RCPS-i is convertible any time at the option of the RCPS-i Holder, PROVIDED THAT no conversion shall occur before 31 December 2031. Any outstanding RCPS-i existing on or after 31 December 2031 will be automatically converted into ordinary shares.</p> <p>Each RCPS-i shall be convertible into 1 new ordinary share in the RCPS-i Issuer.</p>
Variation of Rights	-	No variation, modification, deletion of the rights attached to the RCPS-i shall be made without prior written consent of the RCPS-i Holder.
Events of Default	-	<p>Events of default include but not limited to the following:-</p> <ul style="list-style-type: none"> (a) the RCPS-i Issuer fails to observe or perform any of its obligations under the RCPS-i Subscription Agreement and such failure to observe or perform is not remedied within thirty (30) days after the RCPS-i Issuer became aware of the breach or having been notified of such breach by the RCPS-i Holder, whichever is earlier; (b) any representation or warranty made by the RCPS-i Issuer and/or the RCPS-i Holder under the RCPS-i Subscription Agreement or any information, notice, opinion or certificate or other document delivered pursuant to the RCPS-i Subscription Agreement proves to have been incorrect or misleading in any material respect as of the date at which such representation or warranty is made or repeated, or the date at which such information, notice, opinion, certificate or other document is delivered (in each case) by reference to the facts and circumstances existing at such date; (c) (i) any step is taken for the winding-up, dissolution or liquidation of the RCPS-i Issuer, or (ii) a resolution is passed for the winding-up of the RCPS-i Issuer, or (iii) a petition for winding-up is presented against the Issuer. (d) the RCPS-i Issuer repudiates the Concession Agreement or does or cause to be done any act or thing evidencing an intention to repudiate the Concession Agreement; (e) the Concession Agreement is suspended, terminated, illegal, invalid or ceases to be in full force and effect; (f) at any time any of the provisions of the Concession Agreement is or becomes illegal, void, voidable or unenforceable; and (g) if the proceeds raised from the issuance of RCPS-i is not used to

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		fully redeem the existing indebtedness of the RCPS-i Issuer on issue date of the RCPS-i.
Utilisation of proceeds	-	<p>The subscription proceeds shall be utilised as follows:</p> <ul style="list-style-type: none"> (a) such part of the subscription proceeds for the full settlement of the aggregate of all outstanding amount under the existing indebtedness of the RCPS-i Issuer together with any break funding costs; and (b) the balance subscription proceeds to be deposited into the operating account (which is maintained and operated by PMSB).
Negative Covenants	-	<p>The RCPS-i Issuer covenants to RCPS-i Holder that it shall not (without the prior written consent of RCPS-i Holder):</p> <ul style="list-style-type: none"> (a) save for such security interest permitted to be created by the RCPS-i Issuer under the RCPS-i Subscription Agreement, create, attempt, permit or agree to subsist any security interest over any of its property, assets, rights or undertaking or enter into any other preferential arrangement with any person having a similar effect; (b) save for the granting of the Advance (PMSB) or loans to its directors, officers or employees as part of their terms of employment, make, assume or permit to exist any other loans or grant advances to others or provide or extend any credit or accommodation or provide any guarantee, indemnity or assurance against loss to or for the benefit of any person, enterprise or company or act as surety or otherwise voluntarily assume any liability, whether actual or contingent; (c) incur, assume or permit to exist any indebtedness for borrowed monies other than (a) provision of performance and/or maintenance bonds as required under the Concession Agreement (if any); and (b) indebtedness to provide for the financing for the issuance of guarantees / bonds issued to utilities companies or authorities in relation to the Project; (d) incur or permit to exist any loans, financing or advances from its directors, shareholders, related companies and/or associated companies; (e) open or maintain any account other than the four (4) accounts permitted to be opened and maintained by PMSB pursuant to the terms of the RCPS-i Subscription Agreement and the Concession Agreement; (f) at all times, incur capital expenses exceeding the cash balances in the maintenance reserve account; (g) terminate, revoke and/or suspend the Concession Agreement; (h) waive or agree to waive any breach or proposed breach in the

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		<p>Concession Agreement or any of the Project Documents (as defined in the RCPS-i Subscription Agreement) or release or vary the liability of any person from time to time liable thereunder;</p> <p>(i) enter into negotiation to, in any way, alter, amend, modify, vary, supplement, replace or relinquish any of the terms and conditions of the Concession Agreement in any way;</p> <p>(j) save for the redemption and/or conversion of RCPS-i in accordance with the provisions of the RCPS-i Subscription Agreement, reduce or in any way whatsoever alter (except increase), its issued share capital whether by varying the amount, structure or value thereof or the rights attached thereto or by converting any of its share capital into stock, or by consolidating, dividing or sub-dividing all or any of its shares;</p> <p>(k) carry out any other business or activities other than the business or activities as authorised under its constitution and the Concession Agreement;</p> <p>(l) cancel, surrender, abandon or otherwise change in any manner the nature or scope of its existing business nor suspend or threaten to suspend any part of its business;</p> <p>(m) vary the Annual Budget beyond the Allowed Variance;</p> <p>(n) in any way, alter, amend, modify, vary, supplement, or replace the Standing Instruction;</p> <p>(o) dispose any of its assets other than disposals pursuant to its obligations under the Concession Agreement;</p> <p>(p) permit or create any subsidiaries or associate companies; and</p> <p>(q) such other covenants as advised by the Solicitors and as agreed by the RCPS-i Issuer.</p>
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