

Ideal Water Resources Sdn Bhd (IWRSB or Issuer)

An Islamic medium term notes programme of RM1.0 billion in nominal value based on the Shariah principle of Murabahah (via Tawarruq arrangement) (Sukuk Murabahah Programme)

Principal Terms and Conditions

(A) CORPORATE INFORMATION OF ISSUER

- (1) Name : Ideal Water Resources Sdn Bhd (“IWRSB” or “Issuer”)
- (2) Address : Registered Address:
10th Floor, Wisma Rozali
No. 4, Persiaran Sukan
Seksyen 13, 40100 Shah Alam
Selangor

Business Address
Nil.
- (3) Date of incorporation: 12 March 1996
- (4) Place of incorporation : Malaysia
- (5) Business/Company : 379468-H
Registration Number
(Old)
- (6) Business/Company : 199601007122
Registration Number
(New)
- (7) Residence status : Resident Controlled Company
- (8) Place of listing : Not Listed
- (9) Date of listing : Not Listed
- (10) Principal activities of Issuer : To raise funds and/or to issue debenture/Islamic securities for or in connection with Puncak Niaga Holdings Berhad (“PNHB”) and PNHB’s subsidiaries.
- (11) Issued and paid-up share capital : As at 15 August 2023, the issued and paid-up share capital of the Issuer is RM2.00 comprising 2 ordinary shares.

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(12) Structure of shareholdings and names of shareholders or, in the case of a public company, names of all substantial shareholders : As at 15 August 2023, the shareholder of the Issuer and its shareholdings in the Issuer is as follows:

	Direct	Direct	Indirect	Indirect
Shareholder	No. of ordinary shares held	%	No. of ordinary shares held	%
Puncak Niaga Holdings Berhad	2	100	-	-

(13) Board of directors :

No.	Name
1	Tan Sri Rozali bin Ismail
2	Azlan Shah bin Rozali
3	Faridatulzakiah binti Mohd Bakhry

Additional Notes:

The board of directors of the Issuer as at 15 August 2023.

(14) 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 : The Issuer and its board members have not 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 and no action has been initiated against the Issuer and its board members for breaches of the same, for the past ten years prior to the lodgement.

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for breaches of the same, for the past ten years prior to the lodgement/ since incorporation (for Issuer incorporated less than ten years)

- (ii) If the Issuer has: Not applicable. The Issuer is not a listed entity.
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

(B) CORPORATE INFORMATION OF GUARANTOR

(1) Name : Puncak Niaga Holdings Berhad ("PNHB" or "Guarantor")

(2) Address : Registered Address:
10th Floor, Wisma Rozali
No. 4, Persiaran Sukan
Seksyen 13, 40100 Shah Alam
Selangor

Business Address
10th Floor, Wisma Rozali
No. 4, Persiaran Sukan
Seksyen 13, 40100 Shah Alam
Selangor

(3) Date of incorporation: 7 January 1997

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- (4) Place of incorporation : Malaysia
- (5) Business/Company Registration Number (Old) : 416087-U
- (6) Business/Company Registration Number (New) : 199701000591
- (7) Residence status : Resident Controlled Company
- (8) Place of listing : Bursa Malaysia
- (9) Date of listing : 8 July 1997
- (10) Principal activities of : Investment holding.
Guarantor
- (11) Issued and paid-up share capital : As at 15 August 2023, the issued and paid-up share capital of the Guarantor is RM554,662,777.00 comprising 449,284,556 ordinary shares.
- (12) Structure of shareholdings and names of shareholders or, in the case of a public company, names of all substantial shareholders : As at 15 August 2023, the substantial shareholders and their shareholdings in PNHB are as follows:

	Direct	Direct	Indirect	Indirect
Shareholder	No. of ordinary shares held	%	No. of ordinary shares held	%
Tan Sri Rozali bin Ismail	1,901,900	0.42	175,140,824*	38.98
Puan Sri Faridah binti Idris	-	-	175,140,824**	38.98
Central Plus (M) Sdn Bhd	105,710,335	23.53	-	-
Corporate Line (M) Sdn Bhd	69,430,489	15.45	-	-

* Deemed interest by virtue of one hundred percent (100%) shareholding interest each in Central Plus (M) Sdn Bhd (Registration No. 198901006230 (183535-W)) and Corporate Line (M) Sdn Bhd (Registration No. 198801005332 (172689-H)), of which five percent (5%) is held in his own name and ninety five percent (95%) in his spouse's and children's names, respectively.

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*** Deemed interest by virtue of 75% shareholding interest each in Central Plus (M) Sdn Bhd (Registration No. 198901006230 (183535-W)) and Corporate Line (M) Sdn Bhd (Registration No. 198801005332 (172689-H)), respectively.*

(13) Board of directors :

No.	Name
1	Tan Sri Rozali bin Ismail
2	Azlan Shah bin Rozali
3	Dato' Sri Adenan bin Ab. Rahman
4	Datuk Marimuthu A/L Nadason
5	Datuk Sr Haji Johari bin Wahab
6	Tengku Loreta binti Tengku Dato' Setia Ramli Alhaj
7	Noor Faiz bin Hassan
8	Tan Sri Madinah binti Mohamad

Additional Notes:

The board of directors of the Guarantor as at 15 August 2023.

(14) Disclosure of the following :

- (i) If the Guarantor 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
- The Guarantor and its board members have not 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 and no action has been initiated against the Guarantor and its board members for breaches of the same, for the past ten years prior to the lodgement.

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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 : The Guarantor has not been subjected to any action by Bursa Malaysia for the past five years prior to the lodgement.
- 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	IWRSB
2	Principal Adviser	Hong Leong Investment Bank Berhad
3	Lead Arranger	Hong Leong Investment Bank ("HLIB")
4	Solicitors	Messrs. Adnan Sundra & Low (acting for the Principal Adviser/ Lead Arranger) ("ASL")

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5	Guarantor	For the first tranche of Sukuk Murabahah ("First Tranche Sukuk Murabahah"): PNHB. For subsequent tranche Sukuk Murabahah ("Subsequent Tranche Sukuk Murabahah"): If applicable, to be determined prior to such issuance.
6	Sukuk Trustee	Malaysian Trustees Berhad
7	Security Trustee	Malaysian Trustees Berhad
8	Facility Agent	HLIB
9	Shariah Adviser	Tan Sri Dr. Mohd Daud Bakar
10	Credit Rating Agency	First Tranche Sukuk Murabahah: Not applicable. Subsequent Tranche Sukuk Murabahah: If applicable, such licensed credit rating agency acceptable to the Lead Arranger to be appointed.

(b) At the point of distribution

No.	Roles	Name of parties
1	Issuer	IWRSB
2	Principal Adviser	Hong Leong Investment Bank Berhad
3	Lead Arranger	HLIB
4	Lead Manager	HLIB
5	Facility Agent	HLIB
6	Guarantor	First Tranche Sukuk Murabahah: PNHB. Subsequent Tranche Sukuk Murabahah: If applicable, to be determined prior to such issuance.
7	Sukuk Trustee	Malaysian Trustees Berhad
8	Security Trustee	Malaysian Trustees Berhad

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9	Central Depository	Bank Negara Malaysia ("BNM")
10	Paying Agent	BNM

(c) After distribution

No.	Roles	Name of parties
1	Issuer	IWRSB
2	Guarantor	First Tranche Sukuk Murabahah: PNHB. Subsequent Tranche Sukuk Murabahah: If applicable, to be determined prior to issuance.
3	Principal Adviser	Hong Leong Investment Bank Berhad
4	Facility Agent	HLIB
5	Sukuk Trustee	Malaysian Trustees Berhad
6	Security Trustee	Malaysian Trustees Berhad
7	Central Depository	BNM
8	Paying Agent	BNM
9	Shariah Adviser	Tan Sri Dr Mohd Daud Bakar
10	Credit Rating Agency	First Tranche Sukuk Murabahah: Not applicable. Subsequent Tranche Sukuk Murabahah: If applicable, such licensed credit rating agency acceptable to the Lead Arranger to be appointed.

(D) DETAILS OF FACILITY/PROGRAMME

(1) Name of facility : An Islamic medium term notes programme of RM1.0 billion in nominal value based

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on the Shariah principle of Murabahah (via Tawarruq arrangement) (“Sukuk Murabahah Programme”)

- (2) One-time issue or programme : Programme
- (3) Type of issuance(s) under this facility : Sukuk
- (4) ASEAN Sukuk :
- (5) Eligible SRI Projects :
- (6) Shariah principles (for sukuk) : 1. Murabahah (via Tawarruq arrangement)
- (7) Facility description (for ringgit-denominated sukuk, to provide description as cleared by the SC) :
- The Sukuk Murabahah Programme shall entail multiple issuance of rated or unrated, secured or unsecured Islamic medium term notes (“**Sukuk Murabahah**”) (“**Tranche(s)**”) under the Shariah principle of Murabahah where the aggregate outstanding nominal value of such Sukuk Murabahah shall not exceed RM1.0 billion in nominal value at any one time.

Each Tranche may have one or more series and shall be issued on a date to be mutually agreed between the Issuer and the Lead Arranger/Lead Manager (“**Issue Date**”).

The holders of the Sukuk Murabahah shall be referred to as “**Sukukholders**”.

Sustainability Sukuk Murabahah

The Issuer may also issue Sukuk Murabahah from time to time pursuant to the Sukuk Murabahah Programme which will be in compliance with any one or more of the following guidelines, frameworks, standards or principles, as amended from time to time, including but not limited to the following:

- (i) the Sustainable and Responsible Investment Sukuk framework under the Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework first issued by the Securities Commission Malaysia (“**SC**”) on 9 March 2015 (as amended from time to time) (“**LOLA Guidelines**”);
- (ii) the ASEAN Green Bond Standards issued by ASEAN Capital Markets Forum (“**ACMF**”) (as amended from time to time);
- (iii) the ASEAN Social Bond Standards issued by ACMF (as amended from time to time);
- (iv) the ASEAN Sustainability Bond Standards issued by ACMF (as amended from time to time);
- (v) the Green Bond Principles issued by International Capital Market Association (“**ICMA**”) (as amended from time to time);

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- (vi) the Social Bond Principles issued by ICMA (as amended from time to time);
 - (vii) the Sustainability Bond Guidelines issued by ICMA, (as amended from time to time); and
 - (viii) such other frameworks, standards, principles or guidelines which are incorporated by the SC into LOLA Guidelines or such other frameworks, standards, principles or guidelines, whether or not having the force of law, in relation to green bonds, social bonds or sustainability bonds as may be issued from time to time.
- (collectively, “**Sustainability Guidelines**” and the Sukuk Murabahah issued in compliance with the Sustainability Guidelines shall be referred to as “**Sustainability Sukuk Murabahah**”).

Sustainability-Linked Sukuk Murabahah

The Issuer may also issue Sukuk Murabahah from time to time pursuant to the Sukuk Murabahah Programme which will be in compliance with one or more of the following guidelines, frameworks, standards or principles, as amended from time to time, including but not limited to the following:

- (i) the Sustainable and Responsible Investment Linked (SRI-linked) Sukuk framework under the LOLA Guidelines;
- (ii) the ASEAN Sustainability-Linked Bond Standards issued by ACMF (as amended from time to time);
- (iii) the Sustainability-Linked Bond Principles issued by ICMA (as amended from time to time); and/or
- (iv) such other frameworks, standards, principles or guidelines which are incorporated by the SC into the LOLA Guidelines or such other frameworks, standards, principles or guidelines, whether or not having the force of law, in relation to sustainability-linked bonds as may be issued from time to time.

(collectively, “**Sustainability-Linked Guidelines**” and the Sukuk Murabahah issued in compliance with the Sustainability-Linked Guidelines shall be referred to as “**Sustainability-Linked Sukuk Murabahah**”).

The Sustainability-Linked Sukuk Murabahah will be linked to the predefined key performance indicator(s) (“**KPIs**”) and/or sustainability performance target(s) (“**SPTs**”) in the Issuer’s sustainability-linked framework based on the relevant Sustainability-Linked Guidelines. The KPIs and SPTs for each Tranche may differ. Upon meeting the stipulated KPIs and/or SPTs at the predetermined measurement date, the periodic profit rate for such Sustainability-Linked Sukuk Murabahah will be adjusted based on the pre-agreed terms as set out in the relevant pricing supplement and/or the relevant Transaction Documents in relation to the issuance of such Sustainability-Linked Sukuk Murabahah.

Prior to the issuance of the Sustainability Sukuk Murabahah and/or Sustainability-Linked Sukuk Murabahah, the Issuer shall ensure that the following requirements have been complied with:

- (i) the requirements for post-issuance revision under the LOLA Guidelines have been complied with, if required; and
- (ii) the relevant Transaction Documents have been amended to cater for the issuances of such Sustainability Sukuk Murabahah and/or Sustainability-Linked

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Sukuk Murabahah, if required.

The Sukukholders shall be deemed to have consented to such amendments and issuances of the Sustainability Sukuk Murabahah and/or Sustainability-Linked Sukuk Murabahah by the Issuer, and no further consent is required from the Sukukholders, the Sukuk Trustee, or any other party under the Sukuk Murabahah Programme with regards to such amendments and issuances of the Sustainability Sukuk Murabahah and/or Sustainability-Linked Sukuk Murabahah. For the avoidance of doubt, the Issuer would still need to obtain the required consent for other revisions or amendments unless otherwise specified under the Sukuk Murabahah Programme.

The relevant Sustainability Guidelines and/or Sustainability Linked Guidelines under which such Sustainability Sukuk Murabahah and/or Sustainability-Linked Sukuk Murabahah are issued and the naming of such Sustainability Sukuk Murabahah and/or Sustainability-Linked Sukuk Murabahah shall be specified in the relevant pricing supplement and/or the relevant Transaction Documents in relation to the issuance of such Sustainability Sukuk Murabahah and/or Sustainability-Linked Sukuk Murabahah. References to Sukuk Murabahah shall include the Sustainability Sukuk Murabahah and/or Sustainability-Linked Sukuk Murabahah, unless otherwise specified.

Any Sukuk Murabahah to be issued under the Sukuk Murabahah Programme will be issued under the Shariah principle of Murabahah and effected as follows:

Underlying Transaction

The issuance of each Tranche Sukuk Murabahah shall be effected as follows:-

1. The Sukuk Trustee (on behalf of the Sukukholders) and the Issuer will enter into an agency agreement ("**Agency Agreement**") to appoint the Issuer (in such capacity, the "**Agent**") as its agent for the purchase and sale of Shariah-compliant commodities available at Bursa Suq Al-Sila' commodity market, which shall 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) ("**Commodities**").
2. The Agent will then enter into a sub-agency agreement ("**Sub-Agency Agreement**") to appoint the Facility Agent as the sub-agent (in such capacity, the "**Sub-Agent**") for the purchase and sale of the Commodities.
3. Pursuant to a commodities Murabahah master agreement, to be entered between the Issuer (in such capacity, the "**Purchaser**"), the Agent and the Sub-Agent, the Purchaser will issue a purchase order ("**Purchase Order**") to the Agent and the Sub-Agent. In the Purchase Order, the Purchaser will irrevocably undertake to purchase the Commodities from the Sukukholders via the Sub-Agent at the deferred sale price ("**Deferred Sale Price**") which shall be equivalent to the aggregate of the Purchase Price (as defined herein) and the Profit Margin (as defined in the section entitled "Other terms and conditions"), payable on a deferred payment basis.
4. Upon receiving the Purchase Order from the Purchaser, the Sub-Agent (on behalf of the Agent who in turn acts on behalf of the Sukukholders) via a commodity trading participant ("**CTP**") pursuant to the CTP purchase agreement ("**CTP Purchase Agreement**"), will purchase, on a spot basis, the Commodities from commodity vendor(s) in the Bursa Suq Al-Sila' commodity market

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("Commodity Seller") at a purchase price which shall be an amount equivalent to the proceeds from the issuance of the relevant Sukuk Murabahah ("**Purchase Price**").

The Purchase Price shall be in compliance with the asset pricing requirements under the Guidelines on Islamic Capital Markets Products and Services (issued on 28 November 2022 as may be revised from time to time) issued by the SC ("**Guidelines on ICMPS**").

5. The Issuer shall then issue the Sukuk Murabahah from time to time to the Sukukholders whereby the proceeds of the Sukuk Murabahah received from the Sukukholders shall be used to pay the Purchase Price. The Sukuk Murabahah shall evidence the Sukukholders' ownership of the Commodities and all rights thereto (including all rights against the Issuer (as the Purchaser) under the Purchase Order which include the Sukukholders' entitlement to receive the Deferred Sale Price).

6. Thereafter, pursuant to the undertaking under the Purchase Order, the Sub-Agent (acting on behalf of the Agent who in turn acts on behalf of the Sukukholders) shall sell the Commodities to the Purchaser at the Deferred Sale Price under a sale and purchase agreement ("**Sale and Purchase Agreement**").

7. Upon completion of such sale, the Purchaser, via a CTP, pursuant to the CTP sale agreement ("**CTP Sale Agreement**"), will sell the Commodities to Bursa Malaysia Islamic Services Sdn Bhd ("**Commodity Buyer**") on a spot basis for cash consideration for an amount equivalent to the Purchase Price.

8. During the tenure of the Sukuk Murabahah, the Issuer (as part of its obligation to pay the Deferred Sale Price) shall make periodic Profit Payment (as defined in the section titled "Other terms and conditions") to the Sukukholders. Each such payment shall pro tanto reduce the obligation of the Issuer (as the Purchaser) on the Deferred Sale Price payable for the purchase of the Commodities from the Sub-Agent (acting on behalf of the Agent who in turn acts on behalf of the Sukukholders).

9. At (i) the maturity date ("**Maturity Date**") of the relevant Sukuk Murabahah; or (ii) the declaration of an Event of Default (as defined section entitled "Events of default or enforcement events, where applicable, including recourse available to investors" below); or (iii) the early redemption date (if applicable), whichever is earlier, the Issuer (as the Purchaser) (as part of its obligation to pay the Deferred Sale Price) shall pay to the Sukukholders all amounts then outstanding on the Deferred Sale Price (subject to any Ibra' (as defined in the section entitled "Ibra" below), if applicable) as final settlement of the same, upon which the relevant Sukuk Murabahah shall be cancelled.

10. Each Tranche of the Sukuk Murabahah may or may not be guaranteed, and shall be determined prior to the issuance of such Tranche. If the Sukuk Murabahah is to be guaranteed, it shall be guaranteed via a guarantee by PNHB, other companies within the PNHB group and/or financial institutions, which shall be determined prior to issuance of such guaranteed Sukuk Murabahah ("**Al-Kafalah Provider**"). The Al-Kafalah Provider shall provide an unconditional and irrevocable guarantee under the Shariah principle of Kafalah in favour of the Sukuk Trustee (acting on behalf of the Sukukholders) on such terms and conditions to be agreed

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- upon.
- (8) Currency : Ringgit
- (9) Expected facility/
programme size : MYR 1,000,000,000.00
- (10) Option to upsize (for : No
programme)
- (11) Tenure of facility/
programme : Perpetual
- (12) Availability period of : The Sukuk Murabahah Programme is available for issuance upon fulfilment of all
debt/ sukuk programme conditions precedent (as set out in the section titled "Conditions precedent") to the satisfaction of the Lead Arranger (unless otherwise waived or deferred by the Lead Arranger) so long as the Sukuk Murabahah Programme subsists provided that the first issuance of Sukuk Murabahah shall be made within ninety (90) business days from the date of lodgement with the SC or such other extended period as allowed by the SC.
- (13) Clearing and : Real-time Electronic Transfer of Funds and Securities System (RENTAS) operated
settlement platform by Bank Negara Malaysia ("**BNM**") and includes its successors-in-title.
- (14) Mode of issue : Private/direct placement
 Bought deal
 Book building
Additional Notes:
The Sukuk Murabahah may be issued via private placement or a bought deal basis or book building on best effort basis, as the Issuer may elect.
- (15) Selling restrictions : (i) At issuance:
 Read together with Schedule 9 of the CMSA
 Section 2(6) of the Companies Act 2016
 Other-The Sukuk Murabahah shall not be offered, sold or delivered, directly or indirectly, nor may any document or other material in connection therewith be distributed in Malaysia, other than to persons, whether as principal or agent, falling within any one of the categories of persons specified in Section 2(6) of the Companies Act, and to a person to whom an offer for subscription or purchase of, or invitation to subscribe for or purchase the Sukuk Murabahah and to whom the Sukuk Murabahah are issued would fall within paragraph 1(a), (b) or (d) of Part I of Schedule 5 of the Capital Markets and Services Act 2007, as amended or substituted from time to time ("CMSA"); and Schedule 6 and Schedule 7 of the

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CMSA, read together with Schedule 9 (or Section 257(3)) of the CMSA, subject to any changes in the applicable laws.

(ii) After issuance:

Read together with Schedule 9 of the CMSA

Section 2(6) of the Companies Act 2016

Other-The Sukuk Murabahah shall not be offered, sold or delivered, directly or indirectly, nor may any document or other material in connection therewith be distributed in Malaysia, other than to persons, whether as principal or agent, falling within any one of the categories of persons specified in Section 2(6) of the Companies Act, and to a person to whom an offer for subscription or purchase of, or invitation to subscribe for or purchase the Sukuk Murabahah and to whom the Sukuk Murabahah are issued would fall within paragraph 1(a), (b) or (d) of Part I of Schedule 5 of the CMSA; and Schedule 6 (or Section 229(1)(b)) of the CMSA, read together with Schedule 9 (or Section 257(3)) of the CMSA, subject to any changes in the applicable laws.

(16) Tradability and transferability

: Size in Ringgit which are tradable and transferable:
MYR 1,000,000,000.00

Size in Ringgit which are non-tradable and non-transferable:
Not applicable

Size in Ringgit which are restricted transferability:
Not applicable

(17) Secured/combinatio
n of unsecured and
secured, if
applicable

: Combination.

Each Tranche of the Sukuk Murabahah may or may not be secured which is to be determined prior to their respective Issue Date and reflected in the relevant documentation.

First Tranche Sukuk Murabahah

The first Tranche of the Sukuk Murabahah under the Sukuk Murabahah Programme ("**First Tranche Sukuk Murabahah**") shall be secured against the following:-

(a) third party first legal assignment and charge over the rights, titles and interests over all proceeds receivable by the ProjectCo (as defined in the section entitled "Other terms and conditions") under the contract agreements signed between the ProjectCo and the respective contract awarders of the Projects (as defined in the section entitled "Other terms and conditions");

(b) third party first legal charge by Puncak Niaga Management Services Sdn Bhd ("**PNM**") over a piece of residential land with the title PN 80453, Lot 19255, Mukim Ijok, District Kuala Selangor, Selangor;

(c) third party first legal charge by PNM over a piece of vacant building land with the title H.S.(D) 304452, PT 48216, Mukim Ijok, District Kuala Selangor, Selangor;

(Items (b) and (c) above shall collectively be referred to as the "**Land Charges**" and the lands referred therein shall collectively be referred to as the "**Charged Lands**")

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(d) third party memorandum of deposit by PNM over the issue documents of title in respect of the Charged Lands pending registration of the Land Charges;

(e) irrevocable power of attorney from PNM giving the Security Trustee the absolute right to deal with the Charged Lands pending the registration of the Land Charges and upon occurrence of an Event of Default;

(f) first legal assignment and charge over the First Tranche Designated Accounts and all monies from time to time standing to the credit of the First Tranche Designated Accounts;

(g) corporate guarantee to be provided by PNHB; and

(h) any further security as may be deemed necessary by the Lead Arranger and/or Solicitor subject to the agreement of the Issuer and acceptable to the Shariah Adviser.

(18) Details of guarantee, :
if applicable

Each Tranche of the Sukuk Murabahah may or may not be guaranteed, and shall be determined prior to the issuance of such Tranche. If the Sukuk Murabahah is to be guaranteed, it shall be guaranteed via a guarantee by the Al-Kafalah Provider. The terms of such guarantee will be reflected in the relevant documentation which is to be vetted by the Shariah Adviser. The Al-Kafalah Provider shall provide an unconditional and irrevocable guarantee under the Shariah principle of Kafalah in favour of the Sukuk Trustee (acting on behalf of the Sukukholders) on such terms and conditions to be agreed upon.

Such guarantee will be triggered upon the declaration of an Event of Default, whereupon the Sukuk Trustee (acting on behalf of the relevant Sukukholders) shall make a claim on such guarantee.

First Tranche Sukuk Murabahah

PNHB shall provide an unconditional and irrevocable guarantee under the Shariah principle of Kafalah to the Sukuk Trustee acting on behalf of the holders of the First Tranche Sukuk Murabahah as continuing obligation where PNHB shall guarantee the payment obligations of the Issuer (comprising the Deferred Sale Price, Ta`widh, fees and expenses) relating to the First Tranche Sukuk Murabahah.

The guarantee by PNHB will be triggered upon the declaration of an Event of Default, whereupon the Sukuk Trustee (acting on behalf of the Sukukholders for the First Tranche Sukuk Murabahah) shall make a claim on such guarantee.

(19) Convertibility of : Non-convertible
issuance and details
of the convertability

(20) Exchangeability of : Non-exchangeable
issuance and details
of the
exchangeability

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(21) Call option and details, if applicable : No call option

(22) Put option and details, if applicable : No put option

(23) Details of covenants : Positive Covenants

Positive Covenants for the Sukuk Murabahah Programme

Positive covenants typical and customary for a transaction of this nature which shall include but not limited to the following:-

1. the Issuer shall take all steps as may be necessary to procure that there is no material adverse change to its condition (financial or otherwise) and the Issuer shall promptly notify the Sukuk Trustee of any material adverse change or any event which may or is likely to have a material adverse change or which may materially prejudice the Issuer;

2. the Issuer shall promptly perform and carry out all its obligations under the Transaction Documents (including but not limited to redeeming the relevant Sukuk Murabahah on the relevant Maturity Date(s) or any other date on which the Sukuk Murabahah are due and payable) in accordance with the terms and conditions of the Sukuk Murabahah Programme and Trust Deed and ensure that it shall promptly notify the Sukuk Trustee in the event the Issuer is unable to fulfill or comply with any of the provision of the Transaction Documents;

3. the Issuer shall preserve and maintain in full force and effect all relevant authorisations, consents, rights, licenses, approvals and permits (governmental and otherwise) and promptly obtain any further authorisations, consents, rights, licenses, approvals and permits (governmental and otherwise) which is or may become necessary to enable it to own their assets and/ or to operate its business and to ensure the legality, validity, enforceability, admissibility in evidence or priority of the liabilities and obligations of the Issuer and the rights of the Lead Arranger, the Lead Manager, the Facility Agent, the Sukuk Trustee and the Security Trustee under the Transaction Documents and the Issuer shall comply with the same;

4. the Issuer shall at all times on demand execute or cause and procure the execution of all such further documents and do all such further acts reasonably necessary at any time or times to give full effect to the terms and conditions of the Transaction Documents;

5. the Issuer shall, to the extent permitted by law, give to the Sukuk Trustee such information relating to its business, affairs and financial conditions as may from time to time be reasonably required by the Sukuk Trustee in order to discharge its duties and obligations under the trust deed;

6. the Issuer shall keep proper books and accounts at all times and provide the Sukuk Trustee and any person appointed by it (e.g. auditors) access to such books and accounts to the extent permitted by law;

7. the Issuer shall prepare its financial statements on a basis consistently applied in accordance with generally accepted accounting principles and standards in

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Malaysia and those financial statements shall give a true and fair view of the results of the operations of the Issuer for the period to which the financial statements are made up and shall disclose or provide against all liabilities (actual or contingent) of the Issuer;

8. the Issuer shall defend itself against claims from third parties and diligently pursue claims against third parties on best endeavors basis;

9. the Issuer shall 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 practices;

10. the Issuer shall at all times maintain adequate takaful/ insurance cover with a reputable takaful/ insurance company licensed in Malaysia in respect of its assets and business, against all risk which a reasonable company carrying on a business similar to that of the Issuer would normally insure;

11. the Issuer shall open and maintain the Designated Accounts (as defined in the section entitled "Details of Designated Account") (if applicable) and pay all amounts into the Designated Accounts and make all payments from the Designated Accounts in accordance with the provisions of the relevant Transaction Documents;

12. the Issuer shall comply with its obligations under the Central Securities Depository and Paying Agency Rules issued by BNM and, without prejudice to the generality of the foregoing, at all times maintain a paying agent or its equivalent who is based in Malaysia;

13. the Issuer shall procure that the Paying Agent shall notify the Sukuk Trustee, through the Facility Agent, if the Paying Agent does not receive payment from the Issuer on the due dates as required under the Transaction Documents and the terms and conditions of the Sukuk Murabahah;

14. the Issuer shall comply with all relevant provisions of the CMSA, all relevant guidelines and all relevant laws and regulations with regards to the Sukuk Murabahah;

15. the Issuer shall ensure that the terms in the Trust Deed and the terms and conditions of the Sukuk Murabahah do not contain any matter which is inconsistent with the provisions of the Information Memorandum (where applicable);

16. the Issuer shall ensure that the proceeds from the Sukuk Murabahah are utilised for Shariah-compliant purposes;

17. the Issuer shall permit the accounts, reports, notices, statements or circulars as provided by the Issuer to the Sukuk Trustee to be circulated by the Sukuk Trustee at its discretion to the Sukukholders and the qualified investors of the Sukukholders;

18. the Issuer shall procure and ensure that all present and future loans and/or advances granted to it by any of its shareholders, directors and/or related companies are subordinated to the Sukuk Murabahah;

19. the Issuer agrees at all times to abide by the Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act, 2001 ("**AMLA**") and to provide such information and documents as the Sukuk Trustee, Sukukholders, or Lead Arranger may reasonably require for the purpose of complying with AMLA;

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20. the Issuer shall procure that PNHB shall at all times maintain an aggregate direct and/or indirect effective shareholding of 100% in the Issuer;

21. the Issuer shall ensure that any conditions subsequent (if applicable) in relation to the Sukuk Murabahah are complied with in accordance with the terms and conditions of the Sukuk Murabahah and that any request from the Issuer to add, extend, vary or otherwise modify any conditions subsequent shall be subject to the approval of the Sukukholders;

22. where the Issuer is required to comply with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (as amended from time to time) (“**MMLR**”), the Issuer shall ensure full compliance with the same; and

23. such other covenants as may be advised by the Solicitors and as required by the Lead Arranger and agreed by the Issuer.

Positive Covenants specific for each Tranche

To be determined prior to such issuance and reflected in the relevant documentation of such Tranche.

Negative covenants

Negative Covenants for the Sukuk Murabahah Programme

Negative Covenants typical and customary for a transaction of this nature which shall include but not limited to:

The Issuer shall not without the prior written consent of the Sukuk Trustee:-

1. create or permit to exist any encumbrance, mortgage, charge (whether fixed or floating), pledge, lien, hypothecation, assignment by way of security, trust arrangement for the purpose of providing security or other security interest of any kind including, without limitation, title transfer and/or retention arrangements having a similar effect or any agreement to create any of the foregoing over all or any part of its business, revenues, undertakings, assets and properties, present or future, (other than those disclosed to the Lead Arranger in writing prior to the date of the Transaction Documents, arising in the ordinary course of business by operation of law and for the Sukuk Murabahah Programme);

2. carry on any business or activity or enter into or conduct any transaction other than to carry out its principal activities or enter into or conduct any transaction in connection therewith or pursuant thereto;

3. (i) change or threaten to change the nature or scope of any substantial part of its business, which any such change may have a Material Adverse Effect (as defined in the section entitled “Other terms and conditions”), or (ii) suspend or threaten to suspend or cease or threaten to cease the operation of any part of its business which it now conducts directly or indirectly which any such suspension or cessation may have a Material Adverse Effect;

4. add, delete, amend or substitute its Memorandum and Articles of Association/ Constitution in any manner which may be inconsistent with the Transaction Documents;

5. reduce its paid-up 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, or by

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any other manner;

6. change the utilisation of proceeds from the Sukuk Murabahah where the Information Memorandum (where applicable) and the Transaction Documents set out a specific purpose for which proceeds are to be utilised;

7. incur, assume, guarantee or permit to exist any security interest or further indebtedness for financing, save and except for the Sukuk Murabahah Programme and other indebtedness for financing which have been disclosed in writing to the Lead Arranger prior to the execution of the Transaction Documents;

8. undertake or permit any merger, consolidation, amalgamation, reconstruction or winding up of itself or sell, transfer, encumber, 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' undertakings, business or assets;

9. sell, transfer or otherwise dispose of or permit to be sold any of its assets save and except (i) for the disposal of assets in the ordinary course of business and on arm's length basis or (ii) where the Financial Covenants are complied with (where applicable) and no event of default shall have occurred and is continuing; and provided that such sale, transfer or disposal shall not have a Material Adverse Effect;

10. surrender, transfer, assign, relinquish or otherwise dispose of any of its rights and interest under the Transaction Documents;

11. in the event that the Issuer is no longer subject to the MMLR (by virtue of it no longer being a subsidiary of a listed entity which is subject to the MMLR or otherwise), enter into any agreement or transaction, whether directly or indirectly with interested persons (as defined in the SC's Guidelines on Trust Deed first issued on 12 July 2011, as amended from time to time ("**Guidelines on Trust Deeds**") including its directors, major shareholders and chief executive officer ("**Interested Persons**") unless:

(i) 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;

(ii) with respect to (a) transactions other than those mentioned in (b) below involving an aggregate payment or value equal to or greater than Ringgit Malaysia Five Million (RM5,000,000.00), or (b) transactions relating solely to advances or inter-company financing of the PNHB Group by the Issuer via the issue proceeds of the Sukuk Murabahah Programme involving an aggregate payment or value equal to or greater than Ringgit Malaysia One Billion (RM1,000,000,000.00), the Issuer obtains certification from an independent adviser that the transaction is carried out on fair and reasonable terms; and

PROVIDED THAT (1) the Issuer certifies to the Sukuk Trustee that the transaction complies with paragraph (i) above; (2) the Issuer has received the certification referred to in paragraph (ii) above (where applicable); and (3) the transaction has been approved by the majority of the board of directors or shareholders in general meeting as the case may require;

12. do or suffer to be done any act, matter or thing whereby any takaful/ insurance may be rendered void, voidable or incapable of being effected, maintained or renewed;

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13. take any action or fail to perform any obligation under the Transaction Documents which would have a Material Adverse Effect and/ or materially prejudice the interest of the Sukukholders;

14. declare or pay any dividends or make any distribution whether income or capital in nature or make any advances (save and except arising from issuance proceeds under the Sukuk Murabahah Programme) to its shareholders (“**Distribution**”) during the tenure of Sukuk Murabahah unless the following conditions are met at the time of the proposed declaration or payment:-

(i) all financial covenants (if applicable) and obligations in relation to the Sukuk Murabahah are complied with before and after such Distribution, as endorsed by at least one (1) director of the Issuer; and

(ii) no Event of Default or potential event which, upon the giving of notice and/or lapse of time and/or the issue of certificate and/or the fulfillment of the relevant requirement as contemplated under the relevant Transaction Documents, would constitute an Event of Default (“**Potential Event of Default**”) has occurred and is continuing or may occur;

15. obtain or permit to exist any loan or financing or advance from its shareholders unless such loans, financing or advances are subordinated to the Sukuk Murabahah Programme;

16. repay, in whole or in part, any advances and/or loans from its directors, shareholders and/or related corporations (save and except for when such repayment is provided for under the utilisation of proceeds of the relevant Tranche);

17. have any subsidiaries or associate companies;

18. change or permit any change in its shareholders or its shareholding structure; and

19. such other covenants as may be advised by the Solicitors and as required by the Lead Arranger and agreed by the Issuer.

Negative Covenants specific for each Tranche

To be determined prior to such issuance and reflected in the relevant documentation of such Tranche.

Financial Covenants

The Sukuk Murabahah may or may not have financial covenants, which shall be determined prior to issuance of the relevant Tranche and shall be reflected in the relevant documentation for such Tranche.

Information Covenant

Information Covenants for the Sukuk Murabahah Programme

Information Covenants typical and customary for a transaction of this nature which shall include but not limited to:

The Issuer shall deliver to the Sukuk Trustee the following:-

1. as soon as they become available (and in any event within one hundred and

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eighty (180) calendar days after the end of each financial year), a copy of the Issuer's financial statements for that period which shall contain a profit and loss account, a balance sheet and a cash flow statement audited and certified without qualification by external auditor together with certificate issued by any one of the authorised directors of the Issuer to the effect that no material adverse change has occurred since the date of such financial statements;

2. as soon as they become available (and in any event within ninety (90) calendar days after the end of each half of the Issuer's financial year), a copy of the Issuer's unaudited half yearly financial statements for that period on a basis consistently applied in accordance with generally accepted accounting principles and standards in Malaysia together with certificate issued by any one of the authorised directors of the Issuer to the effect that no material adverse change has occurred since the date of such financial statements;

3. on an annual basis, a certificate signed by any one of the authorised directors of the Issuer stating that the Issuer is in compliance with all its obligations under the relevant Transaction Documents and that there does not exist or has not existed, from the issuance date of the Sukuk Murabahah or the date of the previous certificate, as the case may be, any Event of Default, and if such is not the case, to specify the same;

4. promptly, all notices or other documents received by the Issuer from, or dispatched by the Issuer to any of its shareholders, directors, relevant authorities or creditors which may have a Material Adverse Effect;

5. promptly, such additional financial or other information as the Sukuk Trustee may from time to time reasonably request;

6. promptly, notice of any change in the Issuer's board of directors and/ or shareholders and/ or senior management team;

7. promptly, notice 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 the Issuer before any court or tribunal or administrative agency which may materially and adversely affect the ability of the Issuer to perform any of its obligations under any of the Transaction Documents;

8. promptly upon the Issuer becomes aware, notice of the occurrence of the following:-

(i) any Event of Default or Potential Event of Default, and it shall take all reasonable steps and/ or such other steps as may reasonably be requested by the Sukuk Trustee/ the Security Trustee to remedy and/ or mitigate the effect of the Event of Default or Potential Event of Default;

(ii) the happening of any event that has caused or could cause, one or more of the following:-

(a) any amount secured or payable under the Sukuk Murabahah to become immediately payable;

(b) the Sukuk Murabahah to become immediately enforceable; and

(c) any other right or remedy under the terms, provisions or covenants of the Sukuk Murabahah or the Transaction Documents to become immediately enforceable;

(iii) any circumstance that has occurred that would materially prejudice the Issuer

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or any security created in favour of the Security Trustee pursuant to the Sukuk Murabahah;

(iv) any substantial change in the nature of the business of the Issuer or guarantor (if applicable);

(v) any change in name of the guarantor (if applicable);

(vi) any cessation of liability of the guarantor (if applicable) for the payment of whole or part of the moneys for which they are liable under the guarantee;

(vii) any change in withholding tax position or taxing jurisdiction of the Issuer;

(viii) any other matter that may materially prejudice the interests of the Sukukholders; and

9. such other covenants as may be advised by the Solicitors and as required by the Lead Arranger and agreed by the Issuer.

Information Covenants specific for each Tranche

To be determined prior to such issuance and reflected in the relevant documentation of such Tranche.

(24) Details of designated account, if applicable :

Name of account:
Project Account

Parties responsible for opening the account:

In relation to the First Tranche Sukuk Murabahah, the ProjectCo shall open their respective Shariah-compliant project accounts ("Project Accounts") for each Project with a financial institution acceptable to the Lead Arranger.

Parties responsible for maintaining/operating account:

The Project Account shall be maintained by the ProjectCo and operated solely by the Security Trustee throughout the tenure of the First Tranche Sukuk Murabahah.

Signatories to account:

Security Trustee

Sources of funds:

All revenues, income and receivables arising from the Projects to be received by the ProjectCo ("**Contract Proceeds**") shall be deposited into the respective Project Accounts, whereupon seventy one per cent (71%) of the Contract Proceeds received shall be released to the ProjectCo and the balance twenty nine per cent (29%) ("**Balance Contract Proceeds**") shall be transferred into the Escrow Account (as defined hereunder) within three (3) business days.

Utilisation of funds:

The Security Trustee shall be authorised to utilise any and all credit balances herein for the purpose of transferring into the Escrow Account (as defined below).

Diagram(s) illustrating the flow of monies and conditions for disbursements uploaded:

IWR - Fund Flow Diagram.pdf on 6 September 2023

Name of account:

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Escrow Account

Parties responsible for opening the account:

in relation to the First Tranche Sukuk Murabahah, the Issuer shall open a Shariah-compliant escrow account ("Escrow Account") with a financial institution acceptable to the Lead Arranger.

Parties responsible for maintaining/operating account:

The Escrow Account shall be maintained by the Issuer and operated solely by the Security Trustee throughout the tenure of the First Tranche Sukuk Murabahah.

Signatories to account:

Security Trustee

Sources of funds:

(a) the Second Tranche Sukuk Proceeds (as defined in the section entitled "Other terms and conditions") shall be deposited into the Escrow Account and be utilised to redeem the First Tranche Sukuk Murabahah in accordance with the provision on Mandatory Redemption (as defined in the section entitled "Other terms and conditions");

(b) the Balance Contract Proceeds shall be deposited into the Escrow Account and may be utilised for early redemption of the First Tranche Sukuk Murabahah in accordance with the provision on Early Redemption (as defined in section entitled "Provisions on early redemption, if applicable");

(c) proceeds received by the Issuer from any company within the PNHB Group (as defined in the section entitled "Other terms and conditions");

(d) the Issuer shall maintain in the Escrow Account at all times during the tenure of the First Tranche Sukuk Murabahah a minimum amount equivalent to the projected next three (3) months' profit payable on the principal outstanding amount of the First Tranche Sukuk Murabahah as determined by the Sukuk Trustee ("**Minimum Profit Reserve**"). Any shortfall as determined by the Sukuk Trustee shall be topped up by the Issuer and/or PNHB within five (5) business days from the issuance of the Sukuk Trustees' notice to do so;

(e) in addition to the Minimum Profit Reserve, the Issuer shall maintain the scheduled Minimum Required Balance (as defined hereunder) in the Escrow Account. For the avoidance of doubt, in the event the cumulative Balance Contract Proceeds is insufficient to meet the Minimum Required Balance as per the schedule below, the Issuer and/or PNHB shall top up such shortfall into the Escrow Account to meet the Minimum Required Balance within five (5) business days from the issuance of the Sukuk Trustees' notice to do so; and

(f) the Minimum Required Balance shall be calculated based on the formula set out below.

Utilisation of funds:

(a) credit balances in the Escrow Account may be placed at Issuer's request in Permitted Investments (as defined in section entitled "Permitted Investments, if applicable"). Income earned from such Permitted Investments shall be retained in the Escrow Account; and

(b) the Sukuk Trustee shall be authorised to utilise any and all credit balances

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herein to pay any amounts due and payable under the First Tranche Sukuk Murabahah and/or to early redeem the First Tranche Sukuk Murabahah in accordance with the provision of Mandatory Redemption and/or Early Redemption.

The “**Minimum Required Balance**” is defined as follows:

Number of months from the Issue Date of the First Tranche Sukuk Murabahah	Minimum Required Balance (RM)
Six (6)	11,000,000
Nine (9)	19,000,000

In the event the total amount issued under the First Tranche Sukuk Murabahah is less than RM34.0 million, the Minimum Required Balance shall be pro-rated in accordance with the formula below:

Minimum Required Balance = (Total issued amount under the First Tranche Sukuk Murabahah / RM34.0 million) x Minimum Required Balance (per the table above).

For the avoidance of doubt, any amount utilised for the early redemption of the First Tranche Sukuk Murabahah shall count towards satisfying the Minimum Required Balance.

For the avoidance of doubt, the Minimum Profit Reserve shall be excluded from the calculation of the Minimum Required Balance.

Diagram(s) illustrating the flow of monies and conditions for disbursements uploaded:

IWR - Fund Flow Diagram.pdf on 6 September 2023

Additional Notes:

Each Tranche of the Sukuk Murabahah may or may not have designated accounts ("Designated Accounts") which is to be determined prior to their respective Issue Date and to be reflected in the relevant documentation which is to be vetted by the Shariah Adviser.

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

No.	Long Term/Short Term	Rated/Unrated	Credit rating agency	Credit rating	Final/indicative rating	Name of Issuance/Tranche/Series/ Class	Amount
1	Long Term	Unrated				First Tranche Sukuk Murabahah	MYR 34,000,000.00
2	Long Term	Rated	To be determined	To be determined	To be determined	Subsequent Tranche Sukuk	MYR 966,000,000.00

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						Murabahah	
3	Long Term	Unrated				Subsequent Tranche Sukuk Murabahah	MYR 966,000,000.00

Additional Notes:

The Sukuk Murabahah may or may not be rated which is to be determined prior to their respective Issue Date and to be reflected in the relevant documentation.

In respect of First Tranche Sukuk Murabahah:

First Tranche Sukuk Murabahah will be unrated.

(26) Conditions precedent

: The conditions precedent for the establishment of the Sukuk Murabahah Programme shall include the following (in each case in form and substance acceptable to the Principal Adviser and the Lead Arranger):

A. Main Documentation

The relevant Transaction Documents have been executed and where applicable, stamped or endorsed as exempted from stamp duty and presented for registration.

B. The Issuer

(i) Certified true copies of the Certificates of Incorporation and the Memorandum and Articles of Association/ Constitution;

(ii) Certified true copies of the latest Form 24, Form 44 and Form 49 (or its equivalent under the Companies Act 2016 as may be amended or substituted from time to time ("**Companies Act**"));

(iii) Certified true copy of the board of directors' resolution authorising, amongst others, the establishment of the Sukuk Murabahah Programme and issuance of the Sukuk Murabahah thereunder, the execution of the relevant Transaction Documents (to which it is a party) and performance of its obligations under the relevant Transaction Documents and the other documents (to which it is a party) and appointment of the relevant personnel and advisers in charge of the transaction;

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

(v) A winding up search conducted on the Issuer at the Malaysia Department of Insolvency which revealed that no winding-up order has been made against the Issuer and a bankruptcy search conducted on each of the Issuer's directors at the Malaysia Department of Insolvency which revealed that no bankruptcy order has been made against any of the Issuer's directors; and

(vi) A company search conducted on the Issuer at the Companies Commission of Malaysia which revealed that there are no other encumbrances which in the opinion of the Lead Arranger would adversely affect the security envisaged under the Transaction Documents.

C. General

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- (i) Evidence that all transaction fees, costs, and expenses in relation to the Sukuk Murabahah Programme have been paid in full to the extent that the same are due and payable and/or evidence that arrangements have been made for the payment of such transaction fees, costs and expenses in relation to the Sukuk Murabahah Programme to be paid;
- (ii) Documentary evidence that a legal due diligence in relation to the Sukuk Murabahah Programme has been undertaken and conducted to the satisfaction of the Lead Arranger;
- (iii) Receipt from the Solicitors of a satisfactory legal opinion addressed to the Lead Arranger, advising with respect to, amongst others, the legality, validity and enforceability of the Transaction Documents (to which the Issuer is a party) and a confirmation that all the conditions precedent have been fulfilled or otherwise waived;
- (iv) Evidence that the lodgement kit in respect of the Sukuk Murabahah Programme have been lodged with the SC;
- (v) Confirmation that the Sukuk Trustee's Reimbursement Account (as defined in "Sukuk Trustee's Reimbursement Account" paragraph of the section titled "Other terms and conditions") has been opened and established with such financial institution acceptable to the Sukuk Trustee and mandates are in accordance with the terms of the respective board of directors' resolution and the provisions of the Transaction Documents and a sum of RM100,000.00 has been deposited therein and/or arrangements have been made for such deposit;
- (vi) Evidence that the Shariah endorsement in respect of the Sukuk Murabahah has been obtained and that the structure and mechanism of the Sukuk Murabahah together with the Transaction Documents are Shariah compliant; and
- (vii) Such other conditions as may be advised by the Solicitors and as required by the Lead Arranger and agreed by the Issuer.

The conditions precedent to each issuance of the Sukuk Murabahah under the Sukuk Murabahah Programme shall include but not limited the following (in each case in form and substance acceptable to the Principal Adviser and the Lead Arranger):

- (i) The relevant Transaction Documents have been executed and where applicable, stamped or endorsed as exempted from stamp duty and where applicable, presented for registration with the relevant authorities;
- (ii) All notices of assignment in relation to the relevant Transaction Documents have been served by the Issuer and the original acknowledgements to the said notices of assignment have been returned by the counterparties to the Security Trustee, if applicable;
- (iii) Evidence that the Statement of Particulars to be lodged with Charge in respect of the charges created under the relevant Transaction 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 lodged with the Companies Commission of Malaysia, if applicable;
- (iv) Evidence that the relevant Transaction Documents have been presented to the High Court of Malaya for the registration of the power of attorney therein contained, if applicable;

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(v) Where required, evidence that all necessary and/ or required approvals and consents for the issuance of the Sukuk Murabahah have been obtained in respect of the Issuer's existing indebtedness (where applicable);

(vi) Confirmation that the Designated Accounts have been opened and established with such financial institution acceptable to the Lead Arranger and the mandates are in accordance with the terms of the respective board of directors' resolution and the provisions of the Transaction Documents (in respect of the Designated Accounts), if applicable; and

(vii) Such other conditions precedent as advised by the Solicitors and to be mutually agreed between the Lead Arranger and the Issuer to be documented in the relevant documentation prior to its respective Issue Date.

(27) Representations and warranties

Representations and warranties typical and customary for a transaction of this nature which shall include but not limited to the following:-

1. the Issuer is a company with limited liability duly incorporated and validly existing under the laws of Malaysia, have full power to carry on its business and to own their properties and assets, and have full beneficial ownership of all their properties and assets;

2. the Memorandum and Articles of Association/ Constitution of the Issuer incorporate provisions which authorize, and all necessary corporate and other relevant actions have been taken to authorize, and all relevant consents and approvals of any administrative, governmental or other authority or body in Malaysia have been duly obtained and are in full force and effect which are required to authorize the Issuer to execute and deliver and perform the transactions contemplated in the Transaction Documents in accordance with their terms;

3. the Transaction Documents are or will be, when executed and/ or issued, as the case may be, in full force and effect and constitute legal, valid and binding obligations of the Issuer enforceable in accordance with their respective terms and that there is no law or regulation or any order or decree of any governmental authority, agency or court to which the Issuer are subject to which would be in conflict with or prevent the Issuer from executing, delivering and performing the transactions contemplated in the Transaction Documents;

4. neither the execution and delivery of any of the Transaction Documents, nor the performance of any of the transactions contemplated in the Transaction Documents does or shall:

(i) contravene or constitute a default under any provision contained in any agreement, instrument, law, ordinance, decree, judgment, order, rule, regulation, license, permit or consent by which the Issuer or any of their assets is bound or affected;

(ii) cause any limitation on the Issuer or the powers of their board of directors, whether imposed by or contained in their Memorandum and Articles of Association/ Constitution or in any agreement, instrument, law, ordinance, decree, order, rule, regulation, judgment or otherwise, to be exceeded; or

(iii) result in the creation or imposition of any security interest or restrictions of any

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nature on any of the Issuer's assets other than those covered under the Transaction Documents;

5. no authorisation, approval, consent, permit, license, exemption, registration, recording, filing, notarization of the Transaction Documents and no payment of any duty or tax and no other action whatsoever which has not been duly and unconditionally obtained, made or taken is necessary to ensure the legality, validity, enforceability of the liabilities and obligations of the Issuer or the rights of the Lead Arranger, the Facility Agent, the Sukuk Trustee and the Security Trustee under the Transaction Documents in accordance with their terms save and except for the registration of the security interest created under the relevant Transaction Documents with the Companies Commission of Malaysia and the registration of the power of attorney provisions contained in the relevant Transaction Documents with the High Court of Malaya;

6. no litigation, arbitration, administrative proceedings, claims or disputes which, by itself or together with any other such proceedings or claims, may have a Material Adverse Effect, is presently in progress or pending or, to the best of its knowledge and belief, threatened against the Issuer or any of their assets;

7. no Event of Default or Potential Event of Default has occurred and/ or is continuing or would occur as a result of the issuance of the Sukuk Murabahah;

8. neither the Issuer nor any of their assets are entitled to immunity from process, execution, attachment or legal process;

9. the Issuer is in compliance and will comply from time to time with all applicable laws and regulations and directives of governmental authorities having the force of law;

10. the Issuer's audited financial statements for each financial year are/have been prepared in accordance with generally accepted accounting principles and standards in Malaysia and fairly represent its financial position as at the date of the financial statements;

11. all necessary returns have been delivered to and filed with by or on behalf of the Issuer to the relevant taxation authorities and the Issuer is not in default of payment of any taxes;

12. (i) the Issuer has fully disclosed in writing to the Principal Adviser/Lead Arranger all facts relating to the Issuer and PNH B which the Issuer is aware or should reasonably be aware and which are material for disclosure in the context of the Sukuk Murabahah Programme, (ii) the information furnished by the Issuer does not contain any statement or information that is false or misleading and there is no material omission of such information (iii) the Issuer is not aware of any material facts or circumstances that have not been disclosed which might, if disclosed, adversely affect the decision of a person considering whether or not to enter into the Transaction Documents; and

13. such other representations and warranties as may be advised by the Solicitors and as required by the Lead Arranger and agreed by the Issuer.

(28) Events of defaults or: enforcement events, where applicable,

Event of default ("**Event of Default**") typical and customary for a transaction of this nature which shall include but not limited to the following:-

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including recourse available to investors

1. failure by the Issuer to pay any sum due under the Transaction Documents on the relevant due dates or if so payable, on demand and such default is not remedied within seven (7) business days after the relevant due;
2. failure by the Issuer to perform or observe any of their obligations under any other provisions of the Transaction Documents (other than item (1) above) and if such failure, in the reasonable opinion of the Sukuk Trustee, is capable of being remedied, the Issuer does not remedy such failure within a period of thirty (30) days after the Issuer became aware or having been notified by the Sukuk Trustee of such failure, whichever is earlier;
3. any provision of the Transaction Documents is or becomes, for any reason, invalid, illegal, void or unenforceable which would prevent the Issuer from or entitle the Issuer to refrain from performing any of their obligations thereunder;
4. the Issuer ceases to carry on any part of its business which may have a Material Adverse Effect;
5. there is expiry, withdrawal, revocation, termination, withholding, invalidation or modification of licence(s), permit(s), consent(s), authorisation(s), consent(s), order(s), exemption(s) or approval(s) that impairs or prejudices the Issuer's ' ability to comply with the terms and conditions or the provisions of any of the Transaction Documents or any other related documents;
6. the Issuer admits its inability (as they fall due) or becomes unable to pay its debts within the meaning of Section 466(1) of the Companies Act with respect to any class of its debts;
7. any indebtedness of the Issuer for monies borrowed becomes due or payable or capable of being declared due or payable prior to its stated maturity by reason of a default by the Issuer in its obligations in respect of the same, or the Issuer fails to make any payment in respect thereof on the due date for such payment or if due on demand when demanded or the security for any such indebtedness becomes enforceable or any guarantee or similar obligations of the Issuer for any such indebtedness is not discharged at maturity or when called;
8. any step or action is taken for the winding-up, administration, dissolution or liquidation of the Issuer (including, without limitation, the presentation of a petition for the winding-up, administration, dissolution or liquidation of the Issuer where no action is taken in good faith to set aside such petition within thirty (30) days from the date of service of such petition);
9. a winding-up order has been made against the Issuer or a resolution for the winding-up, dissolution or liquidation of the Issuer has been passed;
10. the Issuer fails to satisfy any judgment passed against it by any court of competent jurisdiction and no appeal against such judgment or no application for a stay of execution has been made to any appropriate appellate court within the time prescribed by law or such appeal or application for a stay of execution has been dismissed;
11. the Issuer makes a general assignment or enters into a scheme of arrangement under Section 366 of the Companies Act or such a scheme has been instituted against the Issuer (other than for the purpose of a scheme of reconstruction, amalgamation, consolidation or merger, unless during or following such reconstruction, amalgamation, consolidation or merger, the Issuer becomes or is declared to be insolvent);

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12. an encumbrancer takes possession of, or a trustee, receiver, liquidator or similar officer is appointed in respect of the whole or a substantial part of the business, assets or undertaking of the Issuer;

13. any representation, warranty or statement which is made or acknowledged to have been made or given by the Issuer under the Transaction Documents or any information, notice, opinion, certificate or other document delivered pursuant to the terms of the Transaction Documents is or proves to be incorrect or misleading in any material respect, which in the reasonable opinion of the Sukuk Trustee, may have a Material Adverse Effect;

14. a distress, execution, attachment or other legal process is levied, enforced or sued out against the Issuer or any of their assets which may have a Material Adverse Effect, unless such process is dismissed, struck off, discharged, stayed, suspended, withdrawn or set aside within sixty (60) days from the date the process is levied, enforce or sued out;

15. any change in the Memorandum and Articles of Association/ Constitution of the Issuer which is inconsistent with the Transaction Documents;

16. the Issuer repudiates any of the Transaction Documents or does or causes to be done any act or thing evidencing an intention to repudiate any of the Transaction Documents;

17. any person acting under the agency, authority of the governmental body condemns, seizes, compulsorily acquires, expropriates or nationalises all or any substantial parts of the assets, undertakings, rights or revenue of the Issuer;

18. any event or events has or have occurred or a situation exists which may have a Material Adverse Effect; and

19. such other Events of Default as may be advised by the Solicitors and as required by the Lead Arranger and agreed by the Issuer.

Events of Default for each Tranche of Sukuk Murabahah

In relation to each Tranche of Sukuk Murabahah, such other Event of Default as may be advised by the Solicitors and mutually agreed by the Issuer and the Lead Arranger and/or the Lead Manager, and to be set out in the relevant Transaction Documents of such Tranche of Sukuk Murabahah.

In respect of each Tranche of Sukuk Murabahah, upon the occurrence of an Event of Default and provided that such Event of Default is still subsisting, subject to the terms of the Trust Deed, the Sukuk Trustee may at its discretion or shall, (acting upon the instructions of the Sukukholders of a particular Tranche holding not less than seventy five per cent (75%) in nominal value of the outstanding Sukuk Murabahah of a particular Tranche by way of a special resolution), by written notice to the Issuer declare that an Event of Default has occurred whereupon all sums payable under such relevant Tranche of the Sukuk Murabahah, together with all unpaid profit shall become immediately due and payable by the Issuer and the Sukuk Trustee may enforce rights accruing to it under the relevant Transaction Documents, requiring the Issuer (in its capacity as the Purchaser) to pay the outstanding amounts of the Deferred Sale Price (subject to Ibra'). The outstanding Deferred Sale Price received from the Issuer shall be paid to Sukukholders to redeem the relevant Sukuk Murabahah in accordance with the terms of the Transaction Documents, upon which the relevant Sukuk Murabahah shall be

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cancelled.

If applicable, the security or the Kafalah of the relevant Tranche shall become immediately enforceable in accordance with their respective terms.

(29) Governing laws : Laws of Malaysia

(30) Provisions on buy-back, if applicable : The Issuer or its agent(s) who is/are acting for the redemption or purchase, may at any time purchase the Sukuk Murabahah at any price in the open market or by private treaty, and such Sukuk Murabahah purchased by the Issuer or its agent(s) shall be cancelled by the Issuer and cannot be resold or reissued.

(31) Provisions on early redemption, if applicable : **First Tranche Sukuk Murabahah**

The Issuer may early redeem the First Tranche Sukuk Murabahah in whole or in part before the Maturity Date ("**Early Redemption**") at par subject to the following conditions:-

(a) any Early Redemption shall take place on the Profit Payment date;

(b) the Issuer provides the Sukuk Trustee, the facility agent and the paying agent with a prior written notice of its intention to redeem the First Tranche Sukuk Murabahah prior to the Maturity Date of not less than one (1) month or such other notice period acceptable to the Sukuk Trustee (acting on behalf of the Sukukholders); and

(c) each Early Redemption in part, if any, shall be for a minimum amount of RM1,000,000.00 and in integral multiples of RM100,000.00 or such other amounts acceptable to the Sukuk Trustee (acting on behalf of the Sukukholders).

Subsequent Tranche(s) of Sukuk Murabahah

Where applicable, the terms and conditions for the early redemption of the Sukuk Murabahah shall be determined prior to its respective Issue Date and reflected in the relevant documentation in respect of such Tranche which is to be vetted by the Shariah Adviser.

(32) Voting : **Ordinary Resolution**

Ordinary Resolution means a resolution passed at a meeting of the Sukukholders duly convened and held in accordance with the provisions of the Trust Deed and carried by a majority consisting of more than fifty percent (50%) of the persons voting thereat upon a show of hands or, if a poll is duly demanded, by a majority consisting of more than fifty percent (50%) of the votes given on such poll.

Extraordinary Resolution

Extraordinary Resolution means a resolution passed at a meeting of the Sukukholders duly convened and held in accordance with the provisions of the Trust Deed and carried by a majority consisting of not less than seventy five percent (75%) of the persons voting thereat upon a show of hands or, if a poll is duly demanded, by a majority consisting of not less than seventy five percent (75%) of the votes given on such poll.

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Voting by the Sukukholders shall be carried out on a “per Tranche” basis and not on a collective basis.

- (33) Permitted investments, if applicable : Where applicable, the Permitted Investments shall be determined prior to its respective Issue Date and reflected in the relevant documentation in respect of such Tranche.

First Tranche Sukuk Murabahah

Permitted investments, details as follows:

The Issuer shall be permitted from time to time to utilise the funds held in the Designated Accounts to make Permitted Investments subject to the following conditions:-

- (a) no Event of Default has occurred;
- (b) the maturity of the Permitted Investments shall fall on a date which is at least three (3) days before any payment obligations of the Issuer become due and payable and such funds utilised for Permitted Investments shall be remitted to the respective Designated Accounts;
- (c) the Permitted Investments being denominated in Ringgit Malaysia;
- (d) investments in Sukuk which are equities in nature or incorporate loss-sharing mechanism shall not be allowed;
- (e) Permitted Investments in item (2) below shall not exceed fifty per cent (50%) of the total funds available to be invested in Permitted Investments; and
- (f) the exposure to each counterparty in item (2) below shall not exceed ten per cent (10%) of the total funds available to be invested in Permitted Investments.

“**Permitted Investments**” shall comprise such Shariah-compliant investments allowed by the Shariah Advisory Council of the SC and the Shariah Advisory Council of BNM which shall include the following:-

1. Islamic treasury bills, Islamic money market instruments and Sukuk issued by the Government or BNM;
2. Sukuk issued by a government related entity, corporate or any financial institution licensed pursuant to the Islamic Financial Services Act 2013 (“**IFSA**”) and having a minimum long term rating of AA3 and/or short term rating of P1 by RAM or its equivalent; and
3. Deposits and Islamic money market instruments with any financial institution licensed pursuant to the IFSA and/or the Development Financial Institutions Act 2002 and having a minimum long term rating of A2 and/or short term rating of P1 by RAM or its equivalent.

- (34) Ta’widh (for ringgit- : In the event of any delay in payment of the Deferred Sale Price under the Sukuk denominated sukuk) Murabahah, the Issuer (in its capacity as the Purchaser) shall pay to the Sukuk Trustee (acting on behalf of the Sukukholders) Ta`widh (compensation) on such delay in payments at the rate and manner prescribed by the Shariah Advisory Council of the SC from time to time.

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- (35) *Ibra'* (for ringgit-denominated sukuk) : *Ibra'* refers to an act of releasing absolutely or conditionally the Sukukholders' rights and claims on any obligation against the Issuer which would result in the latter being discharged of its obligations or liabilities towards the Sukukholders. The release may be either partially or in full.
- The Sukukholders in subscribing to or purchasing the Sukuk Murabahah hereby agree to grant *Ibra'* on the Deferred Sale Price in the following circumstances:
- (1) if the Sukuk Murabahah are redeemed prior to the Maturity Date upon early redemption (if applicable); or
- (2) upon the declaration of an Event of Default; or
- (3) in respect of the Sukuk Murabahah issued on floating rate basis, if the Floating Profit Rate is lower than the Maximum Profit Rate.
- Ibra'* for redemption prior to the Maturity Date upon early redemption (if applicable) shall be at the discretion of the Sukukholders based on a formula to be mutually agreed by both parties.
- Ibra'* for redemption upon the declaration of an Event of Default shall be the aggregate of unearned profit due and calculated from the declaration of the Event of Default up to the Maturity Date of the respective Sukuk Murabahah.
- Ibra'* for the Sukuk Murabahah issued on floating rate basis shall be the difference (if any) between the Profit Payment calculated based on the Maximum Profit Rate and the Profit Payment calculated based on the Floating Profit Rate.
- (36) Kafalah (for ringgit-denominated sukuk) : Please refer to the section entitled "Details of guarantee, if applicable" above.
- (37) 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 : None.