

Ref: Yayasan AMIR/PMU (0635)

31 May 2023

Khazanah Nasional Berhad
Level 22, Mercu UEM
Jalan Stesen Sentral 5
Kuala Lumpur Sentral
50470 Kuala Lumpur
(Attn:)

1. CIMB Islamic Trustee Berhad
Level 21, Menara CIMB
Jalan Stesen Sentral 5
Kuala Lumpur Sentral
50470 Kuala Lumpur
(Attn: Chief Operating Officer)
2. CIMB Investment Bank Berhad
Level 21, Menara CIMB
Jalan Stesen Sentral 5
Kuala Lumpur Sentral
50470 Kuala Lumpur
(Attn: Head of Securities Services – Corporate Agency)
3. Pn. Faridah Bakar Ali
Chief Financial Officer
Khazanah Nasional Berhad

Dear Sir/Madam,

RE : LETTER OF OFFER OF A LOAN FACILITY FOLLOWING THE ISSUANCE OF SUKUK OF RM100 MILLION IN NOMINAL VALUE (“SUKUK IHSAN”) UNDER A PROGRAMME PURSUANT TO THE “SUSTAINABLE AND RESPONSIBLE (SRI) SUKUK”

We refer to a letter dated 8 August 2017 on the above matter wherein Khazanah Nasional Berhad (“Khazanah”) as the obligor to the abovementioned SRI Sukuk tranche 2, had granted a loan facility of RM100 million (“Facility”) of the Sukuk proceeds to Yayasan AMIR on terms and conditions set out therein.

2. Facility Tenure

The Facility had been granted for the purpose of implementation the Trust Schools Programme 2016 Cohort for a period of 7 years from 8 August 2017 until 8 August 2024.

3. KPI

An incentive provided under the Facility for Yayasan AMIR was a reduction of 3.18% in the event Yayasan AMIR meets key performance indicators (“KPI”) set out in the Appendix of the aforesaid letter. The fulfilment of the KPI was to be evidenced by an evaluation report to be prepared by an independent auditor to be furnished in hard and soft copy to the Sukuk trustees, CIMB Islamic Trustee Berhad, and the facility agent, CIMB Investment Bank Berhad, prior to 9 February 2024.

4. Independent Auditor – EY

Ernst & Young (“EY”) has been engaged by Ihsan Sukuk Berhad, a Special Purpose Vehicle (“SPV”) established by Khazanah to perform a ‘Key Performance Target (KPT) Evaluation Engagement, based on agreed upon KPTs as well as the basis for evaluation as detailed in the Term Of Engagement (TOE) dated 26 April 2018 and supplemental letters dated 26th April 2018, 13th Nov 2020, 15th April 2021 and 13 July 2022 respectively.

For the purpose of the report, EY had commenced their audit work from 1 August 2022, and the completion of the audit was completed on end of September 2022.

5. KPI Fulfilment

As a basis for the EY Audit, Yayasan AMIR had submitted the full KPI Fulfilment report dated 13 February 2023 based on the Summary of KPI Fulfilment report below (Item 6).

6. Summary of KPI Fulfilment

(1) No of schools

KPI: The KPI for the number of schools for Cohort 2016 as set out in the Facility was 20 schools.

Results: Yayasan AMIR was able to undertake the Trust Schools Programme for 21 schools for Cohort 2016. For the purposes of the EY audit, however, EY had undertaken their work in relation to 20 schools only as per the KPI target.

(2) Teachers’ proficiency in required Pedagogical Mastery

KPI: 50 % percentage of teachers being rated at Establishing level or above. At this rating, the teachers would be proficient in the 7 Trust Schools Pedagogical Pillars as follows:

- A. Lesson planning and content delivery
- B. Creating a positive learning environment
- C. Assessment for learning
- D. Collaborative and cooperative learning
- E. Questioning and thinking skills
- F. Differentiation
- G. Professional knowledge and reflection

Results: We are pleased to report that all 20 schools achieved this target. In fact, more than 90% of the teachers; in all 20 Cohort 2016 validated schools; have achieved Establishing or above.

(3) Senior leadership proficient in enabling: positive and relevant learning environment

KPI: 50 % percentage of the Senior leadership being rated at Establishing level or above. At this rating, the Senior leadership are able to demonstrate the following abilities:

- A. Develop and articulate the school vision
- B. Implement the Trust School Standard
- C. School Improvement Planning
- D. Distributed leadership
- E. Exercise strategic, curriculum-led financial planning
- F. Use a range of data effectively
- G. Implement talent development and performance management strategies
- H. Facilitate holistic student development
- I. Stakeholder engagement

Result: We are pleased to report that all 20 schools achieved this target. In fact, more than 90% of the Senior leadership; except 1 school at 75%, have achieved Establishing or above.

(4) Student demonstrate holistic outcomes as in line with the six (6) student aspirations as set out in the Malaysian Education Blueprint 2013-2025

KPI: (A) 50 % percentage of the students being rated at Establishing level or above. At this rating, the students are able to demonstrate the following outcomes:

- i. Self and peer assessment of strengths
- ii. Holistic development of students via an effective co-curriculum framework

Result: We are pleased to report that all 20 schools achieved this target. In fact, more than 90% of the students; except 1 school at 79%, have achieved Establishing or above.

KPI: (B) Disciplinary issues as percentage of the student population are kept low as follows:

- i. Cases of student misconduct are less than 8%; and
- ii. Serious disciplinary cases are less than 2%

Result : We are pleased to report that all 20 schools achieved this target. In fact, all 20 schools have recorded 0% on Serious disciplinary case and only 2 schools recorded of 3.0% cases of students misconduct for validation year of Cohort 2016.

KPI: (C) 75 % percentage of the students; which are primary Trust Schools; are able to pass the national literacy and numeracy (LINUS) test.

Result : LINUS has been discontinued since 19 December 2018 as stated in the Ihsan's written resolution dated 9 September 2021 and Sukuk Holders Approval dated 20 October 2021; thus this has been taken off the KPI list.

Conclusion

7. Fulfilment of KPI

It is our humble view that the KPI as set out in relation to the Facility has been fulfilled in the given circumstances.

8. Request

Further to our report on the fulfilment of the KPI of the Facility, and the attached EY Report, we hereby seek confirmation of the incentive that there will be a 3.18% reduction to the amount to be paid in relation to Sukuk 2.

We look forward to hearing from you.

Thank you.

Yours sincerely,



AZLINA SHAHROM
Programme Director
Yayasan AMIR