

PRINCIPAL TERMS AND CONDITIONS OF THE PROPOSAL

1. BACKGROUND INFORMATION

(a) Issuer

- (i) **Name** : Bright Focus Berhad (the “**Issuer**”)
- (ii) **Address** : No. 1, Maju Expressway (MEX)
63000 Cyberjaya
Selangor Darul Ehsan
- (iii) **Business Registration No.** : 223607-M
- (iv) **Date and Place of Incorporation** : 23 August 1991 / Malaysia
- (v) **Date of Listing, where applicable** : Not applicable
- (vi) **Status on residence, i.e. whether it is a resident controlled company or non-resident controlled company** : Resident controlled company
Bumiputera controlled company
- (vii) **Principal Activities** : Investment holding and the provision of management services to its subsidiary company
- (viii) **Board of Directors (as at 15 April 2013)** :
1. Tan Sri Abu Sahid Bin Mohamed
 2. Ong Wann Yi
- (ix) **Structure of shareholdings and names of shareholders or, in the case of public company, names of all substantial shareholders** :
- | Shareholder | No. of Ordinary Shares of RM0.20 each | % |
|---|--|----------|
| Maju Holdings Sdn Bhd (“ MHSB ”) | 290,500,000 | 100.0 |
- (x) **Authorised, issued and paid-up capital** :
- Authorised Capital:**
 RM100,000,000 comprising 500,000,000 ordinary shares of RM0.20 each
- Issued and Paid-Up Capital:**
 RM58,100,000 comprising 290,500,000 ordinary shares of RM0.20 each

- (xi) Disclosure of the following:** : The Issuer and each of its directors have not been convicted or charged with any offence under the securities laws, corporation laws or other laws involving fraud or dishonesty in a court of law, for the past five (5) years prior to the date of the application for approval to the Securities Commission (“**SC**”) in respect of the Sukuk Musharakah (as defined in item 2(c) below).
- If the issuer or its board members have been convicted or charged with any offence under the securities laws, corporation laws or other laws involving fraud or dishonesty in a court of law, for the past five years prior to the date of application; and
 - If the issuer 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 date of application.

Where the issuer is a special purpose vehicle and is a conduit to another entity which receives proceeds from the proposed issue or offer, the information as set out in sub-paragraph 2.01(a) must also be provided on the said entity.

2. PRINCIPAL TERMS AND CONDITIONS (“PTC”) IN RELATION TO THE PROPOSAL

(a) Names of the parties involved in the proposal, where applicable:

- | | | | |
|---------|--|---|---|
| (i) | Principal Adviser | : | Standard Chartered Saadiq Berhad (“SCSB”) |
| | | : | |
| (ii) | Lead Arranger | : | SCSB |
| (iii) | Co-arranger | : | Not applicable |
| (iv) | Solicitor | : | Wong & Partners |
| (v) | Financial Adviser | : | ZJ Advisory Sdn Bhd |
| (vi) | Technical Adviser | : | Not applicable |
| (vii) | Sukuk Trustee | : | TMF Trustees Malaysia Berhad (“TMF”) |
| (viii) | Shariah Adviser | : | Standard Chartered Saadiq Berhad |
| (ix) | Guarantor | : | Not applicable |
| (x) | Valuer | : | Not applicable |
| (xi) | Facility Agent | : | SCSB |
| (xii) | Primary Subscriber(s) (under bought-deal arrangement) and Amount subscribed (where applicable) | : | To be determined prior to issuance of the Sukuk Musharakah. In the event that the Sukuk Musharakah is issued on a bought-deal basis, there must be two or more primary subscribers. |
| (xiii) | Underwriter and amount underwritten | : | Not applicable |
| (xiv) | Central Depository | : | Bank Negara Malaysia (“BNM”) |
| (xv) | Paying Agent | : | BNM |
| (xvi) | Reporting Accountant | : | Crowe Horwath |
| (xvii) | Calculation Agent | : | Not applicable |
| (xviii) | Others (please specify) | : | |

- (1) **Lead Manager** : SCSB and any other financial institution(s) to be identified later, if any. SCSB and these other financial institution(s) will be collectively referred to as the “**Joint Lead Managers**”.
- (2) **Musharakah Partner** : 2 or more holders of the relevant Sukuk Musharakah
- (3) **Security Agent** : TMF
- (b) **Islamic principles used** : Musharakah (Profit and loss sharing)
- A partnership arrangement between two (2) or more parties to finance a business venture whereby all parties contribute capital either in the form of cash or in kind for the purpose of financing the said venture. Any profit derived from the venture will be distributed based on a pre-agreed profit sharing ratio, but a loss will be shared on the basis of capital contribution.
- (c) **Facility description** : Proposed issuance of Islamic medium term notes of up to RM1.35 billion in nominal value (the “**Sukuk Musharakah**”) under the Shariah principle of Musharakah.
- The Sukuk Musharakah shall be issued under the Islamic principle of Musharakah which is one of the Shariah principles and concepts approved by the Shariah Advisory Council (“**SAC**”) of the SC.
- Under the Musharakah structure, the potential investors shall form a Musharakah (“**Musharakah**”) among themselves to invest directly into the Shariah compliant business of the Issuer (the “**Musharakah Venture**”) via subscription of the Sukuk Musharakah to be issued by the Issuer (the “**Musharakah Arrangement**”).

A Musharakah shall be formed for each series of the Sukuk Musharakah having the same Issue Date and Maturity Date. The Issuer will issue Sukuk Musharakah to investors (“**Sukukholders**”). Proceeds raised from the Sukuk Musharakah shall be used as capital contributions of the Sukukholders in the Musharakah Venture (the “**Musharakah Capital**”). Each Sukuk Musharakah shall represent the respective Sukukholder’s undivided proportionate interest in the Musharakah Venture. Simultaneously, the Issuer shall make a declaration that it holds on trust a percentage of its interest in the business (the “**Trust Assets**”) for the benefit of the Sukukholders and manages the Musharakah Venture .

The participation by the Sukukholders in the Musharakah Venture is via the subscription of Sukuk Musharakah issued by the Issuer. The capital contribution ratio of the Musharakah Partners in the Musharakah Venture shall be based on their respective capital contribution.

The return expected by the Sukukholders under and from the relevant Musharakah Venture shall be the yield for the respective tranche of the Sukuk Musharakah up to the respective maturity date of the Sukuk Musharakah or the declaration of a Dissolution Event (as defined below), whichever is applicable (the “**Expected Return**”).

The Sukukholders will be entitled to income generated from the Musharakah Venture throughout the tenure of the Musharakah (their respective “**Entitlements**”) and the rights of the Sukukholders against the Issuer under the Purchase Undertaking (as defined below).

The profit derived from the Musharakah Venture shall be distributed based on a pre-agreed profit sharing ratio which will be determined prior to the issuance of the Sukuk Musharakah. Any loss arising from the Musharakah Venture shall be borne by each Musharakah Partner in proportion to each Musharakah Partner's respective capital contribution in the Musharakah Venture.

The Sukukholders will be represented through the Sukuk Trustee acting as their agent and trustee for their participation in the Musharakah Venture. The Sukuk Trustee on behalf of the Sukukholders shall appoint the Issuer as the manager (the "**Manager**") to manage the Musharakah Venture, for which the Issuer (in its capacity as the Manager) shall be paid an incentive management fee (the "**Incentive Fee**"). The Issuer shall continue to manage its business operations for the Sukukholders and in consideration thereof, the Sukukholders will agree that all Entitlements accruing to the Sukukholders in any given period which is over and above any portion of the Expected Periodic Distribution that are required to be paid to the Sukukholders during such period, will be paid to, and will belong to, the Issuer as an Incentive Fee for acting as the Manager.

In respect of Sukuk Musharakah, income from the Musharakah Venture of up to an amount equal to a certain percentage of the face value of the Sukuk Musharakah per annum, calculated on the basis of the actual number of days in the relevant period ("**Expected Periodic Distribution**") shall be distributed on periodic basis to the Sukukholders.

In the event that the Entitlements accruing to the Sukukholders in any given period are less than the Expected Periodic Distribution that are required to be paid to the Sukukholders during such period, the Issuer in its capacity as the obligor shall make advance payments equal to such shortfall (the “**Advance Payments**”). The Issuer will be entitled to deduct the aggregate of the Advance Payments from the Exercise Price (as defined below) payable under the Purchase Undertaking.

The Issuer will declare and issue an undertaking (the “**Purchase Undertaking**”) to and in favour of the Sukuk Trustee (for and on behalf of the Sukukholders), wherein the Issuer undertakes to purchase the Sukukholders’ interest in the Musharakah Venture at the Exercise Price on Dissolution Date. The Exercise Price payable by the Issuer shall be determined based on a pre-agreed formula.

Under the Purchase Undertaking to be issued by the Issuer, the Issuer shall purchase the Sukukholder’s interest in the Musharakah Venture at the Exercise Price upon the earlier of (such date shall be referred to as the “**Dissolution Date**”):

- 1) the Maturity Date; and
- 2) the declaration of a Dissolution Event.

Upon payment of the Exercise Price by the Issuer, the Musharakah Venture of the relevant Sukuk Musharakah tranche shall be dissolved and the relevant Sukuk Musharakah held by the Sukukholders shall be cancelled.

Please refer to Annexure for the illustrative diagram of the Sukuk Musharakah transaction structure.

(d) **Identified assets** : The Trust Assets.

- (e) **Purchase and selling price/rental (where applicable)** : Not applicable.
- (f) **Issue / sukuk programme size (RM)** : The aggregate outstanding nominal value of the Sukuk Musharakah at any point in time shall not exceed RM1.35 billion.
- (g) **Tenure of issue/sukuk programme** : Tenure of the Sukuk Musharakah

The Sukuk Musharakah shall be issued in a single issuance and have tenures of between five (5) year and twenty (20) years from issuance.

It is expected that the Sukuk Musharakah will consist of sixteen (16) series as per the table below:

Series	Tenure (years)	Nominal Value (RM'million)
1	5	10.0
2	6	30.0
3	7	40.0
4	8	40.0
5	9	50.0
6	10	50.0
7	11	70.0
8	12	90.0
9	13	100.0
10	14	110.0
11	15	110.0
12	16	110.0
13	17	130.0
14	18	130.0
15	19	140.0
16	20	140.0
		1,350.0

Note: The details of the series are subject to change prior to the issuance of the Sukuk Musharakah.

- (h) **Availability period of sukuk programme** : Not applicable.
However the Sukuk Musharakah must be issued within one (1) year from the date of approval by the SC.
- (i) **Profit/coupon/rental rate** : The expected profit rate will be determined at the point of issuance of the relevant Sukuk Musharakah.
- (j) **Profit/coupon/rental payment frequency** : Semi-annual or such other period as the Issuer and the Lead Manager may agree in arrear from the date of issue of the relevant Sukuk Musharakah with the last profit payment payable on the maturity dates of the relevant Sukuk Musharakah.
- (k) **Profit/coupon/rental payment basis** : Actual/365 days
- (l) **Security/Collateral, where applicable** : The Sukuk Musharakah shall be secured by the following (collectively, the “**Security Documents**”):
- (i) a first ranking charge to be created by the Issuer over (a) the Issuer’s entire shareholding in Maju Expressway Sdn Bhd (“**MESB**”); and (b) all the Islamic medium term notes of RM550.0 million (the “**Existing Securities**”) issued by MESB and owned or to be owned by the Issuer (the “**Securities Charge**”);
 - (ii) a legal assignment to be created by the Issuer over all its rights, interest, title and benefits in and under the MESB Undertaking (the “**Assignment of Undertaking**”). The term “**MESB Undertaking**” means the irrevocable letter of undertaking to be issued by MESB to and in favour of the Issuer providing such undertakings and covenants as applicable to MESB and as contemplated by this Principal Terms and Conditions and such other undertakings as may be requested by the Lead Manager;

- (iii) a legal assignment to be created by the Issuer over the Issuer’s revenues and income including but not limited to any dividends and distributions received or receivable by the Issuer, whether income or capital in nature, and the payment and repayment of shareholder’s loans and advances received or receivable by the Issuer (the “**Assignment of Revenues**”);
- (iv) a first ranking fixed charge to be created by the Issuer over the Issuer Designated Accounts (as defined hereafter) and the credit balances therein (the “**Charge over Accounts**”); and
- (v) any other security as may be required by the RAM Ratings or the Solicitors.

Note: The Securities Charge shall be created and perfected within one (1) month after the issuance of the Sukuk Musharakah.

(m) **Details on utilisation of proceeds by issuer/obligor and originator (in the case of ABS). If proceeds are to be utilised for project or capital expenditure, description of the project or capital expenditure, where applicable**

: The utilisation of proceeds are as follows:

Utilisation of proceeds	Amount up to (RM’ million)
(i) To fund the purchase of Existing Securities	550
(ii) To advance to MESB for its working capital and capital expenditure (including but not limited to finance the construction of the Seri Kembangan interchange)	120
(iii) To refinance a term loan obtained by the Issuer from Standard Chartered Bank Malaysia Berhad (the “ Issuer Term Loan ”)	240
(iv) For additional payments arising from the purchase of the Existing Securities	90

(v) For general corporate purposes of the Group (as defined below) which are Shariah compliant, which include working capital required for the businesses, projects and investments that are being undertaken and to be undertaken in the future by the Group	290
(vi) To pay fees, expenses and all other amounts payable under or related to the Sukuk Musharakah	10
(vii) To fund the IFSA (as defined below) described in section (n) below	50
Total	1,350

In any case, all utilization of funds from the issuance of the Sukuk Musharakah shall be for Shariah compliant purposes only.

Note:

1. In the event that the amount allocated for purposes set out in any of the items (iii) to (vi) above is not utilised in whole or in part for such purposes, the Issuer may utilise such unutilised amount for any of the other purposes set out in items (iii) to (vi) above.
2. In the event that the Issuer confirms in writing to the Sukuk Trustee that MESB is not proceeding with the construction of Seri Kembangan interchange, the entire sum of RM120 million may be utilised by MESB to fund its working capital requirements.
3. For the avoidance of doubt, utilisation of proceeds for item (ii) and (v) above, may include the reimbursement to MESB of the preliminary costs incurred in respect of the Spur Link (as defined below).

4. The term “**Group**” shall mean the Issuer, MESB and Maju Holdings Sdn Bhd and where the context so requires, references to “**member(s) of the Group**” shall mean any one or more of them.

(n) **Sinking fund and designated accounts, where applicable** : The Issuer shall open and maintain the following Shariah-compliant designated accounts with a bank to be appointed by the Issuer which is acceptable to the Lead Manager:

Issuer Designated Accounts

Issuer Disbursement Account (“IDA”)

The Sukuk Trustee shall be the sole signatory of the IDA at all times.

The purpose of the IDA is to deposit the issuance proceeds of the Sukuk Musharakah. Funds in the IDA shall be applied as per the proposed utilisation of proceeds set out in item 2(m) above.

The proceeds raised from the issuance of the Sukuk Musharakah of up to RM120 million (the “**Relevant Proceeds**”) for purposes of funding the construction of Seri Kembangan Interchange will be transferred into the Issuer Disbursement Account. Any withdrawal of any part of the Relevant Proceeds to pay or fund the construction costs for the construction of Seri Kembangan Interchange shall only be made upon the Sukuk Trustee’s receipt of a report (in form and substance satisfactory to the Sukuk Trustee) from the Independent Consulting Engineer and certified true copies of the relevant certificates satisfactory to the Sukuk Trustee certifying the work carried out under the construction and/or invoices and other documentary evidences (in form and substance acceptable to the Sukuk Trustee) relating to such completed work carried out under construction of the Seri Kembangan Interchange. In the event the Issuer confirms in writing to the Sukuk Trustee that the construction of the Seri Kembangan

interchange is not proceeding, the Relevant Proceeds may be utilised towards funding the working capital requirements of MESB.

Within three (3) months after the commencement of the Seri Kembangan Interchange tolling or upon full settlement of the construction claim whichever is later, all amounts standing to the credit of the IDA shall be transferred to the IOA (as defined below) and the IDA shall thereafter be closed.

Issuer Operating Account (“IOA”)

The Sukuk Trustee shall be the sole signatory of the IOA at all times.

The purpose of the IOA is to deposit all revenue and income received by the Issuer (including all proceeds and redemptions sums arising from or under the Existing Securities) and all amounts standing to the credit of the IDA upon closure of the IDA and shall be applied in the following order of priority:

- (i) payment of taxes and duties;
- (ii) payment of profit and principal payments, fees, commissions and other payments payable under the Sukuk Musharakah;
- (iii) payment to the IFSA to meet the relevant requirements;
- (iv) payment for working capital of the Issuer ; and
- (i) for payments of distributions to the shareholder of the Issuer subject to meeting the conditions under item 2(w)(iii) below; and
- (v) investments in Permitted Investments (as defined below).

Issuer Finance Service Account (“IFSA”)

The Sukuk Trustee shall be the sole signatory of the IFSA at all times.

The Issuer shall open the IFSA for purposes of depositing amounts that are transferred from the IDA and IOA .

An initial deposit equivalent to an amount payable in respect of any profit and principal payments of the Sukuk Musharakah for the next 6 months shall be deposited and paid into the IFSA upon first issuance of the Sukuk Musharakah

The Issuer shall at all times thereafter maintain an amount equivalent to an amount payable in respect of any principal and profit payments of the Sukuk Musharakah for the next 6 months (the “**Minimum Required Balance**”).

The monies in the IFSA may be withdrawn to the extent that funds in the IOA are insufficient to fulfil the Issuer’s payment obligations in respect of the principal and profit of the Sukuk Musharakah.

In the event that the balance held in the IFSA is less than or exceeds the Minimum Required Balance, the shortfall or excess shall be topped up from or released to the IOA, as the case may be. The Issuer shall top up the IFSA so as to comply with the Minimum Required Balance within 30 days from the day that the balance held in IFSA is less than the then prevailing Minimum Required Balance.

Issuer Compensation Account (“ICA”)

The ICA shall be jointly operated by the Issuer and the Sukuk Trustee.

The purpose of the ICA is to deposit all revenue and income received by the Issuer which originates from the cash payment or compensation from the Government of Malaysia (“**GOM**”) to MESB. The monies in the ICA may only be transferred into the IOA in equal amounts over the number of years that the compensation was meant for.

Any balance standing to the credit of the ICA may be utilised by the Issuer for investments in Permitted Investments.

“Compensation” shall refer to any lump sum payment received from GOM to compensate MESB pursuant to the terms of the Concession Agreement (as defined below) For the avoidance of doubt, it shall exclude any compensation received from GOM in respect of a particular operating year, i.e. compensation received from GOM in previous year(s) which is in respect of any particular operating year.

- (o) Rating** : The indicative rating for the Sukuk Musharakah is AA2.
- Credit rating assigned (please specify if this is an indicative rating or if the credit rating is not assigned for the full amount in the case of sukuk programme, adequate disclosures under paragraph 10.02 of these guidelines to be made)
 - Name of rating agency : RAM Rating Services Berhad (“**RAM Ratings**”).
- (p) Mode of Issue** : Book building or private placement (on a best effort basis) or on a bought deal basis, each without prospectus.

- (q) **Selling restriction, including tradability, i.e. tradable or non-tradable** : **Selling Restrictions at issuance**
- The Sukuk Musharakah 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 falling within any of the categories of persons or in the circumstances specified under:
- (i) Schedule 6 (or Section 229(1)(b)); or
 - (ii) Schedule 7 (or Section 230(1)(b)),
- read together with Schedule 9 (or Section 257(3)) of the Capital Market and Services Act 2007 (“**CMSA**”), as amended from time to time.
- Selling Restrictions thereafter**
- The Sukuk Musharakah 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 falling within any of the categories of persons or in the circumstances specified under Schedule 6 (or Section 229(1)(b)) read together with Schedule 9 (or Section 257(3)) of the CMSA, as amended from time to time.
- The Sukuk Musharakah are tradable and transferable subject to the Selling Restriction above.
- (r) **Listing status and types of listing, where applicable** : The Sukuk Musharakah may be listed on Bursa Malaysia Securities Berhad (“**Bursa Securities**”) under an Exempt Regime pursuant to Chapter 4B of the Bursa Securities Main Market Listing Requirements. The SC will be notified accordingly in event of such listing.
- (s) **Other regulatory approvals required in relation to the issue, offer or invitation to subscribe or purchase sukuk, and whether or not obtained** : None

- (t) **Conditions Precedent** : To include but not limited to the following (all have to be in form and substance acceptable to the Lead Manager):

Main Documentation

- 1) The Transaction Documents (other than the Securities Charge) have been executed and, where applicable, stamped and presented for registration.
- 2) All relevant notices and acknowledgements (where applicable) shall have been made or received as the case may be.
- 3) Receipt of certified true copies of all duly executed Project Agreements (as defined below).

Issuer and MESB

- 1) Receipt of certified true copies of the Certificate of Incorporation, and the Memorandum and Articles of Association.
- 2) Receipt of certified true copies of the Forms 24, 44 and 49.
- 3) A certified true copy of board resolutions authorising, among other actions, the execution of the Transaction Documents (as defined below).
- 4) A list of authorised signatories and their respective specimen signatures.
- 5) Receipt of the search results and winding up search results on the Issuer confirming that the Issuer and MESB is not and/or has not been wound up.

General

- 1) The approval from the SC and, where applicable, all other regulatory authorities.

- 2) The Sukuk Musharakah has received the requisite rating as stated in this Principal Terms and Conditions.
- 3) Evidence that all transaction fees, costs and expenses have been or will be paid in full by the date of the issuance of the Sukuk Musharakah.
- 4) If applicable, the requisite consent and/or indulgence from the existing Issuer's financiers/lenders which would be in the form and substance acceptable to the Lead Manager for the Sukuk Musharakah and the creation of collateral as prescribed in item 2 (l) above.
- 5) Receipt of satisfactory legal opinion from the Solicitors confirming amongst others:-
 - i) all approvals/ consents (be it regulatory or contractual) which are required shall have been duly obtained for the Sukuk Musharakah and for the execution of the Transaction Documents;
 - ii) the Transaction Documents are legally valid, binding and enforceable and that all the conditions precedent in relation to the Transaction Documents have been fulfilled or waived, as the case may be.
- 6) Evidence of the confirmation from the Shariah Adviser that the structure of the Sukuk Musharakah and the Transaction Documents are in compliance with Shariah principles.

- 7) Evidence that the Issuer Designated Accounts have been established in accordance with the provisions of Transaction Documents and an amount equivalent to the initial Minimum Required Balance has been or will be deposited into the IFSA by the issuance of the Sukuk Musharakah.
- 8) Receipt of a letter from the Reporting Accountant stating among others, the assumptions adopted in the cashflow projections and the accuracy of the mathematical calculations of the cashflow projections based on the underlying assumptions.
- 9) Receipt of a report from the Independent Traffic Consultant confirming among others, the traffic projections and the assumptions thereto prepared in relation to the 26 kilometres highway traversing from Kuala Lumpur to Putrajaya which is more particularly described and defined in the Concession Agreement (as defined below) (the "**Highway**").
- 10) Certification from the Independent Insurance / takaful Consultant(s) that all policies are in full force and effect, are adequate for the Project and "**Project**" means the design and construction of the Highway, provision of other highway related facilities and services, and operation and maintenance of the Highway and collection of toll for MESB's benefit during the concession period.
- 11) Certification issued by the Issuer in the form prescribed by the Lead Manager confirming the accuracy of the representations and warranties contained in the Transaction Documents in all respect.

- 12) Confirmation from the Issuer that no Dissolution Event (as defined below) has occurred and is continuing or shall occur if the relevant issuance is made.
- 13) Receipt by the Security Agent a certified true copy of the MESB Undertaking.
- 14) The requisite resolutions of the holders of the Existing Securities approving the purchase by the Issuer of the Existing Securities.
- 15) The approval from the SC to waive the compliance by MESB of the relevant provisions prescribed under the Trust Deed Guidelines as may be applicable to the Existing Securities.
- 16) A redemption statement cum letter of undertaking, in form and substance acceptable to the Lead Manager, from the lender of the Issuer Term Loan addressed directly to the Facility Agent undertaking, amongst others (i) to execute the relevant discharge documents and (ii) to refund the sum equivalent to the redemption sum in the event any discharge document is not registered for whatever reasons.
- 17) A certified true copy of the Memorandum of Association of the Issuer reflecting that during the tenure of the Sukuk Musharakah, the Issuer will not (i) undertake any business other than related to the Concession Agreement (including investment in MESB); and (ii) enter into any voluntary winding-up.
- 18) Receipt of a certified true copy of the duly executed Fourth Supplemental Concession Agreement made between MESB and the GOM in relation to the construction of the Seri Kembangan Interchange.

19) Receipt of a duly executed letter of undertaking by Ulimas Sdn Bhd in favour of the Issuer pursuant to which Ulimas Sdn Bhd shall undertake (a) not to take any step to wind up MESB; (b) not to restrict declaration or payment of dividends by MESB to its shareholders; and (c) to direct the directors of MESB to do all acts to give effect to the undertakings in (a) and (b) above.

20) Such other conditions precedent as advised by the Solicitors.

Conditions Subsequent

: To include but not limited to the following (all have to be in form and substance acceptable to the Lead Manager):

1) The Securities Charge are executed, created and perfected within 30 days from the issuance of the Sukuk Musharakah.

2) Receipt of a satisfactory report from the Independent Consulting Engineer addressing matters in relation to the construction of the Seri Kembangan Interchange within 90 days or such other period as the Sukuk Trustee may agree from full compliance of conditions precedent.

3) A certified true copy of the Memorandum of Association of MESB reflecting that during the tenure of the Sukuk Musharakah, MESB will not (i) undertake any business other than related to the Concession Agreement; and (ii) enter into any voluntary winding-up.

(u) Representations and Warranties : To include but not limited to the following for the Issuer and MESB (collectively, “**Companies**” and references to Companies shall mean each or any of them as the context may require):

Applicable to both the Issuer and MESB

- (i) each of the Companies is a company with limited liability duly incorporated and validly existing under the laws of Malaysia, has full power to carry on its business and to own its property and assets, and has full beneficial ownership of all its property and assets;
- (ii) the memorandum and articles of association of the Companies incorporate provisions which authorise, and all necessary corporate and other relevant actions have been taken to authorise, 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 authorise, the Issuer to execute and deliver and perform the transactions contemplated by the Transaction Documents to which it is a party in accordance with their terms;
- (iii) neither the execution and delivery of any of the Transaction Documents by the Issuer, nor the performance of any of the transactions contemplated by the Transaction Documents by the Issuer, did or does as at the date this representation and warranty is made or repeated (a) contravene or constitute a default under any provision contained in any agreement, instrument, law, ordinance, decree, judgment, order, rule, regulation, licence, permit or consent by which the Companies or any of its assets is bound or which is applicable to the Companies or any of its assets, (b) cause any limitation on the Companies or the powers of its directors, whether imposed by or contained in its memorandum and

articles of association or in any agreement, instrument, law, ordinance, decree, order, rule, regulation, judgment or otherwise, to be exceeded, or (c) cause the creation or imposition of any security interest or restriction of any nature on any of the Companies' assets;

- (iv) each of the Transaction Documents is or will when executed and/or issued, as the case may be, 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 Companies (where applicable) enforceable in accordance with its terms;
- (v) the audited financial statements (including the income statement and balance sheet) of the Companies shall be prepared on a basis consistently applied and in accordance with generally accepted accounting principles in Malaysia and give a true and fair view of the results of their operations and the state of their affairs and in particular disclose all material liabilities (actual or contingent) of the Companies;
- (vi) no litigation, arbitration or administrative proceeding or claim which might by itself or together with any other such proceedings or claims either have a material adverse effect on the financial condition of any of the Companies or materially and adversely affect the Companies' ability to perform its obligations under the Transaction Documents to which it is a party in accordance with their terms, is presently in progress or pending or, to the best of the knowledge, information and belief of the Companies (after due and careful enquiry), threatened against the

Companies or any of its or their assets;

- (vii) the Companies are not aware of and have no reason to believe that any event has occurred which constitutes, or which with the giving of notice and/or the lapse of time and/or a relevant determination would likely to constitute, a contravention of, or default under, any agreement or instrument by which the Companies or any of their assets are bound or affected, being a contravention or default which might either have a material adverse effect on the financial condition of any of the Companies or materially and adversely affect the Companies' ability to perform its or their obligations under the transaction documents in accordance with their terms;
- (viii) the Companies are in compliance and will comply with any applicable laws and regulations;
- (ix) the Companies have disclosed to the Lead Arranger and/or the Facility Agent prior to the date of the Transaction Documents, all facts relating to the Companies know or should reasonably know and which are material for disclosure to the Sukuk Trustee, the Lead Arranger, the Lead Manager and the Facility Agent in the context of the Transaction Documents; and
- (x) any other representations and warranties as advised by the Solicitors.

Applicable to MESB only

- (xi) MESB has obtained all permits, approvals and licenses required for the Project and all of these are in full force and effect.

- (v) **Events of default, dissolution event and enforcement event, where applicable** : Events of Default/Dissolution Events to include but not limited to the following:

Applicable to the Issuer and/or MESB

- (i) the Issuer fails to pay any amount due from it or them under any of the Transaction Documents on the due date or, if so payable, on demand;
- (ii) any representation or warranty made or given by the Companies under the Transaction Documents or which is contained in any certificate, document or statement furnished at any time pursuant to the terms of the Sukuk Musharakah or any of the Project Agreements and/or any of the Transaction Documents proves to have been incorrect or misleading in any material respect on or as of the date made or given or deemed made or given, and in the case of a failure which in the opinion of the Sukuk Trustee is capable of being remedied, the Companies does not remedy the failure within a period of thirty (30) days after the Companies became aware or having been notified by the Sukuk Trustee or the Security Agent of the failure;
- (iii) the Issuer or MESB fails to observe or perform its or their obligations under any of the Transaction Documents or the Sukuk Musharakah 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 in the case of a failure which in the opinion of the Sukuk Trustee is capable of being

remedied, the Issuer does not remedy the failure within a period of thirty (30) days after the Issuer or MESB became aware or having been notified by the Sukuk Trustee or the Security Agent of the failure;

- (iv) there has been a breach by the Issuer or MESB of any of its or their obligations under any of their existing contractual obligations which may materially and adversely affect the Companies' ability to perform its obligations under the Transaction Documents to which it is a party and, if in the opinion of the Sukuk Trustee is capable of being remedied, the Issuer or MESB does not remedy the breach within a period of thirty (30) days after the Issuer became aware or having been notified by the Sukuk Trustee or the Security Agent of the breach;
- (v) any indebtedness for borrowed moneys of the Companies becomes due or payable or capable of being declared due or payable prior to its stated maturity or any guarantee or similar obligations of the Companies are not discharged at maturity or when called and such declaration of indebtedness being due or payable or such call on the guarantee or similar obligations is not discharged or disputed in good faith by the Companies in a court of competent jurisdiction within thirty (30) days from the date of such declaration or call, or any of the Companies goes into default under, or commits a breach of, any agreement or instrument relating to any such indebtedness, guarantee or other obligations, or any security created to secure such indebtedness becomes enforceable;

- (vi) an encumbrancer takes possession of, or a trustee, receiver, receiver and manager or similar officer is appointed in respect of the whole or substantial part of the business or assets of the Issuer or MESB, or distress, legal process, sequestration or any form of execution is levied or enforced or taken against the Issuer which may have a Material Adverse Effect on the Companies, or any security interest which may for the time being affect any of its assets becomes enforceable;

For the purpose of this paragraph (vi), references to “**substantial**” shall mean such value equivalent to or more than 5% of the Issuer’s or MESB’s net tangible assets as reflected in their latest audited financial statements, where applicable.

- (vii) the Issuer or MESB fails to satisfy any judgement passed against it by any court of competent jurisdiction and no appeal against such judgement 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;
- (viii) any step is taken for the winding up, dissolution or liquidation of the Issuer or MESB or a resolution is passed for the winding up of the Issuer or MESB or a petition for winding up is presented against the Issuer or MESB and the Issuer or MESB has not taken any action in good faith to set aside such petition within thirty (30) days from the date of service of such winding up petition or a winding up order has been made against the Issuer or MESB;

- (ix) the Issuer or MESB 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 or MESB becomes or is declared to be insolvent) or where a scheme of arrangement under Section 176 of the Companies Act 1965 has been instituted against the Issuer or MESB;
- (x) where there is a revocation, withholding or modification of any license, authorisation, approval or consent which in the opinion of the Sukuk Trustee may materially and adversely impairs or prejudices the ability of the Issuer or MESB to comply with the terms and conditions of the Sukuk Musharakah or the Transaction Documents;
- (xi) the Issuer or MESB is deemed unable to pay any of its debts or becomes unable to pay any of its or their debts as they fall due or suspend or threaten to suspend making payments with respect to all or any class of its debts under section 218(2) of the Companies Act 1965;

- (xii) any creditor of the Issuer or MESB exercises a contractual right to take over the financial management of the Issuer or MESB and such event in the opinion of the Sukuk Trustee may have a Material Adverse Effect;
- (xiii) the Issuer or MESB changes or threatens to change the nature or scope of a substantial part of its business, or suspends or threatens to suspend or cease or threatens to cease the operation of a substantial part of its business which it now conducts directly or indirectly and such change or suspension or cessation in the opinion of the Sukuk Trustee may have a Material Adverse Effect;
- (xiv) at any time any of the provisions of the transaction documents in respect of the Sukuk Musharakah is or becomes invalid, illegal, void, voidable or unenforceable or ceases to be binding which in the opinion of the Sukuk Trustee may have a Material Adverse Effect;
- (xv) the Issuer or MESB repudiates any of the Transaction Documents to which it is a party or the Issuer or MESB does or causes to be done any act or thing evidencing an intention to repudiate any of the Transaction Documents to which it is a party;
- (xvi) any of the assets, undertakings, rights or revenue of the Issuer or MESB are seized, nationalised, expropriated or compulsorily acquired by or under the authority of any governmental body which in the opinion of the Sukuk Trustee may have a Material Adverse Effect on the Issuer or MESB;

- (xvii) any event or events has or have occurred or a situation exists which in the opinion of the Sukuk Trustee may have a Material Adverse Effect on the Issuer or MESB, and in the case of the occurrence of such event or situation which in the opinion of the Sukuk Trustee is capable of being remedied, the Issuer or MESB does not remedy it within a period of thirty (30) days after the Issuer or MESB became aware or having been notified by the Sukuk Trustee or the Security Agent of the event or situation;
- (xviii) an event of default or dissolution event has occurred under the Existing Securities; or
- (xix) such other event as may be advised by the Solicitors.

Applicable to the Issuer only

- (i) if the Issuer disposes, whether wholly or partly, its shareholdings in MESB.

Applicable to MESB only

- (i) at any time any of the provisions of the Project Agreements is or becomes invalid, illegal, void, voidable or unenforceable or ceases to be binding;
- (ii) any of the project counterparties to the Project Agreements repudiates any of the Project Agreements or any of the project counterparties to the Project Agreements does or causes to be done any act or thing evidencing an intention to repudiate any of the Project Agreements;

- (iii) if at any time MESB commits a breach of any term or any obligation of or under any of the Project Agreements (whether or not resulting in a termination of such Project Agreement) except:
 - (a) where such a breach is not materially prejudicial to the interest of the Sukukholders; and
 - (b) is remedied by MESB within thirty (30) days from the notice of such breach from GOM.
- (iv) if any of the Project Agreements is terminated (whether by way of breach of condition or otherwise) or a termination event or an event of default occurs under any of the Project Agreements.

Upon the occurrence of a Dissolution Event referred to above, the Sukuk Trustee may or shall (if directed to do so by a special resolution of the Sukukholders and subject to it being indemnified to its satisfaction) declare that: (i) a Dissolution Event has occurred; (ii) exercise its rights under the Purchase Undertaking and declare that the Exercise Price payable under the Purchase Undertaking and all other sums payable under the Sukuk Musharakah and the Transaction Documents are immediately due and payable in full in accordance with the terms of the relevant Transaction Documents; and (iii) the Sukuk Trustee and the Security Agent shall have the right to institute such proceedings and to take such steps as it/they think fit including enforcing remedies under each of the Transaction Documents.

Upon payment of the Exercise Price by the Issuer, the Musharakah Venture shall be dissolved and the Sukuk Musharakah held by the Sukukholders shall be cancelled.

(w) Covenants : **Financial Covenants**

Finance Service Cover Ratio (“FSCR”)

The Issuer shall maintain a FSCR of at least 1.25 times at all times.

The FSCR is the ratio of Available Cash Flow (as defined hereunder) to the aggregate of:

- (a) all principal obligations paid by the Issuer under the Sukuk Musharakah for the preceding 12 months; plus
- (b) all principal obligations paid by the Issuer under any other financing/ borrowing for the preceding twelve (12) months; plus
- (c) all coupon/profit/mark up payments paid under the Sukuk Musharakah and such financings/ borrowings of the Issuer for the preceding 12 months.

The FSCR calculations shall be duly confirmed by the Issuer’s external auditors and based on the Available Cash Flow as per the latest audited accounts of the Issuer on an annual basis. For the avoidance of doubt, any double counting shall be disregarded.

The Issuer shall submit a compliance certificate to the Sukuk Trustee, the Rating Agency and the Facility Agent, which certificate shall be signed by two (2) directors of the Issuer and an external auditor certifying the compliance of the FSCR.

Available Cash Flow

In any annual period, the sum of:

- (i) all revenue and income received by the Issuer and any other receipts of a capital or revenue nature under any contract or agreement;

- (ii) all distribution, returns and realised gains received by the Issuer; and
- (iii) all credit balances in the Issuer Designated Accounts including accrued profit payments retained by or on behalf of the Issuer and the amount utilised from the Issuer Designated Accounts for Permitted Investments at the beginning of the relevant 12 month period;.

less:

- (i) taxes paid or such other contributions paid by the Issuer; and
- (ii) the total amount spent on operating expenses of the Issuer.

Information Covenants

To include but not limited to the following:

Applicable to the Issuer and MESB

- (i) the Companies shall provide to the Sukuk Trustee at least on an annual basis, a certificate confirming that it has complied with all its obligations under the transaction documents and the terms and conditions of the Sukuk Musharakah and that there does not exist or had not existed, from the date the Sukuk Musharakah were issued, any Event of Default, and if such is not the case, to specify the same;
- (ii) the Companies shall deliver to the Sukuk Trustee the following:
 - (a) 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) copies of its financial statements for that year which shall contain the income statements and balance sheets of

the Companies and which are audited and certified without qualification by a firm of independent certified public accountants acceptable to the Sukuk Trustee;

- (b) 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) copies of its unaudited half yearly financial statements for that period which shall contain the income statements and balance sheets of the Companies which are duly certified by any one of its directors;
- (c) at least thirty (30) days in advance of the beginning of each financial yearly period, an annual budget prepared by MESB that is acceptable to the Sukuk Trustee setting out the estimated yearly costs and expenses required and necessary to carry on the operation and maintenance of the Highway (the “**Annual Budget**”);
- (d) promptly, such additional financial or other information relating to the Companies’ business and its operations as the Sukuk Trustee may from time to time reasonably request in order to discharge its duties and obligations as trustee to the extent permitted by law;
- (e) promptly, all notices or other documents received by the Companies from any of its or their shareholders or its of their creditors which contents may materially and adversely affect the interests of the Sukukholders, and a copy of all documents dispatched by the Issuer or MESB to its or their shareholders

- (or any class of them) in their capacity as shareholders or its creditors generally, which contents may affect the interests of the Sukukholders, at the same time as these documents are dispatched to these shareholders or creditors; and
- (f) promptly, any other accounts, report, notice, statement or circular issued to shareholders which the Sukuk Trustee shall at its discretion circulate the accounts, report, notice, statement or circular to the registered Sukukholders who fall within Schedules 6 and 7 of the CMSA,
- (iii) the Companies shall promptly notify the Sukuk Trustee of any change in its board of directors;
- (iv) the Companies shall promptly notify the Sukuk Trustee or the Facility Agent 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 the Companies before any court or tribunal or administrative agency which may have Material Adverse Effect;
- (v) the Companies shall promptly give notice to the Sukuk Trustee or the Facility Agent in writing in the event that it becomes aware of any of the following:
- (a) of the occurrence of any Event of Default or any event which (with the expiry of a grace period, the giving of notice, the making of any determination under the transaction documents relating to the Sukuk Musharakah or any combination of the foregoing)

- would constitute an Event of Default (the “**Potential Event of Default**”) forthwith upon becoming aware thereof, and it shall take all reasonable steps and/or such other steps as may reasonably be requested by the Sukuk Trustee to remedy and/or mitigate the effect of the Event of Default or the Potential Event of Default;
- (b) the occurrence of any event that has caused or could cause, one or more of the following:
 - (i) any amount secured or payable under the Sukuk Musharakah to become immediately payable;
 - (ii) the Sukuk Musharakah to become immediately enforceable; or
 - (iii) any other right or remedy under the terms, provisions and covenants of the transaction documents have become immediately enforceable
 - (c) any circumstance that has occurred that would materially prejudice the Companies or any security included in or created by the Transaction Documents;
 - (vi) the Companies shall promptly notify the Sukuk Trustee or the Facility Agent in writing of any change in withholding tax position or taxing jurisdiction of the Issuer (where applicable);
 - (vii) the Companies shall promptly notify the Sukuk Trustee or the Facility Agent in writing of any substantial change in the nature of the business of any of the Companies;

- (viii) the Companies shall promptly notify the Sukuk Trustee and the Rating Agency of any circumstance that has occurred that would materially prejudice the Companies;
- (ix) the Companies shall promptly notify the Sukuk Trustee and the Rating Agency of any other matter which may materially prejudice the interests of the Sukukholders; and
- (x) the Companies shall promptly provide to the Sukuk Trustee such information on the section of the Highway which is about 18 kilometres in length from Putrajaya to Kuala Lumpur International Airport (the “**Spur Link**”) as provided to the lenders of Spur Link if any.

Applicable to the Issuer only

- (i) the Issuer shall notify the Sukuk Trustee or the Facility Agent in writing (with reasonable details) on a quarterly basis the progress utilisation of the proceeds of the Sukuk Musharakah for the construction of the Seri Kembangan Interchange, with the first notification to be given on the date the Issuer first utilises the proceeds of the Sukuk Musharakah to fund the construction of the Seri Kembangan Interchange;
- (ii) the Issuer shall promptly notify the Sukuk Trustee of any change in the utilization of proceeds of the Sukuk Musharakah, where the Information Memorandum or any agreement entered into in connection with the issue, offer or invitation sets out a specific purpose for which proceeds are to be utilized;

- (iii) the Issuer shall ensure that the rating for the Sukuk Musharakah is made available throughout the tenure of the Sukuk Musharakah unless the rating is suspended or withdrawn by the Rating Agency, and in this regard, the Issuer undertakes and covenants to provide relevant information on continuous basis to the Rating Agency, so that timely dissemination of relevant information and rating analysis can be made available to the Sukukholders; and
- (iv) any other covenants as advised by the Solicitors.

Shareholding Covenant

- (i) The Issuer shall not change its shareholding in MESB.
- (ii) The Issuer shall not approve, change, permit to change, or suffer any change of shareholders, whether legal or beneficial, or any transfer or disposal, legally or beneficially, of, any part of its issued share capital or any change in its shareholding structure which will result in the Issuer ceases to be a subsidiary of the Maju Group. The “**Maju Group**” means Maju Holdings Sdn Bhd and its subsidiaries from time to time.

Positive Covenants

To include but not limited to the following:

Applicable to the Issuer and MESB

- (i) the Companies shall maintain in full force and effect all relevant authorisations, consents, rights, licences, approvals and permits (governmental and otherwise) and will promptly obtain any further authorisations, consents, rights, licences, approvals and permits

(governmental and otherwise) which is or may become necessary to enable it to own its assets, to carry on its or their business or for the Companies to enter into or perform their obligations under the Transaction Documents or to ensure the validity, enforceability, admissibility in evidence of the obligations of the Companies or the priority or rights of the financiers under the Transaction Documents and the Companies shall comply with the same;

- (ii) the Companies shall at all times on demand execute all such further documents and do all such further acts reasonably necessary at any time or times to give further effect to the terms and conditions of the Transaction Documents;
- (iii) the Companies 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;
- (iv) the Companies shall promptly perform and carry out all their obligations under the Transaction Documents to which it is a party (including but not limited to redeeming the Sukuk Musharakah on the relevant Maturity Date(s) or any other date on which the Sukuk Musharakah are due and payable) and ensure that they shall immediately notify the Sukuk Trustee in the event that the Companies are unable to fulfil or comply with any of the provisions of the Transaction Documents;

- (v) the Companies shall prepare its financial statements on a basis consistently applied in accordance with approved accounting standards in Malaysia and those financial statements shall give a true and fair view of the results of the operations of the Companies for the period to which the financial statements are made up and shall disclose or provide against all liabilities (actual or contingent) of the Companies;
- (vi) the Companies shall promptly comply with all applicable laws including the provisions of the CMSA and/or the notes, circulars, conditions or guidelines issued by SC from time to time;
- (vii) the Companies shall maintain the takaful/insurances required by the Transaction Documents and the Project Agreements;
- (viii) the Companies shall give to the Sukuk Trustee such information as it may require in order to discharge its duties and obligations as trustee under the trust deed relating to the Companies' affairs to the extent permitted by law;
- (ix) the Companies shall keep proper books and accounts at all times and to provide the Sukuk Trustee and any person appointed by the trustee (for example the auditors) access to such books and accounts;
- (x) the Companies shall 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;

- (xi) the Companies shall preserve and maintain good and valid title to its properties and assets; and
- (xii) such other covenants as may be advised by the Solicitors.

Applicable to the Issuer only

- (i) the Issuer shall open and maintain the Issuer Designated Accounts for the purpose stated and make payments from such accounts only as permitted under the Transaction Documents, and comply with the terms and conditions of the Transaction Documents in all matters concerning the Issuer Designated Accounts;
- (ii) the Issuer shall maintain a paying agent in Malaysia;
- (iii) the Issuer shall procure that the paying agent shall notify the Sukuk Trustee in the event that the paying agent does not receive payment from the Issuer on the due dates as required under the trust deed and the terms and conditions of the Sukuk Musharakah;
- (iv) the Issuer shall ensure that the contractors to be appointed by MESB for the Seri Kembangan Interchange is acceptable to the Sukuk Trustee and the Rating Agency;
- (v) the operation of the Sukuk Musharakah shall at all times be governed by guidelines issued and to be issued by the SC and/or other authorities having jurisdiction over matters pertaining to the Sukuk; and

- (vi) the Issuer shall maintain at all times throughout the tenor of the Sukuk Musharakah, the Trustees' Reimbursement Account for Sukukholders' Actions (the "**Trustees' Reimbursement Account**") with a sum of RM30,000 to be set up from the moneys received by the Issuer when the Sukuk Musharakah are issued. The Trustees' Reimbursement Account shall be operated by the Sukuk Trustee and the money in the Trustees' Reimbursement Account shall only be used strictly by the Sukuk Trustee in carrying out their duties in relation to the occurrence of Event of Default / Dissolution Event or enforcement events which are provided under the Transaction Documents in respect of the Sukuk Musharakah.

Applicable to MESB only

- (i) MESB shall ensure that there is no restriction to prevent the distribution of dividends or any form of income or capital distribution to the Issuer unless such distribution will result in a breach of applicable laws and the Project Agreements.

Negative Covenants

To include but not limited to the following:

Applicable to the Issuer and MESB

- (i) the Companies shall not provide or permit to exist any guarantee to any party save and except for such guarantees required for the Spur Link provided always that the issuance of such guarantee will not result in a downgrade of the prevailing rating of the outstanding Sukuk Musharakah;

- (ii) the Companies shall not incur capital expenditure exceeding a threshold to be agreed, other than capital expenditure which has already been planned and included in the budget provided (and approved as the case may be) for the relevant year, without the written consent of the Sukuk Trustee or the agent as may be approved;
- (iii) the Companies shall not dispose any assets in excess of RM10.0 million in aggregate in any financial year, except where the asset disposal is solely for the purposes of facilitating Shariah concepts used in Islamic financing facilities granted to the Issuer;
- (iv) the Companies shall not add, delete, amend or substitute its Memorandum or Articles of Association in a manner inconsistent with the provisions of the Transaction Documents unless otherwise required under the law or to increase its authorised capital or for the purpose of fulfilling any regulatory requirements which may be applicable in connection with the listing of the shares of the Issuer;
- (v) the Companies shall not reduce their authorised or paid-up share capital whether by varying the amount, structure or value thereof or the rights attached thereto or by converting any of their share capital into stock, or by consolidating, dividing or sub-dividing all or any of their shares, or by any other manner and for the avoidance of any doubt, listing of shares of the Issuer shall not be restricted by this covenant;

- (vi) except otherwise contemplated in the Transaction Documents, the Companies shall not enter into any agreement with its subsidiaries (if any) or associated companies except for agreement entered into:
 - (a) in the ordinary course of its business;
 - (b) on an arms-length basis; and
 - (c) which will not have a Material Adverse Effect on the Companies;

For the purposes of this Principal Terms and Conditions and the Transaction Documents, Material Adverse Effect refers to any event or circumstances the occurrence of which has resulted in, or will be likely to result in material adverse effect on:

- (a) the assets, business or condition (financial or otherwise) of the Companies;
- (b) MESB's ability under any Project Agreement, to perform or comply with any of its obligations under the Transaction Documents to which it is a party;
- (c) the Project or any rights or benefits of the Companies thereunder; or
- (d) the rights and benefits available to the Sukukholders under any provisions of the Transaction Documents.

Any reference in the Transaction Documents to any event or circumstance which “has” or which “would have” a Material Adverse Effect shall be construed accordingly.

- (vii) the Companies will not consolidate or amalgamate or merge with or into, or transfer all or substantially all their assets to or acquire all or substantially all the assets (including shares and/or stocks of any class, partnership or joint venture interest) of another entity; where, for the avoidance of doubt, either of the Companies will be deemed to have acquired substantially all of the ordinary shares of another entity if that entity becomes a subsidiary of either of the Companies as a result of the acquisition;
- (viii) the Companies will not enter into any voluntary winding-up;
- (ix) such other covenants as may be advised by the Solicitors.

Applicable to the Issuer only

- (i) the Issuer shall not open any other accounts other than the Issuer Designated Accounts and the Trustees' Reimbursement Account;
- (ii) except otherwise contemplated in the Transaction Documents, the Issuer shall not incur any additional indebtedness (including any loans or advances from its shareholders, subsidiaries or associated companies) save and except for such loans or advances from its shareholders, subsidiaries, related corporations or associated companies which are fully subordinated to the Sukuk Musharakah;

- (iii) the Issuer shall not 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, but excluding liens arising in the ordinary course of business by operation of law and not by way of contract, and those security as contemplated under the Transaction Documents to which it is a party;
- (iv) the Issuer shall not declare or pay any dividends or make any distribution (such payments and distributions shall be referred to as “**Distributions**”) whether income or capital in nature to its shareholders unless the following conditions are met:
 - (a) no Event of Default / Dissolution Event (or event or condition which, with the giving of notice, the passage of time, or both, would become an Event of Default / Dissolution Event) has occurred or would have occurred following such payment or distribution of dividends/distributions;
 - (b) any amount under the IFSA is due or any instalment on any of the payments under the arrangements pertaining to the Sukuk Musharakah is overdue and unpaid or if any of the payments under the arrangements pertaining to the Sukuk Musharakah which has become payable has not been

paid as a consequence of default by the Issuer; and

- (c) the Projected FSCR (to be calculated on each Distribution Date (as defined below)) does not fall below 2.25 times after any such Distributions;

The maximum amount of Distributions allowed in any particular calendar year shall be capped as follows:

Period	Dividend Restrictions
From the date of issuance of the Sukuk Musharakah until the third anniversary thereof	No Distributions allowed
From the start of the fourth anniversary until the tenth anniversary of the date of issuance of the Sukuk Musharakah	Distributions are capped at 50% of the maximum dividends payable based on the Projected FSCR of 2.25 times after such Distributions
From the start of the eleventh anniversary of the date of the issuance of the Sukuk Musharakah onwards	No cap on Distributions provided Projected FSCR is at least 2.25 times after such Distributions

Projected FSCR

Following any Distribution, the Projected FSCR shall be calculated for the next principal payment date as follows:

$$\frac{A + B + C}{A + D}$$

where:

A = the actual total principal and profit payments made after the previous principal payment date up to the date the Distribution is made (“**Distribution Date**”);

B = the actual closing cash balances in the Issuer Designated Accounts (net of the Distribution) including Permitted Investments as at the Distribution Date;

C = the projected net cashflow before financing from the Distribution Date up to the next principal payment date; and

D = the projected total principal and profit payments due and payable from the Distribution Date up to and including the next principal payment date.

For the avoidance of doubts, for purposes of calculating the Projected FSCR, (i) the closing cash balances of the Issuer as at the Distribution Date shall exclude balances in the Issuer Compensation Account; and (ii) if no Distribution is made in any 12-month period between one principal payment date and the next principal payment date, the Projected FSCR need not be calculated; and (iii) any double counting should be disregarded. For purposes of testing the Projected FSCR, the Issuer shall submit a compliance certificate signed by a director of the Issuer and addressed to the Sukuk Trustee and the Facility Agent.

- (v) the Issuer shall not make any payments (whether in relation to principal, profit, mark up or otherwise) to its shareholders, subsidiaries, related corporations or associated companies in connection with any loans or advances from its shareholders, subsidiaries, related corporations or associated companies unless the conditions described in paragraph (iv) above which relates to 'Distributions' are met.
- (vi) the Issuer shall not use the proceeds raised from the Sukuk Musharakah except for the purposes set out in this Principal Terms and Conditions;
- (vii) the Issuer will not cancel, surrender, abandon or otherwise change in any manner the nature or scope of their existing business or suspend or threaten to suspend any part of their business;
- (viii) except otherwise contemplated in the Transaction Documents, the Issuer shall not lend any money to any party other than to the Issuer's directors, officers or employees as part of their terms of employment; and
- (ix) the Issuer shall not have any subsidiaries other than MESB.
- (x) the Issuer shall not sell, dispose, transfer or otherwise deal with the Existing Securities or any part thereof unless the prior written consent of the Sukuk Trustee has first been obtained.

Applicable to MESB only

(i) MESB shall not incur any additional indebtedness (including any loans or advances from its shareholders, subsidiaries or associated companies) save and except where:

(a) such indebtedness, which is unfunded (including but not limited to performance bonds and maintenance bonds) does not exceed RM50.0 million in aggregate and is unsecured; or

(b) such indebtedness contemplated in the Transaction Documents.

For avoidance of doubt, the above additional indebtedness limit will not be applicable to the additional financing for the Spur Link (the “**Spur Link Financing**”) subject to all of the following conditions:

(a) no downgrade to the prevailing rating of the outstanding Sukuk Musharakah and subject to a minimum rating of AA2, whichever is the higher;

(b) no breach to the terms and conditions of the Sukuk Musharakah and Concession Agreements;

(c) will not have a Material Adverse Effect and is not prejudicial to the Sukukholders; and

(d) such other conditions as may be advised by the Solicitors.

(ii) MESB shall not 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, but excluding (01) liens arising in the ordinary course of business by operation of law and not by way of contract and (02) the existing security created by MESB to secure the Existing Securities.

For avoidance of doubt, the restriction on creation of security referred to above will not be applicable to the Spur Link Financing subject to all of the following conditions:-

- (a) no downgrade to the prevailing rating of the outstanding Sukuk Musharakah and subject to a minimum rating of AA2, whichever is the higher;
 - (b) no breach to the terms and conditions of the Sukuk Musharakah and Concession Agreements;
 - (c) will not have a Material Adverse Effect and is not prejudicial to the holders of the Sukuk Musharakah;
 - (d) consents from the Sukukholders and the Sukuk Trustee have been obtained; and
 - (e) such other conditions as may be advised by the Solicitors.
- (iii) save and except for payments or repayments of loans and/or advances granted or to be granted by the Issuer to MESB, MESB shall not make any payments (whether in relation to principal, profit, mark-up or otherwise) to its directors, related

- corporations or associated companies in connection with any loans or advances from its directors, related corporations or associated companies;
- (iv) except otherwise contemplated by the Transaction Documents, MESB shall not lend any money to any party other than to the Issuer and to MESB's directors, officers or employees as part of their terms of employment;
 - (v) MESB will not carry on any business other than its undertaking and enjoyment of the Concession (as defined in the Concession Agreement) and the maintenance of roads and such ancillary activities permitted under the Concession Agreement and to demand, collect, retain and distribute tolls, on behalf of other persons awarded concessions by GOM;
 - (vi) MESB will not cancel, surrender, abandon or otherwise change in any manner the nature or scope of their existing business or the Project; or suspend or threaten to suspend any part of its business;
 - (vii) MESB shall not agree to waive any breach or proposed breach of any of the Project Agreements which would have a Material Adverse Effect and/or materially prejudice the interest of the Sukukholders;
 - (viii) MESB shall not incorporate or establish or permit the incorporation or establishment of or permit to subsist or exist, any subsidiary;

- (ix) MESB shall not construct or undertake the construction of Spur Link if such construction will result in a downgrade to the prevailing rating of the outstanding Sukuk Musharakah;
- (x) MESB shall not, and shall not agree to, amend, vary, terminate (except due to lapse of time), replace or supplement any Project Agreements save and except for those relating to the Seri Kembangan Interchange and/or the Spur Link which amendments, variations, termination, replacement or supplement would have a Material Adverse Effect. Subject to the above, MESB shall give prior written notice of not less than thirty (30) days to the Sukuk Trustee of any proposed amendments, variations, terminations, replacements or supplements of any of the Project Agreements and provide reasonable details;
- (xi) MESB shall not do or omit to do any act, or execute or omit to execute any document which may render any of the Project Agreements or any insurance or takaful to be illegal, void, voidable or unenforceable;
- (xii) MESB shall not reissue or early redeem the Existing Securities;
- (xiii) MESB shall not change any of the terms and conditions of the Existing Securities without the prior written consent of the Sukuk Trustee.

(x) **Provisions on buy-back and early redemption of sukuk**

: **Redemption**

Unless previously redeemed or purchased and cancelled, the Sukuk Musharakah will be redeemed by the Issuer at 100% of their nominal value on their respective maturity dates pursuant to the relevant Exercise Price and all Sukuk Musharakah redeemed shall be cancelled and cannot be resold.

Repurchase and Cancellation

The Issuer or any of its subsidiaries or any of its agent and/or interested persons may at any time purchase the Sukuk Musharakah at any price in the open market or by private treaty, but these repurchased Sukuk Musharakah, if purchased by the Issuer or by its subsidiaries or by its agents, shall be cancelled and cannot be resold, or, if purchased by the Issuer's interested persons, the Sukuk Musharakah need not be cancelled but they will not entitle such interested persons to vote at any meeting of the Sukukholders.

Early Redemption of Sukuk Musharakah

The Issuer may redeem in whole (and not in part) any particular series of the Sukuk Musharakah before its Maturity Date at a price or prices and on such terms as may be agreed between the Issuer, the Sukukholders and the Lead Manager subject to the following conditions:

- (i) the Issuer shall have issued a notice to the Sukuk Trustee (the "**Early Redemption Notice**") not less than 21 days and not more than 60 days before the date of the proposed redemption (the "**Early Redemption Date**"). The Early Redemption Notice must specify the Early Redemption Date, and the particulars of the series of the Sukuk Musharakah that the Issuer wishes to cancel;

- (ii) the relevant Sukukholders together with the Issuer have agreed on the early redemption price via a letter issued by the Sukuk Trustee on behalf of the relevant Sukukholders duly accepted by the Issuer within three (3) business days before the Early Redemption Date; and
- (iii) the Early Redemption Date must fall on a Periodic Distribution Date.

On the Maturity Date:

Exercise Price = Musharakah Capital *plus* Expected Return as agreed by the Issuer on the date the Sukuk Musharakah are issued *less* aggregate of the Entitlements paid to the Sukukholders up to the Maturity Date.

The Issuer will be entitled to deduct the aggregate of the Advance Payments from the Exercise Price payable.

On the declaration of a Dissolution Event:

Exercise Price = Musharakah Capital *plus* Expected Return as agreed by the Issuer on the date the Sukuk Musharakah are issued *less* aggregate of the Entitlements paid to the Sukukholders up to the declaration of a Dissolution Event. For avoidance of doubt, the Exercise Price will be adjusted to be equivalent to the accreted value of the relevant tranche of Sukuk Musharakah plus accrued but unpaid profit (if any) up to the date the Exercise Price is paid.

The Issuer will be entitled to deduct the aggregate of the Advance Payments from the Exercise Price payable.

(y) Other principal terms and conditions for the proposal

- (i) **Issue Price** : The Sukuk Musharakah may be issued at premium, at par or at a discount at an issue price to be determined prior to issuance.

- (ii) **Form and Denomination** : The Sukuk Musharakah shall be issued in accordance with (1) the “Participation and Operation Rules for Payment and Securities Services issued by MyClear (“**MyClear Rules**”) and (2) MyClear Procedures, or their replacement thereof (collectively the “**MyClear Rules and Procedures**”) applicable from time to time.
- Each tranche of the Sukuk Musharakah shall be represented by a global certificate to be deposited with BNM, and shall be exchanged for definitive bearer form only in certain limited circumstances. The denomination of the Sukuk Musharakah shall be RM1,000 or in multiples of RM1,000 at the time of issuance or such other denomination as may be mutually agreed between the Issuer and the Facility Agent.
- (iii) **Right to Make Permitted Investments** : Monies standing to the credit of the Issuer Designated Accounts shall be permitted to be invested in Permitted Investments (as defined below), provided that:
- (i) such funds utilised for Permitted Investments shall, where necessary, be remitted back to the relevant Issuer Designated Accounts to meet any payment obligations of the Issuer at least five (5) days before such payment obligations are due and payable; and
 - (ii) shall be denominated in Ringgit Malaysia.
- (iv) **Permitted Investments** : For the purposes of the Sukuk Musharakah, Permitted Investments are the Shariah Compliant investments / products listed below:
- (i) deposits with licensed Islamic financial institutions in Malaysia; or

- (ii) Islamic bankers acceptances, Islamic bills and other Islamic money market instruments by licensed financial institutions with a short term rating of P1 and a minimum long term rating of AA3/AA- or their equivalent; or
 - (iii) Islamic treasury bills, Islamic money market instruments, and sukuk issued by BNM or GOM; or
 - (iv) sukuk issued by quasi government or government related corporations with a short term rating of P1 and a minimum long term rating of AA3/AA- or their equivalent or sukuk guaranteed by the GOM; or
 - (v) sukuk issued by corporations with a short term rating of P1 and a minimum long term rating of AA3/AA- or their equivalent, or by financial institutions or guaranteed by licensed financial institutions with a short term rating of P1 or a minimum long term rating of AA3/AA- or their equivalent.
- (v) **Compensation for late and/or default payment(s) (“Ta’widh”)** : In the event of overdue payments of any amount due under the Purchase Undertaking, the Issuer shall pay the compensation on such overdue amount at the rate and manner prescribed by the SC’s Shariah Advisory Council from time to time in accordance with Shariah.
- (vi) **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 payer shall be required to make such additional amount so that the payee would receive the full amount which the payee would have received if no such withholding or deductions are made.

- (vii) **Governing Law** : Laws of Malaysia
- (viii) **Jurisdiction** : The Issuer shall unconditionally and irrevocably submit to the non-exclusive jurisdiction of the courts of Malaysia.
- (ix) **Project Agreements** : (i) Concession Agreement dated 22 October 1997;
- (ii) Supplemental Concession Agreement dated 29 April 1998;
- (iii) Second Supplemental Concession Agreement dated 28 October 2003;
- (iv) Third Supplemental Concession Agreement dated 21 December 2006; and
- (the items under (i) to (iv) above shall collectively be referred to as the “**Concession Agreement**”)
- (v) Any other amendment(s) or variation(s) of the items under (i) to (iv) above and addition(s) to the items under (i) to (iv) above and any other instrument(s) executed supplemental thereto or in substitution thereof.
- (x) **Transaction Documents** : (i) the Subscription Agreement;
- (ii) the Trust Deed;
- (iii) Securities Lodgement Form for Central Securities Depository and Paying Agency Services;
- (iv) Musharakah Agreement;
- (v) Management Agreement;
- (vi) Purchase Undertaking;
- (vii) the Security Documents; and
- (viii) Any other documents or any such other agreements that may be advised by the Solicitors.
- (xi) **Status** : The Sukuk Musharakah will constitute direct, unconditional and secured obligations of the Issuer and shall at all times rank pari passu, without discrimination, preference or priority

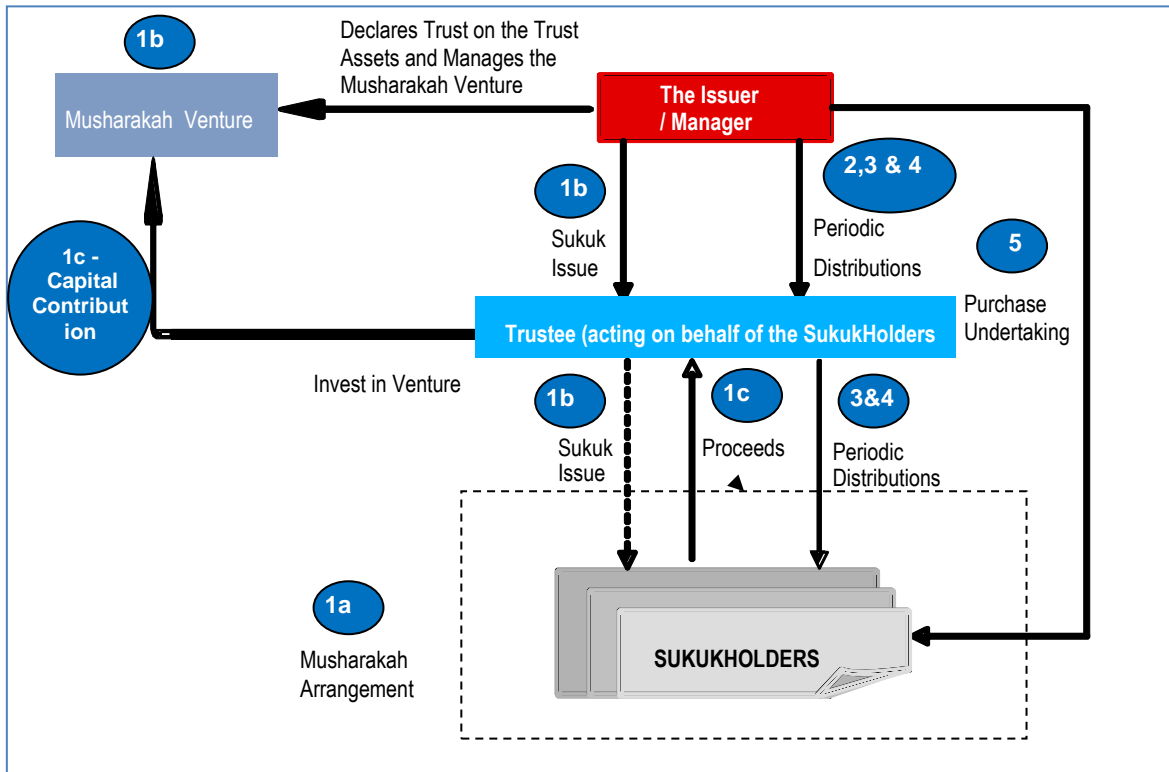
amongst themselves and shall rank in priority against all other present and future unsecured and unsubordinated obligations of the Issuer, subject to those preferred by law and/or the Transaction Documents.

- (xii) **Disclosure of Information** : The Issuer hereby expressly agrees, confirms and consents that the Principal Adviser, the Lead Arranger, the Lead Manager, the Sukuk Trustee, the Security Agent, the Facility Agent, the Sukukholders, the Central Depository, the Paying Agent and the Shariah Adviser (collectively, the “**Transaction Parties**”) are authorised by the Issuer to do the following without further notification or concurrence of the Issuer:
- (a) to disclose to the Central Credit Bureau, Central Credit Reference Information System or such other authority or body established by BNM, the SC and any other governmental authority having jurisdiction over the Transaction Parties and RAM Ratings any information relating to the Sukuk Musharakah including the balance outstanding;
 - (b) to disclose information on the Issuer’s business (including the Sukuk Musharakah, its accounts and/or future accounts) to any person(s) within the group of companies of the Transaction Parties and such person(s) within the same group of companies shall be entitled to make such disclosure to each other, the Shariah Adviser and to any person which is a legal, accounting, auditing or other third party providing services to the Transaction Parties provided that the Transaction Parties and such person(s) shall take all reasonable care to ensure that such information shall remain confidential amongst themselves; or

(c) to such other parties as may be advised by the Solicitors with prior written consent of the Issuer and documented in the Sukuk Agreements.

- (xiii) Transaction Expenses** : All legal and professional fees, the cost of due diligence exercises, stamp duties, taxes and any other out-of-pocket expenses incurred in connection with the Sukuk Musharakah, including professional due diligence fees, Shariah advisory fee and fees payable to the RAM Ratings, the Lead Arranger, the Lead Manager, the Facility Agent, the Sukuk Trustee and the Security Agent, shall be borne by the Issuer.
- (xiv) Other Conditions** : The Sukuk Musharakah shall at all times be governed by the guidelines issued and to be issued from time to time by the SC, or BNM.

Annexure



- Step 1
- (a) The potential investors in relation to the Sukuk Musharakah shall form a Musharakah (“**Musharakah**”) among themselves to invest directly into the Shariah compliant business of the Issuer (the “**Musharakah Venture**”) via subscription of the Sukuk Musharakah to be issued by the Issuer (the “**Musharakah Arrangement**”). A Musharakah shall be formed for each series of the Sukuk Musharakah having the same Issue Date and Maturity Date.
 - (b) The Issuer will issue Sukuk Musharakah to investors (“**Sukukholders**”).
 - (c) Proceeds raised from the Sukuk Musharakah shall be used as capital contributions of the Sukukholders in the Musharakah Venture. Each Sukuk Musharakah shall represent the respective Sukukholder’s undivided proportionate interest in the Musharakah Venture. Simultaneously, the Issuer shall make a declaration that it holds on trust a percentage of its interest in the business (the “**Trust Assets**”) for the benefit of the Sukukholders and manages the Musharakah Venture.

Step 2 The participation by the Sukukholders in the Musharakah Venture is via the subscription of Sukuk Musharakah issued by the Issuer. The capital contribution ratio of the Musharakah Partners in the Musharakah Venture shall be based on their respective capital contribution. The return expected by the Sukukholders under and from the relevant Musharakah Venture shall be the yield for the respective tranche of the Sukuk Musharakah up to the respective maturity date of the Sukuk Musharakah or the declaration of a Dissolution Event (as defined below), whichever is applicable (the “**Expected Return**”).

The Sukukholders will be entitled to income generated from the Musharakah Venture throughout the tenure of the Musharakah (their respective “**Entitlements**”) and the rights of the Sukukholders against the Issuer under the Purchase Undertaking (as defined below).

Step 3 The profit derived from the Musharakah Venture shall be distributed based on a pre-agreed profit sharing ratio which will be determined prior to the issuance of the Sukuk Musharakah. Any loss arising from the Musharakah Venture shall be borne by each Musharakah Partner in proportion to each Musharakah Partner’s respective capital contribution in the Musharakah Venture.

Step 4 The Investors will be represented through a Trustee acting as their agent and trustee for their participation in the Musharakah Venture. The Trustee on behalf of the Sukukholders’ shall appoint the Issuer as the manager (the “**Manager**”) to manage the Musharakah Venture, for which the Issuer (in its capacity as the Manager) shall be paid an incentive management fee (the “**Incentive Fee**”). The Issuer shall continue to manage its business operations for the holders of the Sukuk Musharakah and in consideration thereof, the Investors will agree that all Entitlements accruing to the Investors in any given period which is over and above any portion of the Expected Periodic Distribution that are required to be paid to the Investors during such period, will be paid to, and will belong to, the Issuer as an Incentive Fee for acting as the Manager.

In respect of Sukuk Musharakah, income from the Musharakah Venture of up to an amount equal to a certain percentage of the face value of the Sukuk Musharakah per annum, calculated on the basis of the actual number of days in the relevant period (“**Expected Periodic Distribution**”) shall be distributed on periodic basis to the Sukukholders.

In the event that the Entitlements accruing to the Sukukholders in any given period are less than the Expected Periodic Distribution that are required to be paid to the Sukukholders during such period, the Issuer in its capacity as the obligor shall make advance payments equal to such shortfall (the “**Advance Payments**”). The Issuer will be entitled to deduct the aggregate of the Advance Payments from the Exercise Price (as defined in the PTC) under the Purchase Undertaking (as defined below).

Step 5 The Issuer will declare and issue an undertaking (the “**Purchase Undertaking**”) to and in favour of the Trustee (for and on behalf of the Sukukholders), wherein the Issuer undertakes to purchase the Sukukholders' interest in the Musharakah Venture at the Exercise Price on Dissolution Date. The Exercise Price payable by the Issuer shall be determined based on a pre-agreed formula. Under the Purchase Undertaking to be issued by the Issuer, the Issuer shall purchase the Sukukholder’s interest in the Musharakah Venture at the Exercise Price upon the earlier of (such date shall be referred to as the “**Dissolution Date**”):

- 1) the Maturity Date; and
- 2) the declaration of a Dissolution Event.

Upon payment of the Exercise Price by the Issuer, the Musharakah Venture of the relevant Sukuk Musharakah tranche shall be dissolved and the relevant Sukuk Musharakah held by the Sukukholders shall be cancelled.