

## SUNWAY TREASURY SUKUK SDN BHD

### PROPOSED ISSUANCE OF ISLAMIC COMMERCIAL PAPERS AND/OR ISLAMIC MEDIUM TERM NOTES UNDER AN ISLAMIC COMMERCIAL PAPERS/ISLAMIC MEDIUM TERM NOTES PROGRAMME OF RM10.0 BILLION IN NOMINAL VALUE

Other terms and conditions	
<p><b>a) Details on Utilisation of Proceeds by Issuer</b></p>	<p>The proceeds from the Sukuk Programme shall be utilized for the following purposes:</p> <ul style="list-style-type: none"> <li>(a) to utilize RM30,000.00 from the first issuance under the Sukuk Programme to fund the Sukuk Trustees' Reimbursement Account (as defined below);</li> <li>(b) to finance the investment activities, capital expenditure, working capital requirements and/or other general corporate purposes (including but not limited to future operating expenses and financing expenses, i.e. the fees and expenses relating to the Sukuk Programme) of the Issuer and/or the Issuer's direct and indirect subsidiaries and including jointly controlled entities and associate companies ("<b>Sunway Group</b>");</li> <li>(c) to defray expenses incurred in relation to the Sukuk Programme; and/or</li> <li>(d) for repayment of existing or future borrowings (including the rollover of Sukuk Mudharabah) to be undertaken by the Issuer and/or Sunway Group.</li> </ul> <p>For the avoidance of doubt, all utilization of funds from the issuance of the Sukuk Programme shall be for Shariah-compliant purposes only including the manner in which the funds are to be channelled to the companies within Sunway Group by the Issuer.</p>
<p><b>b) Underwriter and amount underwritten</b></p>	<p>The Sukuk Mudharabah will not be underwritten. Notwithstanding this, the Issuer may arrange for the Sukuk Mudharabah to be underwritten in part or in full based on underwriting fees and yields to be agreed then with the underwriter(s).</p>
<p><b>c) Identified Assets</b></p>	<p>The Trust Assets which are the undivided rights and entitlements of the Sukukholders under the Mudharabah Venture.</p>
<p><b>d) Purchase and selling price/rental</b></p>	<p>Not applicable as the Mudharabah transaction does not involve purchase and sale of underlying assets.</p>
<p><b>e) Profit/coupon/rental rate (fixed or floating)</b></p>	<p><u>ICPs</u></p> <p>The ICPs will be issued at a discount to its nominal value without Periodic Distribution.</p>

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	<p><u>IMTNs</u></p> <p>The IMTNs will be issued at a discount, at par, or at a premium to its nominal value with or without Periodic Distribution.</p> <p>In the case of IMTNs issued with Periodic Distribution, the Periodic Distribution rate shall be fixed or floating rate, to be determined and agreed prior to each issuance of the respective IMTNs.</p> <p>In relation to Sukuk Mudharabah which the expected periodic distribution rate is on a floating basis, such expected periodic distribution rate shall be the aggregate of the Spread for Floating Rate and the Relevant Floating Rate Benchmark (as defined herein) ("<b>Floating Profit Rate</b>").</p> <p>"<b>Relevant Floating Rate Benchmark</b>" means Kuala Lumpur Interbank Offered Rate for six-month (or such other relevant period) Ringgit deposits or such other appropriate benchmark rate for six-month (or such other relevant period) Ringgit deposits, to be agreed between the Issuer, the Lead Manager and the relevant investors and to be reflected in the relevant transaction documents.</p> <p>"<b>Spread for Floating Rate</b>" means the spread to be determined at the point of issuance of the relevant Sukuk Mudharabah, where applicable, and expressed as a rate in per cent per annum, to be agreed between the Issuer, the Lead Manager and the relevant investors and to be reflected in the relevant transaction documents.</p>
<b>f) Profit/coupon/rental payment frequency</b>	<p><u>ICPs</u></p> <p>The ICPs shall be issued without Periodic Distribution.</p> <p><u>IMTNs</u></p> <p>In the case of IMTNs with Periodic Distribution, the frequency of the Periodic Distribution shall be semi-annually or such other period to be agreed between the Issuer and the Lead Manager prior to the issuance of such IMTNs.</p> <p>Not applicable for IMTNs without Periodic Distribution.</p>
<b>g) Profit/coupon/rental payment basis</b>	Actual/365 days.
<b>h) Exercise Price</b>	Separate from the Mudharabah transaction, in respect of each series of the Sukuk Mudharabah, the Issuer shall grant an undertaking to the Sukuk Trustee (acting on behalf of the

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	<p>Sukukholders) pursuant to which the Issuer shall purchase the Trust Assets from the Sukuk Trustee at the Exercise Price only upon the occurrence of the earliest of any of the following events:</p> <ul style="list-style-type: none"><li>(i) the maturity dates of such series of the Sukuk Mudharabah; or</li><li>(ii) the declaration of a Dissolution Event of such series of the Sukuk Mudharabah; or</li><li>(iii) the respective Early Redemption Date of the Sukuk Mudharabah.</li></ul> <p>The Exercise Price shall be determined based on the following formula:</p> <p><b><u>Sukuk Mudharabah with Periodic Distribution</u></b></p> <ul style="list-style-type: none"><li>1) On the maturity dates of such series of the Sukuk Mudharabah: -  The Exercise Price shall be the purchase price of the Trust Assets which is at an amount equal to the Mudharabah Capital plus Expected Return less total Periodic Distributions paid.</li><li>2) On declaration of a Dissolution Event of such series of the Sukuk Mudharabah:-  The Exercise Price shall be the purchase price of the Trust Assets which is at an amount equal to the Mudharabah Capital plus Expected Return less aggregate of Periodic Distribution(s) made and received and to be adjusted to be equivalent to the accreted value plus accrued but unpaid Periodic Distribution(s) (if any) up to the date of declaration of a Dissolution Event and shall be in accordance with the PayNet Rules and Procedures (as defined in <i>Other terms and conditions – Form and Denomination</i>).</li><li>3) On the Early Redemption Date of such series of the Sukuk Mudharabah:-  The Exercise Price shall be at such price based on the formula set out in <i>Other terms and conditions - Early Redemption Price</i>.</li></ul>
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	<p><b><u>Sukuk Mudharabah without Periodic Distribution</u></b></p> <p>In respect of Sukuk Mudharabah without Periodic Distribution, the Exercise Price shall be determined based on the following formula:</p> <ol style="list-style-type: none"><li>1) On the maturity dates: -  The Exercise Price shall be the purchase of the Trust Assets which is at an amount equal to the Mudharabah Capital plus Expected Return.</li><li>2) During a Dissolution Event:-  The Exercise Price shall be the Mudharabah Capital plus Expected Return less One-off Distribution made and received and to be adjusted to be equivalent to the accreted value up to the date of declaration of a Dissolution Event and shall be in accordance with the PayNet Rules and Procedures.</li><li>3) On an Early Redemption Date:-  The Exercise Price shall be the purchase of the Trust Assets which shall be at such price based on the formula set out in <i>Other terms and conditions- Early Redemption Price</i>.</li></ol>
<b>i) Listing status and types of listing, where applicable</b>	The Sukuk Mudharabah will not be listed on Bursa Malaysia or any other stock exchanges.
<b>j) Transaction Documents</b>	<p>The documents for the establishment of the Sukuk Programme are:</p> <ol style="list-style-type: none"><li>(1) Programme Agreement;</li><li>(2) Trust Deed;</li><li>(3) Securities Lodgement Form;</li><li>(4) Kafalah Guarantee;</li><li>(5) the relevant Islamic transaction documents; and</li><li>(6) Any other relevant documentation which may be advised by the Solicitors and mutually agreed between the PA/LA and the Issuer.</li></ol>
<b>k) Redemption Maturity</b> at	Unless previously redeemed or purchased and cancelled, the Sukuk Mudharabah shall be redeemed by the Issuer at 100% of their nominal value on their respective maturity date(s).

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<b>l) Sukuk Trustees' Reimbursement Account</b>	The Issuer shall open and maintain a Shariah-compliant account designated as "Sukuk Trustees' Reimbursement Account" (as required under the Trust Deeds Guidelines) (" <b>Sukuk Trustees' Reimbursement Account</b> "). The Sukuk Trustees' Reimbursement Account shall be operated solely by the Sukuk Trustee and the monies shall only be used strictly by the Sukuk Trustee in carrying out its duties in relation to the occurrence of a Dissolution Event which are provided in the Trust Deed. The sum of RM30,000.00 in the Sukuk Trustees' Reimbursement Account shall be maintained at all times throughout the tenure of the Sukuk Programme.
<b>m) Status</b>	The Sukuk Mudharabah shall constitute direct, unconditional, unsecured obligations of the Issuer and shall at all times rank pari passu, without any discrimination, preference or priority amongst themselves and pari passu with all other present and future unsecured and unsecured obligations of the Issuer, subject to those preferred by law and the Transaction Documents.
<b>n) Taxation</b>	<p>All payments by the Issuer shall be made in full without withholding or deductions for or on account of any present or future tax, duty or charge of whatsoever nature imposed or levied by or on behalf of Malaysia, or any other applicable jurisdictions, or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law, in which event the Issuer shall:</p> <ul style="list-style-type: none"><li>(a) ensure that the deduction or withholding does not exceed the minimum amount legally required;</li><li>(b) ensure that the withholding tax declaration and submission requirements as required by law are complied with;</li><li>(c) forthwith pay to the payee such additional amount so that the net amount received by the payee will equal the full amount which would have been received by the payee had no such deduction or withholding been made;</li><li>(d) pay to the relevant taxation or other authorities within the period for payment permitted by applicable law the full amount of the deduction or withholding ; and</li><li>(e) furnish to the relevant payee, within the period for payment permitted by applicable law, either:<ul style="list-style-type: none"><li>(i) an official receipt of the relevant taxation authorities in respect of all amounts so deducted or withheld as aforesaid; or</li></ul></li></ul>

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	(ii) if such receipts are not issued by the relevant taxation authorities on payments to them of amounts so deducted or withheld, a certificate of deduction or equivalent evidence of the relevant deduction or withholding.
<b>o) Form Denomination and</b>	<b><u>Form</u></b> The Sukuk Mudharabah shall be issued in accordance with:  (a) the Participation and Operation Rules for Payments and Securities Services issued by PayNet (“ <b>PayNet Rules</b> ”); and  (b) the Operational Procedures for Securities Services issued by PayNet as amended or replaced from time to time (“ <b>PayNet Procedures</b> ”),  (collectively “ <b>PayNet Rules and Procedures</b> ”).  Each issuance of Sukuk Mudharabah shall be represented by a global certificate (“ <b>Global Certificate</b> ”) to be deposited with BNM, and is exchanged for a definitive bearer form only in certain limited circumstances.  <b><u>Denomination</u></b> The Sukuk Mudharabah shall:  (a) have a denomination of not less than Ringgit Malaysia One Thousand (RM1,000.00) in nominal amount or such other amount that may be mutually agreed between the Facility Agent and the Issuer; and  (b) be issued in integral multiples of Ringgit Malaysia One Thousand (RM1,000.00) in nominal value or such other multiple that may be mutually agreed between the Facility Agent and the Issuer.
<b>p) Jurisdiction</b>	The Issuer shall unconditionally and irrevocably submit to the non-exclusive jurisdiction of the courts of Malaysia.
<b>q) Early Redemption Price</b>	
<b><u>For ICPs</u></b>	
Price payable = Nominal value of the ICPs	

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**For IMTNs**

Price payable = the higher of NV or the ERS.

Each series of the Sukuk Mudharabah shall be redeemed (in whole but not in part).

Where:

**Early Redemption Date** : Date for the early redemption.

**NV** : Aggregate nominal value of the Sukuk Mudharabah to be redeemed, expressed in RM.

**ERS** : Early Redemption Sum, shall be calculated by the Facility Agent based on the following formula and the calculation of the Facility Agent shall be final and binding:

$$\text{ERS} = \frac{(\text{NV} \times \text{ERP})}{100}$$

**Profit** : Periodic Distribution rate for each series of the Sukuk Mudharabah expressed as a percentage per annum.

**YTM<sub>R</sub>** : Reference MGS plus Spread.

**Reference MGS** : Reference MGS shall be the MGS rates for the tenure which is equal to the remaining tenure of the series and shall be determined prior to the redemption of the IMTNs from:

- (a) the latest consolidated Government Securities Rates (Conventional) published by BNM daily, two (2) business days prior to the early redemption notice; or
- (b) if (a) above is not available, the arithmetic average of the mid-rates quoted by any five (5) principal dealers, two (2) business days prior to early redemption notice date or in the case where the rate for a particular tenure is not available directly, then such a rate shall be extrapolated on a linear basis using the available arithmetic average mid-rates;

PROVIDED THAT if the remaining tenure of the series is not an integer, the Reference MGS shall be the arithmetic mean of the rates of the two nearest tenures derived from (a) or (b) above.

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**Spread** : Spread expressed as basis point (bps) shall be determined prior to the issuance of the Sukuk Mudharabah as follows:

Remaining years to maturity	Spread (bps)				
	Rating AA+	Rating AA	Rating AA-	Rating A+	Rating A
1.0	84	94	104	153	209
2.0	84	94	104	165	234
3.0	82	92	102	175	254
4.0	77	87	97	181	270
5.0	78	88	97	193	292
6.0	69	79	88	195	297
7.0	66	75	84	203	308

**ERP** : Early redemption price per RM100.00 (2 decimal places) subject to a minimum of RM100.00, calculated as follows:

**(i) For IMTNs with Periodic Distribution:**

$$ERP = \left( \frac{100}{[1 + YTM_R / 2]^{(N-1) + (S/\tau)}} \right) + \left( \sum_{k=1}^N \frac{[100 \times (profit/2)]}{[1 + YTM_R / 2]^{(k-1) + (S/\tau)}} \right) - \left( \frac{U}{T} \times \frac{100 \times profit}{2} \right)$$

**N** : Number of Periodic Distribution Date(s) between maturity date and Early Redemption Date, inclusive of both the maturity date and Early Redemption Date.

**S** : Number of days from the Early Redemption Date to the immediate next Periodic Distribution Date.

**T** : Number of days between the immediate preceding Periodic Distribution Date (from the Early Redemption Date) to the immediate next Periodic Distribution Date (following the Early Redemption Date).

**U** : Number of days from the immediate preceding Periodic Distribution Date (from the Early Redemption Date) to the Early Redemption Date.

**(ii) For IMTNs without Periodic Distribution:**

$$ERP = \frac{100}{[1 + YTM_R / 2]^{(M-1) + (V/W)}}$$

**M** : Number of Subsequent Dates between the Early Redemption Date and the maturity date, inclusive of both



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the Early Redemption Date and the maturity date.

“**Subsequent Date(s)**” means the date(s) which shall fall on the last day of the successive six (6) month periods (“**Subsequent Period**”), the first period of which shall commence on the issue date.

**V** : Number of days from the Early Redemption Date to the immediate next Subsequent Date.

**W** : Number of days in the Subsequent Period within which the Early Redemption Date falls.

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