

**PERBADANAN KEMAJUAN NEGERI SELANGOR (“PKNS”)
 PRINCIPAL TERMS AND CONDITIONS FOR THE PROPOSED ICP PROGRAMME
 OF UP TO RM300.0 MILLION AND IMTN PROGRAMME OF UP TO RM700.0
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PRINCIPAL TERMS AND CONDITIONS OF THE PROPOSAL		
1.	BACKGROUND INFORMATION	
(a)	Issuer	
	(i) Name	Perbadanan Kemajuan Negeri Selangor (“ PKNS ” or “ Issuer ”)
	(ii) Address	Tingkat 2-9, Menara HPAIC Laman Seri Business Park No. 7, Persiaran Sukan, Seksyen 13 40100 Shah Alam Selangor Darul Ehsan
	(iii) Business registration no.	Not applicable as PKNS is a body corporate incorporated under the Selangor State Development Corporation Enactment 1964 (the “ Enactment ”)
	(iv) Date and place of incorporation	6 th August 1964 / Selangor
	(v) Date of listing	Not applicable
	(vi) Status	Not applicable as PKNS is a body corporate incorporated under the Enactment
	(vii) Principal activities	The Issuer’s principal activities encompass the following:- (i) to promote residential, industrial and commercial development of areas in the State of Selangor (“ Selangor State ”) designated for this purpose; (ii) to do all such other matters and things necessary for the exercise or performance of all or any of the functions and duties of PKNS; (iii) to act as a local authority in areas outside local authorities if so authorised in accordance with any written law; (iv) to promote, stimulate, facilitate and undertake industrial, social, commercial and economic development and activities in Selangor State; and

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		(v) to promote, stimulate, facilitate and undertake agricultural development or housing development in Selangor State.
	(viii) Board of Directors	<p>Not applicable as PKNS is a body corporate incorporated under the Enactment. Its affairs are directed by its members. As at 30 September 2011, the composition of the members of PKNS (“Members of PKNS” or “Members”) are as follows:-</p> <ul style="list-style-type: none"> i) Tan Sri Dato’ Abdul Khalid bin Ibrahim ii) Dato’ Haji Mohammed Khusrin bin Haji Munawi iii) Dato’ Mohd Arif bin Ab Rahman iv) Dato’ Ir. Abdullah bin Abdul Rahman v) Tuan Ir. Iskandar bin Abdul Samad vi) Puan Teresa Kok Suh Sim vii) Tuan Mohamed Azmin bin Ali viii) Encik Razali bin Che Mat ix) Dato’ Fauziah binti Yaacob x) Datuk Nozirah binti Bahari
	(ix) Structure of shareholdings and names of shareholders or, in the case of a public company, names of all substantial shareholders	Not applicable as PKNS is a body corporate incorporated under the Enactment.
	(x) Authorised and paid-up capital	Not applicable as PKNS is a body corporate incorporated under the Enactment

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2.	PRINCIPAL TERMS AND CONDITIONS	
(a)	Name of parties involved in the proposed transactions (where applicable)	
	(i) Principal adviser	AmInvestment Bank Berhad (Company No. 23742-V) (“ AmInvestment Bank ”)
	(ii) Lead arranger	AmInvestment Bank
	(iii) Co-arranger	Not applicable.
	(iv) Solicitors	Messrs. Albar & Partners
	(v) Financial adviser	Not applicable.
	(vi) Technical adviser	Not applicable.
	(vii) Trustee	AmTrustee Berhad (Company No. 163032-V)
	(viii) Guarantor	Not applicable.
	(ix) Valuer	Not applicable
	(x) Facility agent	AmInvestment Bank
	(xi) Primary subscriber (under a bought deal arrangement) and amount subscribed	The primary subscribers, if any, and the amount to be subscribed will be determined prior to any issuance.
	(xii) Underwriter and amount underwritten	The ICP Programme (as defined herein) and IMTN Programme (as defined herein) will not be underwritten.
	(xiii) Shariah adviser	Dr. Mohd Daud Bakar
	(xiv) Central depository	Bank Negara Malaysia (“ BNM ”)
	(xv) Paying agent	BNM
	(xvi) Reporting accountant	Afrizan Tarmili Khairul Azhar (AF 1300)
	(xvii) Calculation agent	Not applicable.

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	<p>(xviii)Others (please specify)</p>	<p><u>Lead Manager</u> AmInvestment Bank or AmInvestment Bank jointly with such other financial institution(s) as mutually agreed between AmInvestment Bank and the Issuer.</p> <p><u>Tender Panel Members (“TPMs”)</u> Such persons falling within the Selling Restriction (as defined in paragraph (n) below) who are qualified to subscribe to or purchase the Sukuk Murabahah (as defined herein). The composition of the TPMs may be changed from time to time at the discretion of the Facility Agent in consultation with the Issuer.</p>
<p>(b)</p>	<p>Facility description</p>	<p>The Islamic securities programmes are as follows:</p> <ul style="list-style-type: none"> i) Islamic Commercial Papers (“ICPs”) Programme of up to RM300.0 million in nominal value (“ICP Programme”); and ii) Islamic Medium Term Notes (“IMTNs”) Programme of up to RM700.0 million in nominal value (“IMTN Programme”) <p>based on the Shariah principles of Murabahah and subject to the joint limit referred to in paragraph (c) below.</p> <p>(The ICP Programme and IMTN Programme will be collectively referred to as the “Sukuk Murabahah Programmes” and the ICPs and the IMTNs will be collectively referred to as the “Sukuk Murabahah”).</p> <p>Under the Shariah principles of Murabahah, the Issuer and the Facility Agent (acting on behalf of the investors) will from time to time, in respect of each issuance of the Sukuk Murabahah, execute an asset purchase agreement under which the Issuer will sell the relevant identified assets (“Identified Assets”) to the Facility Agent at an agreed purchase price (“Purchase Price”) which is equivalent to the issue proceeds of the Sukuk Murabahah.</p> <p>Subsequently thereafter, the Facility Agent (acting on behalf of the investors) will sell the Identified Assets back to the Issuer pursuant to an asset sale agreement to be executed between the Issuer and the Facility Agent (acting on behalf of the investors) at the sale price (“Sale Price”). The Sale Price will represent the aggregate of the Purchase Price and the profit portion to be agreed between the Issuer and the Facility Agent (acting on behalf of the investors) at the time of each issuance of the Sukuk Murabahah. The payment of the Sale Price shall be on a deferred payment basis.</p>

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		<p>In respect of ICPs and/or non-profit bearing IMTNs issued at a discount, the Sale Price shall be payable in one lump sum at the relevant maturity dates.</p> <p>For profit bearing IMTNs issued at a discount or at par or at a premium, the Sale Price less the profit payments shall be payable in one lump sum at the relevant maturity dates whilst the profit payments shall be payable in semi-annual instalments or such other period as may be agreed between the Issuer and the Lead Manager.</p> <p>Please refer to Annexure A for the illustrative diagram of the Sukuk Murabahah transaction structure.</p>
(c)	Issue/programme size	<p><u>ICP Programme</u> Up to RM300.0 million in nominal value.</p> <p><u>IMTN Programme</u> Up to RM700.0 million in nominal value.</p> <p>Subject always to the aggregate nominal value of all outstanding Sukuk Murabahah issued under the Sukuk Murabahah Programmes at any point in time not exceeding RM700.0 million.</p> <p><u>Sukuk Murabahah Programmes</u> For each issuance, the Purchase Price of the Identified Assets (i.e. the issue size) shall be in compliance with the Asset Pricing ruling as per paragraph 8.02 of the Securities Commission’s (“SC”) Islamic Securities Guidelines (Sukuk Guidelines) revised on 12 July 2011 and effective from 12 August 2011, as may be replaced, substituted, amended or revised from time to time (“Sukuk Guidelines”).</p>
(d)	Tenure of issue/sukuk programme (or facility)	<p><u>Tenure of the facility</u></p> <p><u>ICP Programme</u> The ICP Programme shall have an availability period and a tenure of seven (7) years from the date of the first issue of ICPs under the ICP Programme.</p> <p><u>IMTN Programme</u> The IMTN Programme shall have an availability period and a tenure of twenty (20) years from the date of the first issue of IMTNs under the IMTN Programme.</p> <p>The first issuance of the Sukuk Murabahah under the Sukuk Murabahah Programmes shall be made within two (2) years from the date of the SC’s approval or such other later date as may be approved by the SC.</p>

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		<p><u>Tenure of the issue</u></p> <p><u>ICPs</u> The ICPs shall have tenures of one (1), two (2), three (3), six (6), nine (9) or twelve (12) months, as the Issuer may select provided always that the maturity date of the respective ICPs shall not extend beyond the expiry date of the ICP Programme.</p> <p><u>IMTNs</u> The IMTNs shall have tenures of more than one (1) year but not exceeding twenty (20) years, as the Issuer may select provided always that the maturity date of the respective IMTNs shall not extend beyond the expiry of the IMTN Programme.</p>
(e)	Availability period of sukuk programme (or facility)	<p><u>ICP Programme</u> The ICP Programme shall be made available for the period commencing on the date of fulfillment of the conditions precedent set out in the programme agreement and ending on the date falling seven (7) years from the date of the first issue of ICPs under the ICP Programme.</p> <p><u>IMTN Programme</u> The IMTN Programme shall be made available for the period commencing on the date of fulfillment of the conditions precedent set out in the programme agreement and ending on the date falling twenty (20) years from the date of the first issue of the IMTNs under the IMTN Programme.</p>
(f)	Profit/coupon/rental rate	<p><u>ICPs</u> The ICPs will bear no profit and be issued at a discount to its face value.</p> <p><u>IMTNs</u> The IMTNs may be issued with or without profit. The profit rate for the IMTNs (if applicable) shall be determined prior to or at the point of issuance.</p>
(g)	Profit/coupon/rental payment frequency	<p><u>ICPs</u> Not applicable as the ICPs are issued at a discount and bears no profit payment.</p> <p><u>IMTNs</u> Not applicable for IMTNs issued without profit payment.</p> <p>For IMTNs issued at par, at premium or at discount, with profit payment, the profit shall be payable semi-annually or such other frequency as may be agreed between the Issuer and the Lead Manager.</p>

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(h)	Profit/coupon/rental payment basis	The profit payment(s) shall be calculated on the basis of actual number of days elapsed and actual days (actual days/actual days).
(i)	Security / collateral (if any)	Unsecured.
(j)	Details on utilisation of proceeds by issuer/obligor and originator (in the case of ABS). If proceeds are to be utilized for project or capital expenditure, description of the project or capital expenditure, where applicable	The proceeds raised from the Sukuk Murabahah Programmes shall be utilised to part-finance PKNS's Shariah-compliant general working capital requirements and/or general investments from time to time.
(k)	Sinking fund and designated accounts (if any)	Not applicable.
(l)	Rating - Credit rating (s) 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	<u>ICP Programme</u> Final short-term rating of P1. <u>IMTN Programme</u> Final long-term rating of AA3. RAM Rating Services Berhad (“ RAM Ratings ”).
(m)	Mode of issue	<u>ICP</u> Via competitive tender by the TPMs, private placement on a best efforts basis, bookrunning on a best efforts basis or bought-deal on a best efforts basis. <u>IMTNs</u> Private placement on a best efforts basis, bookrunning on a best efforts basis or bought-deal on a best efforts basis.

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(n)	Selling restriction, including tradability	<p>The Sukuk Murabahah are tradable. The selling restrictions are as follows:</p> <p><u>Selling Restrictions at Issuance</u> The Sukuk Murabahah may 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 Schedule 6 or Section 229(1)(b), Schedule 7 or Section 230(1)(b) and Schedule 9 or Section 257(3) of the Capital Markets and Services Act 2007 (“CMSA”), as may be replaced, substituted, amended or revised from time to time.</p> <p><u>Selling Restrictions Thereafter</u> The Sukuk Murabahah may 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 Schedule 6 or Section 229(1)(b) and Schedule 9 or Section 257(3) of the CMSA.</p>
(o)	Listing status and types of listing	<p>The Sukuk Murabahah issued under the Sukuk Murabahah Programmes may be listed on Bursa Malaysia Securities Berhad under an Exempt Regime pursuant to Chapter 4B of Main Market Listing Requirements. The SC will be notified accordingly in the event of such listing.</p>
(p)	Other regulatory approvals required in relation to the issue, offer or invitation and whether or not obtained (please specify)	<p>Approval from the Ministry of Finance, Malaysia (“MOF”) is required for the Issuer to incur indebtedness under the Sukuk Murabahah Programmes pursuant to the Section 13 of the Enactment and Section 14(1)(d) of the Incorporation (State Legislatures Competency) Act 1962. Such MOF’s approval was obtained via its letter dated 22 January 2010.</p>
(q)	Conditions precedent	<p>To include but not limited to the following (in form and substance acceptable to the Lead Arranger):-</p> <ul style="list-style-type: none"> i) PKNS shall have procured the relevant approval from the MOF as required under the Enactment with all conditions imposed therein (if any and where relevant) having been or will be fulfilled; ii) Receipt of the approval from the SC and/or any other authorities (other than that referred to in paragraph (i) above) having jurisdiction over matters pertaining to the Sukuk Murabahah Programmes; iii) The Issuer shall have obtained a minimum short term rating of P1 and a long term rating of AA3 from RAM Ratings for the ICP Programme and IMTN Programme, respectively;

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		<p>iv) Satisfactory financial and legal due diligence as required under the CMSA;</p> <p>v) Documentary evidence that the Sukuk Murabahah Programmes and the Transaction Documents (as defined herein) have received the endorsement and approval of the Shariah Adviser;</p> <p>vi) In respect of the Existing Loans (as defined in paragraph t(vi)), the Lead Arranger shall have received a written confirmation from the Issuer confirming whether the granting of the Existing Loans required the prior approval of the Ministry of Finance and if such approval was required, the Lead Arranger shall have received a certified true copy of the said approval. If the approval of the Ministry of Finance is not required, the Issuer shall provide documentary evidence confirming the same;</p> <p>vii) Receipt of Solicitors’ confirmation on the following:</p> <ol style="list-style-type: none"> a. the programme agreement, the trust deed and other relevant documents pertaining to the Sukuk Murabahah Programmes as advised by the Solicitors (collectively referred to hereafter as the “Transaction Documents”) shall have been executed and duly stamped or endorsed as exempted from stamp duty (where applicable); b. the Transaction Documents are legally valid, binding and enforceable; and c. that all conditions precedent have been fulfilled or waived, as the case may be; <p>viii) Receipt from the Issuer of the following:-</p> <ol style="list-style-type: none"> a. Certified true copies of the extracts of resolution(s) of the Finance Committee and Members of PKNS authorising, inter alia, acceptance of the Sukuk Murabahah Programmes and execution of the Transaction Documents; b. A list of the Issuer’s authorised signatories and their respective specimen signatures. <p>ix) Evidence that all transaction fees, costs and expenses have been paid in full; and</p>
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		<p>x) Such other conditions precedent typical and customary for similar financing as may be required by the Lead Arranger and/or as advised by the Solicitors and/or Shariah Adviser.</p>
<p>(r)</p>	<p>Representations and warranties</p>	<p>To include but not limited to the following:-</p> <ul style="list-style-type: none"> i) the Issuer is a corporation duly established under the Enactment and is validly existing; ii) the Issuer has the power to enter into, exercise its rights and perform its obligations under the Transaction Documents; iii) all necessary actions, authorizations and consents required under the Transaction Documents have been taken, fulfilled and obtained and remain in full force and effect; iv) the Issuer’s entry into, exercise of its rights and performance of its obligations under the Transaction Documents do not and will not violate any existing law or agreements to which it is a party; v) the Transaction Documents create valid and binding obligations which are enforceable on and against the Issuer; vi) the Issuer’s audited financial statements are prepared in accordance with generally accepted accounting principles and standards and they fairly represent the Issuer’s financial position; vii) there is no litigation or arbitration in which the Issuer is currently involved or which is threatened and which would have a Material Adverse Effect (as defined in paragraph (v)(xvi) below); viii) Issuer is in compliance and will comply with the requirements under the Enactment and all other applicable laws and regulations; and ix) such other representations and warranties as may be advised by the Solicitors.

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(s)	Events of default (or enforcement event, where applicable)	<p>To include but not limited to the following:-</p> <ul style="list-style-type: none"> i) Issuer fails to pay any sum due under the Sukuk Murabahah or the Transaction Documents on the due date thereof and/or upon written demand by the Trustee; ii) the Issuer commits any breach or omits to observe any of the obligations, undertakings or covenants expressed to be assumed by it under the Sukuk Murabahah Programmes or under any of the Transaction Documents (save and except item (i) above), which is not capable of being remedied or which, if being capable of a remedy, is not remedied within fourteen (14) days after the Issuer becomes aware of such default or is not remedied within fourteen (14) days after notice to the Issuer from the Trustee requesting action to remedy the same; iii) any indebtedness of the Issuer becomes due or capable of being declared due before its stated maturity, any guarantee or similar obligation of the Issuer is not discharged at maturity or when called or the Issuer defaults under, or commits a breach of, any instrument or agreement relating to any such indebtedness, guarantee or other similar obligation; iv) any consent, authorisation, licence, approval or registration with or declaration to governmental or public bodies or authorities or courts (if any) required by the Issuer to authorise or required by the Issuer in connection with the execution, issue, sale, delivery, validity, enforceability or admissibility in evidence of any of the Transaction Documents or the Sukuk Murabahah Programmes or the performance by the Issuer of its obligations under any of the Transaction Documents or the Sukuk Murabahah Programmes as the case may be, is modified or is not granted or is revoked or expired or is not renewed or otherwise ceases to be in full force and effect; v) the Issuer changes the nature or scope of its business, suspends, ceases or threatens to suspend or cease a substantial part of its business operations; vi) the occurrence of any of the following events (not exhaustive):-
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		<p>a. an application (other than a frivolous or vexatious application or an application which is stayed within fourteen (14) days) is made to a court or an order is made that the Issuer be wound up or any steps or action taken to wind up the Issuer other than for the purposes of a solvent reconstruction or amalgamation;</p> <p>b. a receiver, receiver and manager, liquidator, trustee or similar officer is appointed in respect of any part of the property of the Issuer and such appointment is not discharged within fourteen (14) days;</p> <p>c. the Issuer commences negotiations with any one or more of its creditors with a view to the general readjustment or rescheduling of its indebtedness or makes a general assignment for the benefit of or a composition with its creditors (other than for the purposes of a solvent reconstruction or amalgamation); or</p> <p>vii) such other events of default as may be advised by the Solicitors including such events of default as required under the Trust Deeds Guidelines issued on 12 July 2011 and effective from 12 August 2011 by the Securities Commission (“Trust Deeds Guidelines”).</p> <p>If any of the above occurs, the Trustee may, or if so directed by a Special Resolution passed by the holders of the IMTNs and the holders of the ICPs collectively, shall declare that all the Sukuk Murabahah shall be immediately due and payable in full in accordance with the terms of the relevant Transaction Documents.</p> <p>The expression “Special Resolution” shall mean a resolution passed at a meeting of collectively the holders of all ICPs and the holders of all IMTNs then outstanding and carried by a majority consisting of not less than three fourth (3/4) of all such holders of ICPs and IMTNs voting thereat.</p>
(t)	Covenants	<p><u>Positive Covenants</u></p> <p>To include but not limited to the following:-</p> <p>i) The Issuer will provide the Facility Agent/Trustee with its audited financial statements within one hundred and eighty (180) days of the end of each financial year; and such other information (financial or otherwise) as the Facility Agent/ Trustee may reasonably require from time to time;</p>

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		<ul style="list-style-type: none"> ii) The Issuer will meet all its duties and obligations under the Transaction Documents in all respects; iii) The Issuer will notify the Facility Agent/ Trustee of any litigations or claims or other proceedings of any nature whatsoever threatened against it; iv) The Issuer will use its best efforts to pursue claims (if any) against third parties; v) The Issuer will exercise reasonable diligence in carrying out its principal activities in a proper and efficient manner and in accordance with the requirements under the Enactment; vi) The Issuer will notify the Facility Agent/ Trustee in writing as soon as it becomes aware of any events of default or potential events of defaults; vii) The Issuer will maintain adequate takaful/ insurance in accordance with common industry practice; viii) The Issuer will maintain its audited financial statements such that its audited financial statements represent fairly and give a true and fair view of its financial position and condition; ix) The Issuer will operate the Sukuk Murabahah Programmes at all times in compliance with the applicable guidelines issued and to be issued by the SC and/or other authorities having jurisdiction over matters pertaining to the Sukuk Murabahah Programmes from time to time; x) Other covenants typical and customary for similar financing as advised by the Solicitors including such covenants as required under the Trust Deed Guidelines. <p><u>Negative Covenants</u></p> <p>To include but not limited to the following:-</p> <ul style="list-style-type: none"> i) The Issuer will not change the nature or scope of its existing business; ii) The Issuer will not cancel, surrender, abandon or otherwise amend related licenses, grants or agreements in any way which has a Material Adverse Effect;
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		<p>iii) The Issuer will not take any step or action towards winding up of the Issuer or enter into any amalgamation, merger or reconstruction;</p> <p>iv) The Issuer will not breach any of the requirements under the Enactment;</p> <p>v) The Issuer will not enter into a transaction, whether directly or indirectly with interested persons (including a Member or persons connected with them) unless-</p> <p>(a) such transaction shall be on terms that are no less favourable to it than those which could have been obtained in a comparable transaction from persons who are not interested persons; and</p> <p>(b) with respect to transactions involving an aggregate payment or value equal to or greater than Ringgit Malaysia Two Hundred and Seventy Million (RM270,000,000.00), it obtains certification from an independent adviser that the transaction is carried out on fair and reasonable terms;</p> <p>PROVIDED that it certifies to the Trustee that the transaction complies with paragraph v(a) and that it has received the certification referred to in paragraph v(b) (where applicable) and that the transaction has been approved by the Members of the Issuer or shareholders in a general meeting as the case may require.</p> <p>vi) The Issuer will not make any loans or grant any credit or give any guarantee or indemnity to or for the benefit of any person or otherwise voluntarily assume any liability, whether actual or contingent, in respect of any obligations of any other person save and except for the existing loans made by the Issuer as at 31 October 2011 in the aggregate amount of RM10.0 million to Worldwide Holdings Berhad and RM5.0 million to PKNS Holdings Sdn Bhd (collectively, “Existing Loans”);</p> <p>vii) The Issuer will not incur, assume, guarantee or permit to exist any indebtedness (including any overdraft or form of borrowing from any other financial institutions) save and except for:</p>
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		<p>(a) short-term debt owing to a non-financial institution and payable on demand or maturing by its terms within twelve (12) months after the date on which it is originally incurred provided that no Event of Default has occurred and is subsisting; or</p> <p>(b) such indebtedness which is regarded by the Issuer to be necessary for the normal course and conduct of its operations and the Issuer shall have evidenced the necessity thereof to the satisfaction of the Facility Agent/Trustee provided that no Event of Default has occurred and is subsisting; or</p> <p>(c) such indebtedness has been disclosed to the Facility Agent/Trustee prior to the date of the trust deed for the Sukuk Murabahah Programmes;</p> <p>viii) The Issuer will not permit to exist any mortgage, charge, pledge, lien, encumbrance or other security interest of any kind on its assets; and</p> <p>ix) Other covenants typical and customary for similar financing as may be advised by the Solicitors including such covenants as required under the Trust Deed Guidelines.</p>
(u)	Provisions on buy-back and early redemption of Sukuk	Not applicable.
(v)	Other principal terms and conditions for the issue	
	(i) Identified Assets	<p>The Identified Assets shall be determined by the Issuer and Lead Arranger for the purpose of the transaction, and endorsed by the Shariah Adviser prior to first issuance of the Sukuk Murabahah.</p> <p>The Identified Assets may be substituted from time to time, provided the nature, type and value ascribed to the substituted assets or part or portion thereof are acceptable to the Lead Arranger / Facility Agent and approved by the Shariah Adviser.</p>
	(ii) Purchase and sale price/rental (where applicable)	<p>Purchase Price To be determined from time to time prior to the purchase of the Identified Asset(s) from the Issuer.</p>

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		<p>The Purchase Price shall at all times be in compliance with the Asset Pricing ruling under paragraph 8.02 of the Sukuk Guidelines. For any issuance via competitive tender, the Purchase Price shall be the tender price agreed and accepted by the Facility Agent after consultation with the Issuer in accordance with the tender panel agreement. In the case of issuances via private placement/book running, the Purchase Price shall be the price agreed between the Issuer and investors or in the case of issuances via bought deal, the Purchase Price shall be the price agreed between the Issuer and the Primary Subscribers.</p> <p><u>Sale Price</u> To be determined from time to time prior to the sale of the Identified Assets back to the Issuer which shall be evidenced by the issuance of the Sukuk Murabahah.</p>
	<p>(iii) Open Market Acquisition & Cancellation</p>	<p>Unless previously acquired and cancelled, the Sukuk Murabahah will be redeemed at their face value on their respective maturity dates or upon declaration that an Event of Default has occurred in respect of the Sukuk Murabahah, whichever is earlier.</p> <p>The Issuer or any of its related corporations (within the meaning of the Companies Act 1965) may at any time acquire the Sukuk Murabahah on the open market or otherwise, at any price provided:</p> <p>(a) The Sukuk Murabahah so acquired by the Issuer and its subsidiaries must be surrendered for cancellation and cannot be resold or reissued;</p> <p>(b) If applicable, any Sukuk Murabahah acquired by the Issuer’s related corporations (other than the Issuer’s subsidiaries) need not be cancelled but shall not entitle such related corporations to participate in the voting of any Sukukholders’ resolutions nor form part of the quorum of any meeting.</p>
	<p>(iv) Trust Deed</p>	<p>The Sukuk Murabahah shall be constituted by a trust deed, which shall be administered by the Trustee, acting for and on behalf of the holders of the Sukuk Murabahah.</p>

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	<p>(v) Adverse Market Conditions</p>	<p>At any time prior to the issuance of the Sukuk Murabahah, the Lead Arranger / Lead Manager / Facility Agent / placee(s) / investor(s) reserve(s) the right to withdraw / terminate the arrangement of the Sukuk Murabahah Programmes if there occurs any change in the national or international financial, political or economic conditions, including but not limited to adversities in international/domestic money, capital or syndicated financing markets, the business activities or financial position of the Issuer which in the opinion of the Lead Arranger / Lead Manager / Facility Agent / placee(s) / investor(s) will materially affect the offering and distribution of the Sukuk Murabahah or dealings in the Sukuk Murabahah in the secondary market upon successful completion of the arrangement of the same.</p>
	<p>(vi) Compensation For Late & Default Payment (“Ta’widh”)</p>	<p>In the event of overdue payment of any sums covenanted to be paid under the Sukuk Murabahah and/ or the Transaction Documents, the Issuer shall pay compensation (“Ta’widh”) on such overdue amounts at the rate and in the manner prescribed by the SC’s Shariah Advisory Council from time to time in accordance with the principles of Shariah.</p>
	<p>(vii) Clear Market</p>	<p>From the date that PKNS obtains all the necessary approvals of its Finance Committee and Members for the issuance of the Sukuk Murabahah under the Sukuk Murabahah Programmes until ninety (90) days after the initial issuance under the Sukuk Murabahah Programmes, the Issuer shall ensure that, other than the existing fund raising exercise by the Issuer, there are no other financing facilities or debt instruments or securities issued by the Issuer, its subsidiaries or associated companies that are mandated, placed or syndicated directly or on its behalf without the prior written consent of the Lead Arranger.</p>
	<p>(viii) Changes In Circumstances</p>	<p>If, as a result of any change in applicable law, regulation or regulatory requirement or in the interpretation or application thereof or if compliance by the Lead Arranger / Lead Manager / Facility Agent / Primary Subscriber(s) / investor(s) (collectively the “Transaction Parties”) with the applicable direction, request or requirement (whether or not having the force of law) will impose on the Transaction Parties any condition, burden or obligation, and upon notice to the Issuer after becoming aware of such occurrence or within such reasonable period as may be permitted by law or the authorities:</p>

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		<p>(a) where the change, interpretation or application makes it unlawful for the Transaction Parties to make available the Sukuk Murabahah Programmes or to subscribe or purchase the Sukuk Murabahah without breaching such law or regulation, the Sukuk Murabahah Programmes shall be cancelled and the obligations of the Transaction Parties in respect of the Sukuk Murabahah Programmes and/or the Sukuk Murabahah shall be forthwith terminated and cancelled; and</p> <p>(b) where the change, interpretation or application causes the Transaction Parties to incur additional costs or requires the Transaction Parties to make further payments then the Issuer shall compensate the Transaction Parties for the additional cost incurred or payments made.</p>
	(ix) Documentation	Standard documentation satisfactory to all parties concerned incorporating clauses normal and customary for a financing of this nature and/or as advised by the Solicitors and/or Shariah Adviser.
	(x) Currency	Ringgit Malaysia.
	(xi) Taxation	All payments by the Issuer in respect of the Sukuk Murabahah shall be made free and clear of any present and future taxes, withholding taxes, stamp duties, levies, deductions and charges of whatever nature. In the event that any such taxes, withholding taxes, stamp duties, levies, deductions or charges are imposed, the Issuer will make such additional payments (or gross up) as are necessary to cause the holders of the Sukuk Murabahah to receive a net sum equal to what they would have received had no such deduction, withholding or payment been required or made.
	(xii) Status	The Sukuk Murabahah shall constitute direct, unconditional unsecured and unsubordinated obligations of the Issuer and shall at all times rank pari passu, without discrimination, preference or priority amongst themselves and pari passu with all other present and future direct, unconditional, unsecured and unsubordinated obligations of the Issuer, subject to those preferred by law.
	(xiii) Governing Law	The Laws of Malaysia.
	(xiv) Jurisdiction	Exclusive jurisdiction of the Courts of Malaysia

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	(xv) Others	Other terms and conditions customary to this type of financing as advised by the Solicitors and/or Shariah Adviser.
	(xvi) Definition	<p><u>Material Adverse Effect</u></p> <p>In relation to any event or circumstance, an event or circumstance the occurrence or effect of which:</p> <p>(i) materially and adversely changes or would materially and adversely change the business, assets or conditions (financial or otherwise) or operating result of the Issuer; or</p> <p>(ii) is or would be materially prejudicial to the ability of the Issuer to perform its obligations under the Transaction Documents to which it is a party.</p>

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