

PRINCIPAL TERMS AND CONDITIONS OF THE PROPOSAL

1. BACKGROUND INFORMATION

(a) Issuer

- i. Name : Konsortium ProHAWK Sdn Bhd (the "**Issuer**").
- ii. Address : Registered Office
19-2 Mercu UEM
Jalan Stesen Sentral 5
Kuala Lumpur Sentral
Kuala Lumpur
50470 Wilayah Persekutuan

Business Address
21-1 Mercu UEM
Jalan Stesen Sentral 5
Kuala Lumpur Sentral
Kuala Lumpur
50470 Wilayah Persekutuan
- iii. Business registration number : 988853-T.
- iv. Date and place of incorporation : Incorporated in Malaysia on 30 April 2012.
- 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.
- vii. Principal activities : Planning, design, financing, development, construction, landscaping, equipment, installation, completion, testing and commissioning of a hospital building, facilities and infrastructure at the identified project land and to carry out total asset and facilities management services at hospital or commercial or government buildings.

The hospital building shall be located on a plot of land measuring 34,309.92 square metres, which forms part of a piece of land held under GRN 76026 at Lot 25, Seksyen 42, Mukim Bandar Kuala Lumpur, in the district of Kuala Lumpur and is within the compound of the existing Hospital Kuala Lumpur.

Konsortium ProHAWK Sdn Bhd

- viii. Board of directors : The board of directors of the Issuer as at 15 April 2013 comprised:
1. Dato' Roslan Bin Ibrahim
 2. Noor Aisah Binti Tawab
 3. Dato' Mohd Izzaddin Bin Idris
 4. Dato' Haja Najmudeen Bin K P M Abd Kader
 5. Datin Zainabbi Binti Abubacker

ix. Structure of shareholdings and names of shareholders or, in the case of a public company, names of all substantial shareholders (as at 15 April 2013) :

Shareholder	No. of ordinary shares held	% of share capital
UEM Group Berhad	178,750	65
Najcom Sdn Bhd	96,250	35

- x. Authorised, issued and paid-up capital
- Authorised Share Capital as at 15 April 2013
RM10,000,000.00 divided into 10,000,000 ordinary shares of RM1.00 each.

Issued and paid-up capital as at 15 April 2013
RM275,000.00 divided into 275,000 ordinary shares of RM1.00 each.

- xi. Disclosure of the following:
- 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
 - None
 - If the issuer has been subjected to any action by the stock exchange for any breach of the listing requirements or rules
 - None

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issued by the stock exchange, for the past five years prior to the date of application.

2. PRINCIPAL TERMS AND CONDITIONS

a. Names of parties involved in the proposed transaction (where applicable)

- (i) **Principal Adviser** : OCBC Al-Amin Bank Berhad ("**OCBC Al-Amin**").
- (ii) **Lead Arranger** : OCBC Al-Amin ("**PA/LA**").
- (iii) **Co-arranger** : Not applicable.
- (iv) **Solicitors** : Messrs. Zaid Ibrahim & Co.

- (v) **Financial adviser** : Not applicable.
- (vi) **Technical adviser** : Not applicable.
- (vii) **Sukuk Trustee** : Malaysian Trustees Berhad.
- (viii) **Shariah Adviser** : OCBC Al-Amin.
- (ix) **Guarantors** : Not applicable.
- (x) **Valuer** : Not applicable.
- (xi) **Facility Agent** : OCBC Bank (Malaysia) Berhad ("**OCBC**").
- (xii) **Primary Subscriber(s) (under a bought-deal arrangement) and amount subscribed** : To be determined prior to each issuance.
- (xiii) **Underwriter(s) and amount underwritten** : To be determined prior to each issuance.
- (xiv) **Central depository** : Bank Negara Malaysia ("**BNM**").
- (xv) **Paying agent** : BNM.
- (xvi) **Reporting accountant** : Ernst & Young.
- (xvii) **Calculation Agent** : Not applicable.

- (xviii) **Others (please specify)** : Lead Manager
OCBC Al-Amin.
- Security Agent
OCBC.
- Independent Consulting Engineer ("ICE")
Langdon & Seah Sdn Bhd.
- Takaful/Insurance Consultant
Sterling Insurance Brokers Sdn Bhd
- b. **Islamic principles used** : Shariah principle of Murabahah (cost plus profit sale).
- c. **Facility description** : The issuance of sukuk of one or more series during the tenure of the programme (the "**Sukuk Murabahah Programme**") shall be based on the Shariah principle of Murabahah (via a Tawarruq arrangement) which is one of the Shariah principles and concepts approved by the Securities Commission's ("**SC**") Shariah Advisory Council ("**SAC**").

Tawarruq in this context refers to a tripartite arrangement where the Sukukholders through an agent, purchase a specified commodity from a supplier in the market on spot basis. The commodity is subsequently sold by the Sukukholders to the Issuer at cost plus profit on a deferred payment basis. The Issuer through an agent will then sell the commodity, on spot basis, to another party in the market for cash.

Each series of sukuk issued under the Sukuk Murabahah Programme shall be known as "**Sukuk Murabahah**". In these Principal Terms and Conditions, a reference to "**Sukukholder**" refers to the holders of a series of Sukuk Murabahah.

Sukuk Murabahah

The issuance of each series of Sukuk Murabahah from time to time under the Sukuk Murabahah Programme shall be effected as follows:

1. The Sukukholders (via the Sukuk Trustee) and the Issuer shall enter into a Service Agency Agreement, pursuant to which the Issuer (in its capacity as the "**Purchase Agent**") is appointed as the agent of the Sukukholders for

the purchase and the sale of Shariah-compliant commodities ("**Commodities**").

2. The Purchase Agent will then enter into a Facility Agency Agreement to appoint the Facility Agent to act as the sub-agent (the Facility Agent in such capacity, the "**Purchase Transaction Agent**") for the purchase and sale of Commodities.
3. Pursuant to a Commodity Murabahah Master Agreement entered into between the Issuer, the Sukuk Trustee (on behalf of the Sukukholders) and the Purchase Transaction Agent, prior to the date on which the relevant series of Sukuk Murabahah is issued, the Issuer shall issue a purchase order for the required sums of specified commodity ("**Purchase Order**") in relation to the said series to the Purchase Agent and the Purchase Transaction Agent (in the capacity of the sub-agent of the Purchase Agent).
4. In the Purchase Order, the Issuer (in the capacity of purchaser for itself) will request the Purchase Agent and the Purchase Transaction Agent to purchase the Commodities and will irrevocably undertake based on unilateral binding promise (*Wa`d Mulzim*) to purchase the Commodities from the Sukukholders via the Purchase Transaction Agent ("**Undertaking to Purchase**") at the Deferred Sale Price (as defined in paragraph 2(c)(6) below).
5. Based on the Purchase Order, the Purchase Transaction Agent will purchase the Commodities from commodity vendor(s) ("**Commodity Vendor A**") in Bursa Suq Al-Sila` commodity market (through a Commodity Trading Participant ("**CTP**") or other acceptable Commodity Trading Platform, on a spot basis at a purchase price ("**Purchase Price**") equivalent to the relevant series of Sukuk Murabahah proceeds.
6. The Issuer shall then issue the relevant series of the Sukuk Murabahah to the Sukukholders

to raise proceeds to fund the payment of the Purchase Price which proceeds raised from the issuance of the Sukuk Murabahah shall be for an amount equal to the Purchase Price. The Sukuk Murabahah shall evidence, amongst others, the Sukukholders' undivided beneficial ownership of the Commodities and the Sukukholders' resulting entitlement to receive the deferred sale price comprising the Purchase Price and the relevant profit payment(s) ("**Deferred Sale Price**") pursuant to the subsequent sale of the Commodities to the Issuer.

7. The proceeds thereof shall be used to pay the Purchase Price of the Commodities.
8. Thereafter, pursuant to the Undertaking to Purchase under item 4 above and upon constructive possession of the commodities by the Sukukholders, the Purchase Transaction Agent (acting on behalf of the Purchase Agent (for the Sukukholders)) shall enter into an agreement to sell the Commodities to the Issuer on Murabahah basis at the Deferred Sale Price ("**Murabahah Sale Agreement**").
9. Upon completion of such purchase by the Issuer, the Purchase Transaction Agent shall sell the Commodities to a commodity vendor (the "**Commodity Vendor B**") in Bursa Suq al-Sila' commodity market (through a Commodity Trading Participant ("**CTP**") or other acceptable Commodity Trading Platform, on spot basis for cash consideration equivalent to the Purchase Price (the Sukuk Murabahah proceeds).
10. Proceeds raised from such sale of Commodities will be remitted to the Issuer and the Issuer shall utilise such proceeds for Shariah-compliant purposes.
11. During the tenure of the Sukuk Murabahah, the Issuer shall make periodic payments (calculated at the applicable periodic distribution rate) to the Sukukholders as payment towards the Deferred Sale Price. On

the date of maturity of the Sukuk Murabahah or upon declaration of an Event of Default (as defined herein) (as the case may be, whichever is earlier), the Issuer shall pay all amounts then outstanding on the Deferred Sale Price (subject to the Rebate (*Ibra'*) as set out below, where applicable), for the redemption of the Sukuk Murabahah whereupon the redeemed Sukuk Murabahah shall be cancelled.

The redemption amount payable ("**Redemption Amount**") by the Issuer on the date of the declaration of an Event of Default is an amount as determined by the Facility Agent, which shall be calculated in accordance with the formula below:

Redemption Amount is the amount equivalent to the Deferred Sale Price determined at the Issue Date less the aggregate of profit payments paid (if any) prior to the declaration of an Event of Default less the Rebate (*Ibra'*).

For the purposes of this paragraph, "**Issue Date**" means, the date of issue of that particular series of Sukuk Murabahah.

The transaction structure is set out in the Appendix.

- d. Identified assets** : Shariah-compliant commodities, which shall include but not limited to crude palm oil or such other acceptable commodities (excluding ribawi items in the category of medium of exchange such as currency, gold and silver).

The commodity purchase price shall comply with the Securities Commission's Shariah Advisory Council ("**SAC**") asset pricing requirements as provided in the Securities Commission's ("**SC**") Guidelines on Sukuk effective 28 December 2012 (as may be amended from time to time) ("**Guidelines on Sukuk**").

- e. Purchase and selling price/rental (where applicable)**

Purchase Price

The Purchase Price in relation to each purchase of the Commodities shall be equal to the proceeds of the Sukuk Murabahah. The Purchase Price shall comply with the asset pricing requirements as provided in the Guidelines on Sukuk.

Sale Price

The Sale Price shall comprise the Purchase Price plus the aggregate periodic profit payments on a deferred payment basis and will be determined prior to the sale of the Commodities to the Issuer to be evidenced by the issue of the Sukuk Murabahah.

- f. **Issue/sukuk programme size** : The aggregate outstanding nominal value of Sukuk Murabahah issued under the Sukuk Murabahah Programme shall not exceed RM900.0 million at any point in time.
- g. **Tenure of issue/ sukuk programme** : The tenure of the Sukuk Murabahah Programme shall be twenty (20) years from the date of first issue under the Sukuk Murabahah Programme.
- The tenure of the Sukuk Murabahah shall be more than one (1) year and up to twenty (20) years, provided that the Sukuk Murabahah shall mature prior to the expiry of the Sukuk Murabahah Programme.
- h. **Availability period of sukuk programme** : The period commencing from the fulfilment of the Conditions Precedent (as stated in item 2(t) below) provided that the Sukuk Murabahah mature on or prior to the expiry of the Sukuk Murabahah Programme.
- i. **Profit/coupon/rental rate** : The profit rate of Sukuk Murabahah shall be determined and agreed prior to each issuance of Sukuk Murabahah.
- j. **Profit/coupon/rental payment frequency** : The frequency of the profit payment ("**Periodic Profit Payments**") of Sukuk Murabahah of each series shall be on a semi-annual or quarterly basis in arrears or such other period of time as is agreed between the Issuer and the PA/LA prior to each issuance of Sukuk Murabahah of such series.
- k. **Profit/coupon/rental payment basis** : The Periodic Profit Payments of Sukuk Murabahah of each series shall be calculated based on the actual number of days elapsed and 365 days basis (actual/365).
- l. **Security/Collateral, where applicable** : The Sukuk Murabahah are secured against:
1. First ranking debenture incorporating fixed and floating charge over all the Issuer's present and future assets (excluding the Hospital (defined in paragraph 2(m) below));
 2. First priority assignment of the Issuer's contractual rights, interest, title and benefits

from and under the Concession Agreement (defined in paragraph 2(y)(20) below) in respect of:

- a. the Availability Charges (defined in paragraph 2(y)(20) below);
 - b. the Asset Management Services Charges (as defined in paragraph 2(y)(20) below);
 - c. the reimbursement of the costs by the Government (defined in paragraph 2(y)(20) below) in respect of the Concession Agreement; and
 - d. the amounts payable by the Government as a result of early termination of the Concession Agreement;
3. Grant of right from the Issuer to the Security Agent to appoint a substituted entity to take over the concession pursuant to the Concession Agreement;
 4. First legal charge over the Designated Accounts (defined in paragraph 2(n) below) save and except for the Asset Management Programme Account (defined in paragraph 2(n)(3) below);
 5. First priority assignment of the Issuer's contractual rights, title, interest and benefits in and to all relevant insurances and performance/ advance payment bond/ guarantees, if any, in respect of the Project (defined in paragraph 2(m) below) from the D&B Contractor and the Asset Management Service Provider (as defined in the Concession Agreement) and all proceeds arising therefrom to the extent permitted by prevailing laws;
 6. First priority assignment of rights, interest, title and benefits of other relevant Project Documents to be agreed between the PA/LA and the Issuer, to the extent permitted by prevailing laws;
 7. First priority assignment of insurance policies, if any, to be undertaken under the Project with the Security Agent designated as the loss payee, to the extent permitted by prevailing laws;
 8. Joint and several undertaking from the

Sponsors ("**Sponsors' Undertaking**") (further defined at paragraph 2(y)(15) below); and

9. Subordination of the shareholders' present and future advances or loans or in whatever forms ("**Subordination Agreement**") (further defined at paragraph 2(y)(14) below).

- m. **Details on utilisation of proceeds by Issuer/Obligor. If proceeds are to be utilised for project or capital expenditure, description of the project or capital expenditure, where applicable** :
- The proceeds shall be utilised for the following purposes, which shall at all times be Shariah-compliant:
1. To finance up to 85% of the Project Cost (defined below);
 2. To fund the fees, cost, expenses and all other amounts payable under or in connection to the Project, the Sukuk Murabahah Programme and the requirements of the Trustee Reimbursement Account for Sukukholders' Action as required under the Trust Deeds Guidelines; and
 3. To fund the Minimum Finance Service Amount of the FSRA (defined in paragraph 2(n)(6) below).

"**Project**" means the proposed financing, development, design, operation, lease and maintenance of a 600-bedded women and children hospital ("**Hospital**") to be located in Kuala Lumpur for the Ministry of Health of Malaysia. The Hospital shall be located on a plot of land measuring 34,309.92 square metres, which forms part of a piece of land held under GRN 76026 at Lot 25, Seksyen 42, Mukim Bandar Kuala Lumpur, in the district of Kuala Lumpur and is within the compound of the existing Hospital Kuala Lumpur.

The estimated breakdown of the Project Cost is as follows:

	RM million
Construction Costs	848.0
Profit payments during construction and other fees and expenses relating to the Project	191.5
Total	<u>1,039.5</u>

n. **Sinking Fund and designated accounts, where applicable** : The Issuer shall open and maintain the following Shariah-compliant Designated Accounts with OCBC Al-Amin as follows:

1. **Escrow Account** (to be operated by the Facility Agent) – to deposit Sukuk Murabahah issue proceeds where such proceeds shall be paid to the Disbursement Account, subject to the conditions precedent to each withdrawal (as stated under paragraph 2(t) below) being satisfied. The issue proceeds from the first issue of the Sukuk Murabahah shall be net of sums paid in respect of (a) fees and expenses incurred relating to the establishment of the Sukuk Murabahah Programme; (b) the Trustees' Reimbursement Account for Sukukholders' Actions (as required under the Trust Deeds Guidelines); and (c) the FSRA (defined in paragraph 2(n)(6) below) for an initial deposit of Minimum Finance Service Amount (defined in paragraph 2(n)(6) below), if required. For subsequent issuances of the Sukuk Murabahah, such issue proceeds raised shall be net of any further sums if required for the Minimum Finance Service Amount in the FSRA.

On completion of the Project and upon the final and full issuance of Sukuk Murabahah under the Sukuk Murabahah Programme, any balance sum in the Escrow Account shall be transferred into the Collection Account and thereafter, the Escrow Account shall be closed.

2. **Disbursement Account** (to be operated by the Facility Agent) – to deposit the proceeds from the Escrow Account and the Shareholders' Equity Contribution (as defined under item 2(y)(13) below) in relation to the Issuer during construction on a pro-rata basis in accordance with the required Senior D:E Ratio, relevant insurance / compensation proceeds received by the Issuer during construction, and to withdraw to pay Project Costs incurred by the Issuer.

On completion of the Project, any unutilised amount in the Disbursement Account shall be transferred into the Collection Account and the Disbursement Account shall be closed.

3. **Asset Management Programme Account** (to be operated by the Issuer) – to deposit proceeds from the Asset Management

Programme (defined in paragraph 2(y)(20) below).

Funds captured in Asset Management Programme Account shall be utilised for replacement of assets in accordance with the manner as determined in the Concession Agreement.

- 4. Collection Account** (to be operated by the Facility Agent) – to deposit all Availability Charges (defined in paragraph 2(y)(20) below), Asset Management Services Charges (defined in paragraph 2(y)(20) below) in respect of the Maintenance Services, revenues, income and third party revenues and receipts of the Issuer as well as transfers from the Escrow Account and the Disbursement Account.

Funds captured in the Collection Account shall be utilised to meet the Issuer's payment obligations in the following order of priority:

- a. transfer to the Operating Account to fund operating and maintenance costs and expenses, taxes, duties, management expenses of the Issuer in accordance to an agreed annual budget and to fund any unbudgeted item to be agreed in the transaction documents;
 - b. payment of profit payments, fees, and other payments payable in relation to the Sukuk Murabahah Programme;
 - c. principal redemption of the Sukuk Murabahah;
 - d. transfer into the FSRA to meet the Minimum Finance Service Amount;
 - e. payment of profit share to the Government as provided under the Concession Agreement, if applicable; and
 - f. for making the Restricted Payment (defined in paragraph 2(w)(ii)(7) below).
- 5. Operating Account** (to be operated by the Issuer. Upon an occurrence of an Event of Default, the Operating Account shall be solely operated by the Facility Agent) – to capture funds transferred from the Collection Account

in accordance to an annual budget for the operating and maintenance expenses, taxes, duties, management expenses of the Issuer;

6. Finance Service Reserve Account ("FSRA")
(to be operated by the Facility Agent);

On the first issue date of the Sukuk Murabahah under the Sukuk Murabahah Programme, an initial deposit equivalent to the Minimum Finance Service Amount (defined herein) will be made by the Issuer into the FSRA from the proceeds of the first issuance of the Sukuk Murabahah.

For subsequent issuances of Sukuk Murabahah from the Sukuk Murabahah Programme, on each of the issue dates, the Issuer shall ensure that proceeds of each Sukuk Murabahah issuance is net of sum required to be deposited into FSRA such that the Issuer will at all times maintain a minimum balance equivalent to the next six (6) months finance service (principal and profit payments) of the aggregate outstanding Sukuk Murabahah ("**Minimum Finance Service Amount**"). Alternatively, the Minimum Finance Service Amount may be funded by a standby letter of credit procured by either of the Sponsors (solely or jointly) for the benefit of the Issuer and issued in favour of the Security Agent by a bank with a rating of minimum AA₂ or its equivalent.

During the tenure of the Sukuk Murabahah Programme, contribution to the FSRA from the Collection Account based on the priority of payments stated in this term sheet will be credited to the FSRA to meet the Minimum Finance Service Amount.

In the event that the balance held in the FSRA is less than or exceeds the Minimum Finance Service Amount, the shortfall or excess shall be topped up to or released from the Collection Account, as the case may be. In the event the Issuer utilises the balance in the FSRA, the Issuer is to top up the FSRA within thirty (30) days of such utilisation so as to comply with the Minimum Finance Service Amount.

- o. Rating**
- **Credit rating assigned and** : The Sukuk Murabahah Programme has been assigned an indicative rating of AA₂ by RAM Rating

- whether the rating is final or indicative
- Services Berhad.
- **Name of credit rating agency** : RAM Rating Services Berhad ("**RAM Ratings**").
- p. **Mode of Issue** : Via book building, direct placement on a best effort basis or a bought deal basis.
- q. **Selling Restriction, including tradability, i.e. whether tradable or non-tradable** : The Sukuk Murabahah are tradable, subject to the following restrictions:
- Selling Restrictions at Issuance
- The Sukuk Murabahah may only be offered, sold, transferred or otherwise disposed, directly or indirectly, to a person to whom an offer or invitation to subscribe for the Sukuk Murabahah may be made and to whom the Sukuk Murabahah are issued would fall within the provisions of Schedule 6 or Section 229(1)(b) and Schedule 7 or Section 230(1)(b) read together with Schedule 9 or Section 257(3) of the Capital Markets and Services Act 2007 ("**CMSA**") and to whom any issue, offer or invitation to subscribe for or purchase the Sukuk Murabahah does not constitute an offer to the public within the categories specified in Section 4(6) of the Companies Act, 1965 of Malaysia.
- Selling Restrictions Thereafter
- The Sukuk Murabahah may only be offered, sold, transferred or otherwise disposed, directly or indirectly, to a person to whom an offer or invitation to purchase the Sukuk Murabahah would fall within the provisions of Schedule 6 or Section 229(1)(b) read together with Schedule 9 or Section 257(3) of the CMSA and to whom any issue, offer or invitation to subscribe for or purchase the Sukuk Murabahah does not constitute an offer to the public within the categories specified in Section 4(6) of the Companies Act, 1965 of Malaysia.
- r. **Listing Status and types of listing, where applicable** : The Sukuk Murabahah will not be listed on any stock exchange.
- s. **Other regulatory approvals required in relation to the issue, offer or invitation and whether or not obtained** : None.

- t. Conditions precedent** : The conditions precedent to the establishment of the Sukuk Murabahah Programme shall include the following (in each case in form and substance acceptable to the PALA and/or the Facility Agent):

A. Main Documentation

1. Satisfactory completion and execution of all legal documentation, including but not limited to the Transaction Documents relating to the Sukuk Murabahah Programme and any other necessary documents have been duly executed, stamped or duly endorsed as exempted from stamp duty and presented for registration, where applicable;
2. All relevant notices and acknowledgements or consents (where applicable) (save and except for the notice in respect of the Asset Management Service Agreement) shall have been made or received, as the case may be;

B. The Issuer

1. Certified true copies of the Certificate of Incorporation, latest Forms 24, 44 and 49 of the Issuer;
2. Certified true copies of board resolutions of the Issuer authorising, amongst others, the execution of the transaction documents relating to the Sukuk Murabahah Programme;
3. A list of the Issuer and the Sponsors' authorised signatories and their respective specimen signatures;
4. A report of the relevant company and winding-up search of the Issuer and the Sponsors;
5. Evidence that the Issuer has an issued and paid-up share capital of not less than Ringgit Malaysia Eight Million (RM8,000,000);
6. Evidence that the Sponsor(s) have made irrevocable commitments for the agreed Shareholders' Equity Contributions in the form of Subordinated Shareholders Loans via execution of the relevant agreement to meet the required Senior D:E ratio.

C. Project Documents

1. Receipt from the Issuer certified true copies of all the executed and stamped Project Documents (save and except for the Asset Management Service Agreement) and any other supplemental documentation in relation thereto, together with the certified true copies of the board of directors' resolution(s) of the Issuer authorizing the execution and performance of each of the Project Documents to which the Issuer is a party;
2. Evidence that the Concession Agreement has become effective.
3. Receipt from the Issuer a certified true copy of the executed and stamped management agreement between the Issuer and the shareholders in respect of the provision of management services to the Issuer, such agreement to be in form and substance acceptable to the PA/LA.
4. Receipt from the Issuer a certified true copy of the letter of intent addressed to the Asset Management Service Provider in respect of the key terms of the Asset Management Services Agreement, such letter to be in form and substance acceptable to the PA/LA.

D General

1. The authorisation from the SC and if applicable, approval from all other regulatory authorities;
2. The Sukuk Murabahah Programme has received the requisite rating as stated in this term sheet;
3. Evidence that all transaction fees, costs and expenses have been or will be paid in full;
4. Legal opinion from Messrs Zaid Ibrahim & Co addressed to the PA/LA and the Facility Agent, with respect to, amongst others, the legality, validity and enforceability of the Transaction Documents and a confirmation that all conditions precedent to the establishment of the Sukuk Murabahah Programme have been fulfilled or waived;
5. Legal opinion from the Issuer's solicitors

addressed to the PA/LA and the Facility Agent, with respect to, amongst others, the legality, validity and enforceability of the Project Documents to be identified against the Issuer and the relevant counter-parties and confirming that all the conditions precedent in relation to such Project Documents have been fulfilled;

6. Evidence that all the Designated Accounts have been opened in accordance with the provisions of the Transaction Documents;
7. Construction budget, construction schedule and operating budget for the Project (the form and substance to be mutually agreed between the Issuer and the PA/LA) for the duration of the Sukuk Murabahah Programme;
8. Written report from the Takaful/Insurance Consultant satisfactory to the PA/LA;
9. Confirmation from the Takaful/Insurance Consultant that the Security Agent has been named as loss-payee in respect of such takaful/ insurances to be assigned to the Security Agent and that all requisite insurance which are required to be taken out at such time has been obtained;
10. Certification from the Issuer that no Event of Default or Potential Event of Default has occurred and is continuing or may occur at the date of such certification; and
11. Confirmation from the Shariah Adviser that the structure and mechanism of the Sukuk Murabahah Programme and the Transaction Documents are in compliance with Shariah principles; and
12. Such other conditions precedent as advised by the solicitors to the PA/LA and mutually acceptable to the Issuer and the PA/LA.

The conditions precedent for the issuance of any series of Sukuk Murabahah shall include the following:

1. All representations and warranties are true and correct by reference to the facts and circumstances subsisting at such time;
2. No Event of Default or Potential Event of

Default has occurred and is continuing; and

3. Such other conditions precedent as advised by the solicitors and mutually acceptable to the Issuer and the PA/LA.

The conditions precedent for each withdrawal from the Escrow Account to the Disbursement Account shall include the following:

1. All representations and warranties are true and correct by reference to the facts and circumstances subsisting at such time;
2. No Event of Default or Potential Event of Default has occurred and is continuing;
3. Such withdrawal will not cause the Senior D:E Ratio to exceed 85:15 after such withdrawal;
4. Receipt of a withdrawal notice duly signed by the authorised signatories of the Issuer;
5. Certification by the ICE (save and except to the initial advance payment of up to RM50.0 million to the D&B Contractor); and
6. Receipts, invoices or such other documentary evidence in form and substance acceptable to the Facility Agent.

- u. Representations and warranties** : The representations and warranties of the Issuer shall include but are not limited to the following:
1. The Issuer 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 property and assets purported to be owned by it;
 2. The memorandum and articles of association of the Issuer 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 in the Transaction Documents in accordance with their terms;

3. Neither the execution and delivery of any of the Transaction Documents nor the performance of any of the transactions contemplated in the Transaction Documents 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, judgement, order, rule, regulation, licence, permit or consent by which the Issuer or any of its assets is bound or which is applicable to the Issuer or any of its assets;
 - b. cause any limitation on the Issuer 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, judgement, licence, permit, consent 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 Issuer's assets;
4. No step has been taken by the Issuer, to the best of the Issuer's knowledge, any of their shareholders nor has any legal proceeding including a winding up proceeding been commenced, instituted or for the appointment of a receiver, receiver and manager, liquidator, judicial manager or such similar officer of the Issuer, or any of its assets which in the case of any proceeding undertaken by a person other than the Issuer or any of its shareholders, has not been discharged, suspended or set aside within thirty (30) days from the date of service of the notice for such proceeding;
5. 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 Issuer enforceable in accordance with its terms;
6. The Issuer is in compliance and will comply with all applicable laws, guidelines, permits

and regulations, including but not limited to all relevant environmental laws, permits and guidelines where non-compliance would have a Material Adverse Effect;

7. All Takaful/ insurances required under the Project Documents have been effected and are valid and binding and all Takaful/insurance contributions/ premiums due have been paid and, so far as the Issuer is aware, nothing has been done or omitted to be done which has made or could make any such policy void or voidable;
 8. In relation to the Concession Agreement, save as disclosed in writing to the Sukuk Trustee prior to the execution of the Transaction Documents:
 - a. No event or circumstances has occurred that would entitle any project counterparty to avoid or reduce its/their liability under any of the Concession Agreement;
 - b. No event that would constitute a contravention of or default under the Concession Agreement has occurred and no steps have been taken by any party to terminate, suspend, cancel, revoke or amend any term of the Concession Agreement, and the Concession Agreement is valid and subsisting; and
 9. Such other representations and warranties as advised by the PA/LA's solicitors.
- v. **Events of default, dissolution event and enforcement event, where applicable** : Customary events of default which shall include but are not limited to the following:
1. The Issuer fails to pay any amount due from it under any of the Transaction Documents on the due date or if so payable, on demand;
 2. Any representation or warranty made or given by the Issuer under the Transaction Documents or which is contained in any certificate, document or statement furnished at any time pursuant to the Sukuk Murabahah Programme 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 failure which in the opinion of the Sukuk Trustee is being capable

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

3. The Issuer fails to observe or perform its obligations under any of the Transaction Documents or under any undertaking or arrangement entered into in connection therewith other than an obligation of the type referred in paragraph 1 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 became aware or having been notified by the Sukuk Trustee or the Security Agent;
4. There has been a breach by the Issuer of any obligation under any of the Issuer's existing contractual obligations which may materially and adversely affect the Issuer's ability to perform its obligations under the Transaction Documents and if 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 became aware or having been notified by the Sukuk Trustee or the Security Agent;
5. Any indebtedness for borrowed money of the Issuer 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 Issuer is not discharged at maturity or when called and such declaration of indebtedness being due and payable or such call on the guarantee or similar obligations is not discharged or disputed in good faith by the Issuer in a court of competent jurisdiction within thirty (30) days from the date of such declaration or call, or the Issuer 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;
6. An encumbrancer takes possession of, or a trustee, receiver, receiver and manager or similar officer is appointed in respect of the whole or part of the business or assets of the Issuer, or distress, legal process, sequestration

or any form of execution is levied or enforced or sued out against the Issuer which may have a Material Adverse Effect, or any security interest which may for the time being affect any of its assets becomes enforceable;

7. The Issuer 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;
8. Any step is taken for the winding up, dissolution or liquidation of the Issuer or a resolution is passed for the winding up of the Issuer or a petition for winding up is presented against the Issuer and the Issuer 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;
9. The Issuer 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 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 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;
10. 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 to comply with the terms and conditions of the Transaction Documents;
11. The Issuer is deemed unable to pay any of its debts within section 218(2) of the Companies Act 1965 or becomes unable to pay any of its debts as they fall due or suspend or threaten to

suspend making payments with respect to all or any class of its debts, subject to any of those debts disputed in good faith;

12. Any creditor of the Issuer exercises a contractual right to take over the financial management of the Issuer and such event in the opinion of the Sukuk Trustee may have a Material Adverse Effect;
13. The Issuer 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;
14. At any time any of the provisions of the Transaction Documents is or becomes illegal, void, voidable or unenforceable;
15. The Issuer repudiates any of the Transaction Documents or the Issuer does or causes to be done any act or thing evidencing an intention to repudiate any of the Transaction Documents;
16. Any of the assets, undertakings, rights or revenue of the Issuer 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;

Any of the Project Documents is terminated (except due to lapse of time) or there has been a breach of any material obligations by the Issuer and/or project counterparties under any of the Project Documents or any contractual obligations which may materially and adversely affect the Issuer's ability to perform its obligations under the Transaction Documents and which, if capable of remedy, has not been remedied to the satisfaction of the Sukuk Trustee within thirty (30) days after the Issuer became aware of having been notified of such breach;

17. Suspension of work on the whole or any material part of the Project for more than one hundred and twenty (120) days and the Issuer

is unable to satisfy the Sukuk Trustee that the relevant action is being undertaken to commence the suspended work;

18. Failure of the Issuer to achieve completion of the Project in the manner outlined in the Concession Agreement or if any extension of completion granted shall not be more than forty eight (48) months from Construction Commencement Date (as defined in the Concession Agreement) and/or occurrence of an event of default under the Concession Agreement; and
19. Such other events of default as advised by the P/ALA's solicitors.

Upon the occurrence of any of the events above, the Sukuk Trustee may, at its sole discretion, or shall if directed to do so by an extraordinary resolution of the Sukukholders, declare (by giving notice in writing to the Issuer) that an Event of Default has occurred and the Sukuk Trustee and the Security Agent are entitled to enforce their respective rights under the transaction documents.

w. Covenants

i. Positive Covenants

: To include but not limited to the following:

1. The Issuer shall maintain in full force and effect all relevant authorisations, consents, rights, licenses, approvals and permits (governmental and otherwise) and will promptly obtain any further authorisations, consents, rights, licenses, approvals and permits (governmental and otherwise) which is or may become necessary to enable it to own its business, to carry on its business or for the Issuer to enter into or perform its obligations under the Transaction Documents or to ensure validity, enforceability, admissibility in evidence of the obligations of the Issuer or the priority or rights of the Sukukholders under the Transaction Documents;
2. The Issuer 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;
3. The Issuer shall exercise reasonable diligence in carrying out its business and affairs in a

proper and efficient manner and in accordance with sound financial and commercial standards and practices;

4. The Issuer shall promptly perform and carry out all its obligations under all the Transaction Documents (including but not limited to redeeming the Sukuk Murabahah on the relevant maturity date(s) or any other date on which the Sukuk Murabahah are due and payable) and ensure that it shall immediately notify the Sukuk Trustee in the event the Issuer is unable to fulfil or comply with any of the provisions of the Transaction Documents;
5. The Issuer 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 Issuer for the period to which the financial statements are made up and shall disclose or provide against all liabilities (actual or contingent) of the Issuer;
6. The Issuer shall promptly comply with all applicable laws including the provisions of the Capital Markets and Services Act 2007 and/or the notes, circulars, conditions or guidelines issued by the SC from time to time;
7. The Issuer shall maintain the Takaful/ insurances required by the Transaction Documents;
8. The Issuer shall open and maintain the Designated Accounts for the purposes stated and make payments from such accounts only as permitted under the Transaction Documents;
9. The Issuer shall promptly exercise its rights under the Project Documents so as to procure that the contractors, subcontractors and consultants appointed in connection with any works are properly skilled, qualified and experienced to undertake the awarded contracts and maintenance projects and to ensure that these contractors, subcontractors and consultants promptly perform their respective obligations under these Project Documents;
10. The Issuer shall promptly perform its

obligations and exercise its rights under the Concession Agreement and the other Project Documents if failure to do so would result in a Material Adverse Effect; and

11. Such other undertakings as may be advised by the solicitors for the PA/LA.

ii. Negative Covenants

: Including but not limited to the following:

1. 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 contemplated under this term sheet.
2. The Issuer shall not provide or permit to exist any guarantee to any party save and except for those as required under the Concession Agreement;
3. The Issuer shall not incur additional indebtedness other than (a) the Sukuk Murabahah Programme; (b) additional future unsecured borrowings/financing for an aggregate principal amount of not exceeding RM10.0 million in the form of hire purchase, bank guarantee facilities and/or facilities for working capital requirements; and (c) advances from the shareholders and other loans advances which are subordinated to the Sukuk Murabahah Programme;
4. The Issuer shall not dispose of any of its assets other than (a) disposals pursuant to its obligations under the Asset Management Programme as provided under the Concession Agreement or (b) disposals which are less than RM1,000,000 in any financial year;
5. The Issuer shall not add, delete, amend or substitute its Memorandum or Articles of Association in a manner inconsistent with the provisions of the Transaction Documents;
6. The Issuer shall not reduce or in any way

whatsoever alter except increase, its 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 its share capital into stock, or by consolidating, dividing or sub-dividing all or any of its shares, or by any other manner;

7. The Issuer shall not declare or pay any dividends or make any distribution whether income or capital in nature to its shareholders, or make any payments (whether in relation to nominal value, profit/interest or otherwise) to its shareholders, subsidiaries or associated companies in connection with any financing/loans as advances in whatever form from its shareholders ("**Restricted Payment**") if:
 - a. the Project has not received the Certificate of Acceptance and Asset Management Service Commencement Date has not been declared under the Concession Agreement;
 - b. the Finance Service Cover Ratio ("**FSCR**") (as defined in paragraph 2(w)(iv) below) is below 1.5 times after such payment or distribution;
 - c. the first redemption under the Sukuk Murabahah Programme has not been made;
 - d. the undertakings under the Transaction Documents have been breached or if following such payment or distribution, the undertaking will be breached; and
 - e. an Event of Default has occurred or is continuing or if following such payment or distribution, an Event of Default would occur;
8. The Issuer shall not obtain from or permit to exist any loans or advances to its shareholders, subsidiaries or associated companies unless these loans and advances are subordinated to the Sukuk Murabahah Programme;
9. Subject to paragraph 8 above, the Issuer shall not enter into any agreement with its shareholders, subsidiaries or associated

companies, unless such agreement is entered into:

- a. in the ordinary course of business;
- b. on an arms-length basis;
- c. will not have a Material Adverse Effect; and
- d. is permitted by the Transaction Documents.

10. The Issuer shall not use the proceeds of the Sukuk Murabahah except for the purposes set out herein;

11. The Issuer shall not or shall not agree to amend, vary or terminate (except due to lapse of time), replace or supplement any of the Project Documents to which it is a party which would or is reasonably likely to cause a Material Adverse Effect;

12. The Issuer shall not open or maintain any accounts other than the Designated Accounts and such other accounts as required by law;

13. The Issuer shall not take any action or fail to perform any obligation which will or might reasonably be considered likely to cause or lead or contribute to a breach, revocation or termination of any of the Project Documents to which it is a party;

14. The Issuer shall not carry on any other business other than as permitted under the Concession Agreement;

15. The Issuer shall not allow any changes in shareholders unless such change is in accordance with the relevant provisions under the Concession Agreement and as per shareholding covenant stated in item 12 above; and

16. Such other undertakings as may be advised by the solicitors to the PA/LA.

iii. Information Covenants

: To include but not limited to the following:

1. The Issuer 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 Murabahah Programme and that there does not exist or had not existed, from the date of the Sukuk Murabahah were issued or the date of the last certificate as the case may be, any Event of Default or Potential Event of Default or enforcement or Potential Event of Default or enforcement, and if such is not the case, to specify the same, including such steps that the Issuer is taking to remedy the same;

2. The Issuer shall deliver to the Sukuk Trustee the following:
 - a. as soon as they become available (and in any event within 180 days after the end of each of its financial years), copies of its consolidated financial statements for that year which shall contain the income statements and balance sheets of the Issuer 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 90 days after the end of the first half of its financial year), copies of its unaudited half yearly consolidated financial statements for that period which shall contain the income statements and balance sheets of the Issuer which are duly certified by any one of its directors;
 - c. promptly, such other additional financial information or other information relating to the Issuer's business and its operations as the Sukuk Trustee may request from time to time; and
 - d. promptly, all notices or other documents received by the Issuer from any of its shareholders or its creditors which contents may materially and adversely affect the interests of the Sukukholders, and a copy of all documents dispatched by the Issuer to its shareholders or its creditors generally which contents may materially and adversely affect the interests of the Sukukholders at the same time as these documents are dispatched to these shareholders or creditors;

3. The Issuer shall deliver to the Facility Agent its yearly budgets (the form and substance to be mutually agreed between the Issuer and the Facility Agent) at the date to be specified in the Transaction Documents;
4. The Issuer shall promptly notify the Sukuk Trustee of any change in its board of directors and/or shareholders;
5. During the construction period, the Issuer shall on a bi-monthly basis submit to the Facility Agent and Rating Agency a summary of the progress of work done ("**Progress Report**"). This Progress Report shall include, if available, (a) for each month, the monthly progress report of construction and the construction budget; (b) for every quarter of each financial year, the quarterly report prepared by the ICE on the above; (c) for each half year of each financial year a report setting out the details of compliance with the Concession Agreement and details of action taken to rectify non-compliance (together with a report of the ICE confirming the same) in respect of such semi-annual period, and (d) all such matters undertaken by the ICE based on the terms of their appointment;
6. The Issuer shall promptly inform the Facility Agent and the Rating Agency of:
 - a. any change (or changes) in the Project Cost, which solely or in aggregate exceeds 1.5% from the estimated Project Cost; or
 - b. any variation orders which may result in a delay beyond the stated Construction Period stated under the Concession Agreement; and
7. Any other covenants as may be advised by the solicitors to the PA/LA.

iv. Financial Covenants

- : To include, inter alia, the following:
1. A maximum Senior D:E Ratio (further defined below) of 85:15 throughout the construction period of the Project and up to date of issuance of Certificate of Acceptance;
 2. A minimum FSCR of 1.25 times at all times starting from the Asset Management Services

Commencement Date (as defined in the Concession Agreement).

Senior D:E Ratio

The Senior D:E Ratio shall be the ratio of A / B, whereby :

A = total Senior Indebtedness of the Issuer.

B = total Shareholders' Equity Contribution of the Issuer.

"Senior Indebtedness" means:

1. The outstanding obligations for principal in relation to the Sukuk Murabahah Programme; and
2. The outstanding obligations for principal of all other indebtedness of the Issuer (whether Islamic or conventional) for borrowed monies (be it actual or contingent), and obligations/contingent liabilities under guarantees of the Issuer but excluding all income to be received by the Issuer and loan stocks or any other equivalent instrument which are subordinated to the Sukuk Murabahah Programme;

For the avoidance of doubt:

1. Any double counting shall be disregarded; and
2. Outstanding obligations under the Sukuk Murabahah Programme shall be deemed equivalent to the aggregate amounts disbursed from the Escrow Account into the Disbursement Account, as confirmed by the Facility Agent.

The Senior D:E Ratio shall be calculated on a yearly and half yearly basis and as and when such calculations are required to be made under the terms of the Transaction Documents (as determined by the Facility Agent and based on such evidence satisfactory to the Facility Agent) during the construction period of the Project and up to the date of issuance of Certificate of Acceptance. In the case of Senior D:E Ratio calculated on a yearly basis, such calculations shall be based on the latest audited accounts of the Issuer and outstanding obligations of the Sukuk Murabahah as confirmed by the Facility Agent. In the case of Senior D:E Ratio calculated on half yearly basis,

the calculations shall be based on the latest management accounts of the Issuer and outstanding obligations of the Sukuk Murabahah as confirmed by the Facility Agent. The calculations of Senior D:E Ratio shall be duly confirmed by the Issuer's authorised officers and such confirmation shall be forwarded by the Issuer to the Facility Agent for its distribution to the Sukuk Trustee and the Rating Agency.

In the case of Senior D:E Ratio calculated for withdrawals from Escrow Account to Disbursement Account, such calculations shall be based on the following:

- (i) the Senior Indebtedness being the total of (1) outstanding obligations under the Sukuk Murabahah as confirmed by the Facility Agent; and (2) outstanding obligations for principal of all other indebtedness of the Issuer as reflected in the latest management accounts;
- (ii) the Shareholders' Equity Contribution as confirmed by the Issuer in writing together with relevant supporting documents in form and substance acceptable to the Facility Agent.

FSCR

The FSCR shall be the ratio of A / B, whereby:

A = Cash Flow Available for Finance Service (defined below) for the previous twelve (12) months, and

B = Senior Finance Service (defined below) for the previous twelve (12) months, excluding the final repayment amounts under the Sukuk Murabahah Programme.

The FSCR shall be calculated on a yearly and half yearly basis and as and when such calculations are required to be made under the Transaction Documents, starting from Asset Management Services Commencement Date (as defined in the Concession Agreement). In the case of FSCR calculated on a yearly basis, such calculations shall be based on the latest audited accounts of the Issuer and in the case of FSCR calculated at any other times, the calculations shall be based on the latest management accounts of the Issuer.

The FSCR calculations shall be duly confirmed by the authorised officers of the Issuer and such

confirmation shall be forwarded to the Facility Agent for its distribution to the Sukuk Trustee and the Rating Agency.

Cash Flow Available for Finance Service ("CFAFS")

CFAFS means, in any semi-annual period, the sum of:

1. All income received by the Issuer under the Concession Agreement or any other agreements (other than that received on the first day of the semi-annual period which has already been captured in the credit balances in the Designated Accounts on such day);
2. Interest/profit payment earned on all cash accounts (including FSRA and other Designated Accounts);
3. Any takaful/insurance proceeds received, to the extent that such proceeds received are in excess of any amounts utilised, or to be utilised, for any costs of reinstatement or repairing the damaged property in question;
4. All delay liquidated damages received by the Issuer under the Project Documents, to the extent that such amounts compensate for loss of income of the Issuer;
5. All credit balances in the Designated Accounts including accrued interest/profit payments retained by or on behalf of the Issuer and the amount utilised from the Designated Accounts for the Permitted Investments (defined in paragraph 2(y)(17) below) at the beginning of the relevant 6 month period; and
6. All amount covered by the relevant standby letter of credit provided in relation to the FSRA,

Less:

1. The total amount paid by the Issuer in relation to takaful/ insurance, profit sharing arrangement with the Government under the Concession Agreement, operations, maintenance, administration, management and overheads and fees;
2. Taxation and duties of the Issuer; and

3. Other associated Sukuk Murabahah Programme costs (such as Sukuk Trustee, Rating Agency and on going consultant fees).

Senior Finance Service

The sum of Profit Payment and Principal Redemption in respect of the Sukuk Murabahah Programme but excluding any other associated Sukuk Murabahah Programme costs to the extent these are captured in the CFAFS.

- v. Shareholding Covenant** : UEM Group Berhad ("**UEM**") to hold, either directly or indirectly, a minimum of sixty five per cent (65%) of the ordinary share capital in the Issuer until at least five (5) years after Asset Management Services Commencement Date (as defined in the Concession Agreement).

For the avoidance of doubt, UEM's shareholding shall be maintained at minimum 51% of the ordinary share capital of the Issuer throughout the tenure of the Sukuk Murabahah Programme.

Any new shareholder proposed at any time shall not be acceptable unless it meets the requirements stated in the Concession Agreement and accedes to the Subordination Agreement and if still applicable at the relevant time, the Sponsors' Undertaking.

- x. Provisions on buy-back and early redemption of sukuk** : Buy-back
The Issuer, its subsidiaries or agent(s) of the Issuer acting on behalf of the Issuer, may at any time purchase the Sukuk Murabahah at any price in the open market or by private treaty, but these repurchased Sukuk Murabahah shall be cancelled and cannot be resold.

Subject to the foregoing, the related corporation(s) or the interested persons of the Issuer (other than its subsidiaries) may at any time purchase the Sukuk Murabahah at any price in the open market or by private treaty and such Sukuk Murabahah purchased need not be cancelled but shall not be counted for the purposes of voting in a meeting of Sukukholders.

Early Redemption

Not Applicable.

- y. **Other principal terms and conditions for the proposal** :
1. **Status** : The obligations of the Issuer in respect of the Sukuk Murabahah 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 at least pari passu with all other present and future unsecured and unsubordinated obligations of the Issuer, subject to those preferred by law.
 2. **Compensation (Ta'widh)** : In the event of any overdue payments or default where there are amounts due under any series of the Sukuk Murabahah, the Issuer shall pay the compensation on such overdue amounts or defaulted amounts at the rate and manner prescribed by the SC's SAC from time to time in accordance with Shariah principle.
 3. **Rebate (Ibra')** : Rebate (*Ibra'*) may be granted at the absolute discretion of the Sukukholders. As the Deferred Sale Price is calculated based on the Purchase Price and Profit Payment up to the Maturity Date, the Sukukholders in subscribing or purchasing the Sukuk Murabahah irrevocably consent to grant such Rebate (*Ibra'*), if the Sukuk Murabahah is redeemed before the date of maturity pursuant to the declaration of an Event of Default.

The Rebate (*Ibra'*) shall be the aggregate Periodic Profit Payments due to the Sukukholders from (and including) the date of redemption of the Sukuk Murabahah upon the declaration of an Event of Default up to (but excluding) the date of maturity of the Sukuk Murabahah.
 4. **Issue Price** : Each series of Sukuk Murabahah shall be issued at par or at a discount, to be determined prior to each issuance.
 5. **Minimum Level of Subscription** : The minimum level of subscription for each issue under the Sukuk Murabahah Programme that is not issued on a bought-deal basis (which shall be fully subscribed) shall be one hundred per cent (100%) of the size of a particular issue.
 6. **Redemption on Maturity** : Unless previously purchased and cancelled, the Issuer shall redeem the Sukuk Murabahah at their nominal value in full on its respective maturity dates.

7. **Form and denomination** : The Sukuk Murabahah shall be issued in accordance with:
1. The Participation and Operation Rules for Payment and Securities Services issued by MyClear ("**MyClear Rules**"); and
 2. The MyClear Procedures, or their replacement thereof,
- (collectively the "**MyClear Rules and Procedures**") as applicable from time to time.
- Each series of the Sukuk Murabahah shall be represented by a Global Certificate to be deposited with BNM and may be exchanged for definitive bearer form only in certain limited circumstances. The denomination of the Sukuk Murabahah shall be RM1,000 or in multiples of RM1,000 thereof or such other denominations as may be allowed by MyClear/BNM at the time of issuance.
8. **Governing Laws** : The Sukuk Murabahah and the Transaction Documents shall be governed by the laws of Malaysia.
9. **Taxation** : All payments by the Issuer shall be made without withholding or deductions for or on account of any present or future tax, duty of 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.
10. **Jurisdiction** : The Issuer shall unconditionally and irrevocably submit to the non-exclusive jurisdiction of the courts of Malaysia.
11. **No Payment of Interest** : For the avoidance of doubt and notwithstanding any other provision to the contrary herein, it is hereby agreed and declared that nothing in these principal terms and conditions and the Transaction Documents shall oblige or entitle any party nor shall any party pay or receive or recover interest on any amount due or payable to another party pursuant to the principal terms and conditions or the Transaction Documents and the parties hereby expressly waive and reject any entitlement to

recover such interest.

12. Other Conditions : The Sukuk Murabahah shall at all times be governed by the guidelines issued and to be issued from time to time by the SC, BNM and/or MyClear in Malaysia having jurisdiction over matters pertaining to the Sukuk Murabahah.

13. Shareholders' Equity Contribution : The shareholders of the Issuer are UEM Group Berhad and Najcom Sdn Bhd (collectively, the "**Sponsors**").

The shareholders' equity contribution shall comprise:

1. ordinary paid-up shares in the Issuer issued to its shareholders in an amount no less than RM8.0 million issued at the first issue date of the Sukuk Murabahah under the Sukuk Murabahah Programme in the shareholding proportion of 65:35, respectively; and
2. subordinated shareholders' advances/loans, including but not limited to loan stocks ("**Subordinated Shareholders' Loans**") to be subscribed by UEM Group Berhad and interest income derived from the proceeds in the Escrow Account,

and shall be in an aggregate of not less than 15% of the Project Cost, subject to the satisfaction of the Senior D:E Ratio up to the date of issuance of Certificate of Acceptance.

14. Subordination Agreement : There will be a subordination arrangement with the holders of the Subordinated Shareholders' Loans ("**Junior Creditors**") whereby the Junior Creditors shall rank after the holders of the Sukuk Murabahah ("**Senior Creditors**").

The Junior Creditors shall only be either or both the Sponsors.

The Subordination Agreement will, amongst other things, require that, at all time before all liabilities owing to the Senior Creditors are irrevocably discharged in full, the Junior Creditors:

1. shall not receive payment in respect of liabilities owing to them at any time save and except for the Restricted Payment (defined in paragraph 2(w)(ii)(7) above) and any payment

of management fees and expenses which are permitted to be paid in the approved annual budget;

2. shall not have any right of recourse to or claim against or any rights or remedies against any Senior Creditors, the Issuer or the Security including without limitation moneys standing to the credit of the Designated Accounts; and
3. shall not be entitled to take any enforcement action in respect of the Issuer or any security (including without limitation, set-off, legal or arbitration proceedings, composition, assignment or arrangement, or winding up action) in respect of any liabilities owing to them.

15. Sponsors' Undertaking : Joint and Several undertaking from the Sponsors in form and substance acceptable to the PA/LA and Rating Agency, that until the Asset Management Services Commencement Date (as defined in the Concession Agreement):

1. To ensure the practical completion of the Hospital shall be achieved within thirty six (36) months from the date of first issuance of the Sukuk Murabahah under the Sukuk Murabahah Programme or such other extended period as granted to the Issuer under the terms of the Concession Agreement;
2. To ensure that during construction period of the Project, the Issuer exercises all its rights under the Project Documents to ensure that the contractors appointed promptly perform their respective obligations under the respective Project Documents in order for the Issuer to meet all necessary obligations and performance requirements under the Concession Agreement and also other requirements imposed by the relevant authorities and governmental authorities having jurisdiction over the Project; and
3. To fund any shortfall in relation to costs required to complete the Project including but not limited to interest during construction and applicable penalties under the relevant Project Documents.

For avoidance of doubt, the Sponsors' Undertaking is valid only up to Asset Management Services Commencement Date.

- 16. Conditions Subsequent** : To include but not limited to the following:
1. within one (1) year from the first issuance of the Sukuk Murabahah under the Sukuk Murabahah Programme, the Issuer shall deliver to the Sukuk Trustee and the Rating Agency a copy of the executed and stamped Asset Management Service Agreement together with the relevant assignment documents;
 2. evidence that the notice of assignment pursuant to the Asset Management Service Agreement has been provided to the relevant counterparty; and
 3. such other conditions subsequent as advised by the solicitors to the PA/LA.

- 17. Permitted Investments** : The Issuer may request for the balance in the Escrow Account, the Disbursement Account, the Asset Management Programme Account, the Collection Account, the Operating Account and the Finance Service Reserve Account to be utilised for Permitted Investments, provided that such funds utilised for the Permitted Investments shall be remitted to the relevant account in a timely manner to meet the payment obligations of the Issuer when due and payable.

Permitted Investments shall comprise Shariah-compliant investment products denominated in Ringgit Malaysia and approved by the SC's SAC and/or BNM's SAC. For the purposes of the Sukuk Murabahah Programme, the Permitted Investments are as follows:

1. deposits with licensed Islamic financial institutions in Malaysia with a minimum long term rating of AA3 or its equivalent;
2. Islamic bankers acceptances, Islamic bills and other Islamic money market instruments by licensed financial institutions with a short term rating of P1 and a long term rating of AA3 or their equivalent;
3. Islamic treasury bills, Islamic money market instrument, and other Sukuk issued by BNM or the government of Malaysia;
4. Sukuk issued by quasi government or government related corporations with a short

term rating of P1 and a minimum long term rating of AA3 or their equivalent or sukuk guaranteed by the government of Malaysia;

5. Sukuk issued by corporations with a short term rating of P1 and a minimum long term rating of AA3 or their equivalent, or by financial institutions with a short term rating of P1 or a minimum long term rating of AA3 or their equivalent; or
6. Any Islamic fund approved by the SC which invests in any of the instruments above.

18. Transaction Documents

: Completion, execution and delivery of all documentation for the Sukuk Murabahah Programme which include amongst other things the following documents:

1. Programme Agreement;
2. Trust Deed;
3. the Islamic documents required pursuant to the Shariah principle of Murabahah;
4. the Securities Lodgement Form; and

any other documents designated as Transaction Documents by the Issuer and the Sukuk Trustee and all other documents of whatsoever nature executed or to be executed in connection with or pursuant to any of the above documents or otherwise in connection with the Sukuk Murabahah Programme, and references to a "**Transaction Document**" shall mean each or any one of them.

19. Project Documents

: The Project Documents consists of:

1. the Concession Agreement (defined in paragraph 2(y)(20) below);
2. the D&B Turnkey Contract (defined in paragraph 2(y)(20) below);
3. the Asset Management Service Agreement (defined in paragraph 2(y)(20) below); and

any other agreements to be mutually agreed between the PA/LA and the Issuer.

20. Definitions

: "**Asset Management Programme**" means a programme as set out in the Concession Agreement for the management of facilities and infrastructure of the Hospital in order to maintain their functionality, objective and intent within their expected life span in the most cost effective manner during the Asset Management Services Period (as defined below).

"**Asset Management Service Agreement**" means the asset management service agreement to be provided by the Asset Management Service Provider that meets the requirements of the Concession Agreement, based on terms and conditions acceptable to the PA/LA and the Rating Agency.

"**Asset Management Services Charges**" means the amount payable to the Issuer by the Government for the Asset Management Services as stipulated in the Concession Agreement therein, first payment of which shall be payable by the Government to the Issuer one (1) month after the date the Government issues Certificate of Acceptance for the Hospital and thereafter on the same date of each month throughout the Asset Management Services Period and the last payment, one (1) month after the expiry date of the Concession Agreement.

"**Asset Management Services Manual**" means the agreed performances, terms, requirements and response time with respect to the provision of Asset Management Services as set out in the Concession Agreement.

"**Asset Management Services Period**" means the period commencing from the date on which the Certificate of Acceptance for the Hospital is issued and ending on the expiry date of the Concession Agreement or the termination of the Concession Agreement, whichever is the earlier.

"**Asset Management Service Provider**" means the asset management service provider pursuant to the Asset Management Programme, to be appointed one (1) year from the date of the first issuance of the Sukuk Murabahah, such party which shall be acceptable to the PA/LA.

"**Availability Charges**" means the sub-lease rental payable to the Issuer by the Government for the availability of the facilities and infrastructure of the

Hospital as stipulated in the Concession Agreement therein, first payment which shall be payable by the Government to the Issuer one (1) month after the date the Government issues the Certificate of Acceptance for the Hospital and thereafter on the same date of each month throughout the Asset Management Services Period and the last being due, one (1) month after the expiry date of the Concession Agreement.

"Concession Agreement" means the concession agreement dated 14 March 2013 in respect of the Project entered into between the Government of Malaysia ("**Government**") and the Issuer.

"D&B Contractor" means UEM Builders Berhad and Najcom Sdn Bhd on a 65:35 joint venture basis.

"D&B Turnkey Contract" means the fixed price, date certain, turnkey contract to be entered into with the D&B Contractor for the construction of the Project, based on terms and conditions acceptable to the PA/LA and the Rating Agency.

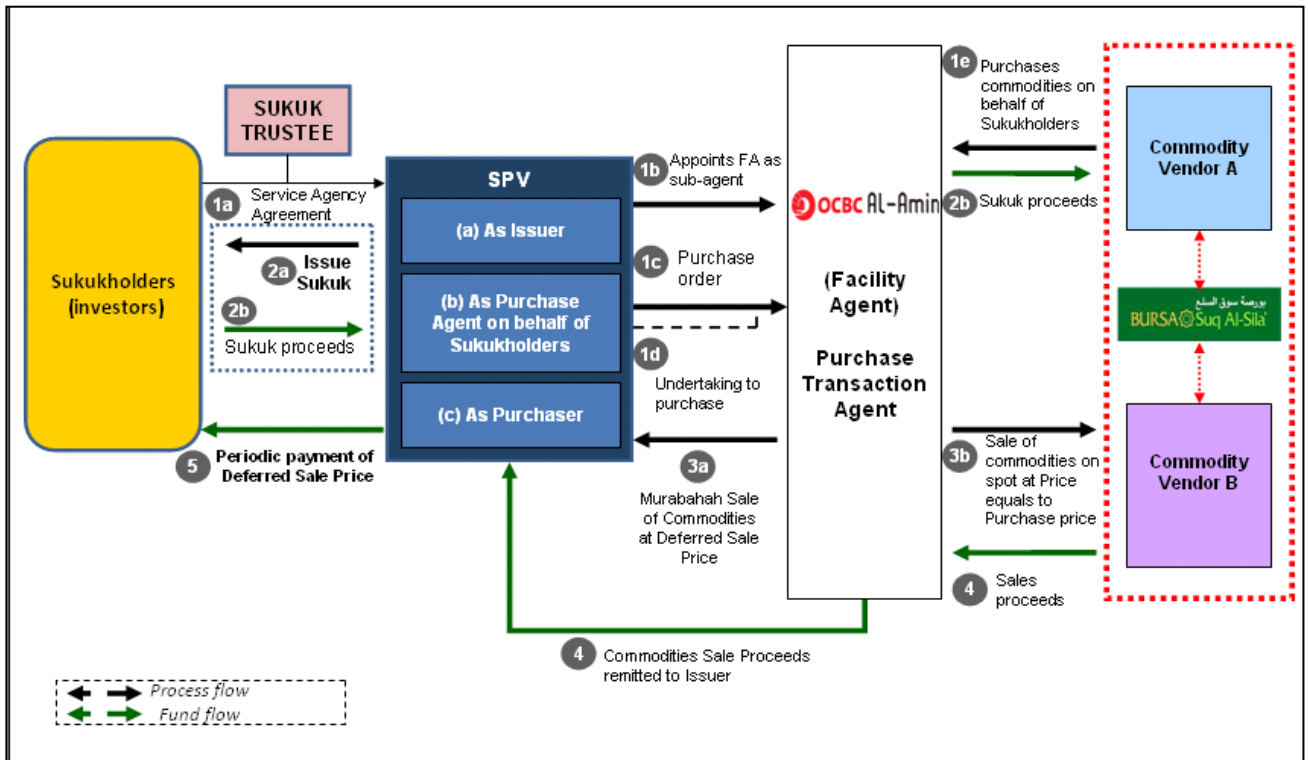
"Material Adverse Effect" means any material adverse effect on the business condition (financial or otherwise), results of the operations or prospects of the Issuer or the ability of the Issuer to perform any of its obligations under any of the Transaction Documents or the validity or enforceability of the Transaction Documents or the right of remedies of the Sukuk Trustee, Security Agent, or the Sukukholders thereunder.

"Maintenance Services" means the services and works in relation to the maintenance of the Hospital which comprise of the following:

- (a) facility engineering management services;
- (b) biomedical engineering maintenance services;
- (c) cleansing services;
- (d) linen and laundry services; and
- (e) healthcare waste management services;

as are required to be carried out in accordance with the Asset Management Services Manual during the Asset Management Services Period.

**Appendix
Transaction Structure for Commodity Murabahah**



1(a)	The Sukukholders (via the Sukuk Trustee) and the Issuer shall enter into a Service Agency Agreement, pursuant to which the Issuer (in its capacity as the " Purchase Agent ") is appointed as the agent of the Sukukholders for the purchase and the sale of Shariah-compliant commodities (" Commodities ").
1(b)	The Purchase Agent will then enter into a Facility Agency Agreement to appoint the Facility Agent to act as the sub-agent (the Facility Agent in such capacity, the " Purchase Transaction Agent ") for the purchase and sale of Commodities.
1(c)	Pursuant to a Commodity Murabahah Master Agreement entered into between the Issuer, the Sukuk Trustee (on behalf of the Sukukholders) and the Purchase Transaction Agent, prior to the date on which the relevant series of Sukuk Murabahah is issued, the Issuer shall issue a purchase order for the required sums of specified commodity (" Purchase Order ") in relation to the said series to the Purchase Agent and the Purchase Transaction Agent (in the capacity of the sub-agent of the Purchase Agent).
1(d)	In the Purchase Order, the Issuer (in the capacity of purchaser for itself) will request the Purchase Agent and the Purchase Transaction Agent to purchase the Commodities and will irrevocably undertake based on unilateral binding promise (<i>Wa`d Mulzim</i>) to purchase the Commodities from the Sukukholders via the Purchase Transaction Agent (" Undertaking to Purchase ") at the Deferred Sale Price

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1(e)	Based on the Purchase Order, the Purchase Transaction Agent will purchase the Commodities from commodity vendor(s) (" Commodity Vendor A ") in Bursa Suq Al-Sila` commodity market (through a Commodity Trading Participant (" CTP ") or other acceptable Commodity Trading Platform, on a spot basis at a purchase price (" Purchase Price ") equivalent to the relevant series of Sukuk Murabahah proceeds.
2(a)	The Issuer shall then issue the relevant series of the Sukuk Murabahah to the Sukukholders to raise proceeds to fund the payment of the Purchase Price which proceeds raised from the issuance of the Sukuk Murabahah shall be for an amount equal to the Purchase Price. The Sukuk Murabahah shall evidence, amongst others, the Sukukholders' undivided beneficial ownership of the Commodities and the Sukukholders' resulting entitlement to receive the deferred sale price comprising the Purchase Price and the relevant profit payment(s) (" Deferred Sale Price ") pursuant to the subsequent sale of the Commodities to the Issuer.
2(b)	The proceeds thereof shall be used to pay the Purchase Price of the Commodities.
3(a)	Thereafter, pursuant to the Undertaking to Purchase under 1(d) and upon constructive possession of the commodities by the Sukukholders, the Purchase Transaction Agent (acting on behalf of the Purchase Agent (for the Sukukholders)) shall enter into an agreement to sell the Commodities to the Issuer on Murabahah basis at the Deferred Sale Price (" Murabahah Sale Agreement ").
3(b)	Upon completion of such purchase by the Issuer, the Purchase Transaction Agent shall sell the Commodities to a commodity vendor (the " Commodity Vendor B ") in Bursa Suq al-Sila' commodity market (through a Commodity Trading Participant (" CTP ") or other acceptable Commodity Trading Platform, on spot basis for cash consideration equivalent to the Purchase Price (the Sukuk Murabahah proceeds).
4	Proceeds raised from such sale of Commodities will be remitted to the Issuer and the Issuer shall utilise such proceeds for Shariah-compliant purposes.
5	During the tenure of the Sukuk Murabahah, the Issuer shall make periodic payments (calculated at the applicable periodic distribution rate) to the Sukukholders as payment towards the Deferred Sale Price. On the date of maturity of the Sukuk Murabahah or upon declaration of an Event of Default (as defined herein) (as the case may be, whichever is earlier), the Issuer shall pay all amounts then outstanding on the Deferred Sale Price (subject to the Rebate (<i>Ibra</i>), where applicable), for the redemption of the Sukuk Murabahah whereupon the redeemed Sukuk Murabahah shall be cancelled.