

An Islamic medium term notes ("Sukuk Murabahah") facility of up to RM330.0 million in nominal value ("Sukuk Facility")

Principal Terms and Conditions

(A) CORPORATE INFORMATION OF ISSUER

- (1) Name : Projek Smart Holdings Sdn Bhd
- (2) Address : Kompleks Operasi & Penyelenggaraan Lebuhraya SMART, Jalan Davis, Off Bulatan Kampung Pandan, 50400 Kuala Lumpur
- (3) Date of incorporation: 29 January 2003
- (4) Place of incorporation : Malaysia
- (5) Business registration: 605102-A
number
- (6) Residence status : Resident Controlled Company
- (7) Place of listing : Not Listed
- (8) Date of listing : Not Listed
- (9) Principal activities : Investment holding
- (10) Issued and paid-up : The authorised, issued and paid-up share capital of the Issuer as at 31 July 2015
share capital are as follows:

Authorised Share Capital as at 31 July 2015:
RM100,000,000.00 divided into 10,000,000 ordinary shares of RM1.00 each and 90,000,000 redeemable preference shares of RM1.00 each.

Issued and Paid-Up Share Capital as at 31 July 2015:
RM8,180,000.00 comprised of 5,000,000 ordinary shares of RM1.00 each and 3,180,000 redeemable preference shares of RM1.00 each.
- (11) Structure of : The shareholders and shareholding structure of the Issuer as at 31 July 2015 is as
shareholdings and follows:
names of
shareholders or, in
the case of a public Name of Shareholders: Gamuda Berhad

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company, names of
all substantial
shareholders

No. of Ordinary Shares held: 2,500,000
No. of Redeemable Preference Shares held: 1,590,000
Shareholding (%): 50

Name of Shareholders: MMC Engineering Group Berhad
No. of Ordinary Shares held: 1,500,000
No. of Redeemable Preference Shares held: 954,000
Shareholding (%): 30

Name of Shareholders: Anglo-Oriental (Annuities) Sdn Bhd
No. of Ordinary Shares held: 1,000,000
No. of Redeemable Preference Shares held: 636,000
Shareholding (%): 20

(12) Board of directors :

No.	Name
1	Dato' Sri Che Khalib bin Mohamad Noh
2	Dato' Haji Azmi bin Mat Nor
3	Richard Lim Kim Ong
4	Lee Khuan Eoi

(13) Disclosure of the :
following

- (i) If the issuer or :
its board
members have
been convicted
or charged with
any offence
under any
securities laws,
corporation
laws or other
laws involving
fraud or

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dishonesty in a court of law, or if any action has been initiated against the issuer or its board members for breaches of the same, for the past ten years prior to the lodgement/ since incorporation (for issuer incorporated less than ten years)

- (ii) If the issuer has: been subjected to any action by the stock exchange for any breach of the listing requirements or rules issued by the stock exchange, for the past five years prior to the lodgement

(B) PARTIES TO THE TRANSACTION

(a) Origination

No.	Roles	Name of parties
1	Principal Adviser	Maybank Investment Bank Berhad
2	Solicitors	Lee & Koh
3	Shariah Adviser	Maybank Islamic Berhad ("Maybank Islamic")
4	Lead Manager	Maybank IB

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(b) At the point of distribution

No.	Roles	Name of parties
1	Facility Agent	Maybank IB
2	Central Depository	Bank Negara Malaysia ("BNM")
3	Paying Agent	BNM
4	Other	PSHSB
5	Other	PSHSB
6	Other	Maybank IB
7	Other	Commodity vendor(s) in the Bursa Suq Al-Sila' commodity market or such other commodity seller
8	Other	Bursa Malaysia Islamic Services Sdn Bhd or such other commodity buyer
9	Other	Maybank Islamic

(c) After distribution

No.	Roles	Name of parties
1	Facility Agent	Maybank IB
2	Security Agents	Maybank IB
3	Trustee	Maybank Trustees Berhad

(C) DETAILS OF FACILITY/PROGRAMME

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- (1) Name of facility : An Islamic medium term notes ("Sukuk Murabahah") facility of up to RM330.0 million in nominal value ("Sukuk Facility")
- (2) One-time issue or programme : One-time issue
- (3) Shariah principles (for sukuk) : 1. Murabahah (Cost-plus sale)
- (4) Facility description (for ringgit-denominated sukuk, to provide description as cleared by the SC) : An Islamic medium term notes facility of up to RM330.0 million in nominal value based on the Shariah principle of Murabahah (via a Tawarruq arrangement) in the following form:
1. The Trustee (on behalf of the investors of the Sukuk Murabahah (the "Sukukholders")), shall appoint PSHSB as agent/wakeel of the Sukukholders (in such capacity, the "Purchase Agent") to purchase and sell Commodities (as defined in Other Terms and Conditions). The Purchase Agent will then appoint the Facility Agent to act as the sub-agent to purchase and sell the Commodities (in such capacity, the "Sub-Purchase Agent").
 2. PSHSB (as purchaser for itself), ("Purchaser") shall issue a purchase order ("Purchase Order") to the Purchase Agent and the Sub-Purchase Agent to purchase the Commodities. In the Purchase Order, the Purchaser will request the Purchase Agent and the Sub-Purchase Agent to purchase the Commodities and will irrevocably and unconditionally undertake to purchase the Commodities from the Sukukholders via the Sub-Purchase Agent at a price (the "Deferred Sale Price") being the aggregate of (i) the Purchase Price, and (ii) the profit margin of the relevant Sukuk Murabahah, payable on a deferred payment basis.
 3. Based on the Purchase Order, the Sub-Purchase Agent will purchase on a spot basis the Commodities from commodity vendor(s) in the Bursa Suq Al-Sila' commodity platform and/or other independent commodity brokers, which shall be identified prior to the Sukuk Murabahah issuance, through a Commodity Trading Participant ("CTP") at a purchase price ("Purchase Price") which shall be an amount equivalent to the Sukuk Murabahah proceeds.
- The Purchase Price of the Commodities shall be in line with the asset pricing requirement stipulated under the Guidelines on Unlisted Capital Market Products Under the Lodge and Launch Framework, as may be amended from time to time.
4. PSHSB (as the Issuer) shall then issue Sukuk Murabahah to the Sukukholders whereby the proceeds thereof shall be used to pay the Purchase Price of the Commodities. The Sukuk Murabahah shall evidence, amongst others, the Sukukholders' ownership of the Commodities and once the Commodities are sold to the Purchaser the Sukukholders' entitlement to receive the Deferred Sale Price.
 5. Thereafter, the Sub-Purchase Agent (on behalf of the Purchase Agent as wakeel to the Sukukholders) shall sell the Commodities to the Purchaser at the Deferred Sale Price.
 6. Upon completion of such purchase, the Purchaser shall sell the Commodities to the Bursa Suq Al-Sila' commodity platform and/or other independent commodity brokers, which shall be identified prior to the Sukuk Murabahah issuance, through

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a CTP for a cash consideration equal to the Purchase Price on a spot basis.

7. The Sukuk Murabahah may be issued with or without periodic profit payments ("Periodic Profit Payments"). For Sukuk Murabahah with Periodic Profit Payments, the Purchaser shall make Periodic Profit Payments based on a profit rate to be agreed prior to the issuance of the Sukuk Murabahah forming part of the Deferred Sale Price to the Sukukholders during the tenure of the Sukuk Murabahah. For Sukuk Murabahah without Periodic Profit Payments, the Purchaser shall only make a one-off payment of the Deferred Sale Price in one lump sum on the maturity date to the Sukukholder(s). Each such payment shall reduce the Purchaser's payment obligation in respect of the Deferred Sale Price payable on the Commodities to the extent of such payment actually made.

On (i) the maturity date of the relevant Sukuk Murabahah; or (ii) upon the declaration of an Event of Default, whichever is earlier, all amounts then outstanding on the Deferred Sale Price shall be paid by the Purchaser to the Sukukholders as final settlement of the same, subject to Ibra', where applicable, whereupon the relevant Sukuk Murabahah shall be cancelled.

- (5) Currency : Ringgit
- (6) Expected facility/
programme size : Up to MYR 330,000,000.00
- (7) Option to upsize (for : No
programme)
- (8) Tenure of facility/
programme : 17 year(s)
- (9) Availability period for:
debt/ sukuk
programme : Not applicable
- (10) Clearing and
settlement platform : PayNet
- (11) Mode of issue : ☒ Private/direct placement
☒ Bought deal
- (12) Selling restrictions : (i) At issuance:
☒ Part I of Schedule 6 of the Capital Markets & Services Act, 2007 (CMSA)
☒ Part I of Schedule 7 of the CMSA
☒ Read together with Schedule 9 of CMSA
☒ Section 2(6) of the Companies Act 2016

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(ii) After issuance:

- (13) Tradability and transferability : Size in Ringgit which are tradable and transferable:
Not applicable
Size in Ringgit which are non-tradable and non-transferable:
Not applicable
- (14) Secured/combinatio : PSHSB's obligation to pay the Deferred Sale Price shall be secured by the
n of unsecured and following securities ("Security Documents") which shall be shared on a pari passu
secured, if basis with the holders of the new Sukuk Murabahah of up to RM250 million ("New
applicable Sukuk Murabahah") ("New Sukukholders") (save for item (7) below which a
separate letter of undertaking is to be provided by SMART for the purpose of the
New Sukuk Murabahah):
- (1) Charge and assignment over the Issuer's present and future rights, interests, title and benefits in the Designated Accounts and the credit balances therein;
 - (2) Legal assignment of PSHSB's revenue and income including but not limited to dividends and distributions, whether income or capital in nature, from its group of companies;
 - (3) Charge and assignment over PSHSB's shares in Syarikat Mengurus Air Banjir dan Terowong Sdn Bhd ("SMART");
 - (4) Legal assignment of proceeds from payment of Shariah compliant shareholders advances under the principle of Mudharabah from PSHSB to SMART amounting to RM330 million ("PSHSB Advances");
 - (5) Legal assignment of the proceeds payable by SMART to the Issuer pursuant to any debentures and/or securities issued by the Issuer to SMART and/or distributions or payments by SMART issued to the Issuer (if applicable) whereby such proceeds payable is arising from the Compensation received by SMART in accordance with the terms hereof;
 - (6) A debenture by way of a fixed and floating charge over the Issuer's assets, present and future;
 - (7) A letter of Undertaking by SMART addressed to PSHSB that SMART will fulfil all covenants as out in the PTC; and
 - (8) Such other security(ies) as may be required by the Lead Arranger, Solicitors and/or the Rating Agency to be mutually agreed with the Issuer.
- The security sharing arrangement will be set out in a priority and security sharing agreement ("Priority and Security Sharing Agreement").
- (15) Details of guarantee, : Not guaranteed
if applicable
- (16) Convertibility of : Non-convertible
issuance and details
of the convertability

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(17) Exchangeability of : Non-exchangeable
issuance and details
of the
exchangeability

(18) Call option and : No call option
details, if applicable

(19) Put option and : No put option
details, if applicable

(20) Details of covenants : Positive Covenants

Issuer and SMART (the "Companies")

To include but not limited to the following:

(i) the Companies shall maintain in full force and effect all relevant authorisations, consents, rights, licences, approvals, and permits (governmental and otherwise) and will promptly obtain any further authorisations, consents, rights, licences, approvals, and permits (governmental and otherwise) which is or may become necessary to enable the Companies to own their respective assets, to carry on their business or for the Companies to enter into or perform their obligations under the Transaction Documents or to ensure the validity, enforceability, admissibility in evidence of the obligations of the Companies, or the rights of the Sukukholders, the Trustee and the Lead Arranger under the Transaction Documents and the Companies shall comply with the same;

(ii) the Companies shall at all times on written demand execute all such further documents and do all such further acts reasonably necessary at any time or times to give further effect to the terms and conditions of the Transaction Documents;

(iii) the Companies shall exercise reasonable diligence in carrying out their businesses and affairs in a proper and efficient manner;

(iv) the Companies shall promptly perform and carry out all their obligations under all 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 Trustee in the event that it is unable to fulfil or comply with any of the provisions of the Transaction Documents;

(v) the Companies shall prepare their 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 financial position and operations of the Companies for the period to which the financial statements are made up and are audited and certified by qualified auditors appointed by the Companies;

(vi) the Companies shall promptly comply with all applicable provisions of the CMSA and/or the notes, circulars, conditions, or guidelines issued by SC from time to time in respect of the Sukuk Murabahah;

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(vii) the Companies undertakes that the terms of payment of the PSHSB Advances shall be structured so as to enable PSHSB to meet the payment and redemption of the Sukuk Murabahah;

(viii) the Companies shall maintain the takaful/insurances required by the Transaction Documents and the Project Agreements;

(ix) the Companies shall file all relevant tax returns and pay all taxes promptly upon the same becoming due except to the extent that taxes are being contested in good faith or an adequate reserve has been set aside with respect thereto;

(x) the Companies shall maintain proper books and accounts, and to provide, upon reasonable request by the Trustee or its agent and servants and any person appointed or authorised by it at all reasonable times to have access to and to inspect its books of accounts and records relating to its business at any office, branch or place of business and all records kept by any other persons;

(xi) the Companies shall comply with all applicable laws and regulations;

(xii) any other covenants as advised by the Solicitors and to be mutually agreed by the Lead Arranger and the Issuer including but not limited to the requirements under the SC's Guidelines on Trust Deeds.

Issuer

To include but not limited to the following:

(i) the Issuer undertakes that any Compensation received by SMART shall be deposited in whatever means into the Compensation Account;

(ii) the operation of the Sukuk Murabahah shall at all times be governed by guidelines issued and to be issued by the SC and/or other authorities having jurisdiction over matters pertaining to the Sukuk Murabahah;

(iii) the Issuer shall ensure that the Sukuk Murabahah is rated at all times throughout the tenure of the Sukuk Facility unless the rating is suspended or withdrawn by the Rating Agency, and in this regard, the Issuer undertakes and covenants to provide relevant information, documents and agreements (including the Project Agreements) on continuous basis to the Rating Agency, so that timely dissemination of relevant information and rating analysis can be made available to the Sukukholders;

(iv) any other covenants as advised by the Solicitors and to be mutually agreed by the Lead Arranger and the Issuer including but not limited to the requirements under the SC's Guidelines on Trust Deeds.

SMART

To include but not limited to the following:

(i) SMART not to restrict or prevent the distribution of dividends or any other form of income, capital, distribution to the Issuer unless such distribution will result in a breach of the Project Agreements;

(ii) SMART shall promptly repay the PSHSB Advances on the relevant maturity date of the PSHSB Advances;

(iii) SMART shall utilise the proceeds received from PSHSB Advances to amongst others, pay the BPMB Loan (as defined in Details of Utilisation of Proceeds);

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(iv) SMART undertakes that any Compensation received by SMART shall be deposited in whatever means into the Compensation Account; and

(v) any other covenants as advised by the Solicitors and to be mutually agreed by the Lead Arranger and the Issuer including but not limited to the requirements under the SC's Guidelines on Trust Deeds.

Negative covenants

Unless otherwise consented to in writing by the Trustee (which consent shall not be unreasonably withheld or delayed, if the Trustee is of the opinion that such consent or decision does not require the instructions of the Sukukholders), to include but not limited to the following:

Issuer and SMART (the "Companies")

(i) the Companies shall not incur capital expenditure other than capital expenditure which has already been planned and included in the budget provided (and approved as the case may be) for the relevant year, without the written consent of the Trustee;

(ii) the Companies shall not dispose any assets in excess of 5% of the Net Assets of the respective Companies in any financial year to any third party save and except for:

(a) the asset disposal is solely for purposes of facilitating Shariah concepts used in Islamic financing facilities granted to the Companies provided always that the same shall not constitute a legal true sale; or

(b) disposal of the land or property where SMART's office depot is situated as required for the purposes of facilitating the TRX Project or for any GOM purposes PROVIDED ALWAYS THAT the GOM will replace the same with another (as acceptable to SMART) to SMART.

"TRX Project" shall mean property development project built on 70-acre area in the heart of Kuala Lumpur;

"Net Assets" shall mean net assets as reflected in the respective Companies' latest annual audited financial statements;

(iii) save for the purposes of the PSHSB Advances and the issuance of any debentures and/or securities from the Issuer to SMART arising from Compensation from GOM, the Companies shall not add, delete, amend or substitute its Memorandum or Articles of Association in a manner inconsistent with the provisions of the Transaction or in a manner which may be materially prejudicial to the interest of the Sukukholders;

(iv) the Companies shall not make any amendments to the terms and conditions of the PSHSB Advances and the issue documents in relation to the PSHSB Advances.

(v) except otherwise contemplated in the Transaction Documents, the Companies shall not enter into any agreement with its subsidiaries (if any) or associated companies except for agreement entered into:

(a) in the ordinary course of its business;

(b) on an arms-length basis; and

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(c) which will not have a Material Adverse Effect on the Companies;

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

(a) the assets, business or condition (financial or otherwise) or the results of the operations of the Issuer or SMART;

(b) the ability of the Issuer or SMART to perform or comply with any of its obligations under the Transaction Documents to which it is a party;

(c) the validity or enforceability of the Transaction Documents or the right of remedies of the Trustee, Security Agent or the Sukukholders thereunder.

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

(vi) the Companies will not enter into any voluntary winding-up;

(vii) the Companies will not consolidate or amalgamate or merge with or into, or transfer all or substantially all their assets to or acquire all or substantially all the assets (including shares and/or stocks of any class, partnership or joint venture interest) of another entity; where, for the avoidance of doubt, either of the Companies will be deemed to have acquired substantially all of the ordinary shares of another entity if that entity becomes a subsidiary of either of the Companies as a result of the acquisition;

(viii) any other covenants as advised by the Solicitors and to be mutually agreed by the Lead Arranger and the Issuer including but not limited to the requirements under the SC's Trust Deeds Guidelines

Issuer

(i) the Issuer shall not open any other accounts other than the Issuer Designated Accounts and the Trustees' Reimbursement Account;

(ii) the Issuer shall not incur any additional indebtedness (including any loans or advances from its shareholders, subsidiaries or associated companies) save and except for the following:

(a) issuance of any debentures and/or securities by the Issuer to SMART in relation to Compensation received by SMART from GOM; and

(b) such loans or advances from its shareholders, subsidiaries, related corporations or associated companies which are fully subordinated to the Sukuk Murabahah (save for the following that shall not be subordinated (i) those loans or advances of up to RM17 million undertaken by SMART to repay the amount due under the BPMB loan due on 30 September 2015. The loans or advances will be repaid upon issuance of the Sukuk Murabahah; (ii) those loans or advances from the equity holders of the Issuer which are to be repaid of up to RM23.5 million subject to the Distributions Covenants are met, (iii) SMART's advances to PSHSB for PSHSB's operating expenditure; and (iv) the Compensation from GOM).

(iii) the Issuer shall not create or permit to exist any encumbrance, mortgage, charge (whether fixed or floating), pledge, lien, hypothecation, assignment by way of security, trust arrangement for the purpose of providing security or other security

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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 (collectively "Security Interest"), but excluding:

(a) liens arising in the ordinary course of business and by operation of law and not by way of contract;

(b) those security as contemplated under the Transaction Documents to which it is a party; and

(iv) the Issuer shall not make any payments (whether in relation to advances, principal, profit, mark up or otherwise) to its shareholders, directors, related corporations or associated companies unless the Distribution Covenants (as defined below) are met, save for the following (i) those loans or advances of up to RM17 million undertaken by SMART to repay the amount due under the BPMB loan due on 30 September 2015. The loans or advances will be repaid upon issuance of the Sukuk Murabahah; (ii) those loans or advances from equity holders of the Issuer which are to be repaid of up to RM23.5 million subject to the Distributions Covenants are met, (iii) SMART's advances to PSHSB for PSHSB's operating expenditure, and (iv) the remittance of the Compensation to SMART for the current year or payment and/or repayment of the debentures and/or securities issued arising from Compensation from GOM;

For the avoidance of doubt, (i) the Issuer may make any payments (whether in relation to advances, principal, profit or otherwise) to its shareholders as long as the Distribution Covenants are met even though such loans and/or advances were subordinated and (ii) this sub-clause shall not apply to payments by the Issuer to SMART under the PSHSB Advances.

(v) the Issuer shall not declare or pay any dividends or make any distribution (such payments and distributions shall be referred to as "Distributions") whether income or capital in nature to its shareholders unless the following conditions ("Distributions Covenants") are met:

(a) no Event of Default or Potential Event of Default has occurred and is continuing or would have occurred following such payment or distribution of dividends/distributions;

(b) the balance standing to the credit of the FSRA is not less than the Minimum Required Balance;

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

(d) the fifth (5th) anniversary from the first issue date of the New Sukuk Murabahah under an Islamic medium term notes programme of up to Ringgit Malaysia Two Hundred Fifty Million (RM250,000,000.00) in nominal value under the Shariah principle of Murabahah (via Tawarruq arrangement) has passed.

Projected FSCR

Following any Distribution, the Projected FSCR shall be calculated for the next principal payment date of the Sukuk Murabahah or the New Sukuk Murabahah (as the case may be) as follows:

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

where:

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A = the actual total principal and profit payments of the Sukuk Murabahah and the New Sukuk Murabahah made after the previous principal payment of the Sukuk Murabahah or the New Sukuk Murabahah (as the case may be) date up to the date the Distribution is made ("Distribution Date");

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

C = the projected net cashflow before financing from the Distribution Date up to the next principal payment date of the Sukuk Murabahah or the New Sukuk Murabahah (as the case may be); and

D = the projected total principal and profit payments of the Sukuk Murabahah and the New Sukuk Murabahah due and payable from the Distribution Date up to and including the next principal payment date of the Sukuk Murabahah or the New Sukuk Murabahah (as the case may be).

For the avoidance of doubts, for purposes of calculating the Projected FSCR, (i) the closing cash balances of the Issuer as at the Distribution Date shall exclude (a) balances in the Compensation Account; and (b) advance from SMART to the Issuer of up to RM21.5 million meant for the Issuer's operating expenditure and working capital; and (ii) if no Distribution is made in any 12-month period between one principal payment date of the Sukuk Murabahah or the New Sukuk Murabahah (as the case may be) and the next principal payment date of the Sukuk Murabahah or the New Sukuk Murabahah (as the case may be), the Projected FSCR need not be calculated; and (iii) any double counting should be disregarded. For purposes of testing the Projected FSCR, the Issuer shall submit a compliance certificate signed by two (2) directors of the Issuer and addressed to the Trustee and the Facility Agent.

Funds in the FSRA may be withdrawn by the Issuer for distribution to its shareholders only provided that each withdrawal made shall have to be substituted with a Shariah compliant Standby Letter of Credit ("SBLC") or Shariah compliant Bank Guarantee ("BG") procured by the Issuer, of which the Security Agent is the beneficiary. The SBLC or BG must be irrevocable and unconditional. For the avoidance of doubt, the SBLC and BG amounts shall be included in the formula for purposes of calculating the FSCR.

The SBLC or BG shall be subjected to all other relevant terms described under FSRA.

(vi) the Issuer shall not use the proceeds raised from the Sukuk Murabahah except for the Shariah compliant purposes set out in this Principal Terms and Conditions;

(vii) the Issuer will not cancel, surrender, abandon or otherwise change in any manner the nature or scope of their existing business or suspend or threaten to suspend any part of their business;

(viii) except otherwise contemplated in the Transaction Documents, the Issuer shall not lend any money to any party other than to the Issuer's directors, officers or employees as part of their terms of employment;

(ix) the Issuer shall not have any subsidiaries and/or associate companies other than SMART;

(x) the Issuer shall not reduce its authorised or paid-up share capital whether by

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varying the amount, structure or value thereof or the rights attached thereto or by converting any of their share capital into stock, or by consolidating, dividing or sub-dividing all or any of their shares, or by any other manner;

(xi) the Issuer shall not change its shareholding in SMART; and

(xii) any other covenants as advised by the Solicitors and to be mutually agreed by the Lead Arranger and the Issuer including but not limited to the requirements under the SC's Trust Deed Guidelines

SMART

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

(a) such indebtedness, arising out of any arrangements entered into by SMART for the provision of performance bonds and maintenance bonds as required under the Project Agreements and; or

(b) indebtedness arising out of any financing/loans or advances from its directors and/or shareholders and/or related companies where such financing/loans or advances are subordinated to the Sukuk Murabahah save and except for those payments as provided in (iii)(a), (b), (c), (d), (e) and (f) below shall not be subordinated; or

(c) such other indebtedness to be agreed and disclosed in the Transaction Documents; or

(d) such indebtedness to provide for the financing for the issuance of guarantees/bonds issued to utilities companies or authorities in relation to the Project; or

(e) the PSHSB Advances of up to RM330 million; or

(f) those arising from creditors or project counterparties, in the ordinary course of business subject to a maximum of 10% of the revenues of SMART for that relevant financial year;

(ii) SMART 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 (1) liens arising in the ordinary course of business by operation of law and not by way of contract and (2) the existing security created by SMART to secure the BPMB Loan.

(iii) SMART shall not make any payments (whether in relation to principal, profit, mark-up or otherwise) to its directors, shareholders, direct or indirect, related corporations or associated companies in connection with any loans or advances from its directors, shareholders, direct or indirect, related corporations or associated companies for as long as the Sukuk Murabahah is outstanding save for the following: (a) any payment to the Issuer (including principal and profit of the PSHSB Advances), (b) repayment of those loans or advances of up to RM17 million undertaken by SMART to repay the amount due under the BPMB loan due on 30 September 2015; (c) those loans or advances from equity holders of the Issuer which are to be repaid of up to RM23.5 million subject to the Distribution

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Covenants are met; (d) any payment of the Compensation to the Issuer; (e) any operating expenses payment on behalf of the Issuer; (f) any loans, advances, securities or debentures to its shareholders whereby the Distribution Covenants are met.

For the avoidance of doubt, (i) SMART may make any payments (whether in relation to advances, principal, profit or otherwise) to its shareholders as long as the Distribution Covenants are met even though such loans, advances, securities or debentures were subordinated, and (ii) this paragraph on meeting Distribution Covenants shall not apply to any payments by SMART to the Issuer in respect of the PSHSB Advances.

(iv) SMART shall not lend any money to any party save (i) to its directors, officers or employees as part of their terms of employment and (ii) for the lending to the Issuer including but not limited to (1) any payment of the Compensation to the Issuer, (2) any operating expenses payment on behalf of the Issuer and (3) subscription of any debentures and/or securities issued by the Issuer to SMART arising from Compensation received from GOM (as defined in Details of Designated Account (under Compensation Account));

(v) SMART will not carry on any business other than the management, operation and maintenance of the SMART Tunnel (as defined in the Project Agreements) and such ancillary activities permitted under the Project Agreements and the collection of toll pursuant to the Project Agreements;

(vi) SMART will not cancel, surrender, abandon or otherwise change in any manner the nature or scope of their existing business or the Project; or suspend or threaten to suspend any part of its business;

"Project" shall mean the project undertaken by SMART in respect of the design, construction, commissioning, completion, operation, management and maintenance of the Stormwater Channel Project and the Motorway Project pursuant to the terms of the Concession Agreement;

"Motorway Project" shall mean the project undertaken by SMART in respect of the design, construction, commissioning, completion, operation, management and maintenance of the double deck motorway which shall include the traffic control and surveillance system, toll plazas, flood gates, traffic lanes, acceleration and deceleration lanes, shoulders, medians, motorway signs, embankment slopes, street lighting, ventilation systems, control centre cum administrative office and other structures in relation thereto;

"Stormwater Channel Project" shall mean the project undertaken by SMART in respect of the design, construction, commissioning and completion of the stormwater channel comprised of the supervisory control and data acquisition system, the monitoring devices, a diversion structure, a holding basin, a bypass tunnel, a storage reservoir, a twin box culvert outlet structure and other structures constructed or to be constructed upon the terms and conditions set out in the Concession Agreement.

(vii) SMART shall not agree to waive any breach or proposed breach of any of the Project Agreements which would have a Material Adverse Effect and/or materially prejudice the interest of the Sukukholders;

(viii) SMART shall not incorporate or establish or permit the incorporation or establishment of or permit to subsist or exist, any subsidiary;

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(ix) SMART shall not agree to, amend, vary, terminate (except due to lapse of time), replace or supplement any of the terms and conditions of Project Agreements which would materially prejudice the interest of the Sukukholders;

(x) SMART shall not do or omit to do any act, or execute or omit to execute any document which may render any of the Project Agreements or any insurance or takaful to be illegal, void, voidable or unenforceable;

(xi) save for the purposes of redemption of the redeemable preference shares, SMART shall not reduce their authorised or paid-up share capital whether by varying the amount, structure or value thereof or the rights attached thereto or by converting any of their share capital into stock, or by consolidating, dividing or sub-dividing all or any of their shares, or by any other manner;

(xii) any other covenants as advised by the Solicitors and to be mutually agreed by the Lead Arranger and the Issuer including but not limited to the requirements under the SC's Trust Deeds Guidelines.

Financial Covenants

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

Finance Service Cover Ratio ("FSCR")

The Issuer shall maintain FSCR of not less than 1.25 times throughout the tenure of the Sukuk Facility.

The FSCR is the ratio of Available Cash Flow (as defined below) for the preceding 12 month period ending on that date, to the aggregate of:

(i) all principal and profit payments made by the Issuer under the Sukuk Murabahah during the previous 12 months;

(ii) all principal obligations paid by the Issuer under any other financing/borrowings during the previous 12 months;

(iii) all profit/interest payments paid under any other financing/borrowings during the previous 12 months.

Note: For the avoidance of doubt the definition of "any other financing/borrowings" shall exclude any debentures and/or securities issued arising from Compensation from the Government of Malaysia ("GOM").

Available Cashflows

In any annual period, the sum of:

(1) all income received by the Issuer and any other receipts of a capital or revenue in nature under any agreement or contract during such annual period;

(2) return on Permitted Investments received by the Issuer during such annual period;

(3) all credit balances in the Designated Accounts at the beginning of the relevant 12-month period, and excluding any proceeds raised from the Sukuk Facility;

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- (4) the Standby Letter of Credit ("SBLC")/Bank Guarantee ("BG") amount;
- (5) the amount utilised from the FSRA for Permitted Investments at the beginning of the relevant 12-month period; and

Less:

- (1) taxes paid or such other contributions paid by the Issuer for that period;
- (2) operating expenses incurred and paid by the Issuer; and

The FSCR shall be calculated for each financial year during the tenure of the Sukuk Murabahah based on the latest audited financial statements of the Issuer and duly confirmed by the Issuer's external auditors.

For the avoidance of doubt, any double counting shall be disregarded.

Debt to Equity Ratio ("DE Ratio")

The Issuer shall maintain a DE Ratio not exceeding 80:20 at all times throughout the tenure of the Sukuk Murabahah and so long as the Sukuk Murabahah is outstanding. The DE Ratio shall be computed on an annual basis based on the latest audited financial statements of the Issuer. The computation shall be verified by the auditors.

The DE Ratio is the ratio of indebtedness of the Issuer represented by:

- (i) all principal amounts outstanding under the Sukuk Murabahah; and
- (ii) all other indebtedness for borrowed moneys or Islamic financing (be it actual or contingent), hire purchase obligations, finance lease obligations, net exposure determined on a marked to market basis under any derivative instrument save and except for any debentures and/or securities issued by the Issuer to SMART arising from Compensation from GOM;

to the shareholders' funds of the Issuer, including, if any, preference shares, subordinated shareholders' advances/financing/loans, minority interests of the Issuer and retained earnings/ losses less goodwill.

For the avoidance of doubt, the indebtedness of the Issuer as defined above shall exclude any amounts owing to trade and other creditors and arising from the ordinary course of business.

Information Covenants

Issuer and SMART (the "Companies")

To include, inter alia, the following:

- (a) the Companies shall provide the 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 Facility and that there does not exist or had not existed, from the date the Sukuk Murabahah were first issued or the date of the previous certificate as the case may be, any Event of Default, and if such is not the case, to specify the same;

- (b) the Companies shall deliver to the Trustee the following:

- (i) as soon as they become available (and in any event within one hundred and eighty (180) days after the end of each of its financial years) copies of its financial statements for that year which shall contain the income statements and balance

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sheets of the Issuer and/or SMART, as the case may be, and which are audited and certified without qualification by a firm of independent certified public accountants appointed by the Issuer and/or SMART, as the case may be,;

(ii) as soon as they become available (and in any event within ninety (90) days after the end of the first half of its financial year) copies of its unaudited half yearly financial statements for that period which shall contain the income statements and balance sheets of the Companies which are duly certified by any one of its directors;

(iii) promptly to the extent permitted by applicable laws, rules, regulations and orders, such additional financial or other information relating to the Companies' business and its operations as the Trustee may from time to time reasonably request; and

(iv) at least thirty (30) days in advance of the beginning of each financial year period, an annual budget prepared by the Issuer and SMART setting out the estimated yearly costs and expenses required and necessary to carry on the operation and maintenance of the SMART Tunnel (the "Annual Budget");

(c) the Companies shall deliver to the Trustee and Rating Agency the following:

(i) promptly, all notices or other documents received by the Companies from any of its shareholders or its creditors which contents would have a Material Adverse Effect, and a copy of all documents dispatched by the Issuer to its shareholders (or any class of them) in their capacity as shareholders or its respective creditors generally at the same time as these documents are dispatched to these shareholders or creditors.

(d) the Companies shall promptly notify the Trustee and the Rating Agency of any change in its board of directors or shareholders;

(e) the Companies shall promptly notify the Trustee and the Rating Agency of any change in its condition (financial or otherwise) and of any litigation or other proceedings of any nature whatsoever being threatened or initiated against the Issuer before any court or tribunal or administrative agency, any of which would have a Material Adverse Effect;

(f) the Companies shall promptly give notice to the Trustee and the Rating Agency of the occurrence of any Event of Default or any event which, upon the giving of notice and/or lapse of time and/or the issue of a certificate and/or the fulfilment of the relevant requirement as contemplated under the relevant transaction document would constitute an Event of Default ("Potential Event of Default") forthwith upon becoming aware thereof, and it shall take all reasonable steps and/or such other steps as may reasonably be requested by the Trustee to remedy and/or mitigate the effect of the Event of Default or the Potential Event of Default; and

(g) any other covenants as advised by the Solicitors and to be mutually agreed by the Lead Arranger and the Issuer including but not limited to the requirements under the SC's Guidelines on Trust Deeds.

(21) Details of : Name of account:
designated account, Revenue Account ("RA")
if applicable

Parties responsible for opening the account:

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Parties responsible for maintaining/operating account:
Security Agent

Signatories to account:
Security Agent

Sources of funds:
All monies, revenue and income (including but not limited to proceeds from the Sukuk Murabahah and the New Sukuk Murabahah issued) received by the Issuer.

Utilisation of funds:

(i) For payment of taxes and duties;

(ii) For purposes as set out under Details of Utilisation of Proceeds under the Sukuk Murabahah and the New Sukuk Murabahah;

(iii) For the PSHSB Advances of up to RM10.0 million;

(iv) To meet the FSRA Minimum Required Balance;

(v) For payment of profit and principal, fees and such other amounts payable under the Sukuk Murabahah and the New Sukuk Murabahah;

(vi) For payment of operating expenditure;

(vii) for payment of permitted distribution to shareholders subject to meeting the Distribution Covenants;

(viii) for the advances to SMART and/or the subscription of the securities and/or debenture issued by SMART where such funds were received from advances from PSHSB's shareholders;

(ix) For Permitted Investments by PSHSB.

(22) Details of : Name of account:
designated account, Finance Service Reserve Account ("FSRA")
if applicable

Parties responsible for opening the account:
PSHSB

Parties responsible for maintaining/operating account:
Security Agent

Signatories to account:
Security Agent

Sources of funds:
The Issuer shall ensure that funds are deposited into and maintained in the FSRA from the first issue date of the Sukuk Murabahah until the balance held in the FSRA is at least equivalent to 100% of the aggregate value of profits and/or

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principal payments of the Sukuk Murabahah and the New Sukuk Murabahah which will become due and payable in the next six (6) months, six (6) months prior to the relevant due date(s).

The balance in the FSRA shall hereinafter be referred to as the "Minimum Required Balance". For the avoidance of doubt, any double-counting shall be disregarded.

The Minimum Required Balance shall be maintained at all times. In the event that the balance held in the FSRA less than or exceeds the Minimum Required Balance, the shortfall shall be topped up by the Issuer or the excess may (at the Issuer's written request) be released to the Issuer into the RA, as the case may be. However, any shortfall arising from the withdrawals from the FSRA to pay the Periodic Profit Payments and/or the profits of the New Sukuk Murabahah and/or redemption of the Sukuk Murabahah and/or the New Sukuk Murabahah and other payments due under the Sukuk Murabahah and/or the New Sukuk Murabahah must be topped up by the Issuer until the balance is equivalent to the Minimum Required Balance within fourteen (14) days from the date of withdrawal.

Utilisation of funds:

The Issuer may only withdraw sums from the FSRA for the payment of Periodic Profit Payments and/or the profits of the New Sukuk Murabahah and/or redemption of the Sukuk Murabahah and/or the New Sukuk Murabahah and other payments due under the Sukuk Murabahah and/or the New Sukuk Murabahah if at any time the payments are due, the Issuer has insufficient funds to make full payments from its internally generated funds. However, any shortfall arising from the withdrawals from the FSRA to pay the Periodic Profit Payments and/or the profits of the New Sukuk Murabahah and/or redemption of the Sukuk Murabahah and/or the New Sukuk Murabahah and other payments due under the Sukuk Murabahah and/or the New Sukuk Murabahah must be topped up by the Issuer until the balance is equivalent to the Minimum Required Balance within fourteen (14) days from the date of withdrawal.

Pending disbursements from the FSRA, all monies standing to the credit of the FSRA shall be managed by the Security Agent. At the instruction of the Issuer, the Security Agent may utilise such monies to make Permitted Investments, provided that such monies utilised for Permitted Investments shall be remitted to the FSRA in a timely manner to meet any payment obligations of the Issuer when due and payable.

In the event the monies standing to the credit of the FSRA is withdrawn by the Issuer for distribution to its shareholders, such withdrawal is subjected to the substitution of an SBLC or BG which shall have to be procured from an Islamic bank ("Issuing Bank").

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The SBLC or BG shall satisfy the following:

- (i) The SBLC/BG is irrevocable and unconditional;
- (ii) The SBLC/BG amount must be procured in accordance to the highest FSRA Minimum Required Balance requirement in the next 12 months, to be renewed on an annual basis. For the avoidance of doubt, the SBLC/BG issued shall be for the whole but not part of the highest FSRA Minimum Required Balance requirement even if the withdrawal for distribution to the shareholders are in part;
- (iii) The SBLC/BG has no recourse to the Issuer as long as the Sukuk Murabahah and the New Sukuk Murabahah are outstanding;
- (iv) The SBLC/BG must be drawn down if not renewed within thirty (30) days prior to its original expiry date and to any subsequent expiry date thereafter;
- (v) The Security Agent shall be the sole beneficiary of the SBLC/BG;
- (vi) The Issuer or the Security Agent shall notify the Rating Agency upon the renewal of the SBLC/BG on an annual basis;
- (vii) The Issuing Bank must at all times have equal or higher long-term credit ratings than those of the Issuer, provided that the minimum rating is AA2 at all times;
- (viii) The SBLC/BG to be procured shall have a minimum tenure of 1 year.
- (ix) If the rating of the Issuing Bank were to be downgraded by 1 to 2 notches from AA2, the existing SBLC/BG should be replaced with a SBLC/BG procured from another Islamic bank of equal or higher rating, within 30 days. Failure to do so will entitle the Security Agent to call on the existing SBLC/BG and the proceeds to be

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deposited into the FSRA. If the rating of the Issuing Bank were to be downgraded more than 2 notches from AA2, the Issuer will immediately draw down on the SBLC/BG and the proceeds will be deposited into the FSRA.

Conditions to call on the SBLC/BG or issue a notice of demand to the SBLC/BG provider

(i) The SBLC/BG is not renewed within thirty (30) days prior to its expiry date;

(ii) Thirty (30) days prior the profit and/or principal payments under the Sukuk Murabahah and/or the New Sukuk Murabahah, there is insufficient amount standing to the credit of the RA and FSRA to meet such profit and/or principal payments falling due and payable on such date(s); and

(iii) The existing SBLC/BG is not replaced with another SBLC/BG from an Islamic bank within thirty (30) days following the publication of the rating downgrade of the Issuing Bank of the existing SBLC/BG.

(23) Details of :
designated account,
if applicable

Name of account:
Compensation Account ("CA")

Parties responsible for opening the account:
PSHSB

Parties responsible for maintaining/operating account:
PSHSB and Security Agent (prior to an Event of Default); Security Agent (upon an Event of Default)

Signatories to account:
PSHSB and Security Agent (prior to an Event of Default); Security Agent (upon an Event of Default)

Sources of funds:
Any monies arising from the Compensation paid to SMART.

"Compensation" means any lump sum cash payments received from GOM (for future years) to i) compensate for any reduction in toll hike and/or abolishment of toll collection; and ii) compensate for any termination/expropriation in relation to the Concession Agreement. For any avoidance of doubt, compensation shall exclude any annual cash compensation received or receivable by SMART as stipulated in the Project Agreements.

Utilisation of funds:

(i) proceeds in the CA will be split in equal amounts over the number of years that

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the Compensation was meant for. The proceeds that SMART is entitled to in accordance with the terms of the Concession Agreement (as defined herein) for that financial year ("Entitled Proceeds") may be utilised by the Issuer to remit to SMART or repay, to SMART, part of the debentures and/or securities issued by the Issuer or any kind of payment to SMART amounting to such Entitled Proceeds. Any unutilised balance of the Entitled Proceeds (after the part payment of the remittance or debentures and/or securities issued by the Issuer or any kind of payment to SMART) shall be transferred to the RA;

(ii) for payment of Periodic Profit Payments and/or the profits of the New Sukuk Murabahah and/or nominal value of the Sukuk Murabahah and/or the New Sukuk Murabahah and/or any amount due and payable under the Sukuk Murabahah and/or the New Sukuk Murabahah in the event monies standing to the credit of the RA and FSRA respectively are insufficient to meet the Issuer's payment obligations under the Sukuk Murabahah and/or the New Sukuk Murabahah.

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

Additional Notes:

The Shariah compliant Designated Accounts shall comprise, but not limited to, the following which have been opened with the account bank(s) as stated in the Transaction Documents. The Designated Accounts shall be shared on a pari passu basis between the New Sukukholders and the Sukukholders.

(24) Name of credit rating agency, credit rating and amount rated, if applicable

No.	Credit rating agency	Credit rating	Final/indicative rating	Name of Class/ Series/ Tranche	Amount rated
1	RAM Rating Services Bhd (RAM)	AA2	Indicative rating		MYR 330,000,000.00

(25) Conditions precedent

: Conditions precedent
To include but not limited to the following (all would have to be in form and substance acceptable to the Principal Adviser/Lead Arranger and/or Facility Agent):

A. Main Documentation

(i) All Transaction Documents (save for the Subscription Agreement and the Islamic documents in relation to the Sukuk Facility) have been executed and, where applicable, stamped or duly endorsed as exempted under Stamp Duty Exemption (No 23) Order 2000, and presented for registration;

(ii) All relevant notices and acknowledgements (where applicable) shall have been made or received as the case may be;

B. Issuer

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- (i) Certified true copies of the Certificate of Incorporation, and the Memorandum and Articles of Association, of the Issuer;
- (ii) Certified true copies of the latest Forms 24 and 49 of the Issuer;
- (iii) A certified true copy of board resolutions of the Issuer authorizing, among others, the issuance of the Sukuk Murabahah, the execution of the Transaction Documents;
- (iv) A list of the Issuer's authorised signatories who will execute all Transaction Documents, notices, correspondence or otherwise in relation to the Sukuk Murabahah and their respective specimen signatures;
- (v) A report of the relevant company search of the Issuer;
- (vi) A report of the relevant winding up search or the relevant statutory declaration of the Issuer.

C. SMART

- (i) Certified true copies of the Certificates of Incorporation, and the Memorandum and Articles of Association of SMART;
- (ii) Certified true copies of the respective latest Forms 24 and 49 of SMART;
- (iii) Certified true copies of the board resolutions of SMART authorizing, among others, the execution of the Transaction Documents (to which it is a party);
- (iv) A report of the relevant company searches of SMART;
- (v) A report of the relevant winding up searches or the relevant statutory declarations of SMART.

D. General

- (i) The approval from the SC and, where applicable, all other regulatory authorities;
- (ii) Evidence that the Sukuk Murabahah have received their respective requisite rating of AA2 from the Rating Agency;
- (iii) Evidence of the confirmation from the Shariah Adviser that the structure of the Sukuk Murabahah and the Transaction Documents are in compliance with Shariah;
- (iv) Evidence that the Issuer Designated Accounts have been established in accordance with the provisions of Transaction Documents;
- (v) Receipt of a report from the Independent Traffic Consultant confirming among others, the traffic projections and the assumptions thereto prepared in relation to the SMART Tunnel;
- (vi) A certified true copy of the prepayment statement issued by BPMB to SMART confirming the amount outstanding and payable;
- (vii) If applicable, the requisite consent and/or indulgence from the existing Issuer's financiers/lenders which would be in the form and substance acceptable to the Lead Manager and the creation of Securities;
- (viii) Receipt of satisfactory legal opinion from the Solicitors confirming amongst others the Transaction Documents are legally valid, binding and enforceable and

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that all the conditions precedent in relation to the Transaction Documents have been fulfilled or waived, as the case may be;

(ix) Receipt of a letter from the Reporting Accountant stating among others, the assumptions adopted in the cashflow projections and the accuracy of the mathematical calculations of the cashflow projections based on the underlying assumptions.

(x) Receipt of a tax opinion from the tax adviser with regards to the Malaysian Income Tax implication in respect of the PSHSB Advances and the Sukuk Murabahah;

(xi) Receipt by the Security Agent a certified true copy of the SMART Undertaking;

(x) Such other conditions precedent as advised by the Solicitor of the Principal Adviser/Lead Arranger and agreed by the Issuer.

Conditions Subsequent

The following (all would have to be in form and substance acceptable to the Principal Adviser/Lead Arranger and/or Facility Agent) condition subsequent shall be fulfilled by the Issuer and/or SMART as soon as possible and in any event within 30 days from the date of the first issuance of the Sukuk Murabahah or such other later date as may be agreed by the Facility Agent:

(a) documentary evidence that the BPMB Loan has been repaid;

(b) documentary evidence that all security documents in relation to the BPMB Loan has all been discharged and/or reassigned to the Issuer and/or SMART, as the case may be;

(c) Certification from the independent takaful/insurance consultant(s) that all plans/policies are in full force and effect, are adequate for the Project and "Project" means the design and construction of the SMART Tunnel, provision of other highway related facilities and services, and operation and maintenance of the Highway and collection of toll during the concession period;

(d) Tax opinion from the tax adviser with regards to the capital allowances that can be utilised by the Issuer;

(e) such other conditions subsequent as advised by the Solicitors of the Principal Adviser/Lead Arranger and agreed by the Issuer.

(26) Representations and warranties

Issuer and SMART

Including but not limited to the following:

(i) each of the Companies is a company with limited liability duly incorporated and validly existing under the laws of Malaysia, has full power to carry on its business and to own its property and assets;

(ii) the Memorandum and Articles of Association of the Companies incorporate provisions which authorise, and all necessary corporate and other relevant actions have been taken to authorise, and all relevant consents and approvals of any 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;

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(iii) neither the execution and delivery of any of the Transaction Documents nor the performance of any of the transactions contemplated by 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, judgment, order, rule, regulation, licence, permit, or consent by which the Companies or any of its assets is bound or which is applicable to the Companies or any of its assets (b) cause any limitation on the Companies or the powers of its directors, whether imposed by or contained in its Memorandum and Articles of Association or in any agreement, instrument, law, ordinance, decree, order, rule, regulation, judgment or otherwise, to be exceeded, or (c) cause the creation or imposition of any Security Interest or restriction of any nature on any of the Companies' assets;

(iv) Each of the Transaction Documents, is or will when executed and/or issued, as the case may be, be in full force and effect and constitutes, or will when executed or issued, as the case may be, constitute, valid and legally binding obligations of the Companies (where applicable) enforceable in accordance with their respective terms;

(v) The audited financial statements of the Companies shall be prepared on a basis consistently applied and in accordance with generally accepted accounting principles in Malaysia and give a true and fair view of the results of their operations and the state of their affairs;

(vi) No litigation, arbitration or administrative proceeding or claim which might by itself or together with any other such proceedings or claims would have a Material Adverse Effect, is presently in progress or pending or to the best of their knowledge, information and belief of the Companies (after due and careful enquiry) threatened against the Companies or any of their assets, which would have a Material Adverse Effect;

(vii) The Companies are not aware of and have no reason to believe that any event has occurred which constitutes, or which with the giving of notice and/or the lapse of time and/or the a relevant determination would likely to constitute, a contravention of, or default under, any agreement or instrument by which the Companies or any of their assets are bound or affected, being a contravention or default which might either would have a Material Adverse Effect;

(viii) The Companies are in compliance and will comply with any applicable laws and regulations;

(ix) any other representations and warranties as advised by the Solicitor of the Principal Adviser/Lead Arranger and mutually agreed between the Principal Adviser/Lead Arranger and the Issuer.

SMART

To include but not limited to the following:

(i) SMART has obtained all permits approvals and licenses required for the Project and all of these are in full force and effect.

(ii) any other representations and warranties as advised by the Solicitor of the Principal Adviser/Lead Arranger and mutually agreed between the Principal Adviser/Lead Arranger and the Issuer.

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- (27) Events of defaults or : enforcement events, where applicable, including recourse available to investors
- Events of Default to include but not limited to the following:
- Issuer and/or SMART
- (i) 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;
- (ii) the Issuer fails to maintain the required Minimum Required Balance and the Issuer does not remedy the failure within a period of fourteen (14) days after the relevant deposit dates as stipulated under the FSRA provisions;
- (iii) any representation or warranty made or given by the Issuer and/or SMART under the Transaction Documents or which is contained in any certificate, document or statement furnished at any time pursuant to the terms of the Sukuk Murabahah and/or any of the Transaction Documents proves to have been incorrect or misleading in any material respect on or as of the date made or given or deemed made or given, and in the case of a failure which in the reasonable opinion of the Trustee is capable of being remedied, the Issuer and/or SMART do not remedy the failure within a period of thirty (30) days after the Issuer and/or SMART became aware or having been notified by the Trustee in writing of such failure;
- (iv) the Issuer and/or SMART fails to observe or perform their obligations (where applicable) under any of the Transaction Documents or the Sukuk Murabahah (as the case may be) or under any undertaking or arrangement entered into in connection therewith other than an obligation of the type referred to in paragraphs (i) and (ii) above, where such event has or would have a Material Adverse Effect; or
- (v) the Issuer and/or SMART breaches any obligation under any of the Issuer's and/or SMART's existing contractual obligations (where applicable) which has or may have a Material Adverse Effect; and, if in the reasonable opinion of the Trustee such failure(s) and/or breach(es) is/are capable of being remedied, the Issuer and/or SMART do not remedy such failure(s) and/or breach(es) within a period of thirty (30) days after the Issuer and/or SMART became aware of such failure(s) and/or breach(es) or having been notified by the Trustee in writing of such failure(s) and/or breach(es);
- (vi) (a) any indebtedness for borrowed monies/financing of the Issuer and/or SMART becomes due or payable or capable of being declared due or payable prior to its stated maturity or, (b) any guarantee or similar obligations of the Issuer and/or SMART is not discharged at maturity or when called and such declaration of indebtedness being due or payable; or (c) the Issuer and/or SMART goes into default under, or commits a breach of, any agreement or instrument relating to any such indebtedness, other obligations, or any security created to secure such indebtedness becomes enforceable, and where any of the above is not discharged or disputed in good faith by the Issuer and/or SMART, as the case may be, in a court of competent jurisdiction within thirty (30) days of such declaration or call or enforcement;
- (vii) (a) an encumbrancer takes possession of, or a trustee, receiver, receiver and manager or other similar officer is appointed in respect of the whole or substantial part of the business or assets of the Issuer and/or SMART; or (b) distress, legal process, sequestration or any form of execution is levied or enforced or sued out against the Issuer and/or SMART in respect of the whole or substantial part of the business or assets of the Issuer and/or SMART; or (c) any security interest which

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may for the time being affect the whole or substantial part of the assets of the Issuer and/or SMART becomes enforceable, any of which has a Material Adverse Effect on the Issuer's ability to comply with the Transaction Documents and is not discharged within thirty (30) days after being levied, enforced or sued out or any security interest which may for time being affect the whole or substantial part of their assets become enforceable;

For the purpose of this paragraph (vii), references to "substantial" shall mean such value equivalent to or more than 5% of the Issuer's and/or SMART's respective net assets (whichever is applicable) as reflected in their respective latest annual audited financial statements.

(viii) the Issuer and/or SMART fail to satisfy any judgement passed against it by any court of competent jurisdiction and no appeal against such judgement or an 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;

(ix) any step is taken for the winding up, dissolution, or liquidation of the Issuer and/or SMART or a resolution is passed for the winding up of the Issuer and/or SMART or a petition for winding up is presented against the Issuer and/or SMART (provided that it is not frivolous, vexation or scandalous) and the Issuer and/or SMART as the case may be, have not taken any steps 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 and/or SMART, as the case may be;

(x) the Issuer and/or SMART convenes a meeting of its creditors or proposes or makes any arrangement including any scheme of arrangement or composition or begins negotiations with its creditors, or takes any proceedings or other steps, with a view to a rescheduling or deferral of all or any part of its indebtedness or a moratorium is agreed or declared by a court of competent jurisdiction in respect of or affecting all or any part of its indebtedness or any assignment for the benefit of its creditors (other than for the purposes of and followed by a reconstruction previously approved in writing by the Trustee, unless during or following such reconstruction the Issuer and/or SMART, as the case may be, become or are declared to be insolvent) or where a scheme of arrangement under section 176 of the Companies Act 1965 has been instituted against the Issuer and/or SMART, as the case may be;

(xi) where there is an expiry, cessation, withdrawal, invalidation, termination, revocation, withholding or modification of any license, permit, authorisation, approval, or consent (whichever is applicable) which in the reasonable opinion of the Trustee would have a Material Adverse Effect;

(xii) (a) the Issuer and/or SMART are deemed unable to pay any of their debts within the meaning of section 218(2) of the Companies Act 1965, as amended from time to time, or (b) becomes unable to pay any of their debts as and when they fall due or, (c) suspend or threaten to suspend making payments with respect to all or any class of its debts and in any of the above, the Issuer and/or SMART has not taken any action in good faith to dispute and taking proper legal steps in respect of the matter;

(xiii) the Issuer and/or SMART change or threaten to change the nature or scope of a substantial part of their businesses, or suspend, or threaten to suspend or cease,

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or threaten to cease the operation of a substantial part of their businesses which they now conduct directly or indirectly, and such change or suspension or cessation in the reasonable opinion of the Trustee has a Material Adverse Effect;

(xiv) at any time any of the provisions of the Transaction Documents in respect of the Sukuk Murabahah is or becomes invalid, illegal, void, voidable or unenforceable or ceases to be binding which in the opinion of the Trustee may have a Material Adverse Effect;

(xv) the Issuer and/or SMART repudiates any of the Transaction Documents to which it is a party or the Issuer and/or SMART does or causes to be done any act or thing evidencing an intention to repudiate any of the Transaction Documents to which it is a party;

(xvi) any of the assets, business, rights, or revenue of the Issuer and/or SMART is seized, nationalised, expropriated, or compulsorily acquired by or under the authority of any governmental body which in the reasonable opinion of the Trustee has or may have a Material Adverse Effect;

(xvii) any event or events has or have occurred or a situation exists which in the reasonable opinion of the Trustee would have a Material Adverse Effect, and in the case of the occurrence of such event or situation which in the reasonable opinion of the Trustee is capable of being remedied, the Issuer and/or SMART does not remedy it within a period of thirty (30) days after the Issuer and/or SMART became aware of having been notified in writing by the Trustee of the event or situation; and

(xviii) such other event as may be advised by the Solicitor of the Principal Adviser/Lead Arranger and mutually agreed between the Principal Adviser/Lead Arranger and the Issuer and/or SMART.

Issuer

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

SMART

(i) at any time any of the provisions of the Project Agreements is or becomes invalid, illegal, void, voidable or unenforceable or ceases to be binding;

(ii) any of the project counterparties to the Project Agreements repudiates any of the Project Agreements or any of the project counterparties to the Project Agreements does or causes to be done any act or thing evidencing an intention to repudiate any of the Project Agreements;

(iii) if at any time SMART commits a breach of any term or any obligation of or under any of the Project Agreements (whether or not resulting in a termination of such Project Agreements) except:

(a) where such a breach is not materially prejudicial to the interest of the Sukukholders; and

(b) is remedied by SMART within thirty (30) days from the receipt of the written notice of such breach from GOM or such other remedy period given by the GOM, whichever is earlier.

(iv) if any of the Project Agreements is terminated (whether by way of breach of condition or otherwise) or a termination event or an event of default occurs under any of the Project Agreements.

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Upon the declaration of an Event of Default, the Trustee may at its discretion or, upon the Sukukholders' instruction, shall institute such proceedings as it thinks fit against the Issuer to enforce its rights under the Transaction Documents including to enforce payment of the Redemption Amount and all other sum payable under the Sukuk Murabahah.

"Redemption Amount" means the amount equivalent to the Deferred Sale Price at the Issue Date less the aggregate of Periodic Profit Payments paid (if any) less Ibra' (if any).

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- (28) Governing laws : Laws of Malaysia
- (29) Provisions on buy-back, if applicable : No provision on buy-back
- (30) Provisions on early redemption, if applicable : No provision on early redemption
- (31) Voting : Voting by the Sukukholders under the Sukuk Murabahah shall be carried out as follows:
- All matters/resolutions which require the Sukukholders' consent under the Sukuk Murabahah shall be carried out on a collective basis.
- The Issuer and/or its subsidiaries may at any time purchase the Sukuk Murabahah at any price in the open market or by private treaty, but any Sukuk Murabahah held by the Issuer, its subsidiaries directly or via agents of the Issuer and its subsidiaries must be cancelled.
- Sukuk Murabahah held by related persons other than the Issuer's subsidiaries need not be cancelled but shall not entitle them to vote at any of the Sukukholders' meeting.
- (32) Permitted investments, if applicable : Permitted Investments shall comprise investments in Shariah compliant products approved by the SC's SAC, BNM's SAC or other recognised Shariah authorities. For the purpose of the Sukuk Murabahah and the New Sukuk Murabahah. Permitted Investments shall mean:
- (i) deposits with licensed Islamic financial institutions in Malaysia; or
 - (ii) Islamic bankers acceptances, Islamic bills and other Islamic money market instruments by licensed financial institutions with a short term rating of P1 and a minimum long term rating of AA3/AA- or their equivalent; or
 - (iii) Islamic treasury bills, Islamic money market instruments, and Sukuk issued by BNM or GOM; or
 - (iv) unit trust that invests in Islamic money market instruments; or
 - (v) Sukuk issued by quasi government or government related corporations with a short term rating of P1 and a minimum long term rating of AA3/AA- or their equivalent or Sukuk guaranteed by the GOM; or
 - (vi) Sukuk issued by corporations with a short term rating of P1 and a minimum long term rating of AA3/AA- or their equivalent, or by financial institutions or guaranteed by licensed financial institutions with a short term rating of P1 or a minimum long term rating of AA3/AA- or their equivalent.
- Provided always that at least 50% of the Permitted Investments shall be invested in items (i), (ii), (iii) and (iv) above and in respect of the Permitted Investments in items (v) and (vi), the single counterparty exposure is limited to a maximum of 10%

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of the total Permitted Investments.

For the avoidance of doubt, in relation to such permitted investment under subparagraph (iv), it shall only be permitted with the prior written approval of the Rating Agency.

For the avoidance of doubt, the Issuer shall at all times ensure that the funds held in the Designated Accounts are invested in Shariah approved investments having maturities that match the utilisation of the monies to meet any payment obligations of the Issuer under the Sukuk Murabahah and/or the New Sukuk Murabahah and being denominated in Ringgit Malaysia.

Funds utilized for the Permitted Investments shall be remitted to the respective Designated Accounts at least three (3) business day before the next payment obligation of the Issuer is due and payable.

- (33) Ta'widh (for ringgit-denominated sukuk) : In the event of any delay in payments of the Deferred Sale Price under the Sukuk Murabahah to the Sukukholders, the Issuer shall pay to the Sukukholder(s) compensation on such delayed payments at the rate and manner prescribed by the SC's Shariah Advisory Council from time to time.
- (34) Ibra' (for ringgit-denominated sukuk) : The Sukukholder(s) in subscribing or purchasing the Sukuk Murabahah consent to grant Ibra' on the Deferred Sale Price, if the Sukuk Murabahah are redeemed before the maturity date or upon the declaration of an Event of Default.
- (35) Kafalah (for ringgit-denominated sukuk) : Not applicable
- (36) Waivers from complying with Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework and other relevant guidelines of the SC obtained for the facility/programme, if any : Not applicable