

ABHC Sukuk Berhad*Proposed Sukuk Wakalah Programme of up to RM1.0 billion in Nominal Value*

PRINCIPAL TERMS AND CONDITIONS OF THE SUKUK WAKALAH PROGRAMME**1. BACKGROUND INFORMATION****(a) Issuer**

- (i) **Name** : ABHC Sukuk Berhad (the “**Issuer**”)
- (ii) **Registered address** : 10th Floor, Menara Hap Seng, No.1&3, Jalan P. Ramlee, 50250 Kuala Lumpur
Business address : 10th Floor, Menara Hap Seng, No.1&3, Jalan P. Ramlee, 50250 Kuala Lumpur
- (iii) **Business registration No.** : 1005310-H
- (iv) **Date and place of incorporation** : 8 June 2012 / Malaysia
- (v) **Date of listing (in case of a public listed company)** : Not applicable
- (vi) **Status**
 - (a) **Resident/non-resident controlled company** : Resident controlled company
 - (b) **Bumiputera / non-Bumiputera controlled company** : Non-Bumiputera controlled company
- (vii) **Principal activities** : To carry on the functions of a Special Purpose Vehicle (“**SPV**”) in relation to the Sukuk Wakalah transaction and consequently the Issuer’s objectives shall be restricted as follows:-
 - (a) to carry on the business where the Issuer shall pursuant to an Investment Management Agreement (the “**Investment Management Agreement**”), provide the sukuk proceeds of the sale of the certificates to the investment manager, Al Bayan Group Holding Company (“**ABHC**”), which will acquire the beneficial rights and

interests in **Identified Assets** (as defined in paragraph 2(v)(Q)) from its subsidiary companies; and

- (b) to issue Sukuk Wakalah (as defined in paragraph 2(b)) pursuant to a Wakalah Agreement to be entered into by the Issuer and the Sukukholders.

**(viii) Board of directors
(as at 20 July 2012)**

Name	Resident / Non Resident	Identity Card Number
Chia Siew Chin	Resident	520922-13-5622
Wong Yu Chee	Resident	721203-05-5053

(ix) Structure of shareholdings and names of shareholders or, in the case of a public company, names of all substantial shareholders (as at 20 July 2012)

Shareholders	No. of ordinary shares	Equity (%)
TMF Trustees Malaysia Berhad (formerly known as Equity Trust (Malaysia) Berhad) (" TMF Trustees ")	2	100

TMF Trustees holds the shares as share trustee under a discretionary trust for the benefit of certain charitable organizations.

(x) Authorised and paid-up capital

: Authorised share capital as at 20 July 2012

RM100,000.00 divided into 100,000 ordinary shares of RM1.00 each

Issued and fully paid-up share capital as at 20 July 2012

RM2.00 divided into 2 ordinary shares of RM1.00 each

(b) Investment Manager, Guarantor and Obligor

(i) Name : Al Bayan Group Holding Company ("**ABHC**" or the "**Guarantor**" or "**Obligor**")

(ii) Registered address : Al Bayan Building, Salahuddin Street, Al Malaz PO Box 42589 Riyadh 11551 Saudi Arabia

Business address	:	Al Bayan Building, Salahuddin Street, Al Malaz PO Box 42589 Riyadh 11551 Saudi Arabia									
(iii) Business registration No.	:	1010121816									
(iv) Date and place of incorporation	:	20 February 1994 / Riyadh, Kingdom of Saudi Arabia									
(v) Date of listing (in case of a public listed company)	:	Not applicable									
(vi) Status											
(a) Resident/non-resident controlled company	:	Non-resident controlled company									
(b) Bumiputera / non-Bumiputera controlled company	:	Non-Bumiputera controlled company									
(vii) Principal activities	:	ABHC is involved in equipment supply, provision of information and communication technology, real estate, project and property management, construction, advertising, marketing services, logistics, restaurants and other related businesses in the Kingdom of Saudi Arabia ("KSA") and the Gulf Cooperation Council ("GCC") countries.									
(viii) Board of directors (as at 20 July 2012)	:	<ul style="list-style-type: none"> (i) Mohammed Obeid Abdulrahman Al Hammad; (ii) Dr Abdulrahman Obeid Abdulrahman Al Hammad; (iii) Nasser Obeid Abdulrahman Al Hammad; and (iv) Sultan Obeid Abdulrahman Al Hammad. 									
(ix) Structure of shareholdings and names of shareholders or, in the case of a public company, names of all substantial shareholders (as at 20 July 2012)		<table border="1"> <thead> <tr> <th>Shareholders</th><th>No. of ordinary shares</th><th>Equity (%)</th></tr> </thead> <tbody> <tr> <td>Mohammed Obeid Abdulrahman Al Hammad</td><td>64,000 of SAR 10 each</td><td>32.0</td></tr> <tr> <td>Dr Abdulrahman Obeid Abdulrahman Al Hammad</td><td>49,000 of SAR 10 each</td><td>24.5</td></tr> </tbody> </table>	Shareholders	No. of ordinary shares	Equity (%)	Mohammed Obeid Abdulrahman Al Hammad	64,000 of SAR 10 each	32.0	Dr Abdulrahman Obeid Abdulrahman Al Hammad	49,000 of SAR 10 each	24.5
Shareholders	No. of ordinary shares	Equity (%)									
Mohammed Obeid Abdulrahman Al Hammad	64,000 of SAR 10 each	32.0									
Dr Abdulrahman Obeid Abdulrahman Al Hammad	49,000 of SAR 10 each	24.5									

ABHC Sukuk Berhad*Proposed Sukuk Wakalah Programme of up to RM1.0 billion in Nominal Value*

Nasser Obeid Abdulrahman Al Hammad	49,000 of SAR 10 each	24.5
Sultan Obeid Abdulrahman Al Hammad	18,000 of SAR 10 each	9.0

Shareholders	No. of ordinary shares	Equity (%)
Shamikh Development and Commercial Investment Company	8,000 of SAR 10 each	4.0
Huda Obeid Abdulrahman Al Hammad	4,000 of SAR 10 each	2.0
Asma Obeid Abdulrahman Al Hammad	4,000 of SAR 10 each	2.0
Dalal Obeid Abdulrahman Al Hammad	4,000 of SAR 10 each	2.0

**(x) Authorised and
paid-up capital****: Authorised share capital as at 20 July 2012**SAR 2,000,000 comprising 200,000 ordinary
shares of SAR 10 each**Issued and fully paid-up share capital as at 20
July 2012**SAR 2,000,000 comprising 200,000 ordinary
shares of SAR 10 each

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2. PRINCIPAL TERMS AND CONDITIONS**(a) Names of parties involved in the proposed transaction**

- | | | |
|--------|-----------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (i) | Joint Principal Advisers | : Hong Leong Islamic Bank Berhad (“ HLISB ”) & HSBC Amanah Malaysia Berhad (“ HBMS ”) (collectively referred to as the “ JPs ”) |
| (ii) | Joint Lead Arrangers | : HLISB & HBMS (collectively referred to as the “ JLAs ”) |
| (iii) | Co-arranger | : Not applicable |
| (iv) | Solicitors | : (i) Lee Hishammuddin Allen & Gledhill as the JLAs’ Malaysian counsel;

(ii) Law Office of Salman M. Al-Sudairi in association with Latham & Watkins LLP as the JLAs’ KSA counsel; and

(iii) Al-Yaqoub Attorneys & Legal Advisers in association with Hogan Lovells as the KSA counsel of ABHC. |
| (v) | Financial Adviser | : (i) <u>For the Issuer</u>
Not applicable

(ii) <u>For ABHC</u>
Gulf Prime Holding SPC |
| (vi) | Technical adviser | : Not applicable |
| (vii) | Trustee | : -Malaysian Trustees Berhad (“ MTB ” or the “ Delegated Trustee ” as further defined in paragraph 2(b)) |
| (viii) | Guarantor | : ABHC via a Kafalah Agreement (as defined under paragraph 2(i)(i)). |
| (ix) | Valuer | : Not applicable |
| (x) | Facility Agent | : HSBC Bank (Malaysia) Berhad |
| (xi) | Primary subscriber (under a bought-deal arrangement) and amount subscribed | : The primary subscriber(s) will be determined prior to issuance of the relevant Sukuk Wakalah which are issued via a bought deal arrangement (if applicable). |

- (xii) **Underwriter and amount underwritten** : Not applicable
- (xiii) **Shariah adviser** : HLISB (“**HLISB Shariah**”)
- (xiv) **Central depository** : Bank Negara Malaysia (“**BNM**”) or any entity designated by BNM
- (xv) **Paying agent** : BNM or any entity designated by BNM
- (xvi) **Reporting Accountant** : (i) **For the Issuer**
To be determined by the Delegated Trustee
- (ii) **For ABHC**
Dr. Mohamed Al-Amri & Co., a member firm of BDO International
- (xvii) **Calculation agent** : Not applicable
- (xviii) **Others**
- (i) **Coordinator** : HLISB
- (ii) **Joint Lead Managers** : HLISB, HBMS and such other financial institution(s) to be appointed prior to issuance of a series of Sukuk Wakalah under the Sukuk Wakalah Programme (as defined below).
- (iii) **Share Trustee** : TMF Trustees
- (iv) **Administrator to the Issuer** : TMF Global Services (Malaysia) Sdn Bhd (formerly known as EQ Corporate Services (Malaysia) Sdn Bhd).
- (b) **Facility description (including the description of Islamic Principle)** : **Facility Description**
The Sukuk Wakalah Programme of up to RM1.0 Billion in Nominal Value (“**Sukuk Wakalah Programme**”).
- Islamic Principle**
Wakalah (Contract of Agency) and Ijarah (Contract of Lease)
- Each issuance of the sukuk (“**Sukuk Wakalah**”) under the Sukuk Wakalah Programme shall be effected as follows:-
- Pursuant to a Wakalah Agreement between the Investors (“**Sukukholders**”)

and ABHC Sukuk Berhad ("**Issuer**"), the Sukukholders will appoint the Issuer to act as its agent ("**Wakeel**") to invest the cash proceeds provided by the Sukukholders ("**Sukuk Proceeds**") as consideration for the sukuk issued to the Sukukholders by the Issuer.

Pursuant to a declaration of trust ("**Declaration of Trust**"), the Issuer in its capacity as the trustee will declare a trust over, amongst others, the Sukuk Proceeds, any Shariah-compliant tangible assets as approved by the HLISB Shariah ("**Identified Assets**") to be acquired using the Sukuk Proceeds and any rentals received pursuant to any lease of the Identified Assets ("**Wakalah Trust Assets**").

The Issuer in its capacity as Wakeel to the Sukukholders, shall enter into an investment management agreement ("**Investment Management Agreement**") with ABHC ("**Investment Manager**") to appoint ABHC as the sub-agent of the Sukukholders ("**Sub-Wakeel**") and the Investment Manager shall invest the Sukuk Proceeds on behalf of the Sukukholders.

The Sukuk Proceeds received shall, from time to time, be applied by the Investment Manager to purchase the beneficial rights and interests of the Identified Assets pursuant to purchase agreements entered between ABHC and Dar Al Bayan Real Estate Development and Services Company and/or other subsidiaries of ABHC identified subsequent to each issuance of Sukuk Wakalah (the "**Identified Subsidiary of ABHC**").

The Investment Manager (the "**Lessor**") shall then lease the Identified Assets to the Identified Subsidiary of ABHC (the "**Lessee**") for a pre-determined rental amount and tenure pursuant to the Ijarah agreements (the "**Ijarah Agreements**").

On a periodic basis, the Investment Manager shall collect the rental payments

due under the Ijarah Agreements from the Identified Subsidiary of ABHC and deliver such amounts to the Issuer.

The Issuer shall deliver such amounts to meet the relevant periodic payment amount ("**Periodic Distribution Amount**") due to the Sukukholders under the Sukuk Wakalah.

Pursuant to a substitution undertaking ("**Substitution Undertaking**") entered into between the Identified Subsidiary of ABHC and the Investment Manager, the Identified Subsidiary of ABHC undertakes to grant to the Investment Manager the right to sell, transfer and convey its interests, rights, benefits and entitlements in and to the Identified Assets or any part thereof ("**Substituted Lease Assets**") to the Identified Subsidiary of ABHC, throughout the tenure of the Sukuk Wakalah or in the event of a total loss of the Identified Assets. Upon the exercise of the Substitution Undertaking by the Investment Manager, the Identified Subsidiary of ABHC will transfer and convey certain new assets ("**Replacement Lease Assets**") that are Shariah-complaint and approved by the HLISB Shariah to the Investment Manager on the condition that such Replacement Lease Assets will be capable of being leased and of a value which is at least equal to the Investment Manager's original acquisition value of the Substituted Lease Assets. The Replacement Lease Assets shall form part of the Identified Assets.

The Identified Subsidiary of ABHC shall be appointed as the servicing agent ("**Servicing Agent**") by the Investment Manager in its capacity as the Lessor pursuant to the terms of a servicing agency agreement ("**Servicing Agency Agreement**") and will, amongst other things, be responsible, on behalf of the Investment Manager/Lessor, for the performance and/or maintenance and/or structural repair of the Identified Assets. The Servicing Agent shall also ensure that the takaful/insurance for the Identified

Assets is sufficient for a covered/insured amount at least equivalent to the nominal value of the Sukuk Wakalah at all times and shall be responsible for the related payment of the relevant takaful contribution or insurance premium.

If the Identified Subsidiary of ABHC fails to substitute the Identified Assets in the event of a total loss of the Identified Assets, the Servicing Agent shall make claims under the relevant takaful/insurance, receive the takaful/insurance proceeds and pay to the Investment Manager in its capacity as the Lessor. The Investment Manager shall then apply the takaful/insurance proceeds received to pay the Issuer, who will then pay the Dissolution Distribution Amount payable under the Sukuk Wakalah. Separately, the Ijarah Agreement will terminate and any unpaid rental will be due and payable which will be used to pay the accrued and unpaid Periodic Distribution Amount under the Sukuk Wakalah.

On the Maturity Date of the Sukuk Wakalah ("**Maturity Date**") or upon the declaration of a **Dissolution Event** (as defined in paragraph 2(s)), whichever is earlier, the Investment Manager will exercise the purchase undertaking ("**Purchase Undertaking**") granted by the Identified Subsidiary of ABHC whereby the Identified Subsidiary of ABHC will be required to purchase the Identified Assets from the Investment Manager at the **Dissolution Distribution Amount** (as defined in paragraph 2(v)(T)).

As a separate arrangement from the Wakalah Agreement, ABHC via a **Kafalah Agreement** (as defined in paragraph 2(v)(U)) shall act as a guarantor ("**Guarantor**" or "**Kafeel**").

Note:

The Issuer's role as initial trustee arises from its Declaration of Trust over the Wakalah Trust Assets in favour of the Sukukholders. A trustee company will also be appointed to act as the Delegated

Trustee over the Wakalah Trust Assets. The Delegated Trustee will effectively perform and discharge all the duties and obligations expressed to be performed by the Issuer as initial trustee. This is to ensure that there is no conflict of interest arising out of the Issuer's role as initial trustee and to ensure that the interests of the Sukukholders are represented by an independent and professional trust company.

In the event of any conflict or disagreement on any matter between the Issuer as initial trustee and the Delegated Trustee, it is agreed that the decision of the Delegated Trustee shall prevail. The Delegated Trustee will also be able to perform and discharge all of its duties independent of the initial trustee, which includes the ability to determine whether a Dissolution Event/Event of Default has occurred.

For further details please refer to **Annexure 1**.

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| (c) | Issue/programme size (RM) | : | The aggregate amount of the outstanding value of the Sukuk Wakalah under each series to be issued under the Sukuk Wakalah Programme at any point in time shall not exceed RM1.0 billion. |
| (d) | Tenure of Sukuk Wakalah/Sukuk Wakalah Programme | : | <p><u>Tenure of the Sukuk Wakalah Programme</u></p> <p>Up to ten (10) years from the date of first issuance which shall be made within two (2) years from the date of approval by the Securities Commission Malaysia ("SC").</p> <p><u>Tenure of the Sukuk Wakalah</u></p> <p>The Sukuk Wakalah shall have maturities of more than one (1) year and up to ten (10) years at ABHC's discretion, provided that the Sukuk Wakalah matures prior to the expiry of the Sukuk Wakalah Programme.</p> |
| (e) | Availability period of Sukuk Wakalah programme | : | Upon completion of documentation and compliance of all relevant conditions precedent to the satisfaction of the Joint Lead Arrangers and Joint Lead Managers, |

- the first issuance under the Sukuk Wakalah Programme will be within two (2) years from the date of the SC's approval, subject always that the tenure for each Sukuk Wakalah issued under the Sukuk Wakalah Programme shall not exceed the Tenure of the Sukuk Wakalah (as defined in paragraph 2(d)).
- (f) **Profit/coupon/rental rate (%)** : The Sukuk Wakalah will bear profit at a rate to be agreed between the Issuer and the Joint Lead Managers. The profit rate for each series of the Sukuk Wakalah, shall be determined and agreed prior to each issuance of each series of the Sukuk Wakalah.
- (g) **Profit/coupon/rental payment frequency** : The profit payment of the Sukuk Wakalah shall be made semi-annually in arrears from the date of issue of Sukuk Wakalah with last profit payment to be made on the relevant Maturity Date(s).
- (h) **Profit/coupon/rental payment basis** : The profit payment of the Sukuk Wakalah shall be calculated on the basis of the actual number of days elapsed and 365 days in a year (actual/365 days).
- (i) **Security/collateral (if any)** : (i) A third party Kafalah or guarantee by ABHC, in favour of the Issuer in its capacity as Trustee, pursuant to which ABHC shall provide an unconditional and irrevocable guarantee to the Sukukholders ("**Kafalah Agreement**"); and
(ii) A first party legal charge and assignment over the Finance Service Reserve Account ("**FSRA**") by the Issuer.
- (j) **Details on utilisation of proceeds** : The Sukuk Proceeds from the issuance of the Sukuk Wakalah Programme shall be utilised by:
(i) the Issuer for investment purposes pursuant to the Wakalah Agreement;
(ii) the Investment Manager for investment purposes pursuant to the Investment Management

Agreement by purchasing the Identified Assets from the Identified Subsidiary of ABHC; and

- (iii) ABHC
where the Identified Subsidiary of ABHC will advance the proceeds received to ABHC via intercompany transactions that are non-interest bearing and Shariah-compliant. Upon receipt of the proceeds from the Identified Subsidiary of ABHC, ABHC will thereafter apply such proceeds:

- (a) for payment and/or refinancing of outstanding principal amounts under ABHC's existing short-term debt obligations;
- (b) for expanding ABHC's core businesses in particular its contracting, printing & packaging and logistics businesses in the KSA and neighbouring GCC countries; and
- (c) for working capital requirements of ABHC.

The utilisation of the proceeds shall be for Shariah compliant purposes only.

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|-----|------------------------------------------------------|---|----------------------------------------------------------------------------------------------------------------------------------------------|
| (k) | Sinking fund and designated accounts (if any) | : | No sinking fund. As for designated accounts, please refer to FSRA as defined under paragraph 2(v)(H) below. |
| (l) | Rating | : | |
| | ▪ Credit rating assigned | : | Indicative long-term rating of AA ₃ (s). |
| | ▪ Name of rating agency | : | RAM Rating Services Berhad (" RAM ") |
| (m) | Mode of issue | : | The Sukuk Wakalah will be issued without a prospectus by way of private placement on a book running, private placement or bought deal basis. |
| (n) | Selling restriction, including tradability | : | <u>Selling Restrictions at Issuance</u>
The Sukuk Wakalah shall not be offered, sold, transferred or otherwise disposed, |

directly or indirectly other than to persons falling within any of the categories of persons or in the circumstances specified under:

- (i) Schedule 6 (or Section 229(1)(b)); and
- (ii) Schedule 7 (or Section 230(1)(b));

read together with Schedule 9 (or Section 257(2)) of the CMSA, as amended from time to time

Selling Restrictions after Issuance

The Sukuk Wakalah 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 Wakalah would fall within Schedule 6 (or Section 229(1)(b)) read together with Schedule 9 (or Section 257(2)), of the CMSA as amended from time to time.

Tradability

The Sukuk Wakalah is tradable and transferable.

- (o) **Listing status** : The Sukuk Wakalah will not be listed on Bursa Malaysia Securities Berhad or on any other exchanges.
- (p) **Other regulatory approvals required in relation to the issue, offer or invitation and whether or not obtained** : The Issuer has obtained the approval from BNM dated 8 June 2012 for the following:
 - (i) the Sukuk Wakalah Programme; and
 - (ii) the cross currency swap arrangements by ABHC.
- (q) **Conditions precedent** : **Condition precedent for the establishment of the Sukuk Wakalah Programme shall include but is not limited to the following (in each case satisfactory in form and substance to the Joint Lead Arrangers and/or the Facility Agent as applicable):**
 - (A) Main documentation
 - (i) The transaction

- documentation (“**the Transaction Documents**”) (as defined in paragraph 2(v)(K)) in relation to the establishment of the Sukuk Wakalah Programme has been completed, executed and stamped (or if exempted, duly endorsed as such) and where applicable, registered at the relevant registry;
- (ii) Completion of due diligence in respect of the SC submission and the establishment of the Sukuk Wakalah Programme (including the Information Memorandum);
 - (iii) Documentary evidence confirming that the approvals from the relevant authorities (including but not limited to the SC and BNM) and all other governmental, statutory, corporate, creditors' or other consents, licences, approvals, permits, authorisations, orders and exemptions which are necessary or expedient for the establishment of the Sukuk Wakalah Programme have been obtained;
 - (iv) Satisfactory legal opinion from the Solicitors as to the legality, validity and enforceability of all Transaction Documents and that all conditions precedent have been duly complied (or waived);
 - (v) Evidence that the Sukuk Wakalah to be issued under the Sukuk Wakalah Programme have received the endorsement from the Shariah Adviser;
 - (vi) The Sukuk Wakalah have received their respective

requisite ratings as stated in this Principal Terms and Conditions;

- (vii) Satisfactory company and winding up search in respect of the Issuer or relevant statutory declaration from the directors of the Issuer; and
- (viii) A print out of the extract of ABHC's commercial registration from the Saudi Ministry of Commerce and Industry, dated no earlier than three days before the issuance of the Sukuk Wakalah, confirming that ABHC is operational and not inactive.

(B) Issuer

Receipt of the following documents:-

- (i) Certified true copy and satisfactory review by the Solicitors of the Issuer's Certificate of Incorporation, and the Memorandum and Articles of Association;
- (ii) Certified extract of a board resolution of the Issuer authorising, among others, the establishment of the Sukuk Wakalah Programme and the appointment of authorised signatories to execute the relevant documents thereto;
- (iii) A list of the authorised signatories of the Issuer and their respective specimen signatures; and
- (iv) Certified true copies of the latest Forms 24, Forms 44 and 49 and Annual Return.

(C) ABHC

- (i) the documents corresponding to those under paragraphs B (i) to B (iv) (both inclusive) under the laws of the KSA in respect of ABHC; and
- (ii) documentary evidence in form and substance satisfactory to the Joint Lead Arrangers that the ordinary paid-up shares component of the Shareholders' Equity Contribution of ABHC is SAR 2,000,000.

Condition precedent for subsequent issuance of Sukuk Wakalah under the Sukuk Wakalah Programme shall include but not be limited to the following (in each case satisfactory in form and substance to the Joint Lead Arrangers and/or Facility Agent as applicable):

- (i) Confirmation from the Issuer and/or ABHC that all representations and warranties remain true and accurate;
- (ii) No Event of Default/Dissolution Event has occurred or is continuing;
- (iii) Evidence that the rating of the Sukuk Wakalah Programme is at least AA₃(s);
- (iv) Approval and confirmation from the Shariah Adviser on the Sukuk Wakalah issuance including the Identified Assets; and
- (v) Such other conditions precedent as may be advised by the Solicitors.

(r) Representations and warranties

: The representations and warranties shall include but is not limited to the following:

(A) Issuer

- (a) The Issuer is a company duly

incorporated with limited liability under the laws of Malaysia and has the power and authority and all licences, permits, authorisations, consents and approvals, certificates, registrations and orders and has made all necessary declarations and filings with all government agencies that are necessary to own or lease its properties and conduct its businesses as described in the information memorandum and is conducting its business and operations in compliance with all applicable laws, regulations and guidelines;

- (b) The Memorandum and Articles of Association of the Issuer incorporate provisions which authorise, and all necessary corporate and other relevant action has 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 perform the transactions contemplated in the Transaction Documents, to issue the Sukuk Wakalah and to perform its obligations specified therein;
- (c) All necessary actions, authorisations, approvals and consents required for or in connection with (i) the execution, issue and offering of Sukuk Wakalah under the Sukuk Wakalah Programme and compliance by the Issuer with the terms of any Sukuk Wakalah issued under the Sukuk Wakalah Programme and (ii) the execution and delivery of, and compliance with

the terms of, the Transaction Documents to which it is a party have been obtained and are in full force and effect under the Transaction Documents and under the law have been taken, fulfilled or obtained and remain in full force and effect to ensure the validity or enforceability in Malaysia of the liabilities and obligations of the Issuer under the Transaction Documents in accordance with their terms;

- (d) all required consents, approvals, authorisations, orders, filings, registrations or qualifications of or with any court or governmental authority have been given, fulfilled or done and no other action or thing (including, without limitation, the payment of any stamp or other similar tax or duty) is required to be taken, fulfilled or done by the Issuer for or in connection with (A) the execution, issue and offering of Sukuk Wakalah under the Sukuk Wakalah Programme in accordance with the terms of the Transaction documents and compliance by the Issuer with the terms of any Sukuk Wakalah issued under the Sukuk Wakalah Programme or (B) the execution and delivery of, and compliance with the terms of, the transaction documents to which it is a party;
- (e) The execution, delivery and the exercise of its rights and performance of its obligations under the respective Transaction Documents do not and will not:
 - (i) infringe or violate any existing law, regulation, order, rule, decree or statute applicable to the

Issuer or to which its property may be subject or constitute a breach or default under any instrument, agreement or order to which it is a party or by which its property is bound; or

- (ii) be contrary to or cause any limitation on the Issuer or the powers of its Board of Directors, whether imposed by or contained in the Memorandum and Articles of Association or in any other law, order, judgment, or otherwise, to be exceeded;
- (f) The Sukuk Wakalah and the execution of the Transaction Documents have been duly authorised by the Issuer and, in the case of the Sukuk Wakalah, upon due execution, issue and delivery in accordance with the Trust Deed and programme agreement, will constitute, and, in the case of the Transaction Documents constitute, legal, valid and binding obligations which are enforceable against the Issuer in accordance with its terms subject to the laws of bankruptcy and other laws affecting the rights of creditors generally;
- (g) The audited financial statements and together with the notes thereto, prepared or to be prepared shall be on a basis consistently applied in accordance with generally acceptable accounting principles in Malaysia and shall present a true and fair view of the results of its financial conditions and operations for that year and the state of its affairs at that date and shall be

prepared, or have been prepared, examined, reported on and approved in accordance with all procedures required by the Issuer's Memorandum and Articles of Association and/or the laws of Malaysia and shall be, or have been audited and certified by a firm of qualified independent chartered accountants acceptable to the Joint Lead Arrangers;

- (h) The Information Memorandum prepared pursuant to the Sukuk Wakalah Programme does not contain any statement or information which is false or misleading or from which there is a material omission and all expressions of expectations, intention, belief and opinion contained therein were honestly made on reasonable grounds after due and careful enquiry by the Issuer. The Information Memorandum contains all information that an investor would reasonably expect to find in the Information Memorandum;
- (i) No Event of Default/Dissolution Event (as described in paragraph 2(s) below) or potential Dissolution Event has occurred and / or is continuing and no event has occurred which might constitute (after an issue of the Sukuk Wakalah) a Dissolution Event or potential Dissolution Event thereunder;
- (j) No litigation, arbitration or administrative proceedings of or before any court, arbitral body, governmental authority or agency is current or, is threatened or pending against it or any material subsidiaries (to be defined in the Transaction Documents), which if adversely

determined would have a **Material Adverse Effect** (as defined in paragraph 2(v)(S) below);

(k) No step has been taken by the Issuer, its creditors or any of its shareholders or any other person on its behalf nor have any legal proceedings or applications been started or threatened, under Section 176 of the Companies Act 1965 (the “Act”);

(l) save as disclosed in the Information Memorandum and since the last day of the financial period in respect of which the most recent published audited annual accounts of the Issuer have been prepared or from the date of incorporation, as the case may be, there has been no adverse change in the business or condition (financial or otherwise), prospects, results of operations or general affairs of the Issuer which might have a Material Adverse Effect;

(m) Other representations and warranties as may be advised by the Solicitors and to be mutually agreed by the Issuer.

(B) ABHC and its material subsidiaries

(a) the representations and warranties corresponding to those under paragraphs A (a) to A (l) (both inclusive) in respect of ABHC and its material subsidiaries and where applicable in relation to the laws of the KSA or any laws of country of incorporation in relation to its relevant material subsidiaries.

- (s) **Events of default / Dissolution Event** : Event of Default / Dissolution Event shall include but is not limited to the following:
- (a) Events relating to the Issuer:
- (i) There is a breach by the Issuer of any term or condition of the Sukuk Wakalah Programme or provision of any of the Transaction Documents (other than a breach described in paragraph (ii) below) which is not capable of remedy; or if it is capable of remedy, is not remedied within fourteen (14) business days after receipt by the Issuer of a notice from the Delegated Trustee specifying the default or after the Issuer becoming aware of the breach, whichever is earlier;
 - (ii) There is a default by the Issuer in payment of any amount due and outstanding under the Sukuk Wakalah Programme on any due date, or if so payable on demand including but not limited the Periodic Distribution Amount and the Dissolution Distribution Amount;
 - (iii) The Issuer repudiates any of the Transaction Documents or causes to be done any act or thing evidencing an intention to repudiate any Transaction Document;
 - (iv) At any time it is or will become unlawful for the Issuer to perform or comply with any of its obligations under the Transaction Documents or any of the obligations of the Issuer under the Transaction Documents are not, or cease to be legal, valid, binding and

enforceable;

- (v) The Issuer makes or enters into a general assignment or arrangement or composition with or for the benefit of its creditors, or a moratorium is declared on any of its indebtedness (whether pursuant to section 176 of the Act or otherwise), or any creditors' scheme of arrangement under section 176 of the Act is instituted with respect to the Issuer;
- (vi) The Issuer is insolvent or consents to the appointment of a custodian or a receiver over the whole or a substantial part of its assets or a receiver has been appointed over the whole or a substantial part of its assets;
- (vii) (1) Any indebtedness of the Issuer becomes due or payable or is capable of being declared due or payable prior to its stated maturity, and such declaration of indebtedness being due or payable 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, (2) any guarantee or similar obligations of the Issuer is not discharged at maturity or when called and such call on the guarantee 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 call, (3) the Issuer goes into default under, or commits a breach of, any agreement or instrument relating to such indebtedness, guarantee or

- other obligations, or any security created to secure such indebtedness becomes enforceable;
- (viii) Any winding up proceedings are instituted against the Issuer and are not withdrawn or discharged within forty five (45) days from the date of service of the winding up petition against the Issuer or a winding-up order has been made against the Issuer or a resolution to wind up the Issuer has been passed;
- (ix) 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 Delegated Trustee may have a Material Adverse Effect;
- (x) There is a revocation, withholding or modification of a license, authorisation, consent or approval that impairs or prejudices the Issuer's ability to comply with the terms and conditions of the Sukuk Wakalah or the provisions of the Transaction Documents or any other document relating to the issue, offer or invitation in respect of the Sukuk Wakalah Programme;
- (xi) A change of the Memorandum and Articles of Association of the Issuer in a manner inconsistent with the Transaction Documents, save and except where such addition, deletion, variation or amendment is required by

- any law, regulation or requirement of any regulatory authority, and which does not have a Material Adverse Effect;
- (xii) Any representation, warranty or statement which is made (or acknowledged in writing to have been made) or given by the Issuer under the Transaction Documents or which is contained in any certificate, document, notice or statement furnished at any time pursuant to the terms of the Transaction Documents proves to have been incorrect or misleading on or as of the date made or given or deemed made or given, or if repeated at any time with reference to the facts and circumstances subsisting at such time, would not be accurate;
- (xiii) A distress, execution, sequestration or other process is levied or enforced upon or sued out against any of the undertakings, assets, rights or revenues of the Issuer and is not discharged within thirty (30) days after being levied, enforced or sued out;
- (xiv) Any other event occurs or circumstances arise which gives the majority of the Sukukholders reasonable grounds to believe that such event or circumstances has or will have a Material Adverse Effect;
- (xv) The Issuer fails to maintain the Minimum Required Balance in respect of the Finance Service Reserve Account in accordance with

paragraph 2(v)(H) below whereby any shortfall in the Minimum Required Balance is not topped up at the expiry of the 30 day notice period of the Delegated Trustee and/or Facility Agent; and

- (xvi) Such other events of default as may be advised by the Solicitors and to be mutually agreed by the Issuer.

(b) Events relating to ABHC and/or its material subsidiaries

- (i) There is a breach by ABHC and/or the Identified Subsidiary of ABHC of any term or condition of the Sukuk Wakalah Programme or provision of any of the Transaction Documents and the Kafalah Agreement (other than a breach described in paragraph (ii) below) which is not capable of remedy; or if it is capable of remedy, is not remedied within fourteen (14) business days after receipt by ABHC and/or its material subsidiaries of a notice from the Delegated Trustee specifying the default or after ABHC and/or its material subsidiaries becoming aware of the breach, whichever is earlier;
- (ii) There is a default by ABHC in payment of any amount due and payable under the Transaction Documents on the due date, or if so payable on demand;
- (iii) There is a default by the Identified Subsidiary of ABHC in payment of any amount due and payable under the Transaction Documents;

- (iv) ABHC and/or the Identified Subsidiary of ABHC repudiates any of the Transaction Documents and the Kafalah Agreement or causes to be done any act or thing evidencing an intention to repudiate any of the Transaction Documents and the Kafalah Agreement;
- (v) At any time it is or will become unlawful for the ABHC and/or the Identified Subsidiary of ABHC to perform or comply with any of its obligations under the Transaction Documents and the Kafalah Agreement or any of the obligations of ABHC and/or the Identified Subsidiary of ABHC under the Transaction Documents and the Kafalah Agreement are not, or cease to be legal, valid, binding and enforceable;
- (vi) ABHC and/or its material subsidiaries makes or enters into a general assignment or arrangement or composition with or for the benefit of its creditors, or a moratorium is declared on any of their respective indebtedness (whether pursuant to applicable KSA laws governing ABHC and/or its material subsidiaries or other applicable laws), or any creditors' scheme of arrangement under KSA laws or other applicable laws governing ABHC and/or its material subsidiaries is instituted with respect to ABHC and/or its material subsidiaries;
- (vii) ABHC and/or its material subsidiaries is insolvent or

consents to the appointment of a custodian or a receiver over the whole or a substantial part of its respective assets or a receiver has been appointed over the whole or a substantial part of its respective assets;

- (viii) (1) Any indebtedness of ABHC and/or its material subsidiaries becomes due or payable or is capable of being declared due or payable prior to its stated maturity, and such declaration of indebtedness being due or payable is not discharged or disputed in good faith by ABHC and/or its material subsidiaries in a court of competent jurisdiction within thirty (30) days from the date of such declaration (2) any guarantee or similar obligations of ABHC and/or its material subsidiaries is not discharged at maturity or when called and such call on the guarantee is not discharged or disputed in good faith by ABHC and/or its material subsidiaries in a court of competent jurisdiction within thirty (30) days from the date of such call, (3) ABHC and/or its material subsidiaries goes into default under, or commits a breach of, any agreement or instrument relating to such indebtedness, guarantee or other obligations, (4) any security created to secure such indebtedness becomes enforceable;
- (ix) Any winding up proceedings are instituted against ABHC and/or its material subsidiaries and are not

withdrawn or discharged within forty five (45) days from the date of service of the winding up petition against ABHC and/or its material subsidiaries or a winding-up order has been made against ABHC and/or its material subsidiaries or a resolution to wind up ABHC and/or its material subsidiaries has been passed;

- (x) Any of the assets, undertakings, rights or revenue of ABHC and/or its material subsidiaries are seized, nationalised, expropriated or compulsorily acquired by or under the authority of any governmental body, which in the opinion of the Delegated Trustee may have a Material Adverse Effect;
- (xi) There is a revocation, withholding or modification of a license, authorisation, consent or approval that impairs or prejudices ABHC's and/or the Identified Subsidiary of ABHC ability to comply with the terms and conditions of the Sukuk Wakalah or the provisions of the Transaction Documents or any other document relating to the issue, offer or invitation in respect of the Sukuk Wakalah Programme;
- (xii) A change of the Memorandum and Articles of Association or Constitution of ABHC and/or the Identified Subsidiary of ABHC in a manner inconsistent with the Transaction Documents, save and except where such addition, deletion, variation or amendment is required by

- any law, regulation or requirement of any regulatory authority, and which does not have a Material Adverse Effect;
- (xiii) Any representation, warranty or statement which is made (or acknowledged in writing to have been made) or given by ABHC and/or the Identified Subsidiary of ABHC under the Transaction Documents and the Kafalah Agreement or which is contained in any certificate, document, notice or statement furnished at any time pursuant to the terms of the Transaction Documents and the Kafalah Agreement proves to have been incorrect or misleading on or as of the date made or given or deemed made or given, or if repeated at any time with reference to the facts and circumstances subsisting at such time, would not be accurate;
- (xiv) A distress, execution, sequestration or other process is levied or enforced upon or sued out against any of the undertakings, assets, rights or revenues of ABHC and/or its material subsidiaries and is not discharged within thirty (30) days after being levied, enforced or sued out;
- (xv) Any other event occurs or circumstances arise which gives the majority of the Sukukholders reasonable grounds to believe that such event or circumstances has or will have a Material Adverse Effect;

- (xvi) ABHC fails to maintain the Minimum Required Balance in respect of the Finance Service Reserve Account; and
- (xvii) ABHC and/or its material subsidiaries takes any action or commences any negotiations or proceedings with a view to:-
 - (aa) any adjustment of a material proportion of the whole or a specified class or category of indebtedness; or
 - (bb) any deferment of any of its obligations.
- (xviii) ABHC and/or its material subsidiaries ceases to carry on its respective business or a substantial part of its respective business;
- (xix) ABHC fails to pay any amount due from it under the Kafalah Agreement issued by ABHC;
- (xx) ABHC repudiates the Kafalah Agreement or does or causes to be done any act or thing evidencing an intention to repudiate the Kafalah Agreement.
- (xxi) Such other events of default as may be advised by the Solicitors and to be mutually agreed by ABHC.

However, notwithstanding the above, no Event of Default/Dissolution Event shall occur solely by reason of a failure by the Issuer, ABHC or the Identified Subsidiary of ABHC failing to pay any amount due under a Transaction Documents, if such amounts are paid when due under the Kafalah Agreement.

Upon the occurrence of an Event of Default / Dissolution Event, the Delegated Trustee may (at its discretion or if directed to do so by a special resolution of the Sukukholders, declare that a Dissolution Event has occurred, all outstanding Sukuk Wakalah together with all unpaid and accrued profit payment immediately due and payable, whereby: -

- (i) no further issuance may be made under the Sukuk Wakalah Programme and the whole of the outstanding Sukuk Wakalah together with all other sums payable shall become immediately due and payable;
- (ii) the Delegated Trustee shall have recourse to all remedies made available under the Transaction Documents;
- (iii) the Delegated Trustee shall have the right and authority to require the Issuer to instruct ABHC as the Investment Manager to exercise the Purchase Undertaking;
- (iv) the Delegated Trustee shall submit a claim on the Kafalah Agreement in the event of a non-payment of the Dissolution Distribution Amount under the Wakalah Agreement which arises from non payment under the Purchase Undertaking; and/or
- (v) the Delegated Trustee take proceedings as it may think fit to enforce immediate payment of all outstanding Sukuk Wakalah issued.

Note:

Identified Subsidiaries of ABHC form part of the material subsidiaries of ABHC.

(t) Covenants :

- (A) Financial Covenants :** ABHC shall maintain the following financial covenants throughout the tenure of the Sukuk Wakalah Programme:

- (a) Finance to Equity Ratio of not more than one and a half (1.5) times; and
- (b) Profit Cover Ratio of at least two (2) times.

Finance to Equity Ratio (“F:E Ratio”)

The F:E Ratio is the ratio of indebtedness of ABHC represented by:

- (1) all principal amounts outstanding under the Sukuk Wakalah Programme; and
- (2) all other indebtedness for borrowed moneys, hire purchase obligations, finance lease obligations, net exposure determined on a marked to market basis under any derivative instrument (but excluding forward contracts entered into in the ordinary course of business which are trade in nature) and obligations under call or put options of ABHC. For avoidance of doubt, indebtedness shall also include Shariah-compliant financing;

to the consolidated shareholders' funds of ABHC's group of companies including, if any, preference equity, subordinated shareholders' advances/ loans, minority interests of ABHC (if any), irredeemable convertible unsecured loan stocks of ABHC (if any) and retained earnings/ losses.

The F:E Ratio shall be calculated for each financial year-end during the tenure of the Sukuk Wakalah Programme based on the latest audited consolidated accounts of ABHC.

The calculation of the F:E Ratio shall be duly confirmed by the Issuer's and/or ABHC's external auditors and Board of Directors on an annual basis and as and when such calculations are required to be made under the terms of the Transaction Documents. ABHC shall arrange for the said confirmation to be forwarded to the Facility Agent for its distribution to the Delegated Trustee and the Rating Agency.

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

Profit Cover Ratio

The Profit Cover Ratio on any date is the ratio of the EBITDA (as defined below) of ABHC during the 12-month period immediately preceding the date of calculation to the total profit/interest incurred or payable for all indebtedness during the same period.

EBITDA means the consolidated net income of ABHC before taking into account:

- (i) any profit/interest, commission, discount or other fees incurred or payable, received or receivable in respect of the indebtedness of ABHC;
- (ii) any provision on account of taxation paid or payable, received or receivable by ABHC;
- (iii) any provision for depreciation and amortisation; and
- (iv) any amount treated as exceptional or extraordinary items.

The Profit Cover Ratio shall be calculated for each financial year end during the tenure of the Sukuk Wakalah Programme based on the latest audited consolidated accounts of ABHC.

The calculation of the Profit Cover Ratio shall be duly confirmed by the Issuer's and/or ABHC external auditors and Board of Directors on an annual basis and as and when such calculations are required to be made under the terms of the Transaction Documents. ABHC shall arrange for the said confirmation to be forwarded to the Facility Agent for its distribution to the Delegated Trustee and the Rating Agency. For the avoidance of doubt, any double counting shall be disregarded.

(B) Information Covenants

: Information covenants shall include but not be limited to the following:

(a) Covenants relating to the Issuer:

The Issuer shall notify in writing and/or deliver to the Delegated Trustee the following:

- (i) 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 Wakalah and that there did not exist or had not existed, from the date the Sukuk Wakalah were first issued or date of the previous certificate as the case may be, any Event of Default or enforcement, and if such is not the case, to specify the same;
- (ii) as soon as they become available (and in any event within one hundred and eighty (180) calendar days after the end of each financial year) copies of its annual consolidated financial statements for that financial year which shall contain the income statement, balance sheet and cash flow statement of the Issuer and which are audited and certified without qualification by independent accountants permitted under applicable laws;
- (iii) as soon as they become available (and in any event within ninety (90) calendar days after the end of each half of its financial year) copies of its semi annual unaudited consolidated financial statements for that period which shall contain the income statement, balance sheet and cash flow statement of the Issuer;

- (iv) promptly, any other accounts, report, notice, statement or circular issued to its shareholders. It shall also provide for the accounts, report, notice, statement or circular to be circulated by the Delegated Trustee at its discretion to the registered Sukukholders who fall within Schedules 6 and 7 of the CMSA as well as credit rating agency of the Sukuk Wakalah;
- (v) promptly, such additional financial or other information relating to the Issuer's businesses and its operations as the Facility Agent and/or Delegated Trustee may from time to time reasonably request;
- (vi) promptly any information which the Delegated Trustee may reasonably require in order to discharge its duties and obligations under the Trust Deed relating to the Issuer's affairs to the extent permitted by law;
- (vii) promptly, all notices or other documents dispatched by the Issuer to their respective shareholder(s);
- (viii) promptly, all notices or other documents dispatched by the Issuer to its creditors which may materially and adversely affect the interest of the Sukukholders;
- (ix) promptly, the occurrence of any Event of Default/Dissolution Event in relation to any other indebtedness of the Issuer or of any other occurrence which may have a Material Adverse

Effect; and

- (x) such other covenants as may be advised by the Solicitors and to be mutually agreed by the Issuer.

(b) Covenants relating to ABHC:

ABHC shall notify in writing and/or deliver to the Delegated Trustee the following:

- (i) 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 Wakalah and that there did not exist or had not existed, from the date the Sukuk Wakalah were first issued or date of the previous certificate as the case may be, any Event of Default or enforcement, and if such is not the case, to specify the same;
- (ii) as soon as they become available (and in any event within one hundred and eighty (180) calendar days after the end of each financial year) copies of its annual consolidated financial statements for that financial year which shall contain the income statement, balance sheet and cash flow statement of ABHC and which are audited and certified without qualification by independent accountants permitted under applicable laws;
- (iii) as soon as they become available (and in any event within ninety (90) calendar days after the end of each half of its financial year) copies of its semi annual unaudited

consolidated financial statements for that period which shall contain the income statement, balance sheet and cash flow statement of ABHC;

- (iv) promptly, any other accounts, report, notice, statement or circular issued to its shareholders. It shall also provide for the accounts, report, notice, statement or circular to be circulated by the Delegated Trustee at its discretion to the registered Sukukholders who fall within Schedules 6 and 7 of the CMSA as well as credit rating agency of the Sukuk Wakalah;
- (v) promptly, such additional financial or other information relating to ABHC's businesses and its operations as the Facility Agent and/or Delegated Trustee may from time to time reasonably request;
- (vi) promptly any information which the Delegated Trustee may reasonably require in order to discharge its duties and obligations under the Trust Deed relating to ABHC's affairs to the extent permitted by law;
- (vii) promptly, all notices or other documents dispatched by ABHC to their respective shareholder(s);
- (viii) promptly, all notices or other documents dispatched by ABHC to its creditors which may materially and adversely affect the interest of the Sukukholders;
- (ix) promptly, the occurrence of any Event of

Default/Dissolution Event in relation to any other indebtedness of ABHC or of any other occurrence which may have a Material Adverse Effect; and

- (x) such other covenants as may be advised by the Solicitors and to be mutually agreed by ABHC.

(C) Positive Covenants : Positive covenants shall include but not be limited to the following:

(a) Covenants relating to the Issuer:

- (i) the Issuer shall preserve and keep in full force and effect all relevant authorisations, licences, permits, consents, exemptions and rights necessary for the conduct of its business or for the Issuer to enter into or perform its obligations under the Transaction Documents or to ensure the legality, validity, enforceability of the obligations of the Issuer and the Issuer or the priority or rights of the Sukukholders under the Transaction Documents, admissibility in evidence of the Transaction Documents and ABHC shall comply with the terms of the Transaction Documents to which it is a party to;
- (ii) the Issuer shall redeem or settle in full all outstanding Sukuk Wakalah in accordance with the terms and conditions of the Transaction Document and Sukuk Wakalah.
- (iii) the Issuer shall ensure that its obligations under the Transaction Documents shall at all times rank pari passu with all its other present and

future unsecured and unsubordinated obligations, other than those preferred by law and the Transaction Documents;

- (iv) the Issuer shall at all time 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;
- (v) the Issuer shall exercise reasonable diligence in carrying out its business and affairs in a proper and efficient manner and in accordance with its constitutional documents, regulatory requirements and sound financial and commercial standards and practices which should ensure, amongst others, that all necessary approvals or relevant licenses are obtained;
- (vi) the Issuer shall promptly perform and carry out all its obligations under all Transaction Documents (including but not limited to redeeming the Sukuk Wakalah on the relevant Maturity Date(s) or any other date on which the Sukuk Wakalah are due and payable) and ensure that it shall immediately notify the Delegated Trustee in the event that the Issuer is unable to fulfil or comply with any of the provisions of the Transaction Documents;
- (vii) the Issuer shall promptly comply with all applicable provisions of the CMSA and/or circulars, conditions or guidelines issued by the SC

from time to time;

- (viii) the Issuer shall maintain a paying agent or its equivalent, who is based in Malaysia;
- (ix) the Issuer shall procure that the paying agent shall notify the Delegated Trustee, through the Facility Agent, if the paying agent does not receive payment from the Issuer on the due dates as required under the Trust Deed and the terms and conditions of the Sukuk Wakalah Programme;
- (x) that the Issuer shall ensure that the terms in the Transaction Documents do not contain any matter which is inconsistent with the provisions of an information memorandum submitted to the SC relating to the Sukuk Wakalah unless it has obtained the approval of the Sukukholders by way of a special resolution or the written consent of the Delegated Trustee (which approval may be given, where in its opinion, it is not materially prejudicial to the interests of Sukukholders to give such approval) for the negative covenants stated in paragraphs 2(t)(D)(a)(ii) & 2(t)(D)(a)(iii) below;
- (xi) the Issuer shall prepare its financial statements on a basis consistently applied in accordance with approved accounting standards in Malaysia, as applicable 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;

(xii) the Issuer shall provide the Delegated Trustee, Facility Agent and their representatives and auditors reasonable access to the site where the properties underlying the Ijarah Agreements are located (where applicable) and inspection of all relevant Transaction Documents, books/records accounts and financial statements; and

(xiii) such other covenants deemed necessary by the Joint Lead Arrangers and the Solicitors and to be mutually agreed by the Issuer, for compliance with the SC's Trust Deed Guidelines as applicable and/or other applicable SC guidelines and directives.

(b) Covenants relating to ABHC:

(i) ABHC shall preserve and keep in full force and effect all relevant authorisations, licences, permits, consents, exemptions and rights necessary for the conduct of its business or for the Issuer to enter into or perform its obligations under the Transaction Documents or to ensure the legality, validity, enforceability of the obligations of the Issuer and ABHC or the priority or rights of the Sukukholders under the Transaction Documents, admissibility in evidence of the Transaction Documents and ABHC shall comply with the terms of the Transaction Documents to which it is a

party to;

- (ii) ABHC shall ensure that its obligations under the Transaction Documents shall at all times rank pari passu with all its other present and future unsecured and unsubordinated obligations, other than those preferred by law and the Transaction Documents;
- (iii) ABHC shall at all time 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;
- (iv) ABHC shall exercise reasonable diligence in carrying out its business and affairs in a proper and efficient manner and in accordance with its constitutional documents, regulatory requirements and sound financial and commercial standards and practices which should ensure, amongst others, that all necessary approvals or relevant licenses are obtained;
- (v) ABHC shall promptly perform and carry out all its obligations under all Transaction Documents and the Kafalah Agreement (including but not limited to redeeming the Sukuk Wakalah on the relevant Maturity Date(s) or any other date on which the Sukuk Wakalah are due and payable) and ensure that it shall immediately notify the Delegated Trustee in the event that ABHC is unable to fulfil or comply with any of the

provisions of the Transaction Documents and the Kafalah Agreement;

- (vi) ABHC shall promptly comply with all applicable provisions of the CMSA and/or circulars, conditions or guidelines issued by the SC from time to time;
- (vii) that ABHC shall ensure that the terms in the Transaction Documents and the Kafalah Agreement do not contain any matter which is inconsistent with the provisions of an information memorandum submitted to the SC relating to the Sukuk Wakalah unless it has obtained the approval of the Sukukholders by way of a special resolution or the written consent of the Delegated Trustee (which approval may be given, where in its opinion, it is not materially prejudicial to the interests of Sukukholders to give such approval) for the negative covenants stated in paragraphs 2(t)(D)(b)(ii) & 2(t)(D)(c)(iii) below;
- (viii) ABHC shall prepare its financial statements on a basis consistently applied in accordance with approved accounting standards in KSA, as applicable and those financial statements shall give a true and fair view of the results of the operations of ABHC for the period to which the financial statements are made up and shall disclose or provide against all liabilities (actual or contingent) of ABHC;
- (ix) ABHC shall provide the Delegated Trustee, Facility Agent and their

representatives and auditors reasonable access to the site where the Identified Assets underlying the Ijarah Agreements are located (where applicable) and inspection of all relevant Transaction Documents, books/records accounts and financial statements; and

- (x) such other covenants deemed necessary by the Joint Lead Arrangers and the Solicitors and to be mutually agreed by ABHC, for compliance with the SC's Trust Deed Guidelines as applicable and/or other applicable SC guidelines and directives.

(D) Negative Covenants : Negative covenants shall include but not be limited to the following:

(a) Covenants relating to the Issuer:

- (i) the Issuer shall not carry out any business other than its authorised businesses under its Memorandum and Articles of Association;
- (ii) the Issuer shall not delete, vary or amend its Memorandum or Articles of Association in any manner which would be inconsistent with the provisions of the Transaction Documents;
- (iii) the Issuer shall not use the Sukuk proceeds of the Sukuk Wakalah except for the purposes set out in this principal terms and conditions;
- (iv) the Issuer shall not incur any indebtedness in respect of borrowed money whatsoever, or give any guarantee in respect of any obligation of

any person or issue any shares (or rights, warrants or options in respect of shares or securities convertible into or exchangeable for shares) except, in all cases, as contemplated in the Transaction Documents;

- (v) the Issuer shall not dissolve its affair or consolidate with or merge into any other entity;
- (vi) the Issuer shall not dispose of assets other than as envisaged pursuant to the Transaction Documents;
- (vii) 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 management for the purposes 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 (each a "**Security Interest**") upon any of its present or future assets, properties or revenues, but excluding Permitted Security Interest. The Permitted Security Interest shall include the following:-
 - (aa) any lien, pledge, mortgage, security interest, deed of trust, charge or other encumbrance or arrangement having the effect of conferring security arising solely in the ordinary course of business by operation of

- law and not by way of contract; and
- (bb) any security interest existing at the date of the Trust Deed and which is disclosed to the Delegated Trustee; and
- (cc) any security interest arising from and contemplated under the Transaction Documents.
- (viii) the Issuer shall not reduce its authorised and issued paid-up capital at all times;
- (ix) the Issuer shall not enter into any transaction/agreement, whether directly or indirectly, with interested persons including its major shareholders, directors and chief executive unless such transaction/agreement is entered into:
- (aa) in the ordinary course of its business;
- (bb) on an arm's length basis or on terms which are no less favourable to the Issuer than those which could have been obtained in a comparable transaction / agreement from persons who are not interested persons; and
- (cc) with respect to transactions involving an aggregate payment or value equal to or greater than an amount to be agreed in the Transaction Documents, the Issuer obtains certification from an independent adviser

that the transaction is carried out on fair and reasonable terms provided that the Issuer certifies to the Delegated Trustee that the transaction / agreement complies with paragraph (bb) above and that the Issuer has received the certification from the independent adviser (where applicable) and that the transaction has been approved by the majority of the board of directors or shareholders in a general meeting as the case may require;

- (x) the Issuer shall not declare or pay any dividends or make any distribution whether income or capital in nature to its shareholders or repay any advances from its shareholders or directors (either profit/late payment charge/compensation or principal) if:
 - (aa) a Dissolution Event has occurred, is continuing and has not been waived, or if following such payment or distribution a Dissolution Event would occur: or
 - (bb) the Financial Covenants are breached or will be breached if calculated immediately following such payment or distribution;
- (xi) such other covenants deemed necessary by the Joint Lead Arrangers and the Solicitors for compliance with the SC's Trust Deed Guidelines as

applicable and/or other
applicable SC Guidelines.

(b) Covenants relating to ABHC:

- (i) ABHC shall not carry out any business other than its authorised businesses under its constitutional documents;
- (ii) ABHC shall not delete, vary or amend its constitutional document in any manner which would be inconsistent with the provisions of the Transaction Documents and the Kafalah Agreement;
- (iii) ABHC shall not use the Sukuk proceeds of the Sukuk Wakalah except for the purposes set out in this principal terms and conditions;
- (iv) at all times ABHC shall not utilise the proceeds obtained from the Sukuk Wakalah for any Shariah non-compliant activities or any military purposes or activities including but not limited to manufacturing, supplying, distributing, providing, buying and selling weapons, armaments, military equipment and/or facilities;
- (v) ABHC shall not dissolve its affair or consolidate with or merge into any other entity;
- (vi) ABHC shall not dispose of assets in excess of 10% of its net tangible assets in aggregate for every 3 financial years and that will materially and adversely affect its business operations, save and except for disposals which occur in the ordinary course of business and/or due

to obsolescence;

(vii) ABHC shall not create or permit to exist any Security Interest upon any of its present or future assets, properties or revenues, but excluding Permitted Security Interest. The Permitted Security Interest shall include the following:-

(aa) any lien arising in the normal ordinary course of ABHC's business by operation of law and not by way of contract;

(bb) any Security Interest granted by ABHC over any asset securing financial indebtedness incurred by ABHC to finance the acquisition of such asset provided that the principal amount of such financial indebtedness does not result in a breach of the Financial Covenants of ABHC under paragraph 2(t)(A) above;

(cc) any Security Interest not otherwise permitted by the above paragraphs,

(1) by way of an assignment of proceeds in relation to projects undertaken by ABHC and its subsidiaries in the normal ordinary course of their business provided that such assignment of proceeds do not have any recourse to ABHC; or

- (2) securing financial indebtedness of ABHC in an aggregate principal amount at any time outstanding not exceeding an amount equal to 10 per cent of ABHC's consolidated tangible net worth. For the purpose of this paragraph, ABHC's **"consolidated tangible net worth"** means the amount equal to the aggregate of the fully paid and issued share capital, share capital premium, all reserves and retained earnings of ABHC's group as shown in the then most recent consolidated annual financial statements of ABHC prepared in accordance with IFRS;
- (3) any security interest existing at the date of the and which is disclosed to the Delegated Trustee; and
- (4) any security interest arising from and contemplated under the Transaction Documents;
- (viii) ABHC shall not reduce its authorised and issued paid-up capital and ABHC shall maintain a minimum tangible

net worth of SAR734 million at all times;

(ix) ABHC shall not enter into any transaction/agreement, whether directly or indirectly, with interested persons including its major shareholders, directors and chief executive unless such transaction / agreement is entered into:

(aa) in the ordinary course of its business;

(bb) on an arm's length basis or on terms which are no less favourable to the Issuer than those which could have been obtained in a comparable transaction / agreement from persons who are not interested persons; and

(cc) with respect to transactions involving an aggregate payment or value equal to or greater than an amount to be agreed in the Transaction Documents, ABHC obtains certification from an independent adviser that the transaction is carried out on fair and reasonable terms provided that the Issuer certifies to the Delegated Trustee that the transaction / agreement complies with paragraph (bb) above and that the Issuer has received the certification from the independent adviser (where applicable) and that the transaction has

been approved by the majority of the board of directors or shareholders in a general meeting as the case may require;

- (x) ABHC shall not enter into any related party transaction prohibited under KSA law governing ABHC and its subsidiaries;
- (xi) ABHC shall not declare or pay any dividends or make any distribution whether income or capital in nature to its shareholders or repay any advances from its shareholders or directors (either profit/interest or principal) if:
 - (aa) a Dissolution Event has occurred, is continuing and has not been waived, or if following such payment or distribution a Dissolution Event would occur: or
 - (bb) the Financial Covenants are breached or will be breached if calculated immediately following such payment or distribution.
- (xii) such other covenants deemed necessary by the Joint Lead Arrangers and the Solicitors for compliance with the SC's Trust Deeds Guidelines as applicable and/or other applicable SC Guidelines;

(E) Reporting Covenants : Reporting covenants shall include but not be limited to the following:

The Issuer and/or ABHC shall immediately notify the Delegated Trustee if the Issuer and/or ABHC becomes aware—

- (a) of any Event of Default/Dissolution Event;
- (b) of the happening of any event that has caused or could cause, one or more of the following:
 - (i) any amount payable under the Sukuk Wakalah to become immediately payable; or
 - (ii) the Sukuk Wakalah to become immediately enforceable; or
 - (iii) any other right or remedy under the terms, provisions or covenants of the Sukuk Wakalah or the Transaction Documents to become immediately enforceable;
- (c) of any circumstance that has occurred that would materially prejudice the Issuer and/or ABHC (where applicable) or any security included in or created by the Sukuk Wakalah or the Transaction Documents (where applicable);
- (d) of any substantial change in the nature of the business of the Issuer and/or ABHC (where applicable);
- (e) of a change in the name of ABHC (where applicable);
- (f) of any cessation of liability of ABHC (where applicable) for the payment of the whole or part of the moneys for which they were liable under the Kafalah Agreement;
- (g) of any change in withholding tax position;
- (h) of any change in the utilisation of proceeds from the Sukuk Wakalah Programme; and

- (i) of any other matter that may materially prejudice the interests of the Sukukholders.
- (u) **Provision on buy-back and early redemption of Sukuk Wakalah** : **Early redemption**
Early redemption is not allowed.
- Buy-back**
Any sukuk repurchased, bought back or redeemed by the Issuer or any of its subsidiaries must be cancelled and cannot be resold.
- (v) **Other principal terms and conditions for the issue** :
- (A) **Status** : The Sukuk Wakalah will constitute direct, unconditional, unsecured and unsubordinated obligations of the Issuer and shall at all times rank pari passu, without discrimination, preference or priority amongst themselves and at least pari passu with all other present and future unsecured and unsubordinated obligations of the Issuer, subject to those preferred by law and the Transaction Documents.
- The Kafalah Agreement shall constitute direct, unconditional and unsecured obligations of ABHC and shall at all times rank pari passu with all other present and future unsecured and unsubordinated obligations of ABHC, subject to those preferred by law.
- (B) **Redemption** : Unless previously purchased and cancelled, the Sukuk Wakalah shall be redeemed at the face value in full by the Issuer on maturity.
- (C) **Compensation for late and/or default payments** : In the event of overdue payments of any amount due under the Sukuk Wakalah Programme, the Issuer/Wakeel shall pay the compensation on such overdue amount for the breach of its fiduciary duty due to its failure to distribute the realised profit to the Sukukholders on the agreed date at the rate and manner prescribed by the Shariah Advisory Council ("**SAC**") of the SC from time to time in accordance with the principles of Shariah.

- (D) Purchase and Cancellation** : The Issuer may at any time purchase the Sukuk Wakalah at any price in the open market or private treaty, but these purchased Sukuk Wakalah shall be cancelled and cannot be re-sold.
- (E) Taxation** : All payments by the Issuer and ABHC shall be made without withholding or deductions for or on account of any present or future tax, duty or change of whatsoever nature imposed or levied by or on behalf of Malaysia or KSA as applicable, or any other applicable jurisdictions, or any other 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.
- (F) Governing Laws** : (a) The laws of Malaysia in relation to the following agreements:
- (i) Declaration of Trust;
 - (ii) Trust Deed;
 - (iii) Programme Agreement;
 - (iv) Wakalah Agreement;
 - (v) Investment Management Agreement;
 - (vi) Subscription Agreement; and
 - (vii) Securities Lodgement Form.
- (b) The laws of the KSA in relation the following agreements:
- (i) Kafalah Agreement;
 - (ii) Asset Purchase Agreement;
 - (iii) Ijarah Agreement;
 - (iv) Service Agency Agreement;
 - (v) Substitution Undertaking;
 - (vi) Asset Exchange Agreement; and
 - (vii) Purchase Undertaking.
- (G) Jurisdiction** Any dispute, controversy or claim arising out of or relating to the Transaction Documents stipulated under paragraph 2(v)(F)(a) above, or the breach, termination or invalidity thereof shall be

settled by arbitration in accordance with the Rules for Arbitration of Kuala Lumpur Regional Centre for Arbitration (Islamic Banking and Financial Services). The number of arbitrators shall be three. The place of arbitration shall be Kuala Lumpur, Malaysia.

Subject to the agreement of all parties to a dispute relating to the Transaction Documents stipulated under paragraph 2(v)(F)(a) above to waive settlement by way of arbitration as stated above, the parties pursuant to such waiver shall submit to the non-exclusive jurisdiction of the courts of Malaysia in relation to the Transaction Documents stipulated under paragraph 2(v)(F)(a) above.

In relation to the Transaction Documents stipulated under paragraph 2(v)(F)(b) above, the parties shall submit to the exclusive jurisdiction of the Committee for the Resolution of Securities Disputes and the Appeal Panel in the KSA.

(H) Finance Service Reserve Account (FSRA)

: The Issuer will open and maintain a Shariah-compliant bank account, which shall be solely operated by the Delegated Trustee with a bank acceptable to the JLAs and ensure that at all times throughout the tenure of the Sukuk Wakalah Programme for each series of the Sukuk Wakalah the balance therein is maintained in the following manner ("**Minimum Required Balance**"):

1) For the profit

At least equivalent to the profit amount payable under the Sukuk Wakalah within the next six (6) months; and/or

2) For the principal

The following principal portion for:

Month(s) before the relevant Maturity Date	Principal amount of the Sukuk Wakalah (%)
3	25
2	50
1	100

The balance in the FSRA, if any, may be withdrawn to make the principal and the profit payments under the Sukuk Wakalah and in the event of such withdrawal any shortfall from the Minimum Required Balance must be topped up within thirty (30) days of the shortfall. Any failure on the part of the Issuer to top up any shortfall in the Minimum Required Balance within the said thirty (30) days' period shall constitute an Event of Default/Dissolution Event under the Transaction Documents and the Sukuk Wakalah Programme.

The Minimum Required Balance shall be deposited into the FSRA in the above described manner. Funds held in the FSRA shall be permitted to be invested in Permitted Investments, provided that:

- (a) such funds utilised for Permitted Investments shall, where necessary, be remitted back to the FSRA to meet any payment obligations of the Issuer at least five (5) days before such payment obligations are due and payable;
- (b) such Permitted Investments are to be held and not traded; and
- (c) shall be denominated in Ringgit Malaysia.

Permitted investments shall comprise shariah-compliant investment products approved by the SC's SAC, BNM's SAC and/or other recognised Shariah authorities. Permitted Investments are as follows:

- (a) Shariah-compliant bankers acceptance, bills and other money market instruments by licensed

financial institutions with a short-term rating of P1 and a minimum long-term rating of AA₃(s), or their equivalent;

- (b) Mudharabah, wadiah and other deposits under Shariah principles with licensed financial institutions with a short-term rating of P1 and a minimum long-term rating of AA₃(s), or their equivalent in Malaysia;
- (c) Shariah-compliant treasury bills, money market instruments, and other debt instruments issued by BNM or the Government of Malaysia (“**GOM**”);
- (d) Shariah-compliant debt securities issued by quasi-government or government related entities with a short-term rating of P1 and a minimum long-term rating of AA₃(s), or their equivalent, or debt securities guaranteed by GOM;
- (e) Sukuk issued by corporations with a short-term rating of P1 and a minimum long-term rating of AA₃(s), or their equivalent, or by financial institutions or guaranteed by licensed financial institutions with a short-term rating of P1 and a minimum long-term rating of AA₃(s), or their equivalent;
- (f) Shariah-compliant principal protected investments and deposits with entities majority-owned by the Minister of Finance or the Government of Malaysia; and
- (g) any Shariah-compliant fund approved by the SC which invests in any of the instruments above.

(I) Investment Management Agreement

Pursuant to an Investment Management Agreement between the Issuer in its capacity as Wakeel to the Sukukholders, and the Investment Manager, the Sukuk Proceeds of the Sukuk Wakalah will be applied by the Issuer through the

Investment Manager to invest into a portfolio of assets to be purchased from the Identified Subsidiary of ABHC. These assets will then be leased to the Identified Subsidiary of ABHC pursuant to the Ijarah Agreements for a pre-determined rental amount and tenure in accordance with the Investment Plan (as defined below).

The Ijarah Agreements are to be entered into substantially on the terms set out in the Investment Management Agreement and must be effective within two Business Days after its closing date.

The Investment Management Agreement provides that a minimum amount corresponding to 100% of the face amount of the Sukuk Wakalah outstanding must be invested in the portfolio of Ijarah investments comprising the Ijarah Agreements at all times, except: (i) during the above initial period necessary for entering into the Ijarah Agreements; (ii) during the period necessary for replacement of any expired or terminated Ijarah Agreements in accordance with the terms of the relevant Transaction Documents; or (iii) during the period necessary for replacement of Ijarah Agreements following the occurrence of a total loss in respect of the underlying Identified Assets in accordance with the terms of the relevant Transaction Documents.

The “**Investment Plan**” means the investment plan consisting of the following requirements for the Investment Manager: (i) to invest the Sukuk Proceeds into a portfolio of Ijarah Agreements which generates returns at least equal to the Periodic Distribution Amount for a period which is equal to or greater than the remaining duration of the Sukuk Wakalah which are outstanding at the time of the relevant investment; and (ii) to ensure satisfaction of the Underlying Value Conditions (as defined herein).

Pursuant to the Investment Management Agreement, the lessee under each Ijarah

Agreement must each be the Identified Subsidiary of ABHC.

The Investment Manager shall be entitled to replace and substitute the Ijarah Agreements which comprise the Sukuk Portfolio, provided that not less than 100% of the face amount of the Sukuk Wakalah outstanding must be invested in the Identified Assets.

At any time throughout the tenure of the Sukuk Wakalah, in the event that ABHC ceases to be the Investment Manager pursuant to its resignation or termination and a new investment manager is appointed to replace ABHC, then ABHC shall prior to its termination or resignation date notify the lessee of the Identified Asset under each Ijarah Agreement of such termination or resignation.

Note:

Underlying Value Condition means the following conditions to be met by the Investment Manager:

- (a) proper application of the Sukuk Proceeds in accordance with the Investment Management Agreement;*
- (b) proper monitoring and timely enforcement of the performance of each Identified Subsidiary of ABHC under each Ijarah Agreements; and*
- (c) ensuring that each such Ijarah Agreement remains in full force and effect whilst any Sukuk Wakalah remain outstanding.*

- (J) Ijarah Agreements** : The Investment Manager shall invest the Sukuk Proceeds on behalf of the Sukukholders into a portfolio of Ijarah investments comprising beneficial rights and interests, in and to, assets under the Ijarah agreements ("**Ijarah Agreements**") entered between the Investment Manager and the Identified Subsidiary of ABHC.

In the event of overdue payments of any rental amount due under the terms of the

Ijarah Agreements between the Investment Manager and the Identified Subsidiary of ABHC, the Identified Subsidiary of ABHC shall pay the compensation on such overdue amount on the agreed date at the rate and manner prescribed by the SAC of the SC from time to time in accordance with the principles of Shariah.

(K) Transaction Documents

: Includes standard documents for a programme of this nature but not limited to the following:

- (i) Declaration of Trust;
- (ii) Trust Deed;
- (iii) Programme Agreement;
- (iv) Wakalah Agreement;
- (v) Investment Management Agreement;
- (vi) Kafalah Agreement;
- (vii) Securities Lodgement Form;
- (viii) Asset Purchase Agreement;
- (ix) Ijarah Agreement;
- (x) Service Agency Agreement;
- (xi) Substitution Undertaking;
- (xii) Asset Exchange Agreement;
- (xiii) Subscription Agreement;
- (xiv) Purchase Undertaking; and
- (xv) 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 Wakalah Programme.

(L) Other Conditions

: The Sukuk Wakalah Programme shall at all times be governed by the guidelines issued and to be issued from time to time by the SC and/or BNM having jurisdiction over matters pertaining to the Sukuk Wakalah and the MyClear Rules and Procedures.

(M) Issue Price (RM)

: The Sukuk Wakalah may be issued at par or premium to the nominal value and the issue price shall be computed in accordance with the Operational Procedures for Securities Services issued by Malaysian Electronic Clearing Corporation Sdn Bhd (“MyClear”), as amended or substituted from time to time

(**"MyClear Procedures"**) Procedures.

(N) **Yield to maturity (%) ("YTM")** : The YTM of the Sukuk Wakalah shall be only determined at the point of issuance.

(O) **Form and Denomination** : The Sukuk Wakalah shall be issued in accordance with (1) the "Participation and Operation Rules for Payment and Securities Services issued by MyClear (**"MyClear Rules"**) and (2) MyClear Procedures, or their replacement thereof (collectively the **"MyClear Rules and Procedures"**) applicable from time to time and subject to such exemptions (if any) granted from time to time.

Each Sukuk Wakalah shall be represented by a global certificate to be deposited with BNM, and is exchanged for definitive bearer form only in certain limited circumstances. The denomination of the Sukuk Wakalah shall be RM1,000 or in multiples of RM1,000 at the time of issuance or such other denomination agreed between the Issuer and the Facility Agent at the time of issuance.

The Sukuk Wakalah may be issued in multiples of RM1,000 but subject to the MyClear Rules and Procedures and other standard conditions.

(P) **Minimum level of subscription (RM or %)** : The minimum level of subscription for each issue under the Sukuk Wakalah Programme that is not issued on a bought deal basis or direct placement (which shall be fully subscribed) shall be 10% of the size of a particular issue. The issue will be aborted should the actual level of subscription be less than the minimum level of subscription and any consideration received for the purpose of subscription must be immediately returned to the respective subscribers.

(Q) **Identified Assets** : The unencumbered Shariah-compliant tangible assets constituting the subject matter of the Ijarah Agreements will be identified and endorsed by the Shariah Adviser prior to each issuance.

Any real property assets (which shall form part of the Identified Assets) that are currently tenanted shall be available to be leased under the Ijarah Agreements only for a period that is not more than or equal to the existing lease / tenancy period.

For the avoidance of doubt, as long as any series of the Sukuk Wakalah remains outstanding, the Identified Assets under the Ijarah Agreements in respect of that series shall not be used as assets for any other Sukuk Wakalah unless the outstanding Sukuk Wakalah are redeemed.

**(R) Purchase and
Sale Price/
Rental**

: Asset Purchase Price

To be determined prior to issuance. The Asset Purchase Price shall fully comply with the asset pricing requirement stipulated under paragraph 8.02 of the Sukuk Guidelines issued by the SC as may be amended from time to time.

Selling Price

Not applicable

Rental

To be determined prior to issuance of the Sukuk Wakalah.

**(S) Material Adverse
Effect**

: Material Adverse Effect means a material adverse effect on:-

- (a) the business or financial condition, prospects, results of operations or general affairs or profitability of the Issuer, ABHC or the Group taken as a whole; or
- (b) the ability of the Issuer and/or ABHC to perform its obligations under any of the Transaction Documents and/or any Sukuk Wakalah;
- (c) the legality, validity or enforceability of any of the Transaction Documents and/or any Sukuk Wakalah and/or the rights or remedies of:-
 - (i) in the case of the Transaction Documents any party thereto

other than the Issuer and/or ABHC; or

- (ii) in the case of any Sukuk Wakalah, the Delegated Trustee or any Sukukholder.

For the avoidance of doubt, Group shall include ABHC, the holding companies of ABHC (if any) and the subsidiaries of ABHC or any such holding company for the time being.

(T) Purchase Undertaking

: A Purchase Undertaking is granted to the Investment Manager by the Identified Subsidiary of ABHC. The Identified Subsidiary of ABHC will be required to purchase the Identified Assets from the Investment Manager via a sale and purchase agreement at the following Dissolution Distribution Amount:

- (a) on the Maturity Date at the nominal value of the Sukuk Wakalah plus the accrued and unpaid Periodic Distribution Amount to such date; or
- (b) upon the occurrence of a Dissolution Event at the nominal value of the Sukuk Wakalah plus the accrued and unpaid Periodic Distribution Amount to such date,

whichever is earlier.

(U) Kafalah Agreement

: ABHC shall irrevocably and unconditionally guarantee the full payment of:

- (a) the Periodic Distribution Amount due on every profit payment date; and
- (b) the Dissolution Distribution Amount (as defined in paragraph 2(v)(T) above) due:
 - (i) on the Maturity Date; or
 - (ii) upon the occurrence of a Dissolution Event pursuant to

a non-payment of the
Dissolution Distribution
Amount under the Wakalah
Agreement which arises from
non payment under the
Purchase Undertaking,

whichever is earlier.

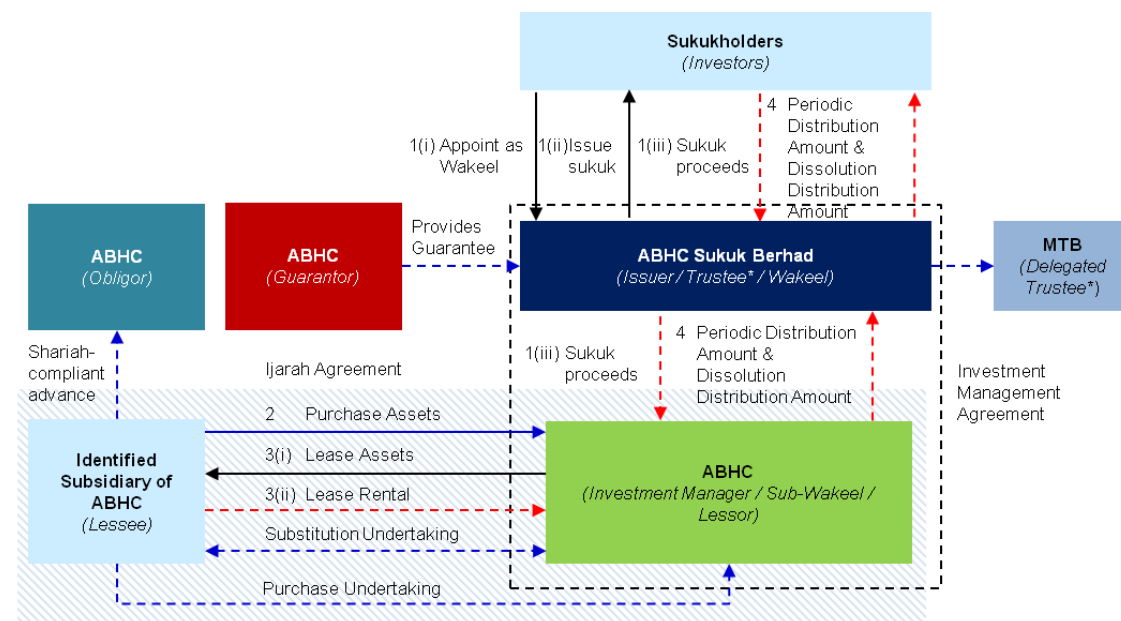
The Kafalah Agreement is a continuing guarantee of ABHC pursuant to which ABHC has undertaken that if, and each and every time that, the Issuer fails to make any payments due in respect of the Sukuk Wakalah (including any and all payments of Periodic Distribution Amounts and Dissolution Distribution Amounts) it will, on demand and without requiring any steps to be taken against the Issuer, pay such amounts to the Sukukholders or the Delegated Trustee (on behalf of the Sukukholders). Any enforcement of the terms of the Kafalah Agreement to guarantee any payment of the relevant Periodic Distribution Amount on any periodic payment date during the tenure of the Sukuk Wakalah shall not by itself result in a Dissolution Event.

The Kafalah Agreement will also be enforced if there is any shortfall or non payment of the Dissolution Distribution Amount or the accrued and unpaid Periodic Distribution Amount due to the Sukukholders in the Event of Default/Dissolution Event.

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Annexure 1

Sukuk Structure



No	Structure and Mechanism	Main Documents
1	<p>Pursuant to a Wakalah Agreement between the Investors (“Sukukholders”) and ABHC Sukuk Berhad (“Issuer”), the Sukukholders will appoint the Issuer to act as its agent (“Wakeel”) to invest the cash proceeds provided by the Sukukholders (“Sukuk Proceeds”) as consideration for the sukuk issued to the Sukukholders by the Issuer.</p> <p>Pursuant to a declaration of trust (“Declaration of Trust”), the Issuer in its capacity as the trustee will declare a trust over, amongst others, the Sukuk Proceeds, any Shariah-compliant tangible assets as approved by HLISB Shariah (“Identified Assets”) to be acquired using the Sukuk Proceeds and any rentals received pursuant to any lease of the Identified Assets (“Wakalah Trust Assets”).</p> <p>The Issuer in its capacity as Wakeel to the Sukukholders, shall enter into an investment management agreement (“Investment Management Agreement”) with ABHC (“Investment Manager”) to appoint ABHC as the sub-agent of the Sukukholders (“Sub-Wakeel”) and the Investment Manager shall invest the Sukuk Proceeds on behalf of the Sukukholders.</p>	<p>Wakalah Agreement</p> <p>Declaration of Trust</p> <p>Investment Management Agreement</p>

No	Structure and Mechanism	Main Documents
2	The Sukuk Proceeds received shall, from time to time, be applied by the Investment Manager to purchase the beneficial rights and interests of the Identified Assets pursuant to purchase agreements entered between ABHC and Dar Al Bayan Real Estate Development and Services Company and/or other subsidiaries of ABHC identified subsequent to each issuance of the Sukuk Wakalah (the "Identified Subsidiary of ABHC").	Asset Purchase Agreement
3(i)	The Investment Manager shall then lease the Identified Assets to the Identified Subsidiary of ABHC for a pre-determined rental amount and tenure pursuant to the Ijarah agreements (the "Ijarah Agreements").	Ijarah Agreement
3(ii)	On a periodic basis, the Investment Manager shall collect the rental payments due under the Ijarah Agreements from the Identified Subsidiary of ABHC and deliver such amounts to the Issuer.	
4	The Issuer shall deliver such amounts to meet the relevant periodic payment amount ("Periodic Distribution Amount") due to the Sukukholders under the Sukuk Wakalah.	
	Pursuant to a substitution undertaking ("Substitution Undertaking") entered into between the Identified Subsidiary of ABHC and the Investment Manager, the Identified Subsidiary of ABHC undertakes to grant to the Investment Manager the right to sell, transfer and convey its interests, rights, benefits and entitlements in and to the Identified Assets or any part thereof ("Substituted Lease Assets") to the Identified Subsidiary of ABHC, throughout the tenure of the Sukuk Wakalah or in the event of a total loss of the Identified Assets. Upon the exercise of the Substitution Undertaking by the Investment Manager, the Identified Subsidiary of ABHC will transfer and convey certain new assets ("Replacement Lease Assets") that are Shariah-complaint and approved by the HLISB Shariah to the Investment Manager on the condition that such Replacement Lease Assets will be capable of being leased and of a value which is at least equal to the Investment Manager's original acquisition value of the Substituted Lease Assets. The Replacement Lease Assets shall form part of the Identified Assets.	Substitution Undertaking & Asset Exchange Agreement
		Servicing Agency Agreement

No	Structure and Mechanism	Main Documents
	<p>The Identified Subsidiary of ABHC shall be appointed as the servicing agent ("Servicing Agent") by the Investment Manager in its capacity as the Lessor pursuant to the terms of a servicing agency agreement ("Servicing Agency Agreement") and will, amongst other things, be responsible, on behalf of the Investment Manager/Lessor, for the performance and/or maintenance and/or structural repair of the Identified Assets. The Servicing Agent shall also ensure that the takaful/insurance for the Identified Assets is sufficient for a covered/insured amount at least equivalent to the nominal value of the Sukuk Wakalah at all times and shall be responsible for the related payment of the relevant takaful contribution or insurance premium.</p> <p>If the Identified Subsidiary of ABHC fails to substitute the Identified Assets in the event of a total loss of the Identified Assets, the Servicing Agent shall make claims under the relevant takaful/insurance, receive the takaful/insurance proceeds and pay to the Investment Manager in its capacity as the Lessor. The Investment Manager shall then apply the takaful/insurance proceeds received to pay the Issuer, who will then pay the Dissolution Distribution Amount payable under the Sukuk Wakalah. Separately, the Ijarah Agreement will terminate and any unpaid rental will be due and payable which will be used to pay the accrued and unpaid Periodic Distribution Amount under the Sukuk Wakalah.</p> <p>On the Maturity Date of the Sukuk Wakalah ("Maturity Date") or upon the declaration of a Dissolution Event (as defined in paragraph 2(s) of the Principle Terms and Conditions), whichever is earlier, the Investment Manager will exercise the purchase undertaking ("Purchase Undertaking") granted by the Identified Subsidiary of ABHC whereby the Identified Subsidiary of ABHC will be required to purchase the Identified Assets from the Investment Manager at the Dissolution Distribution Amount (as defined in paragraph 2(v)(T) of the Principle Terms and Conditions).</p>	

No	Structure and Mechanism	Main Documents
	As a separate arrangement from the Wakalah Agreement, ABHC via a Kafalah Agreement (as defined in paragraph 2(v)(U) of the Principle Terms and Conditions) shall act as a guarantor (“ Guarantor ” or “ Kafeel ”).	Kafalah Agreement

Note:

- * *The Issuer’s role as initial trustee arises from its Declaration of Trust over the Wakalah Trust Assets in favour of the Sukukholders. A trustee company will also be appointed to act as trustee (the “**Delegated Trustee**”) over the Wakalah Trust Assets. The Delegated Trustee will effectively perform and discharge all the duties and obligations expressed to be performed by the Issuer as initial trustee. This is to ensure that there is no conflict of interest arising out of the Issuer’s role as initial trustee and to ensure that the interests of the Sukukholders are represented by an independent and professional trust company.*
- * *In the event of any conflict or disagreement on any matter between the Issuer as initial trustee and the Delegated Trustee, it is agreed that the decision of the Delegated Trustee shall prevail. The Delegated Trustee will also be able to perform and discharge all of its duties independent of the initial trustee, which includes the ability to determine whether a Dissolution Event/Event of Default has occurred.*

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