

(A) CORPORATE INFORMATION OF ISSUER

- (1) Name : Brecon Synergy Sdn Bhd ("BSSB" or the "Issuer")
- (2) Address : Registered address: No 24 & 25, Ground Floor Lorong Haruan 5/1 Oakland Commerce Square 70300 Seremban Negeri Sembilan Business address: Level 2, Gem In Mall Mutiara Ville Persiaran Sepang, Cyber 11 63000 Cyberjaya Selangor
- (3) Date of incorporation: 6 October 2015
- (4) Place of incorporation : Malaysia
- (5) Business registration: 1161345-M
number
- (6) Residence status : Resident Controlled Company
- (7) Place of listing : Not Listed
- (8) Date of listing : Not Listed
- (9) Principal activities : Providing education services and other facilities for study and research.
- (10) Issued and paid-up : **Issued and Paid-up Share Capital as at 31 May 2019**
share capital RM 79,000,660.00 comprising 822,000 ordinary shares and 11,600,000 preference shares.
- (11) Structure of : The shareholders and shareholding structure of the Issuer as at 31 May 2019 are
shareholdings and as follows:
names of
shareholders or, in
the case of a public
company, names of
all substantial
shareholders
- | Names of shareholders | No. of ordinary shares held | % |
|---|-----------------------------|-------|
| DBH Holdings Sdn Bhd ("DBH") | 782,000 | 95.0 |
| Datuk Wira Wang, Hsiu Ying ("Datuk Wira") | 40,000 | 5.0 |
| | 822,000 | 100.0 |

Note: Datuk Wira's shareholdings in the Issuer will be increased from 5.0% to 10.0% after the first issuance under the Sukuk Murabahah Programme.

Sukuk Murabahah Programme

Principal Terms and Conditions

(12) Board of directors :

No.	Name
1	Datuk Hoe Tze Fook
2	Datin Yap Chin Ngok

(13) Disclosure of the :
following

- (i) If the issuer or its board members have been convicted or charged with any offence under any securities laws, corporation laws or other laws involving fraud or dishonesty in a court of law, or if any action has been initiated against the issuer or its board members for breaches of the same, for the past ten years prior to the lodgement/ since incorporation (for issuer incorporated less than ten years) : No.
- (ii) If the issuer has been subjected to any action by the stock exchange for any breach of the listing requirements or rules issued by the stock : Not applicable.

Sukuk Murabahah Programme

Principal Terms and Conditions

exchange, for
the past five
years prior to
the lodgement

(B) CORPORATE INFORMATION OF GUARANTOR

- (1) Name : DBH Holdings Sdn Bhd ("DBH" or "Corporate Guarantor")
- (2) Address : Level 2, Gem In Mall, Mutiara Ville, Persiaran Sepang, Cyber 11, 63000 Cyberjaya, Selangor.
- (3) Date of incorporation: 16 October 2014
- (4) Place of incorporation : Malaysia
- (5) Business registration: 1113800-M
number
- (6) Residence status : Resident Controlled Company
- (7) Place of listing : Not Listed
- (8) Date of listing : Not Listed
- (9) Principal activities : Investment holding.
- (10) Issued and paid-up : **Issued and Paid-up Share Capital as at 31 May 2019**
share capital RM40,400,000.00 comprising 40,400,000 ordinary shares.
- (11) Structure of : The shareholders and shareholding structure of the Corporate Guarantor as at 31
shareholdings and May 2019 are as follows:
names of
shareholders or, in
the case of a public
company, names of
all substantial
shareholders

Name	No. of ordinary shares	%
Datuk Hoe Tze Fook	34,224,000	84.71
Datin Yap Chin Ngok	2,136,000	5.29
Datuk Loh Saw Foong	2,020,000	5.00
Dato' Chai Kim Sen	2,020,000	5.00
Total	40,400,000	100

Sukuk Murabahah Programme

Principal Terms and Conditions

(12) Board of directors :

No.	Name
1	Datuk Hoe Tze Fook
2	Datin Yap Chin Ngok
3	Datuk Loh Saw Foong
4	Dato' Chai Kim Sen
5	Lai Soon Yip

(13) Disclosure of the :
following

- (i) If the guarantor : No.
or its board
members have
been convicted
or charged with
any offence
under any
securities laws,
corporation
laws or other
laws involving
fraud or
dishonesty in a
court of law, or
if any action
has been
initiated against
the guarantor or
its board
members for
breaches of the
same, for the
past ten years
prior to the
lodgement/
since
incorporation
(for guarantor
incorporated
less than ten
years)

Sukuk Murabahah Programme

Principal Terms and Conditions

- (ii) If the guarantor : Not applicable.
has been
subjected to
any action by
the stock
exchange for
any breach of
the listing
requirements or
rules issued by
the stock
exchange, for
the past five
years prior to
the lodgement

(C) PARTIES TO THE TRANSACTION

(a) Origination

No.	Roles	Name of parties
1	Issuer	Brecon Synergy Sdn Bhd ("BSSB" or the "Issuer")
2	Financial Adviser	ZICO Capital Sdn Bhd
3	Principal Adviser	Maybank Investment Bank Berhad
4	Lead Arranger	Maybank Investment Bank Berhad ("Maybank IB" or the "PA/LA")
5	Solicitors	Adnan Sundra & Low
6	Shariah Adviser	ZICO Shariah Advisory Services Sdn Bhd
7	Sukuk Trustee	AmanahRaya Trustees Berhad ("ART")
8	Security Trustee	ART
9	Other-Financial Guarantor	Danajamin Nasional Berhad
10	Facility Agent	Maybank IB

(b) At the point of distribution

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Principal Terms and Conditions

No.	Roles	Name of parties
1	Issuer	BSSB
2	Lead Manager	Maybank IB
3	Facility Agent	Maybank IB
4	Central Depository	Bank Negara Malaysia ("BNM")
5	Paying Agent	BNM

(c) After distribution

No.	Roles	Name of parties
1	Issuer	BSSB
2	Principal Adviser	Maybank Investment Bank Berhad
3	Facility Agent	Maybank IB
4	Sukuk Trustee	ART
5	Security Trustee	ART
6	Central Depository	BNM
7	Paying Agent	BNM

(D) DETAILS OF FACILITY/PROGRAMME

(1) Name of facility : Sukuk Murabahah Programme

(2) One-time issue or programme : Programme

Sukuk Murabahah Programme

Principal Terms and Conditions

- (3) Shariah principles : 1. Murabahah (via Tawarruq arrangement)
(for sukuk)
- (4) Facility description : An Islamic medium term note ("**Sukuk Murabahah**") programme of up to
(for ringgit- RM450,000,000.00 in nominal value ("**Sukuk Murabahah Programme**") under the
denominated sukuk, Shariah principle of Murabahah (via a *Tawarruq* arrangement).
to provide
description as
cleared by the SC) The issuance of the Sukuk Murabahah from time to time under the Sukuk
Murabahah Programme shall be effected as follows:
- 1) Prior to the issuance of the Sukuk Murabahah, the Sukuk Trustee (on behalf of the holders of the Sukuk Murabahah ("**Sukukholders**")), shall enter into an agency agreement ("**Agency Agreement**") with BSSB to appoint BSSB as the agent of the Sukukholders (in such capacity, the "**Agent**") to purchase and sell the Commodities (as defined in *Other terms and conditions*).
- 2) The Agent will then appoint the Facility Agent as its sub-agent (in such capacity, the "**Sub-Agent**") to act as the sub-agent to purchase the Commodities and to sell the Commodities to the Issuer (as buyer for itself, and in such capacity, the "**Buyer**").
- 3) Pursuant to a commodity Murabahah master agreement ("**Commodity Murabahah Master Agreement**"), to be entered into between BSSB (in such capacity, the Buyer) with the Facility Agent as the Sub-Agent, BSSB (acting as the Buyer) shall issue a purchase order ("**Purchase Order**") to the Agent and the Sub-Agent with an irrevocable undertaking to purchase the Commodities from the Sukukholders at a Deferred Sale Price (as defined in *Other terms and conditions*).
- 4) Pursuant to the Purchase Order, the Sub-Agent via the Commodity Trading Participant ("**CTP**") (pursuant to a CTP purchase agreement entered into between the Sub-Agent and the CTP ("**CTP Purchase Agreement**")) will purchase the Commodities on a spot basis from commodity vendor(s) in the Bursa Suq Al-Sila' commodity market and/or such other independent commodity trading platform acceptable to the Shariah Adviser ("**Commodity Seller**"), at a purchase price, which shall be an amount equivalent to the Sukuk Murabahah ("**Purchase Price**"). The Purchase Price shall be in line with the asset pricing requirement stipulated under the Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework issued by the Securities Commission Malaysia ("**SC**") as may be amended and/or substituted from time to time ("**LOLA Guidelines**").
- The Purchase Price shall be payable to such Commodity Seller.
- 5) BSSB (acting as the Issuer) shall concurrently with item (4) above, issue Sukuk Murabahah to the Sukukholders whereby the proceeds thereof shall be used to pay the Purchase Price. The Sukuk Murabahah shall evidence, amongst other things, the Sukukholders' ownership of the Commodities and once the Commodities are sold to BSSB (acting as the Buyer), the Sukukholders' entitlement to receive the Deferred Sale Price. The Sukuk Murabahah may be issued at par or at a discount as may be agreed between the Issuer and the Lead Arranger prior to the issuance.
- 6) Upon acquiring the Commodities, the Sub-Agent shall pursuant to the undertaking under the Purchase Order thereafter sell the Commodities to BSSB (acting as the Buyer) for a price equivalent to the Deferred Sale Price under the commodities sale and purchase agreement (the "**Sale and Purchase Agreement**").

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7) Upon the purchase of the Commodities, BSSB (acting as the Buyer) will appoint the Facility Agent as its agent (in such capacity, the **"Selling Agent"**) to sell the Commodities to the Bursa Suq Al-Sila' commodity platform and/or other independent commodity platform, acceptable to the Shariah Adviser (**"Commodity Buyer"**). The Selling Agent shall, via the CTP (pursuant to a CTP sale agreement entered into between Selling Agent and the CTP (**"CTP Sale Agreement"**)) immediately sell the Commodities to the Commodity Buyer on a spot basis for cash, for an amount equal to the Purchase Price.

8) The Sukuk Murabahah shall be issued with periodic profit payments (**"Periodic Profit Payments"**). BSSB (acting as the Buyer) shall make Periodic Profit Payments forming part of the Deferred Sale Price, on a Periodic Profit Payment date to the Sukukholders during the tenure of the relevant Sukuk Murabahah and the final payment on the maturity date of the relevant Sukuk Murabahah.

On the Sukuk Murabahah maturity date or upon the declaration of an Event of Default (as defined in *Events of defaults or enforcement events, where applicable, including recourse available to investors*), whichever is earlier, the Issuer shall pay all amounts then outstanding on the Deferred Sale Price to the Sukukholders as final settlement of the same, subject to *Ibra'* (as defined in *Other terms and conditions*), and the relevant Sukuk Murabahah shall be cancelled.

9) Where the Sukuk Murabahah to be issued is to be guaranteed by Danajamin Nasional Berhad (**"Danajamin"**) or such other guarantor(s) to be mutually agreed between the Issuer and the Lead Arranger/Lead Manager prior to such issuance of Sukuk Murabahah, Danajamin and/or such other guarantor(s) shall provide an unconditional and irrevocable guarantee under the principle of Kafalah in favour of the Sukuk Trustee (acting on behalf of the Sukukholders) (**"Guarantee/Kafalah"**).

- | | | |
|--|---|--|
| (5) Currency | : | Ringgit |
| (6) Expected facility/
programme size | : | Up to MYR 450,000,000.00 |
| (7) Option to upsize (for :
programme) | : | No |
| (8) Tenure of facility/
programme | : | 15 year(s) |
| (9) Availability period for:
debt/ sukuk
programme | : | The Sukuk Murabahah may be issued at any time during the period commencing from the date of fulfilment of all the Conditions Precedent (as defined in <i>Conditions Precedent</i>), unless waived by the PA/LA, provided that the first issuance of the Sukuk Murabahah under the Sukuk Murabahah Programme shall be made within sixty (60) business days from the date of lodgement with the SC. |
| (10) Clearing and
settlement platform | : | Payments Network Malaysia Sdn Bhd ("PayNet"). |

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- (11) Mode of issue : ☒ Private/direct placement
☒ Bought deal
☒ Book building
- (12) Selling restrictions : (i) At issuance:
☒ Part 1 of Schedule 6 of the Capital Markets & Services Act, 2007 (CMSA)
☒ Part 1 of Schedule 7 of the CMSA
☒ Read together with Schedule 9 of CMSA
☒ Section 2(6) of the Companies Act 2016
☒ Other-Selling Restrictions at Issuance The Sukuk Murabahah may only be offered, sold, transferred or otherwise disposed directly or indirectly to persons falling within the relevant category of the persons specified in Section 2(6) of the Companies Act 2016 and persons to whom an offer or invitation to subscribe the Sukuk Murabahah may be made and to whom the Sukuk Murabahah are issued would fall within: 1. Part 1 of Schedule 6 or Section 229(1)(b) of the Capital Markets and Services Act 2007, as may be amended and/or substituted from time to time ("CMSA"); and 2. Part 1 of Schedule 7 or Section 230(1)(b) of the CMSA; read together with Schedule 9 or Section 257(3) of the CMSA.
(ii) After issuance:
☒ Part 1 of Schedule 6 of the CMSA
☒ Read together with Schedule 9 of CMSA
☒ Section 2(6) of the Companies Act 2016
☒ Other-Selling Restrictions After Issuance The Sukuk Murabahah may only be offered, sold, transferred or otherwise disposed directly or indirectly to persons falling within the relevant category of persons specified in Section 2(6) of the Companies Act 2016 and persons to whom an offer or invitation to subscribe the Sukuk Murabahah may be made and to whom the Sukuk Murabahah are issued would fall within Part 1 of Schedule 6 or Section 229(1)(b) of the CMSA read together with Schedule 9 or Section 257(3) of the CMSA.
- (13) Tradability and transferability : Size in Ringgit which are tradable and transferable:
MYR 450,000,000.00
Size in Ringgit which are non-tradable and non-transferable:
Not applicable
- (14) Secured/combinatio : Each Tranche of the Sukuk Murabahah issued under the Sukuk Murabahah
n of unsecured and Programme may or may not be secured. The Sukuk Murabahah which are secured
secured, if will be secured by such security/collateral to be granted by a security party
applicable ("Security Party") in favour of the Security Trustee as may be mutually agreed
between the Issuer and the PA/LA or the Financial Guarantor (if applicable) prior to
such issuance of Sukuk Murabahah under the Sukuk Murabahah Programme.

The first issuance of Sukuk Murabahah of up to Ringgit Malaysia Two Hundred
Million (RM200,000,000.00) in nominal value under the Sukuk Murabahah
Programme comprises of the following ("First Issuance"):

1. Tranche 1 of Sukuk Murabahah of up to Ringgit Malaysia One Hundred and
Sixty Million (RM160,000,000.00) in nominal value ("Tranche 1"); and

2. Tranche 2 of Sukuk Murabahah of up to Ringgit Malaysia Forty Million (RM40,000,000.00) in nominal value ("**Tranche 2**").

For Tranche 1:

Unsecured.

Danajamin shall provide an irrevocable and unconditional guarantee under the principle of Al-Kafalah which will be issued in favour of the Security Trustee (acting on behalf of the Sukukholders) to irrevocably and unconditionally guarantee the payment obligations of the Issuer for all principal payments under Tranche 1 of up to RM160.0 million in nominal value in aggregate and one (1) Periodic Profit Payment ("**Al-Kafalah Facility**").

For Tranche 2:

The Sukukholders of Tranche 2 and Danajamin (guarantor of Tranche 1) shall be secured by the following security (to be created by the Issuer or Security Party in favour of the Security Trustee) on pari-passu basis under a Security Sharing Agreement:-

(i) A legal assignment over the Issuer's rights, title, interest and benefits in and under the sale and purchase agreement entered into between the Issuer and SMD Real Estate Sdn Bhd (Company No. 1096561-P) ("**SMDRE**") dated 1 September 2018 (and any other supplemental agreement(s) entered or to be entered into thereafter) for the acquisition of such portion of land which includes King Henry VIII College ("**KH8**") and other building(s) erected thereon held under issue document of title Geran 335024, Lot No. 119169 located in Mukim Dengkil, District of Sepang, Negeri Selangor ("**Property**") ("**SPA**");

Upon issuance of the new title(s) pursuant to the subdivision of the Secured Properties (as defined herein):

(a) A first (1st) party first (1st) legal charge over the Property*. The Property is measured approximately ten (10) acres.

(b) A legal charge over such portion of land held under Geran 335024, Lot No. 119169 located in Mukim Dengkil, Daerah Sepang, Selangor whereupon the construction of proposed development of various components, including but not limited to stadium and training centres ("**Stadium Land**")*, shall be carried out. The Stadium Land is measured approximately ten (10) acres.

*The details are as per the master title for the Secured Properties. The new details for the Secured Properties will be updated upon issuance of the individual titles for the Secured Properties.

The Property and the Stadium Land shall collectively be referred to as the "**Secured Properties**".

(ii) A debenture incorporating a first (1st) ranking fixed and floating charge over all of the Issuer's present and future assets;

(iii) A legal assignment over the Issuer's present and future rights, title, interest and benefits in and under all insurance policies (inclusive of consequential loss policy, if any) required to be taken up by the Issuer for the Property and endorsement of the Security Trustee as co-insured and/or loss payee of such insurance policies;

(iv) A first (1st) ranking legal charge and assignment over the Issuer's rights, title, benefits, and interest in and under all the Designated Accounts (as defined in

Details of designated account(s), if applicable), which shall be opened by the Issuer together with an undertaking from the Issuer not to open or maintain any other bank accounts other than the relevant Designated Accounts;

(v) An irrevocable power of attorney granting full authority to the Security Trustee to deal with KH8 in accordance with the terms of the Security Sharing Agreement;

(vi) An irrevocable power of attorney granting full authority to the Security Trustee to deal with the Stadium Land in accordance with the terms of the Security Sharing Agreement;

(vii) An irrevocable and unconditional corporate guarantee of DBH Holdings Sdn Bhd (Company No. 1113800-M) ("**Corporate Guarantor**" or "**DBH**") in respect of the Issuer's payment obligations under the First Issuance and/or the Guarantee/Kafalah;

(viii) A joint and several irrevocable and unconditional personal guarantee ("**Personal Guarantees**") from:-

- (a) Datuk Hoe Tze Fook (NRIC No.670331-05-5325); and
- (b) Datin Yap Chin Ngok (NRIC No. 751122-14-5206),

(collectively referred to as the "**Personal Guarantors**" in relation to the Personal Guarantees),

in respect of the Issuer's payment obligations under the First Issuance and/or Guarantee/Kafalah and to subordinate all the advances and loans from the Personal Guarantors to the Issuer saved for the advances and loans that are allowed to be repaid/redeemed in accordance with the Permitted Distributions (as defined in Details of covenants). For the avoidance of doubt, the Personal Guarantees shall be binding upon the heirs and estates of the Personal Guarantors;

(ix) An irrevocable and unconditional letter of undertaking from Personal Guarantors to ensure the following:-

(a) make good any shortfall in payment obligations by the Issuer under the First Issuance and/or the Guarantee/Kafalah;

(b) to pay and/or top up any shortfall in respect of the Issuer's financial obligations ("**Financial Obligations**") falling due and payable to 1541 Limited ("**1541**") as provided in the collaboration agreement entered into between BSSB and 1541 on 7 April 2016 and the supplementary agreement dated 5 June 2019 to set up the operations of KH8 and all amenities, structures, fixtures and fittings on the Property which expression shall, where the context so admits, include any amendment(s) or variation(s) thereof and addition(s) thereto and any other instrument(s) executed supplemental thereto or in substitution thereof ("**Collaboration Agreement**") in the event the delay/postponement of such payment is necessary but not approved/agreed by 1541;

(x) An irrevocable and unconditional letter of undertaking from DBH to ensure the following:-

(a) to make good any shortfall in payment obligations by the Issuer under First Issuance and/or the Guarantee/Kafalah;

(b) to pay and/or top up any shortfall in respect of the Financial Obligations in the event the delay/postponement of such payment is necessary but not approved/agreed by 1541;

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(c) to do the necessary as the shareholder to ensure, including voting for, the declaration and/or payment of dividends and/or distribution to shareholders by its Principal Subsidiaries (as defined below);

(d) to do the necessary as the shareholder to ensure that the Principal Subsidiaries do not enter into any agreements that will restrict the distribution of any entitlements, including dividends, to the shareholder;

(e) to maintain its present shareholding (direct and/or indirect interest) in its Principal Subsidiaries;

“Principal Subsidiaries” means Seri Mutiara Development Sdn Bhd (Company No. 865885-D) (**“SMDSB”**) and Axisjaya Sdn Bhd (Company No. 656023-H) (**“Axisjaya”**) and at any time, any other subsidiary(s) of the Corporate Guarantor which contributes at least fifteen per cent (15%) to the Corporate Guarantor’s consolidated group revenue based on the latest available audited and consolidated financial statements of the Corporate Guarantor at the time.

(xi) A letter of undertaking from SMDRE to perform the necessary subdivision/segregation of the land title from the existing master title involving the Secured Properties at the relevant land office;

(xii) A letter of undertaking from the Issuer to, amongst others, do the necessary to perfect and register the charge over the new land titles for the Secured Properties in favour of the Security Trustee as part of the security under the First Issuance and/or Guarantee/Kafalah;

(xiii) A third party charge by DBH over its ordinary shares in the Issuer, SMDSB and Axisjaya;

(xiv) Deed of subordination subordinating all present and future advances and loan to the Issuer from its shareholders, directors and/or related companies as well as all present and future redeemable preference shares (**“RPS”**) in the Issuer (save and except for the advances, loan and RPS that are allowed to be repaid/redeemed in accordance with the Permitted Distributions and the Sukuk Murabahah Programme);

(xv) An irrevocable power of attorney granted by DBH in its capacity as the major shareholder, granting full authority to the Security Trustee to exercise the power of such shareholder to pass resolution(s) to remove the Issuer’s directors or officers who are convicted of indictable criminal offence; and

(xvi) Any other security arrangement as may be deemed necessary by the Lead Arranger/Lead Manager or the Financial Guarantor (if applicable) and/or its Solicitors.

For subsequent issuances

Each subsequent Tranche of the Sukuk Murabahah issued under the Sukuk Murabahah Programme may or may not be secured. Sukuk Murabahah which are secured will be secured by such security/collateral to be granted by a Security Party in favour of the Security Trustee as may be mutually agreed between the Issuer and the Lead Arranger/Lead Manager prior to such issuance of Sukuk Murabahah under the Sukuk Murabahah Programme.

(15) Details of guarantee, :
if applicable

Any Tranche of Sukuk Murabahah issued under the Sukuk Murabahah Programme may or may not be guaranteed. The guaranteed Sukuk Murabahah may be guaranteed by the Financial Guarantor or such other guarantor(s) (**“Guarantor”**) to

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be mutually agreed between the Issuer and the Lead Arranger/Lead Manager prior to such issuance of Sukuk Murabahah under the Sukuk Murabahah Programme.

Where any Tranche of the Sukuk Murabahah are to be guaranteed by the Guarantor, an irrevocable and unconditional guarantee shall be provided by the Guarantor in favour of the Sukuk Trustee (for and on behalf of the Sukukholders) whereby the Guarantor guarantees the proper and punctual payment by the Issuer of the Guaranteed Amounts and irrevocably and unconditionally undertakes, as a continuing obligation to the Sukuk Trustee (for and on behalf of the Sukukholders), that if for any reason and at any time and from time to time upon the declaration of an Event of Default the Issuer does not make payment of any amount of the Guaranteed Amounts, the Guarantor shall pay all the Guaranteed Amounts within thirty (30) business days upon receipt of the written demand delivered by the Sukuk Trustee.

“**Guaranteed Amounts**” refers to the payment obligation of the Issuer (which shall be the amount equivalent to the aggregate of the nominal value of the relevant Tranche of Sukuk Murabahah and the accrued but unpaid Periodic Profit Payments) as may be agreed between the Issuer and the Guarantor in relation to the Sukuk Murabahah.

For the avoidance of doubt, the Guaranteed Amounts shall not include *Ta'widh* (Compensation) (as defined in *Ta'widh*).

- (16) Convertibility of issuance and details of the convertibility : Non-convertible
- (17) Exchangeability of issuance and details of the exchangeability : Non-exchangeable
- (18) Call option and details, if applicable : No call option
- (19) Put option and details, if applicable : No put option
- (20) Details of covenants : Positive Covenants

The positive covenants typical and customary for transaction of this nature which shall include:

(i) the Issuer and where applicable, the Guarantor and/or Security Party(ies), shall promptly perform and carry out its obligations under all the Transaction Documents (as defined in *Other terms and conditions*) and ensure that it shall immediately notify the Sukuk Trustee in the event that it is unable to fulfil or comply with any of the provisions of the Transaction Documents;

(ii) the Issuer to promptly perform and carry out its obligations (including to comply

with all the covenants) under the Collaboration Agreement;

(iii) the Issuer shall procure a director or officers who are convicted of indictable criminal offence to be removed at the request of Sukukholders or the Financial Guarantor (if applicable);

(iv) the Issuer shall ensure the annual scholarship awarded do not exceed five per cent (5%) of the total student fees collected for the relevant year;

(v) the Issuer shall procure the valuation which is in compliance with the Asset Valuation Guidelines issued by SC (effective 3 August 2009) to be undertaken on the Secured Properties and where applicable, such other identified property(ies) to be mutually agreed between the Issuer and the Lead Manager prior to each issuance, every two (2) years from the date of first issuance of Sukuk Murabahah under the respective Tranche;

(vi) the Issuer shall preserve, renew and keep in force and effect all licenses, consents and rights necessary for the conduct of its business;

(vii) the Issuer, and where applicable, the Guarantor and the Security Party(ies) shall 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 Sukuk Murabahah;

(viii) the Issuer shall comply with any applicable laws and regulations and all circulars, conditions and guidelines issued by SC (including the provisions of the CMSA) from time to time;

(ix) the Issuer shall open and maintain the Designated Accounts and pay all amounts into such accounts and make all payments from such accounts only as permitted under the Transaction Documents and deliver to the Sukuk Trustee and the Security Trustee a copy of the quarterly statement of the Designated Accounts;

(x) the Issuer shall maintain a paying agent in Malaysia or its equivalent, who is based in Malaysia in respect of payments in relation to the Sukuk Murabahah Programme in accordance with the relevant laws and regulations;

(xi) the Issuer shall procure that the Paying Agent shall notify the Sukuk 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 (as defined in *Other terms and conditions*), the Transaction Documents and the terms and conditions of the Sukuk Murabahah;

(xii) the Issuer shall notify the Sukuk Trustee immediately in the event that the Issuer becomes aware of:-

(a) any Event of Default or, where applicable, any Credit Impairment Event (as defined in *Other terms and conditions*) or Trigger Event (as defined in *Other terms and conditions*);

(b) the happening of any event that has caused or could cause, one or more of the following:-

(i) any amount secured or payable under the Sukuk Murabahah to become immediately payable;

(ii) the Sukuk Murabahah to become immediately enforceable; or

(iii) any other right or remedy under the terms, provisions or covenants of the Sukuk Murabahah or the Trust Deed to become immediately enforceable;

(c) any circumstances that have occurred or may occur that would materially

prejudice the Issuer, the Guarantor (where applicable) or prejudice any security created pursuant to the Sukuk Murabahah or the Trust Deed or, where applicable, the Al-Kafalah Facility;

(d) any substantial change in the nature of the business of the Issuer or its Guarantor (where applicable);

(e) a change in the name of the Guarantors (where applicable);

(f) any change in the withholding tax position or taxing jurisdiction of the Issuer;

(g) any cessation of liability of the Guarantor (where applicable) for the payment of the whole or part of the moneys for which they were liable under the Guarantee/Kafalah;

(h) any change in the utilisation of proceeds from the Sukuk Murabahah where the Other terms and conditions or the information memorandum in respect of the Sukuk Murabahah Programme (if applicable) ("**Information Memorandum**") or any agreement entered into in connection with the issue, offer or invitation of the Sukuk Murabahah which sets out a specific purpose for which proceeds are to be utilised;

(i) any amendments to the terms of the Collaboration Agreement;

(j) any breach that may lead to termination of the Collaboration Agreement;

(k) any damage to the Property that will result in any inability to operate KH8;

(l) any change in the Issuer's board of directors;

(m) any other matter that may materially prejudice the interests of the Sukukholders or the Financial Guarantor;

(n) where applicable, any adverse material developments in connection with Christ College Brecon ("**CCB**"). Including but not limited to the suspension of CCB's right to carry on its business operation;

(xiii) the Issuer will exercise reasonable diligence in carrying out its business in a proper and efficient manner which shall ensure, among others, that all necessary approvals or relevant licences are obtained and maintained;

(xiv) the Issuer will procure and ensure that all present and future loans and/or advances granted to it by any of its director, shareholders or related companies as well as all present and future RPS in the Issuer will be subordinated to the Sukuk Murabahah and will not be repaid by way of principal or interest in whole or in part without prior consent of the Sukukholders or the Financial Guarantor (if applicable), save and except for the advances, loans and RPS that are allowed to be repaid/redeemed in accordance with the Permitted Distributions and the Sukuk Murabahah Programme;

(xv) the Issuer shall ensure that the terms in the Trust Deed do not contain any matter which is inconsistent with the provisions of the Information Memorandum (if any);

(xvi) the Issuer shall ensure that all the liabilities, present or future, of the Issuer (including tax) must be quantifiable and capable of being met out of resources available to it;

(xvii) where applicable, the Issuer shall at all times arrange for and maintain adequate insurance cover for the Secured Properties and where applicable, such other identified property(ies) to be mutually agreed between the Issuer and the

Lead Manager prior to each issuance with a reputable insurance company and the Issuer is to ensure that the Security Trustee is named as a co-insured and/or loss payee for the benefit of the Financial Guarantor (if applicable) and/or the Sukukholders;

(xviii) where applicable, the Issuer shall reply in writing to the Sukuk Trustee, within five (5) business days of a query by the Sukuk Trustee pertaining to any material development or news affecting the Issuer and the Issuer shall confirm upon due enquiry, that such development or news has no Material Adverse Effect (as defined below) on the Issuer's finances or business or the Sukukholders' security position;

(xix) the Issuer shall promptly give to the Sukuk Trustee and/or the Financial Guarantor and/or the Sukukholders any information which the Sukuk Trustee and/or the Financial Guarantor and/or the Sukukholders, as the case may be, may reasonably require in order to discharge its duties and obligations under the trust deed and the Transaction Documents relating to the Issuer's affairs to the extent permitted by law;

(xx) the Issuer shall keep proper books and accounts at all times, shall provide the Sukuk Trustee, the Financial Guarantor and any person appointed by it (e.g. auditors) access to such books and accounts to the extent permitted by law and shall permit the accounts, reports, notices, statements or circulars as provided by the Issuer to the Sukuk Trustee to be circulated by the Sukuk Trustee at its discretion to the Sukukholders, registered bondholders, investors who fall within Schedules 6 and 7 of the CMSA as well as credit rating agency (if any) of the Sukuk Murabahah;

(xxi) the Issuer shall notify the Sukukholders within fourteen (14) days after becoming aware of any litigation, arbitration, dispute, investigation, proceedings or claims in the Issuer;

(xxii) pay all of its taxes and other liabilities when due unless being contested in good faith pursuant to legal proceedings and adequate reserves with respect thereto have been established;

(xxiii) where applicable, the Issuer and, where applicable, the Guarantor shall grant the Sukuk Trustee access at any time in the form of meetings with the senior management of the Issuer and the Guarantor (being the rank of a Chief Financial Officer and above) to discuss any operational, financial or other aspects of the Issuer, the Guarantor and/or the Guarantee/Kafalah;

(xxiv) the Issuer shall comply at all times with the provisions of the Trust Deed and the terms and conditions of the Sukuk Murabahah at all times;

(xxv) the Issuer shall redeem or settle in full all outstanding Sukuk Murabahah in accordance with the terms and conditions of the Sukuk Murabahah; and

(xxvi) such other positive covenants as may be deemed necessary by PA/LA or the Financial Guarantor (if applicable) and/or advised by their Solicitors,

Negative covenants

The negative covenants typical and customary for transaction of this nature which shall include:

(i) the Issuer shall not allow any reduction in DBH's shareholding percentage in the Issuer save and except for shares to be issued to 1541 pursuant to the terms of the

Al-Kafalah Facility and the agreed allotment of shares to be issued to Datuk Wira to increase her shareholding from 5.0% to 10.0% of the enlarged share capital of BSSB;

(ii) the Issuer shall not permit any substantial change to its current direction and/or nature of business;

(iii) the Issuer shall not incur, assume, make, grant, lend, provide, extend or permit to exist any investments (save for the purpose of Permitted Investment (as defined in *Permitted investments, if applicable*), advances, loans, indebtedness (including but not limited to any financial obligations, preference shares or quasi equity), credit, guarantee, indemnity or assurance against loss to or for the benefit of any person, enterprise or company, or act as surety or otherwise voluntarily assume any liability, whether actual or contingent except the Sukuk Murabahah issued under the Sukuk Murabahah Programme, save for:

(a) such indebtedness not exceeding Ringgit Malaysia Five Million (RM5,000,000) in aggregate, to procure property, equipment and vehicles, which are for the usage of KH8 and in the ordinary course of business of the Issuer or to replace ageing or obsolete assets;

(b) such investments are meant for the operation of KH8 and in the ordinary course of business of the Issuer and fund through subordinated instruments such as RPS and/or shareholders' advances which are subordinated to the Sukuk Murabahah; or

(c) such amounts are relating to the advances/financings from directors, shareholders or related companies or RPS which are subordinated to the Sukuk Murabahah.

(iv) the Issuer shall not incur intercompany advances to its directors, shareholders or any related companies;

(v) the Issuer shall not assign, surrender, transfer or relinquish or otherwise dispose of any or all of its rights and interests or transfer its obligations under the Sukuk Murabahah and the Transaction Documents (including the Collaboration Agreement);

(vi) the Issuer shall not undertake or permit any amalgamation, merger, consolidation, reconstruction or winding up or sell, transfer, encumber, lease (other than operating lease), discount or otherwise dispose of or in any case cease to exercise control over, whether by single transaction or a number of transactions, related or not, any part of the Issuer's present or future property, business, assets, revenue and undertakings save for such disposal not exceeding Ringgit Malaysia Five Million (RM5,000,000.00) in aggregate, to procure property, equipment and vehicles which are for the usage of KH8 and in the ordinary course of business of the Issuer or to replace ageing or obsolete assets;

(vii) the Issuer shall not add to, delete, vary or permit any amendment, supplement or variation to its constitution/Memorandum and Articles of Association in any manner which would be may be materially prejudicial to the interests of debenture or Sukukholders and inconsistent with the terms of the Transaction Documents and the Guarantee/Kafalah;

(viii) the Issuer shall not add to, delete, permit any amendment, supplement or variation to the Collaboration Agreement in any manner;

(ix) the Issuer shall not terminate the Collaboration Agreement without the consent from the Sukuk Trustee (acting on behalf of the Sukukholders) and/or the Financial

Guarantor (if applicable);

(x) the Issuer shall not enter into any other agreements with 1541, save and except for the Collaboration Agreement;

(xi) the Issuer shall not save as disclosed in writing to the Sukuk Trustee, enter into any transaction, whether directly or indirectly, with any person, firm or company except in the ordinary course of business on ordinary commercial terms and on the basis of arm's length arrangements or establish any exclusive purchasing or sales agency, or enter into any transaction whereby the Issuer might pay more than the ordinary commercial price for any purchase or might receive less than the full school fees/other relevant fees (subject to normal school discounts and scholarships) for its school fees/other relevant fees;

(xii) the Issuer shall not create or permit to exist over all or any part of its business or assets any security interest (other than those permitted under the Transaction Documents and those disclosed to the Sukuk Trustee in writing);

(xiii) the Issuer shall not, save in connection with the corporate reorganization in relation to the listing of the Issuer, its holding company and its direct and indirect subsidiaries and related corporations, reduce or in any way whatsoever alter (other than by way of an increase) its issued share capital and/or issued shares in existence whether by varying the amount, structure or value thereof or the rights attached thereto or convert any of its share capital into stock or by consolidating, dividing or subdividing all or any of its shares;

(xiv) the Issuer shall not, unless in its ordinary course of business, on arm's length basis and disclosed in writing, enter into any partnership, profit-sharing or royalty agreement or other arrangement of whatsoever nature whereby the Issuer's income or profits are, or might be, shared with any other person, firm or company or enter into any management contract or similar arrangement of whatsoever nature whereby the Issuer's business or operations are managed by any other person, firm or company save and except for the profit sharing arrangement between the Issuer and 1541 pursuant to the Collaboration Agreement;

(xv) the Issuer shall not carry on any other business activities other than those permitted under its constitutional documents;

(xvi) the Issuer shall not enter into, amend or terminate any agreements (inclusive of the Collaboration Agreement) with terms which will have an adverse effect on the Issuer's ability to observe or perform any of its obligations under the Transaction Documents;

(xvii) the Issuer shall not change the utilisation of proceeds of the issue of the Sukuk Murabahah where the Information Memorandum (if any) or any agreement entered into in connection with the issue, offer or invitation of the Sukuk Murabahah sets out a specific purpose for which proceeds are to be utilised;

(xviii) the Issuer shall not do or suffer to be done any act, matter or thing whereby any assigned insurances may be rendered void, voidable or incapable of being effected, maintained or renewed;

(xix) the Issuer shall not pay any amount of dividends to the shareholders and/or repayment of any advances owing to shareholders, directors and/or related companies and/or payment of dividends and redemption of RPS during the tenure of the Sukuk Murabahah ("**Permitted Distributions**") unless-

(a) No Event of Default or where applicable, Credit Impairment Event has occurred and is continuing or may occur before and after such payment;

(b) Principal repayment under the Sukuk Murabahah has commenced (or alternatively, such amounts to meet the first principal repayment due has been fully set aside in the FSRA (as defined in *Details of designated account(s), if applicable*));

(c) No outstanding shortfall in respect of BSSB's financial obligations falling due and payable to 1541;

(d) The Operational FSCR (as defined hereinafter) has been complied, as supported by certification of the Issuer's auditors based on the latest audited accounts of the Issuer;

(e) The Permitted Distribution FSCR (as defined hereinafter) has been complied as supported by certification of the Issuer's auditors based on the latest audited accounts of the Issuer;

are met at the time of the proposed payment;

(xx) the Issuer shall not enter into a transaction, whether directly or indirectly with interested persons (including a director, major shareholders and chief executive) unless:

(a) such transaction shall be on terms that are no less favourable to the Issuer than those which could have been obtained in a comparable transaction from persons who are not interested persons;

(b) with respect to transactions involving an aggregate payment or value equal to or greater than Ringgit Malaysia Five Million (RM5,000,000.00), the Issuer shall obtain certification from an independent adviser that the transaction is carried out on fair and reasonable terms;

PROVIDED THAT the Issuer certifies to the Sukuk Trustee that the transaction complies with paragraph (a) above, that the Issuer has received the certification referred to in paragraph (b) (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;and

(xxi) such other negative covenants as may be deemed necessary by PA/LA and/or the Financial Guarantor (if applicable) and/or advised by their Solicitors.

Financial Covenants

The Issuer shall maintain a financial service cover ratio of:-

(i) Operational Financial Service Cover Ratio ("**FSCR**") of at least 1.25 times throughout the tenure of the Sukuk Murabahah Programme;

(ii) Permitted Distribution FSCR of at least 2.0 times.

The Operational FSCR and Permitted Distribution FSCR shall be computed as follows:-

(i) Operational FSCR

Net cashflows from operating activities for the past twelve (12) months period plus cash brought forward / total financial services (including the Guarantee/Kafalah fee) for the past twelve (12) months.

(ii) Permitted Distribution FSCR

Net cashflows from operating activities for the past twelve (12) months period in the past twelve (12) months plus cash brought forward (excluding the FSRA

Requirements (as defined below)) less the Permitted Distribution/ total financial service (including Guarantee/Kafalah fee) for the next twelve (12) months.

For avoidance of doubt, the first (1st) computation of the Operational FSCR and Permitted Distribution FSCR shall commence after the first full financial year following the first issuance of the Sukuk Murabahah and on a yearly basis based on audited financial statements.

Information Covenants

The Issuer shall provide the Sukuk Trustee with the following:-

(i) as soon as they become available (and in any event within one hundred and eighty (180) days after the end of each financial years or such other period to be agreed between the Issuer and the Sukuk Trustee), copies of the Issuer's audited financial statements for that financial year which shall contain an income statement, a balance sheet and a cashflow statement audited and certified by a firm of independent auditors acceptable to the Sukuk Trustee, and/or the Financial Guarantor (if applicable) and duly certified by any one of its directors;

(ii) as soon as they become available (and in any event within ninety (90) days after the end of the first half of each financial years or such other period to be agreed between the Issuer and the Sukuk Trustee), copies of the Issuer's unaudited half yearly financial statements for that period which shall contain a balance sheet, a profit and loss statement and a cashflow statement, together with a certificate jointly signed by the Chief Executive Officer and the Finance Director or Chief Financial Officer or the person primarily responsible for the financial management of the Issuer to the effect that such financial statements present a true and fair view;

(iii) upon request, information relating to the students' enrolment including but not limited to the number of students enrolled (including boarding students and with breakdown into existing, addition/enrolled and attrition/dropout) based on each year group, total school fees and other relevant fees collected and the proportion of the students in terms of their country of origin ("**Enrolment List**") and student exam results performance in iGCSE and A-Level (when relevant). Submission of the Enrolment List shall be duly certified by at least one (1) director of the Issuer;

(iv) not later than sixty (60) business days prior to each financial year end or such other period to be agreed between the Issuer and the Sukuk Trustee, the Accepted Budget Report (as defined below) and annual cash flow projection of KH8 (including projected Operational FSCR);

(v) promptly, provide such additional financial or other information required or deemed necessary from the Issuer to the Sukuk Trustee in a timely manner within the period specified by the Sukuk Trustee;

(vi) The Sukuk Trustee may at its sole and absolute discretion:

(1) verify the authenticity or validity of the information received by the Sukuk Trustee; and

(2) act, omit, refrain, defer or delay to act on any such information by reason of the Sukuk Trustee's exercises of its duties under the laws for the time being in force,

and the Sukuk Trustee shall not be liable for any loss or consequences of whatsoever nature arising from or due to events as described in paragraphs (1) and (2) above;

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(vii) promptly, provide all notices or other documents received by the Issuer from any of its shareholders or its creditors and a copy of any accounts, reports, notices, statements or circulars despatched or issued by the Issuer to its shareholders (or any class of them) in their capacity as shareholders or its creditors generally at the same time as these documents are despatched to these shareholders or creditors;

(viii) at least annually, (unless otherwise provided in the SC's Trust Deeds Guidelines (revised 12 July 2011 and effective 12 August 2011) ("**Trust Deeds Guidelines**")), a certificate confirming that the Issuer has complied with all its obligations under the Trust Deed, the Transaction Documents and the terms and conditions of the Sukuk Murabahah and that from the issue date or the date of the previous certificate, as the case may be, there is no or has been no Event of Default or enforcement, where applicable, and that, if such is not the case, to specify the same; and

(xi) such other information covenants as may be deemed necessary by PA/LA and/or the Financial Guarantor (if applicable) and/or advised by their Solicitors.

For subsequent issuances:

Covenants applicable to subsequent issuances of the Sukuk Murabahah (if any) shall be determined and mutually agreed between the Issuer and the Lead Arranger/Lead Manager prior to such issuance under the Sukuk Murabahah Programme.

(21) Details of designated account, if applicable :

Name of account:
Disbursement Account

Parties responsible for opening the account:

The Disbursement Account will be opened and maintained by the Issuer.

Parties responsible for maintaining/operating account:

The Disbursement Account will be maintained/operated by: (i) prior to the occurrence of an Event of Default, the Security Trustee; and (ii) upon occurrence of an Event of Default, the Security Trustee.

Signatories to account:

The signatory to the Disbursement Account is:

(i) prior to the occurrence of an Event of Default, the Security Trustee; and

(ii) upon occurrence of an Event of Default, the Security Trustee.

Sources of funds:

The Issuer shall deposit or cause to deposit the following into the Disbursement Account: -

(i) proceeds raised from the issuance of the Sukuk Murabahah Programme, save and except for those to be utilised in accordance with the details on the utilisation of proceeds as stated in *Other terms and conditions* which may be paid directly to the relevant payees/accounts;

(ii) all proceeds from the Permitted Investments, including earnings therefrom arising out of the Disbursement Account; and

(iii) such other monies as may be credited by the Issuer, and DBH and/or the

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Personal Guarantors from time to time and as agreed by the Security Trustee.

Utilisation of funds:

Funds withdrawn from the Disbursement Account shall be utilised for the following purposes subject to documentary evidence satisfactory to the Security Trustee and no occurrence of Events of Default: -

(i) payment of the purchase price of the SPA.

(ii) payments of the fees and expenses in relation to the Sukuk Murabahah Programme and Guarantee/Kafalah payable by the Issuer (other than fees and expenses set out in the Operating Account (as defined below)) including but not limited to fees, costs, charges, expenses and liabilities incurred by, and all other amounts then due to the Financial Adviser/Principal Adviser/Lead Arranger, the Security Trustee, the Facility Agent, the Solicitors, the Financial Guarantor and any other professionals;

(iii) deposit of an amount equivalent to the Periodic Profit Payment falling due and payable in the next twenty four (24) months into the FSRA (as defined below) on the issue date of the First Issuance;

(iv) deposit of an amount equivalent to the Guarantee/Kafalah fee falling due and payable under the First Issuance in the next twenty four (24) months which shall be deposited into the FSRA on the issue date of the First Issuance; and

(v) for the Permitted Investments.

(22) Details of :
designated account,
if applicable

Name of account:
Collection Account

Parties responsible for opening the account:

The Collection Account will be opened and maintained by the Issuer.

Parties responsible for maintaining/operating account:

The Collection Account will be maintained/operated by: (i) prior to the occurrence of an Event of Default, the Security Trustee; and (ii) upon occurrence of an Event of Default, the Security Trustee.

Signatories to account:

The signatory to the Collection Account is:

(i) prior to the occurrence of an Event of Default, the Security Trustee; and

(ii) upon occurrence of an Event of Default, the Security Trustee.

Sources of funds:

The Issuer shall deposit or cause to deposit the following into the Collection Account: -

(i) all revenues, income and receivables, including cash flow received from the deposit, tuition fee, boarding school fee, ancillary fee and such any other fee to be received by the Issuer in relation to the Property and business operation of the Issuer;

(ii) insurance proceeds (where applicable);

(iii) all proceeds from the Permitted Investments, including earnings therefrom arising out of the Collection Account;

(iv) any excess funds from the FSRA; and

(v) any other monies received by and/or paid to the Issuer from time to time from the commencement of KH8's operation date onwards.

Utilisation of funds:

For so long as there is no declaration of an Event of Default which is continuing, funds withdrawn from the Collection Account shall be utilised in the following order of priority subject to documentary evidence satisfactory to the Security Trustee: -

(i) such amount necessary to meet the payment of any statutory obligations and/or taxes of the Issuer falling due and payable;

(ii) payments of the recurring fees and expenses in relation to the Sukuk Murabahah Programme and the Guarantee/Kafalah payable by the Issuer (other than fees and expenses set out in the Operating Account) including but not limited to fees, costs, charges, expenses and liabilities incurred by, and all other amounts then due to the Financial Adviser/Principal Adviser/Lead Arranger, the Security Trustee, the Facility Agent, the Solicitors, the Financial Guarantor and any other professionals;

(iii) contributions of funds to the Operating Account in accordance with the monthly allocation as provided in the Accepted Budget Report (as defined herein).

An "**Accepted Budget Report**" shall be prepared by the Issuer and submitted to the Security Trustee, not later than sixty (60) business days prior to each financial year end. The Accepted Budget Report should include details of the relevant operating and capital expenditure on a monthly basis.

The Accepted Budget Report may be revised or updated on a quarterly basis as may be deemed necessary by the Issuer provided that the variation/revision does not exceed five per cent (5%) of the total amount approved under the first (1st) Accepted Budget Report submitted for the relevant year ("**Total Amount Approved**"). Any variation/revision which exceeds five per cent (5%) of the Total Amount Approved will require consent from the Security Trustee.

The Accepted Budget Report shall be in form acceptable to the Security Trustee and submitted together with a certified true copy of the approval from the board of directors of the Issuer.

(iv) contributions to the Finance Service Reserve Account;

(v) payments in order to meet the Issuer's payment obligations falling due and payable under the Sukuk Murabahah Programme (including Guarantee/Kafalah fees);

(vi) payments in order to meet the Issuer's financial obligations falling due and payable under the Collaboration Agreement;

(vii) in relation to the application of the insurance proceeds/takaful claims and compensation, any claim of Ringgit Malaysia One Million (RM1,000,000.00) and below may be withdrawn by the Issuer to make good/repair the damage, loss and/or disrepair of the Property. Such withdrawals shall be made to the contractors/suppliers against supporting documents in the form and substance acceptable to the Security Trustee. Withdrawal of any claims above Ringgit Malaysia One Million (RM1,000,000.00) shall be at the discretion of the Security Trustee which shall not be unreasonably withheld;

(viii) repayment of advances owing to the shareholders, directors and/or related

companies, payment of dividends and redemption of the RPS where any such payments shall be subject to meeting the Permitted Distribution FSCR; and

(ix) for Permitted Investments.

The priority of payments set out above will only be applicable up to the time before the declaration of an Event of Default. Upon the declaration of an Event of Default, payments will be made in accordance with the instructions of the Security Trustee.

(23) Details of designated account, if applicable :

Name of account:
Operating Account

Parties responsible for opening the account:

The Operating Account will be opened and maintained by the Issuer.

Parties responsible for maintaining/operating account:

The Operating Account will be maintained/operated by: (i) prior to the occurrence of an Event of Default, the Issuer; and (ii) upon occurrence of an Event of Default, the Security Trustee.

Signatories to account:

The signatory to the Operating Account is:

(i) prior to the occurrence of an Event of Default, the Issuer; and

(ii) upon occurrence of an Event of Default, the Security Trustee.

Sources of funds:

The Issuer shall deposit or cause to deposit the following into the Operating Account: -

(i) remittance of funds from the Collection Account in accordance with the monthly allocation as provided in the Accepted Budget Report (subject to a variance of no more than five per cent (5%)); and

(ii) all proceeds from the Permitted Investments, including earnings therefrom arising out of the Operating Account.

Utilisation of funds:

Funds withdrawn from the Operating Account shall be utilised for the following: -

(i) withdrawals of such amount necessary to meet all operating expenses, management, repairs, service/maintenance and capital expenditure of KH8, as provided in the Accepted Budget Report; and

(ii) for Permitted Investments.

Notwithstanding the above, in the event the actual expenditure incurred for the relevant year is less than the total amount allocated in the Accepted Budget Report, the excess sum in the Operating Account shall be retained in the Operating Account and such sum shall form part of the amount to be utilised in the next Accepted Budget Report period. Such excess sum retained in the Operating Account shall be net-off against the succeeding contributions from the Collection Account to the Operating Account by the Security Trustee as provided in the next Accepted Budget Report.

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

Parties responsible for opening the account:
The FSRA will be opened and maintained by the Issuer.

Parties responsible for maintaining/operating account:
The FSRA will be maintained/operated by: (i) prior to the occurrence of an Event of Default, the Security Trustee; and (ii) upon occurrence of an Event of Default, the Security Trustee.

Signatories to account:
The signatory to the FSRA is:

- (i) prior to the occurrence of an Event of Default, the Security Trustee; and
- (ii) upon occurrence of an Event of Default, the Security Trustee.

Sources of funds:
The Issuer shall deposit and maintain or cause to deposit and maintain the following in the FSRA:

- (i) funds from the Collection Account in order to meet the **"FSRA Requirements"**:-
 - (a) an amount equivalent to the Periodic Profit Payments falling due and payable under the Sukuk Murabahah Programme in the next twenty four (24) months which shall be deposited into the FSRA on the issue date of the First Issuance.
 - (b) an amount equivalent to the Periodic Profit Payments falling due and payable under the Sukuk Murabahah Programme in the next six (6) months which shall be deposited into the FSRA in the twenty fourth (24th) month from the issue date of the First Issuance. Such amount shall be maintained throughout the tenure of the First Issuance;
 - (c) in addition to the requirement under (b) above and starting from the twenty fourth (24th) month of the issue date of the First Issuance, an amount equivalent to the immediate next six (6) months Periodic Profit Payment of all the outstanding Sukuk under the First Issuance falling due and payable under the First Issuance to be built-up as follows:-
 - an amount equivalent to one sixth (1/6) of the Periodic Profit Payments of the First Issuance shall be deposited into the FSRA on a monthly basis commencing on the preceding Periodic Profit Payment date of the First Issuance and the last one sixth (1/6) Periodic Profit Payment build-up shall be deposited into the FSRA one (1) month prior to the Periodic Profit Payment date of the First Issuance;
 - (d) an amount equivalent to the principal payment falling due and payable under the First Issuance in the next twelve (12) months shall be built-up as follows:-
 - an amount equivalent to one twelfth (1/12) of the principal payment of the First Issuance shall be deposited into the FSRA on a monthly basis commencing thirteenth (13th) month prior to the maturity date and the last one twelfth (1/12) principal payment build-up shall be deposited into the FSRA one (1) month prior to the principal payment date of the First Issuance;
 - (e) an amount equivalent to the Guarantee/Kafalah fee falling due and payable under the First Issuance in the next twenty four (24) months which shall be deposited into the FSRA on the first issue date of the First Issuance;

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(f) in addition to the requirement under (e) above and from twelfth (12th) month onwards, an amount equivalent to the Guarantee/Kafalah fee falling due and payable under the First Issuance in the next twelve (12) months to be built-up as follows:-

an amount of one twelfth (1/12) of the Guarantee/Kafalah fee due and payable under the Guarantee/Kafalah shall be deposited into the FSRA on a monthly basis commencing thirteenth (13th) month prior to the next Guarantee/Kafalah fee payment due date and the last one twelfth (1/12) Guarantee/Kafalah fee build-up shall be deposited into the FSRA one (1) month prior to the Guarantee/Kafalah fee due date;

(ii) all proceeds from the Permitted Investments, including earnings therefrom arising out of the FSRA.

Any shortfall in the FSRA Requirements must be topped-up by the Issuer, the Guarantor and/or from the Collection Account within seven (7) days from the date of receipt of notice from the Security Trustee to the Issuer, failing which an Event of Default shall be deemed to have occurred.

Utilisation of funds:

Funds withdrawn from the FSRA shall be utilised in the following order of priority: -

(i) payments in order to meet the Issuer's payment obligations in respect of any profit and principal payment falling due and payable under the Sukuk Murabahah;

(ii) payments in order to meet the Guarantee/Kafalah fee obligations in respect of guaranteed amount of each issuance of Sukuk Murabahah under the Guarantee/Kafalah; and

(iii) for Permitted Investments.

In the event that funds held in the FSRA exceed the FSRA Requirements, such excess funds shall be released to the Collection Account.

Additional Notes:

The Designated Accounts listed above are for the First Issuance.

For each subsequent issuance of Sukuk Murabahah, such other designated account(s) to be opened shall be determined and mutually agreed between the Issuer and the Lead Arranger/Lead Manager prior to such issuance under the Sukuk Murabahah Programme. The Issuer is to open and maintain such other designated accounts with a bank acceptable to the Lead Arranger/Lead Manager and the Security Trustee.

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

No.	Credit rating agency	Credit rating	Final/indicative rating	Name of Class/ Series/ Tranche	Amount rated
1	To be determined	To be determined	To be determined		MYR 0.00

Additional Notes:

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Each Tranche of the Sukuk Murabahah issued under the Sukuk Murabahah Programme may or may not be rated as the Issuer may decide, and shall be disclosed to the prospective investors prior to the issuance of such Tranche.

(26) Conditions precedent : **In respect of the establishment of the Sukuk Murabahah Programme and the First Issuance:**

Conditions precedent to the availability and the First Issuance shall include but is not limited to the following (all have to be in form and substance acceptable to the Lead Arranger/Lead Manager):-

- (i) completion of legal due diligence on the license/ certificates/agreements/ contracts/ (based on materiality threshold as determined during the due diligence process) and any other regulatory approvals of the Issuer in regards to the KH8 from the Solicitors addressed to the PA/LA;
- (ii) evidence that all relevant endorsement, approvals and acknowledgements including the Shariah Advisory Council of SC endorsement and acknowledgement in respect of the lodgement of the Sukuk Murabahah Programme from the SC, have been obtained;
- (iii) relevant consent from any existing financiers of the Issuer, if applicable;
- (iv) receipt of certified true copies of the following documents:-
 - (a) the Issuer's, the Corporate Guarantor's and/or Security Party(ies) certificate of incorporation, constitution, latest Forms 24, 44 and 49 (or the equivalent forms under the Companies Act 2016, as may be amended and/or substituted from time to time ("**CA**")); and
 - (b) the board of directors' resolution of the Issuer, the Corporate Guarantor's and/or Security Party(ies) authorising, amongst others, the establishment of the Sukuk Murabahah Programme, the entry into and execution of the Transaction Documents, the performance of its obligations under the Transaction Documents;
 - (v) a list of the Issuer's, the Corporate Guarantor's and/or Security Party(ies)' authorised signatories and their respective specimen signatures;
 - (vi) evidence that all relevant Transaction Documents have been executed and where applicable, stamped or endorsed as exempted from stamp duty;
 - (vii) receipt of a company search report on the Issuer, Corporate Guarantor and/or Security Party(ies) conducted at the Companies Commission of Malaysia ("**CCM**") which revealed that there are no other encumbrances which would adversely affect the security envisaged under the Transaction Documents;
 - (viii) receipt of copies of the National Registration Identity Card of each of the Personal Guarantors;
 - (ix) receipt of a winding-up search report on the Issuer, the Guarantor and/or Security Party(ies) with the Director General of Insolvency's office confirming that the Issuer has not been wound up;
 - (x) receipt of a bankruptcy search report on the Personal Guarantors with the Director General of Insolvency's office confirming that no bankruptcy orders have been issued against the Personal Guarantors;
 - (xi) evidence that the relevant Transaction Documents which contain a power of attorney clause have been presented to the High Court of Malaya for the

registration of the power of attorney therein contained;

(xii) evidence that all relevant notices of assignment in relation to the Transaction Documents have been served by the Issuer and the original acknowledgements have been returned by the relevant counterparties to the Security Trustee;

(xiii) receipt of documentary evidence that the Issuer has settled the differential amount between the SPA price and the financing amount;

(xiv) evidence that the Designated Accounts have been opened by the Issuer and mandates for operating such accounts are in accordance with the term herein;

(xv) receipt of certified true copy and duly executed SPA;

(xvi) receipt of certified true copy of the Collaboration Agreement duly executed;

(xvii) receipt of satisfactory legal opinion from the Solicitors confirming that all the Transaction Documents are legal, valid, binding and enforceable and a written confirmation from the Solicitors that all Conditions Precedent have been complied with unless waived;

(xviii) evidence that all fees, costs and expenses in relation to the Sukuk Murabahah Programme have been paid in full to the extent that the same are due and payable and/or evidence that arrangements have been made for all fees, costs and expenses in relation to the Sukuk Murabahah Programme to be paid;

(xix) where applicable, receipt of redemption statement cum letter of undertaking from the existing financier to discharge the charge over the Secured Properties, execute and deliver all documents relation to such discharge upon receipt of the full redemption sum;

(xx) evidence that all the necessary and relevant consents, approvals, licenses and certificates for the operation of business of KH8 have been obtained;

(xxi) The Lead Arranger has received documentary evidence that the conditions precedent under the Al-Kafalah Facility has been fulfilled and issued in the form and substance acceptable to the Lead Arranger (which is only applicable in respect of the First Issuance);

(xxii) receipt of valuation report(s) on the Secured Properties to be conducted by a professional valuer acceptable to the Financial Guarantor confirming (aa) the open market value of the Property shall not be less than Ringgit Malaysia Four Hundred Million (RM400,000,000.00) and (bb) the open market value of the Stadium Land shall not be less than Ringgit Malaysia Fifty Million (RM50,000,000.00). The date of the valuation report(s) must not be more than six (6) months old prior to the date of the First Issuance;

(xxiii) receipt of documentary evidence satisfactory to the Financial Guarantor in relation to the capitalisation of the existing shareholders' loan of at least RM75.0 million;

(xxiv) receipt of documentary evidence satisfactory to the Financial Guarantor in relation to the equity contribution (or such other form of financial commitment satisfactory to the Financial Guarantor) by 1541 in the Issuer of at least RM15.0 million and 1541 shall not reduce or dispose such shareholding/financial commitment in the Issuer as long as the Guarantee/Kafalah remains outstanding;

(xxv) evidence of supporting documents that both the Issuer and 1541 have agreed and concurred on the followings (subject to the Financial Guarantor's satisfaction):

(a) definition/list of substantial provision of the Collaboration Agreement pursuant to Clause 18.1 of the Collaboration Agreement;

(b) definition of “Prudent Operational Reserves” pursuant to Clause 11.3.4 of the Collaboration Agreement;

(c) definition of “Profit” as provided in the Annexure to Schedule 1 of the Collaboration Agreement shall refer to the audited profit after tax of the Issuer;

(d) both 1541 and the Issuer shall not terminate the Collaboration Agreement as long as the Al-Kafalah Facility remains outstanding;

(xxvi) evidence of written confirmation from the Issuer as below:

(a) there are no agreements (whether in writing or otherwise) entered into by both the Issuer and 1541 other than the Collaboration Agreement;

(b) there are no other documents entered into by both the Issuer and 1541 that supplement the Collaboration Agreement as disclosed to Financial Guarantor;

(xxvii) receipt of documentary evidence that SMDRE irrevocably and unconditionally agrees to waive any late payments in accordance with the Clause 9 of the SPA that may be due from the Issuer to SMDRE;

(xxviii) receipt of undertaking letter from the Corporate Guarantor that it has disclosed to the representatives from 1541 and/or CCB that the Corporate Guarantor is currently operating SBK Integrated School, a private education institution in Seremban and the Corporate Guarantor undertakes that it shall not involve in similar business similar to or in competition with CCB save as disclosed in the above;

(xxix) receipt of undertaking letter from SMDRE that it shall obtain the final certificate of completion and compliance of KH8 before 30 September 2019 or such other date as may be agreed between the Issuer and the Financial Guarantor;

(xxx) evidence that all the relevant Development Fee (as defined in the Collaboration Agreement) and Reimbursable Costs (as defined in the Collaboration Agreement) due and payable up to the date of issuance of Sukuk Murabahah have been fully paid and settled;

(xxxi) appointment of independent professional party satisfactory to Financial Guarantor to verify/opine the reasonableness of construction cost of KH8;

(xxxii) satisfactory legal opinion on the Collaboration Agreement in relation to the Franchise Act 1998; and

(xxxiii) such other Conditions Precedent as may be deemed necessary by the PA/LA or the Financial Guarantor (if applicable) and/or advised by its Solicitors.

For subsequent issuances of the Sukuk Murabahah:

The Conditions Precedents for subsequent issuances of Sukuk Murabahah shall be determined and mutually agreed between the Issuer and the Lead Arranger/Lead Manager prior to such issuance under the Sukuk Murabahah Programme.

For the First Issuance:

Conditions Subsequent

The Issuer shall be obliged to satisfy conditions subsequent on or within six (6) months or such other period as maybe agreed between the Issuer and the

Sukuk Murabahah Programme

Principal Terms and Conditions

Sukukholders from the First Issuance including but not limited to:-

- (i) evidence that KH8 has obtained final certificate of completion and compliance;
- (ii) evidence that KH8 has received full license from the Ministry of Education;
- (iii) evidence of the appointment of an international accounting firm as the Issuer's auditor (which is acceptable to the Sukuk Trustee and/or the Financial Guarantor) for the Issuer's financial statement for financial year end 2019 and onwards;
- (iv) receipt of consent from the relevant state authority and all existing caveator(s) (if any) for the creation of the legal charge over the Secured Properties ("**Land Charge**");
- (v) the relevant transaction documents relating to the Land Charge has been executed and where applicable, stamped or endorsed as exempted from stamp duty;
- (vi) evidence that the relevant Forms 34 (as prescribed under CA) in respect of the charges created under the Land Charge has been lodged with the CCM for registration in accordance with Section 352 of the CA have been duly lodged with the CCM;
- (vii) evidence that the memorandum of transfer of the Land and the Land Charge has been presented to the relevant land authority; and
- (viii) such other conditions subsequent as may be deemed necessary by the PA/LA or the Financial Guarantor (if applicable) and/or advised by their Solicitors.

For subsequent issuances of the Sukuk Murabahah:

The conditions subsequent (if any) for subsequent issuances of Sukuk Murabahah shall be determined and mutually agreed between the Issuer and the Lead Arranger/Lead Manager prior to such issuance under the Sukuk Murabahah Programme.

(27) Representations and warranties

The representations and warranties typical and customary for transaction of this nature, which shall include but not limited to the following:-

- (i) Status: each of the Issuer, the Guarantor (if applicable) and/or the Security Party(ies) (if applicable) (a) is a company duly incorporated and validly existing under Malaysian law; (b) has full power to own its property and assets and authority to enter into the business in which it is engaged and carry on its business as it is being conducted; and (c) is capable of being sued in its own right; (d) has full power and capacity to establish the Sukuk Murabahah Programme, issue the Sukuk Murabahah, execute the Transaction Documents and to undertake and perform the obligations expressed to be assumed by it and (e) has taken all necessary action to approve and authorise the same;
- (ii) Powers and authorisations:
 - (a) the Constitution of each of the Issuer and where applicable, the Guarantor and/or the Security Party(ies) incorporate provisions which authorise, the Issuer, the Guarantor and the Security Party(ies) to execute, deliver and perform their respective obligations the transactions contemplated under the Transaction Documents; and
 - (b) all necessary actions, authorisations and consents required has been taken to authorise the execution, delivery and performance of their respective obligations

and the transactions contemplated under the Transaction Documents to which it is a party;

(iii) SPA: the Issuer is not in default under the terms of the SPA and any interest arising from late payments, if any, shall not be paid without the PA/LA and/or Financial Guarantor's consent;

(iv) Litigation: there is no litigation, arbitration, administrative proceeding, claim or dispute which is presently in progress or pending or to each of the Issuer's, and where applicable the Guarantor's and/or Security Party(ies)' knowledge, is threatened against the each of the Issuer and where applicable the Guarantor and/or Security Party(ies), the determination of which could have a Material Adverse Effect;

(v) Financial Statements: each of the Issuer's and, where applicable the Guarantor's and/or Security Party(ies)' financial statements have been prepared on a basis consistently applied in accordance with generally accepted accounting principles and standards in Malaysia and in full compliance with the requirements of applicable laws and present a true and fair view of the financial position of each of the Issuer and , where applicable the Guarantor and/or Security Party(ies) as at such date;

(vi) Legality and Validity: each of the Issuer's and where applicable, the Guarantor's and/or Security Party(ies)' acceptance, entry and execution (as the case may be) under the Transaction Documents to which it is a party and the delivery and performance by each of the Issuer, and where applicable, the Guarantor and/or Security Party(ies) of all obligations in the said documents have been or will be duly authorised and constitutes each of the Issuer's and where applicable, the Guarantor's and/or Security Party(ies)' valid and legally binding obligations which are enforceable;

(vii) Non-Violation: neither the entry into, execution and delivery of the Transaction Documents, nor the performance of any of the transactions contemplated in the Transaction Documents by each of the Issuer and where applicable, the Guarantor and/or Security Party(ies) did or does at the date of this representation and warranty is made or repeated:-

(a) contravene its constituent documents or cause any limitation on any powers whatsoever of the Issuer, and where applicable, the Guarantor and/or Security Party(ies), howsoever imposed, or on the right or ability of the directors of the Issuer and, where applicable the Guarantor and/or Security Party(ies) to exercise such powers, to be exceeded; or

(b) contravene or constitute a default under any provision contained in any agreement or instrument to which it is a party or which is binding upon it or any of its assets;

(c) contravene or constitute a default under any law, ordinance, rule, regulation, policy, decree, official directive of any governmental authority, judgment, order, writ, injunction, decree, licence, permit, authorisation or approval by which the Issuer and where applicable, the Guarantor and/or Security Party(ies) or any of its assets is bound or affected; or

(d) result in the creation or imposition of or oblige it to create any security interest on any of its assets or undertakings;

(viii) Information and disclosure:

(a) each of the Issuer and, where applicable, the Guarantor and/or Security

Party(ies) has fully disclosed in writing to the Lead Arranger or Sukuk Trustee or Financial Guarantor (if applicable) all facts relating to each of the Issuer, and where applicable, the Guarantor and/or Security Party(ies) which each of the Issuer, and, where applicable the Guarantor's and/or Security Party(ies) knows or should reasonably know and which are material for disclosure in the context of the Sukuk Murabahah Programme and/or the Guarantee/Kafalah;

(b) the information furnished by each of the Issuer, and where applicable, the Guarantor and/or Security Party(ies) do not contain any statement or information that is false or misleading and there is no material omission of such information;

(c) all expressions of expectation, intention, belief and opinion contained therein were honestly made on reasonable grounds after due and careful enquiry by each of the Issuer and, where applicable, the Guarantor's and/or Security Party(ies); and

(d) each of the Issuer and, where applicable, the Guarantor and/or Security Party(ies) is not aware of any material facts or circumstances that have not been disclosed which might, if disclosed, adversely affect the decision of a person considering whether or not to enter into the Transaction Documents, issue the Guarantee/Kafalah or to subscribe the Sukuk Murabahah thereunder;

(ix) No Immunity: each of the Issuer and, where applicable, the Guarantor's and/or Security Party(ies) is subject to civil and commercial law with regard to its obligations under the Transaction Documents, and the execution, delivery and performance of the Transaction Documents constitute private and commercial acts rather than governmental or public acts and neither each of the Issuer and, where applicable, the Guarantor and/or Security Party(ies) nor any of its properties enjoy any immunity on the grounds of sovereignty or otherwise in respect of its obligations under the Transaction Documents;

(x) Dissolution: no step has been taken by each of the Issuer and, where applicable, the Guarantor and/or Security Party(ies) nor has any legal proceedings been started, is in progress or threatened for the winding-up or dissolution of each of the Issuer and, where applicable, the Guarantor's and/or Security Party(ies) or for the appointment of a receiver, receiver and manager, agent, trustee or similar officer in respect of all or any of each of the Issuer's and, where applicable, the Guarantor's and/or Security Party(ies)' business or assets, and no demand under Section 466(1)(a) of the CA and no enquiry under Section 551(1) of the CA has been received by each of the Issuer and, where applicable, the Guarantor and/or Security Party(ies);

(xi) No Default: no event has occurred which constitutes, or which with the giving of notice and/or the lapse of time and/or a relevant determination would constitute, a contravention of, or default under any agreement or instrument by which each of the Issuer and, where applicable, the Guarantor and/or Security Party(ies) or any of its assets are bound or affected;

(xii) Title: each of the Issuer and, where applicable the Guarantor and/or Security Party(ies) is the legal and beneficial owner and have title to all its assets as disclosed in the financial statements;

(xiii) Islamic Financial Services Act, 2013: each of the Issuer and, where applicable, the Guarantor and/or Security Party(ies) is not aware and has not intentionally withheld any information or fact which may result in or give rise to the issuance/subscription of the Sukuk Murabahah and the granting of the Guarantee/Kafalah by the Financial Guarantor (if applicable) contravening or being in breach of any laws, regulations and directive, whether or not having the force of

law (including without limitation, guideline on “Granting of Credit Facilities” issued by Bank Negara Malaysia dated 28 June 2013 as the same may be amended and/or substituted from time to time) or any other restrictions that may be imposed upon the Financial Guarantor (if applicable) and/or Sukukholders from time to time by Bank Negara Malaysia or such other authority having jurisdiction over the Financial Guarantor (if applicable) and/or the Sukukholders;

(xiv) Events: no circumstance or situation has arisen which would materially and adversely affect the condition of the Issuer (financial or otherwise) or the earnings, affairs or business prospects of each of the Issuer and, where applicable, the Guarantor and/or Security Party(ies) or the success of the issue of the Sukuk Murabahah;

(xv) Business:-

(a) each of the Issuer's and, where applicable, the Guarantor's and/or Security Party(ies)' business has been carried on in the ordinary course and in accordance with its constitution documents so as to maintain the same as a going concern;

(b) each of the Issuer's and, where applicable, the Guarantor's and/or Security Party(ies)' business has not been adversely affected in a material way by any abnormal factor affecting similar business and after making due and careful enquiries as may be reasonable in the circumstance each of the Issuer and, where applicable, the Guarantor and/or Security Party(ies) is not aware of any facts or circumstances which could or would give rise to any such effects; and

(c) no dividends or other distribution has been declared made or paid to its members except as provided for in the relevant financial statements and in accordance with the terms of the Sukuk Murabahah;

(xvi) Liability: no obligations or liability whether contingent actual or otherwise has been incurred, assumed or agreed to be assumed by it otherwise than in the ordinary course of business;

(xvii) Registration: no authorisation, approval, consent, licence, exemption, registration, recording, filing or notarisation and no payment of any duty or tax and no other action whatsoever which has not been duly and unconditionally obtained, made or taken which is necessary or desirable to ensure the legality, validity and enforceability of each of the Issuer's liabilities and obligations or the rights of the Guarantor, the Central Securities Depository, the Paying Agent, the Security Trustee, Sukuk Trustee or the Sukukholders under the Transaction Documents;

(xviii) Insurance/Takaful: no event or circumstances has occurred, nor has there been any omission to disclose a fact which, in any such case, would entitle any insurer to avoid or reduce its liability under any of the insurances/Takaful required and all of the insurances/Takaful cover required to be effected are valid and binding and in full force and effect and all insurance contributions/premiums due have been paid and nothing has been done or omitted to be done which has made or could make any such contract/policy void or voidable;

(xix) Licenses: all licences, consents, examinations, clearances, filings, registrations and authorisations which are necessary to enable the Issuer to own its assets and carry on its business are in full force and effect and, if not, the absence of which will not have a Material Adverse Effect; and

(xx) such other representations and warranties as may be deemed necessary by PA/LA or the Financial Guarantor (if applicable) and/or advised by their Solicitors.

Each of the above representation and warranties shall survive the signing and

delivery of the Transaction Documents and each of the Issuer and, where applicable, the Guarantor and/or Security Party(ies) shall be deemed to represent and warrant to the Financial Guarantor (if applicable) and the Sukukholders that the representations and warranties above are true and correct in all respects and are repeated on a daily basis, save that each reference to the accounts in clause (v): *Financial Statements* shall be construed as a reference to the then latest available financial statement.

“Material Adverse Effect” means any material adverse effect on: (i) the business or condition (financial or otherwise) or results of the operations of the Issuer or its prospects; (ii) the ability of the Issuer to perform any of its obligations under any of the Transaction Documents; and/or (iii) the validity or enforceability of the Transaction Documents or the right of remedies of the Sukuk Trustee or the Sukukholders thereunder.

Sukuk Murabahah Programme

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- (28) Events of defaults or: enforcement events, where applicable, including recourse available to investors
- The events of default typical and customary for transaction of this nature which shall include but not limited to the following ("**Events of Default**"):-
- (i) Claim under Guarantee/Kafalah
where applicable, a claim has been made on the Guarantee/Kafalah;
 - (ii) Failure to pay
any of the Issuer or where applicable, the Guarantor and/or Security Party(ies) fails to pay any monies payable to the Guarantor and/or Sukukholders after the same shall become due, whether formally demanded or not;
 - (iii) Breach of obligations
any of the Issuer or where applicable, the Guarantor and/or Security Party(ies) commits a breach of or omits or fails to observe or perform its respective covenants and/or obligations under the Transaction Documents to which it is a party or under any undertaking, documents or arrangement entered into in connection therewith, other than an obligation of the type referred to in Clause (i): Failure to pay above and if such breach in the reasonable opinion of the Sukuk Trustee is capable of being remedied, the Issuer does not remedy the breach within a period of thirty (30) days after it becomes aware or having been notified by the Sukuk Trustee of the breach, whichever is earlier;
 - (iv) Misrepresentation
Any representation, warranty, covenant, undertaking or statement which is made (or acknowledged to have been made) or given by the Issuer or where applicable, the Guarantor and/or the Security Party(ies) under the Transaction Documents or which is contained in any certificate, statement, legal opinion or notice furnished at any time pursuant to the terms of the Transaction Documents, proves to be untrue, incorrect or misleading in any material aspect, or if repeated at any time with reference to the facts and circumstances subsisting at such time would not be accurate in all material respects and if such breach in the reasonable opinion of the Sukuk Trustee is capable of being remedied, the Issuer does not remedy the breach within a period of thirty (30) days after it becomes aware or having been notified by the Sukuk Trustee of the breach, whichever is earlier;
 - (v) Cross-default
where any other indebtedness of the Issuer or where applicable, the Guarantor and/or the Security Party(ies) (if any) or any of its subsidiaries becomes due and payable prior to its stated maturity or capable of being declared due prior to its stated maturity or where the security created for any other indebtedness becomes enforceable or any guarantee or similar obligation of the Issuer or where applicable, the Guarantor and/or the Security Party(ies) is not discharged at maturity or when called or the Issuer or where applicable, the Guarantor and/or the Security Party(ies) goes into default under or commits a breach of any agreement or instrument relating to such indebtedness, guarantee or other obligations becomes immediately enforceable;
 - (vi) Licenses
the Issuer fails to obtain, renew, maintain or comply in any respect with all governmental approvals, licenses and/or permits which are necessary for the performance by the Issuer of its obligations under the Transaction Documents;
 - (vii) Winding-up
 - (a) A winding up order has been made against the Issuer or where applicable, the Guarantor and/or the Security Party(ies) and/or a resolution is passed for the winding up of the Issuer or where applicable, the Guarantor and/or the Security Party(ies) has been passed by its shareholders and the Issuer has not taken any action in good faith to set aside such petition within time prescribed by law from the

date of service of such winding up petition or a winding up order has been made against the Issuer; or

(b) Any person takes any action or any legal proceedings is started or other steps taken for:

i. the Issuer or where applicable, the Guarantor and/or the Security Party(ies) to be adjudicated or found insolvent;

ii. the winding-up, dissolution of the Issuer or where applicable, the Guarantor and/or the Security Party(ies) either by an order of a Court of competent jurisdiction or by way of voluntary winding up; or

iii. the appointment of a liquidator, trustee, receiver or similar officer over the whole or any part of the Issuer's or where applicable, the Guarantor's and/or the Security Party(ies)' assets and undertaking(s) or any of part of their respective assets and undertaking(s);

and the Issuer has not taken any action in good faith to set aside such petition within time prescribed by law from the date of service of such winding up petition or a winding up order has been made against the Issuer;

(viii) Arrangement and reconstruction

(a) The Issuer or where applicable, the Guarantor and/or the Security Party(ies) and/or its related corporation:

i. Commence negotiations or take any proceeding or step with any one or more of its creditors with a view to the general readjustment, rescheduling or deferral of all or any part of (or a particular type of) its indebtedness (or of any part of its respective indebtedness which it will or might otherwise be unable to pay when due);

ii. Propose to make a general assignment or enter into an arrangement or composition with or for the benefit of its creditors; or

(b) A moratorium is agreed or has been declared in respect of or affecting all or a part of the indebtedness of the Issuer or where applicable, the Guarantor and/or the Security Party(ies) and/or its related corporation; or

(c) where any scheme of reconstruction, arrangement or compromise pursuant to Section 366 of CA has been instituted against the Issuer or where applicable, the Guarantor and/or the Security Party(ies) and/or its related corporation;

(ix) Insolvency

any events of insolvency, where the Issuer or where applicable, the Guarantor and/or the Security Party(ies) is:

(a) is deemed unable to pay its debts within the meaning of Section 466 of the CA or becomes unable to pay its debts as they fall due under Section 466(1) of the CA; or

(b) stops or suspends or threatens to suspend making payments (whether of principal or profit or otherwise) with respect to all or any class of its debts arising from borrowed monies or a moratorium is agreed or declared in respect of or affecting all or any substantial part of the borrowed monies of the Issuer or where applicable, the Guarantor and/or the Security Party(ies);

(x) Invalidity

at any time any of the provisions of the Transaction Documents is or becomes ineffective, invalid, illegal, void, voidable or unenforceable, or in the sole opinion of the Sukukholders, any guarantee or security in relation to the Transaction

Documents or any part thereof, is in jeopardy and/or which would prevent the Issuer or where applicable, the Guarantor and/or the Security Party(ies) from or entitle the Issuer to refrain from performing any of its obligations thereunder;

(xi) Repudiation

the Issuer or where applicable, the Guarantor and/or the Security Party(ies) repudiates any of the Transaction Documents or the Issuer or where applicable, the Guarantor and/or the Security Party(ies) does or causes to be done any act or thing evidencing an intention to repudiate any of the Transaction Documents;

(xii) Appointment of receiver

an encumbrancer takes possession of, or a receiver, a receiver and manager, liquidator, trustee or similar officer has been appointed in respect of the whole or any substantial part of the assets or undertakings or business of the Issuer or where applicable, the Guarantor and/or the Security Party(ies) or any security interest which may for the time being affect any of their undertaking, business or assets becomes enforceable;

(xiii) Judgment

any judgment or order is obtained or any process of any court becomes enforceable against the Issuer or where applicable, the Guarantor and/or the Security Party(ies) by any third party and the Issuer or where applicable, the Guarantor and/or the Security Party(ies) have failed to satisfy such judgment and no appeal or no application for a stay of execution has been made to the appropriate appellate court within the time prescribed or application for a stay of execution has been dismissed;

(xiv) Reorganisation

any reorganisation, amalgamation or merger of the Issuer or where applicable, the Guarantor and/or the Security Party(ies) with another corporation or any transfer of all or substantially all of the assets and properties of the Issuer or where applicable, the Guarantor and/or the Security Party(ies);

(xv) Changes in Issuer and, where applicable, the Guarantor and/or the Security Party(ies)

any change in the Issuer or where applicable, the Guarantor and/or the Security Party(ies) occurs which in the sole opinion of the Sukuk Trustee has a Material Adverse Effect on the Issuer's or where applicable, the Guarantor's and/or the Security Party(ies)' financial condition or business or the Sukukholders' security position;

(xvi) Authorisations

where there is a revocation, withholding, invalidation or modification of a licence, authorisation or approval that impairs or prejudices the Issuer's ability to comply with the terms and conditions of the Sukuk Murabahah or the provisions of the Trust Deed or any other document relating to the issue, offer or invitation in respect of the Sukuk Murabahah;

(xvii) Contravention

contravention of any law, regulation or court order by the Issuer or where applicable, the Guarantor and/or the Security Party(ies);

(xviii) Cessation of business

the Issuer or where applicable, the Guarantor and/or the Security Party(ies) changes or threatens to change the nature or scope of a substantial part of their business, suspends or threatens to suspend or cease or threaten to cease the operation of the whole or a substantial part of its present business operation which it now conducts directly or indirectly and such change or suspension or cessation in the opinion of the Sukuk Trustee may have a Material Adverse Effect on the

Issuer;

(xix) Nationalisation

any part of the undertaking(s), property or assets, rights or revenue of or shares or other ownership interests in the Issuer or where applicable, the Guarantor and/or the Security Party(ies) is or is threatened to be condemned, seized, nationalised, expropriated or compulsorily acquired or control of such property or assets shall be assumed and retained or threatened to be assumed or retained by or under the authority of any governmental body;

(xx) Arrangements

the Issuer or where applicable, the Guarantor and/or the Security Party(ies) makes a general assignment or enters into an arrangement or composition with or for the benefit of its creditors in respect of all or a part of (or a particular type of) its indebtedness;

(xxi) Breach of contractual obligations

breach by the Issuer of any obligation under any of the Issuer's existing contractual obligations which may materially and adversely affect the Issuer's ability to perform its obligations under the Transaction Documents and, if in the opinion of the Sukuk Trustee is capable of being remedied, the Issuer does not remedy the breach within a period of thirty (30) days after the Issuer became aware or having been notified by the Sukuk Trustee of the breach; or

(xxii) such other events of default as may be deemed necessary by PA/LA or the Financial Guarantor (if applicable) and/or advised by their Solicitors.

The expression "related corporation" shall be construed in accordance with the CA.

Upon the occurrence of an Event of Default, the Sukuk Trustee may or shall (if directed to do so by an extraordinary resolution of the Sukukholders) declare that the Sukuk Murabahah are immediately due and payable in accordance with the terms of the relevant Transaction Documents. Thereafter, the Sukuk Trustee may take proceedings against the Issuer, the Guarantor and/or the Security Party(ies), as it may think fit, to enforce the immediate payment of the Sukuk Murabahah (including the Redemption Amount (as defined in *Ibra'*)) in accordance with the terms of the relevant Transaction Documents.

Sukuk Murabahah Programme

Principal Terms and Conditions

(29) Governing laws : Laws of Malaysia.

(30) Provisions on buy-back, if applicable : The Issuer or any of its subsidiaries (if any), agent(s) or interested person may at any time purchase the Sukuk Murabahah at any price in the open market or by private treaty.

The Sukuk Murabahah purchased by the Issuer or by its subsidiaries (if any) or by agent(s) of the Issuer who is acting on behalf of the Issuer for such purchase, shall be cancelled and cannot be resold.

Any of the Sukuk Murabahah acquired in the open market or by private treaty by the Issuer's related corporations (other than the Issuer's subsidiaries) or interested persons of the Issuer (who shall include directors, major shareholders and chief executive officer) need not be cancelled but shall not entitle them to participate in the voting of any Sukukholders' resolution nor form part of the quorum of any meeting subject to any exceptions in the Trust Deeds Guidelines.

(31) Provisions on early redemption, if applicable : The Issuer may redeem the Sukuk Murabahah prior to their maturity on a Periodic Profit Payment date by giving the requisite notice period set out in the Transaction Documents at a redemption price to be mutually agreed between the Issuer and the Sukukholders and subject to the terms and conditions as may be mutually agreed between the Issuer and the PA/LA or the Financial Guarantor (if applicable) prior to such issuance of Sukuk Murabahah under the Sukuk Murabahah Programme and set out in the pricing supplement and/or the relevant Transaction Documents. Any Sukuk Murabahah which are redeemed by the Issuer shall be cancelled.

(32) Voting : All matters/resolutions which require the holder of Sukuk's consent/approval under the Sukuk Murabahah Programme shall be carried out on a "per Tranche" basis.

For purposes of voting, the Sukukholders for the same Tranche shall have voting rights only on all matters relating to that Tranche.

(33) Permitted investments, if applicable : Permitted investments, details as follows:

The monies standing to the credit of the Designated Accounts may be invested by the Issuer and/or the Security Trustee, as the case may be, in Permitted Investments, subject to a maximum tenure of twelve (12) months.

"Permitted Investments" shall comprise investment products approved by SC's Shariah Advisory Council, BNM's Shariah Advisory Council and/or such other recognised Shariah authorities from time to time. Permitted Investments are as follows:-

(i) Islamic money market instruments where there is the flexibility of early withdrawal including without limitation bankers' acceptance or promissory notes or certificates of deposit issued by any financial institution pursuant to the Islamic Financial Services Act 2013 ("**IFSA**") and having a minimum long term rating of AA+ and/or short term rating of MARC-1 by Malaysian Rating Corporation Berhad ("**MARC**") or their equivalent by RAM Rating Services Berhad ("**RAM**");

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(ii) Shariah-compliant money market instruments licensed by financial institutions pursuant to the IFSA with a short-term rating of MARC-1 and a minimum long-term rating of AA+ by MARC or their equivalent by RAM;

(iii) Shariah-compliant deposits with licensed financial institutions in Malaysia pursuant to the IFSA with a short-term rating of MARC-1 and a minimum long-term rating of AA+ by MARC or their equivalent by RAM; and

(iv) Shariah-compliant treasury bills, money market instruments and sukuk issued by BNM or the Government of Malaysia with a short-term rating of P1 and a minimum long-term rating of AA+ by MARC or their equivalent by RAM,

subject to the following:

(a) such amount of monies under the Permitted Investments which is equivalent to the next Periodic Profit Payment and/or principal payment shall be remitted back into the original account from which such monies relating to such Permitted Investments were obtained from, at least three (3) business days before any payment obligations become due and payable under the Sukuk Murabahah and/or the Guarantee/Kafalah (except for money market instruments which can be remitted into the relevant Designated Account one (1) business day before any payment obligations become due and payable under the Sukuk Murabahah and/or any Guarantee/Kafalah);

(b) at least fifty per cent (50%) of the total Permitted Investments are invested in (i), (ii), (iii) and (iv);

(c) the Permitted Investments are denominated in Ringgit;

(d) investments in sukuk which are equities in nature or incorporate loss-sharing mechanism shall not be allowed;

(e) investment in (iv) shall have a maximum counterparty exposure of no more than 10% of total eligible investments; and

(f) such Permitted Investments are to be held and not traded.

(34) *Ta'widh* (for ringgit-denominated sukuk) : In the event of delay in payments of the Deferred Sale Price, the Buyer shall pay *Ta'widh* on such delayed payments at the rate and manner prescribed by the SC's Shariah Advisory Council from time to time.

(35) *Ibra'* (for ringgit-denominated sukuk) : *Ibra'* refers to an act of releasing absolutely or conditionally one's rights and claims on any obligation against another party which would result in the latter being discharged of his/its obligations or liabilities towards the former. The release may be either partially or in full. The *Ibra'* shall be subject to the requirements stipulated under the LOLA Guidelines.

The Sukukholder(s) in subscribing or purchasing the Sukuk Murabahah consent to grant *Ibra'* on the Deferred Sale Price, if the Sukuk Murabahah are redeemed before the maturity date or upon the declaration of an Event of Default.

In the case of declaration of an Event of Default, *Ibra'* shall be the aggregate unearned profit due to the Sukukholders and calculated from the date of the declaration of an Event of Default up to the respective maturity dates of the Sukuk Murabahah.

In the case of a redemption before the maturity date, the *Ibra'* (if any) shall be at

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the discretion of the Sukukholders based on a formula to be mutually agreed by the Sukukholders and the Issuer.

The Issuer (acting as the Buyer) shall pay the Redemption Amount on the date of the declaration of an Event of Default as determined by the Sukuk Trustee (acting on the instructions of the Sukukholders) pursuant to its obligation to pay the Deferred Sale Price.

For the purpose of this lodgement kit, “**Redemption Amount**” is the amount equivalent to the Deferred Sale Price determined at the issue date less the aggregate of Periodic Profit Payment and nominal value paid (if any) prior to the declaration of an Event of Default less the *Ibra'* (if any).

The Sukukholders also agree to grant *Ibra'* of an amount equivalent to the difference, if any, between the Periodic Profit Payment calculated based on the agreed ceiling rate and the Periodic Profit Payment calculated based on the effective rate (as the case may be). The *Ibra'* shall be granted if the effective rate is lower than the ceiling rate. If the effective rate is higher than the ceiling rate, the Issuer shall be obliged to make Periodic Profit Payment at the agreed ceiling rate only.

(36) Kafalah (for ringgit-denominated sukuk) : Where applicable.

(37) Waivers from complying with Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework and other relevant guidelines of the SC obtained for the facility/programme, if any : None.