

## Guan Chong Berhad ("GCB" or "Issuer")

An Islamic medium term notes (Sukuk Wakalah) programme of up to RM800.0 million in nominal value under the Shariah principle of Wakalah Bi Al-Istithmar (Sukuk Wakalah Programme)

### Principal Terms and Conditions

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#### (A) CORPORATE INFORMATION OF ISSUER

- (1) Name : Guan Chong Berhad ("GCB" or "Issuer")
- (2) Address : Registered Address:  
No. 7 (1st Floor), Jalan Pesta 1/1  
Taman Tun Dr. Ismail  
Jalan Bakri  
Muar  
84000 Johor
- Business Address:  
PLO 273 Jalan Timah 2  
Kawasan Perindustrian Pasir Gudang  
Pasir Gudang  
81700 Johor
- (3) Date of incorporation: 22 March 2004
- (4) Place of incorporation : Malaysia
- (5) Business/Company Registration Number (Old) : 646226-K
- (6) Business/Company Registration Number (New) : 200401007722
- (7) Residence status : Resident Controlled Company
- (8) Place of listing : Bursa Malaysia
- (9) Date of listing : 8 April 2005
- (10) Principal activities of : Investment holding company and provision of management services.

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(11) Issued and paid-up share capital : The issued and paid up capital of the Issuer as at 23 September 2020 are as follows:-

Issued and fully paid-up share capital

RM259,071,558.49 comprising of 1,031,784,200 ordinary shares.

(12) Structure of shareholdings and names of shareholders or, in the case of a public company, names of all substantial shareholders : The substantial shareholders and their respective shareholding in the Issuer as at 23 September 2020 are as follows:

Name	No. of shares held	% of shareholding
Guan Chong Resources Sdn. Bhd.	509,666,938	49.40%
Misi Galakan Sdn Bhd	58,159,998	5.64%
Syarikat Pj Enterprise Sdn Bhd	29,049,398	2.82%
Tay Hoe Lian	25,191,584	2.44%
Wong Saow Lai	24,663,598	2.39%
Hia Cheng	18,296,358	1.77%

(13) Board of directors :

No.	Name
1	Tay How Sik @ Tay How Sick
2	Tay Hoe Lian
3	Dato Dr Mohamad Musa Bin Md.Jamil
4	Datuk Tay Puay Chuan
5	Hia Cheng
6	Tan Ah Lai

(14) Disclosure of the following :

(i) If the Issuer or its board members have : None

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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)

- (ii) If the Issuer has:      None  
been subjected to any action by the stock exchange for any breach of the listing requirements or rules issued by the stock exchange, for the past five years prior to the lodgement

## (B) PARTIES TO THE TRANSACTION

### (a) Origination

## Guan Chong Berhad ("GCB" or "Issuer")

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No.	Roles	Name of parties
1	Issuer	GCB
2	Principal Adviser	Maybank Investment Bank Berhad
3	Arranger	Maybank Investment Bank Berhad ("Maybank IB" or "PA" or "LA")
4	Solicitors	Messrs. Wong & Partners (acting for the PA/LA (as defined below))
5	Credit Rating Agency	MARC Ratings Berhad ("MARC")
6	Shariah Adviser	Maybank Islamic Berhad ("Maybank Islamic")
7	Sukuk Trustee	Malaysian Trustees Bhd ("Sukuk Trustee" or "MTB")
8	Security Trustee	MTB
9	Facility Agent	Maybank IB ("Facility Agent")

### (b) At the point of distribution

No.	Roles	Name of parties
1	Issuer	GCB
2	Lead Manager	Maybank IB, United Overseas Bank (Malaysia) Bhd and HSBC Amanah Malaysia Berhad
3	Facility Agent	Maybank IB
4	Shariah Adviser	Maybank Islamic
5	Central Depository	Bank Negara Malaysia ("BNM")
6	Paying Agent	BNM

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#### (c) After distribution

No.	Roles	Name of parties
1	Issuer	GCB
2	Principal Adviser	Maybank Investment Bank Berhad
3	Facility Agent	Maybank IB
4	Security Trustee	MTB
5	Sukuk Trustee	MTB
6	Credit Rating Agency	MARC
7	Shariah Adviser	Maybank Islamic
8	Central Depository	BNM
9	Paying Agent	BNM

#### (C) DETAILS OF FACILITY/PROGRAMME

- (1) Name of facility : An Islamic medium term notes ("Sukuk Wakalah") programme of up to RM800.0 million in nominal value under the Shariah principle of Wakalah Bi Al-Istithmar ("Sukuk Wakalah Programme")
- (2) One-time issue or programme : Programme
- (3) Type of issuance(s) : Sukuk under this facility
- (4) ASEAN Sukuk :

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(5) Eligible SRI Projects :

(6) Shariah principles : 1. Wakalah bi al-Istithmar  
(for sukuk) 2. Murabahah (via Tawarruq arrangement)

(7) Facility description : The issuance of each Sukuk Wakalah, from time to time under the Sukuk Wakalah  
(for ringgit- Program, shall be effected as follows:  
denominated sukuk,  
to provide description as  
description as cleared by the SC)

(1) Pursuant to a Wakalah agreement ("**Wakalah Agreement**") entered into between the Sukuk trustee in respect of the Sukuk Wakalah Programme ("**Sukuk Trustee**") (acting on behalf of the investors of the Sukuk Wakalah ("**Sukukholders**")) and Guan Chong Berhad ("**GCB**" or the "**Issuer**"), the Sukuk Trustee (acting on behalf of the Sukukholders) shall appoint GCB to act as its agent ("**Wakeel**") to perform services which will include investing the Sukuk Proceeds (as defined below) into the Wakalah Investments (as defined below) and manage it.

(2) GCB shall, from time to time, issue the Sukuk Wakalah and the Sukukholders shall subscribe to the Sukuk Wakalah by paying the issue proceeds ("**Sukuk Proceeds**").

GCB, in its capacity as the Wakeel, shall declare a trust over the Trust Assets (as defined below) for the benefit of the Sukukholders. The Sukuk Wakalah shall represent the Sukukholders' undivided and proportionate beneficial interest in the Trust Assets. The "**Trust Assets**" shall comprise of (i) Sukuk Proceeds, (ii) the Wakalah Investments and (iii) the rights, title, interest, entitlement and benefit in, to and under the Transaction Documents (as defined in the section entitled "*Other terms and conditions – Transaction Documents*" below).

The Wakeel shall invest the Sukuk Proceeds received from the Sukukholders into the relevant investment portfolio which shall comprise of:

(i) Shariah-compliant general business of GCB ("**Shariah-compliant Business**"). The investment will be in the whole of the Shariah-compliant general business of GCB; and

(ii) Shariah-compliant Commodities (as defined in the section entitled "*Other terms and conditions – Identified Asset*" below) purchased and sold under the Shariah principle of Murabahah ("**Commodity Murabahah Investment**").

The investments described in items (i) and (ii) above shall collectively be referred to as the "**Wakalah Investments**".

(3) Shariah-compliant Business

Pursuant to an investment agreement between the Wakeel and GCB, as the investment agent ("**Investment Agent**"), the Wakeel shall invest part of the Sukuk Proceeds into the Shariah-compliant Business. The ownership of the identified

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Shariah-compliant Business allocated for the relevant Wakalah Investments shall be based on pro rata basis which refers to joint ownership over an asset or business on undivided and proportionate basis. Thus, entitling the Sukukholder(s) to the share of income in the identified Shariah-compliant Business based on their proportionate ownership. The Shariah-compliant Business shall be managed by the Investment Agent. The value of the Shariah-compliant Business should be at least 33% of the aggregate value of the Wakalah Investments, subject to the valuation principles set out in the Wakalah Agreement. The value attributable to the Wakalah Investments is the aggregate of the value of the Shariah-compliant Business and the Commodity Murabahah Investment.

For the avoidance of doubt, the above ratio of at least 33% of the value of the Wakalah Investments is only applicable at the point of initial investment for each tranche (as defined below) of the respective Sukuk Wakalah and does not need to be maintained throughout the tenure of the Sukuk Wakalah. However, the Wakeel shall ensure that (i) the Shariah-compliant Business shall at all times be a component of the Wakalah Investments, and (ii) the Sukukholders shall via the trust deed provide their upfront consent to the Issuer to create further trusts over the Shariah-compliant Business ("**Future Trusts**") to facilitate any transactions undertaken in connection with any proposed Islamic financing facilities to be obtained by the Issuer, so long as the interest in the Future Trusts do not overlap with the interest of the Sukukholders in the Shariah-compliant Business under the Wakalah Investments.

(4) Commodity Murabahah Investment

The remaining balance of the Sukuk Proceeds shall be invested into the Commodity Murabahah Investment.

The Commodity Murabahah Investment shall be effected as follows:

(i) Pursuant to a commodity Murabahah master agreement between GCB as the buyer ("**Buyer**"), the Wakeel and the Sukuk Trustee, the Buyer shall issue a purchase order ("**Purchase Order**") to the Wakeel and the Sukuk Trustee (both acting on behalf of the Sukukholders) with an irrevocable and unconditional undertaking to purchase the Shariah-compliant Commodities from the Sukukholders at the Deferred Sale Price (as defined below).

(ii) Pursuant to the Purchase Order, the Wakeel (on behalf of the Sukukholders) via the commodity trading participant ("**CTP**") will purchase the Shariah-compliant Commodities on spot basis from a commodity supplier in the Bursa Suq Al-Sila' commodity trading platform or such other independent commodity broker acceptable to the shariah adviser in respect of the Sukuk Wakalah Programme ("**Shariah Adviser**") ("**Commodity Supplier**") at a purchase price equivalent to the remaining balance of the Sukuk Proceeds ("**Commodity Purchase Price**").

(iii) Upon acquiring the Shariah-compliant Commodities, the Wakeel (on behalf of the Sukukholders) will thereafter sell those Shariah-compliant Commodities to the Buyer for a price equivalent to the Commodity Purchase Price plus the profit margin and shall be payable on deferred payment basis ("**Deferred Sale Price**"). For the avoidance of doubt, the Deferred Sale Price shall be an amount equal to the aggregate of the Expected Periodic Distribution Amount (as defined in the

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section entitled "*Other terms and conditions – Profit/coupon/rental rate*" ), if any, and the nominal value of the relevant Sukuk Wakalah.

(iv) Upon the purchase of the Shariah-compliant Commodities, the Buyer via the CTP, will immediately sell the Shariah-compliant Commodities to Bursa Malaysia Islamic Services Sdn. Bhd. or such other independent commodity broker acceptable to the Shariah Adviser on spot basis for cash, equivalent to the Commodity Purchase Price.

(5) In respect of Sukuk Wakalah with Periodic Distributions (as defined below), returns generated from the Wakalah Investments (including part payment of the Deferred Sale Price) up to the Expected Periodic Distribution Amount shall be distributed to the Sukukholders periodically in the form of periodic distributions on each Periodic Distribution Date (as defined in the section entitled "*Other terms and conditions – Profit coupon/rental payment frequency*" below) ("**Periodic Distributions**").

In respect of Sukuk Wakalah without Periodic Distributions, returns generated from the Wakalah Investments up to the expected one-off distribution amount which shall be equal to the difference between the nominal value and the Sukuk Proceeds of the Sukuk Wakalah shall be distributed to the Sukukholders on a one-off basis upon the maturity date ("**Scheduled Dissolution Date**") or upon the declaration that a Dissolution Event (as defined in the section entitled "*Events of default or enforcement events, where applicable, including recourse available to investors*" below) has occurred ("**Dissolution Declaration Date**").

On (i) each Periodic Distribution Date; (ii) the Scheduled Dissolution Date; or (iii) the Dissolution Declaration Date; as the case may be, any returns from the Wakalah Investments in excess of the Expected Periodic Distribution Amount distributable under the relevant tranche of Sukuk Wakalah shall be waived by the Sukukholders and retained by GCB as an incentive fee for its services as Wakeel in managing the Wakalah Investments.

(6) GCB (as the obligor ("**Obligor**") shall issue a purchase undertaking ("**Purchase Undertaking**") to the Sukuk Trustee (for the benefit of the Sukukholders), whereby on a Scheduled Dissolution Date or the Dissolution Declaration Date whichever is the earlier, the Obligor shall purchase the Shariah-compliant Business at the Exercise Price (as defined below) by entering into the sale agreement ("**Sale Agreement**").

The Sukuk Trustee (for the benefit of the Sukukholders) shall issue a sale undertaking ("**Sale Undertaking**") in favour of GCB under which the Sukuk Trustee shall sell the Shariah-compliant Business to GCB as Issuer upon early redemption at the Exercise Price and enter into a sale agreement for such sale.

The "**Exercise Price**" for the purchase of the Shariah-compliant Business shall be the market value or fair value of the Shariah-compliant Business determined based on the valuation principles set out in the Wakalah Agreement, at the relevant Scheduled Dissolution Date(s), the Dissolution Declaration Date, or early redemption as the case may be.

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(7) Proceeds of the Wakalah Investments being the Exercise Price, the Deferred Sale Price (subject to any Ibra' if applicable) and any returns generated from the Wakalah Investments shall be utilised to redeem the Sukuk Wakalah at the Dissolution Distribution Amount (as defined in the section entitled "*Other terms and conditions – Dissolution Distribution Amount*" below), on the Scheduled Dissolution Date, the Dissolution Declaration Date or early redemption, as the case may be. Any excess in respect of proceeds of the Wakalah Investments thereof shall be waived by the Sukukholders and retained by the Wakeel as incentive fee.

Upon full payment of all amounts due and payable under the Sukuk Wakalah, the relevant trust in respect of the Trust Assets will be dissolved and the relevant Sukuk Wakalah held by the Sukukholders will be cancelled.

"**tranche**" shall mean such Sukuk Wakalah with the same issue date and the same maturity date.

- (8) Currency : Ringgit
- (9) Expected facility/  
programme size : Up to MYR 800,000,000.00
- (10) Option to upsize (for :  
programme) : Yes

Additional Notes:

- (11) Tenure of facility/  
programme : 20 year(s)
- (12) Availability period of :  
debt/ sukuk  
programme : The Sukuk Wakalah shall be available for issuance upon completion of the Transaction Documents and fulfillment of the conditions precedent of the Sukuk Wakalah Programme to the satisfaction of the lead arranger ("**LA**") (unless otherwise waived or deferred by the LA) provided that the first issuance of Sukuk Wakalah under the Sukuk Wakalah Programme shall be made within sixty (60) business days from the date of lodgement of the required information and documents relating to the Sukuk Wakalah Programme with the Securities Commission Malaysia ("**SC**").

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- (13) Clearing and settlement platform : Payment Network Malaysia Sdn Bhd ("**Paynet**")
- (14) Mode of issue :  Private/direct placement  
 Bought deal  
 Book building
- (15) Selling restrictions : (i) At issuance:  
 Read together with Schedule 9 of the CMSA  
 Sophisticated investors as set out in Guidelines on Categories of Sophisticated Investors [Prior to 5 February 2024, this was Part I of Schedule 6 of the Capital Markets & Services Act, 2007 (CMSA)]  
 Sophisticated investors as set out in Guidelines on Categories of Sophisticated Investors [Prior to 5 February 2024, this was Part I of Schedule 7 of the CMSA]  
 Other-Selling Restrictions at Issuance The Sukuk Wakalah under the Sukuk Wakalah Programme may only be issued, offered, sold, transferred or otherwise disposed of, directly or indirectly to persons to whom an offer or invitation to subscribe to the Sukuk Wakalah and to whom the Sukuk Wakalah are issued would fall within Part I 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 Part I of Schedule 7 (or Section 230(1)(b)) of the CMSA, read together with Schedule 9 (or Section 257(3) of the CMSA and subject to any applicable law, order, regulation or official directive issued by Bank Negara Malaysia ("BNM") and/or the SC from time to time.
- (ii) After issuance:  
 Read together with Schedule 9 of the CMSA  
 Sophisticated investors as set out in Guidelines on Categories of Sophisticated Investors [Prior to 5 February 2024, this was Part I of Schedule 6 of the CMSA]  
 Other-Selling Restrictions Thereafter The Sukuk Wakalah under the Sukuk Wakalah Programme may only be offered, sold, transferred or otherwise disposed of, directly or indirectly, to persons to whom an offer or invitation to purchase the Sukuk Wakalah would fall within Part I of Schedule 6 (or Section 229(1)(b)) of the CMSA, read together with Schedule 9 (or Section 257(3)) of the CMSA and subject to any applicable law, order, regulation or official directive issued by BNM and/or the SC from time to time.
- (16) Tradability and transferability : Size in Ringgit which are tradable and transferable:  
MYR 800,000,000.00  
Size in Ringgit which are non-tradable and non-transferable:  
Not applicable  
Size in Ringgit which are restricted transferability:

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Not applicable

- (17) Secured/combinatio : Secured.  
n of unsecured and  
secured, if  
applicable
- Pursuant to the Issuer's obligation under the relevant Transaction Documents (including the Deferred Sale Price and the Exercise Price), the Sukuk Wakalah issued under the Sukuk Wakalah Programme shall be secured by the following security:
- (a) a first party legal assignment and charge over the FSRA (as defined in the section entitled "*Details of designated accounts, if applicable*" below) which shall include the monies standing to the credit of the FSRA and a first ranking charge over the Permitted Investments (as defined in the section entitled "*Permitted investments, if applicable*"), in favour of the security trustee in respect of the Sukuk Wakalah Programme ("**Security Trustee**") (for the benefit of the Sukukholders) ("**Assignment and Charge (FSRA)**"); and
- (b) such other security(ies) as may be required by the LA, subject to approval of the Shariah Adviser,
- (collectively, the "**Security Documents**").
- (18) Details of guarantee,: Not guaranteed  
if applicable
- (19) Convertibility of : Non-convertible  
issuance and details  
of the convertability
- (20) Exchangeability of : Non-exchangeable  
issuance and details  
of the  
exchangeability
- (21) Call option and : No call option  
details, if applicable
- (22) Put option and : No put option  
details, if applicable
- (23) Details of covenants : Positive Covenants

To include but not limited to the following:-

- (1) The Issuer shall and shall cause all its Material Subsidiaries (as defined in the section entitled "*Representations and warranties*" below) to maintain in full force and effect all necessary and/or relevant authorisations, consents, rights, licences, approvals and permits (governmental and otherwise) and will promptly obtain any

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further authorisations, consents, rights, licences, approvals and permits (governmental and otherwise) which is or may be necessary, to enable the Issuer and each Material Subsidiary:

(a) to own its respective assets or to carry on and operate its respective business; and/or

(b) to enter into and/or perform its respective obligations under the Transaction Documents or to ensure the validity, enforceability and admissibility in evidence of its obligations or the priority of the liabilities and obligations of the Issuer or rights of the Sukuk Trustee, the Security Trustee or the Sukukholders under the Transaction Documents,

and the Issuer shall and shall cause all its Material Subsidiaries comply with the same;

(2) The Issuer shall upon request by the Sukuk Trustee or the Security Trustee, execute all such further documents and do all such further acts as the Sukuk Trustee or the Security Trustee may consider necessary or expedient at any time to give effect to the terms and conditions of the Transaction Documents and/or the full benefits of all rights, powers and remedies conferred upon the Sukuk Trustee or the Security Trustee, in the Transaction Documents;

(3) The Issuer shall and shall cause all its Material Subsidiaries to exercise reasonable diligence in carrying out its business and affairs in a proper and efficient manner and in accordance with sound financial and commercial standards and practices, its constitution within the meaning given to it in the Companies Act 2016 ("**Companies Act**") ("**Constitution**") and the regulatory requirements applicable to the Issuer and/or its Material Subsidiaries;

(4) The Issuer shall promptly perform and carry out all its obligations under all the Transaction Documents and comply with the provisions of the Transaction Documents at all times (including but not limited to redeeming or settling in full all outstanding Sukuk Wakalah on the relevant maturity date(s) or any other date on which the Sukuk Wakalah are due and payable) and the terms and conditions of the Sukuk Wakalah at all times and the Issuer shall immediately notify the Sukuk Trustee in the event that it is unable to fulfill or comply with any of the provisions of the Transaction Documents;

(5) The Issuer shall keep or maintain proper books and accounting records at all times and prepare its financial statements at all times in compliance with applicable statutory requirements and on a basis consistently applied in accordance with generally accepted accounting standards in Malaysia and those financial statements shall give a true and fair view of the results of the operations of the Issuer for the period to which the financial statements are made up and shall disclose or provide against all liabilities (actual or contingent) of the Issuer and shall provide the Sukuk Trustee, the Security Trustee and any person appointed by it (e.g. auditors) access to such books and accounts to the extent permitted by law;

(6) The Issuer shall and shall cause all its Material Subsidiaries to maintain adequate takaful/ insurance necessary for its assets and business against all risks which a prudent company carrying a similar business of the Issuer and/or its Material Subsidiaries would normally insure with a reputable takaful/insurance

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company(ies) ("**Takaful/Insurances**") and the Issuer shall notify the Sukuk Trustee and the Security Trustee of any event which will or may give rise to any claim or right of action under any such Takaful/Insurances;

(7) The Issuer shall promptly comply with all applicable laws, regulations and guidelines including the provisions of the CMSA and/or all notes, circulars, conditions or guidelines issued by the SC and/or BNM from time to time and all relevant laws and regulations with regards to the Sukuk Wakalah Programme (including any applicable anti-money laundering and terrorism financing laws);

(8) The Issuer shall as soon as practicable, deliver a certified copy of any material documents related to the Sukuk Wakalah Programme entered into subsequent to the Transaction Documents;

(9) The Issuer shall procure that the Security Trustee open and maintain the required FSRA and the Sukuk Trustee's Reimbursement Account ("**TRA**") and pay all relevant amounts into such accounts and make all payments from such accounts, as permitted under the Transaction Documents, and comply with the terms and conditions of the Transaction Documents in all matters concerning the FSRA and the TRA.

(10) The Issuer will give the Sukuk Trustee and the Security Trustee and, if required, to the credit rating agency appointed to conduct a rating assessment on the Sukuk Wakalah Programme ("**Credit Rating Agency**"), such information relating to its or the Material Subsidiary's business, affairs and financing conditions as the Sukuk Trustee may from time to time require in order to discharge its duties and obligations as trustee under the Transaction Documents, to the extent permitted by law;

(11) The Issuer shall maintain at all times a paying agent with a specified office in Malaysia ("**Paying Agent**");

(12) The Issuer shall procure that the Paying Agent shall notify the Sukuk Trustee, through the facility agent in respect of the Sukuk Wakalah Programme ("**Facility Agent**") in the event that the Paying Agent does not receive payment from the Issuer on the relevant due dates as required under the Transaction Documents and the terms and conditions of the Sukuk Wakalah;

(13) The Issuer shall ensure that the terms and conditions of the Transaction Documents and the information memorandum issued in relation to the Sukuk Wakalah Programme, if any ("**Information Memorandum**") do not contain any matter which is inconsistent with the provisions of the Transaction Documents and the terms and conditions of the Sukuk Wakalah;

(14) The Issuer shall do all things necessary to preserve, renew and keep in full force and effect its legal existence;

(15) The Issuer shall and shall cause all its Material Subsidiaries to preserve and maintain good and valid title to its respective properties and assets;

(16) The Issuer shall and shall cause all its Material Subsidiaries to pay and discharge all taxes imposed upon it or its respective assets within the time period

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allowed without incurring penalties save to the extent that (a) payment is being contested in good faith, and for which adequate reserves are being maintained for those taxes, or (b) payment can be lawfully withheld;

(17) The Issuer shall and shall cause all its Material Subsidiaries, to the extent required by law, punctually pay and discharge all indebtedness payable by it;

(18) The Issuer shall ensure that its obligations under the Transaction Documents at all times rank *pari passu* in all respects amongst themselves and at least *pari passu* in all respects with all its other unsecured and unsubordinated obligations, except those preferred solely by operation of law;

(19) The Issuer shall cause its subsidiaries to make distribution of dividends or any other form of income or capital distribution to the Issuer unless such subsidiary is restricted to make such distribution under any of its existing agreement provided that such restriction has been disclosed to and acknowledged by the principal adviser ("PA") and the LA prior to the date of the Transaction Documents;

(20) The Issuer will ensure full compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, as amended from time to time ("**Listing Requirements**"). In the event the Listing Requirements are no longer applicable to the Issuer, the Issuer shall comply with the requirements as set out in the SC's Guidelines on Trust Deeds (revised 23 July 2020 and effective 23 August 2020) (as amended from time to time) and/or such other rules, regulations, guidelines, guidance notes or directives as may be issued by the SC from time to time ("**Guidelines on Trust Deeds**") relating to related party transactions; and

(21) Such other covenants as may be advised by the solicitors acting for the PA/LA ("**Solicitor**") and mutually agreed between the LA and the Issuer.

### Negative covenants

To include but not be limited to the following:-

(1) The Issuer shall not permit any addition to, deletion, variation, amendment, supplement or substitution to its Constitution in a manner which may be materially prejudicial to the interests of the Sukukholders or inconsistent with the provisions of the Transaction Documents unless the Issuer has obtained the approval of Sukukholders by way of a Special Resolution (as defined in the section entitled "*Voting*" below) or the written consent of the Sukuk Trustee (whose approval may be given, where in its opinion, it is not materially prejudicial to the interests of Sukukholders to give such approval);

(2) The Issuer shall not sell, transfer, lease or dispose any of its undertaking, business or assets (whether by a single transaction or by a number of transactions whether related or not) or permit a set off (other than by operation of law) or combination of accounts (in respect of its book debts) save and except for such sale, transfer, lease, disposal, exercise or transactions which are (a) in the Issuer's ordinary course of business and on an arm's length basis and will not result in a Material Adverse Effect (as defined below); or (b) to facilitate Shariah financing(s);

(3) The Issuer shall not voluntarily enter into, commence or institute for its dissolution or take any corporate action, legal proceedings or other procedure or

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steps for the winding up, dissolution or liquidation in respect of itself or for the appointment of a receiver, receiver and manager, liquidator, judicial manager or such other similar officer of the Issuer or take steps to wind-up or dissolve itself;

(4) The Issuer shall not reduce or in any way whatsoever alter (other than by way of increase) its paid-up share capital whether by varying the amount, structure or value thereof or the rights attached thereto or by converting any of its share capital into stocks, or by consolidating, dividing or sub-dividing all or any of its shares or by any other manner, save and except for any decrease in its issued share capital resulting from the purchase of its own shares pursuant to Section 115 of the Companies Act;

(5) The Issuer shall not create or permit to exist any encumbrance, mortgage, charge (whether fixed or floating), pledge, lien, right of set-off, assignment by way of security, title retention, or other security interest of any kind or any agreement to create any of the foregoing (collectively "**Security Interest**") over all or any part of its assets, other than a Permitted Security Interest (as defined in the section entitled "*Other terms and conditions – Permitted Security Interest*" below);

(6) The Issuer shall not change the utilisation of proceeds or utilise or allow the utilisation of the proceeds of the Sukuk Wakalah for any purposes other than for the purposes as set out in the Information Memorandum and/or the Transaction Documents, which shall be Shariah-compliant unless the Issuer has obtained the approval of Sukukholders by way of a Special Resolution or the written consent of the Sukuk Trustee (whose approval may be given, where in its opinion, it is not materially prejudicial to the interests of Sukukholders to give such approval);

(7) The Issuer shall not enter into, undertake or permit any amalgamation, demerger, merger, consolidation, corporate reconstruction, reorganisation or restructuring which has or might have a Material Adverse Effect;

(8) The Issuer shall not cancel, surrender, abandon, suspend or otherwise change or threaten to cancel, surrender, abandon, suspend or change the nature or scope of its business carried on at the date of the Transaction Documents, which has or might have a Material Adverse Effect;

(9) The Issuer shall not declare or pay any dividends or make any distributions whether income or capital in nature to its shareholders or repay any advances from its shareholders or directors (either profit/interest or principal) ("**Distribution**"), unless the following conditions are met:-

- (a) all obligations in relation to the Sukuk Wakalah are complied with before and after such Distribution;
- (b) the terms and conditions of the FSRA are complied with; and
- (c) no Dissolution Event has occurred, is continuing or would occur following such Distribution;

(10) The Issuer shall not cancel, surrender, transfer, assign, relinquish or otherwise dispose of any of its rights and interest under the Transaction Documents;

(11) The Issuer shall and shall cause its Material Subsidiaries not to do or suffer to be done any act, matter or thing whereby any Takaful/Insurances may be rendered void, voidable or incapable of being effected, maintained or renewed;

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(12) The Issuer shall not permit to exist any financing/loans or advances from its directors or shareholders, unless these financing/loans and advances are unsecured and subordinated to the Sukuk Wakalah;

(13) The Issuer shall not cancel, surrender, abandon or otherwise amend or permit to be cancelled, surrendered, abandoned or otherwise amended, any licences, grants, consents, approvals or authorisations in any way which could have a Material Adverse Effect, unless imposed by any applicable law or authorities;

(14) The Issuer shall not 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;

(15) The Issuer shall not lend or advance any money to any party other than to its directors, officers or employees as part of the terms of employment and on ordinary commercial terms of employment and/or as permitted under the Transaction Documents; or

(16) Such other covenants as may be advised by the Solicitor and mutually agreed between the LA and the Issuer.

**"Material Adverse Effect"** means in relation to any event, in the opinion of the Sukuk Trustee, may have a material and adverse effect on: (i) the assets, business, financial condition or results of the operations of the Issuer and/or any Material Subsidiary; (ii) the ability of the Issuer to perform or comply with any of its obligations under the Transaction Documents; or (iii) the validity, legality or enforceability of the Transaction Documents or (iv) the rights of remedies of the Sukuk Trustee or the Sukukholders under the Transaction Documents or any of the subject matters of the Security Documents or the effectiveness, the priority or the ranking of any Security Interest granted or purporting to be granted pursuant to any of the Security Documents.

### Financial Covenants

No financial covenant

### Information Covenant

To include but not limited to the following:

(1) The Issuer shall deliver to the Sukuk Trustee and Facility Agent the following:

(a) as soon as they become available (and in any event within one hundred and eighty (180) days after the end of each of its financial year) copies of the Issuer's audited consolidated financial statements for that year, which shall contain the income statements and balance sheets of the Issuer and which are audited in accordance with generally accepted accounting standards in Malaysia and certified without qualification by a firm of independent certified public accountants;

(b) at least on an annual basis, a compliance certificate signed by one (1) director

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of the Issuer and addressed to the Sukuk Trustee, confirming that:

(i) it has complied with all its obligations under the Transaction Documents and the terms and conditions of the Sukuk Wakalah; and

(ii) since the date of the previous certificate (or in the case of the first certificate, since the issue date of the Sukuk Wakalah), there does not exist or had not existed, any Dissolution Event or any event which upon the giving of notice and/or the lapse of time and/or the issue of a certificate and/or the fulfilment of the relevant requirement as contemplated under the Transaction Documents would constitute a Dissolution Event ("**Potential Dissolution Event**"), and if such is not the case, to specify the same and steps to be taken, if any, to remedy the same;

(c) as soon as they become available (and in any event within ninety (90) days after the end of the first half of its financial year) copies of the Issuer's unaudited consolidated half yearly financial statements for that period which shall contain the income statements and balance sheets of the Issuer which are duly certified by one (1) director of the Issuer;

(d) promptly, to the extent permitted by law, such additional financial or any other information related to the Issuer's and/or the Material Subsidiaries' affairs, business and/or operations as the Sukuk Trustee may from time to time reasonably require or request in order to discharge its duties and obligations as Sukuk Trustee under the Transaction Documents;

(e) promptly, all notices, accounts, reports, statements, circulars or other documents received by the Issuer from any of its shareholders or its creditors, and a copy of all notices, accounts, reports, statements, circulars or other documents dispatched by the Issuer to its shareholders (or any of them) in their capacity as shareholders or its creditors generally which are material and substantial to or necessary for the Sukukholders to make informed investment decisions at the same time as these documents are dispatched to these shareholders or creditors, and that the Sukuk Trustee may in its discretion circulate such notices, accounts, reports, statements, circulars to the Sukukholders as well as the Credit Rating Agency;

(2) The Issuer shall promptly notify the Sukuk Trustee in writing of any change in its condition (financial or otherwise) and of any litigation or other proceedings of any nature whatsoever being threatened or initiated against the Issuer and/or any Material Subsidiary before any court or tribunal or administrative agency which may have a Material Adverse Effect;

(3) The Issuer shall immediately give notice to the Sukuk Trustee in writing of the following:

(a) forthwith upon becoming aware, the occurrence of any Dissolution Event or Potential Dissolution Event, and it shall take all steps and/or such other steps as may be requested by the Sukuk Trustee to remedy and/or mitigate the effect of the Dissolution Event or the Potential Dissolution Event;

## Guan Chong Berhad ("GCB" or "Issuer")

An Islamic medium term notes (Sukuk Wakalah) programme of up to RM800.0 million in nominal value under the Shariah principle of Wakalah Bi Al-Istithmar (Sukuk Wakalah Programme)

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(b) the occurrence of any event that has caused or could cause one or more of the following: (1) any amount secured and payable under the Sukuk Wakalah to become immediately payable; or (2) the Sukuk Wakalah or the security created under the Sukuk Wakalah Programme to become immediately enforceable; or (3) any other right or remedy under the terms, provisions or covenants of the Sukuk Wakalah Programme or the Transaction Documents to become immediately enforceable;

(c) the occurrence of any circumstances that would materially prejudice the Issuer and/or any security created pursuant to the relevant Transaction Documents;

(d) any substantial change in the nature of the business of the Issuer;

(e) any change in the name of the Issuer;

(f) any change in the authorised signatories and/or substantial shareholders (as defined in the Companies Act) of the Issuer unless an announcement has been made pursuant to the Listing Requirements;

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

(h) any change in the board of directors of the Issuer unless an announcement has been made pursuant to the Listing Requirements;

(i) any change in the utilisation of proceeds arising from the issuance of the Sukuk Wakalah under the Sukuk Wakalah Programme from that is stated in the Information Memorandum and/or the Transaction Documents; or

(j) any other matter or information that may materially prejudice the interests of the Sukukholders or which would otherwise have a Material Adverse Effect.

(24) Details of designated account, if applicable : Name of account:  
Finance Service Reserve Account which shall be Shariah compliant ("FSRA")

Parties responsible for opening the account:  
The Issuer

Parties responsible for maintaining/operating account:  
The FSRA will be maintained and operated as follows: Party responsible for maintaining the account: Issuer. Party responsible for operating the account: i)

## Guan Chong Berhad ("GCB" or "Issuer")

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Prior to Dissolution Event: Security Trustee. ii) Upon occurrence of Dissolution Event: Security Trustee.

Signatories to account:

Prior to any Dissolution Event: Security Trustee

Upon occurrence of a Dissolution Event: Security Trustee

Sources of funds:

The Issuer shall deposit and maintain or cause to be deposited and maintained in the FSRA at all times, an amount equivalent to the scheduled Periodic Distribution due and payable under the relevant outstanding Sukuk Wakalah for the next six (6) months, which shall be maintained throughout the tenure of the Sukuk Wakalah Programme ("**Minimum Required Balance**").

Any failure in maintaining the then prevailing Minimum Required Balance shall constitute a Dissolution Event if such shortfall remains unremedied for more than seven (7) business days from the date of occurrence of such shortfall.

Utilisation of funds:

Funds in the FSRA may be utilised for:

(a) payment of the Periodic Distribution falling due and payable under the Sukuk Wakalah and/or for redemption of the nominal value of the Sukuk Wakalah on its scheduled maturity date; and

(b) to invest in Permitted Investments.

Monies held in the FSRA may be withdrawn for Permitted Investments, provided that such funds withdrawn shall be remitted back into the FSRA in a timely manner to meet any payment obligations under the Sukuk Wakalah prior to such payment becoming due and payable.

Diagram(s) illustrating the flow of monies and conditions for disbursements uploaded:

Guan Chong Berhad - FSRA Diagram.pdf on 8 September 2020

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

No.	Long Term/Short Term	Rated/Unrated	Credit rating agency	Credit rating	Final/indicative rating	Name of Issuance/Tranche/Series/Class	Amount
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1	Long Term	Rated	MARC Ratings Berhad (MARC Ratings)	AA- IS	Indicative rating	Not applicable	MYR 800,000,000.00
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Additional Notes:

(26) Conditions precedent

: **1) Conditions precedent relating to the establishment of the Sukuk Wakalah Programme**

To include but not limited to the following (all in form and substance acceptable to the LA unless waived by the LA, as the case may be):

**A. Main Documentation**

- (1) The Transaction Documents have been executed, and where applicable, stamped or endorsed as exempted from stamp duty and presented for registration with the relevant registries;
- (2) Evidence that the statement of particulars to be lodged with charge as prescribed under section 352 of the Companies Act, where applicable, in respect of the charges created pursuant to the relevant Transaction Documents have been duly lodged with the Companies Commission of Malaysia ("CCM"); and
- (3) All relevant acknowledgements of notices of assignment and where applicable, consents from the relevant counterparties in respect of the security to be assigned shall have been made or received, as the case may be.

**B. The Issuer**

Receipt of the following documents:

- (1) Certified true copies of the Certificate of Incorporation and the Constitution of the Issuer;
- (2) Certified true copies of the Return for Allotment of Shares (or Form 24 as prescribed under the Companies Act 1965), the Notification of Change in the Registered Address (or Form 44 as prescribed under the Companies Act 1965), Form 49 as prescribed under the Companies Act 1965, the Notification(s) of Change in the Register of Directors, Managers and Secretaries as prescribed under the Companies Act and the latest Annual Return of a Company having a Share Capital, of the Issuer;
- (3) A certified true copy of the board resolutions of the Issuer, authorising, among others, the establishment of the Sukuk Wakalah Programme, the issuance of the Sukuk Wakalah under the Sukuk Wakalah Programme and the execution of the Transaction Documents;
- (4) A list of the Issuer's authorised signatories and their respective specimen

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signatures;

(5) A report of the relevant company search of the Issuer conducted at the CCM; and

(6) A report of the relevant winding-up search on the Issuer conducted at the Department of Insolvency of Malaysia confirming that at the time of such search, the Issuer has not been wound up.

### **C. General**

(1) Evidence that all relevant regulatory endorsement, approvals and/or acknowledgements including the Shariah Advisory Council ("**SAC**") of SC's endorsement and acknowledgement in respect of the lodgement of the Sukuk Wakalah Programme from the SC, have been obtained;

(2) Evidence that all transaction fees, costs and expenses in relation to the Sukuk Wakalah Programme have been or will be paid in full;

(3) Receipt of the legal due diligence report satisfactory to the PA/LA from the Solicitors;

(4) The PA/LA has received from the Solicitors a legal opinion addressed to them and the Sukuk Trustee advising with respect to, among others, the legality, validity and enforceability of the Transaction Documents and a confirmation addressed to the PA/LA that all the conditions precedent have been fulfilled or waived (as the case may be);

(5) Evidence that the FSRA has been opened in accordance with the provisions of the relevant Transaction Documents and a certified true copy of the Issuer's board of directors' resolution in relation to the opening and maintenance of the FSRA;

(6) Confirmation that the TRA has been opened in accordance with the Guidelines on Trust Deeds with such financial institution acceptable to the LA and a certified true copy of the Issuer's board of directors' resolution in relation to the opening and maintenance of the TRA and a sum of Ringgit Thirty Thousand (RM30,000.00) has been deposited therein;

(7) Consents from the existing financier(s), charge(s) or assignee(s) of the Issuer to establish the Sukuk Wakalah Programme, issue the Sukuk Wakalah thereunder and/or to create the Security Interest under the Assignment and Charge (FSRA) (if applicable);

(8) Confirmation from the Shariah Adviser that the structure and the mechanism of the Sukuk Wakalah Programme and the Transaction Documents are in compliance with Shariah; and

(9) Such other conditions precedent as advised by the Solicitors and to be mutually agreed between the LA and the Issuer.

### **2) Conditions precedent relating to the each issuance under the Sukuk Wakalah Programme**

(1) Evidence that the issuance of the Sukuk Wakalah has been accorded with at

**An Islamic medium term notes (Sukuk Wakalah) programme of up to RM800.0 million in nominal value under the Shariah principle of Wakalah Bi Al-Istithmar (Sukuk Wakalah Programme)**

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least an investment grade rating by the Credit Rating Agency;

(2) Confirmation from the Issuer that all representations and warranties of the Issuer remain true and accurate and that it is in compliance with all covenants under the Transaction Documents;

(3) Confirmation from the Issuer that no Dissolution Event or Potential Dissolution Event has occurred and/or is continuing or would occur as a result of the issue of the Sukuk Wakalah; and

(4) Such other conditions precedent as advised by the Solicitors and to be mutually agreed between the joint lead managers and the Issuer prior to issuance.

(27) Representations and warranties

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

(1) The Issuer is a public listed company with limited liability, duly incorporated and validly existing under the laws of Malaysia, has full power and authority to carry on its business and to own its properties and assets, and has full legal and/or beneficial ownership of all its properties and assets;

(2) The Issuer's Constitution incorporates provisions which authorises its entry into the Transaction Documents, and all necessary corporate and oth relevant actions have been taken to authorise its entry into the Transaction Documents;

(3) The Issuer has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of, the Transaction Documents and the transactions contemplated by such Transaction Documents;

(4) All necessary authorisations, approvals, filings, registration, licences, and consents required by the Issuer to (i) enable it lawfully to enter into, exercise its rights and comply with its obligations in the Transaction Documents; (ii) own its assets, carry on its business; and (iii) for its execution of the Transaction Documents, to make the Transaction Documents admissible in evidence in Malaysia and for the performance of its obligations under the Transaction Documents have been obtained, renewed, fulfilled and are in full force and effect;

(5) No registration and no payment of any duty or tax or other action is necessary to ensure the validity, enforceability or admissibility in evidence in Malaysia of the Transaction Documents except for (i) the registration of the Security Interests created or to be created under the Security Documents with the CCM, where applicable, (ii) the registration of the power of attorney contained in any of the Security Documents with the High Court of Malaya; and (iii) the payment of stamp duty or endorsement as being exempted from stamp duty of each of the Transaction Documents under the Malaysian Stamp Act 1949;

(6) No litigation, arbitration or administrative proceeding or claim is presently in progress, pending, instituted or threatened against the Issuer;

(7) The Issuer is subject to civil and commercial law with respect to its obligations

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under the Transaction Documents and the transactions contemplated thereunder and the execution, delivery and performance of the Transaction Documents constitutes private and commercial acts done for private and commercial purposes rather than governmental or public acts and its assets are not entitled to immunity on the grounds of sovereignty or otherwise from any suits, judgements, executions, legal action or proceeding or other legal process;

(8) The execution and delivery of any of the Transaction Documents and the performance by the Issuer of any of the transactions contemplated by the Transaction Documents do not and will not conflict with:

(a) its constitutional documents;

(b) any law or regulation applicable to it;

(c) any agreement or instruments binding upon it or any of its assets;

(d) result in or create any Security Interest (other than a Permitted Security Interest (as defined in the section entitled "*Other terms and conditions – Permitted Security Interest*" below) or any restriction of any nature on any of its assets; or

(e) cause any limitation on it or the powers of its directors, whether imposed by or contained in its Constitution or in applicable laws or otherwise to be exceeded;

(9) The Transaction Documents are or will when executed and/or issued, as the case may be, be in full force and effect and constitutes, or will when executed or issued, valid and legally binding obligations of the Issuer enforceable in accordance with their terms;

(10) The Sukuk Wakalah pursuant to the relevant Transaction Documents, constitute direct, unconditional and unsubordinated and secured obligations of the Issuer and shall at all times rank pari passu without discrimination, preference or priority among themselves and at least pari passu with all other unsecured and unsubordinated obligations of the Issuer subject to the provisions of the Transaction Documents and those preferred by law;

(11) Its audited financial statements will be and are prepared in accordance with approved accounting standards in Malaysia and in accordance with all procedures required by its Constitution and the laws of Malaysia, gives a true and fair view of its financial position and will be or are audited and certified by qualified auditors;

(12) All information furnished by it in connection with the Sukuk Wakalah Programme and the Transaction Documents does not contain any false or misleading statement or any material omission and any opinions contained therein were honestly made on reasonable grounds after due and careful enquiry;

(13) No step has been taken by the Issuer and/or its Material Subsidiaries, their creditors or any of their shareholders or any person on their behalf nor have any legal proceedings or applications been started or threatened under Section 366 of the Companies Act against the Issuer and/or its Material Subsidiaries;

(14) No material adverse change in the business condition (financial or otherwise) operations or performance of the Issuer and/or its Material Subsidiaries has

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occurred;

(15) Each the Issuer and/or its Material Subsidiaries has maintained and continue to maintain the required Takaful/Insurance coverages (if any);

(16) There are no changes of law or other governmental action which shall make it impossible for the Issuer to perform its covenants and obligations under the Transaction Documents;

(17) No Dissolution Event or Potential Dissolution Event has occurred and is continuing;

(18) The Issuer is in compliance with and will comply with any applicable laws and regulations;

(19) All necessary returns have been delivered by or on behalf of the Issuer to the relevant taxation authorities and the Issuer is not in default of the payment of any taxes save and except for taxes that are being contested in good faith and by appropriate means and an adequate reserve has been set aside with respect to taxes which are not disclosed in the Issuer's latest audited financial statements;

(20) No event or series of events has occurred which may have a Material Adverse Effect (including, without limitation, the revocation or non-renewal of any authorisations, consents, approvals, filings or registrations);

(21) The Information Memorandum and any information in whatever form, document, statement or instrument furnished or to be furnished by the Issuer in connection thereto are true in all respects and do not contain any statements or information that are false or misleading in any respect and there is no material omission in respect thereof, and all or any projections or expressions of expectations, intentions, belief and opinion contained therein were honestly made on reasonable grounds after due and careful inquiry by the Issuer. For the purposes of this sub-paragraph, the Information Memorandum shall include any amendment, modification or update thereto or reissuance thereof; provided that any such amendment, modification, update or reissuance shall not remedy or waive and shall be without prejudice to, any misrepresentation under this sub-paragraph in respect of the Information Memorandum issued prior to such date; and

(22) Any other representations and warranties as advised by the Solicitors and to be mutually agreed between the LA and the Issuer.

**"Material Subsidiaries"** collectively refers to the subsidiaries, both present and future of the Issuer which holds at least 5% of the net tangible assets of the Issuer's group, based on the latest available audited and consolidated financial statements of the Issuer at that time, and each a **"Material Subsidiary"**.

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- (28) Events of defaults or: enforcement events, where applicable, including recourse available to investors
- Means the following dissolution events ("**Dissolution Event**") subject to such carve outs and/or remedy period as may be mutually agreed between the PA/LA and the Issuer:
- (1) The Issuer fails to pay any amount due and payable under the Sukuk Wakalah and/or any of the Transaction Documents relating to the Sukuk Wakalah Programme (including any Deferred Sale Price and/or Exercise Price) on the due date or, if so payable, on demand;
  - (2) Any representation or warranty made or given by the Issuer under the Transaction Documents or which is contained in any certificate, document or statement furnished at any time pursuant to the terms of the Sukuk Wakalah and/or any of the Transaction Documents is or proves to be incorrect or misleading in any material respect;
  - (3) The Issuer fails to observe or perform any of its obligations under any of the Transaction Documents or the Sukuk Wakalah (other than an obligation referred to in paragraph (1) above) or there is a breach by the Issuer of any term or condition under the Sukuk Wakalah or any of the Transaction Documents or of any other document relating to the issue, offer or invitation of the Sukuk Wakalah or under any undertaking or arrangement entered into in connection therewith and in the case of a breach which in the opinion of the Sukuk Trustee is capable of being remedied, the Issuer has not remedied such breach within thirty (30) days after the Issuer became aware of or having been notified in writing by the Sukuk Trustee of such breach (whichever is earlier);
  - (4) There has been a breach by the Issuer of any obligation under any of the Issuer's existing contractual obligations (other than an obligation referred to in paragraph (3) above) which could have a Material Adverse Effect;
  - (5) (a) Any other indebtedness of the Issuer and/or any of its Material Subsidiaries becomes due and payable or is declared due or payable prior to its stated maturity; or  
(b) any guarantee or similar obligations of the Issuer and/or any of its Material Subsidiaries is not discharged at maturity or when called; or  
(c) the Issuer and/or any of its Material Subsidiaries goes into default and/or commits a breach of any agreement or instrument relating to such indebtedness, guarantee or other obligations; or  
(d) any security created to secure any indebtedness of the Issuer and/or any of its Material Subsidiaries becomes enforceable;
  - (6) An encumbrancer takes possession of, or a trustee, receiver, receiver and manager, judicial manager or other officer acting in a similar capacity is or has been appointed in respect of any part of the business or assets of the Issuer and/or any of its Material Subsidiaries or the whole or substantial part of the business or assets of the Issuer and/or any of its Material Subsidiaries, or distress, legal process, sequestration or any form of execution is levied or enforced or sued out against the Issuer and/or any of its Material Subsidiaries, or any Security Interest which may for the time being affect any part of the business or assets of the Issuer and/or any of its Material Subsidiaries or the whole or a substantial part of the

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Issuer's and/or any of its Material Subsidiaries' assets becomes enforceable;

For the purpose of this paragraph (6), references to "substantial" shall mean such value equivalent to or more than 5% of the Issuer's consolidated net assets as reflected in its annual audited consolidated financial statements;

(7) The Issuer and/or any of its Material Subsidiaries fails to satisfy any judgement passed against it by any court of competent jurisdiction and:

(a) no appeal against such judgement or an application for a stay of execution has been made to the appropriate appellate court within the time prescribed by law; or

(b) in the event that an appeal as described in (a) above has been made, such appeal has been dismissed;

(8) (a) Any step is taken for the winding-up, dissolution or liquidation of the Issuer and/or any of its Material Subsidiaries, or

(b) a resolution is passed for the winding-up of the Issuer and/or any of its Material Subsidiaries, or

(c) a petition for winding-up is presented against the Issuer and/or any of its Material Subsidiaries, unless such winding up petition has been contested in good faith and set aside within thirty (30) days from the date of service of such winding-up petition, or

(d) if a winding-up order has been made against the Issuer and/or any of its Material Subsidiaries;

(9) The Issuer and/or any of its Material Subsidiaries convenes a meeting of its creditors or proposes or makes any arrangement including any scheme of arrangement or composition or begins negotiations with its creditors, or takes any proceedings or other steps, with a view to a rescheduling or deferral of all or any part of its indebtedness or a moratorium is agreed or declared by a court of competent jurisdiction in respect of or affecting all or any part of its indebtedness or any assignment for the benefit of its creditors (other than for the purposes of and followed by a reconstruction previously approved in writing by the Sukuk Trustee, unless during or following such reconstruction the Issuer and/or any of its Material Subsidiaries becomes or is declared to be insolvent) or where a scheme of arrangement under Section 366 of the Companies Act has been instituted against the Issuer and/or any of its Material Subsidiaries or any other corporate rescue mechanism under the Companies Act has been instituted by or against the Issuer and/or any of its Material Subsidiaries;

(10) Where there is a revocation, termination, withholding, invalidation or modification of any license, authorisation, approval or consent which impairs or prejudices the Issuer's ability to comply with the terms and conditions of the Sukuk Wakalah or any Transaction Document or of any other document relating to the issue, offer or invitation of the Sukuk Wakalah;

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(11) The Issuer and/or any its Material Subsidiaries is deemed unable to pay any of its debts within the meaning of Section 466(1) of the Companies Act or becomes unable, or admits inability, to pay any of its debts as they fall due or suspends or threatens to suspend making payments with respect to all or any class of its debts;

(12) Any creditor of the Issuer and/or any of its Material Subsidiaries exercises a contractual right to take over the financial management of the Issuer and/or any of its Material Subsidiaries and such event in the opinion of the Sukuk Trustee has a Material Adverse Effect;

(13) The Issuer ceases or threatens to cease the operation of a substantial/material part of its business;

(14) Any provision of the Transaction Documents is or becomes, for any reason, invalid, illegal, void or unenforceable which would prevent the Issuer from or entitle the Issuer to refrain from performing any of its obligations thereunder;

(15) The Issuer repudiates any of the Transaction Documents or the Issuer does or causes to be done any act or thing evidencing an intention to repudiate any of the Transaction Documents;

(16) All or any part of the assets, undertakings, rights or revenue of the Issuer and/or any of its Material Subsidiaries are seized, expropriated or compulsorily acquired by or under the authority of any governmental body which in the opinion of the Sukuk Trustee may have a Material Adverse Effect;

(17) The Issuer fails to maintain the then prevailing Minimum Required Balance in the FSRA;

(18) Any event or events has or have occurred or a situation exists which in the opinion of the Sukuk Trustee may have a Material Adverse Effect; or

(19) Any other dissolution events as advised by the Solicitors and agreed by the Issuer.

Upon the occurrence of a Dissolution Event, the Sukuk Trustee may or shall (if directed to do so by a Special Resolution of the Sukukholders) declare (by giving written notice to the Issuer) that a Dissolution Event has occurred and all sums payable under the Sukuk Wakalah are immediately due and payable, and the Sukuk Trustee shall enforce its rights under the Transaction Documents, including but not limited to, requiring the Obligor to purchase the Sukukholders' interest in the Shariah-compliant Business at the Exercise Price and enter into a Sale Agreement for such purchase and the Buyer to pay the outstanding Deferred Sale Price (subject to Ibra', if any). Proceeds from the Wakalah Investments thereof shall be paid to the Sukukholders to redeem the outstanding Sukuk Wakalah. The Security Trustee may enforce the security granted pursuant to the Security Documents and/or exercise any and all such other rights granted to the Sukukholders under the Transaction Documents. Upon full payment of all amounts due and payable under the outstanding Sukuk Wakalah, the trust over the Wakalah Investments and Wakalah arrangement would then be dissolved and the relevant Sukuk Wakalah held by the Sukukholders will be cancelled.

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(29) Governing laws : Laws of Malaysia

(30) Provisions on buy-back, if applicable : **Purchase & Cancellation**

The Issuer or its subsidiaries or agent(s) of the Issuer, may at any time purchase the Sukuk Wakalah at any price in the open market or by private treaty. The Sukuk Wakalah which are purchased/redeemed by the Issuer or its subsidiaries or its agent(s) shall be cancelled by the Issuer and cannot be reissued or resold.

Any of the Sukuk Wakalah acquired in the open market or by private treaty by the Issuer's related corporations (other than the Issuer's subsidiaries) or Interested Persons 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 Guidelines on Trust Deeds.

For the purpose of this paragraph, "Interested Person" shall not apply to the following major shareholders who hold the shares whether directly or indirectly for the benefit of the public:

1. a statutory institution who is managing funds belonging to the general public;
2. a closed end fund, unit trust or investment fund (but excluding an investment holding company);
3. a licensed institution as defined under the Financial Services Act 2013 ("FSA") or the Islamic Financial Services Act 2013 ("IFSA") and a development financial institution as defined under the Development Financial Institutions Act 2002 of Malaysia; and
4. a Takaful/insurance corporation whose activities are regulated by any written law relating to Takaful/insurance and are subject to supervision by BNM and the said Takaful/insurance corporation is managing its Takaful/insurance funds (together with its own shareholders' funds or otherwise). For the purposes of this paragraph, "insurance funds" has the meaning given in Section 2 of the FSA and "Takaful funds" has the meaning given in Section 2 of the IFSA.

For the avoidance of doubt, all Sukuk Wakalah purchased and cancelled shall not be reissued.

(31) Provisions on early redemption, if applicable : **Early Redemption**

The Issuer may, at its sole discretion, redeem in part or in whole of the Sukuk Wakalah then outstanding before its stated maturity date on pro rata basis at the early redemption amount to be determined by the Sukuk Trustee (acting upon the instructions of the Sukukholders) subject to the following conditions:

- (i) the Issuer shall have issued a notice to the Sukuk Trustee (copied to the Facility Agent) (the "**Early Redemption Notice**") not less than thirty (30) days or such other period as agreed with the Sukuk Trustee prior to the Early Redemption Date (as defined below). The Early Redemption Notice must specify, among others, the Early Redemption Date and the amount intended to be redeemed; and

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(ii) in accordance with the manner as prescribed by the Sukuk Trustee (acting upon the instructions of the Sukukholders).

**"Early Redemption Date"** means the date on which the Issuer redeems the Sukuk Wakalah before the stated maturity date of the Sukuk Wakalah at the early redemption amount (to be determined by the Sukuk Trustee (acting upon the instructions of the Sukukholders)).

For the avoidance of doubt any early redemption proposed to be made by the Issuer shall be done on pro rata basis across all Series (as defined in the section entitled "Voting" below) of the Sukuk Wakalah Programme then outstanding under the Sukuk Wakalah Programme.

### **Redemption On Maturity**

Unless previously redeemed or purchased and cancelled, the Sukuk Wakalah will be redeemed in whole by the Issuer at their nominal value on their respective maturity dates.

(32) Voting : Voting by the Sukukholders under the Sukuk Wakalah Programme shall be carried out as follows:

### **Prior to upsizing of the Sukuk Wakalah Programme:**

All matters (save in relation to the upsizing of the Sukuk Wakalah Programme) which require the Sukukholders' consent under the Sukuk Wakalah Programme shall be carried out on a collective basis.

### **Post upsizing of the Sukuk Wakalah Programme:**

All matters which require the Sukukholders' consent under the Sukuk Wakalah Programme shall be carried out on a per Series (as defined below) basis. Sukukholders holding a requisite amount under each Series (to be determined under the Trust Deed) shall provide their consent for the relevant matters to be passed under the Sukuk Wakalah Programme and the consent from such Sukukholders in respect of the Sukuk Wakalah then outstanding under the relevant Series shall have been obtained for any such resolution to be carried.

Any Sukuk Wakalah held by the Issuer or any Interested Person of the Issuer shall not be counted for the purpose of voting, subject to any exceptions set out in the Guidelines on Trust Deeds.

**"collective"** shall mean for all Sukuk Wakalah that are outstanding at the time, the Sukukholders' consent under the Sukuk Wakalah Programme is procured.

**"Series"** shall mean, any Sukuk Wakalah with the same issue date.

The passing of resolutions shall be carried out in the following manner:

### (i) Ordinary Resolution

**"Ordinary Resolution"** means a resolution passed at a meeting of the Sukukholders duly convened and held in accordance with the provisions of the

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Trust Deed and carried by a majority consisting of more than fifty percent (50%) of the persons voting thereat upon a show of hands or, if a poll is duly demanded, by a majority consisting of more than fifty percent (50%) of the votes given on such poll.

(ii) Special Resolution

"**Special Resolution**" means a resolution passed at a meeting of the Sukukholders duly convened and held in accordance with the provisions of the Trust Deed and carried by a majority consisting of not less than seventy five percent (75%) of the persons voting thereat upon a show of hands or, if a poll is duly demanded, by a majority consisting of not less than seventy five percent (75%) of the votes given on such poll.

(33) Permitted investments, if applicable

: Permitted Investments shall comprise investments in Shariah compliant products approved by the SAC of SC, Shariah Advisory Council of BNM or other recognised Shariah authorities. For the purpose of the Sukuk Wakalah, "**Permitted Investments**" shall mean:-

(i) Sukuk guaranteed by the Government of Malaysia ("**GOM**");

(ii) Sukuk issued in Malaysia with the approval of the GOM by any authority established under federal or state law;

(iii) Islamic money market instruments (where there is the flexibility of early withdrawal without incurring any penalty) such as Islamic bankers' acceptance issued or Islamic promissory notes or Islamic certificates of deposits issued by any Islamic bank licensed pursuant to the Islamic Financial Services Act 2013 ("**IFSA**") and having a minimum long term rating of A3/A- and short term rating of P1/MARC-1 or its equivalent;

(iv) Other Islamic deposits or accounts with any licensed Islamic bank with minimum rating A3/A- or P1/MARC-1 pursuant to the IFSA;

(v) Other Islamic capital market instruments of private entities having a long term rating of at least AAA and short term rating of P1/MARC-1 or its equivalent; and/or

(vi) Other Islamic money market instruments which are Shariah-compliant and approved by the SC,

provided that such investments which are equities in nature or incorporate loss-sharing mechanism shall not be allowed.

Permitted Investments shall mature no later than three (3) business days before any payment obligations are due and payable and must be Shariah compliant instruments.

All Permitted Investments shall be denominated in Ringgit Malaysia.

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(34) Ta'widh (for ringgit- : In the event the Wakeel breaches its fiduciary duty as an investment agent due to  
denominated sukuk) its failure to distribute any realised Periodic Distributions and/or Obligor / Buyer delays in the payment of any amounts due and payable to the Sukukholders under the Sale Agreement pursuant to exercise of the Purchase Undertaking, Sale Undertaking and/or the Deferred Sale Price, the Wakeel and/or the Obligor Buyer shall pay to the Sukuk Trustee (acting on behalf of the Sukukholders) Ta'widh (compensation) on such delay in payments at the rate and in the manner prescribed by the SC's Shariah Advisory Council from time to time.

(35) Ibra' (for ringgit- : Ibra' refers to an act of releasing absolutely or conditionally one's rights and claims  
denominated sukuk) 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. With respect to the Murabahah contract, Ibra' refers to the release of rights on debts/amount due and payable under the said contract.

The Ibra' shall be subject to the requirements stipulated under the SC's Guidelines on Islamic Capital Market Products and Services issued by the SC on 28 November 2022 and revised on 8 February 2024 (as amended and/or substituted from time to time) ("**ICMPS Guidelines**").

The Sukukholders in subscribing or purchasing the Sukuk Wakalah, agree to grant Ibra' on the Deferred Sale Price, upon the occurrence of any of the following events:

- (1) if the Sukuk Wakalah is redeemed before the Scheduled Dissolution Date ; or
- (2) the declaration of a Dissolution Event;

The Ibra' for redemption before the Scheduled Dissolution Date (if applicable) shall be mutually agreed to prior to such early redemption.

The Ibra' for redemption upon declaration of a Dissolution Event shall be calculated as follows:

(i) in the case of Sukuk Wakalah with Periodic Distributions and issued at a discount

the aggregate of unearned Expected Periodic Distribution Amount;

(ii) in the case of Sukuk Wakalah without Periodic Distributions and issued at a discount

the aggregate of unearned Discounted Amount (as defined in the section entitled "Other terms and conditions - Purchase and selling price/rental (where applicable)" below);

(iii) in the case of Sukuk Wakalah with Periodic Distributions and issued at par

the aggregate of unearned Expected Periodic Distribution Amount;

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(iv) in the case of Sukuk Wakalah with Periodic Distributions and issued at a premium

the aggregate of unearned Expected Periodic Distribution Amount

The Ibra' in relation to (i), (ii), (iii) and (iv) above, shall be calculated from the Dissolution Declaration Date up to the Sukuk Wakalah's respective Scheduled Dissolution Date.

For the avoidance of doubt, Ibra' will be applicable to the Commodity Murabahah Investment portion of the Wakalah Investments i.e. the Deferred Sale Price, only and shall only be deemed granted upon receipt of the redemption amount of the Sukuk Wakalah. Any double counting shall be disregarded.

(36) Kafalah (for ringgit-denominated sukuk) : Not 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.