

PRICING SUPPLEMENT

PRICING SUPPLEMENT dated 2 April 2021

TANJUNG PINANG DEVELOPMENT SDN BHD
(Registration No. 198901012747 (190056-P))

ISLAMIC MEDIUM TERM NOTE PROGRAMME (“**SUKUK MURABAHAH PROGRAMME**”) FOR THE ISSUANCE OF UNRATED ISLAMIC MEDIUM TERM NOTES (“**SUKUK MURABAHAH**”) OF UP TO RM1.5 BILLION NOMINAL VALUE IN AGGREGATE

Tranche No: 1

Series No: 4M, 4N, 4O, 5A, 5B and 5C

The aggregate Nominal Value of Sukuk Murabahah issued or to be issued under this Series shall not exceed the Nominal Value as stated below.

Joint Lead Managers:

AmINVESTMENT BANK BERHAD (Registration No. 197501002220 (23742-V))
MAYBANK INVESTMENT BANK BERHAD (Registration No. 197301002412 (15938-H))
PUBLIC INVESTMENT BANK BERHAD (Registration No. 197401002880 (20027-W))
RHB INVESTMENT BANK BERHAD (Registration No. 197401002639 (19663-P))

This document ("**Pricing Supplement**") is issued to give details of the Sukuk Murabahah to be issued under the above stated Tranche and Series by **TANJUNG PINANG DEVELOPMENT SDN BHD** (Registration No. 198901012747 (190056-P)) (the "**Issuer**") under the Sukuk Murabahah Programme.

This Pricing Supplement is to be read in conjunction with the terms and conditions of the Sukuk Murabahah ("**Conditions**") as set out in the Trust Deed dated 18 February 2020 made between the Issuer and **MALAYSIAN TRUSTEES BERHAD** (Registration No. 197501000080 (21666-V)) as the sukuk trustee ("**Sukuk Trustee**"), which is made a part hereof as if set forth herein and all documents incorporated by reference therein (collectively, the "**Trust Deed**"). Unless otherwise defined in this Pricing Supplement, capitalised terms used herein have the same meaning as in the Trust Deed and the Conditions.

The establishment of the Sukuk Murabahah Programme and the issuance of the Sukuk Murabahah under the Sukuk Murabahah Programme have been duly authorised by resolutions of the Board of Directors' of the Issuer passed on 21 October 2019 and by the resolutions of the Board of Directors of Eastern & Oriental Berhad passed on 21 October 2019.

The Issuer hereby acknowledges that it has authorised the Joint Lead Managers to circulate or distribute this Pricing Supplement on their behalf in respect of or in connection with the proposed offer or invitation to subscribe for and issue of the Sukuk Murabahah to Subscriber(s) who fall within the ambit of the Selling Restrictions (as defined in the Trust Deed) for the purpose of the sale of Sukuk Murabahah under this Tranche described herein pursuant to the Sukuk Murabahah Programme and that no further evidence of authorisation is required.

This Pricing Supplement does not constitute, and may not be used for the purposes of, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation, and no action is being taken to permit an offering of the Sukuk Murabahah or the distribution of this Pricing Supplement in any jurisdiction where such action is required.

This Pricing Supplement and its contents are strictly confidential and are made strictly on the basis that the recipient shall ensure that they will remain confidential. Accordingly, this Pricing Supplement and its contents, or any information, which is made available in connection with any further enquiries, must be held in complete confidence.

This Pricing Supplement is sent to selected persons who fall within the ambit of the Selling Restrictions. Any person who receives this Pricing Supplement who does not fall within the ambit of the Selling Restrictions must immediately notify the Joint Lead Managers and return this Pricing Supplement to the Joint Lead Managers or the Issuer.

In the event that there is any contravention of this confidentiality undertaking or there is reasonable likelihood that this confidentiality undertaking may be contravened, the Issuer may, at its discretion, apply for any remedy available to the Issuer whether at law, equity, including without limitation, injunctions. The Issuer is entitled to fully recover from the contravening party all costs, expenses and losses incurred and/or suffered, in this regard. For the avoidance of doubt, the recipient, the recipient's professional advisers, directors, employees and any other persons who may receive this Pricing Supplement or any part of it from the recipient shall be deemed to have agreed to abide by this confidentiality undertaking.

The recipient must return this Pricing Supplement and any other information in connection therewith to the Joint Lead Managers promptly upon the Joint Lead Managers' request.

THE DISTRIBUTION OF THIS PRICING SUPPLEMENT AND THE OFFERING OR SALE OF THE SUKUK MURABAHAH IN JURISDICTIONS OTHER THAN MALAYSIA IS RESTRICTED. PERSONS INTO WHOSE POSSESSION THIS PRICING SUPPLEMENT COMES INTO ARE REQUIRED BY THE ISSUER AND THE JOINT LEAD MANAGERS TO INFORM THEMSELVES ABOUT AND TO OBSERVE SUCH RESTRICTION. FOR A DESCRIPTION OF CERTAIN RESTRICTIONS ON OFFERS AND SALES OF THE SUKUK MURABAHAH AND ON DISTRIBUTION OF THIS PRICING SUPPLEMENT, SEE "SELLING RESTRICTIONS" IN THE TRUST DEED.

Specific Final Terms

The following items under this heading "**Specific Final Terms**" are the particular terms which relate to the Series of Sukuk Murabahah to which this Pricing Supplement relate. In case of any conflict between Specific Final Terms herein and the terms and conditions set forth in the Trust Deed, the Specific Final Terms set forth in this Pricing Supplement shall govern.

1. **Issuer** : **TANJUNG PINANG DEVELOPMENT SDN BHD**
(Registration No. 198901012747 (190056-P))
2. **Tranche Number** : 1
3. **Series Number** : 4M, 4N, 4O, 5A, 5B and 5C
4. **Issue Date** : 7 April 2021
5. **Tenure** :

<u>Series</u>	<u>Tenure</u>
4M, 4N, 4O	66 months from 13 March 2020
5A, 5B, 5C	72 months from 13 March 2020
6. **Nominal Value** : An aggregate nominal value of RM98,870,000.00. For the avoidance of doubt, the aggregate nominal value of all Series of Sukuk Murabahah issued or to be issued under the First Tranche shall not exceed the nominal value of RM1,300,000,000.00.
7. **Profit Rate** : The profit rate is on a floating rate basis and is repriced on a quarterly basis. The profit rate for the first profit payment is as below:

<u>Series</u>	<u>Profit Rate</u>
4M	4.07%
4N	4.05%
4O	3.94%
5A	4.07%
5B	4.05%
5C	3.94%
8. **Utilisation of Proceeds** : For financing of the conversion premium from leasehold to freehold status in relation to the Pledged Lands.
9. **Rating** : Unrated
10. **Tranche Security and Tranche Security Documents** : Tranche 1 Security shall comprise:
 - (a) a first party specific debenture by the Issuer over all its present and future assets under Phase 2A of the Seri Tanjung Pinang reclamation and development project at Tanjung Tokong, Pulau

Pinang (“STP2A”);

- (b) an irrevocable and unconditional letter of undertaking by Permaisjara Ribu (M) Sdn Bhd (“**Shareholder**”) whereby the Shareholder undertakes:
 - (i) not to sell, dispose or create any security over its shares in the Issuer;
 - (ii) to create a first ranking legal charge over not less than 70% of the issued and paid up capital of the Issuer as well as dividends and all other distributions and entitlements arising therefrom (“**Third Party Share Charge**”) upon demand by the Security Agent or the Trustee, as the case may be, PROVIDED THAT such demand may only be made upon the occurrence of an Event of Default and subject to consent being obtained by the Penang State Government for the creation of such charge;
 - (iii) to use its best efforts to procure the consent of the Penang State Government for the creation of the Third Party Share Charge to secure the First Tranche;
 - (iv) in the event that consent of the Penang State Government for the creation of the Third Party Share Charge to secure the First Tranche is successfully procured, to forthwith take all steps necessary for the perfection of the Third Party Share Charge; and
 - (v) not to pass any resolution to wind up the Issuer;
- (c) an irrevocable power of attorney to be granted by the Shareholder in favour of the Security Agent to deal with the shares of the Issuer owned by the Shareholder PROVIDED THAT such power shall only be exercisable upon the occurrence of an Event of Default and subject to consent being obtained by the Penang State Government for any disposal, sale or other dealing in the shares of the Issuer;
- (d) a first party first ranking legal charge by the Issuer over all the shares in the Issuer’s present and future subsidiaries held by the Issuer,

including but not limited to Persada Mentari Sdn Bhd (“**PMSB**”) and Junjung Angkasa Sdn Bhd, as well as dividends and all other distributions and entitlements arising therefrom, and a third party memorandum of deposit of shares by the Shareholder whereby the Shareholder has created a first fixed charge over not less than seventy per centum (70%) of the issued and paid up capital of the Issuer as well as dividends and all other distributions and entitlements arising therefrom, in favour of the Security Agent;

- (e) a first party first ranking legal charge by the Issuer over such parcels of land on which STP2A is undertaken and held by the Issuer with valuation of no less than RM3,060 million (“**Pledged Lands**”), pursuant to the provisions of the National Land Code 1965 (“**STP2A Land Charge**”);
- (f) a first party assignment and charge by the Issuer over all its rights, titles, interests and benefits in and under the designated accounts in respect of the First Tranche (“**Designated Accounts**”) and all monies standing to the credit thereto;
- (g) a first party assignment by the Issuer over all its rights, titles, interests and benefits in and under the concession agreement in relation to the reclamation and development of STP2A (“**Assignment of Concession Agreement**”);
- (h) an irrevocable letter of undertaking from the Guarantor whereby the Guarantor undertakes to provide additional funds to meet any shortfall for the following:-
 - (i) the completion of STP2A, Phase 2B of the Seri Tanjung Pinang reclamation and development project at Tanjung Tokong, Pulau Pinang (“**STP2B**”) and Phase 2C of the Seri Tanjung Pinang reclamation and development project at Tanjung Tokong, Pulau Pinang (“**STP2C**”);
 - (ii) cost overruns in relation to STP2A, STP2B and STP2C; and
 - (iii) payment obligations of the Issuer in respect of the First Tranche;
- (i) such other security as advised by the Solicitors

and/or as required by the Joint Lead Arrangers and to be mutually agreed between the Issuer and the Joint Lead Arrangers.

For the avoidance of doubt, all Sukuk Murabahah issued and to be issued under the First Tranche shall be secured by the Tranche 1 Security.

- 11. Security Party** : The Issuer, the Guarantor, the Shareholder and any such other party from time to time providing security for First Tranche.
- 12. Secured Assets** :
- (a) The Pledged Lands
 - (b) The Designated Accounts
 - (c) The Concession Agreement
 - (d) The Assets under STP2A
 - (e) The shares of the Issuer held by the Shareholder (subject to consent from the Penang State Government)
 - (f) The shares of the Issuer's existing and future subsidiaries held by the Issuer
- 13. Conditions Precedent** : None other than the conditions precedent as listed in Part B and Part C of Schedule 1 and Part A of Schedule 2 of the Programme Agreement dated 18 February 2020.
- 14. Form of Sukuk Murabahah** : Bearer Sukuk Murabahah whereby each Series of Sukuk Murabahah to be issued under this Tranche will be represented by a Global Certificate deposited with Bank Negara Malaysia as Central Securities Depository
- 15. Designated Account(s)** :
- (a) **Disbursement Account**

The Issuer shall maintain a Shariah-compliant Disbursement Account with RHB Islamic Bank Berhad ("**RHB Islamic**") and deposit therein all proceeds from the issuance of First Tranche.

The Disbursement Account shall be operated by the Security Agent.
 - (b) **Finance Service Reserve Account ("FSRA")**

The Issuer shall maintain a Shariah-compliant FSRA with RHB Islamic, which has a credit balance of not less than the next Periodic Profit Payment due under

the First Tranche (“**Minimum Cash Balance**”) and the Required Build-Up (as defined below).

“**Required Build-Up**” means the following amount to be built up progressively in the following manner and no later than the period stipulated below:-

- (i) no later than four (4) months prior to the next date of each principal payment due and payable under the First Tranche (“**Principal Payment Date**”), a sum equivalent to 10% of the amount of such principal payment due;
- (ii) no later than three (3) months prior to the next Principal Payment Date, a sum equivalent to 20% of the amount of such principal payment due with a cumulative percentage of 30% of the amount of such principal payment due;
- (iii) no later than two (2) months prior to the next Principal Payment Date, a sum equivalent to 30% of the amount of such principal payment due with a cumulative percentage of 60% of the amount of such principal payment due; and
- (iv) no later than one (1) month prior to the next Principal Payment Date, a sum equivalent to 40% of the amount of such principal payment due with a cumulative percentage of 100% of the amount of such principal payment due.

In the event the cash balance in the FSRA falls below the Required Build-Up, the Issuer shall within three (3) Business Days of receipt of notice from the Security Agent, top up such deficit amount in the FSRA.

Prior to the issuance, the Issuer shall deposit the Minimum Cash Balance based on amount to be issued. Non-compliance of the provision on Minimum Cash Balance and Required Build-Up in accordance with the terms of the relevant security document constitutes an Event of Default of the First Tranche under the Trust Deed.

The FSRA shall be operated solely by Security Agent.

(c) **Equity Account**

The Issuer shall maintain an Equity Account with RHB Islamic.

The Equity Account shall, in the absence of an Event

of Default under the First Tranche, be jointly operated by the Issuer and the Security Agent. For the avoidance of doubt, upon the occurrence of an Event of Default under the First Tranche, the Equity Account shall be solely operated by the Security Agent.

(d) **Escrow Account**

The Issuer shall maintain an Escrow Account with RHB Islamic and deposit therein all redemption sum from the Pledged Lands.

The Escrow Account shall be operated by the Security Agent.

(e) **Operating Account**

The Issuer shall maintain an Operating Account with RHB Islamic.

The Operating Account shall, in the absence of an Event of Default under the First Tranche, be operated by the Issuer. However, upon the occurrence of an Event of Default under the First Tranche, the Operating Account shall be solely operated by the Security Agent.

16. Other terms or special conditions : A. **Mandatory Early Redemption of the Sukuk Murabahah:**

The Issuer shall upon the occurrence of a Mandatory Redemption Event (as defined below) mandatorily early redeem the Sukuk Murabahah belonging to the First Tranche subject to the following conditions:-

- (a) in the case of a Mandatory Early Redemption due to any Restricted Distribution (as defined in the Trust Deed), such early redemption shall be made in an amount equal to the aggregate nominal value of at least the total amount of such proposed Restricted Distribution on a Periodic Profit Payment Date immediately preceding the Restricted Distribution payment date;
- (b) in the case of a Mandatory Early Redemption due to Redemption Land Event (as defined in the Trust Deed), such early redemption shall be made at an amount equal to 50% of the Redemption Sum (as defined in the Trust Deed) applicable to the Redeemed Land (as defined in the Trust Deed) and pursuant to the relevant provisions of the Trust Deed on a Periodic Profit

Payment Date immediately following the Security Agent's receipt of the Redemption Sum, and in the interim, such amount shall be credited into the Escrow Account to be earmarked to facilitate such redemption;

- (c) the early redemption shall be made in the direct order of maturity of the relevant Sukuk Murabahah, and with regards to the early redemption of any Sukuk Murabahah belonging to a Series, such payment towards early redemption shall be made on a pro rata basis;
- (d) in respect of any Series belonging to the First Tranche whose Periodic Profit Rate is a fixed profit rate, the early redemption is at a price to be agreed between the Issuer and the Sukukholders of that Tranche;
- (e) in respect of any Series belonging to the First Tranche whose Periodic Profit Rate is a floating profit rate, the early redemption price is at the nominal value of the relevant Sukuk Murabahah;
- (f) the early redemption amount shall not be less than RM10,000,000 in aggregate nominal value and shall be in multiples of RM1,000 in nominal value for each Series of Sukuk Murabahah to be redeemed from each Sukukholder of the relevant Series, subject always to the PayNet Rules and Procedures; and
- (g) the Issuer shall give the Sukuk Trustee at least 30 days prior irrevocable written notice before the early redemption date.

“Mandatory Redemption Event” shall mean:-

- (i) whenever the Issuer proposes to make any Restricted Distribution; or
- (ii) Redemption Land Event.

B. Other Terms – Financial Covenant for the First Tranche

- (a) The Issuer shall maintain at all times a Loan-to-Value Ratio of not more than fifty per centum (50%) at all times (“**LTV Ratio**”) based on the following formula:-

$$\text{LTV Ratio} = \frac{\text{Nominal Value of Sukuk Murabahah} - \text{Net Cash}}{\text{Open Market Value}}$$

“Nominal Value of Sukuk” means the outstanding nominal value of the Sukuk Murabahah issued under the First Tranche and unissued portion of the First Tranche committed by the Sukukholders.

“Net Cash” means the aggregate amount of:-

- (i) cash balance in the FSRA;
- (ii) cash balance in the Escrow Account; and
- (iii) the SBLC.

“Open Market Value” means, at any time, the market value of the Pledged Lands and any other lands which are used to secure the First Tranche which shall be determined based on:

- (a) first valuation report upon creation of the land charges (which shall not be dated more than six (6) months prior to the creation of the relevant land charges) issued by an independent certified valuer to be agreed between the Issuer and the Joint Lead Arrangers; or
- (b) latest updated valuation reports to be issued by an independent certified valuer to be agreed between the Issuer and the Security Agent every 2 years after the first issuance of Sukuk Murabahah under the First Tranche,

whichever is lower, at that time.

“SBLC” means one or more unconditional, irrevocable and on demand standby letter of credit procured by the Issuer and issued in favour of the Security Agent by a licensed Islamic financial institution with a minimum long term rating of AA/AA2 in form and substance acceptable to the Security Agent Provided That the SBLC shall be issued on the basis that the issuing bank of such SBLC will not be sharing the same security as the Sukukholders of the First Tranche and is subordinated to the First Tranche.

The LTV Ratio shall be tested annually at the end of each financial year of the Issuer based on its

latest available audited financial statements, and each time prior to the release of any Released Land and redemption of any Redeemed Land.

In the event there is a breach in the LTV Ratio, the Issuer shall restore the LTV Ratio to the required level within 60 business days from the earlier of:

- (.1) receipt of written notice from the Security Agent; or
- (.2) such time the Issuer becomes aware of such breach,
- (.3) failing which it shall constitute an Event of Default.

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in this Pricing Supplement. The Issuer confirms that having made all enquiries as were reasonable, the information contained in this Pricing Supplement is in accordance with the facts and is not false, misleading or contain any material omission.

For and on behalf of
TANJUNG PINANG DEVELOPMENT SDN BHD
(Registration No. 198901012747 (190056-P))

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Authorised Signatory
Name: **Loi Kok Mun**
Designation: **700712-08-6349**
Date:

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Authorised Signatory
Name: **WONG YAH YEE**
Designation: **(MAICSSA 7040513)**
Date: **SSM PC No. 202008001898**
Company Secretary