

PRINCIPAL TERMS AND CONDITIONS

1.01 Background Information

(a) Issuer

(i) Name : Encorp Systembilt Sdn Bhd ("**ESSB**" or the "**Issuer**").

(ii) Address : No. 45-1, Jalan PJU 5/21, Encorp Strand
Pusat Perdagangan Kota Damansara
Kota Damansara PJU 5
47810 Petaling Jaya
Selangor.

(iii) Business registration no. : 333634-D.

(iv) Date and place of incorporation : 13 February 1995 / Malaysia.

(v) Date of listing : Not applicable.

(vi) Status : Resident-controlled company.

(vii) Principal activities : Concessionaire for the development of 10,000 units of teachers' quarters throughout Malaysia.

(viii) Board of directors : The board of directors of ESSB as at 31 March 2012 is as follows:

- (1) Efeida binti Mohd Effendi
- (2) Mohd Ibrahim bin Masrakin
- (3) Datuk Dr. Ting Ding Ing

(ix) Structure of shareholdings and names of shareholders or, in the case of a public company, names of all substantial shareholders : The shareholder and structure of shareholding of the Issuer as at 31 March 2012 are as follows:

Name of shareholder	No. of shares held directly	No. of shares held indirectly	%
Encorp Construction & Infrastructure Sdn Bhd (Company No. 262911-M)	50,000,000	-	100%
Encorp Berhad (Company No. 506836-X)	-	50,000,000	100%

(x) Authorised and paid-up capital : The authorised, issued and paid-up capital of the Issuer as at 31 March 2012 are as follows:

Authorised capital:

RM50,000,000.00 divided into 50,000,000 ordinary shares of RM1.00 each.

Issued and paid-up capital:

RM50,000,000.00 divided into 50,000,000 ordinary shares of RM1.00 each.

1.02 Principal Terms and Conditions

(a) Names of parties involved in the proposed transaction (where applicable)

- (i) Principal adviser : CIMB Investment Bank Berhad (Company No. 18417-M) ("**CIMB**"), Hong Leong Investment Bank Berhad (Company No. 43526-P) ("**HLIB**") and Kenanga Investment Bank Berhad (Company No.15678-H) ("**KIBB**").
- (ii) Lead arranger : CIMB, HLIB and KIBB (collectively, "**Joint Lead Arrangers**").
- (iii) Co-arranger : Not applicable.
- (iv) Solicitor : Zaid Ibrahim & Co ("**Solicitors**").
- (v) Financial adviser : Not applicable.
- (vi) Technical adviser : Not applicable.
- (vii) Trustee : PB Trustee Services Berhad (Company No. 7968-T).
- (viii) Guarantor : Not applicable.
- (ix) Valuer : Not applicable.
- (x) Facility agent : KIBB.
- (xi) Primary subscriber (under a bought-deal arrangement) and amount subscribed : To be determined prior to the issuance.
- (xii) Underwriter and amount underwritten : Not applicable. The Sukuk Murabahah will not be underwritten.
- (xiii) Shariah adviser : Dr. Mohd Daud Bakar.
- (xiv) Central depository : Bank Negara Malaysia ("**BNM**").
- (xv) Paying agent : BNM.
- (xvi) Reporting accountant : Ernst & Young.
- (xvii) Calculation agent : Not applicable.
- (xviii) Others (please specify) : Joint Lead Managers
CIMB, HLIB and KIBB.

Security Trustee

PB Trustee Services Berhad.

- (b) Facility description (including the description of Islamic principle) : Issuance of up to RM1.575 billion in nominal value of Islamic securities based on the Shariah principle of Murabahah via a Tawarruq arrangement ("**Sukuk Murabahah**").

The Shariah principles of Murabahah and Tawarruq are both listed in Appendix I of the Securities Commission Malaysia's ("**SC**") Islamic Securities Guidelines (Sukuk Guidelines) (revised on 12 July 2011 and effective on 12 August 2011) ("**Sukuk Guidelines**") as Shariah principles which have been approved by the SC's Shariah Advisory Council ("**SAC**").

Underlying Transaction

In respect of the issuance of Sukuk Murabahah, the investor(s) shall appoint the Facility Agent as the buying and selling agent ("**Wakeel**") of Shariah-compliant commodities (which shall, *inter alia*, exclude currencies, gold and silver). ESSB shall issue a purchase order (the "**Purchase Order**") to the investor(s) through the Wakeel for the purchase of Shariah-compliant commodities. The Purchase Order constitutes a unilateral binding promise (Wa'd Mulzim) by ESSB to purchase the said commodities at a sale price (the "**Sale Price**") to be paid on a deferred payment basis. The Sale Price represents the Purchase Price (as defined herein) and profit portion to be agreed between ESSB and the Wakeel.

Pursuant to the Purchase Order, the investor(s) shall pay the purchase price (the "**Purchase Price**") of the commodities which is equivalent to the amount disbursed under the Sukuk Murabahah.

The Issuer shall issue, and the investor(s) shall subscribe, to the Sukuk Murabahah issued by the Issuer to evidence the investor(s)' ownership in the commodities and subsequently, represent the investor(s)' entitlement to receive the Sale Price once the commodities are sold to ESSB.

Upon receipt of the Purchase Price, the Wakeel, on behalf of the investor(s) shall then purchase Shariah-compliant commodities from commodity vendor(s) in the Bursa Suq Al-Sila' commodity market through a Commodity Trading Participant ("**CTP**"), who will facilitate the buying and selling of the commodities on a spot basis. Bursa Suq Al-Sila' is a commodity trading platform with multiple commodity vendors.

Upon completion of the purchase, the Wakeel, on behalf of the investor(s), shall sell the commodities to ESSB at the Sale Price on a deferred payment basis. ESSB shall pay the Sale Price via the Wakeel to the investor(s).

Subsequently, ESSB shall sell the commodities via the same CTP to Bursa Malaysia Islamic Services Sdn Bhd on a spot basis at an amount equivalent to the Purchase Price.

Please refer to Appendix 1 for a diagrammatic illustration of the underlying transaction above.

(c) Issue / programme size : Up to RM1.575 billion in nominal value.

(d) Tenure of issue / sukuk programme (or facility) : The Sukuk Murabahah shall be issued in one lump sum and in tranches with the following tenures:

Tranche	Amount (RM Million)	Tenure (Years)
1	135	1
2	30	1.5
3	50	2
4	35	2.5
5	35	3
6	40	3.5
7	40	4
8	35	4.5
9	40	5
10	40	5.5
11	40	6
12	45	6.5
13	40	7
14	45	7.5
15	45	8
16	45	8.5
17	45	9
18	50	9.5
19	50	10
20	50	10.5
21	50	11
22	50	11.5
23	55	12
24	55	12.5
25	60	13
26	55	13.5
27	60	14
28	60	14.5
29	60	15
30	60	15.5
31	75	16

- (e) Availability period of sukuk programme (or facility) : Upon completion of all documentation and, unless waived by the Joint Lead Arrangers, compliance of all conditions precedent therein and all other applicable conditions to the satisfaction of the Joint Lead Arrangers and not later than one (1) year after the approval from the SC.
- (f) Profit / coupon / rental rate : The profit rate will be determined and agreed prior to the issuance of the Sukuk Murabahah.
- (g) Profit / coupon / rental payment frequency : The profits are payable in arrears semi-annually, or such other period to be agreed between the Issuer and the Joint Lead Arrangers prior to the issuance of the Sukuk Murabahah.
- (h) Profit / coupon / rental payment basis : Actual/365 days.
- (i) Security / collateral (if any) : (i) Assignment of the concession payments ("**Concession Payments**") in respect of 10,000 units of teachers' quarters under the Privatisation Agreement dated 9 February 1998 between the Government of Malaysia ("**GOM**") and the Issuer (the "**Privatisation Agreement**");
(ii) Debenture evidencing a fixed and floating charge over ESSB's assets, present and future ("**Debenture**"); and
(iii) First ranking charge and assignment of the Designated Accounts (as defined below).

The security above shall be created on a first ranking basis in favour of the Security Trustee.

- (j) Details of utilisation of proceeds on : The Issuer shall utilise the proceeds for the following Shariah-compliant purposes:

Purpose		Amount (RM)
(i)	To refinance all of the amount outstanding under the existing Al-Bai' Bithaman Ajil Notes Issuance Facilities (" ABBA Notes "). As at 18 May 2012, the outstanding amount of the ABBA notes are as follows: Tranche I – RM495.6 million ABBA Notes Tranche II – RM195.0 million ABBA Notes Tranche III – RM220.0 million ABBA Notes	Up to 1,500,000,000.00

	Tranche IV – RM667.0 million ABBA Notes	
(ii)	To fund the Trustees' Reimbursement Account (as defined below)	30,000
(iii)	The balance, if any, shall be utilised for ESSB's general corporate purposes [#] which shall include payments to defray expenses incurred in relation to the Sukuk Murabahah and a one-time dividend payment and/or one-time interest-free inter-company loan (which shall be based on the Shariah principle of Qardh) to its holding company, Encorp Construction & Infrastructure Sdn Bhd and/or its ultimate holding company, Encorp Berhad (" EB ")	the balance
	Total	Up to 1,575,000,000.00

[#]Funds to be utilised for this purpose shall be derived from tranche 1 and tranche 2 (if applicable) of the Sukuk Murabahah.

- (k) Sinking fund and designated accounts (if any) : The Issuer is required to open and maintain two (2) Shariah-compliant designated accounts with a financial institution acceptable to the Joint Lead Arrangers:
- (i) Escrow Account ("**Escrow Account**"); and
 - (ii) Finance Service Reserve Account ("**FSRA**"),
- (collectively, the "**Designated Accounts**").

Escrow Account

ESSB shall open and maintain an Islamic bank account designated as the "Escrow Account" in which all the payments from the GOM pursuant to the Privatisation Agreement and all other income, revenue or proceeds received by ESSB (save for proceeds from the Sukuk Murabahah) are to be deposited.

Funds in the Escrow Account shall be utilised based on the following order of priority:

- a) Tax and other statutory obligations;
- b) Administrative expenses of ESSB including payment of annual recurring fees to the relevant agents/advisers under the Sukuk Murabahah and payment of fees to its auditors and tax agents, up to a maximum of RM700,000.00 in any financial year;
- c) Transfer to the FSRA to meet the FSRA Minimum Required Balance (as defined herein);
- d) Principal payments under the Sukuk Murabahah falling due and payable; and
- e) Purchase of the Sukuk Murabahah by ESSB from the secondary market subsequent to the issuance of the Sukuk Murabahah (if ESSB so elects).

The Escrow Account shall be operated solely by the Security Trustee. All withdrawals from the Escrow Account shall be accompanied by relevant supporting documents (in form and substance satisfactory to the Security Trustee).

Finance Service Reserve Account

The Issuer shall open and maintain an Islamic bank account designated as the "FSRA". An amount equivalent to the next immediate profit payment shall be maintained in the FSRA at least three (3) months prior to such profit payment due date ("**FSRA Minimum Required Balance**").

Funds in the FSRA shall be utilised solely for the profit payments under the Sukuk Murabahah falling due and payable.

The FSRA shall be solely operated by the Security Trustee. For the avoidance of doubt, any non-compliance in relation to meeting the FSRA Minimum Required Balance shall constitute an Event of Default if such non-compliance is not remedied within twenty one (21) days from the date the FSRA Minimum Required Balance is required to be deposited into the FSRA. In the event that the balance held in the FSRA exceeds the FSRA Minimum Required Balance, the excess shall be retained in the FSRA.

Monies in the Designated Accounts may be invested in Permitted Investments (as defined herein). Funds utilised for Permitted Investments and income received from such Permitted Investments shall be remitted into the relevant Designated Accounts in a timely manner to meet any payment obligations of the Issuer when due and payable.

Immediately after the last maturity date of the Sukuk Murabahah and all payment obligations under the Sukuk Murabahah have been fully settled, the Designated Accounts shall be closed and any credit balance shall be transferred to the Issuer.

- (l) Rating
- Credit rating(s) assigned : Indicative rating of AA₂.
 - Name of rating agency : RAM Rating Services Berhad ("**RAM Ratings**").
- (m) Mode of issue : The Sukuk Murabahah may be issued via direct/private placement, bought deal basis or book running on a best effort basis all without prospectus.
- (n) Selling restrictions, including tradability (i.e. tradable or non-tradable) : The Sukuk Murabahah are tradable but shall not be offered, sold or delivered, directly or indirectly, nor may any document or other material in connection therewith be distributed in Malaysia, other than to persons falling within Section 4(6) of the Companies Act, 1965, as may be amended from time to time and as specified in the list attached herein as Appendix 2.
- For the avoidance of doubt, since the Issuer is a private company, the issue of, offer for subscription or purchase of, or invitation to subscribe for or purchase Sukuk Murabahah by the Issuer falls within Schedule 6 (paragraph 17), Schedule 7 (paragraph 17) and Schedule 9 (paragraph 11) of the Capital Markets and Services Act, 2007 and accordingly is an excluded offer, excluded invitation and/or excluded issue.
- (o) Listing status and types of listing : The Sukuk Murabahah shall not be listed on Bursa Malaysia Securities Berhad or any other stock exchange.
- (p) Other regulatory approvals required in relation to the issue, offer or invitation and whether or not obtained : None.
- (q) Conditions precedent : To include but not limited to the following (each in form and substance acceptable to the Joint Lead Arrangers):
- (i) All necessary legal documentation pertaining to the Sukuk Murabahah shall have been completed in form and substance acceptable to the Joint Lead

Arrangers and the Solicitors;

- (ii) All relevant notices and acknowledgements (where applicable) and consents as may be required by the Joint Lead Arrangers and as advised by the Solicitors shall have been made or received, as the case may be;
- (iii) The Solicitors shall have confirmed that:
 - (a) the issuance of the Sukuk Murabahah and the creation of the security to secure the Sukuk Murabahah will not constitute a breach by the Issuer of any limit imposed by its Memorandum and Articles of Association;
 - (b) the Transaction Documents shall have been duly approved, authorised, executed, where applicable stamped or endorsed as exempted from stamp duty and presented for registration with the relevant authorities;
 - (c) the relevant searches, including the company search, winding-up search and bankruptcy search have been conducted and the results of such searches are satisfactory to the Joint Lead Arrangers or in lieu thereof, the relevant statutory declarations of the Issuer have been provided; and
 - (d) the Form 34 (as prescribed under the Companies Act, 1965) in respect of the charges created by the relevant Transaction Documents for the purpose of registration of such charges with the Companies Commission of Malaysia in accordance with Section 108 of the Companies Act, 1965 have been duly executed and lodged with the Companies Commission of Malaysia for registration;
- (iv) Receipt from the Issuer of the following:
 - (a) Certified true copies of all relevant licenses and relevant approvals (if any) as may be required by the Joint Lead Arrangers and the Solicitors;
 - (b) Certified true copy of its Certificate of Incorporation and Memorandum and Articles of Association;
 - (c) Certified true copy of its Board of Directors'

- resolution authorising, amongst others, (i) the undertaking and implementation of the Sukuk Murabahah, (ii) the execution of the Transaction Documents and (iii) the appointment of authorised signatory(ies) of the Issuer to accept, undertake and implement the issuance of the Sukuk Murabahah;
- (d) Certified true copies of the Issuer's latest Form 24, Form 44 and Form 49 and any other statutory forms as may be required by the Joint Lead Arrangers and the Solicitors; and
 - (e) Specimen signatures of its authorised signatories.
- (v) Receipt of the approval from the SC and/or any other regulatory authorities (if any) for the Sukuk Murabahah and confirmation in form and substance acceptable to the Joint Lead Arrangers and the Solicitors of the Issuer's compliance with the conditions of such approvals;
 - (vi) Receipt of (a) confirmation from PB Trustee Services Berhad in its capacity as the trustee in respect of the ABBA Notes ("**ABBA Notes Trustee**") that the requisite level of approval for each tranche of the ABBA Notes in relation to, amongst others, the early redemption of the ABBA Notes at an agreed price ("**Redemption Sum**") has been obtained from the holders of the ABBA Notes; and (b) undertaking from the ABBA Notes Trustee (in the form and substance acceptable to the Joint Lead Arrangers) to release and discharge all securities created under the ABBA Notes and deliver the duly executed release/discharge documents and all original documents relating thereto to the Security Trustee upon full settlement of the Redemption Sum;
 - (vii) The Sukuk Murabahah have been accorded a minimum rating of AA₂ by RAM Ratings;
 - (viii) Documentary evidence that the Designated Accounts have been opened for the purpose stated in the Transaction Documents and the mandate for operating the Designated Accounts has been issued in favour of the Security Trustee as the sole signatory of the Designated Accounts;
 - (ix) Evidence that all transaction fees, costs and

expenses relating to the Sukuk Murabahah will be paid in full;

- (x) Confirmation from the Solicitors that all security arrangements under the Sukuk Murabahah are in full force and effect or in respect of security which can only be perfected after the issuance of the Sukuk Murabahah, necessary arrangements have been put in place for the perfection of such security upon the issuance of the Sukuk Murabahah and redemption of the ABBA Notes;
- (xi) The Joint Lead Arrangers shall have received a legal opinion from the Solicitors addressed to the Joint Lead Arrangers and the Trustee advising them with respect to the legality, validity and enforceability of the Transaction Documents;
- (xii) The Joint Lead Arrangers shall have received from the Solicitors, a confirmation addressed to the Joint Lead Arrangers that all conditions precedent have been fulfilled or waived, as the case may be;
- (xiii) Receipt of the tax opinion from ESSB's tax consultant in the form and substance acceptable to the Joint Lead Arrangers;
- (xiv) The Joint Lead Arrangers shall have received the Shariah pronouncement in respect of the Sukuk Murabahah from the Shariah Adviser;
- (xv) Receipt of a letter of undertaking (in the form and substance acceptable to the Joint Lead Arrangers) executed by Encorp Berhad ("**EB Letter of Undertaking**") whereby it undertakes to, amongst others, procure ESSB to issue and deliver invoices in respect of the Concession Payments to the GOM in a timely manner and as prescribed under the Privatisation Agreement;
- (xvi) Receipt of certified true copy of the consent of the GOM to the assignment by ESSB of the Concession Payments and payment by the GOM of the Concession Payments directly into the Escrow Account;
- (xvii) Receipt of a letter of undertaking (in the form and substance acceptable to the Joint Lead Arrangers) executed by EB ("**EB Tax Letter of Undertaking**") whereby EB undertakes to assume all tax payment obligations of ESSB in relation to the Interest on Annuity* in the event the Interest on Annuity is

brought to tax as interest income by the Inland Revenue Board (“**IRB**”); and

- (xviii) Such other conditions precedent as may be advised by the Solicitors and mutually agreed by the Issuer and the Joint Lead Arrangers.

***Note:** Interest on Annuity represents the total difference between the contract sum receivable and the present value of the contract sum receivable for the relevant tax assessment year.

- (r) Representations and warranties : Customary representations and warranties for transactions of this nature including but not limited to the following:
- (i) The Issuer is duly incorporated under the laws of Malaysia and validly existing;
 - (ii) The Issuer has the power and authority to conduct the business in which it is engaged, and has the power and authority to enter into, exercise its rights under and perform its obligations under the Transaction Documents;
 - (iii) All necessary corporate actions have been taken to authorise, and all authorisations of any governmental or other authority have been duly and unconditionally obtained and are in full force and effect which are required to authorise the Issuer to own its assets, carry on its business as it is being conducted, and sign, deliver, and perform the transactions and obligations contemplated in the Transaction Documents;
 - (iv) No authorisation, approval, consent, licence, exemption, registration, recording, filing or notarisation and no payment of any duty or tax and no other action whatsoever which has not been duly and unconditionally obtained, made or taken is necessary or desirable to ensure the legality, validity, enforceability of the Issuer's liabilities and obligations or the rights of the Trustee under the Transaction Documents or the rights of the holders of the Sukuk Murabahah;
 - (v) Neither the signing and delivery of the Transaction Documents nor the performance of any of the transactions contemplated in the Transaction Documents will:
 - (a) contravene or constitute a default under any provision contained in any agreement,

instrument, law, judgement, order, licence, permit or consent by which the Issuer or any of its assets are bound or affected;

- (b) cause any limitation on the Issuer or the powers of its directors, imposed by or contained in its Memorandum and Articles of Association, or in any agreement, instrument, law, ordinance, decree, order, rule, regulation, judgement or otherwise to be exceeded; or
 - (c) cause the creation or imposition of any security interest or restriction of any nature on any of its assets (other than the security as contemplated under the Transaction Documents).
- (vi) The Issuer has no subsidiaries or shareholdings in other companies and does not engage in any business other than its principal activity;
 - (vii) No step has been taken by the Issuer nor has any legal proceeding, including winding up proceedings been commenced, instituted or threatened for the dissolution of the Issuer or for the appointment of a receiver, receiver and manager, liquidator, judicial manager or such similar officer over the Issuer;
 - (viii) No event has occurred which constitutes, or which with the giving of notice and/or the lapse of time and/or a relevant determination would constitute, a contravention of, or default under, any agreement or instrument by which the Issuer or any of its assets are bound or affected, being a contravention or default which would have a Material Adverse Effect;
 - (ix) No litigation, arbitration or administrative proceeding or claim which would by itself or together with any other such proceedings or claims have a Material Adverse Effect is presently in progress or pending or, to the best of the knowledge, information and belief of the Issuer, threatened against it or any of its assets;
 - (x) All necessary returns have been delivered by or on behalf of the Issuer to the relevant taxation authorities (if any) and the Issuer is not in default in the payment of any taxes;
 - (xi) The audited financial statements of the Issuer have been prepared in accordance with approved

accounting principles and standards in Malaysia and give a true and fair view of the results of its operations for each respective financial year and the state of the Issuer's affairs as at that date, and all of its material liabilities (actual or contingent);

- (xii) There has been no material adverse change in the financial condition of the Issuer since the date of its latest audited financial statements;
- (xiii) The Transaction Documents are in full force and effect and create valid and binding obligations which are enforceable on and against the Issuer;
- (xiv) All information furnished in connection with the Issuer, to the best of its knowledge and belief, do not contain any untrue statement or omit to state any fact the omission of which makes any statement made therein misleading, and the Issuer is not aware of any material facts or circumstances that have not been disclosed to the Joint Lead Arrangers which might, if disclosed, adversely affect the decision of a person considering whether or not to provide finance to the Issuer;
- (xv) Information furnished or to be furnished by the Issuer in connection with the Transaction Documents, information memorandum and application to the SC, do not contain any statement or information that is false or misleading and there is no material omission in respect thereof, and all expressions of expectation, intention, belief and opinion contained therein were honestly made on reasonable grounds after due care and careful enquiry by the relevant entity;
- (xvi) The Issuer has fully disclosed in writing to the Joint Lead Arrangers all facts relating to them which they know or should reasonably know and which are material for disclosure to the Joint Lead Arrangers in the context of the Sukuk Murabahah;
- (xvii) The Issuer is a going concern on the date of the execution of the Transaction Documents; and
- (xviii) Such other representations and warranties as may be advised by the Solicitors and mutually agreed by the Issuer and the Joint Lead Arrangers or as may be required under the Sukuk Guidelines or the Trust Deeds Guidelines.

(s) Events of default : Customary events of default for transactions of this nature

which shall include, but not limited to the following:

- (i) The Issuer fails to pay any amount due (including but not limited to nominal value, profit, fees and other charges) under the Sukuk Murabahah or in accordance with the terms of the Transaction Documents when such payment is due;
- (ii) Failure to meet the requirements with respect to the FSRA Minimum Required Balance and such failure is not remedied within twenty one (21) days;
- (iii) The Issuer is in breach of the FSCR Covenant (as defined herein) and such breach is not remedied within twenty one (21) days after the Issuer becomes aware of the breach or upon notification of the breach, whichever is earlier;
- (iv) The Issuer fails to observe or perform any of its obligations under the Transaction Documents or any other document relating to the issue, offer or invitation in respect of the Sukuk Murabahah (other than an obligation described in paragraph (i), (ii) and (iii) above) which may have a Material Adverse Effect and in the case of a failure capable of remedy, such failure is not remedied within fourteen (14) days of the occurrence of such breach or such other period as may be agreed by the Trustee, to the satisfaction of the Trustee;
- (v) Any representation or warranty made or given by the Issuer under any of the Transaction Documents or which is contained in any certificate, document or statement furnished at any time pursuant to the terms of the Sukuk Murabahah and/or any of the Transaction Documents proves to have been incorrect or misleading in any material respect on or as of the date made or given or deemed made or given;
- (vi) Any guarantee or indebtedness of the Issuer becomes due or capable of being declared due before its stated maturity, any guarantee or similar obligations of the Issuer is not discharged at maturity or when called or the Issuer goes into default under, or commits a breach of, any instrument or agreement relating to any such indebtedness, guarantee or other obligation or when any security created for any indebtedness of the Issuer becomes enforceable;
- (vii) The Issuer fails to satisfy any judgement exceeding RM5.0 million passed against it by any court of

competent jurisdiction and no appeal against such judgement has been made to any appropriate appellate court within the time prescribed by law or such appeal has been dismissed;

- (viii) Any step is taken for the winding up, dissolution or liquidation of the Issuer or a resolution is passed for the winding up of the Issuer or a petition for winding up is presented against the Issuer and the Issuer has not taken any action in good faith to set aside such petition within thirty (30) days from the date of service of such winding up petition or a winding up order has been made against the Issuer;
- (ix) The Issuer convenes a meeting of its creditors or proposes or makes any arrangement (including any scheme of arrangement pursuant to Section 176 of the Companies Act 1965) or composition with or begins negotiations or takes any proceeding or other step with a view to a rescheduling or deferral of all or any part of its indebtedness or a moratorium is agreed or declared by a court of competent jurisdiction in respect of or affecting all or any part of its indebtedness, or any assignment for the benefit of its creditors (other than for the purposes of and followed by a reconstruction previously approved in writing by the Trustee, unless during or following such reconstruction the Issuer becomes or is declared to be insolvent);
- (x) An encumbrancer takes possession of, or a trustee, liquidator, receiver or similar officer is appointed in respect of, all or any part of the business or assets of the Issuer, and which in the opinion of the Trustee may have a Material Adverse Effect, or any security interest which may for the time being affect any of its assets becomes enforceable;
- (xi) If there should occur any revocation, withholding, invalidation, modification or termination of any licences, authorisation, permits or approvals that impairs or prejudices the ability of the Issuer to comply with the terms and conditions of the Transaction Documents or any other agreements relating to the issue, offer or invitation in respect of the Sukuk Murabahah;
- (xii) The Issuer is deemed unable to pay any of its debts or becomes unable to pay any of its debts as they fall due or suspend or threaten to suspend making payments with respect to all or any class of its debts;

- (xiii) Any creditor of the Issuer exercises a contractual right to take over the financial management of the Issuer and such event in the opinion of the Trustee may have a Material Adverse Effect;
- (xiv) At any time any of the provisions of the Transaction Documents is or becomes illegal, void, voidable or unenforceable;
- (xv) 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;
- (xvi) Any of the assets, undertakings, rights or revenue of the Issuer are seized, nationalised, expropriated or compulsorily acquired by or under the authority of any governmental body which in the opinion of the Trustee may have a Material Adverse Effect;
- (xvii) Any event or events has or have occurred or a situation exists which in the opinion of the Trustee may have a Material Adverse Effect, and in the case of the occurrence of such event or situation which in the opinion of the Trustee is capable of being remedied, the Issuer does not remedy it within a period of thirty (30) days after the Issuer becomes aware or having been notified by the Trustee of the event or situation or such other remedy period as may be allowed under the Transaction Documents for the relevant event or situation;
- (xviii) The Issuer changes or threatens to change the nature or scope of a substantial part of its business, or suspends or threatens to suspend or cease or threatens to cease the operation of a substantial part of its business which it now conducts directly or indirectly and such change or suspension or cessation in the opinion of the Trustee may have a Material Adverse Effect;
- (xix) Encorp Berhad fails to observe or perform any of its obligations under the EB Letter of Undertaking and/or the EB Tax Letter of Undertaking;
- (xx) The Privatisation Agreement is suspended, terminated, illegal, invalid or ceases to be in full force and effect;
- (xxi) There is a change of the Issuer's shareholding structure during the tenure of the Sukuk Murabahah; or

- (xxii) Such other events of default as may be advised by the Solicitors and mutually agreed by the Issuer and the Joint Lead Arrangers or as may be required under the Sukuk Guidelines or the Trust Deeds Guidelines.

The Trustee may at its discretion and shall, upon the instruction of the holders of the Sukuk Murabahah by way of extraordinary resolution, issue a notice to the Issuer declaring that an Event of Default has occurred and all sums payable by the Issuer shall become immediately due and payable in full whereupon the Trustee shall be entitled to immediately enforce the security created under the security documents, without further notice to the Issuer.

For the purpose of the principal terms and conditions of the Sukuk Murabahah, "Material Adverse Effect" means any material adverse effect on: (i) the business or condition (financial or otherwise) or results of the operations of the Issuer, (ii) the ability of the Issuer to perform any of its obligations under any of the Transaction Documents, (iii) the validity or enforceability of any of the Transaction Documents and/or (iv) the rights or remedies of the Trustee or the Sukuk Murabahah holders thereunder.

(t) Covenants : (i) **Financial Covenant**

The Issuer shall maintain a Finance Service Cover Ratio ("**FSCR**") of at least 1.20 times throughout the tenure of the Sukuk Murabahah ("**FSCR Covenant**").

The FSCR is the ratio of Available Cashflow (as defined hereunder) to the aggregate of all principal obligations and profit payments under the Sukuk Murabahah which are due and payable in the preceding twelve (12) months.

For any applicable twelve (12) month period, the "Available Cashflow" shall mean the aggregate of:

- (i) all cash balances and cash in the Designated Accounts at the beginning of the relevant twelve (12) month period;
- (ii) all income and revenue received by the Issuer under the Privatisation Agreement and any other receipts of capital or revenue in nature under any contract or agreement; and
- (iii) all distributions, returns and realised gains received by the Issuer,

Less:

- (i) the total amount paid on takaful/insurances, operations, maintenance, administration, management, overheads and expenses;
- (ii) taxes paid or such other contributions paid by the Issuer; and
- (iii) capital expenditure incurred and paid by the Issuer (if any).

The FSCR calculations shall be duly confirmed by the Issuer's external auditor based on the latest audited financial statements of the Issuer on an annual basis. For the avoidance of doubt, any double counting shall be disregarded.

If the Issuer is in breach of the FSCR Covenant, the Issuer shall after becoming aware of the breach or upon notification of the breach, whichever is earlier, remedy the breach within a period of twenty one (21) days.

(ii) Positive Covenants

The Issuer covenants, including but not limited to the following:

- (a) The Issuer shall undertake to act in accordance with the Security Trustee's instructions upon the occurrence of an Event of Default;
- (b) The Issuer shall notify the Trustee of all claims made against it, shall defend itself against such claims and shall not settle such claims except with the prior written consent of the Trustee;
- (c) The Issuer shall obtain and maintain in full force and effect all relevant authorisations, consents, rights, licenses, approvals and permits (governmental and otherwise) and will promptly obtain any further authorisations, consents, rights, licenses, approvals and permits (governmental and otherwise) which is or may become necessary to enable it to (i) own its assets, to carry on its business or (ii) for the Issuer to enter into or perform its obligations under the Transaction Documents or to ensure the validity, enforceability, admissibility in evidence of the obligations of the Issuer or the priority or rights of the Sukuk Murabahah

holders under the Transaction Documents, and the Issuer shall comply with the same;

- (d) The Issuer shall open and maintain each of the required Designated Accounts and pay all amounts into such account and make all payments from such accounts as required under the Transaction Documents;
- (e) The Issuer shall exercise or cause to be exercised reasonable diligence in carrying on and operating its business and affairs in a proper and efficient manner, in accordance with sound financial and commercial standards and in accordance with its Memorandum and Articles of Association;
- (f) The Issuer shall perform all its obligations and comply at all times with the provisions under the Transaction Documents and ensure that it shall immediately notify the Trustee in the event that the Issuer is unable to fulfil or comply with any of the provisions of the Transaction Documents;
- (g) The Issuer shall keep proper books and accounts at all times and prepare financial statements in accordance with generally accepted accounting principles and to provide the Trustee and any person appointed it (e.g. auditors) access to such books and accounts to the extent permitted by law;
- (h) The Issuer shall give to the Trustee any information which the Trustee may reasonably require in order to discharge its duties and obligations under the Trust Deed, relating to the Issuer's affairs to the extent permitted by law;
- (i) The Issuer shall maintain a paying agent or its equivalent in Malaysia;
- (j) The Issuer shall procure the Paying Agent to notify the Trustee, through the Facility Agent, if 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 Murabahah;
- (k) The Issuer shall ensure that the terms in the Trust Deed do not contain any matter which is inconsistent with the provisions of an information

memorandum relating to the Sukuk Murabahah;

- (l) The Issuer shall issue and deliver invoices in respect of the Concession Payments to the GOM in a timely manner and as prescribed under the Privatisation Agreement;
- (m) The Issuer shall at all times on demand execute all such further documents and do all such further acts reasonably necessary at any time or times to give further effect to the terms and conditions of the Transaction Documents;
- (n) The Issuer shall cause all advances made by its directors and/or shareholders and/or related companies to be subordinated to the Sukuk Murabahah and no repayment and/or prepayment of such advances shall be made so long as there is any monies outstanding under the Sukuk Murabahah; and
- (o) The Issuer shall cause all Concession Payments to be remitted directly into the Escrow Account.

(iii) Reporting Covenants

- (a) The Issuer shall immediately notify the Trustee if the Issuer becomes aware:
 - (i) of any Event of Default;
 - (ii) of any change in its conditions (financial or otherwise) which may have a Material Adverse Effect;
 - (iii) of the happening of any event that has caused or could cause, one or more of the following:
 - (1) any amount secured or payable under the Sukuk Murabahah to become immediately payable;
 - (2) the Sukuk Murabahah to become immediately enforceable; or
 - (3) any other right or remedy under the terms, provisions or covenants of the Transaction Documents to become immediately enforceable;
 - (iv) of any circumstances that has occurred that would materially prejudice the Issuer or any security included in or created by

the Sukuk Murabahah;

- (v) of any substantial change in the nature of the business of the Issuer;
- (vi) of any change in the withholding tax position;
- (vii) of any change in the utilisation of proceeds from the Sukuk Murabahah where the information memorandum or any agreement entered into in connection with the issue, offer or invitation which sets out a specific purpose for which proceeds are to be utilised;
- (viii) of any litigation, arbitration or administrative proceeding or claim, or the occurrence of any other event, which may by itself or together with any other such proceedings, claims or events have a Material Adverse Effect and provide the Trustee with such details; and
- (ix) of any other matter that may materially prejudice the interest of the Sukuk Murabahah holders;

(b) The Issuer shall deliver to the Trustee:

- (i) within 180 days after the end of each of its financial year copies of its audited financial statements; and
- (ii) within 90 days after the end of each half of its financial year copies of its unaudited financial statements,

and any other accounts, report, notice, statement or circular issued to its shareholders, and shall provide for the accounts, report, notice, statement or circular to be circulated by the Trustee at its discretion to the Sukuk Murabahah holders as well as the Rating Agency; and

(c) The Issuer shall provide to the Trustee at least on an annual basis, a certificate confirming that it has complied with all its obligations under the Transaction Documents and that there does not exist or had not existed, from the first date the Sukuk Murabahah were issued or the date of the

previous certificate, as the case may be, any Event of Default, and if such is not the case, to specify the same.

(iv) Negative Covenants

The Issuer, without the prior written consent of the Trustee, shall not do the following, which include but are not limited to:

- (a) The Issuer shall not carry out any other business or activities other than the authorised business or activities;
- (b) The Issuer shall not dissolve its affairs or consolidate with or merge into any other entity;
- (c) The Issuer shall not reduce its authorised or paid-up and issued share capital whether by varying the amount, structure or value thereof or the rights attached thereof 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;
- (d) The Issuer shall not sell, transfer, assign or otherwise dispose of all or a substantial portion of its assets, property and undertaking (if any);
- (e) The Issuer shall not add to, delete, vary or amend its Memorandum and Articles of Association in any manner whatsoever save as permitted hereunder;
- (f) The Issuer shall not make, assume or permit to exist any other loans or grant advances to others or provide or extend any credit or accommodation or provide any guarantee, indemnity or assurance against loss to or for the benefit of any person, enterprise or company or act as surety or otherwise voluntarily assume any liability, whether actual or contingent except for (i) the existing advances made to its related companies or shareholders, (ii) as permitted under the Transaction Documents and (iii) a one-time interest-free inter-company loan to its holding company and/or ultimate holding company (which shall be based on the Shariah principle of Qardh) in the amount of not more than RM150.0 million from the proceeds of the Sukuk Murabahah*;

- (g) The Issuer shall not create or permit to exist any encumbrance, mortgage, charge (whether fixed or floating), pledge, lien, assignment by way of security, trust arrangement for the purpose of providing security or other security interest of any kind including, without limitation, title transfer and/or retention arrangements having a similar effect or any agreement to create any of the foregoing, except for those permitted and to be agreed upon prior to signing of the Transaction Documents, and liens arising in the ordinary course of operations and by operation of law and not by way of contract;
- (h) The Issuer shall not cancel, surrender, abandon or otherwise change in a material manner the nature or scope of its existing business nor suspend or threaten to suspend a substantial part of its business in any manner which may have a Material Adverse Effect;
- (i) The Issuer shall not declare or pay any dividends or bonus issue or make any distribution (be it income or capital in nature) during the tenure of the Sukuk Murabahah, except for a one-time dividend payment of not more than RM150.0 million from the proceeds of the Sukuk Murabahah*;
- (j) The Issuer shall not do or suffer to be done any act, matter or thing whereby any insurance may be rendered void, voidable or incapable of being effected, maintained or renewed, nor permit any other act to be done whereby any insurance or any provision thereof may be suspended, impaired or defeated;
- (k) The Issuer shall not incur, assume or permit to exist any indebtedness for borrowed monies, except for the Sukuk Murabahah;
- (l) The Issuer shall not terminate or materially amend any material agreement or licence which may have a Material Adverse Effect;
- (m) The Issuer shall not enter into a transaction, whether directly or indirectly with interested persons unless (i) such transactions shall be on terms that are no less favourable to the Issuer which could have been obtained in a comparable transaction from persons who are not interested persons; and (ii) with respect to

transactions involving an aggregate payment or value equal to or greater than RM150.0 million, the Issuer obtains certification from an independent adviser that the transaction is carried out on fair and reasonable terms; provided that the Issuer certifies to the Trustee that the transaction complies with paragraph (i), that the Issuer has received the certification referred to in paragraph (ii) (where applicable) and that the transaction has been approved by the majority of the board of directors or shareholders in a general meeting as the case may require;

- (n) Save for the (i) one-time dividend payment or interest-free inter-company loan (which shall be based on the Shariah principle of Qardh) in the aggregate amount of RM150.0 million to its holding company and/or ultimate holding company from the proceeds of the Sukuk Murabahah; (ii) payment of annual management fees to its ultimate holding company; and (iii) any other transactions contemplated hereunder, the Issuer shall not enter into any other transaction with its holding company, ultimate holding company and/or related companies;
- (o) Except otherwise contemplated in the Transaction Documents, the Issuer shall not enter into any agreement with its shareholders or related companies unless such agreement is entered into:
 - (i) in the ordinary course of its business;
 - (ii) on an arms-length basis; and
 - (iii) will not have a Material Adverse Effect;
- (p) The Issuer shall not change the utilisation of proceeds from the Sukuk Murabahah where the information memorandum or any agreement entered into in connection with the issue, offer or invitation sets out a specific purpose for which the proceeds of the Sukuk Murabahah are to be utilised;
- (q) The Issuer shall not terminate, revoke, suspend, modify or waive any conditions of the Privatisation Agreement or release or vary the liability of any person from time to time liable thereunder;

- (r) The Issuer shall not put to its directors or shareholders any resolution for, or appoint any liquidator for, its winding up or any resolution for the commencement of any bankruptcy or insolvency proceeding with respect to it; and
- (s) The Issuer shall not open or maintain any account other than the Designated Accounts and the Trustees' Reimbursement Account (as defined below).

*The aggregate amount of the one-time interest-free inter-company loan (which shall be based on the Shariah principle of Qardh) under clause (f) and the one-time dividend payment under clause (i) shall not exceed RM150.0 million from the proceeds of the Sukuk Murabahah.

(v) Other Covenants

Such other covenants as may be advised by the Solicitors and mutually agreed by the Issuer and the Joint Lead Arrangers or as may be required under the Sukuk Guidelines or the Trust Deeds Guidelines.

- (u) Provisions on buy-back and early redemption of sukuk : None.
- (v) Other principal terms and conditions for the issue:
- (i) Trustees' reimbursement account : The Issuer shall open and maintain an account designated as "Trustees' Reimbursement Account for Sukukholders' Actions" (as required under the SC's Trust Deeds Guidelines revised on 12 July 2011 and effective on 12 August 2011 ("**Trust Deeds Guidelines**")), in which a sum of RM30,000.00 from the monies received by the Issuer when the Sukuk Murabahah are issued are to be deposited ("**Trustees' Reimbursement Account**"). The Trustees' Reimbursement Account shall be operated by the Trustee and the monies shall only be used strictly by the Trustee in carrying its duties in relation to the occurrence of events of default or enforcement events which are provided in the Trust Deed. The sum of RM30,000.00 in the Trustees' Reimbursement Account shall be maintained at all times throughout the tenure of the Sukuk Murabahah.
- (ii) Issue price : The Sukuk Murabahah may be issued, at a premium, at par or at a discount and the issue price shall be calculated in accordance with the Operational Procedures for Securities

Services issued by Malaysian Electronic Clearing Corporation Sdn Bhd ("**MyClear**"), as amended or substituted from time to time ("**MyClear Procedures**").

- (iii) Form and denomination : The Sukuk Murabahah shall be issued in accordance with (1) the "Participation and Operation Rules for Payment and Securities Services" issued by Malaysian Electronic Clearing Corporation Sdn Bhd ("**MyClear Rules**") and (2) the MyClear Procedures, or their replacement thereof (collectively, the "**MyClear Rules and Procedures**") applicable from time to time.

Each tranche of the Sukuk Murabahah shall be represented by a global certificate to be deposited with BNM, and is exchanged for definitive bearer form only in certain limited circumstances. The denomination of the Sukuk Murabahah shall be RM1,000,000.00 or in multiples of RM1,000,000.00 at the time of issuance or such other denomination as may be mutually agreed between the Issuer and the Joint Lead Arrangers (unless required to be in such other denominations in accordance with the MyClear Rules and Procedures and/or any other relevant guidelines).

- (iv) Transferability : The Sukuk Murabahah are transferable but subject to the Selling Restrictions.

- (v) Repurchase and cancellation : The Issuer or its subsidiaries or its agent(s) may at any time purchase the Sukuk Murabahah in the open market or by private treaty. The Sukuk Murabahah purchased by the Issuer or by its subsidiaries or by agent(s) who is acting for the redemption or purchase shall be cancelled and may not be resold or reissued.

- (vi) Redemption : Unless previously redeemed or cancelled, the Sukuk Murabahah shall be redeemed at the price of 100% of their nominal amount upon maturity.

- (vii) Purchase and sale price : Purchase Price
The Purchase Price in relation to the purchase of the commodities shall be equal to the proceeds of the Sukuk Murabahah.

The value of the commodities shall be in compliance with the asset pricing requirements as set out in the Sukuk Guidelines and as may be replaced, substituted, amended or revised from time to time.

Sale Price

The Sale Price shall comprise the Purchase Price plus the aggregate profit portion and will be determined prior to the sale of the commodities to the Issuer and to be evidenced by the issue of the Sukuk Murabahah.

(viii) Status of the sukuk : The Sukuk Murabahah will, upon issue, constitute direct, secured, unconditional and unsubordinated obligations of the Issuer and shall at all times, rank pari passu, without discrimination, preference or priority amongst themselves, rank at least pari passu with all other present and future unsecured and unsubordinated obligations of the Issuer, and, in respect of assets subject to security created by the Transaction Documents, in priority to all other present and future unsecured and unsubordinated obligations of the Issuer, except for those obligations preferred by mandatory provisions under applicable Malaysian laws.

(ix) Documentation : Documentation for the Sukuk Murabahah include *inter-alia* the following documents:

- (a) Trust Deed;
- (b) Debenture;
- (c) Subscription Agreement;
- (d) Assignment and Charge over the Designated Accounts;
- (e) Assignment of the Concession Payments;
- (f) Sukuk Murabahah; and
- (g) Such other relevant documentation which may be advised by the Solicitors.

(the above documents are collectively referred to as the "**Transaction Documents**")

(x) Permitted Investments : The funds standing to the credit of the Designated Accounts may be placed in permitted investments limited to the following ("**Permitted Investments**") which shall comprise investment products approved by the SAC, BNM's Shariah Advisory Council and/or other recognised Shariah authorities:

- (i) Accounts maintained with an Islamic financial institution with a minimum credit rating of AA3/P1 and/or AA-/MARC-1 by the rating agency;
- (ii) Money market instruments of an Islamic financial institution with a minimum credit rating of AA3/P1 and/or AA-/MARC-1 by the rating agency; and
- (iii) Such other investments approved by the Trustee,

subject to the following:

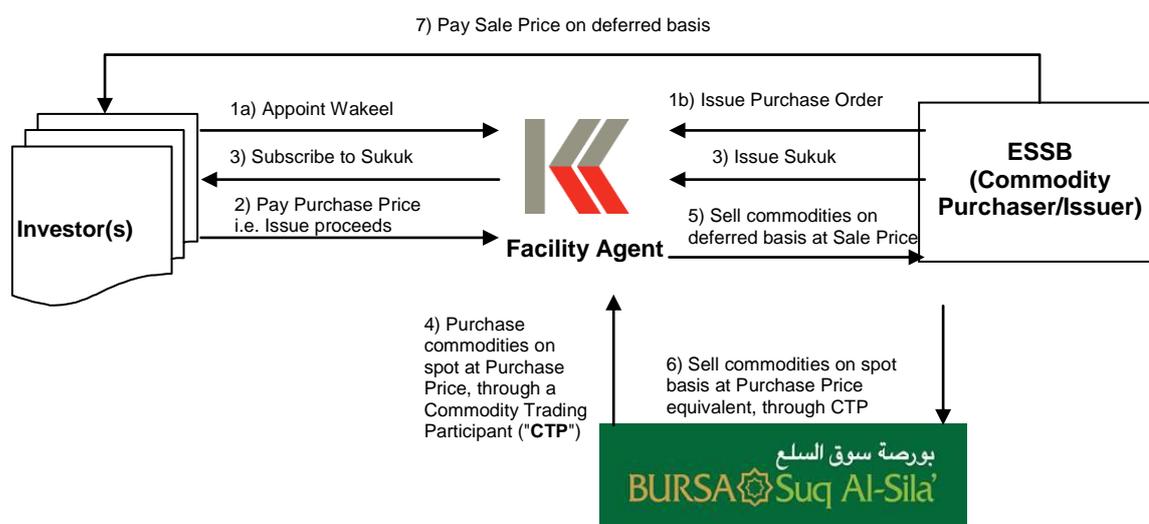
1. The maturity of the Permitted Investments in securities shall fall on a date, which is at least five (5) business days before the next profit payment date or the maturity date, whichever is earlier. However, the maturity of the Permitted Investment in money market instruments of an

Islamic financial institution and accounts maintained with Islamic financial institutions may fall on a date, which is at least two (2) business days before the next profit payment date or the maturity date, whichever is earlier; and

2. The Permitted Investments being denominated in Ringgit Malaysia.

- (xi) Expenses : All costs, charges and expenses including but not limited to trustee and security trustee fee, legal and other professional fees, abortive fees, rating fees, stamp duties (if any), penalties, SC and BNM fees, and other incidental costs, charges and expenses shall be borne by the Issuer, even if the transaction contemplated herein is aborted for any reason whatsoever.
- (xii) Other conditions : The Sukuk Murabahah shall at all times be governed by the guidelines issued and to be issued from time to time by the SC, BNM, MyClear and/or any other authority in Malaysia having jurisdiction over matters pertaining to the Sukuk Murabahah.
- (xiii) Taxation : All payments by the Issuer in connection with the Sukuk Murabahah shall be made free and clear of all and without deductions for all present and future taxes, duties, levies or withholdings of whatever nature unless such withholding or deduction is required by law, in which event the Issuer shall be required to make payment of such additional amount so that the payee would receive the full amount which the payee would have received if no such withholding or deduction is made.
- (xiv) Jurisdiction : The Issuer shall unconditionally and irrevocably submit to the non-exclusive jurisdictions of the courts of Malaysia.
- (xv) Governing law : The Sukuk Murabahah and the Transaction Documents shall be governed by the laws of Malaysia.
- (xvi) Compensation for late and default payments ("Ta'widh") : In the event of any overdue payments of the Sale Price, the Issuer shall pay the compensation on such overdue amounts at the rate and manner prescribed by the SAC from time to time in accordance with Shariah.

APPENDIX 1



Step 1	<p>1a. The investor(s) shall appoint the Facility Agent to act as the buying and selling agent ("Wakeel") of Shariah-compliant commodities.</p> <p>1b. Subsequently, ESSB (the "Issuer") shall issue a Purchase Order ("Purchase Order") to the investor(s) through the Wakeel for the purchase of Shariah-compliant commodities. The Purchase Order constitutes a unilateral binding promise (Wa'd Mulzim) by the Issuer to purchase the commodities at a sale price ("Sale Price") to be paid on a deferred payment basis. The Sale Price represents the purchase price and the profit portion to be agreed between the Issuer and the Wakeel.</p>
Step 2	Pursuant to the Purchase Order from the Issuer, the investor(s) shall pay the purchase price (" Purchase Price ") of the commodities which is equivalent to the amount to be disbursed under the Sukuk Murabahah.
Step 3	The Issuer shall issue, and the investor(s) shall subscribe, to the Sukuk Murabahah issued by the Issuer to evidence the investor(s)' ownership in the commodities and subsequently represent the investor(s)' entitlement to receive the Sale Price once the commodities are sold to the Issuer.
Step 4	Upon receipt of the Purchase Price, the Wakeel, on behalf of the investor(s) shall then purchase Shariah-compliant commodities from commodity vendor(s) in the Bursa Suq Al-Sila' commodity market, through a Commodity Trading Participant (" CTP "), who will facilitate the buying and selling of the commodities on a spot basis. Bursa Suq

	Al-Sila' is a commodity trading platform with multiple commodity vendors.
Step 5	Upon completion of the purchase, the Wakeel, on behalf of the investor(s) shall sell the commodities to the Issuer at the Sale Price on a deferred payment basis.
Step 6	Subsequently, ESSB shall sell the commodities via the same CTP to Bursa Malaysia Islamic Services Sdn Bhd on a spot basis at an amount equivalent to the Purchase Price.
Step 7	ESSB shall pay the Sale Price via the Wakeel to the investor(s).

APPENDIX 2

1. An underwriter under an underwriting or sub-underwriting agreement;
2. A company that is registered as a trust company under the Trust Companies Act, 1949 or a corporation that is a public company under the Companies Act, 1965 or under the laws of any other country which has been allowed by the SC to be a trustee for the purposes of the Capital Markets and Services Act, 2007 (“**CMSA**”);
3. A unit trust scheme or prescribed investment scheme;
4. A holder of a Capital Markets Services License (“**CMSL**”) who carries on the business of dealing in securities;
5. Exclusively to persons outside Malaysia;
6. A closed end fund approved by the SC;
7. A holder of a CMSL who carries on the business of fund management;
8. A person who acquires securities pursuant to an offer, as principal, if the aggregate consideration for the acquisition is not less than RM250,000.00 or its equivalent in foreign currencies for each transaction whether such amount is paid for in cash or otherwise;
9. An individual whose total net personal assets exceed RM3.0 million or its equivalent in foreign currencies;
10. A corporation with total net assets exceeding RM10.0 million or its equivalent in foreign currencies based on the last audited accounts;
11. A licensed offshore bank as defined under the Offshore Banking Act, 1990;
12. An offshore insurer as defined under the Offshore Insurance Act, 1990;
13. A licensed institution as defined in the Banking and Financial Institutions Act, 1989 or an Islamic bank as defined in the Islamic Banking Act, 1983;
14. An insurance company registered under the Insurance Act, 1996;
15. A statutory body established by an Act of Parliament or an enactment of any State;
16. A pension fund approved by the Director General of Inland Revenue under section 150 of the Income Tax Act, 1967; and
17. Danamodal Nasional Bhd,

read together with Schedule 9 or Section 257(3) of the CMSA.