

PRICING SUPPLEMENT dated 19 APR 2021

SIN HENG CHAN (MALAYA) BERHAD

(Company Registration No. 196201000185 (4690-V))

**ISLAMIC MEDIUM TERM NOTE PROGRAMME OF RM60.0 MILLION ONLY
IN NOMINAL VALUE**

Tranche No: 1

This document ("**Pricing Supplement**") is issued to give details of an issue of Islamic medium term notes ("**Sukuk Wakalah**") by Sin Heng Chan (Malaya) Berhad (Company Registration No. 196201000185 (4690-V)) ("**Issuer**") under its Islamic medium term note programme of Ringgit Malaysia Sixty Million (RM60,000,000.00) only in nominal value ("**Sukuk Wakalah Programme**").

This Pricing Supplement is to be read in conjunction with the terms and conditions of the Sukuk Wakalah ("**Conditions**") set out in the trust deed dated 19 APR 2021 made between the Issuer and MTrustee Berhad as the trustee ("**Sukuk Trustee**") and the security 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 Conditions. In case of any conflict between the terms of this Pricing Supplement and the Trust Deed, the terms set forth in this Pricing Supplement shall govern.

The establishment of the Sukuk Wakalah Programme and the issuance of the Sukuk Wakalah under the Sukuk Wakalah Programme has each been duly authorised by a resolution of the Board of Directors' of the Issuer dated 23 December 2020.

The Issuer hereby acknowledges that it has authorised Kenanga Investment Bank Berhad (Company Registration No. 197301002193 (15678-H)) and Bank Islam Malaysia Berhad (Company Registration No. 198301002944 (98127-X)) as the joint lead managers (collectively, "**Joint Lead Managers**" and each, a "**Joint Lead Manager**") for the Sukuk Wakalah Programme 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 Wakalah **only to prospective investors who fall within the ambit of the Selling Restrictions** (defined below) for the purpose of the sale of this Tranche of Sukuk Wakalah described herein pursuant to the Sukuk Wakalah Programme and that no further evidence of authorisation is required.

Selling Restrictions

- A. At issuance, the Sukuk Wakalah shall only be issued, offered or sold, directly or indirectly to a person to whom an offer or invitation to subscribe to the Sukuk Wakalah and to whom the Sukuk Wakalah are issued would fall within:

(i) Part 1 of Schedule 6; and

(ii) Part 1 of Schedule 7; read together with

(iii) Schedule 9 or Section 257(3),

of the Capital Markets and Services Act 2007, as amended or substituted from time to time ("CMSA").

B. After issuance, the Sukuk Wakalah shall only be offered, sold, transferred or otherwise disposed directly or indirectly to a person to whom an offer or invitation to purchase the Sukuk Wakalah would fall within:

(i) Part 1 of Schedule 6 or Section 229(1)(b); read together with

(ii) Schedule 9 or Section 257(3),

of the CMSA.

Each Sukukholder:

(a) shall not sell, transfer or otherwise dispose of all or any part of its legal or beneficial interests in the Sukuk Wakalah to another person or persons nor offer to do so, unless such sale, transfer, disposal or offer, is subject to the condition that such person(s) shall undertake to observe the Selling Restrictions; and

(b) without limitation to paragraph (a) above, shall observe all applicable laws and regulations in any jurisdiction (including Malaysia) in which it may offer, sell, transfer or otherwise dispose of all or any part of its legal or beneficial interests in the Sukuk Wakalah or distribute any document or other material in connection therewith.

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 Wakalah 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 Manager and return this Pricing Supplement to the Joint Lead Manager or the Issuer.

Specific Final Terms

The following items under this heading "**Specific Final Terms**" are the particular terms which relate to the Sukuk Wakalah issued under Tranche 1.

1. Issuer:	Sin Heng Chan (Malaya) Berhad
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	(Company Registration No. 196201000185 (4690-V)) ("SHC" or the "Issuer")
2. Tranche No.:	1 ("Tranche 1")
3. Series No.:	1 - 3
4. Series Size:	Series 1 : RM10.0 million Series 2 : RM20.0 million Series 3 : RM30.0 million
5. Series Tenure:	Series 1 : Eight (8) years Series 2 : Nine (9) years Series 3 : Ten (10) years
6. Series Periodic Distribution Rate:	Series 1 : 6-month cost of funds ("COF") + 1.80% spread per annum ("p.a.") Series 2 : 6-month COF + 1.85% spread p.a. Series 3 : 6-month COF + 1.90% spread p.a.
7. Early Redemption (if any):	<p>The Issuer may at its option redeem the outstanding Sukuk Wakalah of a particular Series in full or in part prior to their maturity on any Periodic Distribution Date, provided that the following conditions are fulfilled:</p> <ul style="list-style-type: none"> (i) Notice period of at least twenty-one (21) days (or such other period to be agreed between the Issuer and Facility Agent) is given to the Facility Agent and the Sukuk Trustee prior to the date of redemption ("Early Redemption Date"); (ii) the Early Redemption Date shall coincide with a Periodic Distribution Date; and (iii) An early redemption premium equivalent to one (1) Periodic Distribution due under the particular Series shall be paid by the Issuer to the Sukukholders. In the event the Series is redeemed partially, the early redemption premium shall be reduced proportionately. For avoidance of doubt, the 6-month COF to be applied for calculation of the one (1) Periodic Distribution for the purpose of early redemption premium is the 6-month COF as at the date of the notice given pursuant to item (i) above.
8. Secured/Unsecured:	Secured
9. Tranche Security:	<ul style="list-style-type: none"> (i) A first legal assignment and charge by SHC over 4,000,002 shares of Tunas Selatan Pagoh Sdn Bhd ("TSP"), including SHC's rights over the dividend payments from TSP

	<p>(ii) A first legal assignment of all SHC's right, interests, titles and benefits under the Share Sale Agreement ("TSP Share Sale Agreement") between SHC and Tunas Selatan Construction Sdn Bhd;</p> <p>(iii) A first party assignment and charge over all of the rights, title, interests and benefits in the Tranche 1 Designated Accounts (as defined below) and all balances standing to the credit of the Tranche 1 Designated Accounts.</p>
10. Designated Accounts (if any):	<p>The designated accounts for Tranche 1 are as below, both of which are to be opened and maintained with Bank Islam Malaysia Berhad (collectively, "Tranche 1 Designated Accounts"):</p> <p>Account name: Tranche 1 Dividend Collection Account ("DCA")</p> <p>Parties responsible for opening the account: Issuer</p> <p>Parties responsible for maintaining/operating the account: Security Trustee</p> <p>Signatories to the account: Security Trustee</p> <p>Sources of funds:</p> <ol style="list-style-type: none"> All dividend proceeds received from TSP; and All proceeds received under the Tranche Security, including the disposal of TSP's shares. <p>Utilisation of funds (based on order of priority):</p> <ol style="list-style-type: none"> Transfer of RM5.0 million to FSRA upon the receipt of first dividend payment; Transfer of funds to the FSRA, in the event that there is a shortfall in the Minimum Required Balance (as defined hereunder); The funds in the DCA shall be utilised to pay Periodic Distribution Amount and principal repayment (if any) falling due and payable under Tranche 1 for the relevant Sukuk Year (as defined below); Permitted Investments; and Withdrawals by the Issuer of the Allowable

	<p>Withdrawal Sum.</p> <p>“Allowable Withdrawal Sum” shall mean:</p> <ul style="list-style-type: none"> (i) in the case of the 1st Sukuk Year, the dividend inflows minus RM5.0 million, the total principal payments (if any) and estimated profit obligations for the 1st Sukuk Year; (ii) in the case of the 2nd to 5th Sukuk Year, the dividend inflows minus total principal payments (if any) and estimated profit obligations for the relevant Sukuk Year; (iii) in the case of the 6th Sukuk Year, the sum is zero and in the case of the 7th Sukuk Year, the residual balance in the DCA on the 7th Sukuk Year following the principal payments (if any) and estimated profit obligations in the 7th Sukuk Year; and (iv) in the case of the 8th Sukuk Year onwards, the dividend inflows minus total principal payments (if any) and estimated profit obligations for the relevant Sukuk Year. <p>The estimated profit for the relevant Sukuk Year shall be determined based on the 6-month COF of the investor(s), at the start of the Sukuk Year.</p> <p>“Sukuk Year” shall mean successive twelve (12) month periods starting from the first issue date of Tranche 1.</p> <p>Account name: Tranche 1 Finance Service Reserve Account (“FSRA”)</p> <p>Parties responsible for opening the account: Issuer</p> <p>Parties responsible for maintaining/operating the account: Security Trustee</p> <p>Signatories to the account: Security Trustee</p> <p>Sources of funds:</p> <ul style="list-style-type: none"> i. Any deposits from the Issuer; and ii. Transfers from the DCA. <p>Utilisation of funds:</p>
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	<p>i. To meet profit payment and principal payment falling due and payable under Tranche 1 in the event that the funds in the DCA is insufficient.</p> <p>The Issuer shall deposit RM1.5 million into the FSRA prior to the first issuance under the Tranche 1 and a subsequent transfer of RM5.0 million from the DCA into the FSRA upon the Issuer's receipt of the first dividend payment from TSP.</p> <p>Thereafter, the Issuer shall maintain a minimum amount of RM6.5 million ("FSRA Minimum Required Balance") in the FSRA at all times. The balance in the FSRA may be withdrawn to make the principal and/or profit payments under Tranche 1 if the funds in the DCA is insufficient. In the event of such withdrawal of monies from the FSRA, any shortfall in the FSRA Minimum Required Balance must be topped up by the Issuer within twenty one (21) days of the shortfall.</p> <p>Any excess above the FSRA Minimum Required Balance in the FSRA is permitted to be withdrawn by the Issuer.</p>
11. Rating:	The Sukuk Wakalah is unrated.
12. Utilisation of Proceeds	The proceeds from Tranche 1 shall be utilised to finance up to 86% of the cash consideration portion of RM70.0 million for the acquisition of all shares in TSP.
13. Other terms or special conditions:	<p><u>Additional Condition Precedent specific for Tranche 1:</u></p> <p>(i) The Issuer shall deposit RM1.5 million into the FSRA.</p> <p>(ii) The Issuer has paid all fees and costs relating to Tranche 1, where required.</p> <p>(iii) Evidence that the sale and purchase agreement has become unconditional and TSP shares evidence that the Issuer has paid or has made arrangements to pay the difference between the proceeds of issuance of Tranche 1 and the balance purchase price required in order to complete the purchase of shares in TSP.</p> <p>(iv) The subscriber(s)/investor(s) are satisfied with the due diligence over TSP conducted by the appointed solicitors for the acquisition exercise.</p>

	<p>(v) Consent from Tunas Selatan Construction Sdn Bhd has been obtained for the Issuer to assign its rights under the Share Sale Agreement between the Issuer and Tunas Selatan Construction Sdn Bhd.</p> <p><u>Additional Positive Covenants specific for Tranche 1:</u></p> <p>(i) SHC shall ensure that TSP shall remain a wholly-owned subsidiary of SHC so long as Tranche 1 is outstanding.</p> <p>(ii) SHC shall ensure that Sime Darby Property Selatan Sdn Bhd shall remain at least 40% owned by TSP so long as Tranche 1 is outstanding.</p> <p><u>Additional Financial Covenants specific for Tranche 1:</u></p> <p>(i) The Issuer may incur, assume or permit to exist any indebtedness for borrowed monies from lenders/financiers, provided that the Consolidated Finance to Equity Ratio ("Consolidated FE Ratio") is not more than 3.0 times; and</p> <p>(ii) Finance Service Cover Ratio ("FSCR") of at least 1.25 times.</p> <p><u>Consolidated FE Ratio</u></p> <p>Consolidated FE Ratio is the ratio of Consolidated Finance to Equity, where:</p> <p>(i) Consolidated Finance is calculated as SHC Group's total borrowings; and</p> <p>(ii) Equity is calculated as total equity of SHC Group.</p> <p><u>FSCR</u></p> <p>The FSCR shall be calculated on every anniversary of the Tranche 1 issue date of the Sukuk Wakalah ("Calculation Date").</p> <p>The FSCR is the ratio of the Issuer's cash balances in the Tranche 1 Designated Accounts (as defined herein) to the aggregate of all principal obligations and estimated profit payments under the Sukuk Wakalah in the succeeding twelve (12) months of the Calculation Date. For the purpose of calculating the estimated profit payment, the Bank Islam's 6-month COF as at Calculation Date shall be adopted.</p> <p>For the avoidance of doubt, any double counting shall be</p>
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	<p>disregarded. If the Issuer is in breach of the FSCR, the Issuer shall remedy such breach within a period of twenty one (21) days.</p> <p><u>Additional positive covenant specific for Tranche 1</u></p> <p>(i) SHC to submit annually to the Sukuk Trustee all information requested by Sukuk Trustee for the purpose of investor's internal annual review evaluation process.</p> <p>(ii) SHC to undertake to meet any shortfall in financing obligations under the Tranche 1 if the dividends stream are not sufficient to meet the said financing obligations.</p> <p><u>Authorisation to Debit</u></p> <p>The Issuer agrees that Bank Islam shall have the right to debit the Issuer's current/savings account or any other accounts maintained with the Bank (including to liquidate account which give effect to premature redemption) for payment of any profit and/or principal due and payable to Bank Islam, Takaful contribution, fees, charges, and any other monies due and payable under Tranche 1.</p>
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PURPOSE OF FINAL TERMS

This Pricing Supplement comprise the final terms required for the issue of the Tranche 1 of Sukuk Wakalah described herein pursuant to the Sukuk Wakalah Programme.

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.

The Issuer confirms that where information has been sourced or extracted from third parties, the Issuer confirms that to the best of its knowledge and belief, and as far as it is able to ascertain from such information, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Signed on behalf of Sin Heng Chan (Malaya) Berhad (Company Registration No. 196201000185 (4690-V)):

By:
Authorised Signatory
Name: Dato' Choo Keng Weng
Designation: Director