

BACKGROUND INFORMATION

1. ISSUER

- (i) Name : Binariang GSM Sdn Bhd ("**Binariang**")
- (ii) Address : Level 39 Menara Maxis
Kuala Lumpur City Centre
50088 Kuala Lumpur
- (iii) Business Registration No. : 264292-W
- (iv) Date/Place of incorporation : 15 May 1993 / Malaysia
- (v) Date of Listing : Not Applicable
- (vi) Status : Resident company
Non-Bumiputra controlled company
- (vii) Principal activities : Investment holding
- (viii) Board of Directors : As at 30 September 2007, the board of directors of the Issuer are:
(as at 30 September 2007)
- (1) Raja Datuk Arshad bin Raja Tun Uda
- (2) Augustus Ralph Marshall
- (3) Chan Chee Beng
- (4) Saud Majed A AlDaweesh
- (ix) Structure of shareholdings and names of shareholders or, in the case of public company, names of all substantial shareholders
(as at 30 September 2007)
- As at 30 September 2007, the present registered shareholders holding ordinary shares of RM1.00 each and redeemable preference shares ("**RPS**") of RM0.01 each in the Issuer are as follows:

Name of Shareholders	Total Shareholding		% Equity Held
	Ordinary Shares	RPS	
Shield Estate N.V	1,600,000,000	1,682,046	8.00
Wilayah Resources Sdn Bhd	1,800,000,000	1,892,301	9.00
Tegas Puri Sdn Bhd	2,200,000,000	2,312,813	11.00
Besitang Barat Sdn	1,800,000,000	1,892,302	9.00

Bhd			
Besitang Selatan Sdn Bhd	1,600,000,000	1,682,046	8.00
Mujur Anggun Sdn Bhd	818,326,693	860,289	4.09
Anak Samudra Sdn Bhd	818,326,693	860,289	4.09
Dumai Maju Sdn Bhd	818,326,693	860,289	4.09
Nusantara Makmur Sdn Bhd	1,363,346,614	1,432,420	6.82
Usaha Kenanga Sdn Bhd	545,816,733	573,806	2.73
Tegas Sari Sdn Bhd	545,816,733	573,806	2.73
Cabaran Mujur Sdn Bhd	1,090,039,841	1,146,773	5.45
STC Malaysia Holding Ltd	5,000,000,000	5,256,394	25.00
Total	20,000,000,000	21,025,574	100.00

(x) Authorised and paid-up share capital

(as at 30 September 2007)

The authorised and paid-up capital as at 30 September 2007 are as follows:

Authorised capital: RM20,000,250,000.00 divided into 20,000,000,000 ordinary shares of RM1.00 each and 25,000,000 RPS of RM0.01 each.

Issued and fully paid-up capital: RM20,000,210,255.74 divided into 20,000,000,000 ordinary shares of RM1.00 each and 21,025,574 RPS of RM0.01 each.

INDICATIVE TERMS AND CONDITIONS

2. **Names of parties involved in the proposed transaction (where applicable)**
 - (i) **Principal Adviser(s) / Lead Arranger(s)** : CIMB Investment Bank Berhad (“**CIMB**”)
 - (ii) **Arranger(s)** : Not applicable
 - (iii) **Valuers** : Not applicable
 - (iv) **Solicitors** : Messrs Albar & Partners (for Lead Arranger)
Messrs Zul Rafique & Partners (for Issuer)
 - (v) **Financial Adviser** : Not applicable
 - (vi) **Technical Adviser** : Not applicable
 - (vii) **Guarantor** : Not applicable
 - (viii) **Trustee** : CIMB Islamic Trustee Berhad
 - (ix) **Facility Agent** : CIMB
 - (x) **Primary Subscriber(s) and Amount subscribed** : The primary subscribers (if any) will be determined prior to the issuance
 - (xi) **Underwriter(s) and amount underwritten** : The Junior Sukuk (as defined below) will not be underwritten
 - (xii) **Syariah Adviser** : CIMB Islamic Shariah Committee, CIMB
 - (xiii) **Central Depository** : Bank Negara Malaysia (“**BNM**”)
 - (xiv) **Paying Agent** : BNM
 - (xv) **Reporting Accountant** : Messrs PricewaterhouseCoopers
 - (xvi) **Others** :
3. **Islamic Principle Used** : **Musyarakah**
4. **Facility Description** : The Issuer as part of a refinancing arrangement will issue up to RM equivalent of USD900 million in nominal value cumulative non-convertible Islamic junior sukuk (“**Junior Sukuk**”).

The Junior Sukuk, together with the senior sukuk issued by the Issuer under an Islamic commercial papers programme of up to RM2 billion and an Islamic medium term notes programme of up to RM19 billion (“**Senior Sukuk**”) are collectively

referred to as “**Sukuk**” and the holders of the Sukuk are collectively referred to as the **Sukukholders**. The Senior Sukuk has a combined limit of RM19 billion.

The Junior Sukuk shall be issued under the Islamic principle of Musyarakah. Musyarakah is a partnership arrangement between two or more parties to finance a business venture whereby all parties contribute capital either in the form of cash or in kind for the purpose of financing the business venture. Any profit derived from the venture will be distributed based on a pre-agreed profit sharing ratio, but a loss will be shared on the basis of capital participation.

The Sukukholders shall from time to time form a Musyarakah and shall enter into a venture together with the Issuer as part of the financing arrangement. The venture refers to the investment in Trust Assets (“**Venture**”). The Issuer will also function as the asset trustee where it holds the Trust Assets (as defined in paragraph 21) for the benefit of the Venture partners comprising the Sukukholders and itself.

Each Sukuk shall represent the Sukukholders’ undivided share of beneficial interest in the Trust Assets (the quantum of which is evidenced by the Sukuk held by them) and thereby any distribution made.

The Sukukholders together with the Issuer will be entitled to income generated from the Trust Assets and/or proceeds from the sale of the Trust Assets.

The holders of the Senior Sukuk (“**Senior Sukukholders**”) shall form a Musyarakah among themselves to invest in the Senior Sukuk. The holders of the Junior Sukuk (“**Junior Sukukholders**”) shall form a Musyarakah among themselves to invest in the Junior Sukuk. In terms of the entitlement to the Trust Assets, the Senior Sukuk and the Junior Sukuk will rank on an equal basis.

The distributable income generated from the Trust Assets after deducting the necessary expenses, such as operating expenses and taxation, shall be shared and distributed to the respective Venture partners namely, the Senior Sukukholders, Junior Sukukholders and the Issuer, based on their

respective proportionate interests in the Trust Assets. The Issuer's proportionate interest in the Trust Assets will be calculated based on the excess of the value of the Trust Assets over the amount of the outstanding Sukuk at such time. The amounts to be distributed to the Senior and Junior Sukukholders will be made (after netting off the Issuer's entitlement to the distribution as mentioned) based on the agreed ratio of 85:15 respectively. The Senior Sukukholders and Junior Sukukholders will receive the distribution of profits up to an amount to be calculated based on the expected return of the respective Sukuk, subject to the terms of a management agreement and in accordance with the priority of cashflow applicable.

Under the management agreement, the Sukukholders will agree for the Issuer to manage the Trust Assets on behalf of the Venture ("**The Manager**") and on the manner of the distribution of income from the Trust Assets, and that the Issuer will continue to manage the Trust Assets. The Senior Sukukholders and the Junior Sukukholders shall agree that any amount above their respective expected return under the relevant Sukuk will be retained by the Issuer in consideration for managing the Trust Assets. The Issuer has no obligation to guarantee, pay or make any distribution from the Trust Assets should there be no income generated from the Trust Assets.

The Junior Sukukholders agree that, on each Periodic Distribution Date, the Issuer / Manager can, subject to certain restrictions, opt to make the Periodic Distribution or reinvest the monies into the business. The certain restrictions must not be capable of being amended without the Junior Sukukholders' consent and the distribution policy should be agreed in advance and also not capable of amendment without the Junior Sukukholders' consent.

On a Periodic Distribution Date, subject to the Periodic Distribution Restriction and the Periodic Distribution Discretion, the **Distribution** shall be calculated as the aggregate of (i) expected Periodic Distribution for the current period; and (ii) the non-compounded aggregate of expected Periodic Distribution not distributed for calculation periods up to the immediately prior Periodic Distribution Date ("**Cumulated Distribution**"). Cumulated Distribution (if any) will be treated as non-payment

of Distribution for purpose of the provisions under Periodic Distribution Discretion and Dividend Stopper.

The Issuer intends to acquire the Junior Sukukholders' interest in the Trust Assets in proportion to the capital contribution ("**Relevant Portion**") on the date falling fifty (50) years from the date of issuance of the Junior Sukuk or upon occurrence of a Winding-up Event (as defined in paragraph 27(xxv)) or may acquire the Trust Assets from the Junior Sukukholders on any such date upon the occurrence of certain events. The Junior Sukukholders shall grant an option to the Issuer to acquire the Junior Sukukholders' interest in the Musyarakah Venture at the Redemption Amount to be calculated based on certain formula, upon certain events as described under Sale Undertaking (as defined in paragraph 27(viii)).

As at 27 December 2013, the Senior Sukuk has been fully redeemed. "**Periodic Distribution Date**" means the date, semi-annually in arrears, being the date falling 6 months after the issue date and every 6 months thereafter.

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

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| 5. | Issue size (RM) | : | Up to RM equivalent of USD900 million in nominal value. |
| 6. | Issue price (RM) | : | The Junior Sukuk will be issued at par and the issue price is calculated in accordance with the FAST Rules. |
| 7. | Tenor of the facility/issue | : | The Junior Sukuk will mature fifty (50) years from the date of issuance (" Maturity "). |
| 8. | Coupon / Profit or Equivalent Rate (%) | : | The Expected Periodic Distribution (i.e. the Profit Rate) will be determined prior to the date of issuance. |
| 9. | Profit Payment frequency and basis | : | The Periodic Distribution will be paid semi-annually in arrears and calculated on actual / 365 day count basis. |
| 10. | Yield to Maturity ("YTM") (%) | : | The Junior Sukuk will be priced on a basis of yield to the First Optional Redemption Date (as defined in paragraph 27(viii)). |

The Expected Return (i.e. the yield to the First

Optional Redemption Date), calculated on a semi annual basis based on the nominal value of the Junior Sukuk, will be determined prior to issuance.

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| 11. | Security/Collateral | : | Not applicable. |
| 12. | Details on utilisation of proceeds | : | <p>The proceeds of the Junior Sukuk shall be utilised for Syariah compliant purposes as follows:</p> <ul style="list-style-type: none"> i. up to the RM equivalent of USD900 million, to refinance the amount outstanding under the term loan facility of an aggregate amount of up to RM20.0 billion, which was granted by a group of syndicated lenders to the Issuer for the purposes of, inter alia, financing the Issuer's acquisition by way of public offer of up to 100% of the outstanding shares of Maxis that were not already beneficially owned by the shareholders of the Issuer and paying for any transaction and acquisition related fees and expenses; and ii. the remaining amount, to pay fees, costs, expenses and all other amounts payable in setting up the Junior Sukuk, to pay such other amounts as may be payable from time to time in respect of the Junior Sukuk and to finance capital expenditure and working capital purposes of the Issuer or other companies within the Issuer's group (which may be in the form of advances, subscription of redeemable preference shares or any other form of equity injection by the Issuer). <p>All of the above purposes shall be Syariah compliant.</p> |
| 13. | Sinking fund | : | Not applicable. |
| 14. | Rating | : | <p>Unrated</p> <p>Notwithstanding the above, the Issuer has the option to elect, at any time prior to its maturity date of the Junior Sukuk, for the Junior Sukuk to be re-rated ("Re-rating Option") by any credit rating agency registered with the Securities Commission.</p> |
| 15. | Form and Denomination | : | <p>The Junior Sukuk shall be issued in accordance with (1) the Code Of Conduct And Market Practices For The Malaysian Corporate Bond Market issued by the Institut Peniaga Bon Malaysia and approved by BNM ("IPBM Code") and (2) the Rules On The</p> |

Scripless Securities Under The Real Time Electronic Transfer Of Funds And Securities (“**Rentas**”) system issued by BNM (“**Rentas Rules**”) and (3) the Rules On Fully Automated System For Issuing/Tendering issued by BNM, or their replacement thereof (collectively the “**Codes of Conduct**”) applicable from time to time. The Rentas Rules shall prevail to the extent of any inconsistency between the Rentas Rules and the IPBM Code. The issuance of the Junior Sukuk 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 Junior Sukuk shall be RM1,000 or in multiples of RM1,000 at the time of issuance.

16. **Mode of Issue** : The Junior Sukuk may be issued by direct placement on a best effort basis or a bought deal basis or book running on a best effort basis.
17. **Selling Restriction** : The Junior Sukuk is non-transferable and non-tradable. However, if the Issuer elects to exercise the Re-rating Option, the Junior Sukuk will be transferable and tradable with effect from the date the Junior Sukuk is re-rated and such Junior Sukuk shall be subject to the following selling restriction:-

“The Junior Sukuk may 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 specified in Section 4(6) of the Companies Act, 1965 of Malaysia.”
18. **Listing Status** : The Junior Sukuk will not be listed on Bursa Malaysia Securities Berhad or any other stock exchange.
19. **Minimum Level of Subscription (RM or %)** : The minimum level of subscription for the issuance of the Junior Sukuk, if it is not issued on a direct placement (which shall be fully subscribed) or on a bought deal basis (which shall be fully subscribed), shall be 100% of the size of the issue.
20. **Other Regulatory Approvals Required in relation to the Issue, Offer or Invitation and whether or not obtained** : Application has been made to the Securities Commission (“**SC**”) vide letters dated 9 November 2007 and 28 November 2007 for exemption from compliance with certain provisions in the Guidelines on the Minimum Contents Requirements For Trust Deeds (“**Guidelines**”) in relation to the Junior

Sukuk.

21. **Identified Assets** : A pool of Syariah compliant assets ("**Trust Assets**") identified for the purpose of the transaction. The Trust Assets may be shares in Maxis and/or other assets endorsed by the Syariah Adviser.

The Issuer shall have the right to exchange the Trust Assets with qualified Trust Assets ("**Qualified Assets**") or purchase the whole or any part of the Trust Assets pursuant to an exchange agreement and/or deferred payment sale agreement. Qualified Assets shall mean assets which have been pre-approved by the Syariah Adviser.

For each issue, the value of the Trust Assets, which is determined based on the value at cost, shall be at least equivalent to the nominal amount of the Junior Sukuk to be issued plus the nominal amount of the Junior Sukuk outstanding at that point in time.

For the avoidance of doubt, the total value (to be determined at cost) of the Trust Assets shall at all times be at least equivalent to the total nominal value of the Junior Sukuk outstanding. In case of any exchange of Trust Assets, the value of the new Trust Assets to be injected must be at least equivalent to the value of the Trust Assets to be replaced (which shall be valued at cost). As such, the value of the Trust Assets shall remain at least at the same level before any exchange of Trust Assets.

22. **Purchase and selling price / rental (where applicable)** : Not applicable

23. **Conditions Precedent** : To comprise the following (all have to be in form and substance acceptable to the Lead Arranger):

A. Main Documentation

1. All relevant transaction documents have been executed and, where applicable, stamped and presented for registration.
2. All relevant notices and acknowledgements (where applicable) shall have been made or received as the case may be.

B. Issuer

1. Certified true copies of the Certificate of Incorporation, and the Memorandum and Articles of Association of the Issuer.
2. Certified true copies of the latest Forms 24 and 49 of the Issuer.
3. A certified true copy of board resolutions of the Issuer authorising, among others, the execution of the transaction documents.
4. A list of the Issuer's authorised signatories and their respective specimen signatures.
5. A report of the relevant company search of the Issuer.
6. A report of the relevant winding up search or the relevant statutory declaration of the Issuer.

C. General

1. The approval from the SC and, where applicable, all other regulatory authorities.
2. The Junior Sukuk has received its requisite rating (if applicable).
3. The Lead Arranger has received from its legal counsel a favourable legal opinion addressed to it and the Trustee advising with respect to, among others, the legality, validity and enforceability of the relevant transaction documents and a confirmation addressed to the Lead Arranger that all the conditions precedent have been fulfilled or otherwise waived.
4. Receipt of a satisfactory Syariah opinion from the Syariah Adviser that the issue of the Junior Sukuk and the transaction documents are Syariah compliant.
5. Such other conditions precedent as advised by the legal counsel of the Lead Arranger and agreed by the Issuer.

24. Representations and Warranties

To comprise the following:-

1. the Issuer is a company with limited liability duly incorporated and validly existing under

the laws of Malaysia, has full power to carry on its business and to own its property and assets;

2. the memorandum and articles of association of the Issuer incorporate provisions which authorise, and all necessary corporate and other relevant actions have been taken to authorise, and all relevant consents and approvals of any governmental or other authority or body in Malaysia which are required to authorise the Issuer to execute and deliver and perform the transactions contemplated in the transaction documents in accordance with their terms have been duly obtained and are in full force and effect;
3. neither the execution and delivery of any of the transaction documents nor the performance of any of the transactions contemplated by the transaction documents did or does as at the date this representation and warranty is made or repeated (a) contravene or constitute a default under any provision contained in any agreement, instrument, law, ordinance, decree, judgment, order, rule, regulation, licence, permit or consent by which the Issuer or any of its assets is bound or which is applicable to the Issuer or any of its assets which would have a Material Adverse Effect, (b) cause any limitation on the Issuer or the powers of its directors, whether imposed by or contained in its memorandum and articles of association or in any agreement, instrument, law, ordinance, decree, order, rule, regulation, judgment or otherwise, to be exceeded, which would have a Material Adverse Effect; or (c) cause the creation or imposition of any security interest on any of the Issuer's assets, other than those contemplated herein and such other security interest which, if applicable, will be disclosed in the information memorandum;

For the purpose of this term sheet, "**Material Adverse Effect**" means any material adverse effect on the business or financial condition or results of the operations of the Issuer and Maxis taken as a whole or the ability of the Issuer to perform any of its payment or other material obligations under any of the

transaction documents.

4. each of the transaction documents is or will when executed and/or issued, as the case may be, be in full force and effect and constitutes, or will when executed or issued, as the case may be, constitute, valid and legally binding obligations of the Issuer enforceable in accordance with its terms;
5. such other representations and warranties as may be advised by the legal counsel of the Lead Arranger and agreed by the Issuer, with appropriate thresholds, exclusions and carve-outs for each of such representations and warranties to be negotiated and agreed in the transaction documents.

25. **Events of Default** : There are no events of default under the Junior Sukuk. Please refer to the Enforcement Events; Limited Rights to Accelerate clause below.
26. **Principal terms and conditions for warrants** : Not applicable.
27. **Other principal terms and conditions for the issue**
- (i) **Musyarakah Venture** : Investment in the Trust Assets (see Paragraph 21 above).
 - (ii) **Musyarakah Capital** : The Junior Sukukholders shall contribute capital which will be utilised by the Issuer as the asset trustee to acquire a certain percentage of interest of the Venture from the Issuer. The Musyarakah Capital will essentially be equal to the issue proceeds of the Junior Sukuk, which entitles the Junior Sukukholders to profits from the Venture.
 - (iii) **Covenants** : There shall be no restrictive covenants in the Junior Sukuk.

Information Covenants:

- (a) the Issuer shall deliver to the Trustee the following:
 - (i) as soon as they become available (and in any event within one hundred and eighty (180) days after the end of each of its financial years) copies of its consolidated financial statements for that year which

shall contain the income statements and balance sheets of the Issuer and which are audited and certified without qualification by a firm of independent certified public accountants;

- (ii) as soon as they become available (and in any event within one hundred and twenty (120) days after the end of the first half of its financial year) copies of its unaudited half yearly consolidated financial statements for that period which shall contain the income statements and balance sheets of the Issuer which are duly certified by any one of its authorized signatories;
- (iii) promptly, any information which the Trustee may reasonably require in order to discharge its duties and obligations as trustee under the trust deed relating to the Issuer's affairs to the extent permitted by law;
- (iv) promptly, all notices or other documents received by the Issuer from any of its creditors and all documents dispatched by the Issuer to its creditors generally at the same time as these documents are dispatched to these creditors, which contents would materially and adversely affect the interests of the Junior Sukukholders;
- (v) as soon as reasonably practicable and to the extent permitted by law, all notices or other documents received by the Issuer from any of its shareholders which contents would materially and adversely affect the interests of the Junior Sukukholders, provided that such disclosure shall not cause the Issuer to breach any confidentiality obligations imposed upon the Issuer by such shareholders (in which event, the Issuer shall use its best endeavours to obtain the necessary consent from such shareholders, and if such consent is obtained, such disclosure shall be made only to the extent and on the terms approved by such shareholders); and
- (vi) any other accounts, report, notice, statement or circular issued by the Issuer to

its shareholders;

(b) the Issuer shall promptly notify the Trustee of any change in its board of directors and/or shareholders.

(iv) **Periodic Distribution**

: Distribution on the Junior Sukuk for each Periodic Distribution Period (as defined below) shall be distributable in Ringgit Malaysia at the following rates per annum of the face value thereof ("**Expected Periodic Distribution**"), calculated on the basis of the actual number of days in the relevant period:

- (1) on or prior to the 10th anniversary date of the Issue Date, at a certain fixed rate to be agreed; and
- (2) after the 10th anniversary date of the Issue Date, at a floating rate per annum equal to 6-month KLIBOR for such Periodic Distribution Period plus a margin to be agreed.

If the Issuer elects to exercise the Re-rating Option, the applicable rate in determining the Periodic Distribution in respect of the Junior Sukuk will be reduced at an agreed margin with effect from the date the Junior Sukuk is re-rated until its maturity date.

The Periodic Distribution may be equivalent to the Expected Periodic Distribution and may constitute the actual income generated by the Trust Assets and/or the advance payment made by the Issuer ("**Advance Payment**") which will be set-off against the Redemption Amount.

"**Periodic Distribution Period**" means the period from, and including, the Issue Date to, but excluding, the first Periodic Distribution Date and each successive period thereafter from and including, a Periodic Distribution Date to, but excluding, the next succeeding Periodic Distribution Date.

"**KLIBOR**" means the rate which appears under the caption Kuala Lumpur Inter-Bank Offered Rate posted on Reuters on 11.00 a.m., Malaysian time, on the relevant Periodic Distribution Determination Date for a six month period.

“Periodic Distribution Determination Date”

means, with respect to any Periodic Distribution Period, the day falling two (2) Business Days prior to the commencement of that Periodic Distribution Period.

- (v) **Expected Return** : The expected return will be the return expected by the Junior Sukukholders from the Musyarakah Venture which shall be the yield for the Junior Sukuk.

The Junior Sukukholders and the Issuer shall share income to be distributed based on a priority of cashflow application. The Manager at its sole discretion, can opt to distribute returns to the Junior Sukukholders up to the Expected Periodic Distribution, subject to certain restrictions described in Periodic Distribution Restriction below, or reinvest the monies into the business. Should the Manager opt not to make any distribution or distribute less than the Expected Periodic Distribution to the Junior Sukukholders, there shall be no distribution to the Issuer as the monies would be reinvested in the business and redistributed based on the priority of cashflow application.

- (vi) **Manager** : The Junior Sukukholders agree that the Issuer shall manage the Musyarakah Venture. All excess income from the Trust Assets over the Expected Periodic Distribution to the Junior Sukukholders shall be retained by the Issuer in consideration for managing the Trust Assets.

- (vii) **Purchase Undertaking** : The Issuer intends to acquire Relevant Portion of the Trust Assets from the Junior Sukukholders on the Maturity falling fifty (50) years from the date of issuance or upon occurrence of a Winding-Up Event, or may acquire the Trust Assets from the Junior Sukukholders on any such date upon the occurrence of Optional Redemption or Tax Event Redemption, upon the exercise by the Issuer of its option to acquire the Trust Assets under any such event. Under the exercise of the Issuer's option under these events, the Issuer shall acquire the Junior Sukukholders' interest in the Trust Assets for the relevant Redemption Amount.

In the event of overdue payments of any amount due under the Purchase Undertaking, the Issuer shall pay to the Trustee for the benefit of the Junior Sukukholders compensation on such overdue amounts at an amount and manner prescribed by

the SC's Syariah Advisory Council or such other relevant regulatory authority from time to time in accordance with the Shariah principles, provided that the compensation rate shall not exceed 1% per annum above the applicable coupon rate.

For the avoidance of doubt, non payment of Periodic Distribution or Cumulated Distribution shall not be deemed as overdue payments.

- (viii) **Sale Undertaking (Call Option)** : The Junior Sukukholders shall grant an option to the Issuer to acquire the Junior Sukukholders' interest in the Musyarakah Venture at the relevant Redemption Amount to be calculated based on the face value upon any of the following events:
- (i) ten (10) years after date of the issuance thereof (i.e. "**First Optional Redemption Date**");
 - (ii) on each Periodic Distribution Date (as defined in item 4 above under Facility Description) thereafter; or
 - (iii) in the circumstances described under "Optional Redemption" and "Tax Event Redemption" below.
- Upon the Issuer acquiring all the Junior Sukukholders' interest in the Musyarakah Venture, the musyarakah for the Junior Sukukholders shall then be dissolved.
- (ix) **Periodic Distribution Discretion** : The Board of Directors of the Issuer may, at its option, elect not to pay the Distribution or elect to pay a lesser amount of Distribution (in accordance with the provision on Distribution Limitation Notice below) in respect of the Junior Sukuk accumulated to that date. Such Distribution which has not been distributed by the Issuer shall be automatically deferred on a non-compounding basis.
- (x) **Cumulated Distribution** : The aggregate of all periodic non-compounded Periodic Distribution not distributed (pursuant to either Periodic Distribution Restriction or Distribution Limitation Notice) accumulated up to the immediately prior Periodic Distribution Date shall be referred to as "**Cumulated Distribution**".
- (xi) **Dividend Stopper** : In the event any Distribution is not paid in full for any reason on any Periodic Distribution Date, the

Issuer shall not:

1. declare or pay any dividends, payments or other distributions in respect of, or (if permitted) repurchase or redeem, its ordinary shares, redeemable preference shares or any other securities of the Issuer ranking junior to the Junior Sukuk (or contribute any moneys to a sinking fund for the redemption of any such shares or securities); or
2. declare or pay any payments or other distributions in respect of, or (if permitted) repurchase or redeem, any Parity Obligations (or contribute any moneys to a sinking fund for the redemption of any such obligations),

in each case until it has paid the Distribution (if any) in full.

“Parity Obligations” means any junior sukuk, preferred securities or other similar obligations of the Issuer that constitutes obligations of the Issuer ranking *pari passu* with the Junior Sukuk.

**Periodic
Distribution
Restriction**

The Issuer shall not be obligated to pay, and shall not pay, any Distribution on that Periodic Distribution Date if the payment of the Distribution will result in a drop in the credit rating of BGSM Management Sdn Bhd (**“BMSB”**) and/or there has been a drop in the credit rating of BMSB of more than two (2) notches since the issuance of the Junior Sukuk (**“Periodic Distribution Restriction Event”**).

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| (xii) | Distribution
Limitation Notice | : | Pursuant to the provisions on “Periodic Distribution Discretion” above, the Issuer may give, not less than ten (10) business days before the relevant Periodic Distribution Date, a notice in writing (“Distribution Limitation Notice”) to the Facility Agent and the Trustee that it will pay no Distributions or less than full Distributions on such Periodic Distribution Date, in which case no Distributions or less than full Distributions as set out in the Periodic Distribution Limitation Notice shall become due and payable on such Periodic Distribution Date. |
| (xiii) | Pro Rata Periodic
Distribution | : | If, whether by reason of Periodic Distribution Restrictions, Periodic Distribution Discretion or the terms of a Parity Obligation, on the relevant |

Payment

Periodic Distribution Date, a Distribution is not paid in full on the Junior Sukuk, then each Junior Sukukholder shall be entitled to receive its pro-rata share of such partial Distribution payment made and any part of the Distribution not paid shall form part of the Cumulated Distribution.

(xiv) **Rights
Liquidation**

Upon : The Junior Sukuk shall constitute trust obligations of the Issuer in relation to, and represent undivided beneficial interest in the relevant Trust Assets. The Junior Sukuk shall constitute direct, unsecured and subordinated obligations of the Issuer ranking *pari passu* among themselves.

In the event a winding up proceeding commences in respect of the Issuer or an effective resolution of the shareholders of the Issuer is passed for a winding up proceeding in respect of the Issuer (other than pursuant to a Permitted Reorganisation as defined below) ("**Winding Up Event**") before full redemption of any Junior Sukuk, the Junior Sukuk shall rank:

- (1) junior to all other creditors of the Issuer;
- (2) subordinated to and rank behind the claims of the holders of any senior sukuk or senior securities (if any);
- (3) *pari passu* with all Parity Obligations; and
- (4) senior to the holders of the Issuer's ordinary shares, redeemable preference shares and any other securities or obligations of the Issuer that are subordinated to the Junior Sukuk.

On such a dissolution or winding up, each Junior Sukuk shall be entitled to receive in Ringgit Malaysia an amount equal to the Liquidation Distribution (as defined below).

"Liquidation Distribution" means, upon a dissolution or winding up of the Issuer, the face value of the Junior Sukuk plus the Cumulated Distribution (if any), together with, subject to "Periodic Distribution Restrictions" above and unless a Distribution Limitation Notice is in effect any accumulated but unpaid Periodic Distribution from and including, the commencement date of the Periodic Distribution Period in which the date of the dissolution or winding up falls, to and including the

date of actual payment.

“Permitted Reorganisation” means a solvent reconstruction, amalgamation, reorganisation, merger or consolidation whereby all or substantially all the business, undertaking and assets of the Issuer are transferred to a successor entity which assumes all the obligations of the Issuer under the Junior Sukuk.

(xv) **Pro Rata
Liquidation
Distribution**

: If, upon any such dissolution or winding up, the amounts available for payment are insufficient to cover the Liquidation Distribution and any liquidation distributions of any Parity Obligation, but there are funds available for payment so as to allow payment of part of the Liquidation Distribution, then each Junior Sukukholder shall be entitled to receive its pro-rata share of the Relevant Proportion of the Liquidation Distribution.

“Relevant Proportion” means, in relation to any partial payment of any Liquidation Distribution (as defined above), the total amount available for any such payment and for making any liquidation distribution on any Parity Obligation divided by the sum of:

- (1) the full Liquidation Distribution before any reduction or abatement hereunder; and
- (2) the amount (before any reduction or abatement hereunder) of the full liquidation distribution on any Parity Obligations,

converted where necessary into the same currency in which liquidation payments are made to creditors of the Issuer.

(xvi) **Redemption Upon
Maturity**

: The Junior Sukuk will mature on the date falling fifty (50) years from the date of issuance and will be redeemed in full on maturity upon full settlement of the Redemption Amount under the Purchase Undertaking.

The Junior Sukuk may be redeemed prior to its maturity date at the option of the Issuer (but not the Junior Sukukholders) in the circumstances described under “Optional Redemption” and “Tax Event Redemption” below.

(xvii) **Optional**

: The Issuer may, at its option, redeem in whole, but not in part, the Junior Sukuk for the time being

Redemption

issued and outstanding, prior to its maturity date :

- (1) on the date falling [ten (10) years] after the Issue Date; and
- (2) on each Periodic Distribution Date thereafter (that is, after the date falling ten (10) years after the Issue Date),

by giving to the Trustee a written notice of not less than fourteen days prior to the proposed date of redemption.

(xviii) **Tax Redemption**

Event : If at any time a Tax Event (as defined below) has occurred and is continuing, then the Junior Sukuk may be redeemed, in whole but not in part, at the option of the Issuer, subject to the Issuer attaching to the relevant notice of redemption:

- (a) a certificate signed by a Director of the Issuer stating that the Issuer is entitled to effect such redemption; and
- (b) an opinion of the counsel or tax adviser to the Issuer experienced in such matters to the effect that a Tax Event has occurred.

The delivery of such opinion shall constitute conclusive evidence of the occurrence of a Tax Event.

“Tax Event” means that, as a result of any change after the date of issuance of the Junior Sukuk in, or amendment to, any law or regulation of Malaysia or any authority thereof or therein having power to tax, or any change in the general application or official interpretation of any law or regulation by any relevant body in Malaysia, payments to the Junior Sukukholders:

- (i) would be subject to deduction or withholding for or on account of tax;
- (ii) would give rise to any obligation of the Issuer to account for any tax in Malaysia at a rate in excess of the rate in effect immediately prior to such issuance, or
- (iii) would give rise to any non-tax deduction to the Issuer in respect of the profits (i.e.

Distributions) paid by the Issuer to the Junior Sukukholders

and such obligation cannot in each case be avoided by the Issuer taking reasonable measures available to it.

(xix) **Special Event Redemption**

Not applicable

(xx) **Redemption Amount**

: Any redemption of the Junior Sukuk shall be made in cash. The cash amount ("**Redemption Amount**") payable on redemption due to:

- (i) Maturity or an Optional Redemption will be calculated as an amount equal to the face value of the Junior Sukuk plus the Cumulated Distribution (if any) plus all Advance Payment made (if any), together with, subject to "Periodic Distribution Restrictions" above and unless a Distribution Limitation Notice is in effect, any accumulated but unpaid Periodic Distributions in respect of the period commencing on the first day of the Periodic Distribution Date in which the relevant redemption falls and ending on the date of such redemption; or
- (ii) a Tax Event Redemption will be the Make-Whole Amount of the Junior Sukuk.

The "**Make-Whole Amount**" of the Junior Sukuk means an amount equal to the sum of:

- (a) the face value of the Junior Sukuk;
- (b) the remaining scheduled Periodic Distributions up to and including the First Optional Redemption Date;
- (c) the Cumulated Distribution (if any), and
- (d) all Advance Payment made (if any).

(a) and (b) above are to be discounted to

the Tax Event Redemption Date at a rate equal to the sum of:

- (a) the yield to maturity of Malaysian Government Securities from Consolidated Government Securities Rates (Conventional) Published By BNM Weekly as quoted on the fifth (5th) business day prior to such relevant Tax Event Redemption Date for the maturity corresponding to the remaining term up to the First Optional Redemption Date in number of years. In the case where the remaining terms of the Junior Sukuk up to the First Optional Redemption Date in number of years is not an integer, the reference Malaysian Government Securities yield to maturity shall be the arithmetic mean of the rates of the two (2) nearest tenures; and
- (b) a margin to be determined prior to the issuance date of the Junior Sukuk.

On any payment of the Redemption Amount, the Issuer will be entitled to set off such part of the Redemption Amount as may already have been paid by it by way of Advance Payment.

“Tax Event Redemption Date” means any date designated for the redemption of the Junior Sukuk following the occurrence of a Tax Event.

All Junior Sukuk which are redeemed will forthwith be cancelled and accordingly may not be reissued or resold.

- (xxi) **Voting Rights** : The Junior Sukukholders will not be entitled to vote at any meeting of the ordinary shareholders of the Issuer or to participate in the management of the Issuer.
- (xxii) **Taxation** : All payments by the Issuer in respect of the Junior Sukuk shall be made free and clear of, and without withholding or deduction for taxes imposed, levied, collected, withheld or assessed by or within Malaysia or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. In the event that withholding or

deduction is required, the Issuer shall not be required to pay such additional amounts in respect of the withholding or deduction. Such withholding or deduction shall be borne by the Junior Sukukholders.

- (xxiii) **Purchases by the Issuer :** For so long as the Junior Sukuk is and remains unrated, it is non-transferable and non-tradable and neither the Issuer nor any of its related corporations is entitled to purchase the Junior Sukuk.

However, if the Issuer elects to exercise the Re-rating Option, with effect from the date the Junior Sukuk is re-rated, subject to applicable laws, the Issuer or any of its related corporations may at any time purchase the Junior Sukuk at any price in the open market or by private treaty. If purchases are made by tender, such tender must (subject to any applicable rules and regulations) be made available to all Junior Sukukholders equally. The Junior Sukuk purchased by the Issuer or any of its related corporations may not be used for voting purposes or for directing or requesting the Trustee to take any action. All Junior Sukuk which are purchased by the Issuer or any of its subsidiaries (other than in the ordinary course of business) will forthwith be cancelled and accordingly may not be reissued or resold.

- (xxiv) **Enforcement Events; Limited Rights to Accelerate**
- If an Enforcement Event occurs in respect of any Junior Sukuk, the Trustee may, and if so directed by an extraordinary resolution shall, institute such proceedings as it chooses to enforce the obligations of the Issuer under such Junior Sukuk and may, and if so directed by an extraordinary resolution shall, institute proceedings for the winding up of the Issuer; provided that the Trustee shall have no right to accelerate payment of such Junior Sukuk in the case of such default in the payment of Distribution on, or other amounts owing under, such Junior Sukuk or a default in the performance of any other covenant of the Issuer in such Junior Sukuk or under the Trust Deed, save and except upon the occurrence of a Winding Up Event.

In a **Winding Up Event** (as defined in paragraph 27 (xv)), the Trustee may, and if so directed by an extraordinary resolution shall, declare the face value of the Junior Sukuk, and Periodic Distribution plus the Cumulated Distribution (if any) on, such Junior Sukuk to be due and immediately payable, whereupon the face value of the Junior Sukuk, and Periodic Distribution plus the Cumulated

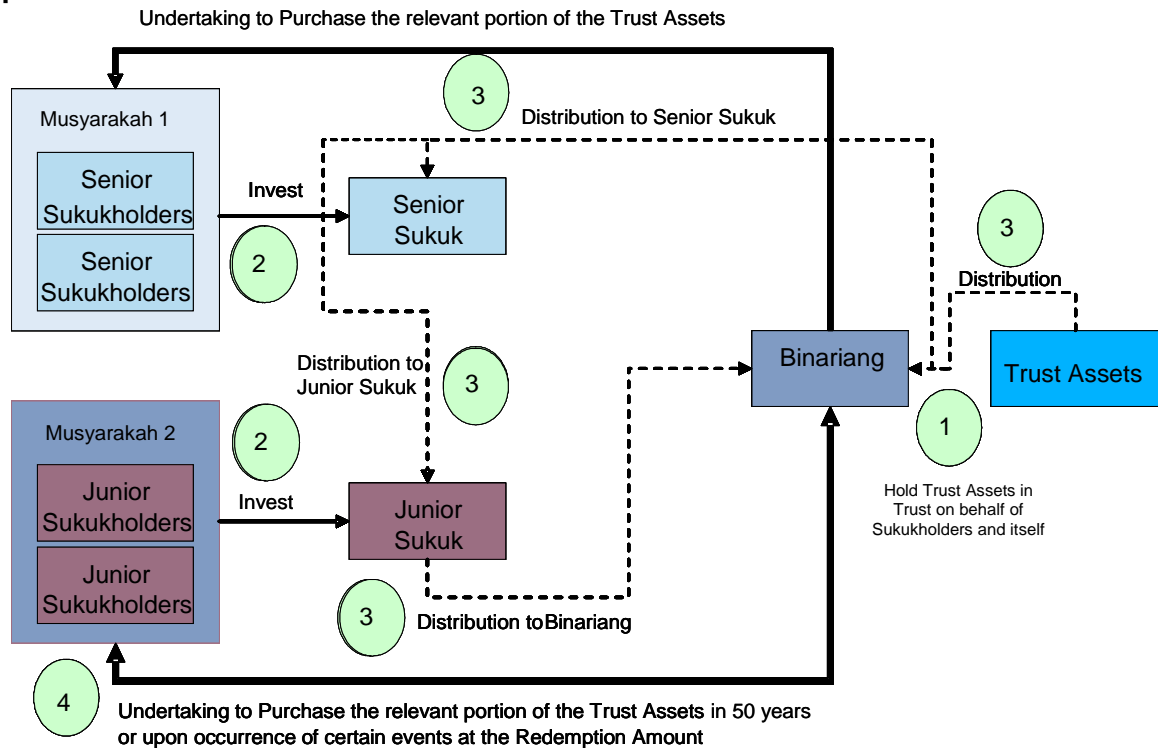
Distribution (if any) on, such Junior Sukuk shall become and be immediately due and payable.

“Enforcement Event” means the occurrence of a default made in the payment of:-

- (i) any amount of face value of the Junior Sukuk upon Maturity (i.e. 50 years from the date of issuance); or
- (ii) any Cumulated Distribution (if any) on the Junior Sukuk upon Maturity (i.e. 50 years from the date of issuance).

(xxv) **Governing Laws** : The laws of Malaysia and the Issuer shall unconditionally and irrevocably submit to the non-exclusive jurisdiction of the courts of Malaysia.

Appendix 1



1. The holders of the sukuk ("Sukukholders") shall from time to time form a Musyarakah and shall enter into a venture ("Venture") together with the Issuer as part of the financing arrangement. Binariang (i.e. the Issuer) shall make a declaration that it holds in trust the Assets for the benefit of the Venture partners, namely the Sukukholders and itself.
2. The Sukuk shall represent the Sukukholders' undivided share of beneficial interest in the Trust Assets (the quantum of which is evidenced by the Sukuk held by them) and thereby any distribution made. The holders of the Senior Sukuk ("**Senior Sukukholders**") shall form a Musyarakah among themselves to invest in the Senior Sukuk. The holders of the Junior Sukuk ("**Junior Sukukholders**") shall form a Musyarakah among themselves to invest in the Junior Sukuk. In terms of the entitlement to the Trust Assets, the Senior Sukuk and the Junior Sukuk will rank on an equal basis. The Sukukholders and the Issuer will be entitled to income generated from the Trust Assets and/or proceeds from the sale of the Trust Assets.
3. The distributable income generated from the Trust Assets after deducting the necessary expenses such as operating expenses and taxation shall be shared and distributed to the Venture partners, namely the Senior Sukukholders, Junior Sukukholders and the Issuer, based on the respective proportionate interests in the Trust Assets. The Issuer's proportionate interest in the Trust Assets will be calculated based on the excess of the value of the Trust Assets over the amount of the outstanding Sukuk at such time. The amounts to be distributed to the Senior and the Junior Sukukholders will be made (after netting off the Issuer's entitlement as mentioned above) based on the agreed ratio of [85:15] respectively. The Senior Sukukholders and the Junior Sukukholders will receive

the distribution up to an amount to be calculated based on the expected return of the respective Sukuk, subject to the terms of a management agreement and in accordance with the priority of cashflow applicable.

4. Binariang intends to acquire Junior Sukukholders' interest in the Trust Asset in proportion to the capital contribution ("**Relevant Portion**") on the date falling fifty (50) years from the date of issuance of the Junior Sukuk, or upon occurrence of a Winding-up Event or may acquire the Trust Assets from the Junior Sukukholders on any such date upon the occurrence of certain events. The Junior Sukukholders shall grant an option to Binariang to acquire the Junior Sukukholders' interest in the Musyarakah Venture at the Redemption Amount to be calculated based on certain formula upon certain events as described under Sale Undertaking.
5. As at 27 December 2013, the Senior Sukuk has been fully redeemed.