

IDEAL WATER RESOURCES SDN BHD
(Registration No. 199601007122 (379468-H))

ISLAMIC MEDIUM TERM NOTES PROGRAMME OF RM1.0 BILLION IN NOMINAL VALUE BASED ON THE SHARIAH PRINCIPLE OF MURABAHAH (VIA TAWARRUQ ARRANGEMENT) (“SUKUK MURABAHAH PROGRAMME”)

This document (“**Pricing Supplement**”) is issued to give details of the proposed issue of Tranche No. 1 of Islamic medium term notes of Ringgit Malaysia Thirty Four Million (RM34,000,000.00) in nominal value (“**First Tranche**”) under the Sukuk Murabahah Programme established by Ideal Water Resources Sdn Bhd (“**Issuer**”).

Full information on the Issuer and the offer of the Sukuk Murabahah is only available on the basis of a combination of this Pricing Supplement, the lodgement kit of the Sukuk Murabahah Programme, which were lodged with the Securities Commission Malaysia on 7 September 2023 (“**Lodgement Kit**”) and the trust deed dated 15 September 2023 between the Issuer and Malaysian Trustees Berhad (as may be amended or supplemented from time to time) (“**Trust Deed**”). This Pricing Supplement is to be read in conjunction with the terms and conditions of the First Tranche set out in the Lodgement Kit and the Trust Deed.

Unless otherwise defined in this Pricing Supplement, capitalised terms used herein have the same meaning as in the Trust Deed.

The establishment of the Sukuk Murabahah Programme and the issuance of the First Tranche thereunder have been duly authorised by a resolution of the board of directors of the Issuer passed on 23 June 2023.

The Issuer has authorised the Lead Manager and/or its affiliates to circulate or distribute this Pricing Supplement on its behalf in respect of or in connection with the proposed offer or invitation to subscribe for and issue of the First Tranche **only to prospective investors who fall within the ambit of the Selling Restrictions** for the purpose of the sale of the First Tranche and that no further evidence of authorisation is required.

This Pricing Supplement is for information purposes only and 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 First Tranche 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 Lead Manager and return this Pricing Supplement to the Lead Manager or the Issuer.

This Pricing Supplement or any document delivered under or in relation to the issue, offer and sale of the First Tranche is not, and should not be construed as, a recommendation by the Issuer, the Lead Manager or any other party to the recipient to subscribe for or purchase the First Tranche. This Pricing Supplement is not a substitute for, and should not be regarded as, an independent evaluation and analysis and does not purport to be all inclusive. Each recipient is solely responsible for seeking all appropriate expert advice as to the laws of all jurisdictions to which it is subject. Each recipient should perform and is deemed to have made its own independent investigation and analysis of the Issuer, the First Tranche and all other relevant matters, and each recipient should consult its own professional advisers.

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

THE DISTRIBUTION OF THIS PRICING SUPPLEMENT AND THE OFFERING OR SALE OF THE FIRST TRANCHE IS SUBJECT TO THE SELLING RESTRICTIONS. PERSONS INTO WHOSE POSSESSION THIS PRICING SUPPLEMENT COMES INTO ARE REQUIRED BY THE ISSUER AND THE LEAD MANAGER TO INFORM THEMSELVES ABOUT AND TO OBSERVE SUCH RESTRICTION. FOR A DESCRIPTION OF CERTAIN RESTRICTIONS ON OFFERS AND SALES OF THE FIRST TRANCHE AND ON DISTRIBUTION OF THIS PRICING SUPPLEMENT, PLEASE REFER TO THE “SELLING RESTRICTIONS” IN THE TRUST DEED.

Specific Final Terms

The following items hereunder are the particular terms which relate to the First Tranche to which this Pricing Supplement relates:

(1)	Issuer	:	Ideal Water Resources Sdn Bhd (“ Issuer ”)
(2)	Al-Kafalah Provider	:	Puncak Niaga Holdings Berhad (“ PNHB ”)
(3)	Tranche No.	:	1
(4)	Series No.	:	1
(5)	Issue Amount	:	Ringgit Thirty-Four Million (RM34,000,000.00) in nominal value
(6)	Issue Date	:	9 October 2023
(7)	Mode of Issuer	:	Private placement
(8)	Tenure of the Sukuk Murabahah	:	Twelve (12) months from the Issue Date (“ Maturity Date ”)
(9)	Maturity Date	:	9 October 2024
(10)	Issue Price	:	100%
(11)	Periodic Profit Rate	:	<p>means the aggregate of the First Tranche Spread (as defined below) and the First Tranche Benchmark (as defined below), subject to the Maximum Profit Rate (as defined below).</p> <p><u>Calculation of Floating Profit Rate of the First Tranche</u></p> <p>In relation to the calculation of the Floating Profit Rate for the First Tranche, the Facility Agent shall, in calculating the same in advance for each Periodic Profit Payment, determine the reset of the benchmark rate on each Periodic Profit Payment Date in the following manner:</p> <p>(a) in the event that the Sukukholders of the First Tranche are financial institutions which have their own ECOF, based on the ECOF which is the highest amongst them; and</p> <p>(b) in the event that the Sukukholders of the First Tranche are not financial institutions or do not have their own ECOF, based the published Islamic base rate of Hong Leong Islamic Bank Berhad.</p> <p>For the purpose of (a) above, the Sukukholders of the First Tranche shall inform the Facility Agent of their ECOF on each Periodic Profit Payment Date.</p>

		<p>For avoidance of doubt, if the Facility Agent has not been informed of the ECOF from the Sukukholders of the First Tranche for the next immediate Periodic Profit Payment, the Facility Agent shall use the Floating Profit Rate applied in the previous Periodic Profit Payment.</p> <p>"First Tranche Benchmark" means the Relevant Floating Rate Benchmark for the First Tranche, which shall be determined based on the effective cost of funds of the subscriber(s) ("ECOF") of the First Tranche.</p> <p>For the avoidance of doubt, the Benchmark Rate for the applicable Periodic Profit Payment shall be determined by the Subscriber prior to each Periodic Profit Payment Date.</p> <p>"First Tranche Spread" means a credit spread of 1.0% per annum.</p> <p>"Maximum Profit Rate" means the maximum profit rate of ten percent (10%) per annum.</p>
(12)	Profit frequency and basis	<p>: Frequency of the Periodic Profit Payment of the First Tranche shall be made in arrears on a quarterly basis.</p> <p>The Periodic Profit Rate shall be calculated on a 365-day basis, actual days elapsed and payable at the end of each Profit Payment period ("Periodic Profit Payment Date") in arrears.</p>
(13)	Utilisation of Proceeds	<p>: The proceeds in relation to the issuance of the First Tranche shall be utilised for the following Shariah-compliant purposes:</p> <ul style="list-style-type: none"> (a) to fund general working capital requirements of PNHB and its subsidiaries (collectively "PNHB Group"); (b) to fund the Projects (as defined below) (c) to fund the D44 Project (as defined below); and/or (d) payment of fees and costs in relation to the establishment of the Sukuk Murabahah Programme and the issuance of the First Tranche thereunder.

		<p>For the avoidance of doubt, the advance(s) by the Issuer to the PNHB Group shall be made in a Shariah-compliant manner.</p> <p>“Projects” shall mean the following projects being undertaken by the PNHB Group:-</p> <p>(a) subcontract works of RM47.2 million being undertaken by Puncak Niaga Construction Sdn Bhd (“PNC” or “ProjectCo”) for the proposed construction of a water treatment plant and upgrading of the distribution system in Gua Musang, Kelantan under a sub-contract agreement dated 14 July 2023 between PNC and the main contractor, Pembinaan Era Dinamik Sdn Bhd; and</p> <p>(b) subcontract works of RM82.9 million being undertaken by PNC for the old pipe replacement programme for year 2020 in Johor, under a sub-contract agreement dated 28 March 2023 between PNC and the main contractor, Jalur Cahaya Sdn Bhd.</p> <p>“D44 Project” shall mean the construction of new sewer pipe networks at Bunus, Kuala Lumpur (Design and Build) under Package D44 awarded by Jabatan Perkhidmatan Pembentungan under Kementerian Alam Sekitar Dan Air to Puncak Niaga (M) Sdn Bhd worth RM393.9 million, which was subsequently novated to PNC.</p>
(14)	Mandatory Redemption	: The First Tranche shall be fully redeemed upon the issuance of the second Tranche Sukuk Murabahah, whereby an amount sufficient to fully repay the First Tranche (“ Second Tranche Sukuk Proceeds ”) shall be remitted into the Escrow Account and be utilised to redeem the First Tranche on the next immediate Periodic Profit Payment date.
(15)	Security	: The First Tranche shall be secured against the following:- <p>(a) third party first legal assignment and charge over the rights, titles and interests over all proceeds receivable by the ProjectCo under the contract agreements signed between the ProjectCo and the respective contract awarders of the Projects;</p> <p>(b) third party first legal charge by Puncak Niaga Management Services Sdn Bhd (“PNMSSB”) over a piece of residential land with the title PN 80453, Lot 19255, Mukim Ijok, District Kuala Selangor, Selangor;</p>

		<p>(c) third party first legal charge by PNMSSB over a piece of vacant building land with the title H.S.(D) 304452, PT 48216, Mukim Ijok, District Kuala Selangor, Selangor;</p> <p>(Items (b) and (c) above shall collectively be referred to as the “Land Charges” and the lands referred therein shall collectively be referred to as the “Charged Lands”)</p> <p>(d) third party memorandum of deposit by PNM over the issue documents of title in respect of the Charged Lands pending registration of the Land Charges;</p> <p>(e) irrevocable power of attorney from PNM giving the Security Trustee the absolute right to deal with the Charged Lands pending the registration of the Land Charges and upon occurrence of an Event of Default;</p> <p>(f) first legal assignment and charge over the First Tranche Designated Accounts and all monies from time to time standing to the credit of the First Tranche Designated Accounts; and</p> <p>(g) corporate guarantee to be provided by PNHB.</p> <p>(collectively referred to as the “Security Documents”)</p> <p>The Issuer, PNMSSB, PNCSB and the Al-Kafalah Provider shall collectively be referred to as the “Security Parties” and references to “Security Party” shall refer to each or any one of them as the context requires, and shall include any additional security party providing security under the First Tranche.</p>
(16)	Positive Covenants	<p>: In addition to the positive covenants under the Sukuk Murabahah Programme, positive covenants applicable to the First Tranche which shall include the following:</p> <p>(a) PNHB shall preserve and maintain in full force and effect all relevant authorisations, consents, rights, licences, approvals and permits (governmental or otherwise) and will promptly obtain any further authorisations, consents, rights, licences, approvals and permits (governmental or otherwise) which is or may become necessary to enable it to own its assets, to carry on its business or to enter into or perform its obligations under the Transaction Documents or to ensure the legality, validity, enforceability, admissibility in evidence or priority of the liabilities and obligations of the obligations of PNHB and the</p>

		<p>rights of the Sukukholders of the First Tranche, the Facility Agent, Sukuk Trustee and Security Trustee, under the Transaction Documents and PNHB shall comply with the same;</p> <p>(b) PNHB shall exercise reasonable diligence in carrying out its business and affairs in a proper and efficient manner and in accordance with sound financial and commercial standards and practices;</p> <p>(c) PNHB shall promptly perform and carry out all its obligations under all the Transaction Documents (including but not limited to, where applicable redeeming the First Tranche on the relevant maturity date(s) or on any other date on which the First Tranche are due and payable) to which it is a party and shall promptly notify the Facility Agent and/or the Sukuk Trustee in the event that the Issuer and/or PNHB is unable to fulfil or comply with any of the provisions of the Transaction Documents;</p> <p>(d) PNHB shall on demand execute or cause and procure the execution of all such further documents and do all such further acts reasonably necessary at any time or times to give full effect to the terms and conditions of the Transaction Documents; and</p> <p>(e) The Issuer shall ensure that any conditions subsequent in relation to the First Tranche are complied with in accordance with the terms and conditions of the First Tranche and that any request from the Issuer to add, extend, vary or otherwise modify any conditions subsequent shall be subject to the approval of the Sukukholders of the First Tranche.</p>
(17)	Negative Covenants	<p>: In addition to the negative covenants under the Sukuk Murabahah Programme, negative covenants applicable to the First Tranche shall include to the following:</p> <p>(a) PNHB shall not carry out any business or activity or enter into or conduct any transaction other than to carry out its principal activities or enter into or conduct any transaction in connection therewith or pursuant thereto;</p> <p>(b) PNHB shall not add, delete, vary, amend or substitute its constitutional documents in a manner inconsistent with the provisions of the Transaction Documents unless required by law;</p>

		<p>(c) PNHB shall not sell, transfer or otherwise dispose of or permit to be sold any of its assets save and except (i) for the disposal of assets in the ordinary course of business and on arm's length basis or (ii) where the Financial Covenants are complied with and no Event of Default shall have occurred and is continuing; and provided that such sale, transfer or disposal shall not have a Material Adverse Effect (as defined herein);</p> <p>(d) PNHB shall not undertake or permit any merger, consolidation, amalgamation, reconstruction or winding up of itself or sell, transfer, encumber, lease (other than operating lease) or otherwise dispose of or in any case cease to exercise control over, whether by single transaction or a number of transactions, related or not, any part of its undertakings, business or assets; and</p> <p>(e) PNHB shall not reduce its paid-up share capital whether by varying the amount, structure or value thereof or the rights attached thereto or by converting any of its share capital into stock, or by consolidating, dividing or sub-dividing all or any of its shares, or by any other manner.</p>
(18)	Financial Covenants	<p>: Financial covenants applicable to the First Tranche shall include the following:</p> <p>(a) <u>Net Gearing Ratio</u></p> <p>Throughout the tenure of the First Tranche, the Issuer shall ensure and procure that the PNHB Group maintains at all times a Net Gearing Ratio of not more than 1.25 times, calculated as follows:-</p> <p>Net Gearing Ratio = Total Net Borrowings / shareholders' equity of the PNHB Group</p> <p>Total Net Borrowings is defined as total principal outstanding amount of loans and borrowings under the PNHB Group excluding concessions and indebtedness which has no recourse to PNHB, minus cash balances, fixed deposits, money market placements and short-term money market investments.</p> <p>(b) <u>Minimum Security Cover</u></p> <p>The Issuer shall maintain, at all times throughout the tenure of the First Tranche, a minimum security cover ratio of 1.5 times ("Minimum Security Cover").</p>

			Minimum Security Cover is calculated based on the aggregate market value of the Charged Lands divided by the net principal outstanding amount under the First Tranche (after deducting cash balances in the Escrow Account available for redeeming the First Tranche).
(19)	Information Covenants	:	<p>In addition to the information covenants under the Sukuk Murabahah Programme, the information covenants applicable to the First Tranche shall include the following:</p> <p>(a) The Issuer shall on an annual basis, promptly confirm to the Sukuk Trustee that the Financial Covenants have been complied with up to the date of such written confirmation;</p> <p>The calculations of the Financial Covenants shall be duly confirmed in writing (on an annual basis) without qualification by the Issuer and its external auditor based on the latest audited financial statements of the Issuer. The first calculation will be based on the Issuer’s audited financial statements for the financial year immediately following the issuance of the First Tranche;</p> <p>(b) PNHB shall at all times provide the Sukuk Trustee such information as it may reasonably require in order to discharge its duties and obligations under the trust deed relating to the affairs of the Issuer to the extent as permitted by law;</p> <p>(c) PNHB shall notify the Sukuk Trustee promptly of any change in circumstances which may have a Material Adverse Effect on the Issuer, PNHB and/or the Security Parties; and</p> <p>(d) PNHB shall notify the Sukuk Trustee promptly of the occurrence of any Event of Default or Potential Event of Default.</p>
(20)	Designated Accounts	:	<p><u>Project Account</u></p> <p>The ProjectCo shall open and maintain their respective Shariah-compliant project accounts (“Project Accounts”) for each Project with a financial institution acceptable to the Lead Arranger throughout the tenure of the First Tranche under the following terms and conditions:-</p> <p>(a) all revenues, income and receivables arising from the Projects to be received by the ProjectCo (“Contract Proceeds”) shall be deposited into the</p>

respective Project Accounts, whereupon seventy one per cent (71%) of the Contract Proceeds received shall be released to the ProjectCo and the balance twenty nine per cent (29%) (“**Balance Contract Proceeds**”) shall be transferred into the Escrow Account (as defined hereunder) within three (3) business days; and

- (b) the Project Accounts shall be solely operated by the Security Trustee and the Security Trustee shall be authorised to utilise any and all credit balances herein for the purpose of transferring into the Escrow Account.

Escrow Account

The Issuer shall open and maintain a Shariah-compliant escrow account (“**Escrow Account**”) with a financial institution acceptable to the Lead Arranger throughout the tenure of the First Tranche under the following terms and conditions:-

- (a) the Second Tranche Sukuk Proceeds shall be deposited into the Escrow Account and be utilised to redeem the First Tranche in accordance with the provision on Mandatory Redemption set out in the Trust Deed;
- (b) the Balance Contract Proceeds shall be deposited into the Escrow Account and may be utilised for early redemption of the First Tranche in accordance with the provision on Early Redemption set out in the Trust Deed;
- (c) proceeds received by the Issuer from any company within the PNHB Group shall be deposited into the Escrow Account;
- (d) the Issuer shall maintain in the Escrow Account at all times during the tenure of the First Tranche a minimum amount equivalent to the projected next three (3) months’ profit payable on the principal outstanding amount of the First Tranche as determined by the Sukuk Trustee (“**Minimum Profit Reserve**”). Any shortfall as determined by the Sukuk Trustee shall be topped up by the Issuer and/or PNHB within five (5) business days from the issuance of the Sukuk Trustees’ notice to do so;

- (e) in addition to the Minimum Profit Reserve, the Issuer shall maintain the scheduled Minimum Required Balance (as defined hereunder) in the Escrow Account. For the avoidance of doubt, in the event the cumulative Balance Contract Proceeds is insufficient to meet the Minimum Required Balance as per the schedule below, the Issuer and/or PNHB shall top up such shortfall into the Escrow Account to meet the Minimum Required Balance within five (5) business days from the issuance of the Sukuk Trustees' notice to do so;
- (f) credit balances in the Escrow Account may be placed at Issuer's request in Permitted Investments. Income earned from such Permitted Investments (as defined in item 25 (*Permitted investments, if applicable*) below) shall be retained in the Escrow Account;
- (g) the Escrow Account shall be solely operated by the Sukuk Trustee and the Sukuk Trustee shall be authorised to utilise any and all credit balances herein to pay any amounts due and payable under the First Tranche and/or for the early redemption of the First Tranche in accordance with the provisions on Mandatory Redemption and/or Early Redemption; and
- (h) the Minimum Required Balance shall be calculated based on the formula set out below.

The “**Minimum Required Balance**” is defined as follows:

Number of months from the Issue Date of the First Tranche	Minimum Required Balance (RM)
Six (6)	11,000,000
Nine (9)	19,000,000

In the event the total amount issued under the First Tranche is less than Ringgit Malaysia Million (RM34,000,000.00), the Minimum Required Balance shall be pro-rated in accordance to the formula below:

Minimum Required Balance = Total issued amount under the First Tranche / RM34.0 million x Minimum Required Balance (per the table above).

			<p>For the avoidance of doubt, any amount utilised for the early redemption of the First Tranche shall count towards satisfying the Minimum Required Balance.</p> <p>For the avoidance of doubt, the Minimum Profit Reserve shall be excluded from the calculation of the Minimum Required Balance.</p>
(21)	Rating	:	Unrated
(22)	Conditions Precedent	:	<p>The conditions precedent to the First Tranche under the Sukuk Murabahah Programme shall include the following (in each case in form and substance acceptable to the Principal Adviser and the Lead Arranger):-</p> <ul style="list-style-type: none"> (a) Certified true copy of the Issuer's, Al-Kafalah Provider's and the Security Parties' board of directors' resolution authorising the acceptance of the First Tranche and the execution of all documents required under the First Tranche and any subsequent variations to the First Tranche and/or documents in relation thereto; (b) Certified true copies of the Issuer's, Al-Kafalah Provider's and the Security Parties' certificate of incorporation and memorandum and articles of association; (c) Certified true copies of the latest Return for Allotment of Shares, the Notification of Change in the Registered Address and the Notification (s) of Change in the Register of Directors, Managers and Secretaries of the Issuer and the Security Parties; (d) Evidence that all the relevant Transaction Documents (other than those which are required to be executed or perfected as a conditions subsequent) have been executed and where applicable, stamped or endorsed as exempted from stamp duty, and where applicable, presented for registration with the relevant authorities; (e) Evidence that Statement of Particulars to be Lodged with the Charge as prescribed under section 352 of the Companies Act 2016 (as amended from time to time) in respect of the charges created under the relevant Security Documents (other than those which are required to be executed or perfected as a conditions subsequent) shall have been duly lodged

		<p>with the Companies Commission of Malaysia (“CCM”);</p> <p>(f) All notices under the relevant Security Documents shall have been issued to the relevant counterparties and acknowledgements and, where applicable, consents thereto shall have been made or received as the case may be;</p> <p>(g) A lienholder’s caveat over the Charged Lands shall have been lodged in favour of the Sukuk Trustee, with searches conducted to confirm there is no security interest affecting the First Tranche and that the requisite land titles are delivered to the Solicitor for safekeeping;</p> <p>(h) Company and winding up searches and statutory declaration confirming no insolvency proceedings have been filed or are pending against the Issuer, Al-Kafalah Provider and the Security Parties;</p> <p>(i) The Designated Accounts have been opened in accordance with the provisions of the Transaction Documents;</p> <p>(j) Receipt of a desktop valuation addressed to the Lead Arranger which is not older than twelve (12) months from the issue date of the First Tranche together with a full valuation report which is not older than three (3) years from a property valuer acceptable to the Lead Arranger on the Charged Lands, evidencing an open market value of at least RM51.0 million or such market value which is equivalent to not less than 1.50 times over the principal outstanding amount under the First Tranche. All expenses incurred in connection therewith shall be borne by the Issuer;</p> <p>(k) Receipt of a certified true copy of the letter of award for the respective Projects (“LOAs”)</p> <p>(l) Receipt of duly executed and stamped contracts or agreements in relation to the Projects signed between PNCSB and the respective contract awarder of the Projects (“Project Agreements”);</p> <p>(m) The receipt of all written consent(s) or waiver(s) (if applicable) from other banks/financiers of the Issuer and/or the Security Parties in relation to the</p>
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			<p>incurrence of indebtedness and/or creation of security in relation to the First Tranche;</p> <p>(n) The receipt of the written consent(s) from PAAB to PED and JCSB to sub-contract the respective works under the Projects to the ProjectCo;</p> <p>(o) Evidence that all transaction fees, costs, and expenses in relation to the First Tranche have been paid in full to the extent that the same are due and payable and/or evidence that arrangements have been made for the payment of such transaction fees, costs and expenses in relation to the First Tranche to be paid; and</p> <p>(p) Receipt of satisfactory legal opinion or confirmation from the Solicitor confirming that:-</p> <p>(i) all Conditions Precedent have been complied with or waived, as the case may be;</p> <p>(ii) the Transaction Documents are legal, valid and binding;</p> <p>(iii) the Project Agreements are legal, valid and binding; and</p> <p>(iv) the LOAs are legal, valid and binding.</p>
(23)	Conditions Subsequent	:	<p>The following Conditions Subsequent shall be complied with within three (3) months from the issue date of the First Tranche:-</p> <p>(a) Evidence that the charge over the Charged Lands have been executed and where applicable, stamped or endorsed as exempted from stamp duty, and where applicable, presented for registration with the relevant authorities;</p> <p>(b) Land search conducted with results confirming there are no security interests affecting the Charged Lands save for those provided under the First Tranche; and</p> <p>(c) Satisfactory confirmation from the Solicitor that the Conditions Subsequent have been complied with.</p>
(24)	Representations and warranties	:	<p>In addition to the representations and warranties under the Sukuk Murabahah Programme, the representations and warranties applicable to the First Tranche shall include the following:</p>

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| | | <p>(a) PNHB is a company with limited liability, duly incorporated and existing under Malaysian laws and has full power and authority to carry out its business and to own its properties and assets, and has full legal and/or beneficial ownership of all the properties and assets;</p> <p>(b) the Memorandum and Articles of Association/ Constitution of PNHB incorporate provisions which authorize, and all necessary corporate and other relevant actions have been taken to authorize, and all relevant consents and approvals of any administrative, governmental or other authority or body in Malaysia have been duly obtained and are in full force and effect which are required to authorize the Al-Kafalah Provider to execute and deliver and perform the transactions contemplated in the Transaction Documents in accordance with their terms;</p> <p>(c) the Transaction Documents are or will be, when executed and/ or issued, as the case may be, in full force and effect and constitute legal, valid and binding obligations of PNHB enforceable in accordance with their respective terms and that there is no law or regulation or any order or decree of any governmental authority, agency or court to which the Issuer are subject to which would be in conflict with or prevent PNHB from executing, delivering and performing the transactions contemplated in the Transaction Documents;</p> <p>(d) Neither the execution and delivery of any of the Transaction Documents nor the performance of any of the transactions contemplated by the Transaction Documents does or shall (i) contravene or constitute a default under any provision contained in any agreement, instrument, law, ordinance, decree, award, judgment, order, rule, regulation, licence, permit or consent by which PNHB or any of its assets is bound or affected, (ii) cause any limitation on PNHB or the powers of its directors, whether imposed by or contained in their respective Memorandum and Articles of Association /Constitution or in any agreement, instrument, law, ordinance, decree, award, order, rule, regulation, judgment or otherwise, to be exceeded, or (iii) result in the creation or imposition of any security interest or restriction of any nature on any of the assets of PNHB;</p> |
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		<p>(e) 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 PNHB or any of its properties and assets is bound or affected, and no Event of Default is continuing or is reasonably likely to occur as a result of the issuance of the First Tranche or the entry into, the performance of, or any transaction contemplated by, any Transaction Document;</p> <p>(f) The consolidated audited financial statements of PNHB have been prepared on a basis consistently applied and in accordance with generally accepted accounting principles and standards in Malaysia and give a true and fair view of the results of its operations for each respective year and the state of affairs at that date, and in particular disclose all material liabilities (actual or contingent) of PNHB;</p> <p>(g) the Issuer has fully disclosed in writing to the Principal Adviser/Lead Arranger all facts relating to the Issuer and PNHB which the Issuer knows or should reasonably know and which are material for disclosure in the context of the First Tranche; and</p> <p>(h) PNHB is in compliance and will comply from time to time with all applicable laws and regulations and directives of governmental authorities having the force of law.</p>
(25)	Events of default	<p>: In addition to the Events of Default under the Sukuk Murabahah Programme, the Events of Default applicable to the First Tranche shall include the following:-</p> <p>(a) Failure by the Al-Kafalah Provider and/or the Security Parties to pay any sum due under the Transaction Documents on the relevant due dates or if so payable, on demand and such default is not remedied within seven (7) business days after the relevant due date;</p> <p>(b) Failure by the Al-Kafalah Provider and/or the Security Parties to perform or observe any of its obligations under any other provisions of the Transaction Documents (other than item (a) above) and if such failure, in the reasonable opinion of the Sukuk Trustee, is capable of being remedied, the Al-Kafalah Provider and/or the Security Parties do not remedy such failure within a period of thirty (30) days</p>

after the Al-Kafalah Provider and/or the Security Parties becomes aware or having been notified by the Sukuk Trustee of such failure, whichever is earlier;

- (c) Any representation, warranty or statement which is made or acknowledged to have been made or given by the Al-Kafalah Provider and/or the Security Parties under the Transaction Documents to which it is a party or any information, notice, opinion, certificate or other document delivered at any time pursuant to the terms of the First Tranche and/or the Transaction Documents to which it is a party is or proves to have been incorrect or misleading in any material respect, which in the reasonable opinion of the Sukuk Trustee, may have a Material Adverse Effect;
- (d) Any provision of the Transaction Documents is or becomes, for any reason, invalid, illegal, void or unenforceable which would prevent the Al-Kafalah Provider and/or the Security Parties from or entitle the Al-Kafalah Provider and/or the Security Parties to refrain from performing any of their obligations thereunder;
- (e) Where any indebtedness of the Al-Kafalah Provider and/or the Security Parties for monies borrowed becomes due or payable or capable of being declared due or payable prior to its stated maturity by reason of a default by the Al-Kafalah Provider and/or the Security Parties in its obligations in respect of the same, or the Al-Kafalah Provider and/or the Security Parties fails to make any payment in respect thereof on the due date for such payment or if due on demand when demanded or the security for any such indebtedness becomes enforceable or any guarantee or similar obligations of the Al-Kafalah Provider and/or the Security Parties for any such indebtedness is not discharged at maturity or when called;
- (f) the Al-Kafalah Provider and/or the Security Parties change or threaten to change the nature or the scope of a substantial part of its business, suspends or threatens to suspend or ceases or threatens to cease to carry on all or a substantial part of their present business operations which they now conducts directly or indirectly and such change, suspension or cessation may have a Material Adverse Effect;

		<p>(g) Any license, permit, authorisation, approval, consent, order or exemption is expired, withdrawn, revoked, withheld, terminated or modified or is otherwise not granted or ceases for any reason to remain in full force and effect and that such expiration, withdrawal, revocation, withholding, termination, modification, non-granting or cessation may impair or prejudice the Al-Kafalah Provider and/or the Security Parties' ability to comply with the terms and conditions or the provisions of the Transaction Documents or any other related documents;</p> <p>(h) any events of insolvency has occurred, namely, the Al-Kafalah Provider and/or the Security Parties is:</p> <p>(i) deemed unable to pay their debts within the meaning of Section 466(1) of the Act or becomes unable to pay its debts as they fall due or stop or suspend or threaten to suspend payment with respect to all or any class of their debts; or</p> <p>(ii) suspends or threatens to suspend making payments (whether of principal or interest/profit or otherwise) with respect to all or any class of their debts arising from borrowed monies or a moratorium is agreed or declared in respect of or affecting all or part of the indebtedness of the Al-Kafalah Provider and/or the Security Parties;</p> <p>(i) Any step or action is taken for the winding-up, administration, dissolution or liquidation of the Al-Kafalah Provider and/or the Security Parties (including, without limitation, the presentation of a petition for the winding-up, administration, dissolution or liquidation of the Al-Kafalah Provider and/or the Security Parties where no action is taken in good faith to set aside such petition within thirty (30) days from the date of service of such petition);</p> <p>(j) the Al-Kafalah Provider and/or the Security Parties fails to satisfy any judgment passed against it by any court of competent jurisdiction and no appeal against such judgment or no application for a stay of execution has been made to any appropriate appellate court within the time prescribed by law or such appeal or application for a stay of execution has been dismissed;</p>
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		<ul style="list-style-type: none"> (k) the Al-Kafalah Provider and/or the Security Parties makes a general assignment or enters into a scheme of arrangement under Section 366 of the Companies Act or such a scheme has been instituted against the Al-Kafalah Provider and/or the Security Parties (other than for the purpose of a scheme of reconstruction, amalgamation, consolidation or merger, unless during or following such reconstruction, amalgamation, consolidation or merger, the Al-Kafalah Provider and/or the Security Parties becomes or is declared to be insolvent); (l) Any event or events has or have occurred or a situation exists which could or might prejudice the ability of the Al-Kafalah Provider and/or the Security Parties to perform any of its obligations under the Transaction Documents; (m) An encumbrancer takes possession of, or a trustee, receiver, liquidator or similar officer is appointed in respect of the whole or a substantial part of the business, assets or undertaking of the Al-Kafalah Provider and/or the Security Parties; (n) Any change in the Memorandum and Articles of Association/ Constitution of the Al-Kafalah Provider and/or the Security Parties which is inconsistent with the Transaction Documents; (o) the Al-Kafalah Provider and/or the Security Parties repudiate any of the Transaction Documents or do or cause to be done any act or thing evidencing an intention to repudiate any of the Transaction Documents; (p) Any person acting under the agency, authority of the governmental body condemns, seizes, compulsorily acquires, expropriates or nationalises all or any substantial parts of the assets, undertakings, rights or revenue of the Al-Kafalah Provider and/or the Security Parties; and (q) Any event or events has or have occurred or a situation exists which may have a Material Adverse Effect.
(26)	Provision on Early Redemption	The Issuer may early redeem the First Tranche in whole or in part before the Maturity Date (“ Early Redemption ”) at par subject to the following conditions:-

			<p>(a) any Early Redemption shall take place on the Periodic Profit Payment date;</p> <p>(b) the Issuer provides the Sukuk Trustee, the facility agent and the paying agent with a prior written notice of its intention to redeem the First Tranche prior to the Maturity Date of not less than thirty (30) days or such other notice period acceptable to the Sukuk Trustee (acting on behalf of the Sukukholders); and</p> <p>(c) each Early Redemption in part, if any, shall be for a minimum amount of Ringgit Malaysia One Million (RM1,000,000.00) and in integral multiples of Ringgit Malaysia One Hundred Thousand (RM100,000.00) or such other amounts acceptable to the Sukuk Trustee (acting on behalf of the Sukukholders).</p>
(27)	Permitted investments, applicable	if	<p>: Permitted investments, details as follows:</p> <p>The funds held in the Escrow Account may be utilised to make Permitted Investments subject to the following conditions:-</p> <p>(1) no Event of Default has occurred;</p> <p>(2) the maturity of the Permitted Investments shall fall on a date which is at least three (3) days before any payment obligations of the Issuer become due and payable and such funds utilised for Permitted Investments shall be remitted to the Escrow Account;</p> <p>(3) the Permitted Investments being denominated in Ringgit Malaysia;</p> <p>(4) investments in Sukuk which are equities in nature or incorporate loss-sharing mechanism shall not be allowed;</p> <p>(5) Permitted Investments in item (2) below shall not exceed fifty per cent (50%) of the total funds available to be invested in Permitted Investments; and</p> <p>(6) the exposure to each counterparty in item (2) below shall not exceed ten per cent (10%) of the total funds available to be invested in Permitted Investments.</p>

			<p>“Permitted Investments” shall comprise such Shariah-compliant investments allowed by the Shariah Advisory Council of the SC and the Shariah Advisory Council of BNM which shall include the following:-</p> <ol style="list-style-type: none"> (1) Islamic treasury bills, Islamic money market instruments and Sukuk issued by the Government or BNM; (2) Sukuk issued by a government related entity, corporate or any financial institution licensed pursuant to the Islamic Financial Services Act 2013 (“IFSA”) and having a minimum long term rating of AA3 and/or short term rating of P1 by RAM or its equivalent; and (3) Deposits and Islamic money market instruments with any financial institution licensed pursuant to the IFSA and/or the Development Financial Institutions Act 2002 and having a minimum long term rating of A2 and/or short term rating of P1 by RAM or its equivalent.
(28)	Status	:	<p>The First Tranche shall constitute direct, unsubordinated, unconditional and secured obligations of the Issuer and shall at all times rank pari passu, without discrimination, preference or priority amongst themselves and at least pari passu with all other present and future unsecured and unsubordinated obligations of the Issuer, subject to those preferred by law and the Transaction Documents.</p>
(29)	Material Adverse Effect	:	<p>In relation to any event(s) or circumstance(s), the occurrence of which, in the opinion of the Sukuk Trustee, has resulted in, or will likely result in a material adverse effect on:</p> <ol style="list-style-type: none"> (a) the ability of the Issuer, PNHB and/or the Security Parties to perform or comply with any of its obligations under any of the Transaction Documents; or (b) the assets, business, prospects, condition (financial or otherwise) or results of the operations of the Issuer, PNHB and/or the Security Parties; or (c) the validity or enforceability, or the effectiveness or the priority or ranking of any security interest granted or purporting to be granted pursuant to any of the Transaction Documents or the rights or remedies of the Sukuk Trustee, the Security Trustee or any Sukukholders under the Transaction Documents.

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 by

For and on behalf of

IDEAL WATER RESOURCES SDN BHD

(Registration No. 199601007122 (379468-H))


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Authorised signatory
Name: Azlan Shah Bin Rozali
Designation: Director

4 October 2023