

Conflict of Interest

Conflict Of Interest Situations And Appropriate Mitigating Measures

1. Affin Investment Bank Berhad ("Affin Investment")

As at 16 November 2007, save for the following potential conflict of interest arising from the transactions as disclosed below, Affin Investment does not have any equity or financial relationship with MTSB, its directors or substantial shareholder, which may give rise to a situation of conflict of interest in Affin Investment's advisory capacity to MTSB on the Proposed Sukuk Mudharabah.

2. Assumption Of Multiple Roles By Affin Investment In Respect Of The Issue

Under the Proposed Sukuk Mudharabah, Affin Investment will be assuming the following multiple roles:-

- Principal Adviser and Lead Arranger;
- Facility Agent, Security Agent and Issuing Agent.

3. The following mitigating measures will be adopted by Affin Investment:-

- Affin Investment will ensure that each of the above-mentioned role is governed by legally binding agreements specifying the respective functions, responsibilities, procedures and priorities; and
- Affin Investment will fully disclose to all investors on the multiple roles to be undertaken by Affin Investment and the relevant mitigating measure(s) to be adopted.

4. Affin Bank Berhad ("Affin Bank")

Affin Bank is a related company of Affin Investment and is a primary subscriber for the Proposed Sukuk Mudharabah. Datuk Razman Md Hashim bin Che Din Md Hashim, is a director of SunInfra, SILK and Affin Bank, with shareholdings in SunInfra, comprising 0.65% direct and 17.62% deemed interest, as at 30 September 2007. BNM had vide letter dated 11 October 2007 granted exemption under Section 62 (1) of the Banking and Financial Institutions Act 1989 ("BAFIA") for Affin Bank's participation as a primary subscriber for the Proposed Sukuk Mudharabah, subject to the following conditions:-

- (a) Datuk Razman Md Hashim bin Che Din Md Hashim is not involved in any discussion and decision making process, as well as him not having access to any information relating to the subscription of the Proposed Sukuk Mudharabah to be issued by Manfaat Tetap;
- (b) Affin Bank is to ensure that Section 63 of BAFIA has been complied with in relation to the subscription of the Proposed Sukuk Mudharabah; and
- (c) Any proposed additional subscription or credit facility granted to Manfaat Tetap is subject to the compliance with the requirements of Section 62 of BAFIA and BNM's Guidelines in respect of "Credit Transactions and Credit Exposures with Connected Parties", particularly on the regulations of the credit transactions and credit exposures with connected parties at all times.

5. Messrs Kadir Andri & Partners

Messrs Kadir Andri & Partners is the solicitors undertaking the legal due diligence on MTSB as well as the documentation solicitors.

Messrs Kadir Andri & Partners has confirmed that there is no existing or potential conflict of interest in its capacity as the due diligence and documentation solicitors for the Proposed Sukuk Mudharabah.

6. PB Trustee Services Berhad

PB Trustee Services Berhad has been appointed as the Trustee for the Proposed Sukuk Mudharabah. PB Trustee Services Berhad has confirmed that there is no potential conflict of interest arising from the roles assumed in relation to the Proposed Sukuk Mudharabah.

7. The Board of MTSB has confirmed that it has been fully informed of and is aware of the conflict of interest situations and the appropriate mitigating measures set out herein and is agreeable to proceed with the issuance of the Sukuk Mudharabah based on the present arrangement.