

Date: 28 May 2021

AMANAHRAYA TRUSTEES BERHAD

(as Trustee of the Sukukholders)

Level 12, Wisma AmanahRaya

No.2, Jalan Ampang

50508 Kuala Lumpur

PRIVATE & CONFIDENTIAL

Attention: Encik Zainudin b. Suhaimi/ Encik Roslim Syah b. Idris

Dear Trustee (Acting on behalf of the Sukukholders),

PNB MERDEKA VENTURES SDN BERHAD (Registration No. 200001015384 (517991-A))
("PNBMV")

UNRATED SUKUK UNDER THE SHARIAH PRINCIPLES OF MURABAHAH VIA TAWARRUQ ARRANGEMENT AND WAKALAH ("MERDEKA ASEAN GREEN SRI SUKUK") PURSUANT TO A SUKUK PROGRAMME OF UP TO RINGGIT MALAYSIA TWO BILLION (RM2,000,000,000.00) IN NOMINAL VALUE

MERDEKA ASEAN GREEN SRI SUKUK ANNUAL REPORTING FOR THE YEAR ENDED 31 DECEMBER 2020

- We refer to the above matter.
- As required under the Green Sukuk Framework as published in PNBMV's official website ("**Framework**"), the ASEAN Green Bonds Standards (first issued in November 2017 and revised in October 2018) and the Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework (first issued on 9 March 2015 and revised on 11 October 2018) issued by the Securities Commission Malaysia ("**SC Guidelines**"), PNBMV hereby confirms the following compliance covenant of the SC Guidelines, as stated in clause 11.2(f) of the Merdeka ASEAN Green Sri Sukuk Trust Deed dated 12 December 2017 ("**Trust Deed**"):

[Unless otherwise stated, capitalised words used herein this letter shall have the same meaning as set out in the Trust Deed]

Use of Proceeds

	RM million
Original amount earmarked for Eligible SRI Project¹	2,000.0
Total drawdown as at 31 December 2020	1,570.0

2020	RM million
Total amount unutilised as at 1 January 2020	641.8
Add: Drawdown in 2020	-
Total proceeds available for 2020	641.8
Less: Amount utilised for Eligible SRI project in 2020 ¹	622.5

Total amount unutilised as at 31 December 2020	19.3
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Analysis of amount unutilised	RM million
Invested in Permitted Investments	-
Deposited in Designated Accounts	19.3
Total amount unutilised as at 31 December 2020	19.3

Note: (1) Eligible sustainable and responsible investment ("SRI") projects refer to the list of projects described in Paragraph 7.04 of the SC Guidelines.

Impact Reporting

During construction of the Merdeka 118 tower, the only available impact reporting are as follows:

- i. **Construction Waste Management:** Ninety five point nine eight percent (**95.98%**) of total construction waste has been recycled.

Description	Tonnes	Percentage
Total construction waste	109,693.91	95.98%
Total recycled waste	105,281.28	

According to the requirement of the Green Building Index of Malaysia, the percentage of recycled construction waste should be at least seventy five percent (75%).

- ii. **Health & Safety:** The Project has achieved 38.8 million man hours without lost time injury. Other statistics include:

Statistic	Standard rate	Project
Lost Time Injury (per 1,000 workers)	Department of Occupational Safety & Health – not more than 2.93	0
Incident rate	Occupational Safety and Health Administration – not more than 3.0	0.49

3. PNBMV have engaged Ernst & Young Advisory Services Sdn. Bhd. (Company No. 200801010331 (811619-M)) ("E&Y") to provide independent verification on the management of proceeds and the reporting of use of proceeds in accordance with the Framework. Please refer to Appendix I for the Independent Limited Assurance Report dated 28 May 2021, issued by E&Y in respect thereof.

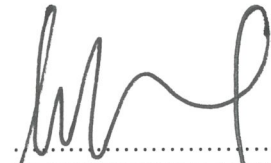
4. Should you require any clarification, please do not hesitate to contact our Puan Nurdina Mohd. Shamsudin at Tel. No. 03-2057 3010.

Thank you.

Yours faithfully,

For and on behalf of

PNB MERDEKA VENTURES SDN BERHAD



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YM TENGKU DATO' AB. AZIZ TENGKU MAHMUD
Chief Executive Officer

Independent Limited Assurance Report to the Directors of PNB Merdeka Ventures Sdn. Bhd. ("PNBMV")

PNB Merdeka Ventures
19th Floor, Menara PNB,
201-A, Jln Tun Razak,
50400 Kuala Lumpur,
Wilayah Persekutuan

Scope

We have been engaged by PNB Merdeka Ventures Sdn Bhd ("PNBMV") to perform a 'limited assurance engagement,' as defined by International Standards on Assurance Engagements, here after referred to as the engagement, to report on PNBMV's management of Green Sukuk proceeds and use of Green Sukuk proceeds (the "Subject Matter") for the year ended 31 December 2020.

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the Report, and accordingly, we do not express a conclusion on this information.

Criteria applied by PNBMV

In preparing the Subject Matter, PNBMV applied the guidelines set out for PNBMV's Green Sukuk Framework (the "Framework"). The Framework sets out the guidelines for PNBMV Green Sukuk issuance in accordance with the following core components of the Green Bond Principles issued by the International Capital Market Association ("ICMA"): Use of Proceeds, Management of Proceeds and Reporting ("Criteria"). Such Criteria were specifically designed for the PNBMV's Green Sukuk issuance. As a result, the subject matter information may not be suitable for another purpose.

PNBMV's responsibilities

PNBMV's management is responsible for selecting the Criteria, and for presenting the limited assurance in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the subject matter, such that it is free from material misstatement, whether due to fraud or error.

EY's responsibilities

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.

We conducted our engagement in accordance with the *International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* ('ISAE 3000'), and the terms of reference for this engagement as agreed with PNBMV on 22 March 2021. Those standards require that we plan and perform our engagement to obtain limited assurance about whether, in all material respects, the Subject Matter is presented in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

Our Independence and Quality Control

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, and have the required competencies and experience to conduct this assurance engagement.

EY also applies International Standard on Quality Control 1, *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements*, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Description of procedures performed

Procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

Description of procedures performed (cont'd.)

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the management of Green Sukuk proceeds and use of Green Sukuk proceeds and related information, and applying analytical and other appropriate procedures.

Our procedures included:

- Reviewing the implementation of PNBMV's procedures in relation to how management used and managed Proceeds appropriately;
- Interviewing selected business unit and group level personnel to understand key issues related to PNBMV's policies and procedures;
- Checking the accuracy of calculations performed;
- Confirming internal systems and process were functioning as indicated and obtaining supporting evidence; and
- Obtaining and reviewing evidence to support key assumptions and other data.

We also performed such other procedures as we considered necessary in the circumstances.

Conclusion

Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to the management of Green Sukuk proceeds and use of Green Sukuk proceeds as of 18 May 2021 for the year ended 31 December 2020, in order for it to be in accordance with the Criteria.

Restricted use

This report is intended solely for the information and use of the directors of PNBMV only, and in accordance with the terms of reference for this engagement as agreed with PNBMV in relation to PNBMV's Green Sukuk issuance and is not intended to be and should not be used by anyone other than those specified parties. We do not therefore accept or assume any responsibility for any other purpose or to any other person or organization. Any reliance any such third party may place on the Green Sukuk post-issuance is entirely at its own risk. No statement is made as to whether the criteria are appropriate for any third-party purpose.



Ernst & Young Advisory Services Sdn Bhd
28 May 2021
Kuala Lumpur, Malaysia