

ETERNAL ICON SDN BHD

- **SECURED GREEN COLLATERAL BOND FRAMEWORK
PROPOSED ISSUANCE OF MEDIUM TERM NOTES PURSUANT
TO A PROPOSED MEDIUM TERM NOTES PROGRAMME OF UP
TO RM400.0 MILLION IN NOMINAL VALUE**

SECOND OPINION REPORT **24 February 2023**

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RAM SUSTAINABILITY'S SECOND OPINION APPROACH

RAM Sustainability has assessed Eternal Icon Sdn Bhd's (EISB or the Issuer) Secured Green Collateral Bond Framework (the Framework) against sustainability responsibilities and disclosure requirements under the following guidelines and standards:

- The ASEAN Capital Market Forum's (ACMF) **ASEAN Green Bond Standards¹ (GBS)**
- The International Capital Market Association's (ICMA) **Green Bond Principles² (GBP)**

Our assessment relies on both public information and data provided by the Issuer on the Framework and the ASEAN Green Medium Term Notes (ASEAN Green MTNs) pursuant to a proposed MTNs programme of up to RM400 million (MTN Programme). We have not undertaken any audit or other related activity to ascertain the validity or accuracy of the information provided.

RAM Sustainability classifies green, social or sustainability bond frameworks as *Weak*, *Basic*, *Intermediate* or *Advanced*, in comparison to applicable regulations and guidelines or best practices.

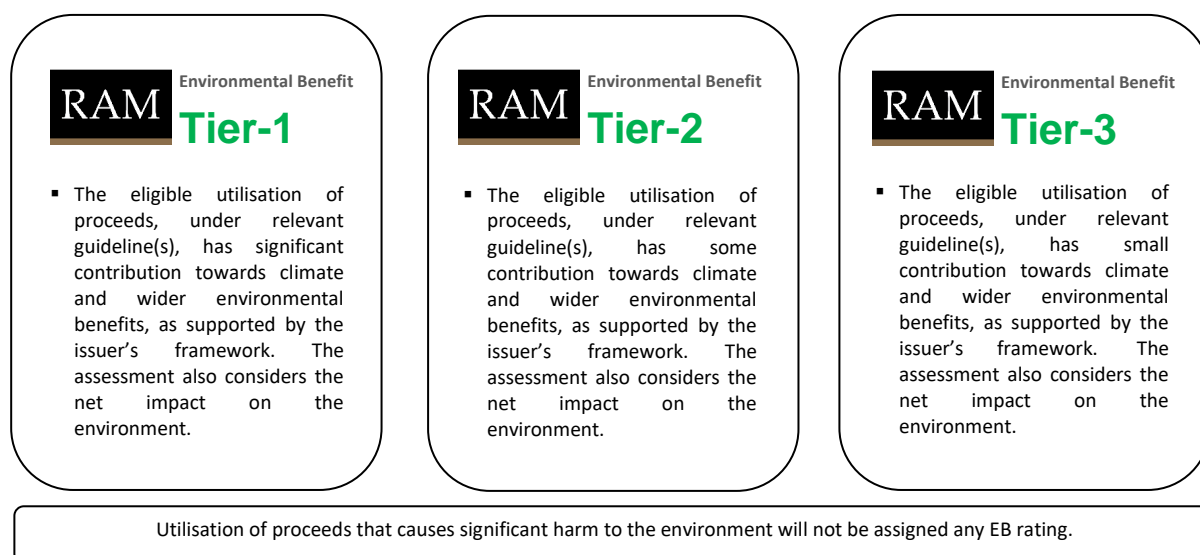
Level	Framework Characteristics
Weak	Not observable in the framework.
Basic	Observable in the framework, but is below best practice.
Intermediate	Observable in the framework and in line with best practice.
Advanced	Observable in the framework and is more stringent, comprehensive, and establishes a new benchmark and new best practice.

¹ The ASEAN GBS, developed by the ACMF, were established to enhance the transparency, consistency and uniformity of ASEAN Green Bonds. Developed based on the ICMA's GBP, the ASEAN GBS were issued in November 2017 and subsequently updated in October 2018. The ASEAN GBS are meant for issuers that intend to issue green bonds within the ASEAN region.

² The GBP are voluntary process guidelines that recommend transparency and disclosure measures for issuers. The guidelines were issued in January 2014 and updated in June 2022. The GBP are meant for broad use by a variety of participants in the green bond market, to facilitate the flow of financing to climate-friendly solutions.

RAM SUSTAINABILITY'S ENVIRONMENTAL BENEFIT ASSESSMENT AND DEFINITION

The ultimate objective of green bonds is to facilitate the financing of environmentally friendly solutions that can help mitigate the effects of climate change and/or create value for the surrounding ecosystem. RAM Sustainability's green bonds evaluation is a qualitative and quantitative assessment of the contributions of a project or financing facility to a low-carbon, sustainable future. The transparency and disclosure strength of the green bonds is also a key consideration. RAM Sustainability's Environmental Benefit (EB) rating definitions are as follows:



SUMMARY OF SECOND OPINION ON EISB'S ASEAN GREEN MEDIUM TERM NOTES

EISB's Secured Green Collateral Bond Framework is, in RAM Sustainability's view, aligned with the requirements of the ASEAN GBS and the GBP. The Framework is aligned with all core areas and 11 out of 19 recommendations as guided under the latest pre-issuance checklist³ of the GBP.

EISB is a special purpose vehicle established specifically to undertake the securitisation exercise of Plaza33, a multilevel green commercial building in Petaling Jaya, Selangor (referred to as the Building). The proposed first issuance of EISB's ASEAN Green MTNs will be used to fully refinance outstanding senior MTNs of RM86.0 million and subordinated MTNs RM253.7 million that was utilised for the Building's securitisation. Subsequent issuances will be used to refinance any MTNs and for working capital purposes and/or to finance any capital expenditure on the Building. The ASEAN Green MTNs is classified as a Secured Green Collateral Bond securitised against Plaza33, excluding Level 11 and 12 of Tower A.

Green building is an eligible project category under the ASEAN GBS and the GBP. In May 2022, Plaza33 achieved *Gold* certification under the Leadership in Energy and Environmental Design (LEED) for Operations and Maintenance (LEED O+M) for Existing Buildings rating system. LEED O+M focuses on an existing building's operations and performance, allowing previously less efficient buildings to be certified by completing improvement work. Based on a study, buildings certified under LEED O+M was reported to have reduced greenhouse gas (GHG) footprint by 50% from water savings, 48% from solid waste management, and 5% from transportation compared to conventional buildings⁴.

Prior to obtaining the green building certification, the Issuer has identified the environmental impacts of the Building's GHG emissions, water usage, waste generation and material use. An American Society of Heating, Refrigerating and Air-Conditioning Engineers (ASHRAE) Level 1 Energy Audit and an Indoor Air Quality (IAQ) test were conducted to analyse historical electricity and water usage, and to measure its indoor air quality. Various measures have been implemented by an appointed servicer, Plaza 33 Sdn Bhd (PSB or the Servicer), to mitigate these environmental risks to meet the LEED O+M requirements. This includes installing a rooftop solar photovoltaic power system, installing low flow faucets in toilets, implementing waste and e-waste recycling programs, and use of green-certified products.

The Issuer is committed in maintaining the Building's LEED Gold certification and ensuring the Building is operated optimally. The Servicer has set up a project team responsible for continuous maintenance of green building standards and plans on pursuing recertification every three years⁵. Through building policies such as the Green Cleaning Policy, Facility Maintenance and Renovation Policy, and Ongoing Consumables and Electronic Equipment Purchasing Policy, and annual IAQ testing, the Servicer also ensures compliance to LEED requirements from the Building's tenants.

RAM Sustainability's EB assessment tiers projects based on their contribution towards climate and wider environmental benefits. According to the International Energy Agency, buildings used 30% of global final energy consumption in 2021⁶. To meet the 2050 Net Zero Emissions target, energy reduction must be at least 35% in 2030 compared to 2021.

³ https://www.icmagroup.org/assets/documents/Sustainable-finance/2022-updates/Pre-Issuance-checklist-Green-Bonds_June-2022-280622.pdf

⁴ Quantifying the Comprehensive Greenhouse Gas Co-Benefits of Green Buildings (Mozingo & Arens, 2014) [<https://escholarship.org/uc/item/935461rm>]

⁵ Based on management interviews

⁶ Buildings Tracking Report – September 2022 (IEA, 2022) [<https://www.iea.org/reports/buildings>]

We have assigned a **Tier-3 EB rating** to the eligible project under the ASEAN Green MTNs recognising the climate and wider environmental benefits of greening Plaza33, an existing building. That said, the climate mitigation benefit is considered limited given that the Building's BEI of 189 kWh/m²/year only equates to 10% of energy savings compared to Malaysia's average BEI for office building of 210 kWh/m²/year⁷.



We further find the Framework to have an *Intermediate* level of disclosure, incorporating details that we view to be in line with best practices. Our key assessment areas are illustrated in **Table 1** below.

Table 1: RAM Sustainability's Assessment of EISB's Framework

Components	ASEAN	ICMA	Best Practices	RAM's Overall Opinion
Utilisation of Proceeds (By Asset/Project Category):	Core	Core	Applicable	Intermediate
i) Eligibility Criteria Disclosure Quality	-	-	Applicable	Intermediate
ii) Indicative Proceeds Allocation	-	-	-	Intermediate
iii) Exclusion List:				
- Issue Transaction-level	Fossil fuel power generation ineligible	-	Applicable	Intermediate
- Group-level	-	-	Not Applicable	
Project Evaluation & Selection	Core	Core	Applicable	Intermediate
Management of Proceeds	Core	Core	Applicable	Intermediate
Reporting Commitments:				
i) Allocation reporting	Core	Core	Applicable	Intermediate
ii) Impact reporting	Core	Core	Applicable	Intermediate

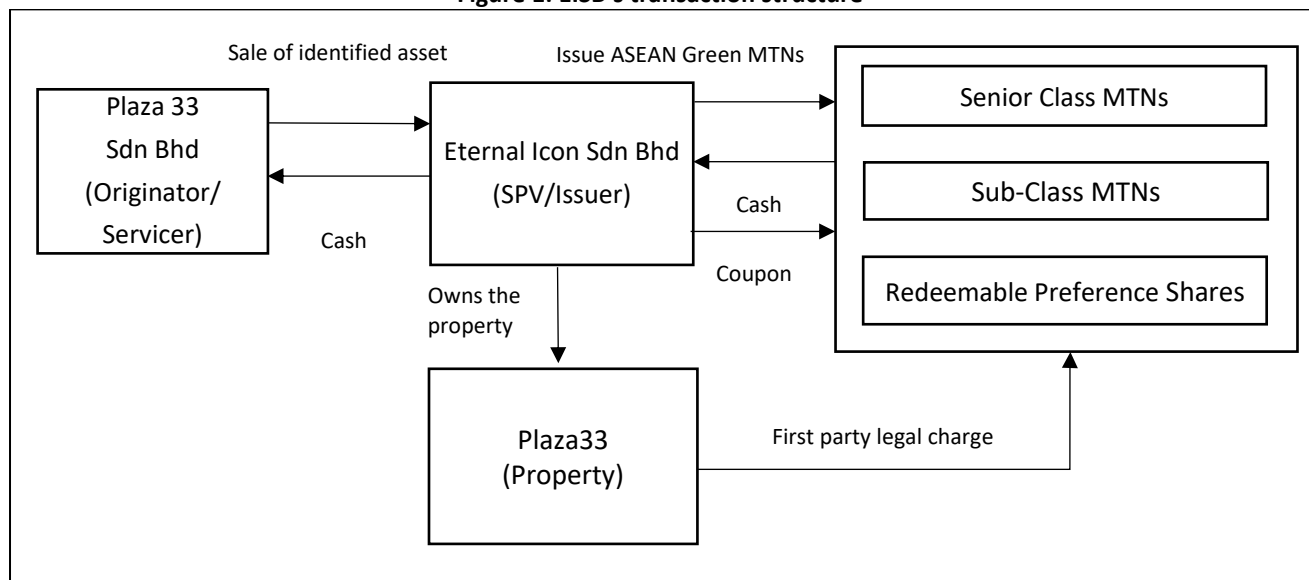
⁷ The Energy Commission Diamond Building – Design Strategy (Suruhanjaya Tenaga, n.d.) <https://www.st.gov.my/en/details/aboutus/9>

1. CORPORATE PROFILE

EISB is a bankruptcy remote special purpose vehicle established on 28 April 2014 to undertake the securitisation exercise of Plaza33. The exercise was accomplished through an MTN Programme where EISB had issued a respective RM86.0 million of senior class MTNs and RM253.7 million of subordinated class MTNs.

The Issuer has appointed PSB as the servicer of Plaza33. PSB is responsible to maintain, administer, manage and operate the Building, with a project team set up to conduct periodic reviews and ensure the Building's compliance to LEED requirements.

Figure 1: EISB's transaction structure



Source: EISB

2. REVIEW OF EISB'S SECURED GREEN COLLATERAL BOND FRAMEWORK

Our review examines the four principles embedded in the **ASEAN GBS** and the **GBP**:

- (i) Utilisation of Proceeds
- (ii) Project Evaluation and Selection
- (iii) Management of Proceeds
- (iv) Reporting Commitments

For detailed comparisons, please refer to **Appendix 1** for the ASEAN GBS Checklist and **Appendix 2** for the GBP External Review Form.

2.1. Utilisation of Proceeds

Proceeds from EISB's ASEAN Green MTNs will be firstly utilised to refinance the respective outstanding senior and subordinated MTNs of RM86.0 million and RM253.7 million under the MTN Programme used to complete the securitisation exercise of Plaza33. Subsequent issuances will be used to refinance any MTNs and for working capital purposes including payment to the debt service reserve account under the MTN Programme, and/or to finance any future capital expenditure on the Building. The ASEAN Green MTNs is classified as a Secured Green Collateral Bond securitised against Plaza33, excluding Level 11 and 12 of Tower A.

The ASEAN GBS and the GBP recognise several categories of eligible green projects. Broadly defined, green projects refer to innovative, climate-friendly solutions that help deliver clear environmental benefits.

The eligible project financed under the ASEAN Green MTNs falls under the Green Building category, which is classified as “green” under the guidelines and standards (**Table 2**).

Table 2: GB – eligibility under GBP and ASEAN GBS

GBP	ASEAN GBS
Use of proceeds – green buildings that meet regional, national or internationally recognised standards or certifications for environmental performance	Item 4.1.5 (x) Use of Proceeds – green buildings which meet regional, national or internationally recognised standards or certifications

The Building has a Gold certification by LEED, an internationally recognised green building rating system developed by the United States Green Building Council (USGBC). According to the USGBC, LEED Gold buildings generally perform better compared to industry baselines⁸.

Ineligible Projects

Consistent with the ASEAN GBS, EISB will not provide funding for projects utilising fossil fuel for power generation, as stated in the Framework.

2.2. Project Evaluation & Selection

The Issuer and Servicer has led the LEED certification efforts for Plaza33. They have identified salient risks related to the Building and the Servicer has conducted the following tests and studies through a third-party consultant:

- (i) ASHRAE Level 1 Energy Audit
- (ii) IAQ test
- (iii) Analysis of water consumption and water fitting flow rates
- (iv) Transport survey
- (v) Assessment of site management practices
- (vi) Waste audit

The Servicer has implemented various initiatives from the results of these tests and successfully achieved a LEED Gold certification.

Table 3: LEED Certification Levels

Certification	Points Earned
Platinum	80 and above
Gold	60-79
Silver	50-59
Certified	40-49

LEED utilises a points-based system where points are acquired by adhering to prerequisites and credits that address different environmental categories. Under the LEED v4.1 O+M for Existing Buildings rating system, these categories are:

- (i) Sustainable Sites
- (ii) Water Efficiency
- (iii) Energy & Atmosphere
- (iv) Material & Resources
- (v) Indoor Environmental Quality
- (vi) Innovation
- (vii) Location & Transportation

⁸ Re-Assessing Green Building Performance: A Post Occupancy Evaluation of 22 GSA Buildings (Fowler et al., 2011) [https://www.pnnl.gov/main/publications/external/technical_reports/PNNL-19369.pdf]

The highest number of points achievable in a category are in the Energy & Atmosphere and Indoor Environmental Quality categories, which is in line with LEED-certified building's contribution to climate mitigation while also enhancing occupants' health and comfort.

Plaza33, which was awarded a score of 66 out of 100 points under the LEED v4.1 O+M for Existing Buildings rating system, achieved a **Gold** rating. The appointed consultant for the certification exercise was IEN Consultants Sdn Bhd.

The Servicer has adopted plans and building policies for the Building in order to maintain its LEED rating and certification. The Servicer has set up a project team who is responsible for the adoption of these building policies and implementation of periodic reviews to ensure compliance.

In our view, the processes employed by EISB and its Servicer are good governance practices for the management of a green building.

2.3. Management of Proceeds

EISB has clearly defined formal internal processes for the management of proceeds, linked to its lending and investment operations. Issuance proceeds from the ASEAN Green MTNs will be transferred **directly to the relevant payees or relevant designated accounts under the MTN Programme**, subject to the purpose of the utilisation. The designated accounts consist of:

- i. Revenue Account
- ii. Operating Account
- iii. Debt Service Reserve Account
- iv. Deposits Account

The Security Trustee of the MTN Programme is the sole operator who is responsible for controlling and monitoring any issuances to ensure proceeds are channelled into the designated accounts. The Servicer is the operator of the Operating Account until the occurrence of a trigger event or an event of default under the MTN Programme, after which it will be operated solely by the Security Trustee.

The Issuer has also detailed permitted investments in liquid financial instruments for unutilised funds which are:

- i. deposits in accounts (including repos) and negotiable certificates of deposits issued by licensed financial institutions with a minimum rating of AA₃ by the RAM Rating Services Sdn Bhd (RAM) or their equivalent rating by such other approved rating agencies;
- ii. money market instruments (such as bankers' acceptance or promissory notes or certificates of deposit) issued by any bank licensed pursuant to the Financial Services Act 2013 or Bank Rakyat and having a minimum long term rating of AA₃ and short term rating of P1 by RAM or their equivalent rating by such other approved rating agencies or money market funds where there is the flexibility of early withdrawal without incurring any penalty;
- iii. promissory notes, bonds, treasury bills and similar instruments issued or guaranteed by the Government of Malaysia (GOM's Securities); and
- iv. unit trusts which invest one hundred per centum (100%) in money market instruments and deposits,

subject to the condition that the money market instruments or the GOM's Securities must account for at least fifty per centum (50%) of the permitted investments.

2.4. Reporting Commitments

Transparency in reporting is crucial in the issuance of green bonds. The ASEAN GBS and the GBP require issuers to establish a formal process to communicate the allocation of proceeds and the positive impact created.

EISB is committed to publishing an information document prior to each issuance of the ASEAN Green MTNs and will publish allocation reporting and impact reporting annually until full allocation of the ASEAN Green MTNs. These reports will be made publicly available of PSB's website (<https://plaza33.com.my/>).

Table 4: EISB's reporting commitments

Allocation Reporting	<ul style="list-style-type: none">▪ Purpose of utilisation of which the issuance proceeds have been allocated▪ Amount of proceeds allocated▪ Unutilised balance of proceeds (if any)
Impact Reporting	<ul style="list-style-type: none">▪ Building energy intensity (BEI), kWh/m²▪ Water usage reduced against the baseline certification level, %▪ Waste diverted from landfill against the total waste per annum, %

Source: EISB

EISB has also disclosed the underlying methodologies in determining these impact indicators. The Servicer will engage third party auditors to conduct ASHRAE Level 1 Energy Audit annually. This will include measuring the Buildings' electricity and water usage to benchmark its performance with other similar buildings using BEI as an indicator. The Servicer will also collect, weigh, and send recyclable waste to a suitable collection point. Using this data, the Servicer will prepare a biannual report on the total amount of waste generated from the Building and diverted from landfills.

3. SUSTAINABILITY ASSESSMENT

3.1. National-Level Drivers

The ASEAN Green MTNs to be issued by EISB enables the financing of the GB sector and will support national-level objectives and plans on GB.

Table 5: National-level objectives and plans

Category	National-Level Objectives and Plans
Green Building	<p><u>Emphasis on green buildings</u></p> <p>Under the National Energy Policy 2022-2040, green buildings are included in the emphasis on low carbon activities as part of Key Economic Growth Activities (KEGA) 12: Green Economy. Additionally, under the National Energy Efficiency Action Plan 2015, the government identified Energy Audits in Buildings and Industries and Energy Efficient Building Design as key initiatives in its target to achieve 8% reduction in energy demand vs baseline.</p> <p>Through the ASEAN Green MTNs, EISB will utilise issuance proceeds to refinance outstanding MTNs and finance capital expenditure and working capital for Plaza33, a LEED Gold certified green building. The Issuer will continue to monitor the Building's performance and ensure compliance to LEED certification requirements.</p>

3.2. Entity-Level Assessment

Sustainability Strategies

As EISB is a special purpose vehicle with the sole purpose of undertaking the securitisation exercise of Plaza33, its sustainability strategies are enacted by its servicer, PSB. In our view, the measures that have been implemented and adopted for the Building by PSB is aligned with EISB's strategies.

Table 6: EISB/PSB's Sustainability Strategy

Environmental Sustainability Strategy	Operate the Building as an eco-friendly building with utmost optimisation and economical use of resources vis-à-vis efficient use of energy, water, and other resources. This includes the use of renewable energy, materials that are non-toxic, ethical, and sustainable as well as encourage reuse and recycling in order to reduce pollution and waste, provide a good indoor environmental quality and comfortable working environment for its occupants.
Social Sustainability Strategy	<p><u>Employees</u> Provide a comfortable, safe, and healthy working environment which includes equal employment opportunities and progression for all groups without prejudice, equal pay and working conditions as well as prohibit harassment in the workplace.</p> <p><u>Tenants</u> Provide a comfortable, safe, and healthy place of doing business and promote a working environment that improves quality of life of its occupants.</p> <p><u>Suppliers/Vendors</u> Provide a fair and equal opportunity environment to the suppliers and vendors to provide services or supply goods to PSB at a reasonable price and to settle any outstanding invoices as and when they fall due.</p>

Source: EISB

Sustainability Governance

EISB will continue to monitor its sustainability performance via:

- Ensuring adoption of building policies and guidelines issued by PSB
- Implementation of anti-bribery, anti-corruption, and fraud prevention policies
- Good accounting and taxation practices
- Promote transparency and discourage any illegal conduct

The Servicer's board members are responsible to manage PSB's sustainability strategies and ensure all initiatives implemented are aligned with PSB's goals and objectives.

Controversy Scan

Based on publicly available information up to 24 February 2023 on EISB, PSB and its shareholders, there were no controversies pertaining to the entities' ESG practices.

3.3. Sustainability Management

This section assesses the overall management approach to incorporating sustainability considerations into the Issuer's decision-making processes and operations.

Environmental and Social Impact Management



The Servicer has implemented various measures and improvement work to achieve LEED Gold certification and the Issuer is committed to maintain the certification. Based on management interviews, PSB will pursue recertification of the Building's LEED Gold rating every three years. IEN Consultants Sdn Bhd – the independent Environmental Sustainable Design consultants appointed by PSB for the initial LEED certification – will continue to provide guidance for the recertification processes and any audit/testing required for the Building.

Additionally, PSB has adopted a Facility Maintenance and Renovation Policy applicable to any facility maintenance activities and facility renovations. This policy also applies to tenants and acts as a guide for material purchase, waste disposal, and IAQ management of these activities. Renovations will be overseen by a renovation manager and testing will be conducted prior to occupancy.

3.4. Creation of Positive Impact via the ASEAN Green MTNs

We expect the eligible project to create a positive impact on the environment, as highlighted in **Table 9** below.

Table 7: Positive impact created and alignment with United Nations' SDGs

Eligible Project Category	Positive Impact Creation	Alignment with SDGs and Targets
Green Building	<p>The built environment consumes a significant amount of energy and produces carbon emissions during its long lifecycle. The Global Alliance for Buildings and Construction estimates that nearly a quarter of global GHG can be attributed to buildings. Many green building certifications/standards have been developed to objectively measure the environmental performance of a building. These standards also provide important prescriptions for sustainable design and construction. Green buildings have a smaller environmental footprint and incorporate design features that address energy efficiency, air pollution, waste management, water consumption, construction materials and other sustainability considerations. Therefore, green buildings can be effective tools in reducing the impact of buildings on climate change and may provide significant opportunities for energy, water and resource savings. According to the USGBC, the average LEED-certified building uses 25% less energy and 28% less water compared to a conventional building⁹.</p> <p>EISB will utilise proceeds of the ASEAN Green MTNs to refinance outstanding MTNs and finance capital expenditure and working capital for Plaza33, an office tower with LEED O+M Gold rating in Petaling Jaya, Selangor. While LEED Gold rated buildings generally perform better than conventional buildings, the positive impact from Plaza33 is limited given the 10% BEI reduction compared to average office towers in Malaysia.</p>	<div data-bbox="1190 920 1358 1088">  <p>7 AFFORDABLE AND CLEAN ENERGY</p> </div> <p>7.3 – By 2030, double the global rate of improvement in energy efficiency.</p> <p>7a – By 2030, enhance international cooperation to facilitate access to clean energy research and technology, including renewable energy, energy efficiency, and advanced cleaner fossil-fuel technology, as well as promote investment in energy infrastructure and clean energy technology.</p> <div data-bbox="1190 1518 1358 1686">  <p>11 SUSTAINABLE CITIES AND COMMUNITIES</p> </div> <p>11c – Support least developed countries, including through financial and technical assistance in building sustainable and resilient buildings utilising local materials.</p>

⁹ Re-Assessing Green Building Performance: A Post Occupancy Evaluation of 22 GSA Buildings (Fowler et al., 2011) [https://www.pnnl.gov/main/publications/external/technical_reports/PNNL-19369.pdf]

APPENDIX 1

APPENDIX 1: ASEAN GREEN BOND STANDARDS (ASEAN GBS) CHECKLIST

Reference:

ASEAN Capital Markets Forum – ASEAN Green Bond Standards (GBS)

Item	No.	Requirement	Alignment	Comment
Eligible Issuers and Issuance	3.1	(i) Must be an ASEAN Issuer; or (ii) In the case of a Non-ASEAN Issuer, the eligible Green Projects must be located in any of the ASEAN countries.	Yes	The Issuer is an entity incorporated in Malaysia, a member of ASEAN. The eligible project is a certified green building in Petaling Jaya, Selangor, Malaysia.
	3.2	ASEAN Green Bonds issuances must be originated from any of the ASEAN member countries.	Yes	The ASEAN Green MTNs to be issued under the Framework will originate from Malaysia.
Eligible Green Projects	4.1.5	There are several broad categories of eligibility for Green Projects which contribute to environmental objectives such as climate change mitigation, climate change adaptation, natural resource conservation, biodiversity conservation, and pollution prevention and control. The categories include renewable energy and energy efficiency.	Yes	The bulk of proceeds from the ASEAN Green MTNs will be utilised to refinance any MTNs for the green building. Remaining proceeds will be utilised for any capital expenditure on the property and/or for working capital purposes including payment to the debt service reserve account under the MTN Programme.
Ineligible Projects	4.1.6	For clarification purposes, fossil fuel power generation projects are excluded from the ASEAN GBS.	Yes	The Issuer has also stipulated in the Framework that projects utilising fossil fuel for power generation are not eligible for funding.
Continuous Accessibility to Information and Reporting	4.2.1	The Issuer of ASEAN Green Bonds must clearly communicate to investors – (i) The environmental sustainability objectives; (ii) The process by which the Issuer determines how the projects fit within the eligible Green Projects categories identified above; and (iii) The related eligibility criteria, including, if applicable, exclusion criteria or any other process applied to identify and manage potentially material environmental and social risks associated with the Green Projects.	Yes	Through the ASEAN Green MTNs, the Issuer aims to promote eco-friendly building with utmost optimisation and economical use of resources vis-à-vis efficient use of energy, water, and other resources. This includes the use of renewable energy, materials that are non-toxic, ethical, and sustainable as well as encourage reuse and recycling in order to reduce pollution and waste, provide a good indoor environmental quality and comfortable working environment for its occupants. The process for the evaluation and selection of the eligible project is detailed in the Framework.
	4.2.5	The Issuer must make the following publicly available on a website designated by the Issuer at the time of the issuance and throughout the tenure of ASEAN Green Bonds: (i) The process for project evaluation; (ii) The use of proceeds; and (iii) External review report on the process (if any).	Yes	The Issuer is committed to publishing the Framework on PSB's corporate website (www.plaza33.com.my). The Framework includes information describing the project evaluation process, the intended use of proceeds and the requirement to obtain a second opinion to confirm the validity of the Framework. The second opinion report will be made publicly available on PSB's corporate website, and RAM's website (www.ram.com.my).
	4.3.1	Prior to the issuance of the ASEAN Green Bonds, the Issuer must disclose to investors in the documentation for the issuance of the ASEAN Green Bonds the process for managing the net proceeds from the ASEAN Green Bonds.	Yes	The Issuer has stipulated in the Framework that issuance proceeds from the ASEAN Green MTNs will be transferred directly to the relevant payees or relevant designated accounts under the MTN Programme, subject to the purpose of the utilisation. The designated accounts consist of i) Revenue Account, ii) Operating Account, iii) Debt Service Reserve Account, and iv) Deposits Account. The Security Trustee of the MTN Programme is the sole operator who is responsible for controlling and monitoring any issuances to ensure proceeds are channelled into the designated accounts. The

Item	No.	Requirement	Alignment	Comment
				Servicer is the operator of the Operating Account until the occurrence of a trigger event or an event of default under the MTN Programme, after which it will be operated solely by the Security Trustee.
	4.3.4	The Issuer must also disclose to investors in the documentation for the issuance of the ASEAN Green Bonds the intended types of temporary placement for the balance of unallocated proceeds.	Yes	The Issuer may invest unutilised proceeds in permitted liquid investments approved by the SC and/or BNM. The process for managing net proceeds is described in the Framework.
	4.4.5	The Issuer must provide to investors the annual reporting and the external review on the annual reporting, if any, through a website designated by the Issuer and/or annual reports throughout the tenure of the ASEAN Green Bonds.	Yes	The Issuer is committed to publishing allocation reporting and impact reporting. The reports will be made publicly available on PSB's corporate website and will be updated annually for as long as the ASEAN Green MTNs are outstanding.
Encourage More Frequent Reporting	4.4.1	Issuers must report to investors at least on an annual basis and encouraged to make more frequent reporting on the use of proceeds until full allocation, and as necessary thereafter in the event of material developments. This should include a list of the projects to which the ASEAN Green Bonds proceeds have been allocated, as well as a brief description of the projects and the amounts allocated and their expected impact.	Yes	The Issuer is committed to publishing allocation reporting and impact reporting. The reports will be made publicly available on PSB's corporate website and will be updated annually for as long as the ASEAN Green MTNs are outstanding.
External Review	5.1	Issuers are recommended to appoint external review providers for their ASEAN Green Bonds issuances.	Yes	RAM Sustainability has been appointed to provide a second opinion of the Issuer's Framework. The review covers an assessment of the Issuer's Framework against disclosure requirements of the ASEAN GBS and the ICMA GBP, as well as the sustainability responsibilities of the Issuer.
	4.2.4	It is recommended that the Issuer's process for project evaluation and selection be supported by an external review.	Yes	The second opinion report by RAM Sustainability covers project evaluation and selection.
	4.3.5	It is recommended that the Issuer's management of proceeds be supplemented by the use of an auditor, or other third party to verify the internal tracking method and the allocation of funds from the ASEAN Green Bonds proceeds.	No	This is a voluntary process. The Issuer has not stated any intention to appoint an auditor or other third party to verify the internal tracking method and allocation of issuance proceeds from the ASEAN Green MTNs.
	4.3.6	Where the Issuer appoints an auditor or other third party to verify the Issuer's management of proceeds, the Issuer must make the report produced by the auditor or other third party publicly available on a website designated by the Issuer at the time of issuance of the ASEAN Green Bonds.	No	This is a voluntary process. The Issuer has not stated any intention to appoint an auditor or other third party to verify the internal tracking method and allocation of issuance proceeds from the ASEAN Green MTNs.
	4.4.4	It is recommended that the Issuer's annual reporting on the use of proceeds be supplemented by a confirmation of such use of proceeds by an external reviewer along with any relevant updates of the external review.	No	This is a voluntary process. The Issuer has not stated any intention to appoint an external reviewer to confirm the accuracy of its annual reporting on the use of proceeds.

APPENDIX 2



Green Bond/ Green Bond Programme External Review Form

Section 1. Basic Information

Issuer name: Eternal Icon Sdn Bhd

Green Bond ISIN or Issuer Green Bond Framework Name, if applicable: Secured Green Collateral Bond Framework

Review provider's name: RAM Sustainability Sdn Bhd

Completion date of this form: 24 February 2023

Publication date of review publication: 24 February 2023

Section 2. Review Overview

SCOPE OF REVIEW

The following may be used or adapted, where appropriate, to summarise the scope of the review.

The review assessed the following elements and confirmed their alignment with the GBP:

- | | |
|--|--|
| <input checked="" type="checkbox"/> Use of Proceeds | <input checked="" type="checkbox"/> Process for Project Evaluation and Selection |
| <input checked="" type="checkbox"/> Management of Proceeds | <input checked="" type="checkbox"/> Reporting |

ROLE(S) OF REVIEW PROVIDER

- | | |
|--|--|
| <input checked="" type="checkbox"/> Consultancy (including second opinion) | <input type="checkbox"/> Certification |
| <input type="checkbox"/> Verification | <input checked="" type="checkbox"/> Rating |
| <input type="checkbox"/> Other (<i>please specify</i>): | |

Note: In case of multiple reviews / different providers, please provide separate forms for each review.

EXECUTIVE SUMMARY OF REVIEW and/or LINK TO FULL REVIEW (*if applicable*)

Please refer to the Second Opinion Report on EISB's Secured Green Collateral Bond Framework.

Section 3. Detailed Review

Reviewers are encouraged to provide the information below to the extent possible and use the comment section to explain the scope of their review.

1. USE OF PROCEEDS

Overall comment on section (if applicable):

The first issuance of EISB's ASEAN Green MTNs will be used to fully refinance outstanding MTNs from its existing MTN Programme. Subsequent issuances will be used for working capital purposes and/or to finance any capital expenditure on Plaza33, a multilevel green commercial building in Petaling Jaya, Selangor and to refinance any MTNs. The ASEAN Green MTNs is classified as a Secured Green Collateral Bond securitised against Plaza33, excluding Level 11 and 12 of Tower A.

Use of proceeds categories as per GBP:

- | | |
|---|--|
| <input type="checkbox"/> Renewable energy | <input type="checkbox"/> Energy efficiency |
| <input type="checkbox"/> Pollution prevention and control | <input type="checkbox"/> Environmentally sustainable management of living natural resources and land use |
| <input type="checkbox"/> Terrestrial and aquatic biodiversity conservation | <input type="checkbox"/> Clean transportation |
| <input type="checkbox"/> Sustainable water and wastewater management | <input type="checkbox"/> Climate change adaptation |
| <input type="checkbox"/> Eco-efficient and/or circular economy adapted products, production technologies and processes | <input checked="" type="checkbox"/> Green buildings |
| <input type="checkbox"/> Unknown at issuance but currently expected to conform with GBP categories, or other eligible areas not yet stated in GBP | <input type="checkbox"/> Other (please specify): |

If applicable please specify the environmental taxonomy, if other than GBP:

2. PROCESS FOR PROJECT EVALUATION AND SELECTION

Overall comment on section (if applicable):

In May 2022, the Building has been certified as LEED Gold under the Leadership in Energy and Environmental Design (or LEED) rating system certification established by the U.S Green Building Council, a non-profit organisation focused on promoting on sustainability in building design, construction and operation, with a performance score of 66 of 100 points. The certification attained is based on the LEED Operational and Maintenance: Existing Buildings criteria.

The LEED certification is an internationally-recognised green building rating system developed by the U.S. Green Building Council in 1998. LEED has become one of the world's most widely used green building rating system, with more than 92,000 projects participating in LEED across 165 countries and territories. The ASEAN Green MTNs to be issued under the MTN Programme is to be utilised solely for the Building.

The processes employed by EISB are good governance practices for the maintenance of a green building.

Evaluation and selection

- | | |
|--|---|
| <input checked="" type="checkbox"/> Credentials on the issuer's environmental sustainability objectives | <input checked="" type="checkbox"/> Documented process to determine that projects fit within defined categories |
| <input checked="" type="checkbox"/> Defined and transparent criteria for projects eligible for Green Bond proceeds | <input checked="" type="checkbox"/> Documented process to identify and manage potential ESG risks associated with the project |
| <input checked="" type="checkbox"/> Summary criteria for project evaluation and selection publicly available | <input type="checkbox"/> Other <i>(please specify)</i> : |

Information on Responsibilities and Accountability

- | | |
|--|---|
| <input checked="" type="checkbox"/> Evaluation / Selection criteria subject to external advice or verification | <input checked="" type="checkbox"/> In-house assessment |
| <input type="checkbox"/> Other <i>(please specify)</i> : | |

3. MANAGEMENT OF PROCEEDS

Overall comment on section *(if applicable)*:

The proceeds raised under the MTN Programme are solely for the purpose of the Building only, and is to be utilised immediately by direct transfer to the relevant payees OR relevant designated accounts of the MTN Programme. The designated accounts consist of i) Revenue Account, ii) Operating Account, iii) Debt Service Reserve Account, and iv) Deposits Account. The Security Trustee of the MTN Programme is the sole operator who is responsible for controlling and monitoring any issuances to ensure proceeds are channelled into the designated accounts. The Servicer is the operator of the Operating Account until the occurrence of a trigger event or an event of default under the MTN Programme, after which it will be operated solely by the Security Trustee.

Permitted investments for unutilised funds are described in Section 2.3 of the Second Opinion Report.

Tracking of proceeds:

- | |
|---|
| <input checked="" type="checkbox"/> Green Bond proceeds segregated or tracked by the issuer in an appropriate manner |
| <input checked="" type="checkbox"/> Disclosure of intended types of temporary investment instruments for unallocated proceeds |
| <input type="checkbox"/> Other <i>(please specify)</i> : |

Additional disclosure:

- | | |
|---|--|
| <input type="checkbox"/> Allocations to future investments only | <input type="checkbox"/> Allocations to both existing and future investments |
| <input type="checkbox"/> Allocation to individual disbursements | <input type="checkbox"/> Allocation to a portfolio of disbursements |
| <input checked="" type="checkbox"/> Disclosure of portfolio balance of unallocated proceeds | <input type="checkbox"/> Other <i>(please specify)</i> : |

4. REPORTING

Overall comment on section *(if applicable)*:

As long as there is outstanding ASEAN Green MTNs, where relevant and possible, the Issuer is committed to report on selected impact indicators annually via the Company website at www.plaza33.com.my/.

Use of proceeds reporting:

- | | |
|--|--|
| <input type="checkbox"/> Project-by-project | <input checked="" type="checkbox"/> On a project portfolio basis |
| <input type="checkbox"/> Linkage to individual bond(s) | <input type="checkbox"/> Other (please specify): |

Information reported:

- | | |
|--|--|
| <input checked="" type="checkbox"/> Allocated amounts | <input type="checkbox"/> Green Bond financed share of total investment |
| <input checked="" type="checkbox"/> Other (please specify): see Section 2.4 of Second Opinion Report | |

Frequency:

- | | |
|--|--------------------------------------|
| <input checked="" type="checkbox"/> Annual | <input type="checkbox"/> Semi-annual |
| <input type="checkbox"/> Other (please specify): | |

Impact reporting:

- | | |
|--|--|
| <input type="checkbox"/> Project-by-project | <input checked="" type="checkbox"/> On a project portfolio basis |
| <input type="checkbox"/> Linkage to individual bond(s) | <input type="checkbox"/> Other (please specify): |

Frequency:

- | | |
|--|--------------------------------------|
| <input checked="" type="checkbox"/> Annual | <input type="checkbox"/> Semi-annual |
| <input type="checkbox"/> Other (please specify): | |

Information reported (expected or ex-post):

- | | |
|---|---|
| <input type="checkbox"/> GHG Emissions / Savings | <input type="checkbox"/> Energy Savings |
| <input checked="" type="checkbox"/> Decrease in water use | <input checked="" type="checkbox"/> Other ESG indicators (please specify): <u>See Section 2.4 of the Second Opinion Report.</u> |

Means of Disclosure

- | | |
|---|--|
| <input type="checkbox"/> Information published in financial report | <input type="checkbox"/> Information published in sustainability report |
| <input type="checkbox"/> Information published in ad hoc documents | <input checked="" type="checkbox"/> Other (please specify): <u>Report published on PSB's website</u> |
| <input type="checkbox"/> Reporting reviewed (if yes, please specify which parts of the reporting are subject to external review): | |

Where appropriate, please specify name and date of publication in the useful links section.

USEFUL LINKS (e.g., to review provider methodology or credentials, to issuer's documentation, etc.)

PSB website at <https://plaza33.com.my/>

SPECIFY OTHER EXTERNAL REVIEWS AVAILABLE, IF APPROPRIATE

Type(s) of Review provided:

- | | |
|--|--|
| <input type="checkbox"/> Consultancy (incl. 2 nd opinion) | <input type="checkbox"/> Certification |
| <input type="checkbox"/> Verification / Audit | <input type="checkbox"/> Rating |
| <input type="checkbox"/> Other (please specify): | |

Review provider(s):

Date of publication:

ABOUT ROLE(S) OF REVIEW PROVIDERS AS DEFINED BY THE GBP

- 1) **Second Party Opinion:** An institution with environmental expertise, that is independent from the issuer may issue a Second Party Opinion. The institution should be independent from the issuer's adviser for its Green Bond framework, or appropriate procedures, such as information barriers, will have been implemented within the institution to ensure the independence of the Second Party Opinion. It normally entails an assessment of the alignment with the Green Bond Principles. In particular, it can include an assessment of the issuer's overarching objectives, strategy, policy and/or processes relating to environmental sustainability, and an evaluation of the environmental features of the type of projects intended for the Use of Proceeds.
- 2) **Verification:** An issuer can obtain independent verification against a designated set of criteria, typically pertaining to business processes and/or environmental criteria. Verification may focus on alignment with internal or external standards or claims made by the issuer. Also, evaluation of the environmentally sustainable features of underlying assets may be termed verification and may reference external criteria. Assurance or attestation regarding an issuer's internal tracking method for use of proceeds, allocation of funds from Green Bond proceeds, statement of environmental impact or alignment of reporting with the GBP, may also be termed verification.
- 3) **Certification:** An issuer can have its Green Bond or associated Green Bond framework or Use of Proceeds certified against a recognised external green standard or label. A standard or label defines specific criteria, and alignment with such criteria is normally tested by qualified, accredited third parties, which may verify consistency with the certification criteria.
- 4) **Green Bond Scoring/Rating:** An issuer can have its Green Bond, associated Green Bond framework or a key feature such as Use of Proceeds evaluated or assessed by qualified third parties, such as specialised research providers or rating agencies, according to an established scoring/rating methodology. The output may include a focus on environmental performance data, the process relative to the GBP, or another benchmark, such as a 2-degree climate change scenario. Such scoring/rating is distinct from credit ratings, which may nonetheless reflect material environmental risks.

ABOUT RAM SUSTAINABILITY

RAM Sustainability Sdn Bhd (RAM Sustainability) is a provider of sustainability services and ESG analytics. Incorporated on 31 May 2000, RAM Sustainability is a wholly owned subsidiary of RAM Holdings Berhad (RAM Group). RAM Sustainability is the first ASEAN-based provider of sustainability ratings and second opinions and has the distinction of being the first Registered Observer of ICMA's Green Bond Principles, Social Bond Principles, Sustainability Bond Guidelines and Sustainability-Linked Bond Principles in ASEAN. It was a member of ICMA's Advisory Council to the GBP and SBP Executive Committee for three consecutive terms. On 12 August 2020, RAM Sustainability became an Approved Verifier for the certification of climate bonds under the Climate Bonds Standard & Certification Scheme after having been awarded the status by the Climate Bonds Standards Board. For further details, please refer to <https://www.ram.com.my/sustainability>.

About the RAM Group

The RAM Group is a leading provider of independent credit ratings, research, training, risk analysis and bond pricing. Formerly known as Rating Agency Malaysia Berhad, the RAM Group was established in November 1990 as a catalyst for the domestic debt capital market and as the nation's first credit rating agency. On 1 July 2007, its rating operations were novated to RAM Rating Services Berhad (RAM Ratings). RAM Ratings is a wholly owned subsidiary of the RAM Group.

RAM Ratings is the leading and largest credit rating agency in both Malaysia and ASEAN. Established in 1990 by the central bank of Malaysia as part of the "institutional infrastructure" to support the development of Malaysia's bond market, RAM Ratings has rated over USD450 billion of bonds issued by over 750 entities. Its rating portfolio encompasses corporates, sovereign nations, financial institutions, insurance companies, project finance and structured finance obligations.

RAM Ratings is also the world's leading rating agency for securities issued under Islamic principles, or sukuk. RAM Ratings' experience in and contributions to the fast-growing sukuk market has won numerous awards, including Best Rating Agency (South-East Asia 2017) from CPI Financial and Best Islamic Rating Agency in 2016 from Islamic Finance News. On 26 May 2016, RAM Ratings joined the line-up of pioneer credit rating agency signatories to the United Nations-supported Principles for Responsible Investment's Statement on ESG in Credit Ratings. The Statement on ESG in Credit Ratings is a way for RAM Ratings to communicate its commitment to a more systematic and transparent incorporation of ESG into credit ratings and analysis.

RAM Solutions Sdn Bhd, founded in 2016, provides independent credit opinions on ventures listed on a multi-bank, web-based platform known as the Investment Account Platform. As a subsidiary of RAM Holdings, Bond Pricing Agency Malaysia Sdn Bhd is the sole provider of bond-pricing and valuation data on the Malaysian bond market. For further Details, please refer to <https://www.ram.com.my>.





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