

Telekosang Hydro One Sdn Bhd (“TH1” or the “Issuer”)

Junior bonds issuance of up to RM120,000,000.00 in nominal value (“Telekosang ASEAN Green Junior Bonds”)

Other Terms and Conditions

(a) Coupon rate (fixed or floating) Zero coupon rate.

(b) Coupon payment frequency Not applicable.

(c) Coupon payment basis Not applicable.

(d) Default Distribution Amount On the Default Declaration Date:

The Default Distribution Amount shall be equivalent to the accreted value of all the Telekosang ASEAN Green Junior Bonds up to the Default Declaration Date.

(e) Issue Price The Telekosang ASEAN Green Junior Bonds may be issued at par, premium or discount to the nominal value and the issue price shall be calculated in accordance with Paynet Rules and Procedures (as defined in item (o) of the section entitled “*Other Terms and Conditions*”).

(f) Form and Denomination The Telekosang ASEAN Green Junior Bonds shall be issued in accordance with Paynet Rules and Procedures. The Telekosang ASEAN Green Junior Bonds shall be represented by a global certificate to be deposited with BNM, and is exchanged for a definitive bearer form only in certain limited circumstances. The denomination of the Telekosang ASEAN Green Junior Bonds shall be RM1,000.00 or in multiples of RM1,000.00 at the time of issuance or, subject to Paynet Rules and Procedures, such other denominations as may be agreed between the Issuer and the Facility Agent.

(g) Details on Utilisation of Proceeds by Issuer Proceeds from the Telekosang ASEAN Green Junior Bonds at the point of issuance shall be utilised for the following purposes:

Utilisation of proceeds	Nominal Amount (up to RM' million)⁽¹⁾
(i) To part finance the Project Cost for the TH1 Project;	71
(ii) To advance ⁽²⁾ to TH2 to part finance the Project Cost for the TH2 Project;	48
(iii) To pay fees, expenses and all other amounts payable under or related to the Telekosang ASEAN Green Junior Bonds.	1
Total	120

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Notes:

- (1) *In the event that the amount allocated for purposes set out in any of the items (i) to (iii) above is not utilised in whole or in part for such purposes, the Issuer may utilise such unutilised amount for any of the other purposes set out in items (i) to (iii) above; and*
- (2) *The advance under the Intercompany Financing Agreements (as defined in item (o) of the section entitled “Other Terms and Conditions”).*

(h) Status

The Telekosang ASEAN Green Junior Bonds constitute direct, unconditional and secured obligations of the Issuer and shall at all times rank pari passu, without discrimination, preference or priority amongst themselves and are subordinated to the Telekosang ASEAN Green SRI Sukuk in terms of security and priority of payments.

For the avoidance of doubt, the Bondholders shall agree upfront to waive their rights in respect of priority of payment to proceeds from the security and shall be ranked after the holders of the Telekosang ASEAN Green SRI Sukuk in terms of security and priority of payments.

(i) Subordination

The Telekosang ASEAN Green Junior Bonds shall be subordinated to the Telekosang ASEAN Green SRI Sukuk in terms of security and priority of payments. For so long as the Telekosang ASEAN Green SRI Sukuk remain outstanding, the Bondholders shall not be able to declare an Event of Default ahead of the holders of the Telekosang ASEAN Green SRI Sukuk (“**Sukukholders**”).

Where consent, approval, authorization and/or decision (whether or not by way of extraordinary resolution) (“**Decision**”) is required under the Telekosang ASEAN Green Junior Bonds and the Telekosang ASEAN Green SRI Sukuk, the Decision made by the Sukukholders or the trustee of the Telekosang ASEAN Green SRI Sukuk (“**Sukuk Trustee**”) shall, in the event of any inconsistency between the Decision made by the Sukukholders or the Sukuk Trustee, as the case may be, and the Bondholders or the Trustee, as the case may be, prevail and shall be binding upon the Bondholders and the Trustee and the Bondholders and the Trustee shall be bound to give effect thereto accordingly.

(j) Sukuk Designated Accounts

The Issuer shall open and maintain designated accounts under the Telekosang ASEAN Green SRI Sukuk (“**Sukuk Designated Accounts**”).

Upon full redemption of the Telekosang ASEAN Green SRI Sukuk, the Project Company shall maintain and/or change the operations of the Project Co RA (as defined below) and Project Co OA (as defined below) in accordance with the following provisions and the remaining balances in the Sukuk Designated Accounts (other than the Project Co RA and Project Co OA) will be transferred to the respective Project Co RA and thereafter the

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Sukuk Designated Accounts (other than the Project Co RA and Project Co OA) will be closed.

Name of account

Project Company Revenue Account (“**Project Co RA**”)

Opened/ to be opened by

Issuer and TH2

Maintained/ operated or to be maintained/ operated by

Security Agent

Signatories to the account

Security Agent

Sources of funds

The following shall be deposited into the Project Co RA:

- (i) any remaining balance from the Sukuk Designated Accounts (other than the Project Co OA) after full redemption of the Telekosang ASEAN Green SRI Sukuk;
- (ii) all revenues and other payments (whether income or capital in nature) under the Project and/or the REPPA received after the FiT Commencement Date of the relevant Plant;
- (iii) proceeds of *takaful*/insurance claims received by the Project Company after the FiT Commencement Date of the relevant Plant;
- (iv) any claims received by the Project Company in respect of third party performance bonds/guarantees, liquidated damages or any other compensation received after the FiT Commencement Date of the relevant Plant;
- (v) amounts released from the Junior Bonds FSRA in excess of the Junior Bonds FSRA Minimum Required Balance; and
- (vi) nominal amounts together with profits/returns received from Permitted Investments made from the Project Co RA.

Utilisation of funds

All payments from the Project Co RA shall be applied in the priority of cash flow:

- (i) monthly transfer to the Project Co OA for payment of

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operating and maintenance expenses, duties, taxes, management fees, recurring capital expenditures, fees and commissions payable under the Telekosang ASEAN Green Junior Bonds and other working capital requirements (which include operating and maintenance fees under the O&M Agreement (as defined in item (p) of the section entitled “*Other Terms and Conditions*”) in accordance with the Project Company’s Annual Approved Budget and within the Approved Variance);

- (ii) transfer to the Junior Bonds FSRA to meet the Junior Bonds FSRA Minimum Required Balance;
- (iii) payments of relevant portion of the principal amounts payable under the Telekosang ASEAN Green Junior Bonds;
- (iv) for scheduled major maintenance and/or scheduled major overhaul in accordance with the Project Company’s Annual Approved Budget and within the Approved Variance;
- (v) in respect of proceeds from *takaful*/insurance claims received by the Project Company after the FiT Commencement Date of the Plant, the proceeds shall be, inter alia, utilised to rebuild, repair or restore the affected portion of the Plant save that any proceeds from third party liability and workers’ compensation *takaful*/insurance shall be applied in payment of the relevant claim;
- (vi) in respect of performance bonds/guarantees, liquidated damages or any other compensation received by the Project Company from third parties after the FiT Commencement Date of the relevant Plant, it shall be applied for payment to SESB or the relevant third party, as the case may be, of any damages or compensation payable by the Project Company to SESB or the relevant third party, as the case may be, or where SESB has called on the performance bonds to make good such damages or compensation, the payment from such performance bonds shall be made to the extent of the damages or compensation amount that has been claimed by SESB and the balance thereof, if any, to the Project Company;
- (vii) purchase of the Telekosang ASEAN Green Junior Bonds by the Issuer in accordance with the terms as set out in the section entitled “*Provisions on early redemption, if applicable*”;
- (viii) for Permitted Investments; and
- (ix) payments of Restricted Payments subject to meeting the Distribution Covenants.

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The Project Companies shall furnish the Security Agent the Annual Approved Budget fourteen (14) days prior to the request for such payment (“**Request**”). The funds shall be remitted into the Project Co OA within five (5) business days upon receipt by the Security Agent of the Request. Any utilisation in excess of the Approved Variance shall be subject to the Trustee’s approval.

For the avoidance of doubt, it is at the sole and absolute discretion of the Security Agent to transfer monies from the Project Co RA (with no preference between the Issuer Project Co RA and TH2 Project Co RA) in meeting the payment obligations under the Telekosang ASEAN Green Junior Bonds.

Name of account

Project Company Operating Account (“**Project Co OA**”)

Opened/ to be opened by

Issuer and TH2

Maintained/operated or to be maintained/operated by

- (i) Prior to the declaration of Event of Default:
Issuer and TH2
- (ii) Upon declaration of Event of Default:
Security Agent

Signatories to the account

- (i) Prior to the declaration of Event of Default:
Issuer and TH2
- (ii) Upon declaration of Event of Default:
Security Agent

Sources of funds

- (i) Any amount received from the Project Co RA; and
- (ii) Nominal amounts together with profits/returns received from Permitted Investments made from the Project Co OA.

Utilisation of funds

- (i) Payment of operating and maintenance expenses, duties, taxes, management fees, recurring capital expenditures, fees and commissions payable under the Telekosang ASEAN Green Junior Bonds and other working capital requirements (which include operating and maintenance

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fees under the O&M Agreement) in accordance with the Project Company’s Annual Approved Budget and within the Approved Variance; and

(ii) For Permitted Investments.

- (k) Junior Bonds Trustee’s Reimbursement Account** The Issuer shall open and maintain an account designated as “Junior Bonds Trustee’s Reimbursement Account” (as required under the SC’s Trust Deeds Guidelines) (“**Junior Bonds Trustee’s Reimbursement Account**”) in which a sum of RM30,000.00 (“**Junior Bonds Trustee’s Reimbursement Account Deposit**”) is to be deposited therein. The Junior Bonds Trustee’s Reimbursement Account shall be operated by the Trustee and the monies shall only be used strictly by the Trustee in carrying out its duties in relation to the occurrence of an Event of Default as provided in the Trust Deed. The Junior Bonds Trustee’s Reimbursement Account Deposit in the Junior Bonds Trustee’s Reimbursement Account shall be maintained at all times as long as there is any amount outstanding under the Telekosang ASEAN Green Junior Bonds.

The Junior Bonds Trustee’s Reimbursement Account Deposit may be invested in the manner provided in the Trust Deed, with interest from the investment to accrue to the Issuer. The Junior Bonds Trustee’s Reimbursement Account Deposit together with the interests, if any, shall be returned to the Issuer upon full redemption of the Telekosang ASEAN Green Junior Bonds in the event there is no Event of Default.

- (l) Taxation** All payments by the Issuer shall be made without withholding or deductions for or on account of any present or future tax, duty or charge of whatsoever nature imposed or levied by or on behalf of Malaysia or any other applicable jurisdictions, or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law, in which event the payer shall be required to make such additional amount so that the payee would receive the full amount which the payee would have received if no such withholding or deductions are made.

- (m) Jurisdiction** The Project Companies shall unconditionally and irrevocably submit to the non-exclusive jurisdiction of the courts of Malaysia.

- (n) Conditions Subsequent**
- (a) Receipt of a certified true copy of the duly executed Generation Licence for each Plant not later than one hundred and eighty (180) days from the relevant Initial Operation Date (as defined in the relevant REPPA);
 - (b) Receipt of a certified true copy of the certificate(s) of completion and compliance issued by the relevant authorised party in accordance with the statutory laws in respect of the Projects not later than three hundred and sixty (360) days after the Scheduled FiT Commencement

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Date of such Plant or any extension thereof); and

- (c) Such other conditions subsequent as may be advised by the Solicitors and mutually agreed between the Project Companies and the Principal Adviser/Lead Arranger from time to time.

(o) Definitions

All Plant FiT Commencement Date	The date upon which all of the Plants achieving FiT Commencement Date and being such date when the last Plant achieves FiT Commencement Date.
Eligible Green SRI Projects	The eligible, sustainable and responsible investment projects pursuant to paragraph 7.04(b)(i) (renewable energy and energy efficiency – project relating to new or existing renewable energy) of Chapter 7, Part 3, Section B of the LOLA Guidelines and eligible green projects pursuant to paragraph 4.1.5(i) (renewable energy) under the ASEAN GBS.
EPCC Contract (TH1)	The engineering procurement, construction and commissioning contract dated 26 February 2019 entered into between TH1 and the EPCC Contractor (as may be amended or supplemented from time to time) in relation to the TH1 Project.
EPCC Contract (TH2)	The engineering procurement, construction and commissioning contract dated 26 February 2019 entered into between TH2 and the EPCC Contractor (as may be amended or supplemented from time to time) in relation to the TH2 Project.
EPCC Contractor	Sinohydro Corporation (M) Sdn. Bhd. and Power Construction Corporation of China, Limited.
EPCC Contracts	The EPCC Contract (TH1) and EPCC Contract (TH2), and “ EPCC Contract ” shall where the context so requires be a reference to any one or more of them.
FiT Commencement Date	With respect to each Plant, the date upon which each of the conditions to the “ Scheduled Feed-in Tariff Commencement Date ” (as defined under REPPAs) for such Plant as set out in the relevant REPPA have been satisfied.
Intercompany Advances	<p>The advances/ financing/ indebtedness between TH1 and TH2 in relation to or in connection with the Projects, inter alia:</p> <p>(a) Advances from TH1 to TH2 from the proceeds of Telekosang ASEAN Green SRI Sukuk and the Telekosang ASEAN Green Junior Bonds to part finance the Project Cost for the TH2 Project (“TH1 Advance”) and the payment from TH2 to TH1 for the TH1 Advance in accordance with the terms and conditions of the respective Intercompany Financing Agreements;</p>

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- (b) Any advances between the Project Companies to ensure that the following obligations are met at all times:
 - (i) the Issuer’s payments obligations under the Telekosang ASEAN Green SRI Sukuk and the Telekosang ASEAN Green Junior Bonds; and/or
 - (ii) the Project Companies’ payment obligations under the respective Projects,

as the case may be.

Intercompany Financing Agreements	The intercompany financing agreements to be entered into between TH1 and TH2 for the Intercompany Advances.
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Material Adverse Effect	In the reasonable opinion of the Trustee, a material adverse effect on:
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- (a) the ability of a Project Company to perform or comply with any of its respective obligations under the Transaction Documents and the Project Documents in accordance with the terms thereof; or
- (b) the validity, legality, binding effect or enforceability of the Transaction Documents or to any of the Security Interests granted pursuant thereto or to any of the rights or remedies of any secured party thereunder; or
- (c) the operations, business, property, assets, liabilities or financial condition of a Project Company.

O&M Agreement	The operations and maintenance agreement dated 26 February 2019 entered into between TH1, TH2 and O&M Operator (as may be amended or supplemented from time to time) in relation to the operation and maintenance of the Project.
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O&M Operator	Global Elite O&M Sdn Bhd.
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Paynet Rules and Procedures	Collectively, the following: <ul style="list-style-type: none">(a) the Participation and Operation Rules for Payment and Securities Services issued by Payments Network Malaysia Sdn Bhd;(b) the Operational Procedures for Securities Services issued by Paynet; and(c) the Operational Procedures for Malaysian Ringgit (MYR) Settlement in Real-time Electronic Transfer of Funds and Securities System (“RENTAS”) issued by Paynet;
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or their replacement thereof applicable from time to time.

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Permitted Indebtedness	In respect of each Project Company, <ul style="list-style-type: none">(a) the Telekosang ASEAN Green SRI Sukuk;(b) Subordinated Loans/Advances;(c) the Intercompany Advances; and(d) Working Capital Facilities.
Permitted Interests	<p>Security The following Security Interests:</p> <ul style="list-style-type: none">(a) those Security Interests contemplated under the Telekosang ASEAN Green SRI Sukuk;(b) those Security Interests contemplated under the Transaction Documents and the Working Capital Facilities; and(c) those Security Interests arising by operation of law and contractual liens and retention of title arrangements, in each case arising in the ordinary course of the Project Companies' business and Permitted Indebtedness, as the case may be.
Plants	The hydroelectric energy generating facilities in Tenom, Sabah, to be constructed in accordance with the terms and conditions of its respective REPPA and EPCC Contract, and “ Plant ” shall where the context so requires be a reference to any one or more of them.
Potential Event of Default	Any event or circumstance which, with the giving of notice, the making of any determination by the Trustee (where the factual circumstances permit the making of such determination) or the expiry of any grace period (or any combination of the above), and on the basis that it is still continuing, would become an Event of Default.
Projects	TH1 Project and TH2 Project. The Projects are deemed as Eligible Green SRI Projects. “ Project ” shall where the context so requires be a reference to any one or more of them.
Project Companies	<p>Collectively, the following:</p> <ul style="list-style-type: none">(a) Telekosang Hydro One Sdn Bhd (Company No. 1242773-K) (“TH1”); and(b) Telekosang Hydro Two Sdn Bhd (Company No. 1242774-U) (“TH2”), <p>and “Project Company” shall where the context so requires be a reference to any one or more of them.</p>

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Project Cost	<p>In relation to the Project Companies’ construction and project development cost in respect of the relevant Project which include:</p> <ul style="list-style-type: none">(a) costs and expenses payable under the EPCC Contracts;(b) profit payments payable which amounts in aggregate are equivalent to periodic distributions under the Telekosang ASEAN Green SRI Sukuk payable during construction period of the Projects;(c) costs and expenses payable under the performance bond/security to be given or procured for the benefit of SESB in accordance with the REPPAs; and(d) any other Project related costs, including project management and operations fees, consultancy fees, stamp duties, taxes, <i>takaful</i> contributions/insurance premium, working capital requirements and contingencies.
Project Documents	<p>Collectively, the following:</p> <ul style="list-style-type: none">(a) the REPPAs;(b) the EPCC Contracts and associated bonds and guarantees in relation thereto;(c) the O&M Agreement and associated bonds and guarantees in relation thereto;(d) all performance and/or maintenance bonds in respect of the Projects and all other guarantees, advance payment bonds and other forms of payment or performance security issued in favour of any Project Company pursuant to any Project Document; and(e) any other agreements and/or documents that is issued to each Project Company or to which each Project Company is a party to, in relation to the Project and mutually agreed between the Project Companies and the Principal Adviser/Lead Arranger to be designated as a “Project Document”.
Project Lands	<p>The parcels of land upon which the Projects are to be constructed and located, as more specifically described in the REPPAs, and “Project Land” shall where the context so requires be a reference to any one or more of them.</p>
Project Total Cost	<p>Collectively, the following:</p> <ul style="list-style-type: none">(a) Project Cost;

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- (b) the initial deposit equivalent to the profit due in the next six (6) months to be remitted into the FSRA under the Telekosang ASEAN Green SRI Sukuk;
- (c) Junior Bonds Trustee’s Reimbursement Account Deposit and Sukuk Trustee’s Reimbursement Account Deposit under the Telekosang ASEAN Green SRI Sukuk; and
- (d) any other associated financing costs under Telekosang ASEAN Green Junior Bonds and Telekosang ASEAN Green SRI Sukuk.

Renewable Energy Power Purchase Agreement (TH1)	The renewable energy power purchase agreement dated 28 March 2018 entered into between TH1 with SESB (as may be amended or supplemented from time to time).
Renewable Energy Power Purchase Agreement (TH2)	The renewable energy power purchase agreement dated 28 March 2018 entered into between TH2 with SESB (as may be amended or supplemented from time to time).
REPPAs	The Renewable Energy Power Purchase Agreement (TH1) and Renewable Energy Power Purchase Agreement (TH2), and “ REPPA ” shall where the context so requires be a reference to any one or more of them.
Security Interests	Any mortgage, pledge, lien, charge, assignment, hypothecation or security interest or any other agreement or arrangement having a similar effect.
SESB	Sabah Electricity Sdn Bhd (Company No. 462872-W)
Shareholder	Senja Optima Sdn Bhd (Company No. 1091934-W)
Shareholder’s Funds	All shareholder’s equity contribution made directly or indirectly by the shareholder(s) into the Project Companies, whether in the form of ordinary share capital, redeemable preference shares, subordinated advances/financing and/or Telekosang ASEAN Green Junior Bonds in accordance with the terms of the relevant Transaction Documents.
Subordinated Loans/Advances	Any subordinated advances and indebtedness from its directors, shareholders, related companies and/or associated companies (other than the Intercompany Advances).
Telekosang ASEAN Green SRI Sukuk	The proposed Islamic medium term notes issuance of up to RM470,000,000.00 in nominal value under the Shariah principle of <i>Wakalah Bi Al-Istithmar</i> by the Issuer.
TH1 Project	The development, financing, design, engineering, procurement, construction, installation, testing, commissioning, ownership, operation and maintenance of hydroelectric energy generating

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	facilities with an installed capacity of 24MW and ancillary equipment and facilities thereof in Tenom, Sabah, to be undertaken by TH1.
TH2 Project	The development, financing, design, engineering, procurement, construction, installation, testing, commissioning, ownership, operation and maintenance of hydroelectric energy generating facilities with an installed capacity of 16MW and ancillary equipment and facilities thereof in Tenom, Sabah, to be undertaken by TH2.
Total Loss	A total loss or destruction of or damage to the whole (and not part only) of the Plants and it renders the whole (and not part only) of the Plants permanently unfit to generate cashflows and that the repair or remedial work is wholly uneconomical.
Transaction Documents	<p>Collectively, the following:</p> <ul style="list-style-type: none">(a) the Trust Deed;(b) the Facility Agreement;(c) the Subscription Agreement;(d) the Securities Lodgement Form; and(e) the Security Document; <p>and any other agreements entered or to be entered into between any of the Project Companies, the Trustee, the Principal Adviser/Lead Arranger, the Lead Manager, the Facility Agent and/or the Security Agent, as may be advised by the Solicitors and mutually agreed between the Project Companies and the Principal Adviser/Lead Arranger to be designated as a “Transaction Documents”.</p> <p>For purposes of the Telekosang ASEAN Green Junior Bonds, the Trust Deed and the Facility Agreement shall be entered into by both TH1 and TH2 with the Trustee, the Principal Adviser/Lead Arranger, the Lead Manager and/or the Facility Agent, as the case may be.</p>
Working Capital Facilities	To the extent constituting financial indebtedness, any lease or hire purchase, bank guarantee and/or working capital facilities made in the ordinary course of business by the Project Companies, provided that the aggregate amount of such financial indebtedness shall not exceed RM10,000,000.00.