

## Telekosang Hydro One Sdn Bhd ("TH1" or the "Issuer")

Islamic medium term notes issuance of up to RM470,000,000.00 in nominal value under the Shariah principle of Wakalah Bi Al-Istithmar (Telekosang ASEAN Green SRI Sukuk)

### Principal Terms and Conditions

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#### (A) CORPORATE INFORMATION OF ISSUER

- (1) Name : Telekosang Hydro One Sdn Bhd ("TH1" or the "Issuer")
- (2) Address : No. F-3-7, Block F, Lot 37, 3rd Floor, Lorong Plaza Utama Alamesra, 88400 Kota Kinabalu, Sabah.
- (3) Date of incorporation: 11 August 2017
- (4) Place of incorporation : Malaysia
- (5) Business registration number: 1242773-K
- (6) Residence status : Resident Controlled Company
- (7) Place of listing : Not Listed
- (8) Date of listing : Not Listed
- (9) Principal activities : To carry on the business of plan, develop, establish, erect, construct, acquire, operate, run, manage, hire, lease, buy, sell, maintain, enlarge, alter, renovate, modernise power plants for hydro and renewable energy.
- (10) Issued and paid-up share capital : As at 15 May 2019, the issued and paid-up share capital of the Issuer is RM2,550,264.50 comprising 71,500 ordinary shares and 2,500,000 redeemable preference shares.
- (11) Structure of shareholdings and names of shareholders or, in the case of a public company, names of all substantial shareholders : As at 15 May 2019, the shareholders of the Issuer and their shareholdings in the Issuer are as follows:
- (a) Ordinary Shareholding**
- | Name of shareholders        | Number of ordinary shares held | %    |
|-----------------------------|--------------------------------|------|
| Senja Optima Sdn Bhd        | 50,050                         | 70.0 |
| Inno Hydropower (T) Sdn Bhd | 21,450                         | 30.0 |

**(b) Preference Shareholding**

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Name of shareholders	Number of redeemable preference shares held	%
Jentayu Capital Sdn Bhd	2,500,000	100.0

(12) Board of directors :

No.	Name
1	Datuk Haji Jamalul Kiram bin Mohd Zakaria
2	Ronald Ong
3	Saridah binti Mohd Dun
4	Nurhaida binti Abu Sahid
5	Baevinraj Thiagarajah

Additional Notes:

As at 15 May 2019, the board of directors of the Issuer are as above.

(13) Disclosure of the following :

- (i) If the issuer or its board members have been convicted or charged with any offence under any securities laws, corporation laws or other laws involving fraud or dishonesty in a court of law, or if any action has been initiated against the issuer or its board members for breaches of the same, for the past ten years prior to the lodgement/ since :
- The Issuer and its board members have not been convicted or charged with any offence under any securities laws, corporation laws or other laws involving fraud or dishonesty in a court of law and no action has been initiated against the Issuer and its board members for breaches of the same, since incorporation.

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incorporation  
(for issuer  
incorporated  
less than ten  
years)

- (ii) If the issuer has: Not applicable  
been subjected  
to any action by  
the stock  
exchange for  
any breach of  
the listing  
requirements or  
rules issued by  
the stock  
exchange, for  
the past five  
years prior to  
the lodgement

## (B) PARTIES TO THE TRANSACTION

### (a) Origination

No.	Roles	Name of parties
1	Issuer	TH1
2	Principal Adviser	MIDF Amanah Investment Bank Berhad
3	Lead Arranger	MIDF Amanah Investment Bank Berhad ("MIDF Investment")
4	Solicitors	Messrs Shearn Delamore & Co
5	Financial Adviser	ZJ Advisory Sdn Bhd
6	Shariah Adviser	MIDF Investment (backed by MIDF Shariah Committee)
7	Sukuk Trustee	Malaysian Trustees Berhad
8	Security Agents	Malaysian Trustees Berhad
9	Credit Rating Agency	RAM Rating Services Berhad ("RAM")

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10	Reporting Accountant	Crowe Malaysia PLT
11	Tax Adviser	Crowe KL Tax Sdn Bhd
12	Technical Adviser	Advisian Malaysia Sdn Bhd
13	Insurance Adviser	Sterling Insurance Brokers Sdn Bhd
14	Other-Second Opinion Independent Expert Provider	RAM Consultancy Services Sdn Bhd

**(b) At the point of distribution**

No.	Roles	Name of parties
1	Issuer	TH1
2	Lead Manager	MIDF Investment and any other Lead Manager to be appointed prior to the issuance
3	Facility Agent	MIDF Investment
4	Central Depository	Bank Negara Malaysia ("BNM")
5	Paying Agent	BNM

**(c) After distribution**

No.	Roles	Name of parties
1	Issuer	TH1
2	Principal Adviser	MIDF Amanah Investment Bank Berhad
3	Solicitors	Messrs Shearn Delamore & Co
4	Shariah Adviser	MIDF Investment (backed by MIDF Shariah Committee)
5	Facility Agent	MIDF Investment

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6	Sukuk Trustee	Malaysian Trustees Berhad
7	Security Agents	Malaysian Trustees Berhad
8	Central Depository	BNM
9	Paying Agent	BNM
10	Credit Rating Agency	RAM
11	Technical Adviser	Advisian Malaysia Sdn Bhd
12	Insurance Adviser	Sterling Insurance Brokers Sdn Bhd

## (C) DETAILS OF FACILITY/PROGRAMME

- (1) Name of facility : Islamic medium term notes issuance of up to RM470,000,000.00 in nominal value under the Shariah principle of Wakalah Bi Al-Istithmar ("Telekosang ASEAN Green SRI Sukuk")
- (2) One-time issue or programme : One-time issue
- (3) Shariah principles (for sukuk) : 1. Wakalah bi al-Istithmar  
2. Murabahah (via Tawarruq arrangement)
- (4) Facility description (for ringgit-denominated sukuk, to provide description as cleared by the SC) : The issuance of the Telekosang ASEAN Green SRI Sukuk shall be effected as follows:
- Pursuant to a *Wakalah* agreement ("**Wakalah Agreement**") entered into between the Sukuk Trustee (acting on behalf of the investors ("**Sukukholders**")) and the Issuer, the Sukuk Trustee (acting on behalf of the Sukukholders) shall appoint the Issuer to act as its agent ("**Investment Wakeel**") to invest the Sukuk Proceeds (as defined herein) into *Wakalah* Investments (as defined herein). The Issuer shall issue the Telekosang ASEAN Green SRI Sukuk and the Sukukholders shall subscribe to the Telekosang ASEAN Green SRI Sukuk by paying the issue proceeds ("**Sukuk Proceeds**").
  - The Issuer, in its capacity as the Investment *Wakeel*, shall declare a trust over the Sukuk Proceeds and over the *Wakalah* Investments acquired using the Sukuk Proceeds. The Telekosang ASEAN Green SRI Sukuk shall represent the

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Sukukholders' undivided and proportionate beneficial interest in the trust assets which shall comprise (i) Sukuk Proceeds, (ii) the *Wakalah* Investments and (iii) the rights, title, interest, entitlement and benefit in, to and under the relevant Transaction Documents ("**Trust Assets**"). The Investment *Wakeel* shall invest the Sukuk Proceeds received from the Sukukholders into the *Wakalah* Investments which shall comprise of:

(i) The Issuer's Shariah-compliant business in relation to the design, construction, ownership, operation and maintenance of the Plants (as defined in item (p) of the section entitled "*Other Terms and Conditions*") ("**Shariah-compliant Business**") which shall represent the Sukukholders' interest in the Shariah-compliant Business; and

(ii) Shariah-compliant commodities ("**Commodities**") purchased and sold under the Shariah principle of *Murabahah* ("**Commodity Murabahah Investment**").

**Shariah-compliant Business**

Pursuant to the *Wakalah* Agreement, the Investment *Wakeel* shall invest part of the Sukuk Proceeds into the Issuer's Shariah-compliant Business. The value of the *Wakalah* Investments in respect of the Shariah-compliant Business should be at least 33% of the *Wakalah* Investments, subject to the valuation principles set out in the *Wakalah* Agreement.

For the avoidance of doubt, the above ratio of at least 33% of the value of the *Wakalah* Investments is only applicable at the point of initial investment for the Telekosang ASEAN Green SRI Sukuk, and does not need to be maintained throughout the tenure of the Telekosang ASEAN Green SRI Sukuk. However, the Investment *Wakeel* shall ensure that the Shariah-compliant Business shall at all times be a component of the *Wakalah* Investments.

During the tenure of the Telekosang ASEAN Green SRI Sukuk, each of the Project Companies shall ensure all *takaful* contracts/insurance policies that are required to be maintained or effected by it pursuant to the Transaction Documents and the Project Documents are in full force and effect. The *takaful* contracts/insurance policies shall be assigned to the Sukuk Trustee (for the benefit and acting on behalf of the Sukukholders) to secure the Telekosang ASEAN Green SRI Sukuk.

In this regard, in the event that there is a Total Loss (as defined in item (p) of the section entitled "*Other Terms and Conditions*") occurs, the proceeds from the *takaful* contracts/insurance policies shall be used to redeem the outstanding Telekosang ASEAN Green SRI Sukuk.

**Commodity Murabahah Investment**

The remaining balance of the Sukuk Proceeds shall be invested into the Commodity *Murabahah* Investment.

The Commodity *Murabahah* Investment shall be effected as follows:

(i) Pursuant to the Service Agency Agreement, the Sukuk Trustee shall appoint the Issuer as the Investment *Wakeel* of the Sukukholders to purchase and sell the Commodities. Subsequently, pursuant to the Facility Agency Agreement, the Investment *Wakeel* shall appoint the Facility Agent as its sub-agent/ sub-*wakeel* (on behalf of the Sukukholders) ("**Sub-Wakeel**") to purchase and sell the Commodities.

Pursuant to the Commodity *Murabahah* Investment Agreement to be entered into

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between the Issuer as the buyer ("**Buyer**"), the Sukuk Trustee on behalf of the Sukukholders, the Issuer as the Investment *Wakeel* and the Facility Agent as Sub-*Wakeel*, the Buyer shall issue a purchase order ("**Purchase Order**") to the Investment *Wakeel* and the Sukuk Trustee (both acting on behalf of the Sukukholders), and the Sub-*Wakeel* with an undertaking to purchase the Commodities from the Investment *Wakeel* (acting on behalf of the Sukukholders) through the Sub-*Wakeel* at the Deferred Sale Price (as defined herein).

(ii) Pursuant to the Purchase Order, the Investment *Wakeel* (on behalf of the Sukukholders), through the Sub-*Wakeel*, will purchase, via the commodity trading participant ("**CTP**"), the Commodities on spot basis from a commodity supplier ("**Commodity Supplier**") in the Bursa *Suq Al-Sila'* or any other recognised commodity trading platform acceptable by the Shariah Adviser at a purchase price equivalent to the remaining balance of the Sukuk Proceeds in excess of the amount invested in the Shariah-compliant Business ("**Commodity Purchase Price**").

(iii) Upon acquiring the Commodities, the Investment *Wakeel* (on behalf of the Sukukholders), through the Sub-*Wakeel*, will thereafter sell the Commodities to the Buyer at **Deferred Sale Price** which is a price equivalent to the Commodity Purchase Price plus the profit margin and shall be payable on deferred payment basis. For the avoidance of doubt, the Deferred Sale Price shall equal to the aggregate sum of the Expected Periodic Distribution Amount (as defined in item (e) of the section entitled "*Other Terms and Conditions*") if any, and the nominal value of the relevant series of the Telekosang ASEAN Green SRI Sukuk.

(iv) Upon the purchase of the Commodities, the Buyer via the CTP, will immediately sell the Commodities to Bursa Malaysia Islamic Services Sdn Bhd ("**BMIS**") or any other recognised commodity buyer (other than the Commodity Supplier) ("**Commodity Buyer**") on spot basis for cash, equivalent to the Commodity Purchase Price.

3. In respect of such series of the Telekosang ASEAN Green SRI Sukuk with profit, returns generated from the *Wakalah* Investments up to the Expected Periodic Distribution Amount shall be distributed periodically to the Sukukholders in the form of periodic distributions ("**Periodic Distributions**"). The Periodic Distributions of the relevant series of the Telekosang ASEAN Green SRI Sukuk shall be distributed semi-annually or such other period to be determined prior to issue date of the relevant series of the Telekosang ASEAN Green SRI Sukuk (each such date for distribution, a "**Periodic Distribution Date**").

In respect of such series of the Telekosang ASEAN Green SRI Sukuk without profit, returns generated from the *Wakalah* Investments up to the Expected Periodic Distribution Amount shall be distributed on a one-off basis upon the respective maturity dates of the relevant series ("**Scheduled Dissolution Date**") or the Dissolution Declaration Date (as described in the section entitled "*Events of default or enforcement events, where applicable, including recourse available to investors*").

On (i) each Periodic Distribution Date; (ii) the Scheduled Dissolution Date; or (iii) the Dissolution Declaration Date, as the case may be, any returns from the *Wakalah* Investments in excess of the Expected Periodic Distribution Amount distributable and/or the Dissolution Distribution Amount (as defined in item (f) of the section entitled "*Other Terms and Conditions*") due and payable under the Telekosang ASEAN Green SRI Sukuk shall be waived by the Sukukholders and

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retained by the Issuer as an incentive fee for its services as Investment *Wakeel* in managing the *Wakalah* Investments under the *Wakalah* Agreement.

4. Separately from the *Wakalah* arrangement, the Issuer (as the Obligor) shall grant a purchase undertaking ("**Purchase Undertaking**") to the Sukuk Trustee (for the benefit of the Sukukholders), whereby on the Scheduled Dissolution Date or the Dissolution Declaration Date, whichever is the earlier, the Obligor shall purchase the Sukukholders' undivided and proportionate beneficial interest in the Shariah-compliant Business at the Exercise Price (as defined in item (g) of the section entitled "*Other Terms and Conditions*") by entering into a sale agreement ("**Sale Agreement**"). The Purchase Undertaking when exercised by the Issuer as the Obligor signifies the dissolution of the *Wakalah* Agreement. Subsequently, the Investment *Wakeel*'s obligation pursuant to the *Wakalah* Agreement will be discharged and the Trust Assets shall be returned to the Sukukholders as the rightful party.

For the avoidance of doubt, any double counting shall be disregarded.

Proceeds of the *Wakalah* Investments which are the Exercise Price, the Deferred Sale Price and any returns generated shall be utilised to redeem the Telekosang ASEAN Green SRI Sukuk at the Dissolution Distribution Amount on the Scheduled Dissolution Date or the Dissolution Declaration Date, as the case may be. Any excess in respect of proceeds of the *Wakalah* Investments thereof shall be waived by the Sukukholders and retained by the Investment *Wakeel* as incentive fee.

Upon full payment of all amounts due and payable under the Telekosang ASEAN Green SRI Sukuk or upon payment by the Obligor to the Sukuk Trustee (for the benefit of the Sukukholders) the Exercise Price pursuant to the Purchase Undertaking, the relevant Telekosang ASEAN Green SRI Sukuk held by the Sukukholders will be cancelled.

A diagrammatical illustration of the transaction structure is set out in Appendix 1.

- |  |   |                          |
|--|---|--------------------------|
| (5) Currency   | : | Ringgit                  |
| (6) Expected facility/<br>programme size                 | : | Up to MYR 470,000,000.00 |
| (7) Option to upsize (for :<br>programme)                | : | No                       |
| (8) Tenure of facility/<br>programme                     | : | 18 year(s)               |
| (9) Availability period for:<br>debt/ sukuk<br>programme | : | Not applicable           |



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- (10) Clearing and settlement platform : Paynet
- (11) Mode of issue : ☒ Private/direct placement  
☒ Bought deal  
☒ Book building
- (12) Selling restrictions : (i) At issuance:  
☒ Part 1 of Schedule 6 of the Capital Markets & Services Act, 2007 (CMSA)  
☒ Part 1 of Schedule 7 of the CMSA  
☒ Read together with Schedule 9 of CMSA  
☒ Section 2(6) of the Companies Act 2016  
(ii) After issuance:  
☒ Part 1 of Schedule 6 of the CMSA  
☒ Read together with Schedule 9 of CMSA  
☒ Section 2(6) of the Companies Act 2016
- (13) Tradability and transferability : Size in Ringgit which are tradable and transferable:  
MYR 470,000,000.00  
Size in Ringgit which are non-tradable and non-transferable:  
Not applicable
- (14) Secured/combinatio : The Telekosang ASEAN Green SRI Sukuk shall be secured by the following  
n of unsecured and securities (collectively, the "**Security Documents**"):  
secured, if applicable  
(a) a first ranking assignment and charge of all of each Project Company's rights, interests, titles and benefits under the Project Documents including all performance and/or maintenance bonds issued or to be issued to each Project Company in relation to each of the Projects and all other guarantees, advance payment bonds and other forms of payment or performance security issued in favour of the Project Companies pursuant to any Project Documents and the proceeds received therefrom;  
(b) a first ranking assignment and charge over each Project Company's Designated Accounts and the credit balances therein and the Permitted Investments (as defined in the section entitled "*Permitted investments, if applicable*");  
(c) a first ranking debenture comprising a fixed and floating charge over all present and future assets of each Project Company, excluding the following:  
(i) the Interconnection Facilities (as defined in the REPPAs (as defined in item (p) of the section entitled "*Other Terms and Conditions*")) which are to be transferred to SESB (as defined in item (p) of the section entitled "*Other Terms and Conditions*") under the REPPAs; and  
(ii) the Issuer's junior bonds finance service reserve account ("**Junior Bonds FSRA**") and the credit balances therein;

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(d) a first ranking assignment and charge of all *takaful* contracts/insurance policies (with preference wherever possible to *takaful* contracts) undertaken or to be undertaken by each Project Company;

(e) a first ranking assignment and charge of the Intercompany Financing Agreements (as defined in item (p) of the section entitled "*Other Terms and Conditions*"); and

(f) such other security as may be and to be mutually agreed between the Principal Adviser/Lead Arranger and the Project Companies.

(15) Details of guarantee, if applicable : Not guaranteed

(16) Convertibility of issuance and details of the convertibility : Non-convertible

(17) Exchangeability of issuance and details of the exchangeability : Non-exchangeable

(18) Call option and details, if applicable : No call option

(19) Put option and details, if applicable : No put option

(20) Details of covenants : Positive Covenants

Each Project Company covenants that so long as the Telekosang ASEAN Green SRI Sukuk are outstanding, it shall:

(a) obtain, maintain and comply with all government approvals and any additional governmental authorisations, consents, rights, licences, approvals and permits as shall now or hereafter be required under applicable laws, where failure to do so has or might have a Material Adverse Effect (as defined in item (p) of the section entitled "*Other Terms and Conditions*"),

(i) to enable each Project Company to lawfully enter into, and exercise its rights and perform its obligations under the Transaction Documents and the Project Documents;

(ii) to maintain the due legality, validity, binding effect and enforceability of each Project Company's obligations under the Transaction Documents and the Project Documents and the priority or rights of the Sukukholders under the Transaction Documents; and

(iii) to enable each Project Company to own, operate and maintain the respective

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Project and its assets and carry on its business;

(b) obtain and maintain good and valid occupation permit ("**Occupation Permit**") issued by the Chief Conservator of Forests, Sabah (or any forest officer authorised by him) ("**Chief Conservator of Forests**") throughout the construction and implementation of the Project and renew the same on a timely basis, where applicable, and to comply with the terms and perform its obligations thereunder at all times;

(c) at all times upon request by the Sukuk Trustee execute or cause to be executed all such further documents and do all such further acts, as are reasonably necessary to give further effect to the terms and conditions of the Transaction Documents and the Project Documents;

(d) 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 of the power industry and in accordance with its constitutional documents;

(e) perform each of its obligations under each of the Project Documents and the Transaction Documents to which it is a party (including but not limited to redeeming the Telekosang ASEAN Green SRI Sukuk on the relevant maturity dates or any other date on which the Telekosang ASEAN Green SRI Sukuk are due and payable) and shall, to the extent within its reasonable control, procure the other parties to the Project Documents to comply with their respective obligations thereunder where failure to do so has or might have a Material Adverse Effect and ensure that it shall immediately notify the Sukuk Trustee in the event it is unable to fulfil or comply with any of the provisions of the Transaction Documents and/or Project Documents;

(f) take out and maintain at all times such relevant *takaful* contracts/insurance policies (with preference wherever possible to *takaful* contracts) that are required for the Project;

(g) prepare its financial statements on a basis consistently applied in accordance with the Malaysian Financial Reporting Standards and those financial statements shall give a true and fair view of its results of the operations for the period to which the financial statements are made up and shall provide against all liabilities;

(h) maintain an accounting system and records in compliance with applicable statutory requirements and in accordance with the Malaysian Financial Reporting Standards which are adequate to record and reflect its operations and financial condition and it will permit upon reasonable request by the Sukuk Trustee with prior notice to have access to and to inspect its books of accounts and records relating to its business to the extent permitted by law;

(i) open and maintain the required Designated Accounts, pay all relevant amounts into such Designated Accounts, make all payments from such Designated Accounts only as permitted under the Transaction Documents, and comply with the terms and conditions of the Transaction Documents in all matters concerning the Designated Accounts;

(j) comply with all applicable laws, regulations and guidelines, including but not limited to, all environmental laws, the environmental management plan and environmental licences;

(k) deliver to the Sukuk Trustee a copy of the generation licence issued by Energy

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Commission ("EC") and/or relevant authorities for the operation of the respective Plant ("**Generation Licence**") in accordance with the provisions as set out in item (o) of the section entitled "*Other Terms and Conditions*". Thereafter, it shall maintain or cause to be maintained in full force and effect and shall comply with the Generation Licence for the purposes of the Project;

(l) to the extent required by applicable laws and regulations, timely file all tax returns that are required to be filed by it and pay all taxes, fees and other charges imposed on it by any relevant governmental authority (other than taxes, fees and other charges the payment of which are not yet due or which are being contested in good faith and for which adequate, segregated reserves have been established);

(m) preserve and maintain good and valid title to all of its assets, free and clear of any Security Interests (as defined in item (p) of the section entitled "*Other Terms and Conditions*") other than the Permitted Security Interests (as defined in item (p) of the section entitled "*Other Terms and Conditions*");

(n) ensure that the terms in the Transaction Documents do not contain any matter which is inconsistent with the provisions of the Information Memorandum in any material respect;

(o) procure that the Projects are constructed, operated and maintained in accordance with the Project Documents, good industry practice and applicable laws;

(p) cause the Subordinated Loans/Advances (as defined in item (p) of the section entitled "*Other Terms and Conditions*") to be subordinated to the Telekosang ASEAN Green SRI Sukuk and no payment and/or prepayment of such loans/advances shall be made unless otherwise provided and permitted under the Transaction Documents;

(q) ensure/procure that the Shareholder maintain its current ordinary shareholding in the Project Companies for a period of five (5) years from the All Plant FiT Commencement Date (as defined in item (p) of the section entitled "*Other Terms and Conditions*"). After the 5th anniversary of the All Plant FiT Commencement Date, any change in ownership and control of the Issuer shall be subject to at least 51% of the issued and paid-up ordinary share capital of the Issuer being directly or indirectly owned by the Shareholder;

(r) utilise the proceeds of the Telekosang ASEAN Green SRI Sukuk only as permitted under the Transaction Documents; and

(s) any other covenants to be mutually agreed between the Project Companies and the Principal Adviser/Lead Arranger.

### ***Covenants applicable to the Issuer only:***

The Issuer covenants that so long as the Telekosang ASEAN Green SRI Sukuk are outstanding, it shall:

(a) at all times maintain a Paying Agent with a specified office in Malaysia;

(b) procure that the Paying Agent will notify the Sukuk Trustee through the Facility Agent in writing in the event that the Paying Agent does not receive payment from the Issuer on the due dates as required under the Transaction Documents and the terms and conditions of the Telekosang ASEAN Green SRI Sukuk;

(c) promptly comply with all applicable provisions of the Capital Markets and

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Services Act, 2007 and/or the notes, circulars, conditions or guidelines issued by SC, BNM and any other relevant regulatory authorities from time to time in relation to the Telekosang ASEAN Green SRI Sukuk;

(d) maintain at all times throughout the tenure of the Telekosang ASEAN Green SRI Sukuk, the Sukuk Trustee's Reimbursement Account;

(e) comply at all times with the ASEAN Green Bond Standards issued by ASEAN Capital Markets Forum, as revised or amended from time to time ("**ASEAN GBS**") and the Sustainable and Responsible Investment (SRI) Framework issued by the SC ("**SRI Framework**"), as revised and amended from time to time; and

(f) any other covenants to be mutually agreed between the Issuer and the Principal Adviser/Lead Arranger.

### Negative covenants

Each Project Company covenants that so long as the Telekosang ASEAN Green SRI Sukuk are outstanding, it shall not, without the prior written consent of the Sukuk Trustee (acting on the instruction of the Sukukholders by way of extraordinary resolution):

(a) incur or permit to exist any indebtedness for borrowed moneys/financing including Islamic financing or enter into any derivative transactions or give any guarantee in respect of any indebtedness of any person other than (i) the Telekosang ASEAN Green SRI Sukuk and (ii) the Permitted Indebtedness (as defined in item (p) of the section entitled "*Other Terms and Conditions*");

(b) create or attempt or permit or agree to subsist any Security Interests over any of its property, assets, rights or undertaking, or all or any part of the assets in respect of the Project, or enter into any other preferential arrangement with any person having a similar effect other than the Permitted Security Interests;

(c) sell, transfer, lease or otherwise assign, deal with or dispose of all or any part of its business or all or any part of its assets (or agree to do any of the foregoing) whether by a single transaction or by a number of transactions whether related or not, or permit a set off (other than by operation of law) or combination of accounts (in respect of its book debts) except:

(i) sale of Metered Renewable Energy (as defined in the REPPAs) pursuant to the REPPAs;

(ii) the transfer of the Interconnection Facilities to SESB pursuant to the REPPAs;

(iii) disposal of such businesses or assets due to obsolescence and/or deterioration which will not have any Material Adverse Effect;

(iv) where the sale, transfer or lease is solely for the purposes of facilitating Shariah concepts used in Islamic financing facilities which constitute Permitted Indebtedness granted to the Project Company, is on customary terms and has no adverse consequences for the Project Company; or

(v) as permitted under the Telekosang ASEAN Green SRI Sukuk and the Transaction Documents;

(d) save and except for the redeemable preference shares to be issued in connection with the Project, reduce or in any way whatsoever alter (except increase), its paid-up share capital whether by varying the amount, structure or

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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;

(e) have any subsidiaries;

(f) except as required by applicable law, permit any amendment, supplement or variation to its constitutional documents in a manner which may be materially prejudicial to the interests of the Sukukholders;

(g) unless permitted under the Transaction Documents provide Islamic financing/lend any money to any party. For the avoidance of doubt, the Intercompany Advances are deemed to be permitted under the Transaction Documents;

(h) enter into any transactions or agreement, other than:

(i) those permitted under the Transaction Documents and Project Documents;

(ii) on arm's length commercial terms in the ordinary course of business; and

(iii) where such transaction or agreement would not have a Material Adverse Effect;

(i) enter into any consolidation or amalgamation with, or merger with or into, or transfer all or part of its assets (unless permitted under paragraph (c) above) to another entity or enter into any reconstruction, or winding up;

(j) voluntarily enter into, commence or institute for its dissolution or for the appointment of a receiver, receiver and manager, liquidator, judicial manager or such similar officer in the Project Company;

(k) open or maintain any bank accounts other than the Designated Accounts, the Sukuk Trustee's Reimbursement Account, the Junior Bonds Trustee's Reimbursement Account and the Junior Bonds FSRA;

(l) suspend, amend, modify or vary or agree to any suspension of, or any amendment, modification or variation to, or abandon, or issue or agree to any change order or variation order being issued under, or set off, forebear or waive compliance with, any provision of any Project Documents or serve any notice of breach or default or suspension under any Project Documents that may result in a Material Adverse Effect;

(m) grant any tenancy, licence or right to occupy or otherwise, part with title to or possession of any of the assets of each Project Companies;

(n) make any transfers in order to declare or pay any dividend or make any distribution whether income or capital in nature to its directors/shareholders/related companies/associated companies or redeem or cancel via capital reduction any redeemable preference shares or make any payments (whether in relation to principal, profit/interest or otherwise) in connection with Subordinated Loans/Advances ("**Restricted Payments**") unless the Project Company certifies to the Sukuk Trustee that all of the following conditions are fully satisfied on such date of Restricted Payments ("**Restricted Payments Date**"):

(i) the All Plant FiT Commencement Date shall have been achieved;

(ii) the first scheduled principal payment under the Telekosang ASEAN Green SRI Sukuk has been redeemed in full;

## Principal Terms and Conditions

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- (iii) no Event of Default or Potential Event of Default (as defined in item (p) of the section entitled "*Other Terms and Conditions*") has occurred and is continuing;
  - (iv) the FSRA (as defined in the section entitled "*Details of designated account(s), if applicable*") is fully funded in accordance with the FSRA provisions as set out therein;
  - (v) the Project Co MRA (as defined in the section entitled "*Details of designated account(s), if applicable*") is fully funded in accordance with the Project Co MRA provisions as set out therein;
  - (vi) the Junior Bonds FSRA is fully funded under the Telekosang ASEAN Green Junior Bonds;
  - (vii) the Projects Subordination Distribution FSCR (as defined in the section entitled "*Financial Covenants*") would be at least 1.45 times; and
  - (viii) all conditions subsequent as set out in item (o) of the section entitled "*Other Terms and Conditions*" have been complied with,
- (collectively, the "**Distribution Covenants**");

For the avoidance of doubt, any payment of the Intercompany Advances shall be excluded from the requirements to comply with the Distribution Covenants; and

(o) any other covenants as mutually agreed between the Project Company and the Principal Adviser/Lead Arranger.

### ***Covenants applicable to the Issuer only:***

The Issuer covenants that so long as the Telekosang ASEAN Green SRI Sukuk are outstanding, it shall not:

- (a) change the utilisation of the proceeds of the Telekosang ASEAN Green SRI Sukuk from the purposes specified in the Transaction Documents;
- (b) enter into a transaction, whether directly or indirectly with interested persons (including a director, major shareholder, chief executive or persons connected with them) unless:
  - (i) such transaction shall be on terms that are no less favourable to the Issuer than those which could have been obtained in a comparable transaction from persons who are not interested persons;
  - (ii) with respect to transactions involving an aggregate payment or value equal to or greater than RM10,000,000.00, the Issuer obtains certification from an independent adviser, acceptable to the Sukuk Trustee, that the transaction is carried out on fair and reasonable terms, provided that the Issuer certifies to the Sukuk Trustee that the transaction complies with sub-paragraph (i) above, that the Issuer has received the certification referred to in this sub-paragraph (ii) (where applicable) and that the transaction has been approved by the majority of the board of directors or shareholders in a general meeting as the case may require; and
  - (iii) any other covenants to be mutually agreed between the Issuer and the Principal Adviser/Lead Arranger.

## Financial Covenants

### **(a) Projects Finance Service Cover Ratio ("Projects FSCR")**

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On each Projects FSCR Determination Date, the Issuer shall ensure that the Projects FSCR is not less than 1.25 times.

Projects FSCR is defined as A/B where:

A = the preceding twelve (12) months "**Net Available Cash**"; and

B = the preceding twelve (12) months "**Finance Service**".

"**Net Available Cash**" for the relevant period will be calculated as:

- (i) All revenue (including non-recurring or extraordinary incomes) received by each of the Project Companies; plus
- (ii) All profit/interest income earned on all cash balances and Permitted Investments; plus
- (iii) All cash balances in the Designated Accounts and the nominal value of any Permitted Investments remitted from the Designated Accounts at the beginning of the relevant twelve (12)-month period; plus
- (iv) Any loss of revenue *takafull*/insurance proceeds received or to be received by the Project Companies; plus
- (v) Amounts received in respect of liquidated damages from the EPCC Contractor, O&M Operator and/or any other relevant counterparties (if any); less
- (vi) All operating and maintenance expenses, capital expenses, taxes, duties, working capital requirements and liquidated damages paid by the respective Project Companies pursuant to the respective REPPA (if any); less
- (vii) Any other associated financing costs (such as agency and consultant fees).

"**Finance Service**" for the relevant period will be calculated as the sum of all interest, coupons, profit, principal and commitment fees in relation to the Telekosang ASEAN Green SRI Sukuk and the Working Capital Facilities as defined in item (p) of the section entitled "*Other Terms and Conditions*" for the relevant period, but excluding any associated financing costs captured in the Net Available Cash.

"**Projects FSCR Determination Date**" means the First Projects FSCR Determination Date and thereafter, each anniversary of the First Projects FSCR Determination Date. The "**First Projects FSCR Determination Date**" shall be the last day of the financial year end of the Issuer after All Plant FIT Commencement Date.

For the avoidance of doubt, any double counting shall be disregarded.

### **(b) Projects Subordination Distribution FSCR**

The Issuer shall ensure the Projects Subordination Distribution FSCR is not less than 1.45 times prior to any Restricted Payments by the Project Companies.

Projects Subordination Distribution FSCR is to be calculated on the **Calculation Date** for the Restricted Payments which shall be based on the ratio of (C+D+E)/(C+F), whereby:

"**Calculation Date**" means a date that is not more than five (5) business days before the Restricted Payments Date.



## Principal Terms and Conditions

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C = "**Actual Total Finance Service**" is the actual aggregate of all interest, coupons, profit, principal and commitment fees paid by the Project Companies under the Telekosang ASEAN Green SRI Sukuk, the Telekosang ASEAN Green Junior Bonds and the Working Capital Facilities from the day after the last principal and Periodic Distributions payment date up to the day before the Calculation Date.

D = "**Opening Balances**" is the opening cash balances in the Designated Accounts and the Junior Bonds FSRA as at the beginning of the Calculation Date.

E = "**Projected Pre-financing Cashflow**" is the projected cashflow before financing (net of the Restricted Payments) of the Project Companies from the Calculation Date up to and including the next principal and Periodic Distributions payment date.

F = "**Projected Total Finance Service**" is the projected aggregate of:

(i) all interest, coupons, profit, principal and commitment fees payable by the Project Companies under the Telekosang ASEAN Green SRI Sukuk and the Working Capital Facilities from the Calculation Date up to and including the next principal and Periodic Distributions payment date ("**Payments After Calculation Date**");

(ii) all interest, coupons, profit, principal and commitment fees payable by the Issuer under the Telekosang ASEAN Green Junior Bonds from the Calculation Date up to and including the next principal and Periodic Distributions payment date; and

(iii) 0.65 times of the aggregate of:

(1) the Payments After Calculation Date; and

(2) all interest, coupons, profit, principal and commitment fees paid by the Project Companies under the Telekosang ASEAN Green SRI Sukuk and the Working Capital Facilities from the day after the last principal and Periodic Distributions payment date up to the day before the Calculation Date.

For avoidance of doubt, (C+F) should include 1.65 times of all interest, coupons, profit, principal and commitment fees payable by the Project Companies under the Telekosang ASEAN Green SRI Sukuk and the Working Capital Facilities during the twelve (12)-month calculation period for each calculation. Any double counting for the Projects Subordination Distribution FSCR shall be disregarded.

The Issuer shall on Calculation Date provide a certificate to the Sukuk Trustee, confirming compliance of all Distribution Covenants together with the computation of the Projects Subordination Distribution FSCR which such certificate shall be confirmed by at least two (2) directors of the Issuer.

### **(c) Projects Finance to Equity Ratio ("Projects FE Ratio")**

The Issuer shall ensure the Projects FE Ratio is not more than 80:20.

The Projects FE Ratio is defined as:

(i) the aggregate outstanding nominal value of the Telekosang ASEAN Green SRI Sukuk payable by the Issuer; to

(ii) Shareholder's Funds (as defined in item (p) of the section entitled "*Other Terms and Conditions*" below).

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The Issuer shall deliver to the Sukuk Trustee a compliance certificate on an annual basis, as soon as the latest audited financial statements of the Issuer are available, which certificate shall be signed by at least two (2) directors of the Issuer certifying the compliance and the computation of the Projects FSCR and Projects FE Ratio. For the avoidance of doubt, the first computation shall commence after the All Plant FiT Commencement Date.

### Information Covenants

Each of the Project Company covenant that so long as the Telekosang ASEAN Green SRI Sukuk are outstanding, it shall:

- (a) as soon as the audited financial statements are available, but in any event, within one hundred and eighty (180) days after the end of each respective financial year, supply to the Sukuk Trustee and Credit Rating Agency copies of the financial statements of the Project Company in respect of such financial year audited by a firm of independent certified public auditors approved by the Sukuk Trustee;
- (b) as soon as the unaudited semi-annual financial statements are available, but in any event within ninety (90) days after the end of each of their respective financial half year, supply to the Sukuk Trustee and Credit Rating Agency copies of unaudited semi-annual financial statements for that financial half year of the Project Company prepared on a basis consistent with its audited financial statements and duly certified by any two (2) of its directors;
- (c) deliver to the Sukuk Trustee, promptly on request, such other information which the Sukuk Trustee may reasonably require in order to discharge its duties and obligations in accordance with the Trust Deed relating to the Project Company's affairs to the extent permitted by law and would not result in the Project Company breaching any stock exchange requirements, duty of confidentiality or confidentiality obligations;
- (d) deliver to the Sukuk Trustee the annual approved budget for the relevant financial period ("**Annual Approved Budget**"), duly confirmed and certified by two (2) directors of the Project Company of which the first Annual Approved Budget shall be delivered to the Sukuk Trustee within two (2) months prior to FiT Commencement Date and subsequently, within one (1) month prior to the financial year end of the Project Company. The total cost and expenses in the Annual Approved Budget should be based on the Cash Flows Projections to be included in the Information Memorandum. The actual total cost and expenses (save for the variable operating cost as set out in the O&M Agreement, taxes and duties) to be incurred by the Project Company for the relevant period shall not, without the consent of the Sukukholders, exceed the amounts set out in the Annual Approved Budget by more than ten percent (10%) per annum ("**Approved Variance**");
- (e) promptly supply to the Sukuk Trustee of copies of any accounts (other than those provided above), reports, notice, statements or circulars issued by the Project Company to its shareholders. Such accounts, reports, notices, statements or circulars may be circulated by the Sukuk Trustee at its discretion to Sukukholders and the Credit Rating Agency;
- (f) promptly notify the Sukuk Trustee of any change in the board of directors of the Project Company;
- (g) promptly notify the Sukuk Trustee of any litigation, arbitration or administrative

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proceeding as referred to in paragraphs (f) and (g) of the section entitled "*Representations and Warranties*";

(h) promptly notify the Security Agent in writing of any change in the authorised signatories of the Project Company to any of the Designated Accounts, if applicable;

(i) promptly notify the Security Agent and the Sukuk Trustee upon becoming aware of any Event of Default or Potential Event of Default;

(j) when the Project Company delivers its audited financial statements in accordance with paragraph (a) of the section entitled "*Information Covenants*", supply to the Sukuk Trustee a certificate signed by at least two (2) directors certifying that:

(i) since the date of the previous certificate (or, in the case of the first certificate, since the issue date of the Telekosang ASEAN Green SRI Sukuk), no Event of Default or enforcement under any Transaction Documents to which it is a party exists (or if such event is in existence, specifying such event and the steps, if any, being taken to remedy it); and/or

(ii) the Project Company has observed, performed and complied with all of its covenants (including financial covenants and the details computation of such financial covenants) and other relevant obligations under the Transaction Documents;

(k) promptly upon the Project Company becoming aware, notify the Security Agent and the Sukuk Trustee of any default notices, suspension notices, force majeure notices, change in law notices and termination notices in relation to the Project Documents received or issued by the Project Company;

(l) promptly upon the Project Company obtaining knowledge thereof, notify the Security Agent and the Sukuk Trustee of any breach, suspension, abandonment, termination, rescission, discharge (otherwise than by performance), supplement, novation, amendment, modification or waiver in writing of, or indulgence in writing under, any provision of any Project Document or any variation order issued under any Project Document which may result in a Material Adverse Effect;

(m) promptly upon the Project Company becoming aware, notify the Sukuk Trustee of:

(i) any change in its withholding tax position or tax jurisdiction;

(ii) any substantial change in the nature of the business of the Project Company;

(iii) any change in the use of the proceeds arising from the Telekosang ASEAN Green SRI Sukuk and the details of such change in use as set out in the Transaction Documents or the Information Memorandum;

(iv) any other matter that may materially prejudice the interests of the Sukukholders under the Transaction Documents;

(v) any circumstance that has occurred that would materially prejudice the Project Company or the Security Interests created under the Security Documents;

(vi) any change in the name of any of the Project Companies;

(vii) the occurrence of any event that has caused or could cause, one or more of the following:

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- (aa) any amount secured or payable under the Telekosang ASEAN Green SRI Sukuk to become immediately payable;
- (bb) the Telekosang ASEAN Green SRI Sukuk or the Security Interests created for the Telekosang ASEAN Green SRI Sukuk to become immediately enforceable; or
- (cc) any other right or remedy under the terms, provisions or covenants of the Telekosang ASEAN Green SRI Sukuk to become immediately enforceable;
- (n) until the FiT Commencement Date of the relevant Plant has been achieved, provide to the Sukuk Trustee and the Credit Rating Agency, every quarter a progress report prepared by the Technical Adviser;
- (o) in respect of the SRI Framework, the Issuer must provide annual reporting and external review of annual reporting, if any, on a website designated by the Issuer on the following:
  - (i) the original amount earmarked for the Eligible Green SRI Projects (as defined in item (p) of the section entitled "*Other Terms and Conditions*");
  - (ii) the amount utilised for the Eligible Green SRI Projects;
  - (iii) the unutilised amount and where such unutilised amount is placed or invested pending utilisation; and
  - (iv) where feasible and to the extent possible, the impact objectives from the Eligible Green SRI Projects;
- (p) in respect of the ASEAN GBS:
  - (i) 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 the Telekosang ASEAN Green SRI Sukuk:
    - (aa) the process for project evaluation;
    - (bb) at least on an annual basis until full allocation and as necessary thereafter in the event of material developments, the use of proceeds; and
    - (cc) external review report on the process (if any).
  - (ii) The Issuer shall appoint an auditor or other third party to verify the Issuer's management of proceeds and ensure that the report produced by the auditor or other third party be made publicly available on a website designated by the Issuer;
  - (iii) The Issuer must clearly communicate to investors:
    - (aa) the environmental sustainability objectives;
    - (bb) the process by which the Issuer determines how the Projects fit within the Eligible Green SRI Projects categories as set out in the ASEAN GBS;
    - (cc) the related eligibility criteria, including, if applicable the exclusion criteria or any other process applied to identify and manage potentially material environmental and social risk associated with the Eligible Green SRI Projects; and
    - (dd) the use of proceeds of the Telekosang ASEAN Green SRI Sukuk until full allocation thereof for the Eligible Green SRI Projects; and
  - (q) any other covenants to be mutually agreed between the Project Company and the Principal Adviser/Lead Arranger.

**Islamic medium term notes issuance of up to RM470,000,000.00 in nominal value under the Shariah principle of Wakalah Bi Al-Istithmar (Telekosang ASEAN Green SRI Sukuk)**

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(21) Details of : Name of account:  
designated account, Issuer Collection Account ("CA")  
if applicable

Parties responsible for opening the account:  
Issuer

Parties responsible for maintaining/operating account:  
Security Agent

Signatories to account:  
Security Agent

Sources of funds:  
The following shall be deposited into the CA:

(i) the balance proceeds from the Telekosang ASEAN Green SRI Sukuk on the issue date after (i) depositing the RM30,000.00 into the Sukuk Trustee's Reimbursement Account ("**Sukuk Trustee's Reimbursement Account Deposit**"); (ii) deducting all fees, expenses and all other amounts in connection with the Telekosang ASEAN Green SRI Sukuk accrued prior to the issuance of the Telekosang ASEAN Green SRI Sukuk; and (iii) the initial deposit to be remitted into the FSRA equivalent to the profit due in the next six (6) months;

(ii) the balance proceeds from the Telekosang ASEAN Green Junior Bonds on the issue date after (i) depositing the RM30,000.00 into the Junior Bonds Trustee's Reimbursement Account ("**Junior Bonds Trustee's Reimbursement Account Deposit**"); and (ii) deducting all fees, expenses and all other amounts in connection with the Telekosang ASEAN Green Junior Bonds accrued prior to the issuance of the Telekosang ASEAN Green Junior Bonds;

(iii) transfer from the Project Co RA for amounts required to meet the FSRA Minimum Required Balance and amounts which are at least equivalent to the relevant portion of the Periodic Distributions and principal amounts under the Telekosang ASEAN Green SRI Sukuk;

(iv) amounts released from the FSRA in excess of the FSRA Minimum Required Balance; and

(v) nominal amounts together with profits/returns received from Permitted Investments made from the CA.

Utilisation of funds:  
The funds in the CA shall be used for the following, in order of priority:

(i) transfer to each Project Co PA, being the amount equivalent to the relevant Project Cost on the issue date of the Telekosang ASEAN Green SRI Sukuk;

(ii) payment of Periodic Distributions and principal amounts payable under the Telekosang ASEAN Green SRI Sukuk;

(iii) transfer to the FSRA to meet the FSRA Minimum Required Balance;

(iv) purchase of the Telekosang ASEAN Green SRI Sukuk by the Issuer in accordance with the "Provisions on buyback" and "Provisions on early redemption"; and

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(v) for Permitted Investments.

(22) Details of designated account, if applicable : Name of account:  
Finance Service Reserve Account ("FSRA")

Parties responsible for opening the account:  
Issuer

Parties responsible for maintaining/operating account:  
Security Agent

Signatories to account:

Security Agent

Sources of funds:

The following shall be deposited into the FSRA:

(i) an initial deposit equivalent to the profit due in the next six (6) months to be captured from the proceeds of the Telekosang ASEAN Green SRI Sukuk;

(ii) transfer from the CA for amounts equivalent to the Periodic Distributions and principal of the Telekosang ASEAN Green SRI Sukuk due in the next six (6) months ("**FSRA Minimum Required Balance**") or amount required to top up the FSRA Minimum Required Balance; and

(iii) nominal amounts together with profits/returns received from Permitted Investments made from the FSRA.

Utilisation of funds:

(i) The monies in the FSRA may be withdrawn to the extent that funds in the CA are insufficient to fulfil the Issuer's payment obligations in respect of the Periodic Distributions and principal of the Telekosang ASEAN Green SRI Sukuk within thirty (30) days prior to the next Periodic Distribution Date and/or maturity date; and

(ii) For Permitted Investments.

For the avoidance of doubt, the FSRA Minimum Required Balance shall be met at all times. In the event the credit balance in the FSRA is less than the FSRA Minimum Required Balance, the Issuer shall top up such funds from the CA within thirty (30) days.

In the event the credit balance in the FSRA exceeds the FSRA Minimum Required Balance, the Security Agent shall release such excess to the CA.

(23) Details of designated account, if applicable : Name of account:  
Project Company Project Account ("Project Co PA")

Parties responsible for opening the account:  
Issuer and TH2

Parties responsible for maintaining/operating account:  
Security Agent

**Islamic medium term notes issuance of up to RM470,000,000.00 in nominal value under the Shariah principle of Wakalah Bi Al-Istithmar (Telekosang ASEAN Green SRI Sukuk)**

**Principal Terms and Conditions**

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Signatories to account:

Security Agent

Sources of funds:

The following shall be deposited into the Project Co PA:

- (i) any amounts received from the CA on issue date of the Telekosang ASEAN Green SRI Sukuk;
- (ii) Shareholder's Funds (other than the proceeds from the Telekosang ASEAN Green Junior Bonds);
- (iii) all revenues and receivables under the Project and the REPPA including revenues and other payments received prior to the FiT Commencement Date of the relevant Plant;
- (iv) proceeds of *takaful*/insurance claims received by the Project Company prior to the FiT Commencement Date of the relevant Plant;
- (v) any claims received by the Project Company in respect of third party performance bonds/guarantees, liquidated damages or any other compensation received prior to the FiT Commencement Date of the relevant Plant; and
- (vi) nominal amounts together with profits/returns received from Permitted Investments made from the Project Co PA.

Utilisation of funds:

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

- (i) based on certification of completion progress from the Technical Adviser or such other acceptable professional certification or documentary evidence in form and substance acceptable to the Security Agent, for payment of the relevant Project Company's Project Cost prior to the FiT Commencement Date of the relevant Plant;
- (ii) in respect of proceeds from *takaful*/insurance claims received by the Project Company prior to 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;
- (iii) in respect of performance bonds/guarantees, liquidated damages or any other compensation received by the Project Company from third parties prior to 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; and
- (iv) for Permitted Investments.

Upon the relevant Plant achieving FiT Commencement Date, the remaining balance in each Project Co PA will be transferred to the respective Project Co RA and thereafter the Project Co PA will be closed.

**Islamic medium term notes issuance of up to RM470,000,000.00 in nominal value under the Shariah principle of Wakalah Bi Al-Istithmar (Telekosang ASEAN Green SRI Sukuk)**

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(24) Details of designated account, if applicable : Name of account:  
Project Company Revenue Account ("Project Co RA")

Parties responsible for opening the account:  
Issuer and TH2

Parties responsible for maintaining/operating account:  
Security Agent

Signatories to account:  
Security Agent

Sources of funds:  
The following shall be deposited into the Project Co RA:

- (i) any remaining balance from the Project Co PA;
- (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 *takafull*/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; and
- (v) 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 operating and maintenance expenses, duties, taxes, management fees, recurring capital expenditures, fees and commissions payable under the Telekosang ASEAN Green SRI Sukuk and 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 CA for amounts required to meet the FSRA Minimum Required Balance and amounts which are at least equivalent to the relevant portion of the Periodic Distributions and principal amounts due under the Telekosang ASEAN Green SRI Sukuk (which shall include the Intercompany Advances, if any);
- (iii) transfer to the Project Co MRA for scheduled major maintenance and/or scheduled major overhaul in accordance with the Project Company's Annual Approved Budget and within the Approved Variance;
- (iv) in respect of proceeds from *takafull*/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 (i) any proceeds from third party liability and workers' compensation



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*takaful*/insurance shall be applied in payment of the relevant claim and (ii) any proceeds from delay in start-up *takaful*/insurance or business interruption *takaful*/insurance shall be utilised to pay similar payments required and shall be transferred to the CA;

(v) 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;

(vi) for Permitted Investments; and

(vii) payments of Restricted Payments subject to meeting the Distribution Covenants.

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 and Project Co MRA, as the case may be, 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 Sukuk 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 SRI Sukuk.

(25) Details of : Name of account:  
designated account, Project Company Operating Account ("Project Co OA")  
if applicable

Parties responsible for opening the account:  
Issuer and TH2

Parties responsible for maintaining/operating account:  
Prior to the declaration of Event of Default: Issuer and TH2; Upon declaration of Event of Default: Security Agent

Signatories to account:  
Prior to the declaration of Event of Default:  
Issuer and TH2

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.

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### 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 SRI Sukuk and the Telekosang ASEAN Green Junior Bonds and other working capital requirements (which include operating and maintenance 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.

(26) Details of designated account, if applicable : Name of account:  
Project Company Maintenance Reserve Account ("Project Co MRA")

### Parties responsible for opening the account:

Issuer and TH2

### Parties responsible for maintaining/operating account:

Prior to the declaration of Event of Default: Issuer and TH2; Upon Declaration of Event of Default Security Agent

### Signatories to account:

Prior to Declaration of Event of Default  
Issuer and TH2

Upon Declaration of Event of Default  
Security Agent

### Sources of funds:

(i) Transfer from the Project Co RA for scheduled major maintenance and/or scheduled major overhaul in accordance with the Project Company's Annual Approved Budget and within the Approved Variance; and

(ii) Nominal amounts together with the profits/returns received from the Permitted Investments made from the Project Co MRA.

### Utilisation of funds:

(i) For scheduled major maintenance and/or scheduled major overhaul of the relevant Plant; and

(ii) For Permitted Investments.

### Additional Notes:

For the purpose of clarity, the Project Companies shall open and maintain the Shariah-compliant Designated Accounts with a bank acceptable to the Principal Adviser/Lead Arranger.

(27) Name of credit rating agency, credit rating and amount rated, if applicable

No.	Credit rating agency	Credit rating	Final/indicative rating	Name of Class/Series/Tranche	Amount rated

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1	RAM Rating Services Bhd (RAM)	AA3	Indicative rating	Not applicable	MYR 470,000,000.00
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- (28) Conditions precedent : The conditions precedent for the availability of issuance of the Telekosang ASEAN Green SRI Sukuk, including but not limited to, all of which shall be in form and substance to the satisfaction of the Principal Adviser/Lead Arranger:

### A. Main Documentation

- (a) The Transaction Documents (other than those which are required to be executed or perfected as a condition subsequent under item (o) of the section entitled "*Other Terms and Conditions*") have been signed and where applicable stamped or endorsed as being exempted from stamp duty and presented for registration with the relevant registries (where applicable);
- (b) The relevant Transaction Documents shall have been presented to the relevant courts for the registration of the powers of attorney therein contained;
- (c) The notices of assignment, acknowledgement of the notices of assignment and consents (where applicable) from the relevant counterparties under the relevant Security Documents shall have been made or received as the case may be; and
- (d) Receipt from the Project Companies, certified true copies of all the executed and where applicable, stamped Project Documents, Intercompany Financing Agreements and any other supplemental documentation in relation thereto.

### B. The Project Companies

- (a) Certified true copies of the constitutional documents and the latest forms as prescribed under sections 78 (Return of allotment), 46 (Registered office and office hours) and 58 (Duty to notify of particulars and changes of director, manager and secretary) of the Companies Act 2016 of the Project Companies;
- (b) A certified true copy of a board resolution of the Project Companies authorising, among others, the execution of the relevant Transaction Documents;
- (c) A list of the Project Companies' authorised signatories and their respective specimen signatures;
- (d) A report of the relevant company search on each of the Project Companies with the Companies Commission of Malaysia ("**CCM**"); and
- (e) A report of the relevant winding up search or the relevant statutory declaration of the Project Companies which revealed that none of the Project Companies have been wound up or are bankrupt.

### C. General

- (a) Evidence that the lodgement of the documents and information relating to the Telekosang ASEAN Green SRI Sukuk in accordance with the LOLA Guidelines has been made and receipt of a copy of any other regulatory approvals which are required to be obtained in respect of the issuance of the Telekosang ASEAN Green SRI Sukuk;
- (b) The Telekosang ASEAN Green SRI Sukuk shall have received a minimum

## **Principal Terms and Conditions**

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rating of AA3 or equivalent from the Credit Rating Agency;

(c) Evidence that all the Designated Accounts and the Sukuk Trustee's Reimbursement Account have been opened in accordance with the Transaction Documents;

(d) Evidence that the prescribed forms (as prescribed under the Companies Act 2016), where applicable, in respect of the charges created pursuant to the relevant Security Documents (for the purpose of registration of such charges with the CCM in accordance with the Companies Act 2016) have been duly lodged with the CCM and that immediately prior to the lodgement of such prescribed forms (as prescribed under the Companies Act 2016), a search conducted on the company in respect of which each of the prescribed forms is filed;

(e) Receipt of a satisfactory legal opinion from the Solicitors addressed to the Principal Adviser/Lead Arranger and the Sukuk Trustee advising with respect to, among others, the legality, validity and enforceability of the Transaction Documents, and a confirmation from the Solicitors addressed to the Principal Adviser/Lead Arranger confirming that all the conditions precedent in relation to the Transaction Documents have been fulfilled or otherwise waived by the Principal Adviser/Lead Arranger;

(f) Receipt of a satisfactory legal due diligence report and/or opinion from Sabahan solicitors on the state legislation of Sabah pertaining to the Projects;

(g) Receipt of a certified true copy of the Occupation Permit issued by the Chief Conservator of Forests, Sabah expressly authorising all activities envisaged in respect of the construction and implementation of the Project within the Project Land;

(h) Satisfactory evidence that the shareholder(s) has/have contributed or will contribute Shareholder's Funds of at least equivalent to twenty percent (20%) of the aggregate Project Total Cost on or prior to the issue date of the Telekosang ASEAN Green SRI Sukuk in the form of, amongst others:

(i) subscription of ordinary shares and redeemable preference shares issued by the Project Companies to the shareholder(s);

(ii) a valid, binding and enforceable agreement has been entered into between the Issuer and shareholder(s) for the issuance and subscription of the Telekosang ASEAN Green Junior Bonds and receipt of the acknowledgement in respect of the lodgement of the Telekosang ASEAN Green Junior Bonds; and/or

(iii) subordinated advances/financing has been made to the Project Companies;

(i) A report from the Technical Adviser in the form and substance reasonably satisfactory to the Principal Adviser/Lead Arranger;

(j) A report from the Insurance Adviser in the form and substance reasonably satisfactory to the Principal Adviser/Lead Arranger;

(k) Receipt of a certified true copy of the Shariah Pronouncement from the Shariah Adviser;

(l) Receipt of a certified true copy of the Shariah endorsement from the SC SAC for the Telekosang ASEAN Green SRI Sukuk;

(m) Receipt of the acknowledgement in respect of the lodgement of the Telekosang ASEAN Green SRI Sukuk in accordance with the provisions of the

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### LOLA Guidelines;

- (n) Receipt of a certified true copy of the environmental impact assessment report, the approval from the Environment Protection Department of Sabah ("EPD") and duly executed agreement of environmental conditions or mitigation declaration, as the case may be, as imposed by the EPD for the Projects;
- (o) Satisfactory evidence that the Sustainable Energy Development Authority Malaysia has granted an extension of the relevant milestone due date(s) as set out in the Feed-In Approval (as defined and appended under the REPPAs);
- (p) Receipt of the Cash Flows Projections in respect of the Projects together with a report from the Reporting Accountant in form and substance reasonably satisfactory to the Principal Adviser/Lead Arranger;
- (q) Receipt of the Tax Opinion from the Tax Adviser in form and substance reasonably satisfactory to the Principal Adviser/Lead Arranger;
- (r) Satisfactory evidence that all *takaful* contracts/insurance policies of the Project Companies are in the name of the Security Agent as a loss payee;
- (s) Receipt of a certified true copy of the documentary evidence that development plan approval or letter of no objection in relation to the Projects have been obtained from the Tenom District Council;
- (t) A copy of the report issued by the Second Opinion Independent Expert Provider on the eligibility of the Projects in accordance with the SRI Framework and ASEAN GBS;
- (u) All transaction fees, costs and expenses have been fully paid or documentary evidence that it will be paid from the issuance proceeds; and
- (v) Such other conditions precedent as may be mutually agreed between the Issuer and the Principal Adviser/Lead Arranger.

### (29) Representations and warranties

Representations and warranties by each of the Project Company are to include inter alia, the following:

- (a) the Project Company is a company with limited liability duly incorporated and validly existing under the laws of Malaysia, has full power, authority and legal right to own its assets and to carry out the Project and has full beneficial ownership of all the property and assets purported to be owned by it;
- (b) the Project Company has full power, authority and legal rights, and all necessary corporate actions and all relevant consents and approvals of any administrative, governmental or other authority or body in Malaysia have been or will be taken in order to authorise it, to enter into and to exercise its rights and perform its obligations under the Transaction Documents and the Project Documents;
- (c) the Telekosang ASEAN Green SRI Sukuk, the Transaction Documents, and the Project Documents to which the Project Company is or is to be a party constitute, or when executed will constitute, legal, valid, binding and subject to the general legal qualifications (where applicable) and enforceable obligations of the Project Company;
- (d) the entry into the Transaction Documents and the Project Documents to which

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the Project Company is a party or is to be a party and/or the performance by the Project Company of any of its obligations and/or the exercise by the Project Company of any of its rights under any such Transaction Documents and the Project Documents will not:

- (i) conflict with any applicable laws by which the Project Company or its assets are bound or affected;
- (ii) conflict with the constitutional documents of the Project Company;
- (iii) conflict with any other Transaction Document, Project Document or any other agreement which is binding upon the Project Company or any asset of the Project Company which conflict would have a Material Adverse Effect;
- (iv) violate any government approval or any other governmental authorisation or any judgment applicable to the Project Company or the Project;
- (v) result in or create any Security Interests or any restriction of any nature on any of the assets of the Project Company (other than the Permitted Security Interests); or
- (vi) cause any limitation on the Project Company or the powers of its directors, whether imposed by or contained in its constitutional documents or in applicable laws or otherwise to be exceeded;
- (e) no registration, recording, filing or notarisation of the Transaction Documents and the Project Documents and no payment of any duty or tax and no other action whatsoever is necessary to ensure the legality, validity, binding effect or enforceability in Malaysia of the liabilities and obligations of the Project Company, or the rights of inter alia, the Sukukholders under the Transaction Documents and the Project Documents in accordance with their terms, save and except for (i) the registration of the Security Interests created or to be created under the Security Documents with the CCM, where applicable, (ii) the registration of the power of attorney contained in any of the Transaction Documents and the Project Documents with the High Court of Malaya; and (iii) the payment of stamp duty on the relevant Transaction Documents and the Project Documents;
- (f) no litigation, arbitration or administrative proceeding or claim or lawsuits by a governmental agency or body or other regulatory authority is presently in progress or pending or, to the best of the knowledge, information and belief of the Project Company, instituted against the Project Company, or any of its assets which would have a Material Adverse Effect;
- (g) no step has been taken by or against the Project Company nor has any legal proceeding including a winding-up proceeding been commenced, instituted for the dissolution or for the appointment of a receiver, receiver and manager, liquidator, judicial manager or such similar officer of the Project Company, or its assets which in the case of any proceeding undertaken by a person other than the Project Company, has not been discharged, suspended or set aside within sixty (60) days of such action coming into the knowledge of the Project Company;
- (h) no Event of Default or Potential Event of Default has occurred or would result from the issuance of the Telekosang ASEAN Green SRI Sukuk or the performance of any transaction contemplated by any Transaction Documents and Project Documents;
- (i) the Project Company has, to the extent required by applicable laws and

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regulation, timely filed all tax returns that are required to be filed by it and has paid all taxes, fees and other charges imposed on it by any relevant governmental authority (other than taxes, fees and other charges the payment of which are not yet due or which are being contested in good faith and for which adequate, segregated reserves have been established);

(j) the Project Company's latest audited and unaudited financial statements (if any) (including cash flow statements, income statement and the balance sheet) (i) have been prepared in accordance with the Malaysian Financial Reporting Standards and give a true and fair view of the results of operation and financial position of the Project Company as at the end of, and the results of its operations for, the financial period to which they relate (and in particular disclose all of its liabilities (actual or contingent)) and (ii) there has been no material adverse change in the financial condition of the Project Company since the date of its incorporation (where no audited financial statements have been prepared) or since its last audited financial statements;

(k) no Security Interest exists over all or any part of the Project or the assets of the Project Company which are not a Permitted Security Interest;

(l) the Project Company is in compliance and will comply with all applicable laws, guidelines, permits and regulations, including but not limited to all relevant environmental laws, permits and guidelines in all respects;

(m) no person has repudiated or disclaimed liability under any of the Project Documents or evidenced an intention to do so;

(n) no force majeure events (as defined in or contemplated by any Project Document), to the best of the Project Company's knowledge, has occurred and is continuing for the purposes of that Project Document;

(o) the Project Company's payment obligations under the Transaction Documents (including the Telekosang ASEAN Green SRI Sukuk) rank *pari passu* in all respects amongst themselves and at least *pari passu* with the claims of all its unsecured and unsubordinated creditors, except for obligations mandatorily preferred by law generally;

(p) any copies of any Project Documents which the Project Company delivered to the Security Agent/Sukuk Trustee are true and complete copies thereof;

(q) there is no other agreement in connection with, or arrangements which amend, supplement or affect any Project Document;

(r) there is no dispute in connection with any Project Document;

(s) no step has been taken by the Shareholder or any of the Project Company or any other person on its/their behalf, or to the best of its knowledge, by its creditors, to commence or threaten any legal proceedings or applications under Section 366 of the Companies Act 2016 against the Project Company;

(t) (i) all *takaful* contracts/insurance policies which are required to be maintained or effected by it pursuant to the Transaction Documents and the Project Documents are in full force and effect, all *takaful* contributions/premium due and payable have been paid and, to the best of the knowledge and belief of the Project Company, no event or circumstance has occurred, nor has there been any omission to disclose a fact, which would in either case have made or could make any such *takaful* contracts/insurance policies void or voidable or entitle any insurer to avoid or

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otherwise reduce its liability under such *takaful* contracts/insurance policies and *retakaful* contracts/reinsurance policies; and (ii) there are no *takaful* contracts/insurance policies arranged, procured or maintained by the Project Company that are not disclosed to the Security Agent and the Sukuk Trustee;

(u) the Information Memorandum to be issued in connection with the Telekosang ASEAN Green SRI Sukuk and any information in whatever form, document, statement or instrument furnished or to be furnished by the Project Company in connection thereto are true in all respects and do not contain any statements or information that are false or misleading in any respect and there is no material omission in respect thereof, and all or any projections or expressions of expectations, intentions, belief and opinion contained therein were honestly made on reasonable grounds after due and careful inquiry by the Project Company. For the purposes of this paragraph, the Information Memorandum shall include any amendment, modification or update thereto or reissuance thereof; provided that any such amendment, modification, update or reissuance shall not remedy or waive and shall be without prejudice to, any misrepresentation under this paragraph in respect of the Information Memorandum issued prior to such date; and

(v) any other representations and warranties as may be advised by the Solicitors to be mutually agreed by the Project Company and the Principal Adviser/Lead Arranger.

The representations and warranties shall be made on the date of the Transaction Documents and repeated on the date of the issue request, the issue date of the Telekosang ASEAN Green SRI Sukuk, and the date of any subscription agreement by reference to the then existing circumstances.



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- (30) Events of defaults or : enforcement events, where applicable, including recourse available to investors
- An **"Event of Default"** shall refer to any of following:
- (a) the Issuer does not pay any amount of principal or any Periodic Distributions payable by it under a Transaction Documents when due unless such failure to pay is remedied within five (5) business days from its due date;
  - (b) the Issuer fails to observe or perform its obligations (other than the payment obligations specified under paragraph (a) above) including without limitation any of the Financial Covenants contained in the Transaction Documents or there is a breach by the Issuer of any term or condition under any of the Transaction Documents or under any undertaking or arrangement entered into in connection therewith and, in the case of a failure or breach which in the opinion of the Sukuk Trustee is capable of being remedied, the Issuer does not remedy the failure or breach within thirty (30) days after the Issuer became aware or has been notified by the Security Agent or the Sukuk Trustee of the failure or breach;
  - (c) any indebtedness for borrowed moneys/financing of the Project Companies (other than the Subordinated Loans/Advances and Intercompany Advances) becomes due or payable or capable of being declared due and payable prior to its stated maturity, or any security created to secure such indebtedness becomes enforceable or any guarantee or similar obligations of the Project Companies is not discharged at maturity or when called or the Project Companies goes into default under, or commits a breach of, any agreement or instrument relating to any such indebtedness, guarantee or other obligations;
  - (d) any Project Company fails to observe or perform any of its obligations under any of the Transaction Documents or under any undertaking or arrangement entered into in writing in connection therewith, and in the case of a failure which in the opinion of the Sukuk Trustee is capable of being remedied, the relevant Project Company does not remedy the failure within the period ending on the date falling thirty (30) days prior to the end of any cure or remedy period relating to such failure expressly provided for under the relevant Transaction Document and Project Document;
  - (e) any Project Company changes or threatens to change the nature or scope of its business, or suspends or threatens to suspend or ceases or threatens to cease on the operation of its business which it now conducts directly or indirectly;
  - (f) it is or becomes unlawful for any person (other than the Sukuk Trustee on behalf of the Sukukholders) to perform any of its obligations under the Project Documents or the Transaction Documents and, such circumstance continues for, or substitute arrangements satisfactory to the Sukuk Trustee are not put in place within sixty (60) days provided that the relevant Project Company is using best endeavours to avoid the unlawfulness or to put in place such arrangements;
  - (g) any of the assets, undertakings, rights or revenue of any Project Company are seized, expropriated, nationalised or compulsory acquired (whether or not for fair compensation) by or under the authority of any governmental body which have or might have a Material Adverse Effect;
  - (h) (i) any governmental authorisation (including the Occupation Permit issued by the Chief Conservator of Forests) is revoked, terminated, withheld, invalidated, cancelled or not renewed or modified or amended or a notice of violation is issued under any governmental authorisation by the issuing agency or other governmental instrumentality having jurisdiction thereover, or any proceeding is commenced by any governmental instrumentality for the purpose of modifying, revoking,

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terminating, withholding, invalidating or cancelling any governmental authorisation and in each case in a manner which have or might have a Material Adverse Effect; (ii) the Generation Licence is revoked, terminated, withheld, invalidated, cancelled or not renewed or ceases to be in full force and effect without a substitute licence being issued therefor within one hundred and eighty (180) days of such revocation, termination, withholding, invalidation, cancellation, non-renewal, or cessation; (iii) any condition or provision of the Generation Licence is not complied with and such non-compliance has not been remedied or waived by the EC in writing (in each case) within thirty (30) days of its occurrence unless the EC has permitted the Issuer to remedy such non-compliance and the Issuer has demonstrated to the satisfaction of the Sukuk Trustee by the thirtieth (30th) day after its occurrence that it will remedy such noncompliance within ninety (90) days of its occurrence or such other cure period as may be permitted or required by the EC; (iv) the licence is modified or amended and the effect of such modification or amendment would be to restrict the implementation or carrying out of the Project has or would reasonably be expected to give rise to a Material Adverse Effect;

(i) any Project Company ceases to be the sole, lawful and beneficial owner of, or to have good title to, all or any part of the assets (excluding the Interconnection Facilities to be transferred to SESB under the REPPAs) of such Project Company or ceases to be the sole party entitled to the revenues generated by the Project, which have or might have a Material Adverse Effect, except as allowed in the Transaction Documents;

(j) any party repudiates any of the Project Documents or the Transaction Documents to which it is a party or any Project Company does or causes to be done any act or thing evincing an intention to repudiate any of the Project Documents or the Transaction Documents to which it is a party;

(k) suspension of construction work on the whole or any material part of any of the Projects, other than as a result of force majeure, and such suspension continues uncured or is not remedied to the satisfaction of the Sukuk Trustee for a period ending on the date falling on the earlier of (i) the end of any cure or remedy period relating to such suspension expressly provided for under the relevant Project Document and (ii) one hundred and eighty (180) days from the date of such suspension;

(l) (i) SESB issues a notice of breach under any of the REPPAs and the event in respect of which such notice was issued is not cured by the cure period applicable thereto as provided in such REPPA, or any other right to terminate any of the REPPAs accrues in favour of SESB under such REPPA; (ii) SESB or the EC exercises its step-in rights under any of the REPPAs as a result of the Project Company's default under any of the REPPAs, or gives written notice of an intention to exercise such step-in rights; (iii) the FiT Commencement Date of a Plant has not occurred by the date falling three hundred and sixty (360) days after the Scheduled FiT Commencement Date (as defined in the REPPAs) of such Plant or any extension thereof; (iv) SESB exercises its right to terminate any of the REPPAs; (v) an event of force majeure continues for longer than one hundred and eighty (180) days under any of the REPPAs; or (vi) an event of force majeure occurs under any Project Document (other than in relation to the REPPAs) and such event has or would have a Material Adverse Effect;

(m) (i) any Security Document ceases to be in full force and effect or ceases to be effective to create the Security Interests or to provide the priority of security

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purported to be created thereunder; or (ii) for whatever reason, any of the Security Interests created under any Security Document cannot be perfected or is in jeopardy or rendered invalid or defective in any way;

(n) any Project Company is deemed unable to pay any of its debts pursuant to section 466 of the Companies Act 2016 or becomes unable to pay any of its debts generally as they fall due or suspends or threaten to suspend making payments with respect to any debts (other than the Intercompany Advances and the Subordinated Loans/Advances);

(o) any other event or series of events occurs which may have a Material Adverse Effect, and, in the case of an event or series of events which in the opinion of the Sukuk Trustee is capable of being remedied, the relevant Project Company does not remedy such event(s) within thirty (30) days after such Project Company became aware or has been notified by the Security Agent of the failure, whichever is earlier;

(p) a Total Loss (as defined in item (p) of the section entitled "*Other Terms and Conditions*") occurs;

(q) any representation or warranty made by any Project Company under any provision of the Transaction Documents to which it is a party or any information, notice, opinion or certificate or other document delivered pursuant to the terms of the Transaction Documents proves to have been incorrect or misleading in any material respect as of the date at which such representation or warranty is made or repeated, or the date at which such information, notice, opinion, certificate or other document is delivered (in each case) by reference to the facts and circumstances existing at such date, unless the circumstances giving rise to the misrepresentation are capable of remedy and are remedied within thirty (30) days of the date on which (i) the Sukuk Trustee gives notice to the relevant Project Company to do so or (ii) the relevant Project Company becomes aware of such misrepresentation, whichever is earlier;

(r) a winding-up order has been made against any Project Company or any step is taken for the winding up, dissolution or liquidation of any Project Company or a resolution is passed for the winding up of any Project Company or a petition for winding up is presented against any Project Company (unless such petition is frivolous or vexatious or related to a claim to which such Project Company have a good defense or which is being contested in good faith by such Project Company) and such Project Company has not taken any action in good faith to set aside such petition or the petition is not withdrawn or discharged within thirty (30) days from the date of service of such winding up petition;

(s) any Project Company convenes a meeting of creditors or proposes or makes any arrangement including any scheme of arrangement or composition or begins negotiations with its creditors, or takes any proceedings or other steps with a view to a rescheduling or deferral of all or any part of its indebtedness or a moratorium is agreed or declared by a court of competent jurisdiction in respect of or affecting all or any part of its indebtedness or any assignment for the benefit of its creditors (other than for the purposes of and followed by a restructuring previously approved by the Sukuk Trustee, unless during or following such restructuring, the relevant Project Company becomes or is declared to be insolvent);

(t) an encumbrancer takes possession of, or a trustee, receiver, receiver and manager or similar officer is appointed in respect of the whole or substantial part of

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the assets of any Project Company, or distress, legal process, sequestration or any form of execution is levied or enforced or sued out against such assets which may have a Material Adverse Effect and is not discharged within thirty (30) days, or any Security Interests which may for the time being affect any of its assets becomes enforceable;

(u) any of the Project Land are seized, expropriated, nationalised or compulsory acquired (whether or not for fair compensation) by or under the authority of any governmental body which have or might have a Material Adverse Effect;

(v) any of the conditions subsequent has not been complied with in accordance with the compliance period as set out in item (o) of the section entitled "*Other Terms and Conditions*"; and

(w) any other Event of Default as may be advised by the Solicitors and to be mutually agreed between the Project Companies and the Principal Adviser/Lead Arranger.

Upon the occurrence of an Event of Default under the Telekosang ASEAN Green SRI Sukuk which is continuing, whereby the Sukuk Trustee may or shall (if directed to do so by an extraordinary resolution of the Sukukholders) declare that an Event of Default has occurred ("**Dissolution Declaration Date**") whereupon the Deferred Sale Price (subject to *Ibra'*) and/or the Exercise Price pursuant to the Purchase Undertaking shall become immediately due and payable by the Issuer and/or the Obligor respectively in accordance with the terms of the relevant Transaction Documents.

The trustee and/or the holders of the Telekosang ASEAN Green Junior Bonds shall not make any declaration of an event of default or enforce/accelerate the Telekosang ASEAN Green Junior Bonds so long the Telekosang ASEAN Green SRI Sukuk or any part thereof remains outstanding at any time.

**Islamic medium term notes issuance of up to RM470,000,000.00 in nominal value under the Shariah principle of Wakalah Bi Al-Istithmar (Telekosang ASEAN Green SRI Sukuk)**

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- (31) Governing laws : Laws of Malaysia.
- The Issuer shall unconditionally and irrevocably submit to the non-exclusive jurisdiction of the courts in Malaysia.
- (32) Provisions on buy-back, if applicable : The Issuer or its agent may at any time purchase the Telekosang ASEAN Green SRI Sukuk in the open market or by private treaty at any price, but any Telekosang ASEAN Green SRI Sukuk repurchased by the Issuer and its subsidiaries or its agent shall be cancelled and cannot be resold. The Telekosang ASEAN Green SRI Sukuk purchased by the Issuer's related companies need not be cancelled but shall not be counted for voting in a meeting of the Sukukholders.
- (33) Provisions on early redemption, if applicable : Subject to the consent of the Sukukholders by a special resolution in accordance with the terms of the Trust Deed, the Issuer may redeem the Telekosang ASEAN Green SRI Sukuk prior to their maturity by giving the requisite notice at the redemption price to be mutually agreed between the Issuer and the Sukukholders in the said special resolution.
- (34) Voting : All Sukukholders regardless of which series of the Telekosang ASEAN Green SRI Sukuk they hold shall collectively constitute a single class for the purposes of attending and voting at meetings of Sukukholders.
- (35) Permitted investments, if applicable : Permitted Investments shall be Shariah-compliant investment products approved by the SC SAC and/or BNM's Shariah Advisory Council and/or such other recognised Shariah authorities from time to time as follows:
- (a) Accounts maintained with a Shariah-compliant financial institution with a minimum credit rating of AA3/P1 and/or AA-/MARC-1;
  - (b) Islamic fixed deposit, Islamic bankers acceptances, Islamic accepted bills, and other Islamic money market instruments issued by Shariah-compliant financial institution with a minimum credit rating of AA3/P1 and/or AA-/MARC-1;
  - (c) Islamic treasury bills, Islamic money market instruments, and other Islamic instruments or sukuk issued by BNM or the Government of Malaysia; and
  - (d) Islamic unit trust that invests in Islamic money market instruments with the prior written approval of the Credit Rating Agency subject to the following:
    - (i) The maturity of the Permitted Investments in securities shall fall on a date, which is at least five (5) business days before the next Periodic Distribution Date or the maturity date of the Telekosang ASEAN Green SRI Sukuk, whichever is the earlier. However, the maturity of the Permitted Investments in Islamic money market instruments of a financial institution and accounts maintained with financial institutions shall fall on a date, which is at least two (2) business days before the next Periodic Distribution Date or the maturity date, whichever is the earlier save that this condition shall not apply to any Islamic placement of money with the Facility Agent; and
- Subject to the following:

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(a) The Permitted Investments being denominated in Ringgit Malaysia; and

(b) Such funds utilised for Permitted Investments, including the profits/returns on the Permitted Investments, shall be remitted to the relevant Designated Accounts.

- (36) Ta'widh (for ringgit-denominated sukuk) : In the event the Investment *Wakeel* breaches its fiduciary duty as an investment wakeel due to its failure to distribute any realised Periodic Distributions, and/or the Obligor/Buyer delays the payment of any amounts due and payable to the Sukukholders under the Sale Agreement pursuant to exercise of the Purchase Undertaking and/or the Deferred Sale Price, the Investment *Wakeel* and/or the Obligor/Buyer shall pay to the Sukuk Trustee (acting on behalf of the Sukukholders) *ta'widh* (compensation) on such delay in payments at the rate and in the manner prescribed by the SC SAC from time to time.

Any compensation referred to above which is paid to the Sukukholders, can be treated and/or utilised by the Sukukholders at their sole and absolute discretion.

- (37) *Ibra'* (for ringgit-denominated sukuk) : An *Ibra'*, where applicable, shall be granted by the Sukukholders on the Deferred Sale Price, if the Telekosang ASEAN Green SRI Sukuk are redeemed before Scheduled Dissolution Date or upon the Dissolution Declaration Date, as applicable.

*Ibra'* refers to an act of releasing absolutely or conditionally the Sukukholders' rights and claims on any obligation against the Issuer which would result in the latter being discharged of its obligations or liabilities towards the former. The release may be either partial or in full. With respect to the *Murabahah* contract, *Ibra'* refers to the release of rights on debts/amount due and payable under the said contract.

*Ibra'* in relation to the *Murabahah* contract shall be calculated as follows:

- (a) In the case of such series of the Telekosang ASEAN Green SRI Sukuk with Periodic Distributions and issued at a discount:

The unearned Expected Periodic Distribution Amount and the unearned discounted amount.

- (b) In the case of such series of the Telekosang ASEAN Green SRI Sukuk without Periodic Distributions and issued at a discount:

The unearned discounted amount.

- (c) In the case of such series of the Telekosang ASEAN Green SRI Sukuk with Periodic Distributions and issued at par:

The unearned Expected Periodic Distribution Amount.

- (d) In the case of such series of the Telekosang ASEAN Green SRI Sukuk with Periodic Distributions and issued at a premium:

The unearned Expected Periodic Distribution Amount.

The *Ibra'* in relation to (a), (b), (c) and (d) above, shall be calculated from the date of redemption of the relevant series or the Dissolution Declaration Date, as the case may be, up to the relevant series' respective Scheduled Dissolution Date.

For the avoidance of doubt, any double counting shall be disregarded.

**Telekosang Hydro One Sdn Bhd ("TH1" or the "Issuer")**

**Islamic medium term notes issuance of up to RM470,000,000.00 in nominal value under the Shariah principle of Wakalah Bi Al-Istithmar (Telekosang ASEAN Green SRI Sukuk)**

**Principal Terms and Conditions**

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(38) Kafalah (for ringgit- : Not applicable  
denominated sukuk)

(39) Waivers from : None  
complying with  
Guidelines on  
Unlisted Capital  
Market Products  
under the Lodge and  
Launch Framework  
and other relevant  
guidelines of the SC  
obtained for the  
facility/programme, if  
any

**Telekosang Hydro One Sdn Bhd ("TH1" or the "Issuer")**

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**Other Terms and Conditions**

- (a) Identified Assets** The Commodities and the Trust Assets which shall comprise the Sukuk Proceeds, the *Wakalah* Investments and the rights, title, interest, entitlement and benefit in, to and under the relevant Transaction Documents.
- (b) Purchase and selling price/rental** In respect of the Commodity *Murabahah* Investment, the Commodity Purchase Price and the Deferred Sale Price shall be determined prior to the issuance of the Telekosang ASEAN Green SRI Sukuk. The Commodity Purchase Price of the Commodities shall be in line with the asset pricing requirement stipulated under the LOLA Guidelines.
- (c) Profit rate (fixed or floating)** Periodic Distribution Rate shall mean:
- Telekosang ASEAN Green SRI Sukuk with profit
- In respect of such series of the Telekosang ASEAN Green SRI Sukuk with profit, the expected profit rates, which shall be on a fixed rate basis, and for each series of the Telekosang ASEAN Green SRI Sukuk will be determined and agreed prior to the issuance of the Telekosang ASEAN Green SRI Sukuk.
- Telekosang ASEAN Green SRI Sukuk without profit
- In respect of such series of the Telekosang ASEAN Green SRI Sukuk without profit, returns generated from the *Wakalah* Investments up to the Expected Periodic Distribution Amount shall be distributed on a one-off basis upon the respective Scheduled Dissolution Date or the Dissolution Declaration Date.
- (d) Profit payment frequency** For such series of the Telekosang ASEAN Green SRI Sukuk with Periodic Distributions, the payment frequency of the Periodic Distributions shall be semi-annual or such other period ("**Periodic Distribution Date**") to be determined prior to issuance of the Telekosang ASEAN Green SRI Sukuk.
- Not applicable for such series of the Telekosang ASEAN Green SRI Sukuk without profit.
- (e) Profit payment basis** For such series of the Telekosang ASEAN Green SRI Sukuk with profit, the Periodic Distributions shall be calculated on the basis of actual/365 days ("**Periodic Distribution Basis**").
- Not applicable for such series of the Telekosang ASEAN Green SRI Sukuk without profit.
- The "**Expected Periodic Distribution Amount**" on any relevant Periodic Distribution Date is calculated at the Periodic



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Distribution Rate on the nominal value of the relevant series of the Telekosang ASEAN Green SRI Sukuk based on the Periodic Distribution Basis.

**(f) Dissolution  
Distribution Amount**

On the Scheduled Dissolution Date:

The Dissolution Distribution Amount shall be equivalent to:

- (a) the nominal value of the relevant series of the Telekosang ASEAN Green SRI Sukuk; plus
- (b) the accrued but unpaid Expected Periodic Distribution Amount (if any), accrued up to the Scheduled Dissolution Date.

On the Dissolution Declaration Date:

The Dissolution Distribution Amount shall be equivalent to:

- (a) the nominal value of all series of the Telekosang ASEAN Green SRI Sukuk; plus
- (b) the accrued but unpaid Expected Periodic Distribution Amount (if any), accrued up to the Dissolution Declaration Date.

**(g) Exercise Price**

The "**Exercise Price**" for the purchase of the Shariah-compliant Business shall be at the market value of the Shariah-compliant Business, on the relevant Scheduled Dissolution Date(s) or the Dissolution Declaration Date, as the case may be.

**(h) Issue Price**

The Telekosang ASEAN Green SRI Sukuk 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 (p) of the section entitled "*Other Terms and Conditions*").

**(i) Form and  
Denomination**

The Telekosang ASEAN Green SRI Sukuk shall be issued in accordance with Paynet Rules and Procedures. The Telekosang ASEAN Green SRI Sukuk 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 SRI Sukuk 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.

**(j) Details on  
Utilisation of  
Proceeds by Issuer**

Proceeds from the Telekosang ASEAN Green SRI Sukuk at the point of issuance shall be invested into the *Wakalah* Investments whereby the proceeds from the *Wakalah*

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Investments shall be utilised for the following purposes:

<b>Details on Utilisation</b>	<b>Nominal Amount (up to RM' million)<sup>(1)</sup></b>
(i) To part finance the Project Cost for the TH1 Project;	267
(ii) To advance <sup>(2)</sup> to TH2 to part finance the Project Cost for the TH2 Project;	178
(iii) To fund the FSRA a sum equivalent to the profit due in the next six (6) months; and	15
(iv) To pay fees, expenses and all other amounts payable under or related to the Telekosang ASEAN Green SRI Sukuk.	10
<b>Total</b>	<b>470</b>

*Notes:*

- (1) *In the event that the amount allocated for purposes set out in any of the items (i) to (iv) 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 (iv) above; and*
- (2) *The advance will be via a Shariah-compliant mode of financing which Shariah principle shall be determined prior to the execution of the Intercompany Financing Agreements.*

For the avoidance of doubt, all utilisation of funds from the issuance of the Telekosang ASEAN Green SRI Sukuk shall not be for any expenses, charges, fees or costs in respect of the Telekosang ASEAN Green Junior Bonds and shall be for Shariah-compliant purposes only.

**(k) Status**

The Telekosang ASEAN Green SRI Sukuk constitute direct, unconditional, secured and unsubordinated 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/or the Transaction Documents.

**(l) Sukuk Trustee's Reimbursement Account**

The Issuer shall open and maintain a Shariah-compliant account designated as "Sukuk Trustee's Reimbursement Account" (as required under the SC's Trust Deeds Guidelines) ("**Sukuk Trustee's Reimbursement Account**") in which a sum of RM30,000.00 ("**Sukuk Trustee's Reimbursement Account Deposit**") is to be deposited therein. The Sukuk Trustee's Reimbursement Account shall be operated by the Sukuk Trustee and the monies shall only be used strictly by

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the Sukuk Trustee in carrying out its duties in relation to the occurrence of an Event of Default as provided in the Trust Deed. The Sukuk Trustee's Reimbursement Account Deposit in the Sukuk Trustee's Reimbursement Account shall be maintained at all times as long as there is any amount outstanding under the Telekosang ASEAN Green SRI Sukuk.

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

**(m) 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.

**(n) Jurisdiction**

The Project Companies shall unconditionally and irrevocably submit to the non-exclusive jurisdiction of the courts of Malaysia.

**(o) 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 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.

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### (p) Definitions

All Plant Commencement Date	FiT	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 Projects	SRI	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 “ <b>EPCC Contract</b> ” 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 “ <b>Scheduled Feed-in Tariff Commencement Date</b> ” (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 (“<b>TH1 Advance</b>”) 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> <p>(b) Any advances between the Project Companies to ensure that the following obligations are met at all times:</p> <p>(i) the Issuer’s payments obligations under the</p>

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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.

Material Adverse Effect      In the reasonable opinion of the Sukuk Trustee, a material adverse effect on:

- (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.

O&M Operator      Global Elite O&M Sdn Bhd.

Paynet Rules and Procedures      Collectively, the following:

- (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;

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"><li>(a) the Telekosang ASEAN Green Junior Bonds;</li><li>(b) Subordinated Loans/Advances;</li><li>(c) the Intercompany Advances; and</li><li>(d) Working Capital Facilities.</li></ul>
Permitted Interests	<p>Security The following Security Interests:</p> <ul style="list-style-type: none"><li>(a) those Security Interests contemplated under the Transaction Documents;</li><li>(b) those security interests contemplated under the Telekosang ASEAN Green Junior Bonds and the Working Capital Facilities; and</li><li>(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.</li></ul>
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 " <b>Plant</b> " 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 Sukuk 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. " <b>Project</b> " 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"><li>(a) Telekosang Hydro One Sdn Bhd (Company No. 1242773-K) ("<b>TH1</b>"); and</li><li>(b) Telekosang Hydro Two Sdn Bhd (Company No. 1242774-U) ("<b>TH2</b>"),</li></ul> <p>and "<b>Project Company</b>" 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"><li>(a) costs and expenses payable under the EPCC Contracts;</li><li>(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;</li><li>(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</li><li>(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.</li></ul>
Project Documents	<p>Collectively, the following:</p> <ul style="list-style-type: none"><li>(a) the REPPAs;</li><li>(b) the EPCC Contracts and associated bonds and guarantees in relation thereto;</li><li>(c) the O&amp;M Agreement and associated bonds and guarantees in relation thereto;</li><li>(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</li><li>(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 <b>"Project Document"</b>.</li></ul>
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 <b>"Project Land"</b> 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"><li>(a) Project Cost;</li></ul>

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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;
- (c) Sukuk Trustee's Reimbursement Account Deposit and Junior Bonds Trustee's Reimbursement Account Deposit; and
- (d) any other associated financing costs under Telekosang ASEAN Green SRI Sukuk and Telekosang ASEAN Green Junior Bonds.

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 " <b>REPPA</b> " 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 Junior Bonds	The issuance of junior bonds of up to RM120,000,000.00 in nominal value by the Issuer.



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TH1 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 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"><li>(a) the Trust Deed;</li><li>(b) the Facility Agreement;</li><li>(c) the Subscription Agreement;</li><li>(d) the Islamic Agreements (as defined below);</li><li>(e) the Securities Lodgement Form; and</li><li>(f) the Security Documents;</li></ul> <p>and any other agreements entered or to be entered into between any of the Project Companies, the Sukuk 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 "<b>Transaction Documents</b>".</p> <p>For purposes of the Telekosang ASEAN Green SRI Sukuk, the Trust Deed and the Facility Agreement shall be entered into by both TH1 and TH2 with the Sukuk Trustee, the Principal Adviser/Lead Arranger, the Lead Manager and/or the Facility Agent, as the case may be.</p> <p>The Islamic Agreements shall include but not limited to the following documents:</p> <ul style="list-style-type: none"><li>(a) Commodity <i>Murabahah</i> Investment Agreement;</li></ul>

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- (b) CTP Purchase Agreement(s);
- (c) CTP Sale Agreement(s);
- (d) Facility Agency Agreement;
- (e) Purchase Order(s);
- (f) Purchase Undertaking(s);
- (g) Sale Agreement(s);
- (h) Sale and Purchase Agreement(s);
- (i) Service Agency Agreement; and
- (j) *Wakalah* Agreement.

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.

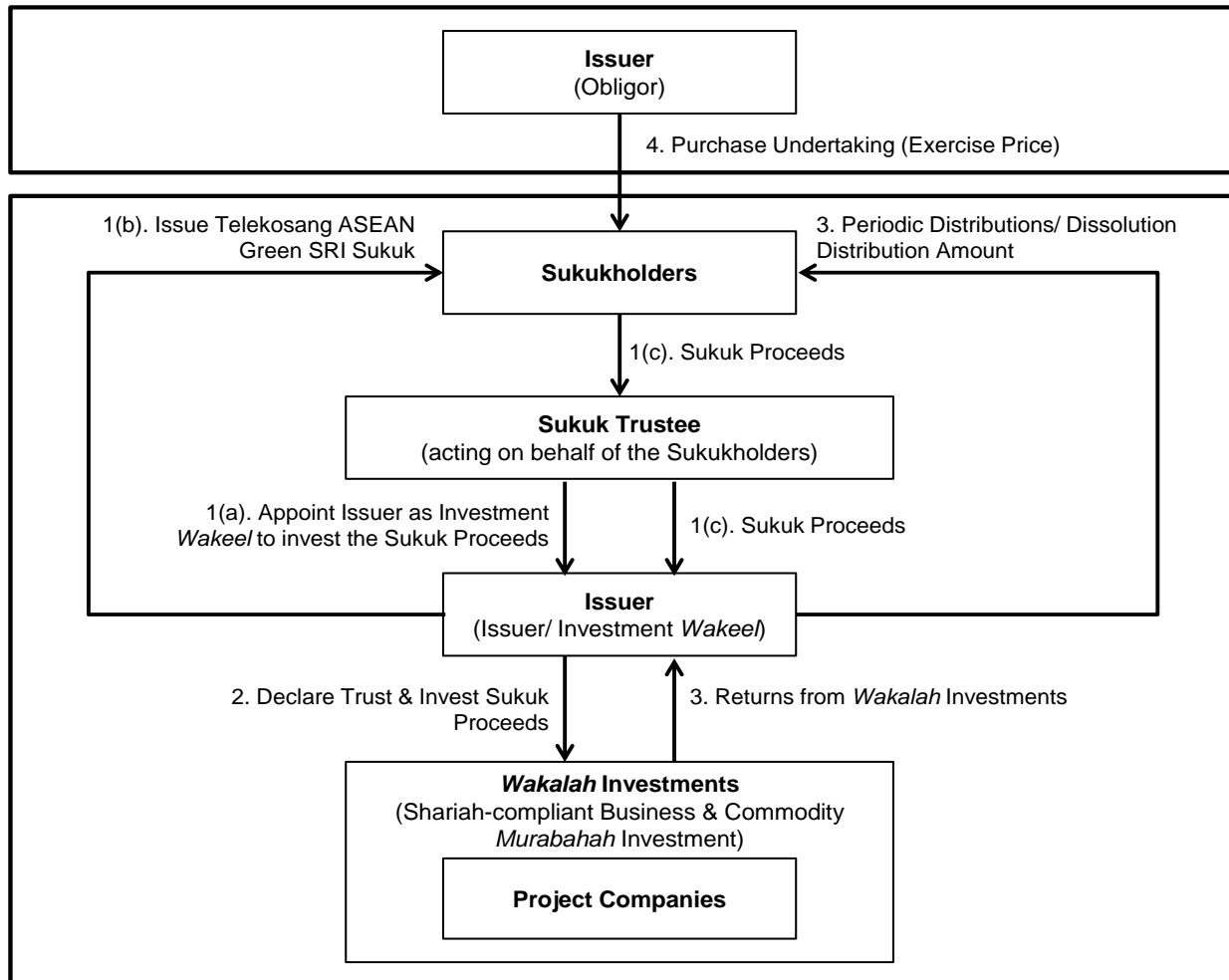
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**Appendix 1**

**FLOWCHART OF THE DESCRIPTION OF THE TRANSACTION STRUCTURE**

**Telekosang ASEAN Green SRI Sukuk Transaction Structure**



Steps	Description
1.	<p>(a) Pursuant to a <i>Wakalah</i> agreement ("<b>Wakalah Agreement</b>") entered into between the Sukuk Trustee (acting on behalf of the investors ("<b>Sukukholders</b>")) and the Issuer, the Sukuk Trustee (acting on behalf of the Sukukholders) shall appoint the Issuer to act as its agent ("<b>Investment Wakeel</b>") to invest the Sukuk Proceeds into <i>Wakalah</i> Investments.</p> <p>(b) The Issuer shall issue the Telekosang ASEAN Green SRI Sukuk.</p> <p>(c) The Sukukholders shall subscribe to the Telekosang ASEAN Green SRI Sukuk by paying the issue proceeds ("<b>Sukuk Proceeds</b>").</p>

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Steps	Description
2.	<p>The Issuer, in its capacity as the Investment <i>Wakeel</i>, shall declare a trust over the Sukuk Proceeds and over the <i>Wakalah</i> Investments acquired using the Sukuk Proceeds. The Telekosang ASEAN Green SRI Sukuk shall represent the Sukukholders' undivided and proportionate beneficial interest in the Trust Assets which shall comprise (i) Sukuk Proceeds, (ii) the <i>Wakalah</i> Investments and (iii) the rights, title, interest, entitlement and benefit in, to and under the relevant Transaction Documents.</p> <p>The Investment <i>Wakeel</i> shall invest the Sukuk Proceeds received from the Sukukholders into the <i>Wakalah</i> Investments which shall comprise of:</p> <p>(a) The Issuer's Shariah-compliant business in relation to the design, construction, ownership, operation and maintenance of the Plants ("<b>Shariah-compliant Business</b>") which shall represent the Sukukholders' interest in the Shariah-compliant Business; and</p> <p>(b) Shariah-compliant commodities ("<b>Commodities</b>") purchased and sold under the Shariah principle of <i>Murabahah</i> ("<b>Commodity Murabahah Investment</b>").</p> <p><u>Shariah-compliant Business</u></p> <p>Pursuant to the <i>Wakalah</i> Agreement, the Investment <i>Wakeel</i> shall invest part of the Sukuk Proceeds into the Issuer's Shariah-compliant Business. The value of the <i>Wakalah</i> Investments in respect of the Shariah-compliant Business should be at least 33% of the <i>Wakalah</i> Investments, subject to the valuation principles set out in the <i>Wakalah</i> Agreement.</p> <p>For the avoidance of doubt, the above ratio of at least 33% of the value of the <i>Wakalah</i> Investments is only applicable at the point of initial investment for the Telekosang ASEAN Green SRI Sukuk and does not need to be maintained throughout the tenure of the Telekosang ASEAN Green SRI Sukuk. However, the Investment <i>Wakeel</i> shall ensure that the Shariah-compliant Business shall at all times be a component of the <i>Wakalah</i> Investments.</p> <p>During the tenure of the Telekosang ASEAN Green SRI Sukuk, each of the Project Companies shall ensure all <i>takaful</i> contracts/insurance policies that are required to be maintained or effected by it pursuant to the Transaction Documents and the Project Documents are in full force and effect. The <i>takaful</i> contracts/insurance policies shall be assigned to the Sukuk Trustee (for the benefit and acting on behalf of the Sukukholders) to secure the Telekosang ASEAN Green SRI Sukuk.</p> <p>In this regard, in the event that there is 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, the proceeds from the <i>takaful</i> contracts/insurance policies shall be used to redeem the outstanding Telekosang ASEAN Green SRI Sukuk.</p>

**Telekosang Hydro One Sdn Bhd ("TH1" or the "Issuer")**

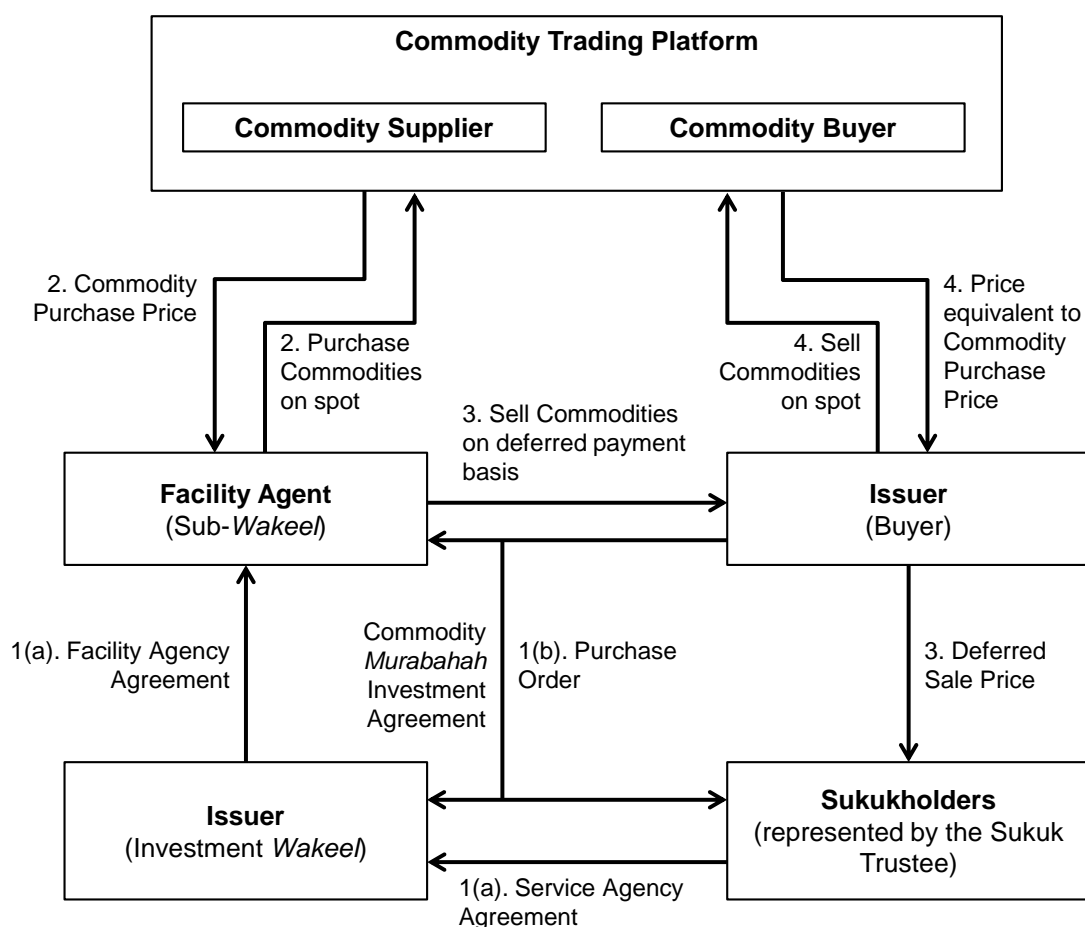
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Steps	Description
3.	<p>In respect of such series of the Telekosang ASEAN Green SRI Sukuk with profit, returns generated from the <i>Wakalah</i> Investments up to the Expected Periodic Distribution Amount shall be distributed periodically to the Sukukholders in the form of periodic distributions ("<b>Periodic Distributions</b>"). The Periodic Distributions shall be distributed semi-annually or such other period to be determined prior to the issue date of the relevant series of the Telekosang ASEAN Green SRI Sukuk (each such date for distribution, a "<b>Periodic Distribution Date</b>").</p> <p>In respect of such series of the Telekosang ASEAN Green SRI Sukuk without profit, returns generated from the <i>Wakalah</i> Investments up to the Expected Periodic Distribution Amount shall be distributed on a one-off basis upon the respective maturity dates of the relevant series ("<b>Scheduled Dissolution Date</b>") or the Dissolution Declaration Date.</p> <p>On (i) each Periodic Distribution Date; (ii) the Scheduled Dissolution Date; or (iii) the Dissolution Declaration Date, as the case may be, any returns from the <i>Wakalah</i> Investments in excess of the Expected Periodic Distribution Amount distributable and/or the Dissolution Distribution Amount due and payable under the Telekosang ASEAN Green SRI Sukuk shall be waived by the Sukukholders and retained by the Issuer as an incentive fee for its services as Investment <i>Wakeel</i> in managing the <i>Wakalah</i> Investments under the <i>Wakalah</i> Agreement.</p>
4.	<p>Separately from the <i>Wakalah</i> arrangement, the Issuer (as the Obligor) shall grant a purchase undertaking ("<b>Purchase Undertaking</b>") to the Sukuk Trustee (for the benefit of the Sukukholders), whereby on the Scheduled Dissolution Date or the Dissolution Declaration Date, whichever is the earlier, the Obligor shall purchase the Sukukholders' undivided and proportionate beneficial interest in the Shariah-compliant Business at the Exercise Price by entering into a sale agreement ("<b>Sale Agreement</b>"). The Purchase Undertaking when exercised by the Issuer as the Obligor signifies the dissolution of the <i>Wakalah</i> Agreement. Subsequently, the Investment <i>Wakeel</i>'s obligations pursuant to the <i>Wakalah</i> Agreement will be discharged and the Trust Assets shall be returned to the Sukukholders as the rightful party.</p> <p>For the avoidance of doubt, any double counting shall be disregarded.</p> <p>Proceeds of the <i>Wakalah</i> Investments which are the Exercise Price, the Deferred Sale Price (as defined below) and any returns generated shall be utilised to redeem the Telekosang ASEAN Green SRI Sukuk at the Dissolution Distribution Amount on the Scheduled Dissolution Date or the Dissolution Declaration Date, as the case may be. Any excess in respect of proceeds of the <i>Wakalah</i> Investments thereof shall be waived by the Sukukholders and retained by the Investment <i>Wakeel</i> as incentive fee.</p> <p>Upon full payment of all amounts due and payable under the Telekosang ASEAN Green SRI Sukuk or upon payment by the Obligor to the Sukuk Trustee (for the benefit of the Sukukholders) the Exercise Price pursuant to the Purchase Undertaking, the relevant Telekosang ASEAN Green SRI Sukuk held by the Sukukholders will be cancelled.</p>

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### Commodity Murabahah Investment Transaction Structure



The remaining balance of the Sukuk Proceeds shall be invested into the Commodity *Murabahah* Investment.

The Commodity *Murabahah* Investment shall be effected as follows:

Steps	Description
1.	<p>(a) Pursuant to the Service Agency Agreement, the Sukuk Trustee shall appoint the Issuer as the Investment <i>Wakeel</i> of the Sukukholders to purchase and sell the Commodities. Subsequently, pursuant to the Facility Agency Agreement, the Investment <i>Wakeel</i> shall appoint the Facility Agent as its sub-agent/sub-<i>wakeel</i> (on behalf of the Sukukholders) ("<b>Sub-Wakeel</b>") to purchase and sell the Commodities.</p> <p>(b) Pursuant to the Commodity <i>Murabahah</i> Investment Agreement to be entered into between the Issuer as the buyer ("<b>Buyer</b>"), the Sukuk Trustee on behalf of the Sukukholders, the Issuer as the Investment <i>Wakeel</i> and the Facility Agent as Sub-<i>Wakeel</i>, the Buyer shall issue a purchase order ("<b>Purchase Order</b>") to the Investment <i>Wakeel</i> and the Sukuk Trustee (both acting on behalf of the Sukukholders), and the Sub-<i>Wakeel</i> with an undertaking to purchase the Commodities from the Investment <i>Wakeel</i> (acting on behalf of</p>

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<b>Steps</b>	<b>Description</b>
	the Sukukholders) through the Sub- <i>Wakeel</i> at the Deferred Sale Price.
2.	Pursuant to the Purchase Order, the Investment <i>Wakeel</i> (on behalf of the Sukukholders), through the Sub- <i>Wakeel</i> , will purchase, via the commodity trading participant (" <b>CTP</b> "), the Commodities on spot basis from a commodity supplier (" <b>Commodity Supplier</b> ") in the Bursa <i>Suq Al-Sila'</i> or any other recognised commodity trading platform acceptable by the Shariah Adviser at a purchase price equivalent to the remaining balance of the Sukuk Proceeds in excess of the amount invested in the Shariah-compliant Business (" <b>Commodity Purchase Price</b> ").
3.	Upon acquiring the Commodities, the Investment <i>Wakeel</i> (on behalf of the Sukukholders), through the Sub- <i>Wakeel</i> , will thereafter sell the Commodities to the Buyer at <b>Deferred Sale Price</b> which is a price equivalent to the Commodity Purchase Price plus the profit margin and shall be payable on deferred payment basis. For the avoidance of doubt, the Deferred Sale Price shall be equal to the aggregate sum of the Expected Periodic Distribution Amount if any, and the nominal value of the relevant series of the Telekosang ASEAN Green SRI Sukuk.
4.	Upon the purchase of the Commodities, the Buyer via the CTP, will immediately sell the Commodities to Bursa Malaysia Islamic Services Sdn Bhd (" <b>BMIS</b> ") or any other recognised commodity buyer (other than the Commodity Supplier) (" <b>Commodity Buyer</b> ") on spot basis for cash, equivalent to the Commodity Purchase Price.