

Other Terms and Conditions

- (i) **Identified Assets** : The Solar PV Plants.
- (ii) **Purchase and selling price/Rental** : **Istisna' Price**
The Istisna' Price pursuant to the Istisna' Agreement (which shall be equal to the aggregate proceeds from the issuance of the SRI Sukuk Tadau) shall be determined prior to the issuance of the SRI Sukuk Tadau.

The Istisna' Price shall be in line with the Asset Pricing Guidelines.
- Advance Rentals and Lease Rentals**

The Advance Rentals and Lease Rentals (based on the relevant Periodic Distribution Rate) shall be determined prior to issuance of each SRI Sukuk Tadau.
- (iii) **Profit/Coupon/Rental Rate (fixed or floating)** : Fixed rate to be determined prior to the issuance of the SRI Sukuk Tadau ("**Periodic Distribution Rate**").

The "**Periodic Distribution Amount**" shall be calculated at the Periodic Distribution Rate on the nominal value of the SRI Sukuk Tadau based on Periodic Distribution Basis (as defined below).
- (iv) **Profit/Coupon/Rental Payment frequency** : The frequency of payment of the Periodic Distribution Amounts for the SRI Sukuk Tadau shall be on a semi-annual basis or such other period to be determined by the Issuer prior to the issuance of the SRI Sukuk Tadau. The periodic distribution dates ("**Periodic Distribution Dates**") shall be the date for payment of each of the Periodic Distribution Amount, each being a date falling at the end of each consecutive six (6) month periods commencing from the date of the first issuance of the relevant SRI Sukuk Tadau or such other period to be determined by the Issuer prior to the issuance of the SRI Sukuk Tadau.
- (v) **Profit/Coupon/Rental Payment Basis** : The Periodic Distribution Amount shall be calculated on the basis of actual/365 ("**Periodic Distribution Basis**").
- (vi) **Details on utilisation of proceeds by the Issuer** : The proceeds shall be utilised by the Issuer for Shariah compliant purposes in relation to the Project⁽¹⁾ for payment of the Project Costs incurred or to be incurred based on the FE Ratio of 80:20⁽²⁾.

Notes:

- (1) *The Project is deemed to be an Eligible SRI project under the Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework issued by the SC on 9 March 2015 and revised on 16 January 2017 ("**LOLA Guidelines**") pursuant to paragraph 7.04 (b)(i) (new or existing renewable energy – solar) of Part 3 of the LOLA Guidelines.*
- (2) *This includes reimbursement of fees and expenses paid by the Issuer or the Sponsor in relation to the SRI Sukuk Programme and the BG Facilities.*

(vii) Reduction Schedule

: The limit of the SRI Sukuk Programme shall be reduced according to a reduction schedule ("**Reduction Schedule**") as set out below:

Reduction Date (Anniversary year from the date of first issue)	Reduction/ Redemption Amount (RM)	Available Limit (RM)
Issue date	-	250,000,000
1	-	250,000,000
2	14,000,000	236,000,000
3	9,000,000	227,000,000
4	15,000,000	212,000,000
5	18,000,000	194,000,000
6	19,000,000	175,000,000
7	20,000,000	155,000,000
8	20,000,000	135,000,000
9	20,000,000	115,000,000
10	20,000,000	95,000,000
11	20,000,000	75,000,000
12	20,000,000	55,000,000
13	15,000,000	40,000,000
14	15,000,000	25,000,000
15	15,000,000	10,000,000
16	10,000,000	0

(viii) Tenure of the SRI Sukuk Tadau

: The SRI Sukuk Tadau shall have a tenure of two (2) years or more but not exceeding sixteen (16) years provided that the maturity date of the SRI Sukuk Tadau shall not extend beyond the tenure of the SRI Sukuk Programme.

(ix) Project

: The financing, design, engineering, procurement, construction, installation, testing, commissioning, ownership, operation and maintenance of the Solar PV Plants, to be located at Kudat, Sabah, Malaysia and associated facilities as described under the PPA 1 and the PPA 2, and includes any modification thereto.

(x) Solar PV Plants

: Details of the solar PV energy generating facilities are as follows:

Unit 1 (2MWac) under PPA 1 ("**Unit 1**" or "**Asset 1**")

2MWac solar PV energy generating facility to be located in Jalan Sikuati, Kudat situated on the lands held under:

- (i) Country Lease No. CL. 055322953, measuring approximately in area of 9.72 acres; and
- (ii) Country Lease No. CL. 055025824, measuring approximately in area of 8 acres,

("Site Yong East").

Unit 2 (48MWac) under PPA 2 ("Unit 2" or "Asset 2")

Three (3) solar PV energy generating facilities to be located on the following sites:

- (a) 1.5MWac solar PV energy generating facilities to be located at Jalan Sikuti, Kudat situated on Site Yong East.
- (b) 12.6MWac solar PV energy generating facilities to be located in Jalan Pantai Bak Bak, Kudat situated on a portion measuring 35 acres of the lands held under Country Lease No. CL. 055028192 measuring approximately in area of 54 acres ("**Site Bak Bak**").
- (c) 33.9MWac solar PV energy generating facilities to be located in Jalan Tai Cheong, Kudat situated on:
 - (i) the land held under Country Lease No. CL. 055022529 measuring approximately in area of 20.143 acres;
 - (ii) the land held under Country Lease No. CL. 055026830, measuring approximately in area of 49.75 acres;
 - (iii) the land held under Country Lease No. CL. 055022485, measuring approximately in area of 3.212 acres;
 - (iv) a portion of land measuring 5 acres held under Country Lease No. CL. 055021764 measuring up to a total area of 23 acres;
 - (v) the land held under Country Lease No. CL. 055021782 measuring up to a total area of 14 acres; and
 - (vi) the land held under Country Lease No. CL. 055024274 measuring up to a total area of 25 acres.

("Site Yong West").

"Solar PV Plants" shall mean Unit 1 and Unit 2 collectively. "Solar PV Plant" shall, where the context requires, be reference to Unit 1 or Unit 2, as the case may be.

- (xi) **Project Costs** : The total cost and expenses relating to the Project incurred or to be incurred by the Issuer including:
- (a) all costs associated with development, design, engineering, procurement, construction, installation, testing, commissioning and ownership in respect of the Project; and
 - (b) any other Project related costs, including financing cost up to the next immediate Periodic Distribution Date post Scheduled COD of Unit 2 and expenses relating to the SRI Sukuk Programme and the BG Facilities, consultancy fees, takaful contributions, contingencies and working capital requirements of the Project.

- (xii) **Maturity Date** : The respective scheduled maturity date being, the date on which the relevant outstanding tranche of the SRI Sukuk Tadau in question is due to be redeemed.
- (xiii) **COD of Unit 1** : Commercial Operation Date of Unit 1 means the date on which all the conditions precedent to commercial operation as set forth in the PPA 1 shall have been satisfied or waived.
- (xiv) **COD of Unit 2** : Commercial Operation Date of Unit 2 means the date on which all the conditions precedent to commercial operation as set forth in the PPA 2 shall have been satisfied or waived.
- (xv) **Initial Operation Date** : Initial Operation Date means such date as may be applied according to the PPA 2.
- (xvi) **Scheduled COD of Unit 1** : 30th June 2017. For the avoidance of doubt, in the event the Scheduled COD of Unit 1 is not a business day and is a Saturday, Sunday or an expected holiday, the Scheduled COD of Unit 1 shall be the preceding business day.
- (xvii) **Scheduled COD of Unit 2** : 31st March 2018. For the avoidance of doubt, in the event the Scheduled COD of Unit 2 is not a business day and is a Saturday, Sunday or an expected holiday, the Scheduled COD of Unit 2 shall be the preceding business day.
- (xviii) **Project Completion Date** : The first date on which all of the following conditions have been complied:
- (i) the project completion reports (as described in the PPAs) have been issued by the EPC Contractor and submitted to SESB;
 - (ii) SESB has issued a written confirmation that the COD of Unit 1 and COD of Unit 2 have been achieved (as described in the PPAs); and
 - (iii) the confirmation by the EPC Contractor that the Issuer has discharged in full its payment obligations under the EPC Contracts, including the respective Retention Money (as described in the EPC Contracts).
- (xix) **BG Facilities** : Bank guarantee facilities procured or to be procured by the Issuer for the benefit of Suruhanjaya Tenaga, SESB and/or any other relevant authority in connection with the Project.
- (xx) **Redemption** : Unless previously redeemed, purchased or cancelled, all outstanding SRI Sukuk Tadau will be redeemed by the Issuer at 100% of their nominal value on their respective maturity dates.
- (xxi) **Status** : The SRI Sukuk Tadau will represent the Sukukholders' undivided and proportionate beneficial ownership and interest in the Trust Assets. The SRI Sukuk Tadau shall 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 Issuer, subject to those preferred by law and the Transaction Documents.

- (xxii) **Sukuk Trustees' Reimbursement Account for Sukukholders' Actions** : The Issuer shall set up a Shariah-compliant Sukuk Trustees' Reimbursement Account for Sukukholders' Actions ("**Sukuk Trustees' Reimbursement Account**") with a sum of RM30,000 (which shall be maintained at all times throughout the tenure of the SRI Sukuk Programme). The Sukuk Trustees' Reimbursement Account shall be operated by the Sukuk Trustee and the money shall only be used strictly by the Sukuk Trustee in carrying out its duties in relation to the occurrence of a Dissolution Event which are to be provided in the relevant Transaction Documents.
- (xxiii) **Transaction Documents** : "**Transaction Documents**" includes the transaction documents executed or to be executed in connection with the proposed issue of the SRI Sukuk Tadau, which term includes issue documents, Shariah required documents, Sponsor Completion Support, Security Documents relating to SRI Sukuk Tadau, and any other facilities to be mutually agreed to between the Issuer and the LA to be included as a Transaction Document.
- (xxiv) **Power Purchase Agreement 1 or PPA 1** : The power purchase agreement dated 15 December 2016 between the Issuer and SESB in connection with Unit 1, and includes any amendments, variations and/or supplemental made or entered into from time to time.
- (xxv) **Power Purchase Agreement 2 or PPA 2** : The power purchase agreement dated 15 December 2016 between the Issuer and SESB in connection with Unit 2, and includes any amendments, variations and/or supplemental made or entered into from time to time.
- (xxvi) **Lease Agreement (Site Yong West 1)** : The lease agreement dated 16 December 2016 between the Issuer as lessee and the registered proprietor of the below mentioned land as lessor over the land held under Country Lease No. CL. 055022529 measuring approximately 20.143 acres situated at Kudat, Sabah.
- (xxvii) **Lease Agreement (Site Yong West 2)** : The lease agreement dated 16 December 2016 between the Issuer as lessee and the registered proprietor of the below mentioned land as lessor over the land held under (i) Country Lease No. CL. 055026830 measuring approximately 49.75 acres and (ii) Country Lease No. CL. 055022485 measuring approximately 3.212 acres, both situated at Kudat, Sabah.
- (xxviii) **Lease Agreement (Site Yong East)** : The lease agreement dated 16 December 2016 between the Issuer as lessee and the registered proprietor of the below mentioned land as lessor over the land held under Country Lease No. CL. 055322953 measuring approximately 9.72 acres and (ii) Country Lease No. CL. 055025824 measuring approximately 8 acres, both situated at Kudat, Sabah.
- (xxix) **Lease Agreement (Site Bak Bak)** : The lease agreement dated 28 December 2016 between the Issuer as lessee and JS Premier Corporation Sdn Bhd (Company No. 900028-X) as lessor over a portion measuring 35 acres of the land held under Country Lease No. CL. 055028192 measuring approximately 54 acres situated at Kudat, Sabah.
- (xxx) **Lease Agreement (Site Yong West 3)** : The lease agreement dated 8 March 2017 between the Issuer as lessee and the registered proprietors of the below mentioned land as lessors over a portion measuring 5 acres of the land held under Country Lease No. CL. 055021764 measuring up to a total area of 23 acres situated at Kudat, Sabah.

- (xxxix) Lease Agreement (Site Yong West 4)** : The lease agreement dated 8 March 2017 between the Issuer as lessee and the registered proprietors of the below mentioned land as lessors over the land held under Country Lease No. CL. 055021782 measuring approximately 14 acres situated at Kudat, Sabah.
- (xxxii) Lease Agreement (Site Yong West 5)** : The lease agreement dated 8 March 2017 between the Issuer as lessee and the registered proprietor of the below mentioned land as lessor over the land held under Country Lease No. CL. 055024274 measuring approximately 25 acres situated at Kudat, Sabah.
- (xxxiii) EPC Contract 1** : Contract agreement dated 24 January 2017 between the Issuer and the EPC Contractor for the design, engineering, procurement, construction, installation, testing and commissioning of the 2MWac PV electric installation proposed to be located in Kudat, Sabah.
- (xxxiv) EPC Contract 2** : Contract agreement dated 24 January 2017 between the Issuer and the EPC Contractor for the design, engineering, procurement, construction, installation, testing and commissioning of the three (3) solar PV electric installation with an aggregate capacity of 48MWac proposed to be located at Site Bak Bak, Site Yong East and Site Yong West in Kudat, Sabah.
- (xxxv) EPC Contractor** : SPIC Energy Malaysia Sdn Bhd.
- (xxxvi) Project Documents** : The Project Documents of the Project shall include the following:
- (i) The PPA 1 and PPA 2 (collectively referred to as “**PPAs**”);
 - (ii) The Lease Agreement (Site Yong West 1), Lease Agreement (Site Yong West 2), Lease Agreement (Site Yong East), Lease Agreement (Site Bak Bak), Lease Agreement (Site Yong West 3), Lease Agreement (Site Yong West 4) and Lease Agreement (Site Yong West 5) (collectively referred to as the “**Lease Agreements**” and any one of them a “**Lease Agreement**”);
 - (iii) The EPC Contract 1 and EPC Contract 2 (collectively referred to as the “**EPC Contracts**”) and associated bonds, performance bonds or completion guarantees (if any) from or on behalf of the EPC Contractor;
 - (iv) The operation and maintenance agreements entered or to be entered into by the Issuer in connection with the Project;
 - (v) Applicable insurance policies/takaful contracts of or for the benefit of the Issuer pursuant to any Project Document;
 - (vi) All relevant permits and licences relating to the Project which are issued in favour of or for the benefit of the Issuer; and
 - (vii) Such other project documents as advised by the Transaction Solicitors to the LA and mutually agreed between the Issuer and the LA.

(xxxvii) Sponsor Equity Contribution : Refers to all shareholder equity contribution and commitment made directly or indirectly by the Sponsor in relation to the Project whether in the form of ordinary share capital, preferred shares, redeemable preference shares or subordinated shareholder loans/financing.

(xxxviii) Sponsor Completion Support : Kagayaki Energy Sdn Bhd ("**Sponsor**") shall provide an unconditional and irrevocable letter of undertaking for the period commencing from (and including) the issue date of the SRI Sukuk Tadau and expiring on the date falling six (6) months from the COD of Unit 2 or the date of declaration of a Dissolution Event (whichever is earlier) ("**Undertaking Period**") to:

- (i) inject the Sponsor Equity Contribution into the Project in accordance with the Financial Model or Revised Financial Model (if applicable); and
- (ii) fund any cost overruns incurred relating to the Project.

In respect of the Sponsor Completion Support, the Sponsor shall have the right, but not the obligation, to increase the amount and/or extend the period of the undertaking at its sole discretion.

The Sponsor Completion Support shall cease and have no further effect on the earlier of the expiry of the Undertaking Period or the date on which the following having been fulfilled and confirmed by a Director of the Issuer to the Sukuk Trustee and Security Trustee:

- (i) the date of acceptance specified in (a) the Final Acceptance Certificate (as defined in the EPC Contract 1) issued under the EPC Contract 1 as the date on which the works are completed in accordance with the EPC Contract 1 and (b) the Final Acceptance Certificate (as defined in the EPC Contract 2) issued under the EPC Contract 2 as the date on which the works are completed in accordance with the EPC Contract 2;
- (ii) all construction costs in relation to the Project payable under the EPC Contracts have been paid (including any cost overruns); and
- (iii) the Conditions Subsequent under item (Conditions precedent) have been satisfied.

(xxxix) Taxation : All payments by the Issuer shall be made in full 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 authority thereof or therein having power to tax, unless such withholding or deduction is required by law (in which event the Issuer 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 were made).

(xl) Mandatory Redemption : Upon the occurrence of a Total Loss Event in respect of any Asset, the Project Company shall immediately notify the Sukuk Trustee in writing.

In the event of a Total Loss Event in respect of Asset 1 and Asset 2 ("**Mandatory Redemption Event**"), the Issuer shall redeem the

nominal value of all outstanding SRI Sukuk Tadau and all accrued and unpaid Periodic Distribution Amount thereon and pay the Ownership Expenses (if any) (collectively, the “**Mandatory Redemption Amount**”), using the proceeds of takaful/insurance for Asset 1 and Asset 2 (including, where applicable, the amount payable by the Servicing Agent pursuant to the Service Agency Agreement) as soon as practicable upon receiving the same. If the takaful/insurance proceeds are insufficient to cover the Mandatory Redemption Amount, the Servicing Agent shall irrevocably and unconditionally undertake to make good the difference and shall immediately make such requisite payment to the Issuer if sufficient proceeds of takaful/insurance have not been received within thirty (30) calendar days after the occurrence of a Mandatory Redemption Event. The Mandatory Redemption Amount shall be set-off against the reimbursement of any Ownership Expenses payable to the Servicing Agent in relation to the Assets. The Ijarah Agreements in respect of Asset 1 and Asset 2 will be terminated.

In the event of a Total Loss Event in respect of Asset 1 (“**Asset 1 Mandatory Redemption Event**”), the Issuer shall redeem the nominal value of the SRI Sukuk Tadau up to the amount of the Exercise Price in relation to Asset 1 in the inverse order of maturity (collectively, the “**Asset 1 Mandatory Redemption Amount**”) using the proceeds of takaful/insurance for Asset 1 (including, where applicable, the amount payable by the Servicing Agent pursuant to the Service Agency Agreement) as soon as practicable upon receiving the same. If the takaful/insurance proceeds are insufficient to cover the Asset 1 Mandatory Redemption Amount, the Servicing Agent shall irrevocably and unconditionally undertake to make good the difference and shall immediately make such requisite payment to the Issuer if sufficient proceeds of takaful/insurance have not been received within thirty (30) calendar days after the occurrence of an Asset 1 Mandatory Redemption Event. The Asset 1 Mandatory Redemption Amount shall be set-off against the reimbursement of any Ownership Expenses payable to the Servicing Agent in relation to Asset 1. The Ijarah Agreement in respect of Asset 1 will be terminated.

In the event of a Total Loss Event in respect of Asset 2 (“**Asset 2 Mandatory Redemption Event**”), the Issuer shall redeem the nominal value of the SRI Sukuk Tadau up to the amount of the Exercise Price in relation to Asset 2 (collectively, the “**Asset 2 Mandatory Redemption Amount**”) using the proceeds of takaful/insurance for Asset 2 (including, where applicable, the amount payable by the Servicing Agent pursuant to the Service Agency Agreement) as soon as practicable upon receiving the same. If the takaful/insurance proceeds are insufficient to cover the Asset 2 Mandatory Redemption Amount, the Servicing Agent shall irrevocably and unconditionally undertake to make good the difference and shall immediately make such requisite payment to the Issuer if sufficient proceeds of takaful/insurance have not been received within thirty (30) calendar days after the occurrence of an Asset 2 Mandatory Redemption Event. The Asset 2 Mandatory Redemption Amount shall be set-off against the reimbursement of any Ownership Expenses payable to the Servicing Agent in relation to Asset 2. The Ijarah Agreement in respect of Asset 2 will be terminated. The Sukuk Trustee acting for the Sukukholders shall invoke the Purchase Undertaking upon which the Purchaser will purchase Asset 1 from the Sukuk Trustee, at the Exercise Price, whereupon the Ijarah Agreement in respect of Asset 1 will be

terminated.

(xli) Project Lands : Means, collectively, the parcels of lands leased pursuant to the Lease Agreements (as defined in sub-item (xxxvi) above) where the Solar PV Plants are to be constructed and located, and the lands under any Lease Agreement shall be referred to as **"Project Land"**.

(xlii) FSA SBLC : Two (2) years subsequent to COD of Unit 2, the Issuer may, if so requested by its shareholders, be permitted to meet the whole or part of the FSA Minimum Required Balance by delivering to the Security Trustee a FSA SBLC (**"SBLC Option"**).

"FSA SBLC" means an unconditional, irrevocable and on demand standby letter of credit procured by any of the Issuer's shareholders and issued by a licensed Islamic financial institution with a minimum long term rating of at least AA3 by RAM or AA- by MARC (**"Provider"**) to the Security Trustee and on terms satisfactory to the Security Trustee.

The FSA SBLC shall:

- (i) cover, on the issue date of such FSA SBLC, the amount of shortfall in the FSA Minimum Required Balance (**"FSA SBLC Amount"**);
- (ii) provide for no recourse to the Issuer for the Provider of such FSA SBLC; and
- (iii) provide that such FSA SBLC will be drawn if not renewed within twenty (20) business days prior to its original expiry date and/or to any subsequent expiry date thereafter.

In the event the rating of the Provider of the FSA SBLC is downgraded by 2 or less notches from the SRI Sukuk Programme rating, the shareholders of the Issuer will have to replace the existing FSA SBLC with a new FSA SBLC from a licensed Islamic financial institution of equal or higher long-term credit rating, within forty-five (45) days from the date of the rating downgrade. Failure to do so entitles the Security Trustee to call on the existing FSA SBLC and the proceeds from the FSA SBLC shall be deposited into the FSA.

In the event the rating of the Provider of the FSA SBLC is downgraded by more than 2 notches from the SRI Sukuk Programme rating, the Security Trustee shall draw on the FSA SBLC immediately and the proceeds from the FSA SBLC shall be deposited into the FSA.

(xliii) Eligible projects **SRI** : **"Eligible SRI projects"** refers to eligible sustainable and responsible investment projects, and has the meaning ascribed to it under the LOLA Guidelines.

(xliv) Jurisdiction : The Issuer submits to the exclusive jurisdiction of the courts of Malaysia.

(xliv) Other Disclosures

- **If the issuer or its board members have been convicted or** None.

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 10 years prior to the lodgement/since incorporation, for issue incorporated less than 10 years

- *If the issuer has 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*

Not applicable.