

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).

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

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).

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 of
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*

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).

Investments shall be utilised for the following purposes:

Details on Utilisation	Nominal Amount (up to RM' million) ⁽¹⁾
(i) To part finance the Project Cost for the TH1 Project;	267
(ii) To advance ⁽²⁾ 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
Total	470

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

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).

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.

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).

(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 “ EPCC Contract ” shall where the context so requires be a reference to any one or more of them.
FIT Commencement Date		With respect to each Plant, the date upon which each of the conditions to the “ Scheduled Feed-in Tariff Commencement Date ” (as defined under REPPAs) for such Plant as set out in the relevant REPPA have been satisfied.
Intercompany Advances		The advances/ financing/ indebtedness between TH1 and TH2 in relation to or in connection with the Projects, inter alia: (a) Advances from TH1 to TH2 from the proceeds of Telekosang ASEAN Green SRI Sukuk and the Telekosang ASEAN Green Junior Bonds to part finance the Project Cost for the TH2 Project (“ TH1 Advance ”) and the payment from TH2 to TH1 for the TH1 Advance in accordance with the terms and conditions of the respective Intercompany Financing Agreements; (b) Any advances between the Project Companies to ensure that the following obligations are met at all times: (i) the Issuer’s payments obligations under the

Telekosang 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).

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.

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).

Permitted Indebtedness	In respect of each Project Company, <ul style="list-style-type: none">(a) the Telekosang ASEAN Green Junior Bonds;(b) Subordinated Loans/Advances;(c) the Intercompany Advances; and(d) Working Capital Facilities.
Permitted Interests	<p>Security The following Security Interests:</p> <ul style="list-style-type: none">(a) those Security Interests contemplated under the Transaction Documents;(b) those security interests contemplated under the Telekosang ASEAN Green Junior Bonds and the Working Capital Facilities; and(c) those Security Interests arising by operation of law and contractual liens and retention of title arrangements, in each case arising in the ordinary course of the Project Companies' business and Permitted Indebtedness, as the case may be.
Plants	The hydroelectric energy generating facilities in Tenom, Sabah, to be constructed in accordance with the terms and conditions of its respective REPPA and EPCC Contract, and " Plant " shall where the context so requires be a reference to any one or more of them.
Potential Event of Default	Any event or circumstance which, with the giving of notice, the making of any determination by the 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. " Project " shall where the context so requires be a reference to any one or more of them.
Project Companies	Collectively, the following: <ul style="list-style-type: none">(a) Telekosang Hydro One Sdn Bhd (Company No. 1242773-K) ("TH1"); and(b) Telekosang Hydro Two Sdn Bhd (Company No. 1242774-U) ("TH2"), and " Project Company " shall where the context so requires be a reference to any one or more of them.

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).

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

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).

- (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 "REPPA" shall where the context so requires be a reference to any one or more of them.
Security Interests	Any mortgage, pledge, lien, charge, assignment, hypothecation or security interest or any other agreement or arrangement having a similar effect.
SESB	Sabah Electricity Sdn Bhd (Company No. 462872-W)
Shareholder	Senja Optima Sdn Bhd (Company No. 1091934-W)
Shareholder's Funds	All shareholder's equity contribution made directly or indirectly by the shareholder(s) into the Project Companies, whether in the form of ordinary share capital, redeemable preference shares, subordinated advances/financing and/or Telekosang ASEAN Green Junior Bonds in accordance with the terms of the relevant Transaction Documents.
Subordinated Loans/Advances	Any subordinated advances and indebtedness from its directors, shareholders, related companies and/or associated companies (other than the Intercompany Advances).
Telekosang ASEAN Green Junior Bonds	The issuance of junior bonds of up to RM120,000,000.00 in nominal value by the Issuer.

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).

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">(a) the Trust Deed;(b) the Facility Agreement;(c) the Subscription Agreement;(d) the Islamic Agreements (as defined below);(e) the Securities Lodgement Form; and(f) the Security Documents; <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 "Transaction Documents".</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">(a) Commodity <i>Murabahah</i> Investment Agreement;

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).

- (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.