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EDRA
中广核 CGN
EDRA SOLAR SDN BHD
(Company No. 1057995-U)

INFORMATION MEMORANDUM

**PROPOSED ISSUE OR OFFER FOR SUBSCRIPTION OR PURCHASE OF OR
INVITATION TO SUBSCRIBE FOR OR PURCHASE OF ISLAMIC MEDIUM TERM
NOTES BASED ON THE SHARIAH PRINCIPLE OF MURABAHAH (VIA
TAWARRUQ ARRANGEMENT) (“ASEAN SUSTAINABILITY SRI SUKUK”) OF UP
TO RINGGIT TWO HUNDRED AND FORTY FIVE MILLION (RM245,000,000.00) IN
NOMINAL VALUE**

Principal Adviser and Lead Arranger



OCBC Al-Amin Bank Berhad
(COMPANY NO: 818444-T)

Joint Lead Managers



OCBC Al-Amin Bank Berhad
(COMPANY NO: 818444-T)



Standard Chartered Saadiq Berhad
(COMPANY NO: 823437-K)

This Information Memorandum is dated 6 September 2019

RESPONSIBILITY STATEMENT

This Information Memorandum has been approved by Edra Solar Sdn Bhd (Company No. 1057995-U) ("**Edra Solar**" or the "**Issuer**") and Edra Power Holdings Sdn Bhd (Company No. 1164881-X) ("**Edra Power**" or the "**Sponsor**") and the Issuer and the Sponsor accept full responsibility for the accuracy of the information contained in this Information Memorandum. To the best of the knowledge and belief of the Issuer and the Sponsor (having taken all reasonable care to ensure that such is the case), the information contained in this Information Memorandum is in accordance with the facts and does not omit anything likely to affect the import of such information. The Issuer and the Sponsor, having made all reasonable enquiries, confirm that this Information Memorandum contains all information which is material in the context of the Islamic medium term notes based on the Shariah principles of Murabahah (via Tawarruq arrangement) of up to Ringgit Two Hundred and Forty Five Million (RM245,000,000.00) in nominal value ("**ASEAN Sustainability SRI Sukuk**"), that the information contained in this Information Memorandum is true and accurate in all respects and is not misleading, that the opinions and intentions expressed in this Information Memorandum are honestly held and that there are no other facts the omission of which would make this Information Memorandum or any of such information or the expression of any such opinions or intentions misleading.

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This Information Memorandum is being furnished on a private and confidential basis solely for the purpose of enabling investors to consider the purchase of the ASEAN Sustainability SRI Sukuk. It is a condition precedent for the ASEAN Sustainability SRI Sukuk to have been assigned a credit rating of at least AA2 by RAM Rating Services Berhad. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the credit rating agency.

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EDRA SOLAR SDN BHD

ASEAN Sustainability SRI Sukuk of up to RM245 Million in Nominal Value
Information Memorandum

Arranger and each Joint Lead Manager accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Information Memorandum or any such statement.

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Act 2007 (as amended from time to time) ("**CMSA**") at issuance, and Section 2(6) of the Companies Act; and Part 1 of Schedule 6 read together with Schedule 9 of the CMSA thereafter.

This Information Memorandum is not intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuer, the Principal Adviser, the Lead Arranger or the Joint Lead Managers that any recipient of this Information Memorandum should purchase any of the ASEAN Sustainability SRI Sukuk. Each investor contemplating purchasing any of the ASEAN Sustainability SRI Sukuk should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer and the terms of the offering of the ASEAN Sustainability SRI Sukuk, including the merits and risks involved.

This Information Memorandum includes certain historical information, estimates, or reports thereon derived from sources mentioned in this Information Memorandum with respect to the economy, the business which the Issuer operates and certain other matters. Such information, estimates, or reports have been included solely for illustrative purposes. No representation or warranty is made as to the accuracy or completeness of any information, estimates and/or reports thereon derived from such sources or from other third party sources.

All discrepancies (if any) in the tables included in this Information Memorandum between the listed amounts and totals thereof are due to, and certain numbers appearing in this Information Memorandum are shown, after rounding.

ACKNOWLEDGMENT

The Issuer hereby acknowledges and authorises OCBC Al-Amin Bank Berhad and Standard Chartered Saadiq Berhad as the Joint Lead Managers to distribute this Information Memorandum on a confidential basis to potential investors for the sole purpose of assisting such investors to decide whether to subscribe for or purchase any ASEAN Sustainability SRI Sukuk. At the point of issuance of the ASEAN Sustainability SRI Sukuk, the ASEAN Sustainability SRI Sukuk may only be offered, sold or transferred or otherwise disposed of, directly or indirectly, to persons falling within Section 2(6) of the Companies Act; and Part 1 of Schedule 6 and Part 1 of Schedule 7, read together with Schedule 9 of the CMSA.

STATEMENTS OF DISCLAIMER – SECURITIES COMMISSION MALAYSIA ("SC")

In accordance with the CMSA, a copy of this Information Memorandum will be deposited with the SC, who takes no responsibility for its contents.

The issue, offer or invitation in relation to the ASEAN Sustainability SRI Sukuk in this Information Memorandum is subject to the fulfilment of various conditions precedent including without limitation the lodgement pursuant to the Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework issued by the SC on 9 March 2015 (as may be amended from time to time) (the "**LOLA Guidelines**") and each recipient of this Information Memorandum acknowledges and agrees that the lodgement to the SC shall not be taken to indicate that the SC recommends the subscription or purchase of the ASEAN Sustainability SRI Sukuk.

The lodgement with the SC pursuant to the LOLA Guidelines in relation to the ASEAN Sustainability SRI Sukuk has been made on 6 September 2019.

The SC shall not be liable for any non-disclosure on the part of the Issuer and assumes no responsibility for the correctness of any statements made or opinions or reports expressed in this Information Memorandum.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents published or issued from time to time after the date hereof shall be deemed to be incorporated in, and to form part of, this Information Memorandum:

- (a) the most recently published annual audited financial statements and, if published later, the most recently published interim consolidated financial statements (if any) of the Issuer; and
- (b) all supplements or amendments to this Information Memorandum circulated by the Issuer, if any, save that any statement contained herein or in a document which is deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Information Memorandum to the extent that a statement contained in any such subsequent document which is deemed to be incorporated by reference herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Information Memorandum.

The Issuer will provide, without charge, to each person to whom a copy of this Information Memorandum has been properly delivered, upon the request of such person, a copy of any or all of the documents deemed to be incorporated herein by reference unless such documents have been modified or superseded as specified above. Requests for such documents should be directed to the Issuer.

FORWARD LOOKING STATEMENTS

Certain statements in this Information Memorandum are based on historical data, which may not be reflective of future results, and others are forward-looking in nature, which are subject to uncertainties and contingencies. All forward-looking statements are based on estimates and assumptions made by the Issuer and the Sponsor. Although the board of directors of the Issuer and the Sponsor believe that these forward-looking statements are reasonable, the statements are nevertheless subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from the future results, performance or achievements expressed or implied in such forward-looking statements. In light of these and other uncertainties, the inclusion of forward-looking statements in this Information Memorandum should not be regarded as a representation or warranty by the Issuer, the Sponsor, its/their advisers, the Principal Adviser, the Lead Arranger or the Joint Lead Managers that the plans and objectives of the Issuer will be achieved.

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INVESTORS SHOULD RELY ON THEIR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT. EACH TRANCHE OF THE ASEAN SUSTAINABILITY SRI SUKUK WILL CARRY DIFFERENT RISKS AND ALL POTENTIAL INVESTORS ARE STRONGLY ENCOURAGED TO EVALUATE EACH ASEAN SUSTAINABILITY SRI SUKUK TRANCHE ON ITS OWN MERIT.

IT IS RECOMMENDED THAT PROSPECTIVE INVESTORS CONSULT THEIR FINANCIAL, LEGAL AND OTHER ADVISERS BEFORE PURCHASING OR ACQUIRING OR SUBSCRIBING FOR THE ASEAN SUSTAINABILITY SRI SUKUK.

TABLE OF CONTENTS

CLAUSE	PAGE NO.
GLOSSARY OF DEFINITIONS AND ABBREVIATIONS.....	1
SECTION 1 EXECUTIVE SUMMARY	7
1.1 Introduction.....	7
1.2 Issuer.....	7
1.3 Sponsor.....	7
1.4 Project Overview.....	7
1.5 Project Structure.....	8
1.6 Key Project Documents.....	8
1.7 Brief Summary of the Structure of the ASEAN Sustainability SRI Sukuk.....	9
1.8 Brief Summary of the Security Arrangement for the ASEAN Sustainability SRI Sukuk.....	10
1.9 Utilisation of Proceeds	11
1.10 Eligible SRI Project.....	11
1.11 ASEAN Sustainability Bond	12
1.12 Credit Rating	13
1.13 Selling Restriction	13
SECTION 2 PRINCIPAL TERMS AND CONDITIONS	14
2.1 Principal Terms and Conditions of the ASEAN Sustainability SRI Sukuk.....	14
2.2 Transaction Diagram of the ASEAN Sustainability SRI Sukuk.....	75
2.3 Diagram Illustrating the Flow of Monies	78
SECTION 3 INFORMATION ON THE ISSUER	79
3.1 Incorporation.....	79
3.2 Principal Activities.....	79
3.3 Share Capital.....	79
3.4 Shareholding Structure	79
3.5 Profile of Directors.....	79
SECTION 4 INFORMATION ON THE SPONSOR	82
4.1 Incorporation.....	82
4.2 Principal Activities.....	82
4.3 Share Capital.....	82
4.4 Shareholding Structure	82
4.5 Profile of Directors.....	82
SECTION 5 INFORMATION ON THE PROJECT	84
5.1 The Project	84
5.2 Technical Description.....	85
5.3 Licensing Requirement	87
5.4 Project Economics.....	87
5.5 Project Structure.....	89

5.6	<i>Summary of Key Project Documents</i>	90
SECTION 6 INVESTMENT CONSIDERATIONS.....		130
6.1	<i>Considerations Relating to the ASEAN Sustainability SRI Sukuk</i>	130
6.2	<i>Risks Relating to the Issuer</i>	132
6.3	<i>Risks Relating to the Project</i>	133
6.4	<i>General Consideration</i>	138
SECTION 7 OTHER INFORMATION		140
7.1	<i>Contingent Liabilities</i>	140
7.2	<i>Material Litigation</i>	140
7.3	<i>Related Party Transactions.....</i>	140
SECTION 8 ECONOMY AND INDUSTRY OVERVIEW		141
SECTION 9 POTENTIAL CONFLICT OF INTEREST		146
APPENDIX 1		148
BANK CASE FINANCIAL MODEL.....		148
APPENDIX 2		149
ASSUMPTIONS OF BANK CASE FINANCIAL MODEL		149
APPENDIX 3		152
OVERVIEW OF THE SITE.....		152
APPENDIX 4		153
EDRA SOLAR'S ASEAN SUSTAINABILITY BONDS FRAMEWORK.....		153
APPENDIX 5		154
SECOND OPINION		154
APPENDIX 6		155
EDRA SOLAR'S AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2018.....		155

Glossary of Definitions and Abbreviations

The following definitions (in addition to the definitions contained in the body herein) shall apply throughout this Information Memorandum except where the context otherwise requires:

ASEAN GBS	:	the ASEAN Green Bond Standards issued by the ASEAN Capital Markets Forum in November 2017, as may be amended, supplemented and/or substituted from time to time, which shall be read together with the GBP;
ASEAN SBS	:	the ASEAN Social Bond Standards issued by the ASEAN Capital Markets Forum in October 2017, as may be amended, supplemented and/or substituted from time to time, which shall be read together with the SBP;
ASEAN Sustainability Bond Standards	:	the ASEAN Sustainability Bond Standards issued by the ASEAN Capital Markets Forum in October 2018, as may be amended, supplemented and/or substituted from time to time, which shall be read together with the GBP and the SBP;
ASEAN Sustainability SRI Sukuk	:	the Islamic medium term notes based on the Shariah principles of Murabahah (via Tawarruq arrangement) of up to Ringgit Two Hundred and Forty Five Million (RM245,000,000.00) in nominal value;
BNM	:	Bank Negara Malaysia;
Bursa	:	Bursa Malaysia Securities Berhad;
Commercial Operation Date or COD	:	the date on which all the conditions precedent as set forth the PPA shall have been satisfied or waived, which was on 25 February 2019;
Commission	:	the Energy Commission Malaysia;
Companies Act	:	the Companies Act 2016, as amended from time to time;
CMSA	:	the Capital Markets and Services Act 2007, as amended from time to time;
Edra Power or the Sponsor	:	Edra Power Holdings Sdn Bhd (Company No. 1164881-X);
Edra Solar or the Issuer	:	Edra Solar Sdn Bhd (Company No. 1057995-U);
Electricity Supply Act	:	the Electricity Supply Act 1990, as amended from time to time;
Energy Payment	:	a payment determined in accordance with the PPA to be made by TNB to the Issuer for the net electrical output generated and delivered from the Facility;

EDRA SOLAR SDN BHD

ASEAN Sustainability SRI Sukuk of up to RM245 Million in Nominal Value
Information Memorandum

EPC Contract	:	the engineering, procurement and construction contract dated 14 February 2018 entered into between the Issuer and the EPC Contractor (as may be amended or supplemented from time to time);
EPC Contractor	:	China Energy Engineering Group Tianjin Electric Power Construction Co Ltd and CEEC Tianjin Electric Power (M) Sdn Bhd;
Facility	:	the 50MWac solar photovoltaic energy generating facility located at the Site and ancillary equipment and facilities as described in the PPA and includes any modification thereto;
Facility Agent	:	OCBC AI-Almin;
Financial Close	:	the date upon which all the conditions precedents for the issuance of the ASEAN Sustainability SRI Sukuk have been fulfilled or waived, as the case may be;
GBP	:	the “Green Bond Principles” which are voluntary process guidelines issued by the International Capital Markets Association, as may be revised from time to time, that recommend transparency and disclosure and promote integrity in the development of the green bond market;
Generation Licence	:	the licence required to be obtained by the Issuer pursuant to Section 9 of the Electricity Supply Act to enable the Issuer to own and operate the Facility and deliver and sell solar photovoltaic energy to TNB;
Government	:	the Government of Malaysia;
Grid System	:	the bulk power network controlled or used by the grid system operator for the purpose of transmitting and distributing electricity to the end users;
GWac	:	Gigawatt in alternate current;
Independent Insurance Adviser	:	Jardine Lloyd Thompson Sdn Bhd (Company No. 16674-K);
Initial Operation Date	:	the date on which the net electrical output is first generated and delivered from the Facility to the Grid System, which was on 17 January 2019;
Interconnection Facilities	:	all of the facilities as further described in the PPA (including but not limited to any works required at TNB’s substation) to connect the Facility to the Grid System, to enable TNB to receive solar photovoltaic energy from the Facility and to maintain the stability of the Grid System;
Joint Lead Managers	:	collectively, OCBC AI-Almin and Standard Chartered Saadiq Berhad (Company No. 823437-K);

EDRA SOLAR SDN BHD

ASEAN Sustainability SRI Sukuk of up to RM245 Million in Nominal Value
Information Memorandum

KNSB	:	Kuasa Nusajaya Sdn Bhd (Company No. 682721-H), a wholly-owned subsidiary of Edra Power;
kVA	:	kilovolt-ampere;
kWh	:	kilowatt-hour;
Lead Arranger	:	OCBC AI-Almin;
LOLA Guidelines	:	the Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework issued by the SC on 9 March 2015 (as amended from time to time);
LPD	:	the latest practicable date, being 31 July 2019;
Measurement Period 1	:	commences on the day after the Commercial Operation Date;
Measurement Period 2	:	commence on the day after the completion of the Measurement Period 1;
Meteorological Measuring Facilities	:	all of the facilities, as described in the PPA, that are necessary (in accordance with Prudent Utility Practices) to enable the Issuer and TNB to monitor and record the meteorological conditions at the Site;
Minister	:	The Minister of Energy, Science, Technology, Environment and Climate Change;
MVA	:	Mega Volt Ampere;
MW	:	Megawatt;
MWac	:	Megawatt in alternate current;
National Land Code	:	the National Land Code, 1965 (Act 56 of 1965) and includes any amendment and re-enactment thereof;
OCBC AI-Almin	:	OCBC AI-Amin Bank Berhad (Company No. 818444-T);
O&M Contract	:	the contract to be entered into between the Issuer and KNSB in connection with the operation and maintenance of the Facility and the Interconnection Facilities (as may be amended or supplemented from time to time);
PPA	:	the amended and restated power purchase agreement dated 14 February 2018 entered into between the Issuer and TNB (as may be amended or supplemented from time to time);
Principal Adviser	:	OCBC AI-Almin;
Project	:	the financing, design, engineering, procurement, construction, installation, testing, commissioning, ownership, operation and maintenance of the Facility, the Site, the Meteorological Measuring

		Facilities, the Interconnection Facilities and associated facilities;
Project Cost	:	<p>the estimated total Project cost is approximately Ringgit Three Hundred and Fifteen Million (RM315,000,000.00).</p> <p>The aggregate of all costs incurred or to be incurred in designing, constructing and commissioning the Facility (including but not limited to construction costs, financing fees, interest during construction, costs and expenses, start-up costs, insurance premiums, initial funding of the Finance Service Reserve Account (as described in the section entitled “<i>Details of designated accounts, if applicable</i>” of the PTC) and Maintenance Reserve Account (as described in the section entitled “<i>Details of designated accounts, if applicable</i>” of the PTC) (if applicable), all costs and expenses for the acquisition of the Project Land, all costs and expenses to establish any initial inventory of spares and other consumables (if applicable), working capital requirements, taxes and other costs including Takaful contributions/insurance premium, consultancy fees and contingencies.</p>
Project Documents	:	<p>means the following:</p> <ul style="list-style-type: none"> (i) the PPA; (ii) the EPC Contract; (iii) the O&M Contract; (iv) the TMSA; (v) all guarantees, advance payment bonds and other forms of payment or performance security issued in favour of the Issuer pursuant to any Project Document; and (vi) any other agreement and/or document that is issued to the Issuer or to which the Issuer is a party which is material to the Project and mutually agreed between the Issuer and the Security Agent and/or Sukuk Trustee to be designated as a Project Document;
Project Land	:	as defined under Section 5.2.1 of this Information Memorandum;
Prudent Utility Practices	:	means the practices, methods and standards generally followed by the electricity supply industry in Malaysia, during the applicable period, with respect to the design, construction, testing, operation and maintenance of solar photovoltaic generating and transmission equipment of the type used by the Facility and the Interconnection Facilities, or such

EDRA SOLAR SDN BHD
ASEAN Sustainability SRI Sukuk of up to RM245 Million in Nominal Value
Information Memorandum

		practices, methods and standards which generally conform to applicable laws, operation and maintenance standards recommended by the Facility's equipment suppliers and manufacturers, the operation and maintenance standards recommended by the Interconnection Facilities' equipment suppliers and manufacturers, the internationally accepted standards relating to solar photovoltaic generating facilities and the Malaysian grid code;
PTC	:	the principal terms and conditions of the ASEAN Sustainability SRI Sukuk as set out in Section 2.1 of this Information Memorandum;
RAM Consultancy	:	RAM Consultancy Services Sdn Bhd (Company No. 515578-M) as the second opinion provider;
RAM Rating	:	RAM Rating Services Berhad (Company No. 763588-T) as the credit rating agency;
“RM” or “Ringgit”	:	Ringgit, the lawful currency of Malaysia;
SBP	:	the “Social Bond Principles” which are voluntary process guidelines issued by the International Capital Markets Association, as may be revised from time to time, that recommend transparency and disclosure and promote integrity in the development of the social bond market;
SC	:	Securities Commission Malaysia;
Security Agent	:	OCBC AI-Almin;
Shareholder’s Funds	:	all shareholder’s equity contribution made directly or indirectly by the Sponsor, whether in the form of ordinary share capital, preferred shares or outstanding subordinated shareholder loans;
Shariah Adviser	:	OCBC AI-Almin;
Site	:	the parcel of land upon which the Facility is constructed and located, as more specifically described in the PPA;
Sukukholders	:	the holders of the ASEAN Sustainability SRI Sukuk;
Sukuk Trustee	:	Universal Trustee (Malaysia) Berhad (Company No. 17540-D);
TNB	:	Tenaga Nasional Berhad (Company No. 200866-W);
Technical & Management Services Agreement or TMSA	:	the contract dated 15 January 2018 entered into between the Issuer and KNSB in connection with the technical and management support services to be rendered to the Issuer (as may be amended or supplemented from time to time); and

EDRA SOLAR SDN BHD

ASEAN Sustainability SRI Sukuk of up to RM245 Million in Nominal Value
Information Memorandum

USD	:	United States Dollar, the lawful currency of the United States.
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Section 1

Executive Summary

1.1 Introduction

The Issuer proposes to issue ASEAN Sustainability SRI Sukuk of up to Ringgit Two Hundred and Forty Five Million (RM245,000,000.00) in nominal value based on the Shariah principles of Murabahah (via Tawarruq arrangement).

1.2 Issuer

Edra Solar was incorporated in Malaysia on 13 August 2013. It is a private company limited by shares with registered address at Level 43, Menara Maxis, Kuala Lumpur City Centre, 50088 Kuala Lumpur.

1.3 Sponsor

Edra Power was incorporated in Malaysia on 5 November 2015. It is a private company limited by shares with registered address at Level 43, Menara Maxis, Kuala Lumpur City Centre, 50088 Kuala Lumpur.

1.4 Project Overview

The Issuer has undertaken the Project, which involves the financing, design, engineering, procurement, construction, installation, testing, commissioning, ownership, operation and maintenance of a solar photovoltaic energy generating facility with a capacity of 50MWac located at Kuala Ketil, Kedah Darul Aman, in Peninsular Malaysia.

On 14 February 2018, the Issuer had entered into the PPA with TNB whereby the sale of the Facility's entire solar photovoltaic energy generated up to a maximum annual allowable quantity to TNB is contracted for a period of twenty five (25) years from the Commercial Operation Date.

A lump sum fixed-price turnkey EPC Contract was entered into between the Issuer and the EPC Contractor. The construction of the Facility was completed within eleven (11) months from the date of the notice to proceed on 27 March 2018 issued by the Issuer to the EPC Contractor. Commercial Operation Date was achieved on 25 February 2019.

The Issuer had entered into the TMSA with KNSB for an agreed annual fee and a period until the expiry of one (1) year from 1 April 2015 (in which such period will be automatically extended for further periods of one (1) year each), in connection with the technical and management support services to be rendered to the Issuer.

The Issuer will also enter into an O&M Contract with KNSB for an agreed annual fee and a period until the expiry of the PPA (or such other periods as provided for in the O&M Contract), in connection with the operation and maintenance of the Facility and the Interconnection Facilities. The O&M Contract will be executed after Financial

Close and its execution constitutes part of the conditions subsequent to the issuance of the ASEAN Sustainability SRI Sukuk. Pending the execution of the O&M Contract, the operation and maintenance of the Facility is currently being undertaken by the employees of KNSB. For more information on the operation and maintenance team, please refer to Section 5.2.5 of this Information Memorandum entitled “*Operation and Maintenance of the Facility*”.

The total Project Cost is approximately Ringgit Three Hundred and Fifteen Million (RM315,000,000.00) and was fully funded by the Shareholder’s Funds. The Issuer intends to refinance the Project Cost incurred by utilising a project financing structure with a maximum Finance-to-Equity Ratio (as set out in the PTC) of 80:20. The financing structure will be as follows:

- (i) the ASEAN Sustainability SRI Sukuk to be issued by the Issuer to the Sukukholders; and
- (ii) the Shareholder’s Funds which have been made available by the Sponsor to the Issuer.

1.5 Project Structure

The Project will be implemented via the structure which is set out in further detail in Section 5.5 of this Information Memorandum entitled “*Project Structure*”.

1.6 Key Project Documents

A summary of the key Project Documents (including supplemental/novation agreements thereto) are as follows:

Project Documents	Contracting Parties	Date of Document
PPA	Edra Solar and TNB	14 February 2018
EPC Contract	Edra Solar and the EPC Contractor	14 February 2018
O&M Contract	Edra Solar and KNSB	To be entered into*
Technical & Management Services Agreement	Edra Solar and KNSB	15 January 2018
Generation Licence	Issued by the Commission	15 January 2019

* No later than 31 December 2019 or such other date as may be agreed by the Security Agent in writing.

For more details on the terms of the key Project Documents, please refer to Section 5.6 of this Information Memorandum entitled “*Summary of Key Project Documents*”.

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1.7 Brief Summary of the Structure of the ASEAN Sustainability SRI Sukuk

The issuance of the ASEAN Sustainability SRI Sukuk shall be effected as follows:

1. The Sukuk Trustee, on behalf of the Sukukholders, and the Facility Agent shall enter into an agreement ("**Agency Agreement**"), pursuant to which the Facility Agent is appointed as the *wakeel* (agent) of the Sukukholders (in such capacity, the "**Purchase and Sale Agent**") for the purchase and sale of Shariah-compliant commodities which shall include, but are not limited to, crude palm oil and such other acceptable commodities (excluding ribawi items in the category of mediums of exchange such as currency, gold and silver) which are provided through the commodity trading platform, Bursa Suq Al-Sila' and/or such other independent commodity platform as approved by the Shariah Adviser ("**Commodities**").
2. Pursuant to the a commodity murabahah master agreement ("**Commodity Murabahah Master Agreement**") to be entered into between the Issuer (in such capacity, the "**Commodity Buyer**"), the Purchase and Sale Agent and the Commodity Seller (as defined below), the Commodity Buyer shall issue to the Purchase and Sale Agent a purchase order ("**Purchase Order**") with an undertaking to purchase the Commodities ("**Identified Asset**") from the Sukukholders via Purchase and Sale Agent (as "**Commodity Seller**") at the Deferred Sale Price (as defined below).
3. The Purchase and Sale Agent, via a commodity trading participant ("**CTP**"), shall purchase on spot basis the Commodities from a commodity supplier(s) at Bursa Suq Al-Sila' and/or such other independent commodity platform as approved by the Shariah Adviser ("**Commodity Broker A**") pursuant to an agreement entered into between the Purchase and Sale Agent and the CTP ("**CTP Purchase Agreement**") at the commodity purchase price equivalent to such proceeds of the ASEAN Sustainability SRI Sukuk ("**Commodity Purchase Price**").
4.
 - (a) The Issuer shall issue the ASEAN Sustainability SRI Sukuk to the Sukukholders.
 - (b) The ASEAN Sustainability SRI Sukuk proceeds shall be used to pay the Commodity Purchase Price. The ASEAN Sustainability SRI Sukuk shall evidence the Sukukholders' ownership of the Commodities and subsequently once the Commodities are sold to the Commodity Buyer, the Sukukholders' entitlement to receive the Deferred Sale Price.
5. The Commodity Seller on behalf of the Sukukholders shall sell the Commodities to the Commodity Buyer at a deferred sale price equivalent to the Commodity Purchase Price plus the profit margin ("**Deferred Sale Price**") payable on a deferred basis upon the terms of a sale and purchase agreement ("**Commodity Sale and Purchase Agreement**") to be entered into between the Commodity Seller and the Commodity Buyer.
6. The Commodity Buyer, via a CTP, shall sell the Commodities at Bursa Suq Al-Sila' and/or such other independent commodity platform as approved by

the Shariah Adviser to other than Commodity Broker A (“**Commodity Broker B**”) pursuant to an agreement entered into between the Commodity Buyer and the CTP (“**CTP Sale Agreement**”) on spot basis for a selling price equivalent to the Commodity Purchase Price.

7. The Commodity Buyer shall make periodic payments on the relevant periodic payment dates forming part of the Deferred Sale Price to the Sukukholders during the tenure of the ASEAN Sustainability SRI Sukuk and final payment on the maturity date of the ASEAN Sustainability SRI Sukuk. Upon declaration of an Event of Default (as described in the section entitled “*Events of default or enforcement event, where applicable, including recourse available to investors*” of the PTC) or Mandatory Redemption (as defined below), the Commodity Buyer shall pay all amounts then outstanding on the Deferred Sale Price as a final settlement of the same (subject to *lbra'*, where applicable) for the redemption of the ASEAN Sustainability SRI Sukuk whereupon the redeemed ASEAN Sustainability SRI Sukuk shall be cancelled.

“**Mandatory Redemption**” means in accordance with the provisions of the Revenue Account (as defined in the section entitled “*Details of designated account(s), if applicable*” in the PTC), mandatory redemption of all tranches of the ASEAN Sustainability SRI Sukuk on a pro rata basis on the amount outstanding under each tranche, with any amount required to be applied in mandatory redemption shall be paid by the next Profit Payment Date (as defined in item (k) under the section entitled “*Other terms and conditions - Profit / coupon / rental payment frequency*” in the PTC) after the date of the receipt. In respect of the mandatory redemption pursuant to a Total Loss (as defined below), if the takaful/insurance proceeds are insufficient to cover all amounts outstanding in respect of the Deferred Sale Price of the relevant ASEAN Sustainability SRI Sukuk (subject to *lbra'*), the Issuer shall irrevocably and unconditionally undertake to make good the difference and shall immediately make such requisite payment if sufficient proceeds of takaful/insurance have not been received within sixty (60) days after the occurrence of the Total Loss.

“**Total Loss**” means the total loss or destruction of, or damage to the whole (and not part only) of the Facility or any event or occurrence that renders the whole (and not part only) of the Facility permanently unfit for any economic use and the repair or remedial work in respect thereof is wholly uneconomical.

A diagrammatical illustration for the ASEAN Sustainability SRI Sukuk transaction is set out in Section 2.2 of this Information Memorandum entitled “*Transaction Diagram of the ASEAN Sustainability SRI Sukuk*”.

1.8 Brief Summary of the Security Arrangement for the ASEAN Sustainability SRI Sukuk

The ASEAN Sustainability SRI Sukuk shall be secured by the following security:

- (a) a first ranking National Land Code charge by the Issuer over the Project Land;
- (b) a first ranking legal and absolute assignment of all of the Issuer’s rights, interests, titles and benefits under the Project Documents and all performance and/or maintenance bonds issued or to be issued to the Issuer in relation to

the Project, and the proceeds therefrom but excluding the Generation Licence and the Performance Bonds (BOC) (as defined in item (u) of the section entitled “*Other terms and conditions – Definitions*”);

- (c) a first ranking assignment and charge over the Designated Accounts (as defined in the section entitled “*Details of designated account(s), if applicable*” in the PTC), other than the Distribution Account (as described in the section entitled “*Details of designated account(s), if applicable*” in the PTC), and the credit balances therein and a first ranking charge over the Permitted Investments (as defined in the section entitled “*Permitted investments, if applicable*” in the PTC);
- (d) a debenture incorporating a first ranking fixed and floating charge on the assets of the Issuer, both present and future excluding the Distribution Account and the shares held by the Issuer in Tadau Energy Sdn Bhd (Company No. 1148988-K);
- (e) a first ranking assignment of all insurance policies/takaful contracts of the Issuer in respect of the Project as advised by the Independent Insurance Adviser and the Security Agent to be named as loss payee; and
- (f) such other security as may be required by the rating agency to achieve the requisite rating for the ASEAN Sustainability SRI Sukuk or as advised by the Principal Adviser, the Lead Arranger and/or the Joint Lead Managers’ solicitors and to be mutually agreed with the Issuer.

Documentation for the purpose of items (a) to (f) above shall be referred to as the “**Security Documents**”.

1.9 Utilisation of Proceeds

The proceeds shall be utilised for Shariah-compliant purposes to pay up to Ringgit Two Hundred and Forty Five million (RM245,000,000.00) or up to eighty per cent (80%) of the Project Cost, whichever is lower, including:

- (i) payment and/or reimbursement to the Sponsor in respect of the Project Cost incurred based on documentary evidence satisfactory to the Security Agent;
- (ii) initial funding of the Finance Service Reserve Account and Maintenance Reserve Account (if applicable); and
- (iii) to defray the fees and expenses incurred in connection with the ASEAN Sustainability SRI Sukuk.

1.10 Eligible SRI Project

The ASEAN Sustainability SRI Sukuk is to be issued under the ‘Sustainable and Responsible Investment (SRI) Sukuk’ framework as set out in the LOLA Guidelines. The Project is deemed as an eligible SRI project falling under paragraph 7.04(b)(i), Chapter 7, Part 3, Section B of the LOLA Guidelines, which are projects relating to new or existing renewable energy (e.g. solar).

Impact Objectives

The impact objectives from the Project are as follows:

- (a) to facilitate and promote sustainable and responsible investments in Malaysia which are in line with the initiative set out under the SC's Capital Market Masterplan 2 and further promote and enhance Malaysia's value proposition as a centre for Islamic finance and sustainable investments;
- (b) the Project is expected to be instrumental in helping Malaysia reach its ambition of 1Gwac from large scale solar plants by 2020;
- (c) the Project is expected to contribute towards sustainable electricity supply and the reduction of carbon emission in Malaysia in line with the National Renewable Energy Policy and National Green Technology Policy of Malaysia; and
- (d) the buffer zone surrounding the Project which will be allocated for the cultivation of pineapples and/or other crops is expected to stimulate the socioeconomic development of the local community and generate additional revenue to the local farmers.

Compliance Statement

The Issuer hereby confirms that it has complied with the relevant environmental, social and governance standards or recognised best practices relating to the Project which is an eligible SRI project and shall ensure continuing compliance with such governance standards or recognised best practices throughout the tenure of the ASEAN Sustainability SRI Sukuk.

1.11 ASEAN Sustainability Bond

The ASEAN Sustainability SRI Sukuk is in compliance with the LOLA Guidelines, the ASEAN GBS, the ASEAN SBS and the ASEAN Sustainability Bond Standards, where the second opinion provider is RAM Consultancy.

The Project is an eligible 'Green Project' pursuant to the ASEAN GBS under paragraph 4.1.5(i) (renewable energy), whereby the Project is in respect of a solar photovoltaic energy generating Facility and an eligible 'Social Project' pursuant to the ASEAN SBS under paragraph 4.1.6(vi) (socioeconomic advancement and empowerment), whereby the Issuer would grant Pertubuhan Peladang Kawasan Kuala Ketil the right to use part of the Project Land designated as a buffer zone for the purpose of commercial agricultural development which may include but not limited to the cultivation of pineapples and/or other crops for a nominal fee which has the potential to raise income of agro-entrepreneurs in the district and provide employment opportunities to the local communities.

By virtue of the abovementioned, the ASEAN Sustainability SRI Sukuk is an ASEAN Sustainability Bond pursuant to the ASEAN Sustainability Bond Standards.

RAM Consultancy has provided a second opinion ("**Second Opinion**") on the Issuer's sustainability bonds framework designed for the Project ("**Edra Solar's**

ASEAN Sustainability Bonds Framework”) and policies for considering the environmental impacts of the Project. The aim of RAM Consultancy’s Second Opinion on the Edra Solar’s ASEAN Sustainability Bonds Framework is to assess Edra Solar’s ASEAN Sustainability Bonds Framework’s ability to support the Issuer’s overall sustainability objective and its contribution to the national sustainability plan.

RAM Consultancy has opined that the Project conforms with Malaysia’s renewable energy commitments and emission-reduction targets and has assigned a ‘*Tier-1 Environmental Benefit*’ to the Project. RAM Consultancy has also opined that the Project has the potential to stimulate the socioeconomic development of the surrounding community, and as the Issuer’s cultivation project of pineapples and/or other crops is a long-term but relatively small social scheme at a district level, RAM Consultancy has assigned a ‘*Tier-3 Social Benefit*’ to the Project under the Edra Solar’s ASEAN Sustainability Bonds Framework.

For further information, please refer to Edra Solar’s ASEAN Sustainability Bonds Framework as attached in Appendix 4 of this Information Memorandum and the Second Opinion on Edra Solar’s ASEAN Sustainability Bonds Framework report dated 6 September 2019 issued by RAM Consultancy as attached in Appendix 5 of this Information Memorandum.

1.12 Credit Rating

RAM Rating has assigned a preliminary long-term rating of AA2 to the ASEAN Sustainability SRI Sukuk.

1.13 Selling Restriction

The ASEAN Sustainability SRI Sukuk are tradable and transferable subject to the selling restrictions below:

Selling Restrictions at Issuance

The ASEAN Sustainability SRI Sukuk may only be offered, sold, transferred or otherwise disposed of, directly or indirectly, to persons falling within Section 2(6) of the Companies Act; and Part 1 of Schedule 6 and Part 1 of Schedule 7, read together with Schedule 9 of the CMSA.

Selling Restrictions Thereafter

The ASEAN Sustainability SRI Sukuk may only be offered, sold, transferred or otherwise disposed of, directly or indirectly, to persons falling within Section 2(6) of the Companies Act; and Part 1 of Schedule 6 read together with Schedule 9 of the CMSA.

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Section 2

Principal Terms and Conditions

Words and expressions used and defined in this Section 2 shall, in the event of any inconsistency with the definition section of this Information Memorandum, only be applicable for this Section 2.

2.1 Principal Terms and Conditions of the ASEAN Sustainability SRI Sukuk

- | | | | |
|-----|--------------------------------|---|---|
| (1) | Name of facility/programme | : | Islamic medium term note facility of up to RM245.0 million in nominal value. |
| (2) | One-time issue or programme | : | <input checked="" type="checkbox"/> One-time issue
<input type="checkbox"/> Programme |
| (3) | Shariah principles (for sukuk) | : | Murabahah (via Tawarruq arrangement). |
| (4) | Facility description | : | Islamic medium term notes issuance of up to RM245.0 million in nominal value based on the Shariah principle of Murabahah (via Tawarruq arrangement) (" ASEAN Sustainability SRI Sukuk "), which is one of the Shariah principles and concepts approved by the Shariah Advisory Council (" SAC ") of the Securities Commission Malaysia (" SC "). |

Underlying Transaction

The issuance of ASEAN Sustainability SRI Sukuk shall be effected as follows:

1. The Sukuk Trustee, on behalf of the Sukukholders, and the Facility Agent shall enter into an agreement ("**Agency Agreement**"), pursuant to which the Facility Agent is appointed as the *wakeel* (agent) of the Sukukholders (in such capacity, the "**Purchase and Sale Agent**") for the purchase and sale of Shariah-compliant commodities which shall include, but are not limited to, crude palm oil and such other acceptable commodities (excluding ribawi items in the category of mediums of exchange such as currency, gold and silver) which are provided through the commodity trading platform, Bursa Suq Al-Sila' and/or such other independent commodity platform as approved by the Shariah Adviser ("**Commodities**").
2. Pursuant to a commodity murabahah master agreement ("**Commodity Murabahah Master Agreement**") to be entered into between the Issuer (in such capacity, the "**Commodity**

Buyer”), the Purchase and Sale Agent and the Commodity Seller (as defined below), the Commodity Buyer shall issue to the Purchase and Sale Agent a purchase order (“**Purchase Order**”) with an undertaking to purchase the Commodities (“**Identified Asset**”) from the Sukukholders via Purchase and Sale Agent (as “**Commodity Seller**”) at the Deferred Sale Price (as defined below).

3. The Purchase and Sale Agent, via a commodity trading participant (“**CTP**”), shall purchase on spot basis the Commodities from a commodity supplier(s) at Bursa Suq Al-Sila’ and/or such other independent commodity platform as approved by the Shariah Adviser (“**Commodity Broker A**”) pursuant to an agreement entered into between the Purchase and Sale Agent and the CTP (“**CTP Purchase Agreement**”) at the commodity purchase price equivalent to such proceeds of the ASEAN Sustainability SRI Sukuk (“**Commodity Purchase Price**”).
4.
 - (a) The Issuer shall issue the ASEAN Sustainability SRI Sukuk to the Sukukholders.
 - (b) The ASEAN Sustainability SRI Sukuk proceeds shall be used to pay the Commodity Purchase Price. The ASEAN Sustainability SRI Sukuk shall evidence the Sukukholders’ ownership of the Commodities and subsequently once the Commodities are sold to the Commodity Buyer, the Sukukholders’ entitlement to receive the Deferred Sale Price.
5. The Commodity Seller on behalf of the Sukukholders shall sell the Commodities to the Commodity Buyer at a deferred sale price equivalent to the Commodity Purchase Price plus the profit margin (“**Deferred Sale Price**”) payable on a deferred basis upon the terms of a sale and purchase agreement (“**Commodity Sale and Purchase Agreement**”) to be entered into between the Commodity Seller and the Commodity Buyer.
6. The Commodity Buyer, via a CTP, shall sell the Commodities at Bursa Suq Al-Sila’ and/or such other independent commodity platform as approved by the Shariah Adviser to other than Commodity Broker A (“**Commodity Broker B**”).

pursuant to an agreement entered into between the Commodity Buyer and the CTP ("**CTP Sale Agreement**") on spot basis for a selling price equivalent to the Commodity Purchase Price.

7. The Commodity Buyer shall make periodic payments on the relevant periodic payment dates forming part of the Deferred Sale Price to the Sukukholders during the tenure of the ASEAN Sustainability SRI Sukuk and final payment on the maturity date of the ASEAN Sustainability SRI Sukuk. Upon declaration of an Event of Default or Mandatory Redemption (as described in the section entitled "*Provisions on buy-back, if applicable*"), the Commodity Buyer shall pay all amounts then outstanding on the Deferred Sale Price as a final settlement of the same (subject to *lbra*', where applicable) for the redemption of the ASEAN Sustainability SRI Sukuk whereupon the redeemed ASEAN Sustainability SRI Sukuk shall be cancelled.

- (5) Currency : ☐ Foreign Currency
☐ Multi-currency excluding Ringgit
☐ Multi-currency including Ringgit
☒ Ringgit.
- (6) Expected facility/ programme size : ASEAN Sustainability SRI Sukuk
- | | | |
|--|-----|----------------|
| <input checked="" type="checkbox"/> Up to | MYR | 245,000,000.00 |
| <input type="checkbox"/> Combined limit with | | |
| <input type="checkbox"/> Sub-limit of | | |
- (7) Option to upsize : ☐ Yes
☒ No.
- (8) Tenure of facility/ programme : ☒
- | Year(s) | Month(s) | Day(s) |
|---------|----------|--------|
| 18 | 000 | 000 |
- ☐ Perpetual
- (9) Availability period for debt/sukuk : Not applicable.
- (10) Clearing and settlement platform : Payments Network Malaysia Sdn Bhd ("**PayNet**")
- (11) Mode(s) of issue : ☒ Private/Direct placement.
☒ Bought deal.
☒ Book building.
☐ Tender

Additional Notes (leave blank if not applicable):

- (12) Selling restrictions : (i) **At issuance**
- ☐ Exclusively to persons outside Malaysia
 - ☒ Part I of Schedule 6 of the Capital Markets & Services Act, 2007 (CMSA)
 - ☒ Part I of Schedule 7 of the CMSA
 - ☒ Read together with Schedule 9 of CMSA
 - ☐ Schedule 8 of CMSA
 - ☒ Section 2(6) of the Companies Act 2016
 - ☐ Other
- (ii) **After issuance**
- ☐ Exclusively to persons outside Malaysia
 - ☒ Part I of Schedule 6 of the CMSA
 - ☒ Read together with Schedule 9 of CMSA
 - ☐ Schedule 8 of CMSA
 - ☒ Section 2(6) of the Companies Act 2016
 - ☐ Other

Additional notes on selling restrictions (leave blank if not applicable)

Selling Restrictions at Issuance

The ASEAN Sustainability SRI Sukuk may only be offered, sold, transferred or otherwise disposed of, directly or indirectly, to persons falling within Section 2(6) of the Companies Act 2016 (as amended from time to time) ("**Companies Act**") and Part I of Schedule 6 and Part I of Schedule 7 read together with Schedule 9 of the Capital Markets and Services Act 2007 (as amended from time to time) ("**CMSA**").

Selling Restrictions Thereafter

The ASEAN Sustainability SRI Sukuk may only be offered, sold, transferred or otherwise disposed of, directly or indirectly, to persons falling within Section 2(6) of the Companies Act and Part I of Schedule 6 read together with Schedule 9 of the CMSA.

- (13) Tradability and transferability : ☒ Tradable & transferable
- | | |
|-----|----------------|
| MYR | 245,000,000.00 |
|-----|----------------|
- ☐ Non-tradable & non-transferable
- ☐ Restricted transferability
- (14) Details of security/ collateral pledged, if applicable : The obligations of the Issuer under all Transaction Documents to which it is a party shall be secured by the following security:

- Click here to enter text.

EDRA SOLAR SDN BHD

ASEAN Sustainability SRI Sukuk of up to RM245 Million in Nominal Value
Information Memorandum

- (17) Exchangeability of issuance and details of the exchangeability : ☒ Not exchangeable.
☐ Exchangeable, details as follows:

[Click here to enter text.](#)

- (18) Call option and details, if applicable : ☒ No call option.
☐ Call option, details as follows:

[Click here to enter text.](#)

- (19) Put option and details, if applicable : ☒ No put option.
☐ Put option, details as follows:

[Click here to enter text.](#)

- (20) Positive Covenants : ☐ No positive covenant
☒ Positive covenants, details as follows:

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

- (a) maintain in full force and effect all relevant material authorisations, consents, rights, licences, approvals and permits (governmental and otherwise) and will promptly obtain any further authorisations, consents, rights, licences, approvals and permits (governmental and otherwise) which is or may become necessary to enable it to own its assets, to carry on its business to enter into, and exercise its rights and perform its obligations under the Transaction Documents or ensure the legality, validity, binding effect, enforceability and admissibility in evidence of the Issuer's obligations under the Transaction Documents or the priority or rights of the Sukuk Trustee, the Security Agent and the Sukukholders under the Transaction Documents;
- (b) 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;
- (c) 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 memorandum and articles of association/constitution and applicable laws;
- (d) perform in all respects each of its obligations

under each of the Transaction Documents (including but not limited to redeeming the ASEAN Sustainability SRI Sukuk on the maturity date of the relevant ASEAN Sustainability SRI Sukuk or any other date on which the ASEAN Sustainability SRI Sukuk are due and payable) and the Project Documents to which it is a party and shall, to the extent within its reasonable control, procure that the other parties to the Project Documents comply with their respective obligations thereunder;

- (e) take out and maintain at all times such relevant insurances/takaful contracts that are required in respect of the Project, as advised by the Independent Insurance Adviser;
- (f) prepare its financial statements on a basis consistently applied in accordance with generally accepted accounting standards and principles in Malaysia 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;
- (g) maintain an accounting system and records in compliance with applicable statutory requirements and in accordance with generally accepted accounting standards and principles in Malaysia which are adequate to record and reflect its operations and financial condition, keep proper books and accounts at all times and provide the Sukuk Trustee or its agent and servants and any person appointed or authorised by it access to such books and accounts (e.g. auditors) to the extent permitted by law;
- (h) open and maintain the required Designated Accounts, pay all relevant amounts into such accounts, make all payments from such 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. Further, the Issuer shall forthwith notify the Security Agent in writing of any change in the authorised signatories to any of the Designated Accounts;
- (i) promptly comply with all material applicable laws and regulations including all environmental laws, the environmental management plan and environmental licences;

- (j) pay and discharge all taxes, assessments and governmental charges or levies whatsoever imposed on it or on its income or profits or on any of its property and all taxes, assessments and governmental charges or levies that it has agreed to pay pursuant to any Transaction Document or government approval and all lawful claims relating thereto prior to the date on which penalties attach thereto, and shall timely file all returns relating thereto, except to the extent that any such tax, assessment, governmental charge, levy or claim is being contested in good faith and by appropriate proceedings (and where it is not required under applicable law to pay such taxes, assessments and governmental charges, levies or claims pending determination of the matter) and for which adequate segregated reserves have been established;
- (k) preserve and maintain good and valid title to all assets of the Issuer (save as permitted under item (c) of the section entitled “*Negative Covenants*”), free and clear of any Security Interest (as defined in item (m) of the section entitled “*Representations and Warranties*”) other than Permitted Security Interest;
- (l) at all times maintain a paying agent with a specified office in Malaysia;
- (m) make available to the Sukuk Trustee particulars of all ratings on the ASEAN Sustainability SRI Sukuk by the Credit Rating Agency (as defined in the section entitled “*Credit rating(s) of facility/programme, if applicable*”);
- (n) procure that the paying agent will notify the Sukuk Trustee in writing, through the Facility Agent, 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 ASEAN Sustainability SRI Sukuk;
- (o) promptly comply with all applicable provisions of the CMSA and/ or the notes, circulars, conditions or guidelines issued by the SC, Bank Negara Malaysia (“**BNM**”) and any other relevant regulatory authorities from time to time in relation to the ASEAN Sustainability SRI Sukuk;
- (p) ensure that the terms in the Transaction

Documents of the ASEAN Sustainability SRI Sukuk do not contain any matter which is inconsistent with the provisions of the information memorandum in relation to the ASEAN Sustainability SRI Sukuk (including any supplemental) ("**Information Memorandum**");

- (q) cause all loans and advances, if any, made by its directors, shareholders and/or its related companies or associated companies to be subordinated to the ASEAN Sustainability SRI Sukuk and no repayment and/ or prepayment of such loans or advances shall be made unless otherwise provided and permitted under the Transaction Documents;
- (r) ensure that the Sponsors Gross Equity Contribution (as defined in the PPA) amounts to twenty percent (20%) or more of the Total Project Costs (as defined in the PPA) as at the date which is one hundred and eighty (180) days after the Scheduled Commercial Operation Date (as defined in the PPA) of the plant as calculated in accordance with the terms of the PPA; and
- (s) any other covenants as advised by the PA/LA/JLMs' Solicitors and mutually agreed between the Issuer and the PA/LA.

(21) Negative Covenants : ☐ No negative covenant
☒ Negative covenants, details as follows:

The Issuer covenants that for so long as any ASEAN Sustainability SRI Sukuk is outstanding, it shall not:

- (a) change the utilisation of the proceeds of the ASEAN Sustainability SRI Sukuk from the purposes specified in the Transaction Documents or the Information Memorandum;
- (b) create or attempt or permit or agree to subsist any Security Interest (other than Permitted Security Interest) 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 which is not a Permitted Security Interest;
- (c) sell, transfer, lease or otherwise assign, deal with or dispose of all or any part of its business or 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) sales of net electrical output pursuant to the PPA (as defined in item (u) of the section entitled *“Other terms and conditions – Definitions”*);
- (ii) the transfer of the Interconnection Facilities (as defined in item (u) of the section entitled *“Other terms and conditions – Definitions”*) to Tenaga Nasional Berhad (**“TNB”**) under the PPA, where applicable;
- (iii) other sales, transfers and other dispositions of assets for good consideration and in the ordinary course of business or of obsolete, superfluous, worn out, defective or replaced assets in the ordinary course of business (not including assets reasonably required for the operation or maintenance of the plant or for the performance of the Issuer’s obligations or as permitted under the Transaction Documents unless such assets are substituted with replacement assets of equivalent value and use and secured in favour of the Security Agent in a manner similar to that of the assets replaced);
- (iv) purchases or sales for cash of Permitted Investments prior to the maturity thereof in accordance with the Transaction Documents;
- (v) 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 Issuer, is on customary terms and has no adverse consequences for the Issuer;
- (vi) any disposal constituted by the granting of any Permitted Security Interest;
- (vii) the sale of its shareholding in Tadau Energy Sdn Bhd;

- (viii) as permitted under the ASEAN Sustainability SRI Sukuk;
- (d) except as required by applicable law, permit any amendment, supplement or variation to its memorandum and articles of association/constitution in a manner which may be materially prejudicial to the interests of the Sukukholders;
- (e) reduce its paid-up share capital whether by varying the amount, structure or 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, or by any other manner;
- (f) incur or have outstanding any financial indebtedness which is not Permitted Indebtedness;
- (g) enter into any interest rate, currency or other derivative transaction except for certain hedging arrangements as required in the ordinary course of business of the Issuer or as permitted under the Project Documents;
- (h) enter into a transaction, whether directly or indirectly with interested persons (including a director, major shareholder and 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 Ringgit Ten Million (RM10,000,000.00), the Issuer obtains certification from an independent adviser that the transaction is carried out on fair and reasonable terms,

provided that the Issuer certified to the Sukuk Trustee that the transaction complied with item (i) above, that the Issuer has received the certifications referred to in item (ii) above (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);
- (i) without the prior written consent of the Sukuk Trustee:
 - (i) provide financing/lend any money to any party other than Islamic financing/loan to its directors, officers or employees as part of their terms of employment and on ordinary commercial terms of employment;
 - (ii) provide or permit to exist any guarantee where the Issuer is a guarantor or is liable to pay for the same thereunder;
 - (iii) make any Islamic financing/loan or investment other than Islamic financing/loans or investments authorised or permitted under the Transaction Documents (including Permitted Investments); or
 - (iv) make any prepayment of or make any payment of profit/interest on any Islamic financing/loans or advances from its directors or its related or associated companies (unless otherwise permitted under the Transaction Documents);
 - (j) enter into any contract or transactions or engage in any business or activity other than:
 - (i) the Transaction Documents and Project Documents to which it is a party (or any amendment or supplemental agreement thereto);
 - (ii) as provided for or permitted in the Transaction Documents and Project Documents; or
 - (iii) such other matters as incidental to the Transaction Documents (including for the purposes of Sustainable Projects (as defined in the item (u) of the section entitled “*Other terms and conditions – Definitions*”)) and Project Documents;
 - (k) enter into any consolidation or amalgamation with, or merger with or into, or transfer all or substantially all its assets to another entity or enter into any demerger, reconstruction, or

winding up;

- (l) voluntarily enter into, commence or institute for the dissolution or for the appointment of a receiver, receiver and manager, liquidator, judicial manager or such similar officer of the Issuer;
- (m) open any bank accounts other than the Designated Accounts, the Trustees' Reimbursement Account and any other accounts as may be permitted under the Transaction Documents;
- (n) without the prior written consent of the Sukuk Trustee, 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, forbear or waive any breach or compliance with, any provision of any Project Document or serve any notice of breach or default or suspension under any Project Document, provided that no such consent shall be required, but with prior notification to the Sukuk Trustee in relation to any change or variation order, amendment, modification, concession, forbearance or waiver (each a "**Change**") under the EPCC Contract (as defined in item (u) of the section entitled "*Other terms and conditions – Definitions*") if such Change would not be expected to give rise to a Material Adverse Effect;
- (o) do any act or omit to do any act, or execute or omit to execute any document which may render any provision of any of the Project Documents to be breached, revoked, terminated, illegal, void, voidable or unenforceable;
- (p) obtain or permit to exist any loans or advances from its directors, shareholders, and/ or its related companies or associated companies, unless these loans or advances are subordinated to the ASEAN Sustainability SRI Sukuk;
- (q) make any transfers to the Distribution Account in order to declare or pay any dividend or make any distribution whether income or capital in nature to its shareholders or repay any inter-company advances, shareholders' advances or any other subordinated indebtedness ("**Restricted Payments**") unless the Issuer submits a

certificate within three (3) business days after the FSCR Distribution Determination Date to the Credit Rating Agency, Facility Agent and the Sukuk Trustee that each of the following conditions ("**Distribution Covenants**") are satisfied on the Distribution FSCR Determination Date:

- (i) the first scheduled principal payment of the ASEAN Sustainability SRI Sukuk has been redeemed in full;
- (ii) there has been no breach of any covenants under the Transaction Documents;
- (iii) no Event of Default/ Dissolution Event or Potential Event of Default/ Potential Dissolution Event (as defined in item (u) of the section entitled "*Other terms and conditions – Definitions*") has occurred and is continuing;
- (iv) the FSRA (as defined in item (c) of the section entitled "*Details of designated account(s), if applicable*") is fully funded up to the FSRA Minimum Required Balance (as defined in item (c) of the section entitled "*Other terms and conditions – FSRA Minimum Required Balance*") (or where otherwise, a FSRA SBLC (as defined in item (d) of the section entitled "*Other terms and conditions – FSRA SBLC*") has been issued);
- (v) the MRA (as defined in item (d) of the section entitled "*Details of designated account(s), if applicable*") is fully funded up to the MRA Minimum Required Balance (as defined in item (i) of the section entitled "*Other terms and conditions – MRA Minimum Required Balance*"; and
- (vi) the Distribution FSCR (as defined in the section entitled "*Financial Covenants*") would be at least 1.65 times.

For the avoidance of doubt, the transfer of the proceeds received or to be received by the Issuer in connection with the sale of its shareholding in Tadau Energy Sdn Bhd to its shareholders from

the Revenue Account shall not be considered Restricted Payments and shall not be subject to the Distribution Covenants.

- (r) prior to the date which is one hundred and eighty (180) days after the Scheduled Commercial Operation Date (as defined in the PPA) of the plant, make any capital distributions to its shareholders or redeem any preference shares or repay the principal of any subordinated indebtedness which will result in the Sponsors Gross Equity Contribution (as defined in the PPA) falling below twenty percent (20%) of the Total Project Cost;
- (s) have any subsidiaries or associates or equity investment (other than Tadau Energy Sdn Bhd);
- (t) change or threaten to change the nature or scope of its business or suspend or threaten to suspend a substantial part of its business;
- (u) grant any tenancy, licence or right to occupy or otherwise, part with title to or possession of any of the assets of the Issuer, save for the grant of the tenancy over part of the Project Land designated as a buffer zone and measuring up to 40 acres under the Tenancy Agreement (as defined in item (v) of the section entitled “*Other terms and conditions – Conditions Subsequent*”);
- (v) any other covenants as advised by the PA/LA/JLMs’ Solicitors and mutually agreed with the Issuer.

(22) Financial Covenants : ☐ No financial covenant
☒ Financial covenant, details as follows:

- (a) On each FSCR Determination Date, the Issuer shall ensure that the Finance-to-Equity Ratio (“**FE Ratio**”) does not exceed 80:20;
- (b) On each FSCR Determination Date, the Issuer shall ensure that the Finance Service Coverage Ratio (“**FSCR**”) is at least 1.25 times; and
- (c) On each Distribution FSCR Determination Date, the Issuer shall ensure that the Distribution FSCR is at least 1.65 times.

“**FE Ratio**” is defined as:

- (a) the aggregate outstanding nominal value of the

ASEAN Sustainability SRI Sukuk payable by the Issuer at such time; to

(b) the Shareholder's Funds.

"Shareholder's Funds" is defined as all shareholder's equity contribution made directly or indirectly by the Sponsor, whether in the form of ordinary share capital, preferred shares or outstanding subordinated shareholder loans.

"FSCR" is defined as A / B , where:-

A = the preceding 12-month Net Available Cash; and

B = the preceding 12-month Finance Service.

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

- (i) All revenue received by the Issuer (excluding any proceeds received by the Issuer in connection with the sale of its shareholding in Tadau Energy Sdn Bhd);
- (ii) All profit income earned on all cash balances and Permitted Investments;
- (iii) All cash balances in the Designated Accounts (excluding Distribution Account) and the nominal value of any Permitted Investments remitted from the Designated Accounts and the notional amounts of any FSRA SBLC at the beginning of the relevant 12-month period;
- (iv) Any loss of revenue insurance/takaful proceeds received by the Issuer;

Less the aggregate of:-

- (i) All operating and maintenance expenses, on-going capital expenditures, taxes, duties, working capital requirements and liquidated damages paid by the Issuer pursuant to the PPA (if any); and
- (ii) 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 coupons, profit, principal payments in relation to the ASEAN Sustainability SRI Sukuk, net hedging settlements in relation to the Project

and any Permitted Indebtedness (except in relation to subordinated shareholders loan and any subordinated financing facilities to the ASEAN Sustainability SRI Sukuk) for the relevant period, but excluding any associated financing costs captured in Net Available Cash.

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

“FSCR Determination Date” means the First FSCR Determination Date and thereafter, each anniversary of the First FSCR Determination Date.

The **“First FSCR Determination Date”** shall be the last day of the financial year end of the Issuer after the COD.

“Distribution FSCR” is defined as $(C+D+E) / (C+F)$, where:-

C = the Actual Total Finance Service, being the actual aggregate of all Finance Service from the day after the last principal payment obligation date up to the day before the Distribution FSCR Determination Date.

D = the Actual Cash Balances, being the actual aggregate of closing cash balances in the Designated Accounts (excluding Distribution Account) and the nominal value of any Permitted Investments remitted from the Designated Accounts and the notional amounts of any FSRA SBLC as at the Distribution FSCR Determination Date.

E = the Projected Pre-Financing Cashflow being the projected cashflow before financing (net of the proposed Restricted Payments) on the Distribution FSCR Determination Date up to and including the next principal payment obligation date.

F = the Projected Total Finance Service, being the projected aggregate of the Finance Service on the Distribution FSCR Determination Date up to and including the next principal payment obligation date.

For avoidance of doubt, for purposes of calculating the Distribution FSCR, (i) if no Restricted Payment is made in any period between one principal payment date and the next principal payment date, the Distribution FSCR need not be calculated; and (ii) any double counting should be disregarded.

“Distribution FSCR Determination Date” means a date not more than five (5) business days before the date of

the Restricted Payments is transferred from Revenue Account to Distribution Account.

- (23) Information Covenants : ☐ No information covenant
☒ Information covenants, details as follows:

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

- (a) (i) no later than ten (10) business days after the issue date of the ASEAN Sustainability SRI Sukuk, adopt and deliver to the Security Agent, the Sukuk Trustee and the Credit Rating Agency an annual budget operating plan comprising an estimated operating costs (including tax, duties and estimated capital expenditure) ("**Operating Costs**") and estimated income ("**Operating Budget**") for the period commencing from the COD and ending on 31 December of that year (the "**Initial Operating Budget**") duly confirmed and certified by one (1) director of the Issuer; and (ii) no later than ten (10) business days prior to the beginning of each subsequent fiscal year (each, for the purposes of this paragraph, an "**Annual Period**"), it will similarly adopt and deliver to the Security Agent, the Sukuk Trustee and the Credit Rating Agency an Operating Budget for such ensuing Annual Period (the "**Annual Operating Budget**") duly confirmed and certified by one (1) director of the Issuer.

The aggregate of the Operating Costs incurred or to be incurred by the Issuer shall not, without the consent of the Sukukholders, exceed the total Operating Costs set out in the Bank Case Financial Model (as defined in item (o) of the section entitled "*Conditions Precedent – General*") by more than ten percent (10%) ("**Approved Variance**").

For the avoidance of doubt, any Operating Costs paid in advance by the Issuer to be accounted for the subsequent fiscal year or taxes and duties arising from changes in rules and regulations would not be taken into account in determining the Approved Variance.

- (b) as soon as they become available (and in any event, within one hundred and eighty (180) days after the end of its financial year), provide to the Sukuk Trustee and the Credit Rating Agency copies of its financial statements for that year which shall contain the income statements,

- cashflow statements and balance sheets of the Issuer, and which are audited by a reputable firm of independent certified public accountants approved by the Sukuk Trustee;
- (c) as soon as they become available (and in any event within ninety (90) days after the end of its financial half year) provide to the Sukuk Trustee and the Credit Rating Agency copies of unaudited semi-annual financial statements for that financial half year which shall contain the income statements, cashflow statements and balance sheet of the Issuer prepared in accordance with generally accepted accounting standards and principles in Malaysia and which are duly certified by any one (1) of its directors;
 - (d) deliver to the Sukuk Trustee, promptly on request, such additional financial or other information or reports as the Sukuk Trustee may from time to time request including without limitation, such information as the Sukuk Trustee may reasonably require in order to discharge its duties and obligations in accordance with the Trust Deed and the other Transaction Documents to the extent permitted by law provided that the provision of such information would not result in the Issuer breaching any duty of confidentiality or confidentiality obligations;
 - (e) promptly notify the Sukuk Trustee and the Credit Rating Agency of copies of any accounts (other than those provided above), reports, notice, statements or circulars issued by the Issuer to its shareholders. Such accounts, reports, notices, statements or circulars may be circulated by the Sukuk Trustee at its discretion to the Sukukholders, investors falling within the Selling Restrictions and the Credit Rating Agency;
 - (f) the Issuer shall promptly, upon the Issuer obtaining knowledge thereof, notify the Sukuk Trustee of any change in its board of directors and/or shareholders, in any event within thirty (30) days from such change;
 - (g) the Issuer shall promptly notify the Sukuk Trustee of any change in its condition (financial or otherwise) and of any litigation, arbitration, administrative or other proceedings of any nature whatsoever;
 - (h) the Issuer shall notify the Security Agent, the

Sukuk Trustee and the Credit Rating Agency promptly upon becoming aware of any Events of Default / Dissolution Event or Potential Events of Default / Potential Dissolution Event, or any material breach or dispute under the Transaction Documents;

- (i) the Issuer shall, subject to the relevant representatives complying with all reasonable Project site rules and policies, permit representatives of the PA/LA, the independent technical adviser, the Independent Insurance Adviser, the Security Agent, the Sukuk Trustee and their advisers, during business hours and upon advance notice, to visit and inspect the Project site, to examine the current plans, specifications, and manuals (and all supplements thereto), technical and statistical data, accounting books, records and other data in the possession or control of the Issuer with respect to the Project and to make copies and abstracts therefrom as may be required in order for such parties to discharge their duties and obligations, to attend any tests conducted at the Project under the EPCC Contract or the PPA and to confer with its principal officers and engineers;
- (j) the Issuer shall provide to the Security Agent and the Sukuk Trustee as soon as possible, but in any event within ten (10) business days of receipt by the Issuer or the issuance by the Issuer of, copies of all default notices, suspension notices, force majeure notices, change in law notices and termination notices in relation to the Project Documents;
- (k) the Issuer shall promptly upon the Issuer obtaining knowledge thereof, notify the Security Agent and the Sukuk Trustee of any material breach or dispute, termination, rescission, discharge (otherwise than by performance), supplement, novation, amendment or waiver in writing of, or indulgence in writing under, any provision of any Project Document;
- (l) when the Issuer delivers its audited financial statements in accordance with item (b) above, the Issuer shall supply to the Sukuk Trustee and the Credit Rating Agency a certificate signed by one (1) director of the Issuer certifying that (i) since the date of the previous certificate (or, in the case of the first certificate, since the first issue date of the ASEAN Sustainability SRI

Sukuk), no Events of Default or enforcement event under any Transaction Documents or Project 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 (ii) the Issuer has observed, performed and complied with all of its covenants (including financial covenants) and other obligations under the Transaction Documents and the Project Documents;

- (m) the Issuer shall promptly upon the Issuer obtaining knowledge thereof, notify the Sukuk Trustee of:
- (i) any change in its withholding tax position or tax jurisdiction;
 - (ii) any substantial change in the nature of its business;
 - (iii) any change in the use of the proceeds arising from the ASEAN Sustainability SRI Sukuk and the details of such change in use as set out in the Transaction Documents or the Information Memorandum of the ASEAN Sustainability SRI Sukuk;
 - (iv) any other matter that may materially prejudice the interests of the Sukukholders under the Transaction Documents;
 - (v) any circumstances that have occurred that would materially prejudice the Issuer or the Security Interest created under the Transaction Documents;
 - (vi) the occurrence of any event that has caused or could cause, one or more of the following:
 - (aa) any amount secured or payable under the ASEAN Sustainability SRI Sukuk to become immediately payable;
 - (bb) the security created for the ASEAN Sustainability SRI Sukuk to become immediately enforceable; or

- (cc) any other right or remedy under the terms, provisions or covenants of the ASEAN Sustainability SRI Sukuk to become immediately enforceable;
- (n) deliver to the Security Agent / Sukuk Trustee and the Credit Rating Agency a compliance certificate on an annual basis, no later than five (5) business days after the latest audited financial statements of the Issuer are available, which certificate shall be signed by one (1) director of the Issuer certifying the compliance and the computation of the FSCR and the FE Ratio;
- (o) provide annual reporting, via newsletters, website updates, annual report or any other communication channels, to the Sukukholders on the following:
 - (i) the original amount earmarked for the Eligible SRI Projects (as defined in item (u) of the section entitled “*Other Terms and Conditions – Definitions*”);
 - (ii) the amount utilised for the Eligible 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 SRI Projects;
- (p) make the following publicly available on a website designated by the Issuer:
 - (i) the process for project evaluation;
 - (ii) the use of proceeds; and
 - (iii) external review report on the process (if any);
- (q) if an auditor or other third party is appointed to verify the Issuer’s management of proceeds, ensure that the report produced by the auditor or other third party will be made publicly available on a website designated by the Issuer;

- (r) provide to the Sukukholders, through a website designated by the Issuer and/or an annual report, information on the use of the proceeds of the ASEAN Sustainability SRI Sukuk (which will be fully allocated upon the issuance of the ASEAN Sustainable SRI Sukuk) upon such allocation and as necessary thereafter in the event of material developments. If an external reviewer is appointed, such reporting on the use of proceeds shall be supplemented by a confirmation of such use of proceeds by the external reviewer along with any relevant updates of the external review;
 - (s) any other covenants as advised by the PA/LA/JLMs' Solicitors and mutually acceptable to the Issuer and the PA/LA.
- (24) Details of designated account(s), if applicable : The Issuer shall open and maintain the following Shariah compliant designated account(s) ("**Designated Accounts**") with a financial institution having a minimum long-term rating of AA2 and short-term rating of P1 which is acceptable to the PA/LA and the Security Agent.

(a) **Revenue Account**

Name of account:

Edra Solar's Revenue Account ("**RA**")

Opened/to be opened by

Issuer

Maintained/operated or to be maintained/operated by:

The Security Agent and the Issuer shall jointly operate the RA provided that upon the occurrence of an Event of Default that is continuing the Security Agent shall solely operate the RA. Once the Event of Default is no longer continuing, the Security Agent and the Issuer shall jointly operate the RA.

Signatories to the RA

The Security Agent and the Issuer shall be the joint signatories provided that upon the occurrence of an Event of Default that is continuing the Security Agent shall be the sole signatory. Once the Event of Default is no longer continuing, the Security Agent and the Issuer shall be the joint signatories.

Sources of funds

The following shall be deposited into the RA:

- (i) all proceeds from the issuance of the ASEAN Sustainability SRI Sukuk;
- (ii) all revenue / receipts by the Issuer, including any revenue and compensation due under the Project Documents, proceeds of takaful/insurance claims, profit income, warranty proceeds and any other receipts received by the Issuer (including any proceeds received or to be received by the Issuer in connection with the sale of its shareholding in Tadau Energy Sdn Bhd);
- (iii) any excess amounts (for the avoidance of doubt, such amounts to include, where relevant, any proceeds of Permitted Investments) in the OA, the MRA and the FSRA, to be credited into the RA as soon as practicable; and
- (iv) nominal amounts received from Permitted Investments made from the RA.

Utilisation of funds

The funds in the RA shall be utilised in the following order of priority (except any proceeds received or to be received by the Issuer in connection with the sale of its shareholding in Tadau Energy Sdn Bhd) ("**RA Priority Cashflow**")

- (i) in respect of the proceeds from the ASEAN Sustainability SRI Sukuk received pursuant to item (i) of the sources of funds for the RA, payment of fees, expenses and all other amounts in connection with the ASEAN Sustainability SRI Sukuk accrued prior to the issuance of the ASEAN Sustainability SRI Sukuk;
- (ii) in respect of the proceeds from the ASEAN Sustainability SRI Sukuk received pursuant to item (i) of the sources of funds for the RA, reimbursement to the Sponsor of up to 80% of the Project Cost (as defined in item (u) of the section entitled "*Other Terms and Conditions - Definitions*");
- (iii) monthly transfer to the OA (as defined below) in accordance with the Initial Operating Budget or the Annual Operating

Budget (as the case may be) and within the Approved Variance;

- (iv) profit, fees and/or commissions payments due under the ASEAN Sustainability SRI Sukuk;
- (v) principal payments due under the ASEAN Sustainability SRI Sukuk;
- (vi) transfer to the FSRA to meet the FSRA Minimum Required Balance;
- (vii) transfer to the MRA to meet the MRA Minimum Required Balance, if applicable;
- (viii) in respect of proceeds of takaful/insurance claims received by the Issuer from third party liability, employer's liability, automobile third party liability and workers' compensation insurance/takaful, for payment of the relevant claim;
- (ix) in respect of proceeds of takaful/insurance claims received by the Issuer other than (aa) from third party liability, employer's liability, automobile third party liability and workers' compensation insurance/takaful and (bb) from delay in start-up, business interruption or loss of revenue type insurance/takaful:
 - (aa) if no Total Loss has occurred, for the repair, replacement or reinstatement of the damaged property; and
 - (bb) if a Total Loss has occurred, for Mandatory Redemption of the ASEAN Sustainability SRI Sukuk;
- (x) payment of fees in relation to the FSRA SBLC subject to no Dissolution Event or Potential Dissolution Event upon payment of fee being made;
- (xi) for Permitted Investments (if elected by the Issuer); and
- (xii) transfer to the Distribution Account subject to the Distribution Covenants being satisfied.

The proceeds received or to be received by the Issuer in connection with the sale of its shareholding in Tadau Energy Sdn Bhd may be utilised by the Issuer for payment to its shareholders without being subject to the RA Priority Cashflow.

(b) Operating Account

Name of account:

Edra Solar's Operating Account ("OA")

Opened/to be opened by:

Issuer

Maintained/operated or to be maintained/operated by:

The Issuer shall solely operate the OA provided that upon the occurrence of an Event of Default that is continuing the Security Agent shall solely operate the OA. Once the Event of Default is no longer continuing, the Issuer shall solely operate the OA.

Signatories to the OA

The Issuer shall be the sole signatory provided that upon the occurrence of an Event of Default that is continuing the Security Agent shall be the sole signatory. Once the Event of Default is no longer continuing, the Issuer shall be the sole signatory.

Sources of funds

The following shall be deposited into the OA:

- (i) amounts transferred from the RA in accordance with item (iii) of the RA Priority Cashflow; and
- (ii) nominal amounts received from Permitted Investments made from the OA.

Utilisation of funds

The funds in the OA shall be utilised as follows:

- (i) for the payment of operating and maintenance expenses, taxes, duties, capital expenditure and other costs in the Issuer's ordinary course of business;
- (ii) for Permitted Investments (if elected by the Issuer); and

- (iii) for transfers of any excess funds to the RA.

(c) **Finance Service Reserve Account**

Name of account:

Edra Solar's Finance Service Reserve Account
("FSRA")

Opened/to be opened by:

Issuer

Maintained/operated or to be

maintained/operated by:

Security Agent shall solely operate the FSRA.

Signatories to the FSRA

Security Agent shall be the sole signatory at all times.

Sources of funds

The following shall be deposited into the FSRA:

- (i) amounts transferred from the RA in accordance with sub-paragraph (vi) of the RA Priority Cashflow;
- (ii) amounts received by the Security Agent from the SBLC Provider (as defined in item (d) of the section entitled "*Other terms and conditions – FSRA SBLC*") of an FSRA SBLC; and
- (iii) nominal amounts received from Permitted Investments made from the FSRA.

Utilisation of funds

The funds in the FSRA shall be utilised as follows:

- (i) if on the date falling three (3) business days prior to the date on which any profit and/or principal payment is due, the Issuer notifies the Security Agent or the Security Agent otherwise becomes aware that the balance of RA is insufficient to enable the Issuer to discharge in full any payment of the profit and/or principal payments scheduled to be made from the RA, the Security Agent shall direct the account bank for the Designated Accounts to withdraw from the FSRA

and/or make a demand under the FSRA SBLC of an amount equal to the shortfall; provided that for so long as an Event of Default has occurred and is continuing, no amount shall be withdrawn from the FSRA except upon the instruction of the Security Agent;

- (ii) for transfer of excess funds above the FSRA Minimum Required Balance to the RA as soon as practicable; and
- (iii) for Permitted Investments (if elected by Issuer).

(d) **Maintenance Reserve Account**

Name of account:

Edra Solar's Maintenance Reserve Account ("MRA")

Opened/to be opened by:

Issuer

Maintained/operated or to be maintained/operated by:

The Issuer shall solely operate the MRA provided that upon the occurrence of an Event of Default that is continuing the Security Agent shall solely operate the MRA. Once the Event of Default is no longer continuing, the Issuer shall solely operate the MRA.

Signatories to the MRA

The Issuer shall be the sole signatory provided that upon the occurrence of an Event of Default that is continuing the Security Agent shall be the sole signatory. Once the Event of Default is no longer continuing, the Issuer shall be the sole signatory.

Sources of funds

The following shall be deposited into the MRA:

- (i) amounts transferred from the RA for the payment in accordance with subparagraph (vii) of the RA Priority Cashflow. To the extent that there are insufficient funds in the RA on the monthly transfer to fund the MRA, the Issuer shall add any shortfall to the MRA on the following monthly transfer (to the extent there are sufficient funds available for

such purpose); and

- (ii) nominal amounts received from Permitted Investments made from the MRA.

Utilisation of funds

The funds in the MRA shall be utilised as follows:

- (i) for the payment of Major Maintenance Costs. However, the MRA Minimum Required Balance shall be reinstated within three (3) months from the withdrawal;
- (ii) for the transfer of any excess funds above the MRA Minimum Required Balance to the RA as soon as practicable; and
- (iii) for Permitted Investments (if elected by Issuer).

(e) **Distribution Account**

Name of account:

Edra Solar's Distribution Account ("DA")

Opened/to be opened by:

Issuer

Maintained/operated or to be

~~maintained/operated by:~~

The Issuer shall solely operate the DA.

Signatories to the DA

The Issuer shall be the sole signatory.

Sources of funds

The following shall be deposited into the DA:

- (i) amounts transferred from the RA for the payment in accordance with subparagraph (xii) of the RA Priority Cashflow; and
- (ii) nominal amounts received from Permitted Investments made from the DA.

Utilisation of funds

The funds in the DA shall be utilised as follows:

- (i) for Restricted Payments;
- (ii) for purchase of the ASEAN Sustainability

SRI Sukuk by the Issuer in accordance with the sections entitled “Provisions on buy-back, if applicable” and “Provisions on early redemption, if applicable”; and

(iii) for Permitted Investments (if elected by the Issuer).

(25) Credit rating(s) of facility/programme, if applicable

<input type="checkbox"/>	Not Rated																		
<input checked="" type="checkbox"/>	<p>Rated as follows:</p> <table border="1"> <tr> <td>Credit rating agency</td> <td>:</td> <td>RAM Rating Services Berhad (“RAM” or the “Credit Rating Agency”).</td> </tr> <tr> <td>Credit rating</td> <td>:</td> <td>AA2.</td> </tr> <tr> <td>Final/Indicative</td> <td>:</td> <td>Indicative</td> </tr> <tr> <td>Name of Tranche/Series/Class</td> <td>:</td> <td>-</td> </tr> <tr> <td>Partial rating</td> <td>:</td> <td>-</td> </tr> <tr> <td>Amount rated</td> <td>:</td> <td>RM245.0 million.</td> </tr> </table>	Credit rating agency	:	RAM Rating Services Berhad (“ RAM ” or the “ Credit Rating Agency ”).	Credit rating	:	AA2.	Final/Indicative	:	Indicative	Name of Tranche/Series/Class	:	-	Partial rating	:	-	Amount rated	:	RM245.0 million.
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Name of Tranche/Series/Class	:																		
Partial rating	:																		
Amount rated	:																		

(26) Conditions precedent : Means to the following (all in form and substance acceptable to the LA):

A. Main Documentation

(a) The Transaction Documents and such other documents as may be advised by the legal counsel acting for the PA/LA (and agreed upon by the Issuer) have been executed and, where applicable, have been signed, stamped or endorsed as being exempted from stamp duty and presented for registration with the relevant registries;

- (b) All relevant notices of assignment and consents in respect thereof under the relevant Transaction Documents and from the relevant counterparties shall have been made or received as the case may be other than those which are required to be executed or perfected under conditions subsequent set out in item (v) of the section entitled “*Other terms and conditions – Conditions Subsequent*”); and
 - (c) Receipt from the Issuer of certified true copies of all the executed and where applicable, stamped relevant Project Documents and any other supplemental documentation in relation thereto.
- B. The Issuer and the Sponsor (collectively “**Relevant Parties**” and “**Relevant Party**” means anyone of them)
 - (a) Certified true copies of the Certificate of Incorporation, and the Memorandum and Articles of Association / constitution of the Relevant Parties.
 - (b) Certified true copies of the latest Return for Allotment of Shares, Notification of Change in Registered Address and Notification of Change in the Register of Directors, Managers and Secretaries of the Relevant Parties;
 - (c) A certified true copy of a board resolution of the Relevant Parties authorising, among others, the execution of the relevant Transaction Documents;
 - (d) A list of the Issuer’s authorised signatories and their respective specimen signatures;
 - (e) A report of the relevant company search of the Relevant Parties which reveals, amongst others, that there are no charges which have been registered with the Companies Commission of Malaysia (“**CCM**”); and
 - (f) A report of the relevant winding up search of the Relevant Parties which reveals that none of such companies has been wound

up.

C. General

- (a) A copy of the receipt of acknowledgement by the SC of the lodgement in respect of the ASEAN Sustainability SRI Sukuk for the proposed issue of, offer for subscription or purchase of, or invitation to subscribe for or purchase of the ASEAN Sustainability SRI Sukuk (“**Lodgement**”);
- (b) The ASEAN Sustainability SRI Sukuk shall have received a minimum rating of at least AA2 or equivalent from the Credit Rating Agency;
- (c) Evidence that all the Designated Accounts have been opened in accordance with the provisions of the Transaction Documents;
- (d) Evidence that the Statements of Particulars to be Lodged with Charge (as prescribed under the Companies Act), 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 Section 352 of the Companies Act) have been duly lodged with the CCM and a search conducted on the company immediately prior to the filing of the Statements of Particulars to be Lodged with Charge revealing that there are no other charges that have been registered by it with the CCM;
- (e) Evidence of presentation for the registration of the charge over the Project Land in favour of the Security Agent with the relevant land office/land registry in Kedah;
- (f) Land search results on the Project Land;
- (g) The relevant Transaction Documents shall have been presented to the High Court of Malaya for the registration of the powers of attorney therein contained;
- (h) The PA/LA has received a satisfactory legal opinion from the Issuer’s solicitors

addressed to the PA/LA and the Sukuk Trustee advising with respect to, among others, the legality, validity and enforceability of the relevant Project Documents against the Issuer and the other parties thereto and confirming to the PA/LA and the Sukuk Trustee that all the conditions precedent in relation to the Project Documents, where applicable, have been fulfilled or waived in accordance with the relevant Project Document;

- (i) The PA/LA has received a satisfactory legal opinion from the PA/LA/JLMs' Solicitors addressed to the PA/LA and the Sukuk Trustee advising with respect to, among others, the legality, validity and enforceability of the Transaction Documents and a confirmation from the PA/LA/JLMs' Solicitors addressed to the PA/LA confirming that all the conditions precedent in relation to the Transaction Documents have been fulfilled or otherwise waived by the PA/LA;
- (j) A final due diligence report from the independent technical adviser in form and substance reasonably satisfactory to the PA/LA;
- (k) A final due diligence report from the PA/LA/JLMs' Solicitors in form and substance reasonably satisfactory to the PA/LA;
- (l) Receipt of a certified true copy of the written confirmation from the relevant regulatory authority that the environmental impact assessment report in respect of the Project is not required;
- (m) Receipt of a copy of the confirmation from the Issuer to the Security Agent that the Project Completion Date has been achieved;
- (n) Confirmation from the Shariah Adviser that the structure and mechanism together with the Transaction Documents are in compliance with Shariah principles;
- (o) Delivery of the cashflow projections

showing a minimum projected base case FSCR of 1.25 times and a FE Ratio not exceeding 80:20 (the “**Bank Case Financial Model**”) reviewed by the Independent Auditor;

- (p) Delivery of comfort letter in relation to the cashflow projections addressed to the PA/LA from the Independent Auditor;
- (q) All transaction fees, costs and expenses have been fully paid or documentary evidence that it will be paid from the proceeds of the ASEAN Sustainability SRI Sukuk issuance;
- (r) Evidence that an amount of up to at least the equivalent of the FSRA Minimum Required Balance has been deposited into the FSRA or arrangements have been made for such amount to be deposited, or the Security Agent has received a FSRA SBLC acceptable to it;
- (s) Receipt of a certified true copy of the generation licence from the Suruhanjaya Tenaga Malaysia (“**Energy Commission**”);
- (t) Receipt of a copy of the a commitment letter issued by the Issuer to the Principal Adviser, the Lead Arranger and RAM Consultancy Services Sdn Bhd in relation to its commitment to support the said social project as described in item (w) of the section entitled “*Other terms and conditions – ASEAN Sustainability SRI Sukuk*” for the tenure of the ASEAN Sustainability SRI Sukuk;
- (u) A due diligence report from the Independent Insurance Adviser in form and substance reasonably satisfactory to the PA/LA confirming, inter alia, that all requisite insurance/ Takaful which are required to be taken out for the operation phase of the Project has been obtained;
- (v) Evidence of the Project Cost incurred and paid prior to issuance of the ASEAN Sustainability SRI Sukuk as certified by an independent third party or by a director of the Issuer; and

- (w) Such other conditions precedent as may be advised by the PA/LA/JLMs' Solicitors and to be mutually agreed between the PA/LA and the Issuer.

(27) Representations and warranties : The Issuer's representations and warranties are to include, inter alia, the following:

- (a) it 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 its property and assets;
- (b) it has full power, authority and legal right, 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 governmental approvals to which it is or is to be a party or beneficiary;
- (c) the ASEAN Sustainability SRI Sukuk and each of the Transaction Documents to which the Issuer is or is to be a party constitute, or when executed will constitute, legal, valid, binding and enforceable obligations of the Issuer;
- (d) the entry into the Transaction Documents to which it is a party or is to be a party and/or the performance by the Issuer of any of its obligations and/or the exercise by the Issuer of any of its rights under any such Transaction Document will not:
 - (i) conflict with any applicable laws by which the Issuer or its assets are bound or affected which conflict would have a Material Adverse Effect;
 - (ii) conflict with the constitutional documents of the Issuer;
 - (iii) conflict with any other Transaction Document or any other agreement which is binding upon the Issuer or any asset of the Issuer which conflict would have a Material Adverse Effect;

- (iv) violate any government approval or any other governmental authorisation or any judgment applicable to the Issuer or the Project;
 - (v) result in or create any Security Interest (other than a Permitted Security Interest) or any restriction of any nature on any of the assets of the Issuer; or
 - (vi) cause any limitation on the Issuer or the powers of its directors, whether imposed by or contained in its memorandum or articles of association / constitution or any agreement, instrument, law, ordinance, decree, order, rule, regulation, judgment;
- (e) no registration, recording, filing or notarisation of the Transaction 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 Issuer, or the rights of inter alia, the Sukukholders under the Transaction Documents in accordance with their terms, save and except for:-
 - (i) the registration of the Security Interest created or to be created under the Transaction Documents with the CCM, where applicable;
 - (ii) the registration of the powers of attorney contained in any of the Transaction Documents with the High Court of Malaya;
 - (iii) the registration of the charge over the Project Land with the relevant land office;
- (f) no registration, recording, filing or notarisation of 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 Issuer, or the rights of inter alia, the Sukukholders under the Project Documents in accordance with their terms, save and except for the payment of stamp duty on the Project Documents which stamp duty have been duly paid;
- (g) 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 Issuer instituted against the Issuer, or any of its assets, which if determined against it, individually or in aggregate, would have a Material Adverse Effect;

- (h) no step has been taken by the Issuer 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 Issuer, or its assets;
- (i) no Event of Default / Dissolution Event or Potential Event of Default / Potential Dissolution Event is continuing or would result from the issuance of the ASEAN Sustainability SRI Sukuk or the performance of any transaction contemplated by any Transaction Document and/or any Project Document;
- (j) the Issuer has, to the extent required by applicable laws and 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);
- (k)
 - (i) the Issuer's most recent annual audited financial statements delivered to the Sukuk Trustee were prepared in accordance with generally accepted accounting standards and principles in Malaysia and give a true and fair view of the results of operation and financial position of the Issuer 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 material liabilities (actual or contingent)) and, there has been no material adverse change in the financial condition of the Issuer since the date of such financial statements; and
 - (ii) the Issuer's most recent unaudited financial statements delivered to the

Sukuk Trustee were prepared in accordance with generally accepted accounting standards and principles in Malaysia and accurately reflect the results of operation and financial position of the Issuer as at the end of, and the results of its operations for, the financial period to which they relate and there has been no adverse change in the financial condition of the Issuer since the date of such financial statements;

- (l) the Information Memorandum and any information in whatever form, document, statement or instrument furnished or to be furnished by the Issuer 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 Issuer. For the purposes of this sub-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 sub-paragraph in respect of the Information Memorandum issued prior to such date;
- (m) no mortgage, pledge, lien, charge, assignment, hypothecation or security interest or any other agreement or arrangement having a similar effect ("**Security Interest**") exists over all or any part of the Project assets or the assets of the Issuer which is not a Permitted Security Interest;
- (n) it 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 where failure to do so would have a Material Adverse Effect;
- (o) there is no outstanding breach of any term of any Transaction Document to which it is a party and no person has repudiated or disclaimed liability under any Transaction Document to which it is a party or given written notice to the Issuer of an

intention to do so;

- (p) no event of force majeure as defined in or contemplated by any Project Document has occurred and is continuing for the purposes of that Project Document;
- (q) the Issuer's payment obligations under the Transaction Documents 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;
- (r) any copies of any Project Documents which it has delivered to the PA/LA, Security Agent and Sukuk Trustee are true and complete copies thereof;
- (s) other than as disclosed in the Information Memorandum and to the PA/LA and Security Agent, there is no other agreement in connection with, or arrangements which amend, supplement or affect any Project Document;
- (t) other than as disclosed in the Information Memorandum and to the PA/LA and Security Agent, there is no dispute is presently in progress or pending or threatened against the Issuer in connection with the Project or any Project Document;
- (u) no step has been taken by the Issuer / Sponsor 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 against the Issuer / Sponsor;
- (v) (i) there are no insurances / Takaful contracts arranged, procured or maintained by the Issuer that are not disclosed to the PA/LA, Security Agent and the Sukuk Trustee; and (ii) all insurances/takaful contracts 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 premia due and payable have been paid and, to the best knowledge and belief of the Issuer after due inquiry, no event or circumstance has occurred, nor has there been any omission to disclose a fact, which would in either case entitle any insurer to avoid or otherwise reduce its liability under any policy relating to the said insurances/takaful

contracts; and

- (w) to the best of the knowledge and belief of the Issuer after due inquiry, there is no change of law and no other governmental action has occurred which shall make it improbable for the Issuer to perform covenants and obligations on its part to be performed under the Transaction Documents or the Project Documents; and
- (x) any other representations and warranties customary to project financing facilities as advised by the PA/LA/JLMs' Solicitors and mutually agreed between the Issuer and the PA/LA.

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 ASEAN Sustainability SRI Sukuk, and the date of any subscription agreement, as if repeated by reference to the then existing circumstances.

- (28) Events of default or enforcement event, where applicable, including recourse available to investors : Means the following ("**Event of Default / Dissolution Event**"):-
- (a) the Issuer does not pay any amount of principal or any Periodic Profit Payment payable by it under a Transaction Document when due unless such failure to pay is caused by a systemic failure of the banking payment system and is remedied within five (5) business days from its due date;
 - (b) the Issuer does not pay any amount other than as described in paragraph (a) above under a Transaction Document, in each case when due at the place and in the currency in which it is expressed to be payable unless such failure is rectified within fourteen (14) days after notice of such failure being given by the Security Agent / Sukuk Trustee to the Issuer;
 - (c) the Issuer fails to observe or perform its covenants or obligations (other than the payment obligations specified under sub-paragraphs (a) and (b) above) including without limitation any of the financial undertakings 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 the hedging agreements or under any undertaking or arrangement entered into in connection therewith (other than as described in paragraph (a) and (b)

- above) 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 / the Sukuk Trustee of the failure or breach;
- (d) the Issuer fails to observe or perform any of its obligations under any of the Project Documents or under any undertaking or arrangement entered into in writing in connection therewith between the Issuer and the relevant Project Document counterparty, and in the case of a failure which in the opinion of the Sukuk Trustee is capable of being remedied, the Issuer 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 Project Document;
- (e) any party to a Project Document does not comply with any provision of that agreement and such breach has a Material Adverse Effect and is not cured, waived or otherwise remedied within the applicable cure period set forth in such agreement and:
- (i) substitute arrangements satisfactory to the Sukuk Trustee are not put in place (other than in respect of the Project Documents to which a Major Project Party (as defined in item (u) of the section entitled "*Other terms and condition – Definitions*") is party, which shall not be susceptible to substitute arrangements for the purposes of this sub-paragraph); or
- (ii) such breach is not cured, waived or remedied, in each case within sixty (60) days from such breach (or, if applicable, the expiry of any relevant cure period set forth in such agreement), provided that, at all times during such sixty (60)-day period, it is using best endeavours to procure the remedy of such breach or to put in place such arrangements;
- (f) any Project Document is terminated prior to its stated termination date (or any party thereto has a right terminate or issue a notice or termination thereunder) or there has been a breach of any

obligation or term by the Issuer and/or the Project Document counterparties under any of the Project Documents and in a case of a breach, which is in the opinion of the Sukuk Trustee is capable of being remedied, such breach has not been remedied to the satisfaction of the Sukuk Trustee within such applicable remedy period as may be allowed under the relevant Project Document, and if no such remedy period is provided for under the relevant Project Document, not longer than thirty (30) days after the Issuer becoming aware or having been notified in writing;

- (g) at any time, any of the provisions of the Transaction Documents or Project Documents is or becomes illegal, void, voidable or unenforceable which would have a Material Adverse Effect and, such circumstance continues for, or substitute arrangements satisfactory to the Sukuk Trustee are not put in place within thirty (30) days;
- (h) the Issuer becomes unable to pay any of its debts generally as they fall due or suspends making payments with respect to all or any class of its debts;
- (i) the Issuer changes the nature or scope of any part of its business, or suspends or ceases to carry on all or a part of its business which it now conducts directly or indirectly;
- (j) 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 which would have a Material Adverse Effect and, such circumstance continues for, or substitute arrangements satisfactory to the Sukuk Trustee are not put in place within sixty (60) days;
- (k) any governmental authority takes, or provides official notice that it intends to take, any step with a view to the seizure, expropriation, nationalisation or compulsory acquisition (whether or not for fair compensation) of the Issuer (or any shares (including redeemable preference shares) in the Issuer) or all or any part of the Project or the undertakings, rights or revenues of the Issuer, which has or might have a Material Adverse Effect;

- (l) any governmental authorisation (other than the generation licence) 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, terminating, withholding, invalidating or cancelling any governmental authorisation and in each case in a manner which has or would reasonably be expected to give rise to a Material Adverse Effect;
- (m) in respect of the generation licence:-
 - (i) 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 within one hundred and eighty (180) days of such revocation, termination, withholding, invalidation, cancellation, non-renewal, or cessation; or the generation licence is modified or amended and the effect of such modification or amendment would be to prevent the implementation or carrying out of the Project by the Issuer or has or would reasonably be expected to give rise to a Material Adverse Effect;
 - (ii) any condition or provision of the generation licence is not complied with and such non-compliance has not been remedied or waived by the Energy Commission in writing (in each case) within thirty (30) days of its occurrence unless the Energy Commission 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 non-compliance within ninety (90) days of its occurrence or such other cure period as may be permitted or required by the Energy Commission;
- (n) the Issuer ceases to be the sole, lawful and beneficial owner of, or to have good title to, all or a material part of the assets of the Issuer or

ceases to be the sole party entitled to the revenues generated by the Project, in each case, save as provided in the Transaction Documents;

- (o) any party repudiates any of the Transaction Documents and/or Project Documents to which it is a party or the Issuer does or causes to be done any act or thing evincing an intention to repudiate any of the Transaction Documents and/or Project Documents to which it is a party;
- (p) any other event or series of events occurs or a situation exists which would 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 Issuer does not remedy such event(s) within thirty (30) days after the Issuer became aware or has been notified by the Security Agent / Sukuk Trustee of the failure, whichever is earlier;
- (q) any representation or warranty made by the Issuer under any provision of the Transaction Documents 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 respect (where such event would have a Material Adverse Effect) 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 earlier of the date on which (i) the Sukuk Trustee gives notice to the Issuer to do so or (ii) the Issuer becomes aware of such misrepresentation;
- (r) any security document ceases to be in full force and effect or ceases to be effective to create the Security Interest or to provide the priority of security purported to be created thereunder;
- (s) any of the Security Interest created under any Transaction Document cannot be perfected or is in jeopardy or rendered invalid or defective in any way;
- (t) in relation to the PPA:

- (i) TNB issues a notice of breach under the PPA and the event in respect of which such notice was issued is not cured by the cure period applicable thereto as provided in the PPA, or any other right to terminate the PPA accrues in favour of TNB under the PPA;
- (ii) TNB or the Energy Commission exercises its step-in rights under the PPA or the generation licence as a result of the Issuer's default under the PPA or the generation licence, or gives written notice of an intention to exercise such step-in rights;
- (iii) an event of force majeure continues for longer than one hundred and eighty (180) days under the PPA;
- (iv) the Energy Rate (as defined in the PPA) is adjusted downwards in accordance with the PPA and such adjustment has or would be expected to result in the Issuer's failure to meet the Financial Covenants;
- (u) an event of force majeure occurs under any Project Document (other than in relation to the PPA) and such event has or would be expected to have a Material Adverse Effect in the opinion of the Sukuk Trustee;
- (v) other than for the purposes of and followed by a reconstruction previously approved in writing by the Sukuk Trustee, unless during or following such reconstruction the Issuer becomes or is declared to be insolvent, a winding-up order has been made against any of the Issuer or any step is taken for the winding up, dissolution or liquidation of the Issuer or a resolution is passed for the winding up of the Issuer or a petition for winding up is presented against the Issuer (unless such petition is frivolous or vexatious or related to a claim to which the Issuer has a good defence or which is being contested in good faith by the Issuer) and the Issuer 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 or a winding up order has been made against the Issuer;
- (w) the Issuer convenes a meeting of its 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 reconstruction previously approved in writing by the Sukuk Trustee, unless during or following such reconstruction the Issuer becomes or is declared to be insolvent) or where a scheme of arrangement under Section 366 of the Companies Act has been instituted against the Issuer;

- (x) 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 the assets of the Issuer, or distress, legal process, sequestration or any form of execution is levied or enforced or sued out against such assets which would have a Material Adverse Effect and is not discharged within thirty (30) days, or any Security Interest which may for the time being affect any of such assets becomes enforceable and which would have a Material Adverse Effect;
- (y) the Issuer fails to satisfy any judgment passed against it by any court of competent jurisdiction and no appeal against such judgement or no application for a stay of execution has been made to any appropriate appellate court within the time prescribed by law or such appeal or application for a stay of execution has been dismissed;
- (z) any financial indebtedness (other than the ASEAN Sustainability SRI Sukuk) of the Issuer becomes due and payable or capable of being declared due and payable prior to its stated maturity, or any security created to secure such financial indebtedness becomes enforceable;
- (aa) a Total Loss occurs in respect of the plant;
- (bb) the Issuer fails to comply with any environmental law or governmental authorisation issued under an environmental law;
- (cc) any of the conditions subsequent has not been

complied with in accordance with the compliance period as set out in item (v) of the section entitled *“Other terms and conditions – Conditions Subsequent”*;

- (dd) any other Events of Default customary to project financing facilities as advised by the PA/LA/JLMs’ Solicitors and mutually agreed between the Issuer and the PA/LA.

Upon the occurrence of an Event of Default / Dissolution Event which is continuing, and for so long as the Sukukholders have not waived such Event of Default / Dissolution Event, the Sukuk Trustee may, at its sole and absolute discretion and shall, if so directed by the Sukukholders (subject to its rights to be indemnified to its satisfaction against all reasonable costs and expenses thereby occasioned) by way of an Extraordinary Resolution, by written notice to the Issuer, declare that an Event of Default / Dissolution Event has occurred and that all amounts under the ASEAN Sustainability SRI Sukuk then outstanding be immediately due and payable.

- (29) Governing laws : Laws of Malaysia.

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

- (30) Provisions on buy-back, if applicable : Repurchase and Cancellation

The Issuer or any of its agents may at any time purchase the ASEAN Sustainability SRI Sukuk at any price in the open market or by private treaty, but these repurchased ASEAN Sustainability SRI Sukuk shall be cancelled and cannot be resold.

Mandatory Redemption

In accordance with the provisions of the Revenue Account, mandatory redemption of all tranches of the ASEAN Sustainability SRI Sukuk on a pro rata basis on the amount outstanding under each tranche, with any amount required to be applied in mandatory redemption shall be paid by the next Profit Payment Date after the date of the receipt. In respect of the mandatory redemption pursuant to a Total Loss, if the takaful/insurance proceeds are insufficient to cover all amounts outstanding in respect of the Deferred Sale Price of the relevant ASEAN Sustainability SRI Sukuk (subject to Ibra’), the Issuer shall irrevocably and unconditionally undertake to make good the difference and shall immediately make such requisite payment if

sufficient proceeds of takaful/insurance have not been received within sixty (60) days after the occurrence of the Total Loss.

(31) Provisions on early redemption, if applicable : No provision on early redemption.

(32) Voting : An “**Extraordinary Resolution**” means a resolution passed at a meeting of the Sukukholders duly convened and held in accordance with the provisions contained in the Transaction Documents and carried by a majority consisting of not less than three-fourths ($\frac{3}{4}$) of the persons voting thereat upon a show of hands or if a poll is duly demanded by majority consisting of not less than three-fourths ($\frac{3}{4}$) of the votes given on such poll.

An “**Ordinary Resolution**” means a resolution passed at a meeting of the Sukukholders duly convened and held in accordance with the provisions contained in the Transaction Documents and carried by a majority consisting of not less than one-half ($\frac{1}{2}$) of the persons voting thereat upon a show of hands or if a poll is duly demanded by majority consisting of not less than one-half ($\frac{1}{2}$) of the votes given on such poll.

A resolution in writing signed by or on behalf of Sukukholders holding not less than three-fourths ($\frac{3}{4}$) (for Extraordinary Resolutions) and one-half ($\frac{1}{2}$) (for Ordinary Resolutions) of the nominal value of the ASEAN Sustainability SRI Sukuk for the time being outstanding shall for all purposes of these presents be as valid and effective as an Extraordinary Resolution or Ordinary Resolution, respectively passed at a meeting of the Sukukholders duly convened and held in accordance with the provisions contained in the Transaction Documents. Such resolution in writing may be contained in one document or in several documents in like form, each signed by or on behalf of one or more Sukukholders.

(33) Permitted investments, if applicable : The Issuer shall be permitted from time to time to utilise funds held in the Designated Accounts to make Permitted Investments subject to:

- (a) the Permitted Investments having a maximum tenure of twelve (12) months; and
- (b) such funds utilised for the Permitted Investments shall, where necessary, be remitted to the respective Designated Accounts to meet any payment obligations of the Issuer at least three (3) business days before such payment

obligations are due and payable.

Permitted Investments shall be Shariah-compliant investment products and shall comprise the following which are approved by the SC's and/or BNM's SAC:-

- (a) Islamic treasury bills, Islamic money market instruments and sukuk issued by BNM or the Government of Malaysia;
- (b) Shariah compliant deposits and Shariah compliant investment accounts with licensed Islamic financial institutions, and/or development financial institutions in Malaysia with a long-term rating of at least AA2 or its equivalent and a short-term rating of at least P1;
- (c) Islamic bills, Islamic bankers acceptances or other Islamic money market instruments issued by licensed financial institutions with a long-term rating of at least AA2 or its equivalent and a short-term rating of at least P1 or its equivalent; and
- (d) unit trusts that invest in Islamic money market instruments with the prior written approval of the Credit Rating Agency.

(34) Ta'widh (for ringgit-denominated sukuk) : In the event of delay in payments of the Deferred Sale Price due and payable under any tranche of the ASEAN Sustainability SRI Sukuk, the Issuer shall pay Ta'widh (compensation) to the Sukuk Trustee for the benefit of the Sukukholders on such delay in payment at the rate and manner prescribed by the SC's SAC from time to time.

(35) Ibra' (for ringgit-denominated sukuk) Ibra' refers to an act of releasing absolutely or conditionally one's rights and claims on any obligation against another party which would result in the latter being discharged of his/its obligation or liabilities towards the former. The release may be either partially or in full.

The Sukukholders in subscribing or purchasing the ASEAN Sustainability SRI Sukuk, hereby consent to grant an Ibra' if the ASEAN Sustainability SRI Sukuk are redeemed before maturity or upon the declaration of an Event of Default or Mandatory Redemption of the ASEAN Sustainability SRI Sukuk.

The Ibra' for redemption before maturity (if applicable) shall be mutually agreed to prior to such early redemption.

Upon the declaration of Event of Default or Mandatory Redemption of the ASEAN Sustainability SRI Sukuk, the Ibra' shall be calculated as follows:

- (i) in the case of ASEAN Sustainability SRI Sukuk with Periodic Profit Payments and issued at a discount

The aggregate of unearned Periodic Profit Payments and the unearned Discounted Amount

- (ii) in the case of ASEAN Sustainability SRI Sukuk with Periodic Profit Payments and issued at par or at a premium

The aggregate of unearned Periodic Profit Payments

The Ibra' in relation to (i) and (ii) above shall be calculated from the date of the declaration of any Event of Default or Mandatory Redemption of the ASEAN Sustainability SRI Sukuk up to the respective maturity date of the ASEAN Sustainability SRI Sukuk.

"Discounted Amount" means the difference between the nominal value of the ASEAN Sustainability SRI Sukuk and the Commodity Purchase Price in the case of ASEAN Sustainability SRI Sukuk issued at a discount.

- | | | | |
|------|---|---|--|
| (36) | Kafalah (for ringgit-denominated sukuk) | : | Not applicable. |
| (37) | Other terms and conditions | : | |
| | (a) Details on Utilisation of proceeds | : | <p>The proceeds shall be utilised for Shariah-compliant purposes to pay up to RM245.0 million or up to 80% of the Project Cost, whichever is lower, including:</p> <ul style="list-style-type: none"> (i) payment and/or reimbursement to the Sponsor in respect of the Project Cost incurred based on documentary evidence satisfactory to the Security Agent; (ii) initial funding of the FSRA and MRA (if applicable); and (iii) to defray the fees and expenses incurred in connection with the ASEAN Sustainability SRI Sukuk. |
| | (b) Form and denomination | : | The ASEAN Sustainability SRI Sukuk shall be issued in accordance with PayNet Rules and Procedures. The |

ASEAN Sustainability 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 ASEAN Sustainability SRI Sukuk shall be RM1,000,000.00 or in multiples of RM1,000,000.00 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.

- (c) FSRA Minimum Required Balance : The Issuer shall maintain at all times a minimum balance in the FSRA equivalent to the amount of the profit and principal payment(s) due in the next six (6) months ("**FSRA Minimum Required Balance**") commencing from the issue date of the ASEAN Sustainability SRI Sukuk.

Alternatively, the Issuer may via any of its shareholders procure a FSRA SBLC for an amount equivalent to the FSRA Minimum Required Balance in lieu of having to maintain the FSRA Minimum Required Balance.

In the event of any shortfall in the FSRA Minimum Required Balance and the FSRA SBLC (as defined in item (d) of the section entitled "*Other terms and conditions – Definitions*"), the Issuer shall ensure that the FSRA Minimum Required Balance is met within thirty (30) days from such shortfall date.

- (d) FSRA SBLC : The Issuer may meet the whole or part of the FSRA Minimum Required Balance by procuring any of its shareholders to deliver to the Security Agent a FSRA SBLC (as defined below).

"FSRA 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, licensed financial institution and/or development financial institution in Malaysia with a minimum long term rating of at least AA2 or its equivalent by a rating agency registered with the SC ("**SBLC Provider**") to the Security Agent and on terms satisfactory to the Security Agent.

The FSRA SBLC shall:

- (i) cover, on the issue date of such FSRA SBLC, the amount of shortfall in the FSRA Minimum Required Balance;
- (ii) provide for no recourse to the Issuer for the SBLC Provider of such FSRA SBLC; and

- (iii) provide that such FSRA SBLC will be drawn if not renewed within fourteen (14) business days prior to its original expiry date and/or to any subsequent expiry date thereafter.

In the event the rating of the SBLC Provider of the FSRA SBLC is downgraded to be lower than the rating of the ASEAN Sustainability SRI Sukuk, the Issuer will have to either:

- (a) replace the existing FSRA SBLC with a new FSRA SBLC from a licensed Islamic financial institution, licensed financial institution and/or development financial institutions in Malaysia of equal or higher long-term credit rating, or
- (b) remit cash equivalent to the amount of the shortfall in the FSRA Minimum Required Balance into FSRA,

within thirty (30) days from the date of the rating downgrade.

Failure to do any of the above entitles the Security Agent to call on the existing FSRA SBLC and the proceeds from the FSRA SBLC shall be deposited into the FSRA.

- (e) Independent expert for the ASEAN Sustainability SRI Sukuk : The Issuer has engaged RAM Consultancy Services Sdn Bhd as the independent expert for the ASEAN Sustainability SRI Sukuk. RAM Consultancy Services Sdn Bhd provides an independent second opinion assessment on the Issuer's ASEAN Sustainability SRI Sukuk framework against the transparency and disclosure requirements of the following:
 - (a) the Sustainable & Responsible Investment ("SRI") Sukuk Framework under the SC; and
 - (b) the ASEAN GBS and the ASEAN SBS under the ASEAN Capital Markets Forum.
- (f) Issue Price : The ASEAN Sustainability SRI Sukuk shall be issued at par/discount/premium to the nominal value. The Issue Price of the ASEAN Sustainability SRI Sukuk shall be determined prior to issuance.
- (g) Jurisdiction : The Issuer shall unconditionally and irrevocably submit to the non-exclusive jurisdiction of the courts of Malaysia.
- (h) Material Adverse Effect : The effect of any event or circumstance which may be materially adverse to:
 - (a) the ability of the Issuer to perform or comply with

any of its obligations under the Transaction Documents in accordance with the terms thereof;

(b) the validity, legality, binding effect or enforceability of the Transaction Documents or to any of the Security Interest granted pursuant thereto or to any of the rights or remedies of the Security Agent (on behalf of the Sukukholders) thereunder; or

(c) the operations, business, property, assets, liabilities or financial condition of the Issuer.

- (i) MRA Minimum Required Balance : The Issuer shall maintain therein a minimum amount of RM5,078,592.00 ("**MRA Minimum Required Balance**") in the MRA which shall be built up on monthly basis commencing from the next immediate calendar month after the issue date of the ASEAN Sustainability SRI Sukuk until December 2023.

In the event of any shortfall in the MRA Minimum Required Balance, the Issuer shall ensure that the MRA Minimum Required Balance is met within three (3) months from such shortfall date.

- (j) Profit / coupon / rental rate : The fixed profit rates for each tranche of the ASEAN Sustainability SRI Sukuk will be determined and agreed between the Issuer and the JLMs prior to the date of issuance of the ASEAN Sustainability SRI Sukuk.

- (k) Profit / coupon / rental payment frequency : The periodic profit payments ("**Periodic Profit Payment**") shall be payable semi-annually in arrears with the first Periodic Profit Payment to be made six (6) months from the issue date of the ASEAN Sustainability SRI Sukuk with the last Periodic Profit Payment for each tranche of the ASEAN Sustainability SRI Sukuk to be made on the maturity date of such tranche (each such date for payment, a "**Profit Payment Date**").

- (l) Profit / coupon / rental basis : Actual / 365.

- (m) Purchase and selling price / rental, where applicable – compliance with asset pricing requirements : The Commodity Purchase Price shall be equal to the proceeds of the ASEAN Sustainability SRI Sukuk. The Commodity Purchase Price will be in compliance with the asset pricing requirements under the Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework issued by the SC on 9 March 2015 (as may be amended from time to time) ("**LOLA Guidelines**") as may be replaced, substituted or revised from time to time.

- (n) Redemption : Unless previously redeemed or purchased and

cancelled, the ASEAN Sustainability SRI Sukuk shall be redeemed by the Issuer at 100% of their nominal value on their respective maturity dates.

- (o) Shareholding Covenant : The Issuer shall procure that not less than 51% of the Issuer is directly or indirectly owned by Edra Power Holdings Sdn Bhd ("**Edra Power Holdings**") throughout the tenure of the ASEAN Sustainability SRI Sukuk, save and except for a listing of Edra Power Holdings (or any intermediary holding companies between Edra Power Holdings and the ultimate shareholders of the Issuer) on any stock exchange), PROVIDED THAT (i) a written confirmation is procured from the Credit Rating Agency to confirm that such change in the shareholdings in the Issuer would not result in a downgrade in the rating assigned to the ASEAN Sustainability SRI Sukuk or a negative outlook; or (ii) if required, the approval of Tenaga Nasional Berhad and the Energy Commission.
- (p) Status : The ASEAN Sustainability SRI Sukuk shall constitute direct, unconditional and secured obligations of the Issuer and at all times rank pari passu in all respect amongst themselves and at least pari passu with the claims of all the Issuer's unsecured and unsubordinated creditors, except for obligations mandatorily preferred by law generally.
- (q) Taxation : All payments by the Issuer shall be made without withholding or deductions for or on account of any present and future tax, duty or charge of whatsoever nature imposed or levied by or on behalf of the government 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 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 are made.
- (r) Trustees' Reimbursement Account : The Issuer shall set up, or procure the setting up of a "**Trustees' Reimbursement Account**" with a sum of RM30,000.00 (which shall be maintained at all times throughout the tenure of the ASEAN Sustainability SRI Sukuk). The said account shall be operated solely 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 an Event of Default / Dissolution Event which are to be provided in the relevant Transaction Documents.
- (s) Yield to maturity (%) : The fixed yield to maturity for each tranche of the ASEAN Sustainability SRI Sukuk will be determined and

agreed between the Issuer and the JLMs prior to the date of issuance of the ASEAN Sustainability SRI Sukuk.

- (t) ASEAN Sustainability SRI Sukuk : The ASEAN Sustainability SRI Sukuk qualifies as ASEAN Sustainability Bonds under the ASEAN SUS pursuant to the compliance with the ASEAN GBS and the ASEAN SBS.

The Project is deemed as an Eligible SRI project falling under paragraph 7.04(b)(i), Chapter 7, Part 3, Section B of the LOLA Guidelines, which are projects relating to new or existing renewable energy (solar).

The Project is also:

- (i) an eligible “Green Project” pursuant to the ASEAN Green Bond Standards under paragraph 4.1.5(i) (renewable energy), whereby the Project is in respect of a solar photovoltaic energy generating facility; and
- (ii) an eligible “Social Project” pursuant to the ASEAN Social Bond Standards under paragraph 4.1.6(vi) (socioeconomic advancement and empowerment), whereby the Issuer would grant Pertubuhan Peladang Kawasan Kuala Ketil the right to use part of the project land for the purpose of commercial agricultural development which may include but is not limited to the cultivation of pineapples and/or other crops for a nominal fee which has the potential to raise income of agro-entrepreneurs in the district and provide employment opportunities to the local communities.

(u) Definitions

ASEAN GBS : The ASEAN Green Bond Standards issued by the ASEAN Capital Markets Forum in November 2017 and revised in October 2018, as may be amended, supplemented and/or substituted from time to time, which shall be read together with the GBP (as defined below).

ASEAN SBS : The ASEAN Social Bond Standards issued by the ASEAN Capital Markets Forum in October 2018, as may be amended, supplemented and/or substituted from time to time, which shall be read together with the SBP (as defined below).

ASEAN SUS : The ASEAN Sustainability Bond Standards issued by the ASEAN Capital Markets Forum in October 2018, as may be amended, supplemented and/or substituted from time

to time, which shall be read together with the GBP and the SBP.

Commercial Operation Date ("COD") : Means 25 February 2019.

Eligible Projects *SRI* : Any projects and/or assets deemed as:

- (i) an eligible SRI project in all sectors pursuant to paragraphs 7.04(a) and 7.04(b) of Part 3 of Section B of the LOLA Guidelines; and
- (ii) an eligible Sustainable Project (as defined below).

Engineering, Procurement, Construction and Commissioning Contract or EPCC Contract : Means the contract dated 14 February 2018 entered into between the Issuer and China Energy Engineering Group Tianjin Electric Power Construction Co Ltd and CEEC Tianjin Electric Power (M) Sdn Bhd in connection with the design, engineering, procurement, construction, installation, testing and commissioning of the Facility (as defined below) and the Interconnection Facilities.

Facility : Means the 50Mwac solar photovoltaic energy generating facility at Kuala Ketil, Kedah Darul Aman, in Peninsular Malaysia, and ancillary equipment and facilities as described under the PPA, and includes any modification thereto.

GBP : The "Green Bond Principles" which are voluntary process guidelines issued by the International Capital Markets Association, as may be revised from time to time, that recommend transparency and disclosure and promote integrity in the development of the green bond market.

Independent Insurance Adviser : Jardine Lloyd Thompson Sdn Bhd.

Interconnection Facilities : Means all of the facilities as described under the PPA to connect the Facility to the grid system, to enable TNB to receive solar photovoltaic energy from the Facility and to maintain the stability of the grid system.

Major Maintenance Costs : All costs and expenses incurred by the Issuer in relation to the major maintenance (being items identified as major scheduled maintenance in the planned maintenance schedule) of up to RM5,078,592.

Major Project Party : Means:

- (i) at all times, TNB; and

- (ii) at all times prior to the expiry of the defects liability period (howsoever defined) under the EPCC Contract, each of China Energy Engineering Group Tianjin Electric Power Construction Co Ltd and CEEC Tianjin Electric Power (M) Sdn Bhd.

Mwac : Means megawatt in alternate current.

O&M Contract : Means the contract to be entered into between the Issuer and Kuasa Nusajaya Sdn Bhd in connection with the operation and maintenance of the Facility and the Interconnection Facilities.

PayNet Rules and Procedures : (i) the Participation and Operation Rules for Payment and Securities Services issued by PayNet;

(ii) the Operational Procedures for Securities Services issued by PayNet; and

(iii) the Operational Procedures for Malaysian Ringgit (MYR) Settlement in RENTAS issued by PayNet;

or their replacement thereof applicable from time to time.

Performance Bonds (BOC) : means:

(i) Performance Bond LG5111718000144 issued by Bank of China (Malaysia) Berhad for the amount of USD2,512,798.05 in favour of the Issuer pursuant to the EPCC Contract; and

(ii) Performance Bond LG5111718000145 issued by Bank of China (Malaysia) Berhad for the amount of RM5,300,120.29 in favour of the Issuer pursuant to the EPCC Contract;

Permitted Indebtedness : In respect of the Issuer, to include, inter alia, the following:-

(i) financial indebtedness of the Issuer secured by Permitted Security Interest;

(ii) financial indebtedness under the Project Documents and the Transaction Documents; and

(iii) any financial indebtedness arising from the Sponsor and/or the shareholders that are, except as otherwise permitted under the Transaction Documents, subordinated to the ASEAN Sustainability SRI Sukuk.

- Permitted Security Interest* : (i) those Security Interest contemplated under the Transaction Documents and the Project Documents;
- (ii) those Security Interest arising by operation of law and contractual liens and retention of title arrangements, in each case arising in the ordinary course of the Issuer's business provided that the same are in respect of obligations which are not overdue for more than thirty (30) days and for which appropriate segregated cash reserves have been established; and
- (iii) any other Security Interest expressly permitted under the Transaction Documents.

Potential Dissolution Event / 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 a Dissolution Event / Event of Default.

PPA : Means the amended and restated power purchase agreement dated 14 February 2018 entered into between Edra Solar and TNB (as may be amended or supplemented from time to time).

Project : The financing, design, engineering, procurement, construction, installation, testing, commissioning ownership, operation and maintenance of the Facility.

Project Completion Date : The first date on which all of the following conditions have been complied, as confirmed to the satisfaction of the Security Agent:

- (a) TNB has confirmed in writing that each of the conditions to the COD has been satisfied in accordance with the PPA and that there are no material unresolved disputes relating thereto;
- (b) the completion certificate for the works has been issued in accordance with the EPCC Contract and the independent technical adviser has confirmed that such completion certificate for the works has been properly issued;
- (c) the Issuer has discharged in full its payment obligations under the EPCC Contract or has demonstrated that it has sufficient funds available to enable it to discharge in full all such payment

obligations when they fall due and such funds have been placed in a segregated reserve account.

Project Cost : The estimated total project cost is approximately RM315.0 million.

The aggregate of all costs incurred or to be incurred in designing, constructing and commissioning the Facility (including but not limited to construction costs, financing fees, interest during construction, costs and expenses, start-up costs, insurance premiums, initial funding of the finance service reserve account and maintenance reserve account (if applicable), all costs and expenses for the acquisition of the Project Land, all costs and expenses to establish any initial inventory of spares and other consumables (if applicable), working capital requirements, taxes and other costs including Takaful contributions/insurance premium, consultancy fees and contingencies.

Project Documents : Means the following:

- (i) the PPA;
- (ii) the EPCC Contract;
- (iii) the O&M Contract;
- (iv) the Technical and Management Services Agreement;
- (v) all guarantees, advance payment bonds and other forms of payment or performance security issued in favour of the Issuer pursuant to any Project Document; and
- (vi) any other agreement and/or document that is issued to the Issuer or to which the Issuer is a party which is material to the Project and mutually agreed between the Issuer and the Security Agent and/or Sukuk Trustee to be designated as a Project Document.

Project Land : The land held under H.S.(D) 7428, PT 7661, Bandar Kuala Ketil, Daerah Baling, Kedah.

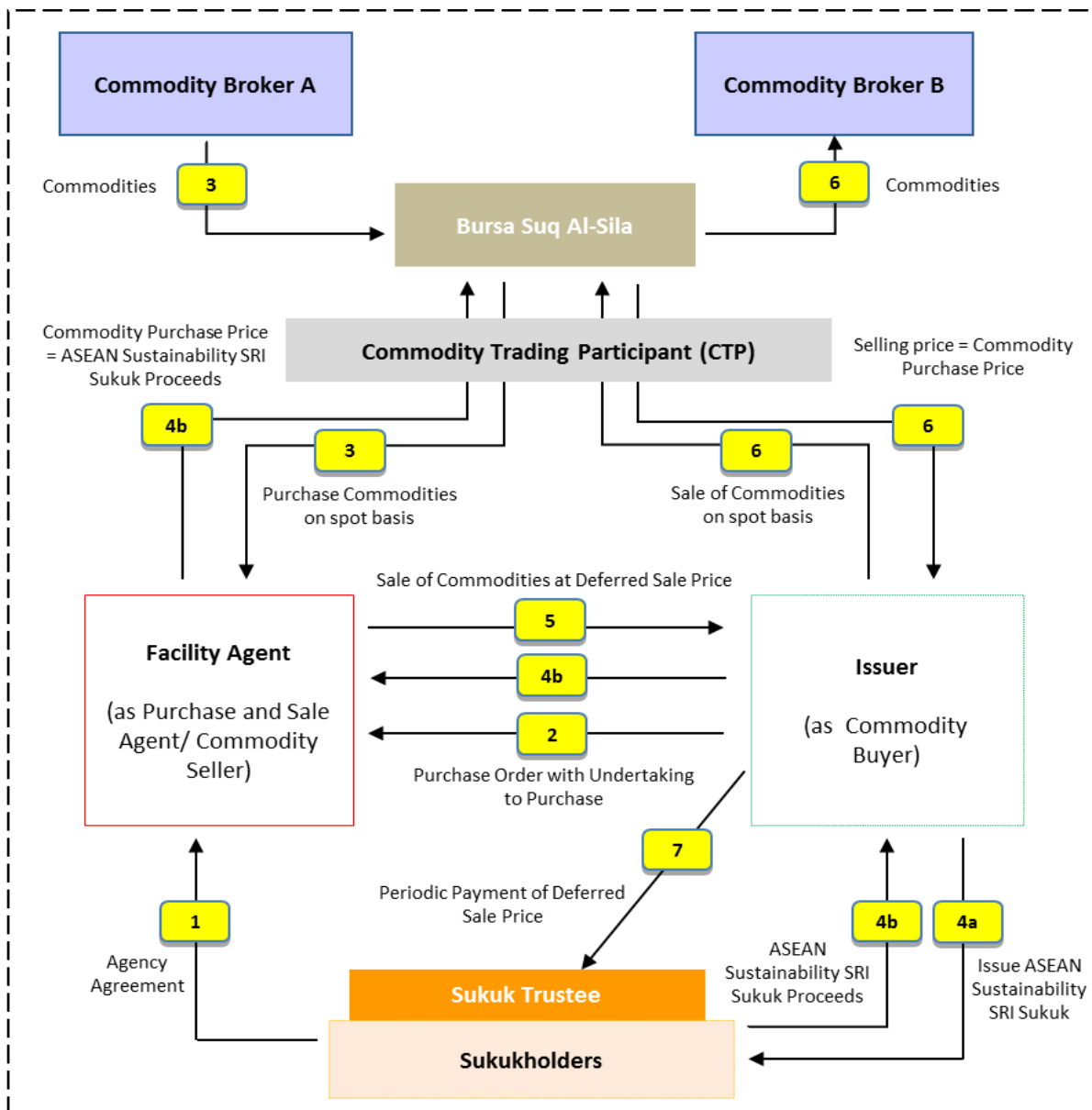
SBP : The “Social Bond Principles” which are voluntary process guidelines issued by the International Capital Markets Association, as may be revised from time to time, that recommend transparency and disclosure and promote integrity in the development of the social bond market.

- Sustainable Project* : The broad categories of potential eligible projects as listed in the ASEAN GBS and the ASEAN SBS.
- Technical Management Services Agreement* and : Means the contract dated 15 January 2018 entered into between the Issuer and Kuasa Nusajaya Sdn Bhd in connection with the technical and management support services to be rendered to the Issuer.
- Total Loss* : Means the total loss or destruction of, or damage to the whole (and not part only) of the plant or any event or occurrence that renders the whole (and not part only) of the plant permanently unfit for any economic use and the repair or remedial work in respect thereof is wholly uneconomical.
- Transaction Documents* : All documents relating to the ASEAN Sustainability SRI Sukuk and the underlying security/collateral including:
- (a) the Trust Deed;
 - (b) the Facility Agreement;
 - (c) the Islamic transaction documents;
 - (d) the Securities Lodgement Form;
 - (e) the security documents; and
 - (f) all other documents of whatsoever nature executed or to be executed in connection with or pursuant to any of the above documents or otherwise in connection with the ASEAN Sustainability SRI Sukuk as may be mutually agreed between the Issuer and PA/LA.
- (v) *Conditions Subsequent*
- (a) no later than fourteen (14) business days or such longer period as may be agreed by the Security Agent in writing from the issue date of the ASEAN Sustainability SRI Sukuk, confirmation from the Independent Insurance Adviser that the Security Agent has been named as loss-payee in respect of such insurance / Takaful assigned to, or to be assigned to, the Security Agent;
 - (b) all relevant acknowledgements of the notices of assignment under the relevant Transaction Documents and from the relevant counterparties shall have been received no later than fourteen (14) business days or such longer period as may be agreed by the Security Agent in writing from the issue date of the ASEAN Sustainability SRI Sukuk;

- (c) no later than 31 December 2019 or such other date as may be agreed by the Security Agent in writing, the delivery of the executed and stamped O&M Agreement, and the Security Agent has received (i) a satisfactory legal opinion from the Issuer's solicitors addressed to them advising on the legality, validity and enforceability of the O&M Agreement and confirming that all the conditions precedent of the O&M Agreement have been fulfilled or otherwise waived in accordance with O&M Agreement and (ii) all acknowledgements, notices and where applicable, consent from the relevant counterparties to the O&M Agreement, which is to be assigned, shall have been made or received, as the case may be;
- (d) no later than 31 March 2020 or such other date as may be agreed by the Security Agent in writing, the delivery of the executed and stamped tenancy agreement entered in to between the Issuer and Pertubuhan Peladang Kawasan Kuala Ketil ("**Tenancy Agreement**"), whereby the Issuer would grant Pertubuhan Peladang Kawasan Kuala Ketil the right to use part of the Project Land for the purpose of commercial agricultural development which may include but not limited to the cultivation of pineapples and/or other crops for a nominal fee, and the Security Agent has received a satisfactory legal opinion from the Issuer's solicitors addressed to them advising on the legality, validity and enforceability of the Tenancy Agreement and confirming that all the conditions precedent of the Tenancy Agreement have been fulfilled or otherwise waived in accordance with Tenancy Agreement;
- (e) Such other conditions subsequent as may be advised by the PA/LA/JLMs' Solicitors and to be mutually agreed between the PA/LA and the Issuer.

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2.2 Transaction Diagram of the ASEAN Sustainability SRI Sukuk



Steps	Description of the ASEAN Sustainability SRI Sukuk Structure
1	The Sukuk Trustee, on behalf of the Sukukholders, and the Facility Agent shall enter into an agreement (“ Agency Agreement ”), pursuant to which the Facility Agent is appointed as the <i>wakeel</i> (agent) of the Sukukholders (in such capacity, the “ Purchase and Sale Agent ”) for the purchase and sale of Shariah-compliant commodities which shall include, but are not limited to, crude palm oil and such other acceptable commodities (excluding ribawi items in the category of mediums of exchange such as currency, gold and silver) which are provided through the commodity trading platform, Bursa Suq Al-Sila’ and/or such other independent commodity platform as approved by the Shariah Adviser (“ Commodities ”).
2	Pursuant to the a commodity murabahah master agreement (“ Commodity ”

Steps	Description of the ASEAN Sustainability SRI Sukuk Structure
	Murabahah Master Agreement) to be entered into between the Issuer (in such capacity, the “Commodity Buyer”), the Purchase and Sale Agent and the Commodity Seller (as defined below), the Issuer (as “Commodity Buyer”) shall issue to the Purchase and Sale Agent a purchase order (“Purchase Order”) with an undertaking to purchase the Commodities (“Identified Asset”) from the Sukukholders via Purchase and Sale Agent (as “Commodity Seller”) at the Deferred Sale Price (as defined below).
3	The Purchase and Sale Agent, via a commodity trading participant (“CTP”), shall purchase on spot basis the Commodities from a commodity supplier(s) at Bursa Suq Al-Sila’ and/or such other independent commodity platform as approved by the Shariah Adviser (“Commodity Broker A”) pursuant to an agreement entered into between the Purchase and Sale Agent and the CTP (“CTP Purchase Agreement”) at the commodity purchase price equivalent to such proceeds of the ASEAN Sustainability SRI Sukuk (“Commodity Purchase Price”).
4a	The Issuer shall issue the ASEAN Sustainability SRI Sukuk to the Sukukholders.
4b	The ASEAN Sustainability SRI Sukuk proceeds shall be used to pay the Commodity Purchase Price. The ASEAN Sustainability SRI Sukuk shall evidence the Sukukholders’ ownership of the Commodities and subsequently once the Commodities are sold to the Commodity Buyer, the Sukukholders’ entitlement to receive the Deferred Sale Price.
5	The Commodity Seller on behalf of the Sukukholders shall sell the Commodities to the Commodity Buyer at a deferred sale price equivalent to the Commodity Purchase Price plus the profit margin (“Deferred Sale Price”) payable on a deferred basis upon the terms of a sale and purchase agreement (“Commodity Sale and Purchase Agreement”) to be entered into between the Commodity Seller and the Commodity Buyer.
6	The Commodity Buyer, via a CTP, shall sell the Commodities at Bursa Suq Al-Sila’ and/or such other independent commodity platform as approved by the Shariah Adviser to other than Commodity Broker A (“Commodity Broker B”) pursuant to an agreement entered into between the Commodity Buyer and the CTP (the “CTP Sale Agreement”) on spot basis for a selling price equivalent to the Commodity Purchase Price.
7	<p>The Commodity Buyer shall make periodic payments on the relevant periodic payment dates forming part of the Deferred Sale Price to the Sukukholders during the tenure of the ASEAN Sustainability SRI Sukuk and final payment on the maturity date of the ASEAN Sustainability SRI Sukuk.</p> <p>Upon declaration of an Event of Default or Mandatory Redemption, the Commodity Buyer shall pay all amounts then outstanding on the Deferred Sale Price as a final settlement of the same (subject to Ibra’, where</p>

EDRA SOLAR SDN BHD

ASEAN Sustainability SRI Sukuk of up to RM245 Million in Nominal Value
Information Memorandum

Steps	Description of the ASEAN Sustainability SRI Sukuk Structure
	applicable) for the redemption of the ASEAN Sustainability SRI Sukuk whereupon the redeemed ASEAN Sustainability SRI Sukuk shall be cancelled.

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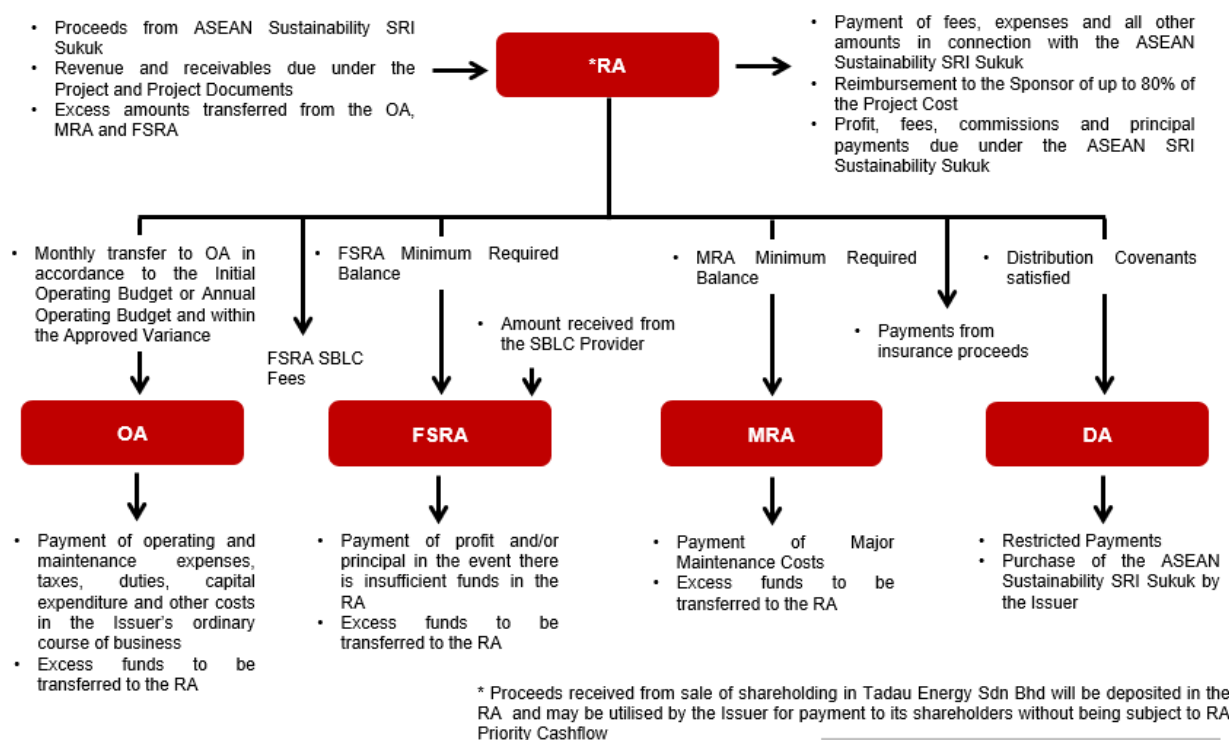
EDRA SOLAR SDN BHD

ASEAN Sustainability SRI Sukuk of up to RM245 Million in Nominal Value Information Memorandum

2.3 Diagram Illustrating the Flow of Monies

Summary of the Shariah-complaint designated accounts in relation to the ASEAN Sustainability SRI Sukuk

Shariah-compliant designated accounts	Signatories to the account
Edra Solar's Revenue Account ("RA")	Security Agent and Edra Solar
Edra Solar's Operating Account ("OA")	Edra Solar
Edra Solar's Finance Service Reserve Account ("FSRA")	Security Agent
Edra Solar's Maintenance Reserve Account ("MRA")	Edra Solar
Edra Solar's Distribution Account ("DA")	Edra Solar



Note: All capitalised terms in this Section 2.3 are as defined in the PTC. The above diagram is a summary of the designated accounts structure. For full details, please refer to the PTC.

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Section 3

Information on the Issuer

3.1 Incorporation

Edra Solar was incorporated in Malaysia on 13 August 2013. It is a private company limited by shares with a registered address at Level 43, Menara Maxis, Kuala Lumpur City Centre, 50088 Kuala Lumpur.

Edra Solar is undertaking the Project.

3.2 Principal Activities

Edra Solar is principally engaged in solar power generation.

3.3 Share Capital

As at the LPD, the issued and fully paid-up share capital of the Issuer is RM31,669,002.00 comprising 31,669,002 ordinary shares.

3.4 Shareholding Structure

As at the LPD, the shareholder of the Issuer and its respective shareholding are as follows:

Name of Shareholder	No. of Ordinary Shares	(%)
Edra Power	31,669,002	100

3.5 Profile of Directors

The board of directors of the Issuer and their respective profiles as at the LPD are as follows:

Name of Directors	Job functions, responsibilities, educational & professional qualification, work experience
Datuk Wira Mark William Ling Lee Meng (“ Datuk Wira Mark Ling ”)	56 years of age – Malaysian Datuk Wira Mark Ling is the President and Executive Director of the Sponsor. Upon completing his high school education at the Southport School, Australia, he started his career in Kong Ming Bank Berhad (which had since been restructured to form part of the then EON Bank Group which has merged with Hong Leong Bank Berhad)

Name of Directors	Job functions, responsibilities, educational & professional qualification, work experience
	<p>on 2 February 1984 as a Marketing Director where he was involved in project finance transactions in a number of industry sectors, including privatisation of public infrastructure, power and telecommunications. Datuk Wira Mark Ling left the banking industry as a Marketing Director on 24 February 1988. Since then, Datuk Wira Mark Ling has been focusing on the development of greenfield power projects in the Asia Pacific region.</p> <p>Subsequently, he was appointed as the Strategic Planning Advisor for Asia Pacific for Powergen International in 1996. Part of his role as the Strategic Planning Advisor was to create proprietary deal flow to develop Powergen International's power project portfolio in the Asia Pacific region. Datuk Wira Mark Ling led the execution of the acquisition of Malakoff Corporation Berhad and was appointed as an Executive Director on 2 April 2001.</p> <p>On 1 August 2001, Datuk Wira Mark Ling left Malakoff Corporation Berhad to set up a private equity firm specialising in the energy sectors. He has been involved with strategic investments focused primarily in the emerging economies in the Asia Pacific and Africa regions. His ventures include, inter alia, developing proprietary technology in oil and gas drilling, renewable energy power plant utilising biomass waste and currently, a steel manufacturing facility.</p> <p>Datuk Wira Mark Ling has thirty (30) years of experience in providing regional business advice including development and strategic planning. He was appointed as the President and Executive Director of the Sponsor with effect from 23 March 2016. As President and Executive Director, he is primarily responsible for dealings with various governments, regulators and any other stakeholder of the Sponsor's group of companies. He is also responsible for the overall direction of the Sponsor's group of companies.</p> <p>Datuk Wira Mark Ling is currently the Senior Independent Non-Executive Director of Mclean Technologies Berhad. He also sits on the boards of several private companies in Malaysia.</p>
Datuk Mohamad Nor bin Ali (" Datuk Mohamad Nor ")	<p>51 years of age – Malaysian</p> <p>Datuk Mohamad Nor is the Chief Investment Officer of the Sponsor. He graduated from Sheffield Hallam University, United Kingdom in 1992 with a Bachelor of Arts in</p>

Name of Directors	Job functions, responsibilities, educational & professional qualification, work experience
	<p>Business Studies.</p> <p>Datuk Mohamad Nor started his career in 1992 as an Analyst/Programmer in Guinness Brewing Worldwide Limited in London. In 1993, he transferred to Guinness Anchor Berhad in Malaysia as an Information Technology Analyst. In 1994, he joined PwC Advisory Services Sdn Bhd where he served for over ten (10) years in three (3) consultant managerial positions before being appointed as an Executive Director in 2002. His scope of work involved consulting on mergers and acquisitions, independent project finance and restructuring of distressed assets with particular focus on project finance advice for the power sector.</p> <p>In 2005, Datuk Mohamad Nor joined Sime Darby Berhad as General Manager in the Power Business Unit. In 2006, he was promoted to Head of the Power Business Unit under the Energy and Utilities Division of the company, namely Sime Energy Sdn Bhd, where he served for over seven (7) years. His responsibilities included managing the overall business performance of the power assets and services, including power plants in Malaysia and Thailand and operation and maintenance services to all power plants within the Sime Darby group of companies. After the acquisition of Port Dickson Power Bhd by Malakoff Corporation Berhad from Sime Energy Sdn Bhd, Datuk Mohamad Nor was appointed as Head of Strategy and Portfolio Management of Malakoff Corporation Berhad where he was tasked to lead the group's strategic planning, corporate and project finance and portfolio management activities.</p> <p>Datuk Mohamad Nor has more than twenty (20) years experience in the energy industry. He was appointed as the Chief Operations Officer of the Sponsor with effect from 23 March 2016 and subsequently redesignated as the Chief Investment Officer with effect from 1 October 2018. He also sits on the boards of several private companies in Malaysia.</p>

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Section 4

Information on the Sponsor

4.1 Incorporation

Edra Power was incorporated in Malaysia on 5 November 2015. It is a private company limited by shares with a registered address at Level 43, Menara Maxis, Kuala Lumpur City Centre, 50088 Kuala Lumpur.

4.2 Principal Activities

Edra Power is principally engaged in investment holding. The principal activities of its subsidiaries, joint ventures and associated companies are power generation and services in connection thereto.

4.3 Share Capital

As at the LPD, the issued and fully paid-up share capital of Eda Power is RM8,600,000,000.00 comprising 8,600,000,000 ordinary shares.

4.4 Shareholding Structure

As at the LPD, the shareholder of Edra Power is as follows:

Name of Shareholder	No.	(%)
China Solar Energy Investment Limited	8,600,000,000	100

4.5 Profile of Directors

The board of directors of Edra Power as at the LPD are as follows:

No.	Name of Directors
1.	Zhang, QiBo
2.	Datuk Wira Mark William Ling Lee Meng
3.	Feng, WenBiao
4.	Luo, Jun
5.	Dai, HongGang
6.	Fang, LiKui
7.	Wat Chi Ping Isaac*

EDRA SOLAR SDN BHD

ASEAN Sustainability SRI Sukuk of up to RM245 Million in Nominal Value
Information Memorandum

8.	Sun, Li
9.	Shi, YingPeng

**Note: With effect from 9 September 2019, Wat Chi Ping Isaac will cease to be a director of Edra Power.*

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Section 5

Information on the Project

5.1 The Project

The Project undertaken by the Issuer involves the financing, design, engineering, procurement, construction, installation, testing, commissioning, ownership, operation and maintenance of the Facility, the Site, the Meteorological Measuring Facilities, the Interconnection Facilities and associated facilities.

The construction of the Facility was completed within eleven (11) months from the date of the notice to proceed issued on 27 March 2018 by the Issuer to the EPC Contractor.

The Initial Operation Date was achieved on 17 January 2019, ten (10) days ahead of the scheduled initial operation date, whilst the Commercial Operation Date was achieved on 25 February 2019, two (2) days ahead of scheduled commercial operation date.

In addition to being 'Green Project' under the ASEAN GBS, the Project is also an eligible 'Social Project' under the ASEAN SBS. As part of the Issuer's corporate social responsibility programme, the Issuer will grant Pertubuhan Peladang Kawasan Kuala Ketil ("**PKKK**") the right to use part of the Project Land designated as a buffer zone ("**Buffer Land**") for the purpose of commercial agricultural development which may include but not limited to the cultivation of pineapples and/or other crops by PKKK pursuant to a tenancy agreement to be entered into between the Issuer and PKKK ("**Tenancy Agreement**"). The cultivation of pineapples and/or other crops would fall within the category of 'Social Project' under the ASEAN SBS as it stimulates the socioeconomic development of the local community and generates additional revenue to local farmers from the otherwise vacant land.

The tenancy under the Tenancy Agreement shall be for a term of three (3) years from the delivery of possession of the Buffer Land to PKKK upon fulfilment of conditions (a) and (b) set out below in accordance with the Tenancy Agreement ("**Term**"), which may be extended for a further two (2) years or such other period as may be requested by PKKK. At all times during the continuance of the tenancy under the Tenancy Agreement, the produce cultivated on the Buffer Land by PKKK shall belong to PKKK absolutely.

The rent payable by PKKK to the Issuer for the Term shall be at a nominal fee of Ringgit Ten (RM10.00), which is payable one-off on the date of the signing of the Tenancy Agreement.

The Tenancy Agreement will be conditional upon the satisfaction of the following conditions:

- (a) the approval of the relevant state authority being obtained by PKKK on behalf of the Issuer pursuant to the National Land Code for the Buffer Land to be utilised for the relevant purpose or a confirmation in writing from the relevant state authority that no such approval is necessary notwithstanding that the condition of use of the relevant land in the document of title is restricted to use as the site for a solar power plant; and

- (b) the approval of the relevant state authority for the planning approval (*"kebenaran merancang"*) for the Buffer Land to be utilised for the relevant purpose or a confirmation in writing from the relevant state authority that no such approval is necessary.

If any of the conditions above are not satisfied on or before the date prescribed in the Tenancy Agreement notwithstanding any appeal made to the relevant authorities, the Issuer shall be entitled, but not obliged to terminate the Tenancy Agreement.

Any party to the Tenancy Agreement may at any time terminate the Tenancy Agreement prior to the expiry of the Term with thirty (30) days' prior written notice to the other party.

The Tenancy Agreement will be governed by, and construed in accordance with, the laws of Malaysia.

As at the date of this Information Memorandum, the Issuer is in the midst of negotiating the terms of the Tenancy Agreement with PKKK and the terms of the draft Tenancy Agreement is pending confirmation from PKKK. Additionally, to further demonstrate its commitment to the abovementioned social project, the Issuer had, on 20 August 2019, issued a commitment letter to the Principal Adviser, the Lead Arranger and RAM Consultancy to reiterate its commitment to support the said social project for the tenure of the ASEAN Sustainability SRI Sukuk.

5.2 Technical Description

5.2.1 Site and Layout

The Site for the Facility is located on the land held under H.S.(D) 7428, PT 7661, Bandar Kuala Ketil, Daerah Baling, Kedah (the **"Project Land"**).

The category of the land use of the Project Land is for industrial with an express condition that the Project Land is only to be used as a solar farm.

The Issuer is the legal and beneficial owner of the Project Land.

Please see Appendix 3 for an overview of the Site.

5.2.2 Facility Process and Technology

The Facility is a 50Mwac solar photovoltaic power plant comprising of 180,000 numbers of 'JA Solar' photovoltaic 325Watt modules installed on fixed ground-mounted structures with a seven-degree (7°) tilt angle facing south direction. Each module table comprises two (2) arrays of two-times-two (2x20) rows stacked in portrait orientation. A total of 1,200 units of 42kVA 'Huawei' string inverter, divided into twenty five (25) zones with ten (10) sets of fifty four (54) inverter units and fifteen (15) sets of forty four (44) inverter units are connected to ten (10) units of 2.5MVA and fifteen (15) units of 2.0MVA 'TBEA' 33/0.48kV box transformers, respectively, are used for the Project. A 'CGL' 132/33kV 60MVA power transformer is used to step up and connect the power to TNB.

The solar photovoltaic technology is based on the conversion of solar radiation energy into electrical energy using the semiconducting materials in solar photovoltaic modules. The conversion of sunlight into electricity occurs without any moving parts or environmental emissions during operation. Solar radiation energy is transferred directly to electrons in the semiconductor materials and as a result, electric voltage is generated. This voltage is then extracted through electrodes or terminals and allows the supply of electricity to the Grid System when load is connected to the solar photovoltaic module.

Solar photovoltaic modules generate direct current (DC) power. For grid applications, inverters are utilised to convert the direct current output of the solar photovoltaic modules into alternate current (AC) output. The AC power can then be injected into the Grid System via the Interconnection Facilities.

5.2.3 Commercial Operation Date

The construction of the Facility is undertaken by the EPC Contractor on a fixed price lump sum turnkey basis to achieve the Commercial Operation Date, in which the Commercial Operation Date for the Project has been achieved on 25 February 2019.

5.2.4 Facility Performance Post-COD

The highest Facility output since the Commercial Operation Date is 54.17Mwac, approximately eight per cent (8%) above the contractual capacity under the PPA. The actual energy production since the Initial Operation Date up to 31 July 2019 is approximately twenty eight point four per cent (28.4%) above the estimated production in the Bank Case Financial Model.

	7 January to 31 March 2019	1 April to 30 June 2019	1 July to 31 July 2019	Total up to 31 July 2019
	In MWh			
Actual production	19,914	21,973	7,530	49,417
Estimated production	8,764 ^(Note 1)	20,185	6,425	35,374
Additional production	+11,150	+1,788	+1,105	+14,043

Note 1: The estimated production does not take into consideration of the energy production between the Initial Operation Date and Commercial Operation Date.

5.2.5 Operation and Maintenance of the Facility

The Facility's operation and maintenance is undertaken by the employees of KNSB. The Facility's operation and maintenance team ("**O&M Team**") is headed by the station manager, Mr. Ahmad Fauzan Zaharin Osman supported by six (6) core team members and the O&M Team will report to the senior management of the parent group company.

The O&M Team has been involved in the Project since the engineering and commissioning stage. The O&M Team has also attended the local and overseas training by the original equipment manufacturer (OEM) as well as on-job training for

the Facility. The O&M Team will be supervised by the operation and maintenance team in its headquarters.

The routine O&M Team consists of two (2) staff members on twelve (12) hour rotation basis, while a team of two (2) shall be on standby.

The O&M Team will carry out corrective maintenance and preventive maintenance activities, including replacing the faulty equipment and parts within the Facility.

5.3 Licensing Requirement

The Issuer has obtained the Generation Licence issued by the Commission on 15 January 2019 for a tenure of twenty-one (21) years from the scheduled commercial operation date (i.e. 27 February 2019) or with such extended period as approved by the Commission.

Under the Electricity Supply Act, a person who intends to operate a power plant is required to hold an electricity generation licence. Licences may be granted by the Commission with the approval of the Minister upon payment of such fees and upon such conditions as appear to be requisite or expedient having regard to the function and duties of the Commission, established under the Energy Commission Act 2001.

The Electricity Supply Act further provides that a term of a generation licence shall not without the express approval of the Minister (for the time being charged with the responsibility for matters relating to the supply of electricity) be for a period exceeding twenty-one (21) years.

5.4 Project Economics

5.4.1 Bank Case Financial Model

The information and assumptions contained in a detailed financial model ("**Bank Case Financial Model**") are discussed in this section, as well as other assumptions on the operating parameters of the Facility and financial parameters of the Project, made as of the date of this Information Memorandum.

The Bank Case Financial Model and certain statements herein are forward-looking statements and illustrative only. The calculations are based on certain assumptions which may not be realized. In addition, the forward-looking statements involve a number of risks and uncertainties. Each recipient should carefully conduct an independent evaluation of the Bank Case Financial Model of the Facility and associated due diligence to determine the viability of the underlying assumptions.

An extract of the Bank Case Financial Model is attached as Appendix 1 of this Information Memorandum. The parameters of the Project assumed in the Bank Case Financial Model are summarized in Appendix 2 of this Information Memorandum.

As the Project has been in operation for less than one year from the Commercial Operation Date, the parameters as summarized in Appendix 2 of this Information Memorandum are expected to change or be revised from time to time in the future.

Please refer to Section 5.6.1 of this Information Memorandum under the header “*Adjustment of Energy Rate*” in respect of the possible adjustment of the energy rate.

5.4.2. Project’s Financing Structure

The Project Cost will be financed using a mixture of debt and equity financing as detailed below.

Equity

The entire Project Cost has been advanced by the Sponsor by way of equity contribution in the form of ordinary share capital and subordinated shareholder loans.

ASEAN Sustainability SRI Sukuk

The proceeds from the ASEAN Sustainability SRI Sukuk will, amongst others, be used to pay and/or reimburse the Sponsor in respect of the Project Cost incurred based on documentary evidence satisfactory to the Security Agent, which would amount up to Ringgit Two Hundred and Forty Five million (RM245,000,000.00) or up to eighty per cent (80%) of the Project Cost, whichever is lower.

5.4.3 Project Insurance

The Issuer will procure and maintain the following key insurances for the operational phase of the Project (“**Project Insurances**”):

- (1) A combined policy in the form of a Comprehensive Machinery & Business Interruption Insurance, which covers the following types of insurances:
 - Industrial All Risk (including Machinery Breakdown), to cover physical loss or damage to the Facility and physical loss or damage due to mechanical and electrical breakdown.
 - Business Interruption, to cover loss of revenue arising from the abovementioned physical loss or damage indemnifiable under the Comprehensive Machinery & Business Interruption Insurance.
- (2) A third party liability insurance in the form of a Comprehensive General Liability Insurance policy, to cover the legal liability to the third parties (e.g. the Issuer, the Sponsor, KNSB, TNB, etc.) in the operation in respect of any claim, damages and/or expenses or any other loss arising from either directly or indirectly in respect of:
 - bodily injury (including death or illness) to any person;
 - property damage or loss of use of property including all other direct or indirect or consequential loss from property damage or loss of use of the property of any third party;
 - advertising liability;

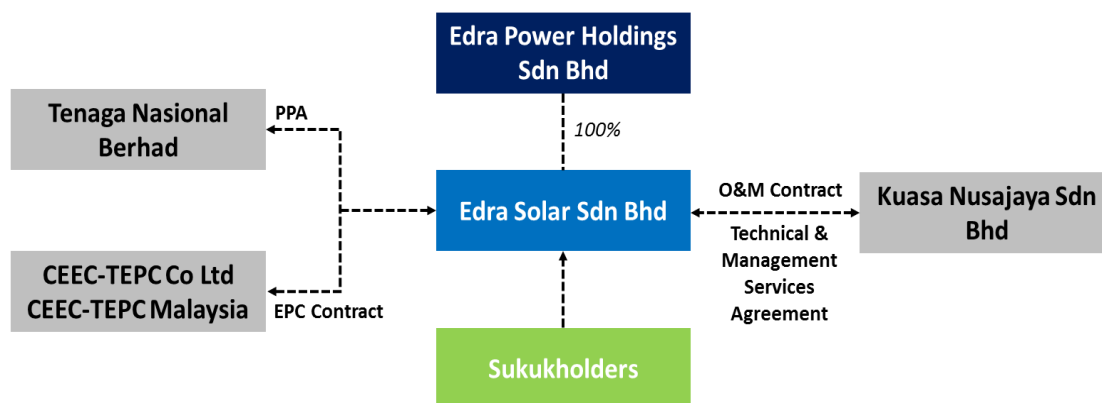
- interference to property or any easement, right of air, light, water or way or the enjoyment of use thereof by obstruction, trespass, loss of amenities, nuisance or any like cause,

arising out of or in connection with the operations of the Facility. The policy also covers pollution liability to third parties if the seepage, pollution or contamination is caused by a sudden, unintended and unexpected event.

The Issuer will provide a first ranking assignment over their rights, interests, titles and benefits under the Project Insurances obtained by the Issuer in favour of the Security Agent for the benefit of the Sukukholders, and for the Security Agent to be named as loss payee in respect of the Project Insurances (which constitutes part of the conditions subsequent to the issuance of the ASEAN Sustainability SRI Sukuk).

5.5 Project Structure

The Project will be implemented utilising a structure based on the key contractual relationships between the parties involved in the Project which are shown below:



The Issuer has entered into the following key Project Documents:

- PPA;
- EPC Contract; and
- Technical & Management Services Agreement.

The Issuer will also enter into the O&M Contract with KNSB.

In addition to the above, the Issuer has also obtained the Generation Licence issued by the Commission on 15 January 2019.

The Issuer will provide a first ranking assignment over their rights, interests, titles and benefits under the Project Documents and the proceeds thereof (but excluding the Generation License and the Performance Bonds (BOC)) in favour of the Security Agent for the benefit of the Sukukholders.

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5.6 Summary of Key Project Documents

5.6.1 Amended and Restated Power Purchase Agreement

The following section incorporates the key terms and conditions that are contained in the PPA.

In respect of defined terms in this Section 5.6.1 only, where the same is not defined elsewhere in this Information Memorandum, the defined terms have the meaning ascribed to them in the PPA.

Overview

The Issuer has entered into the PPA with TNB on 14 February 2018. The PPA sets out the terms and conditions governing the sale and delivery of electricity and generating capacity from the Facility by the Issuer to TNB and the purchase by TNB of such electricity and generating capacity from the Issuer.

The Issuer shall design, construct, own, operate and maintain the Facility in accordance with the terms and conditions of the PPA.

Term

The PPA takes effect on 27 August 2015 and expires on the day before the twenty fifth (25th) anniversary of the Commercial Operation Date (including such day) and unless otherwise extended or terminated in accordance with the terms and conditions of the PPA. The Commercial Operation Date was achieved on 25 February 2019.

Sale and Purchase Obligations

Starting on the Commercial Operation Date and continuing throughout the Term:

- (a) the Issuer shall deliver and sell to TNB, and TNB shall accept and purchase the Net Electrical Output which is generated by the Facility; and
- (b) TNB shall pay the Issuer for such Net Electrical Output in accordance with the PPA.

TNB is not obliged to accept Net Electrical Output from the Facility:

- (i) if the Facility delivers to TNB net electrical output which does not conform to the electrical characteristics set forth in the PPA;
- (ii) if an Emergency Condition occurs within the Grid System as a result of which the Grid System is unable to accept Net Electrical Output from the Facility for a period not exceeding one hundred and sixty eight (168) hours in each Contract Year;
- (iii) if TNB interrupts the acceptance of solar photovoltaic energy from the Facility to conduct necessary maintenance of the TNB Metering Equipment or the Grid System for a period not exceeding one hundred and sixty eight (168) hours in each Contract Year; or

- (iv) if the Facility delivers to TNB Net Electrical Output which is not solely driven by solar photovoltaic technology.

Purchase Price and Other Charges

TNB agrees to pay Energy Payments to the Issuer starting from the Commercial Operation Date. Subject to the terms of the PPA in particular TNB's rights to set off, all Energy Payments shall be paid at the times and in the amounts calculated in accordance with the PPA.

Billing and Payment

A Billing Statement is to be issued monthly by the Issuer starting from the Initial Operation Date. TNB shall within thirty (30) days of receipt of the Billing Statement pay in full to the Issuer, the Energy Payment and/or the Non-Acceptance Payment (if any) invoiced in such Billing Statement (but less any amount due to TNB from the Issuer (including but not limited to the Non-Delivery Payment) and less any amount in the Billing Statement disputed by TNB in good faith which is to be settled under the PPA). Late payment will be subject to a default rate (being one per cent (1%) above the base rate then in effect at the principal office of Malaysian Banking Berhad (or its successor-in-title)).

No Set-Off

Except as otherwise provided in the PPA, all payments by either party to the other party under the PPA shall be made free of any restriction or condition and without deduction on account of any amount claimed from the other party which is disputed in good faith by that party.

Adjustment of Energy Rate

TNB and the Commission shall be entitled to amend the Initial Financial Model, or the then prevailing Updated Input Financial Model, pursuant to the agreement on or determination of inputs pursuant to the PPA, to determine and reduce the Energy Rate on the occurrence of each the following events:

- (i) one (1) year after the Scheduled Commercial Operation Date;
- (ii) in the event of a failure by the Issuer to deliver input data within the stipulated time frame or comply with its obligations and/or warranties under the relevant provisions under the PPA.

Upon determination of the Energy Rate by the Updated Input Financial Model by TNB and the Commission, the Energy Rate shall be adjusted downwards to reflect such determination with effect from the month following the determination.

In the event of a failure by the Issuer to provide Input Data within the stipulated time frame or to comply with its obligations and/or warranties under the relevant provisions under the PPA, TNB shall be entitled to reduce the Energy Rate to seventy five per cent (75%) of the then prevailing Energy Rate. The reduction of the Energy Rate by TNB in respect of such non-compliance with the obligations under the PPA shall be subject to the approval of the Commission.

If:

- (a) the construction costs incurred under the EPC Contract are reduced below the amounts appearing in the Initial Financial Model or the then existing Updated Input Financial Model, as the case may be, the Energy Rate (following the revision of the Financial Model or the then existing Updated Input Financial Model, as the case may be,) shall be adjusted, downwards to reflect fifty per cent (50%) of the costs reductions, provided that if such downward adjustment to the Energy Rate will directly result in (aa) the Issuer being unable to meet its minimum annual debt service cover ratio under the Initial Financing Documents; or (bb) an event of default under the Initial Financing Documents, then instead of adjusting the Energy Rate downwards, Issuer shall, no later than thirty (30) days following the determination of the costs reductions, pay TNB an amount equal to fifty per cent (50%) of the costs reductions, failing which TNB shall be entitled to set off any outstanding amount due to it hereunder against any sums due and payable to Issuer under the terms of the PPA.
- (b) the construction costs incurred under the EPC Contract are reduced solely and directly as a result of a reduction in the price payable to the EPC Contractor under the EPC Contract by reason of delay (in lieu of the payment by the EPC Contractor of liquidated damages for delay), such reduction shall be taken into account in determining whether the construction costs incurred under the EPC Contract have been reduced to the extent that the amount of such reduction exceeds the aggregate amount payable by the Issuer to TNB by way of delay payment.
- (c) the construction costs under the EPC Contract are reduced solely and directly as a result of a reduction in the price payable to the EPC Contractor under the EPC Contract by reason of a failure to achieve the EPC Contractor's performance guarantees under the EPC Contract (in lieu of the payment by the EPC Contractor of liquidated damages for failure to achieve such performance guarantees), any such reduction shall not be taken into account in determining whether the construction costs under the EPC Contract have been reduced.

In the event the Issuer received any incentive of whatsoever nature from any Government Entity at any time from the date of the PPA up to one (1) year after the Scheduled Commercial Operation Date, TNB shall be entitled to reflect the whole of such incentive provided by any Government Entity, when revising the Energy Rate.

Adjustments for Inaccurate Meters

In the event the TNB Metering Equipment fails to register, or if the measurement made by the TNB Metering Equipment is found upon testing to be inaccurate by more than +/-1%, the following provisions shall be applied for billing purposes:

- (a) the parties shall use the Issuer's Metering Equipment, if installed, to determine the amount of such inaccuracy subject that (i) all relevant losses and auxiliary consumptions (if any) as may be mutually agreed by the parties shall be taken into account and (ii) Issuer shall provide TNB with the relevant supporting documents evidencing that Issuer has fully complied with its obligations under the PPA in respect of the Issuer Metering Equipment. In the

event that the Issuer Metering Equipment is also found upon testing to be inaccurate by more than +/- 1% and the parties cannot agree on the amount of the adjustment necessary to correct the measurements made by such inaccurate or defective metering equipment, the parties shall agree the amount of the necessary adjustment on the basis of deliveries of solar photovoltaic energy from the Facility to the Grid System during periods of similar operating conditions when the TNB Metering Equipment was registering accurately;

- (b) if the parties cannot determine or agree on the actual period during which the inaccurate measurements were made, the period during which the measurements are to be adjusted shall be half of the period from the last previous test of the relevant part of the TNB Metering Equipment to the test that found such part of the TNB Metering Equipment to be defective or inaccurate; and
- (c) if the adjustment period so determined covers a period of deliveries for which payments have already been made by TNB, TNB shall use the corrected measurements as determined in accordance with the relevant provision of the PPA to re-calculate the amount due for the period of the inaccuracy and shall subtract the previous payments by TNB for such period from such recalculated amount. If the difference is a positive number, that difference shall be paid by TNB to Issuer and if the difference is a negative number, that difference shall be paid by Issuer to TNB. Payment of such difference by the owing party shall be made within fifteen (15) Business Days of receipt by the other party of a statement to that effect. In the event there are payments due from Issuer to TNB, TNB shall have the right to set off such sums from payments due to Issuer from TNB.

Abandonment of the Project

If Issuer Abandons the Project after the Effective Date, Issuer shall forthwith pay to TNB an amount equal to Ringgit Malaysia Nine Million (RM9,000,000.00). Abandonment occurs after the Commercial Operation Date if the Issuer fails to operate the Facility for a continuous period of more than six (6) months unless (a) TNB is in breach of a material obligation under the PPA; or (b) the Facility was during such period the subject of repair, rehabilitation or repowering; or (c) Issuer is excused from doing so pursuant to a Force Majeure Event in accordance with the PPA or as a result of the occurrence of an event of the type contemplated in the relevant provisions under the PPA (i) where an Emergency Condition occurs within the Grid System as a result of which the Grid System is unable to accept Net Electrical Output from the Facility or (ii) where TNB interrupts the acceptance of solar photovoltaic energy from the Facility to conduct necessary maintenance of the TNB Metering Equipment or the Grid System.

Performance Security

The Issuer shall secure payment of the delay payment described in Abandonment of the Project above by providing to TNB, not later than thirty (30) days from the date of execution of the PPA, an irrevocable bank guarantee issued by a commercial bank reasonably acceptable to TNB in an amount equal to Ringgit Nine Million (RM9,000,000.00). The bank guarantee shall permit drawings by TNB to satisfy the

performance obligations of the Issuer as described in Abandonment of the Project above.

The bank guarantee is to remain valid until expiration of one hundred and ninety (190) days after the Scheduled Commercial Operation Date.

If the Issuer fails to provide the bank guarantee to TNB within this time frame (or such other date as may be agreed between the parties) and valid for the duration set forth above, TNB may terminate the PPA by giving notice to the Issuer.

Design and Construction of Facility and Interconnection Facilities

The Issuer shall design, engineer, procure, construct, install, energise, test and commission the Facility and the Interconnection Facilities in accordance with Prudent Utility Practices and the terms and conditions of the PPA.

Back-up Electricity Supply

Starting from the Commercial Operation Date, TNB shall, upon Issuer's request, provide the Facility with a supply of back-up electricity at a tariff on a sen/kWh basis to be reasonably determined by TNB pursuant to the Electricity Supply Act 1990 provided always that TNB shall be excused from its obligation to provide the Facility with a supply of back-up electricity if an Emergency Condition occurs within the Grid System. TNB shall be entitled to set off any outstanding amount due to it against any sums due and payable to Issuer under the terms of the PPA.

Operation, Maintenance and Testing

Consequences of the Issuer's Failure to meet the Established Capacity of the Facility

If, on the Facility Completion Date, the capacity of the Facility as certified by the Independent Engineer is less than the Established Capacity of the Facility, then the capacity of the Facility shall be revised downwards to reflect the actual capacity of the Facility as certified by the Independent Engineer and such revised Established Capacity of the Facility (the Revised Established Capacity) shall be used for the purpose of (a) the determination of the Maximum Annual Allowable Quantity and the Declared Annual Quantity and (b) the calculation of the payments as described in the PPA.

Consequences of the Issuer's Failure to Deliver Net Electrical Output

If, otherwise than due to (i) an Emergency Condition; (ii) an interruption due to a Force Majeure Event affecting the Issuer; or (iii) any default or omission on the part of TNB, the total Net Electrical Output delivered by the Facility in a Contract Year is less than seventy per cent (70%) of the Declared Annual Quantity of such Contract Year, then Issuer shall pay TNB the Non-Delivery Payment calculated in accordance with the PPA. TNB shall be entitled to set off any outstanding amount due to it against any sums due and payable to Issuer under the terms of the PPA. The parties agree that the precise level of actual damages that would be suffered by TNB arising out of or in relation to the Issuer's failure to deliver Net Electrical Output would be difficult to ascertain with certainty. The parties further agree that any sum payable pursuant to Issuer's failure to deliver Net Electrical Output is not a penalty, and is genuine, fair

and reasonable. Such payment represents a genuine, good faith and reasonable estimate of losses to TNB that may reasonably be anticipated from such failure and the Issuer agrees to waive raising as a defence any sum payable as not being genuine, fair or reasonable.

Incentive from any Government Entity

- (a) The Parties agreed and acknowledged that in the event Issuer and/or the O&M Contractor receives any incentive of whatsoever nature from any Government Entity at any time after the Financial Model Input Adjustment Event, Issuer shall within seven (7) days thereof furnish TNB with a written statement setting out in sufficiently reasonable detail such incentive provided by any Government Entity. For the avoidance of doubt, the parties agree that such incentive provided by any Government Entity shall be for the benefit of TNB.
- (b) Issuer shall provide, and shall procure that the O&M Contractor shall provide TNB, the Suruhanjaya Tenaga and their authorised representatives unrestricted access to all the documents, data, records and materials required to support and verify the accuracy of the statement furnished by Issuer or the actual incentive from any Government Entity, including the internal records of Issuer, and to the records of the O&M Contractor, including all costs, fees, charges and other relevant items, and to take copies of all such documents and records. Issuer shall preserve, and shall procure that the O&M Contractor shall preserve in accordance with Malaysian approved accounting standards the documents in appropriate detail to accurately provide and substantiate the information to be given.
- (c) Unless otherwise expressly instructed by the Suruhanjaya Tenaga or agreed by TNB, Issuer shall pay to TNB an amount equal to the whole of the incentive provided by any Government Entity on the first day of the month immediately following such month in which such incentive from any Government Entity is received, failing which TNB shall be entitled to set off any outstanding amount due to it hereunder against any sums due and payable to Issuer under the terms of the PPA.

Insurance

The Issuer undertakes to TNB that it shall maintain or procure to be maintained in effect the following insurance policies and coverage with respect to the Facility and where applicable, the Interconnection Facilities:

- (a) all insurances required by law;
- (b) such insurance as is appropriate and customary for a prudent photovoltaic energy independent power producer; and
- (c) without prejudice to paragraph (b) above, all insurances as required under the Financing Documents.

If any of the insurances referred to above are not available on reasonable commercial terms, the Issuer shall provide to TNB detailed information as to the maximum amount of available coverage that it is able to purchase and shall be

required to obtain TNB's consent (which consent shall not be unreasonably withheld or delayed) as to the adequacy of such coverage under the circumstances prevailing at the time.

Issuer shall apply the proceeds of any such insurance policies received following a claim by Issuer for loss or damage to the Facility and the Interconnection Facilities in accordance with the requirements of the Financing Documents (so long as they are in effect) and otherwise to repair and/or reinstate the Facility and the Interconnection Facilities.

Force Majeure

For the purposes of the PPA, a Force Majeure Event shall mean an event, condition, or circumstance or its effect which:

- (a) is beyond the reasonable control of and occurs without fault or negligence on the part of the party claiming it as a Force Majeure Event; and
- (b) causes a delay or disruption in the performance of any obligation under the PPA despite all reasonable efforts of the party claiming it as a Force Majeure Event to prevent it or mitigate its effects.

Subject to satisfying the foregoing criteria, Force Majeure Events include without limitation, the following:

- (i) strikes or lockouts and/or other work stoppages or industrial action (other than those solely affecting the party claiming the same as a Force Majeure Event);
- (ii) acts of public enemies or terrorists or acts of war, whether or not war is declared, acts of force by a foreign nation or embargo;
- (iii) public disorders, insurrection, rebellion, sabotage, riots or violent demonstrations;
- (iv) explosions, fire, earthquakes, landslides, subsidence, sabotage, and/or other natural calamities and acts of God;
- (v) unusually severe weather conditions;
- (vi) expropriation or compulsory acquisition by any Government entity;
- (vii) failure to obtain or renew any Government authorisations; and
- (viii) any force majeure event affecting the performance of any person that is a party to the EPC Contract or other contract between the Issuer and such person relating to the construction, operation or maintenance of the Facility.

Effect of Force Majeure Event and Consequences

Subject to the limitations set out in the PPA, if either party is rendered unable by reason of a Force Majeure Event to perform any obligation under the PPA, then upon that party giving notice of Force Majeure, those obligations of that party shall be suspended or excused to the extent their performance is affected by the Force

Majeure Event.

The Term shall be extended by one (1) day for each day (i) the Facility is unavailable after its Commercial Operation Date due to any Force Majeure Event affecting the Facility; and (ii) the Issuer is not entitled under its insurance to receive insurance proceeds which replace any Energy Payments not received by the Issuer for such period.

If a Force Majeure Event affecting the Issuer occurs or continues after the Commercial Operation Date, TNB shall make Energy Payments to the Issuer only to the extent that solar photovoltaic energy is delivered in accordance with the PPA except if a Force Majeure Event affecting TNB occurs in which case the consequences described below will apply.

If a Force Majeure Event affecting TNB occurs after the Commercial Operation Date and for the duration such Force Majeure Event persists, TNB shall continue to pay Non-Acceptance Payments to the Issuer only to the extent that the Facility is capable of generating and delivering solar photovoltaic energy in accordance with the PPA.

Right to terminate under Force Majeure

Either party may terminate the PPA if a Force Majeure Event prevents either party from substantially performing any material obligation under the PPA for a period which exceeds one hundred and eighty (180) days.

While there is a right of termination as a result of a Force Majeure Event provided under the PPA, the right is only exercisable upon giving thirty (30) days' written notice if a Force Majeure Event is preventing either party from substantially performing any material obligation under the PPA for a period exceeding one hundred and eighty (180) days, subject to the following:

- (a) if a Force Majeure Event cannot be remedied within one hundred and eighty (180) days with the use of reasonable diligence then the one hundred and eighty (180) days period shall be extended by a further period of one hundred and eighty (180) days; and
- (b) if the party affected is unable to remedy the Force Majeure Event by the end of the further period of one hundred and eighty (180) days, then the parties shall consult as to what steps shall be taken with a view to mitigating or remedying the consequences of a Force Majeure Event.

If the parties are unable to agree to extend the further period of one hundred and eighty (180) days, then either party may terminate the PPA by giving thirty (30) days' written notice of termination.

If the Commission exercises its statutory right to operate the Facility the provisions relating to a Force Majeure Event in the PPA shall continue to apply. TNB shall continue to make Energy Payments and/or Non-Acceptance Payments (if any) to the Issuer for net electrical output in accordance with the PPA to the extent that the Facility is capable of delivering solar photovoltaic energy and to the extent such payments to the Issuer are permitted by law. So long as consistent with the terms of the Financing Documents or the rights of the Financing Parties thereunder, any payment made by TNB to the Commission or at the Commission's direction pursuant

to any applicable law shall for the purposes of the PPA be deemed to be a payment made to the Issuer in accordance with the terms of the PPA and to that extent in full discharge of TNB's obligation to the Issuer under the PPA.

Events of Default, Walk Away Events and Termination

Each of the following events shall constitute an Event of Default by the Issuer, unless excused under another provision of the PPA:

- (a) Issuer fails to make a payment of any amount of substantial nature which is due and payable under the PPA within sixty (60) days after receipt of notice of non-payment from TNB;
- (b) Issuer fails to comply with or operate in conformity with any obligation of the PPA (other than a payment obligation) and such failure, if capable of remedy, continues uncured for a period of ninety (90) days, after receipt of notice of such failure from TNB;
- (c)
 - (i) Issuer is dissolved or liquidated, other than for the purpose of a voluntary dissolution or liquidation as part of a reorganisation or reincorporation;
 - (ii) Issuer applies for or consents to a receiver, manager, custodian, trustee or liquidator being appointed over or taking possession of all or a substantial part of its assets;
 - (iii) Issuer admits in writing its inability to pay its debts as they fall due;
 - (iv) Issuer makes a general assignment or an arrangement or composition with or for the benefit of its creditors;
 - (v) Issuer commences a voluntary case or files a petition seeking to take advantage of any law relating to bankruptcy, insolvency, reorganisation of its debts, winding-up or composition or readjustment of its debts;
 - (vi) Issuer fails to dispute in a timely manner, or acquiesces in writing to, any petition filed against it in an involuntary case under any bankruptcy or similar law;
 - (vii) Issuer takes any action for the purpose of effecting any of the events described in paragraphs (c) (i) through (v) above;
- (d) the Net Electrical Output delivered by the Facility is not solely driven by solar photovoltaic technology;
- (e) the Commercial Operation Date fails to occur within one hundred and eighty (180) days of the Scheduled Commercial Operation Date;
- (f) Issuer Abandons the Project after the Effective Date and fails to resume activities within a period of time agreeable to TNB;

- (g) the Issuer Licence is suspended or revoked or terminated or expired due to Issuer's default, and Issuer has not caused the Issuer Licence to be reinstated or renewed either (i) within the shorter of three hundred and sixty-five (365) days and the legally permissible period for such reinstatement or renewal or (ii) after having exhausted all available administrative or legal appeals and applications for such reinstatement or renewal.

TNB's Events of Default consist of: (a) non-payment of any amount of a substantial nature due and payable under the PPA within sixty (60) days of receipt of notice of non-payment from the Issuer, (b) breach of an obligation under the PPA (other than a payment obligation) which remains unremedied after ninety (90) days of receipt of notice from the Issuer, or (c) insolvency.

If an Event of Default described above (other than that described in paragraphs (b) above that cannot be cured with the exercise of reasonable diligence within the period of ninety (90) days therein) occurs, the non-defaulting party may terminate the PPA by giving fourteen (14) days' written notice to the other party. If the Event of Default described in paragraphs (b) above occurs and cannot be cured with the exercise of reasonable diligence within the period of ninety (90) days specified therein, the cure period shall be extended by a further one hundred and eighty (180) days and if the default continues uncured at the end of such further period, the non-defaulting party may terminate the PPA immediately by giving written notice to the defaulting party.

Consequences of Termination

Event of Default by the Issuer

If TNB terminates the PPA as a result of an Event of Default by the Issuer, TNB shall have the option but not the obligation, exercisable by prior notice in writing within sixty (60) days of the termination of the PPA, to purchase the Project in the manner and for the purchase price determined in accordance with the provisions of the PPA.

Such purchase price is essentially an amount equal to:

- (i) the Outstanding Indebtedness if the Sponsors Gross Equity Contribution, as certified by the auditor as at the Facility Completion Date (being 180 days after the Scheduled Commercial Operation Date), amounts to twenty per cent (20%) or more of the Total Project Costs and ninety five per cent (95%) of the Outstanding Indebtedness if the Sponsors Gross Equity Contribution as certified by the auditor as at the Facility Completion Date (being 180 days after the Scheduled Commercial Operation Date) is less than twenty per cent (20%) of the Total Project Costs; **plus**
- (ii) the "A" Purchase Price as set out in the PPA, which is Ringgit Ten (RM10.00); **plus**
- (iii) all reasonable costs and expenses of the Issuer incurred or suffered as a result of the purchase of the Project by TNB, including any termination payments or novation fees on contracts in connection with the Project, all Taxes, any reasonable breakage costs and other reasonable and necessary termination costs, but excluding the Outstanding Indebtedness ("**Transfer Costs**"); **less**

- (iv) the aggregate of all cash balances at bank and in hand and liquid securities held by the Issuer and to be retained by the Issuer after the date of termination of the PPA ("**Retained Sum**").

"Outstanding Indebtedness" means the lesser of:

- (i) the aggregate amount at the Calculation Date (being the date of termination of the PPA as specified in the purchase notice) of all amounts owing to the Financing Parties (other than any amounts owing to the shareholders of Issuer and their respective affiliates) as incurred under the Initial Financing Documents and as amortised in accordance thereunder and reflected in the Initial Financial Model; and
- (ii) the aggregate amount at the Calculation Date of all amounts owing to the Financing Parties (other than any amounts owing to the shareholders of Issuer and their respective Affiliates) as incurred under the Financing Documents;

including any reasonable costs and fees related to accelerated repayment and other financing termination costs, but excluding any costs and fees relating to the Sponsors' Gross Equity Contribution.

"Sponsors' Gross Equity Contribution" means an amount certified by the auditor as at the Calculation Date as being the lesser of:-

- (i) the aggregate of all registered and paid-up share capital issued by Issuer and any share premia received by Issuer, the subscription price received by Issuer for all loan stocks, bonds and redeemable preference shares issued by Issuer to its shareholders and their respective affiliates, all loans (whether secured, unsecured or subordinated) received by Issuer from its shareholders and their respective affiliates and all other forms of capital contributed on or before the Calculation Date by the shareholders of Issuer and their respective affiliates for financing the Project, as committed by Issuer, its shareholders and their respective affiliates at the Financial Closing Date in accordance with the Initial Financing Documents; and
- (ii) the aggregate of all registered and paid-up share capital issued by Issuer and any share premia received by Issuer, the subscription price received by Issuer for all loan stocks, bonds and redeemable preference shares issued by Issuer to its shareholders and their respective affiliates, all loans (whether secured, unsecured or subordinated) received by Issuer from its shareholders and their respective affiliates and all other forms of capital contributed on or before the Calculation Date by the shareholders of Issuer and their respective affiliates for financing the Project, as outstanding as at the Calculation Date.

"Total Project Costs" means the aggregate amount of the expenditure incurred and paid by Issuer in connection with the Project up to the Facility Completion Date (being 180 days after the Scheduled Commercial Operation Date) and includes but not limited to all development costs, procurement costs, construction costs, financing costs and any amounts paid by Issuer to TNB by way of liquidated damages or compensation under the PPA.

Event of default by TNB

If the Issuer terminates the PPA as a result of an Event of Default by TNB, the Issuer shall have the option but not the obligation, (exercisable by prior notice in writing within sixty (60) days of the termination of the PPA), to sell the Project to TNB, in the manner and for the purchase price determined in accordance with the PPA. In the event this option is exercised by the Issuer, TNB shall be required to purchase the Project from the Issuer.

Such purchase price is essentially an amount equal to:

Termination occurs post-Commercial Operation Date,

- (a) the Outstanding Indebtedness; **plus**
- (b) the “B” Purchase Price, which is determined in accordance with the PPA; **plus**
- (c) the Transfer Costs; **less**
- (d) the Retained Sum.

Once payment in full has been made by TNB of the amount set out above, all the Issuer’s rights, title and interest in the Project and the Site (including the access rights) shall simultaneously be transferred by the Issuer to TNB (or its nominees) free from any encumbrance whatsoever.

Where the Outstanding Indebtedness is payable by TNB above, it shall be paid by TNB directly to the Financing Parties (other than the shareholders of the Issuer and their respective Affiliates) whose receipt shall be a good discharge for TNB and the Outstanding Indebtedness shall thereby be deemed to have been paid to the Issuer. Payment of the Outstanding Indebtedness shall, where required by TNB, be in exchange for a transfer or assignment to TNB (or its nominees) of all rights, title and interests in the Initial Financing Documents (other than those in respect of the Sponsors Gross Equity Contribution), documented and evidenced to the satisfaction of TNB.

Step-In Rights

TNB

TNB shall have the right, but under no circumstances the obligation to assume partial or complete (as TNB may decide) operational responsibility for the Facility (in the capacity of an operator only) in the place and instead of the Issuer in order to continue operation of the Facility or complete any necessary repairs so as to assure uninterrupted availability of solar photovoltaic energy from the Facility.

Such step-in rights shall arise upon the occurrence and continuance of an Event of Default under the PPA with respect to the Issuer which could reasonably be expected to materially adversely affect the Issuer’s ability to operate and maintain the Facility in accordance with the PPA.

TNB shall not exercise such step-in rights until any applicable cure period has expired, unless at any earlier time the Financing Parties (being the persons, in accordance with the Financing Documents, providing financing, hedging or other form of banking or bond facilities (including any refinancing in respect thereof) for the Project and includes any agent(s) or trustee under such banking or bond facilities) request TNB to step-in under any right that has arisen under the Financing Documents. For so long as the Financing Documents remain in effect, TNB shall not exercise step-in rights hereunder if the operation of the Facility has been assumed by any Financing Party or any approved assignee or designee within the applicable cure period.

The Issuer' shall ensure that the Financing Parties specifically acknowledge and are bound by such step-in rights of TNB.

TNB shall have the right at any time, but not exceeding six (6) months from the time TNB exercises its step-in rights, to return the operational responsibility for the Facility to the Issuer, provided that TNB shall return the Facility to the Issuer in a condition no worse than that immediately prior to the assumption of the operational responsibility for the Facility by TNB, ordinary wear and tear excepted.

The Commission

So long as consistent with the terms of the Financing Documents or the rights of the Financing Parties thereunder, if the Commission exercises its statutory right to operate the Facility, TNB shall continue to make Energy Payments and/or Non-Acceptance Payments (if any) to the Issuer in accordance with the PPA to the extent that the Facility is capable of delivering solar photovoltaic energy and to the extent such payments to the Issuer are permitted by law. Any payment made by TNB to the Commission or at the Commission's direction pursuant to any applicable Law shall for the purposes of the PPA be deemed to be a payment made to the Issuer in accordance with the terms of the PPA and to that extent in full discharge of TNB's obligation to the Issuer thereunder.

Indemnification and Liability

The Issuer shall defend, indemnify and hold TNB, and its officers, directors, agents, employees, contractors and subcontractors, harmless from and against any and all claims, judgments, liabilities, losses, costs, expenses (including reasonable lawyers' fees) and damages under all applicable environmental laws or regulations arising out of the condition of the Site, the Issuer's construction, ownership or operation of the Facility and the Interconnection Facilities , except to the extent such damages are attributable to the negligence or misconduct of, or breach of the PPA by TNB, its officers, directors, agents, employees, contractors or subcontractors. Notwithstanding any provision in the PPA to the contrary, in no event shall TNB be liable for damage or destruction of property, facilities or equipment operated by Issuer. Neither party is liable to the other for consequential loss.

Change in Law Adjustment

If there is a Change-in-Law which requires the Issuer to make any material capital improvement or other material modification to the Facility, the cost of which is in excess of the capital improvement threshold of Ringgit Four Hundred and Fifty Thousand (RM450,000.00) in any calendar year, which material capital improvement

or other material modification is required for the purpose of enabling the Issuer to fulfil its obligations under the PPA in compliance with such Change-in-Law, TNB and the Issuer shall determine, in good faith, any extension of the Term or any adjustment to the Energy Rate to reflect such cost in excess of the capital improvement threshold as may be reasonably incurred by the Issuer in making such material capital improvement or other material modification and the date from which such adjustment is to be effective. Issuer and TNB shall use their respective best efforts to limit the remedy available to an extension of the Term and only in the event it is not commercially feasible to do so, resort to an adjustment to the Energy Rate.

After receipt by TNB of the Commission's written approval of:

- (i) the costs of the material capital improvement or material modification to the Facility;
- (ii) such extension of the Term or adjustment to the Energy Rate, as the case may be; and
- (iii) the inclusion of any adjustments to the Energy Rate as part of TNB's tariff rates to its customers in a manner consistent with such adjustments,

the Term and/or the Energy Rate, as the case may be, shall be adjusted in a manner approved by the Commission provided always that any adjustments to the Capacity Rate Financial shall only be effective from the date TNB's tariff rates to its customers as stated in (iii) are effective.

Transfers and Assignment

Except as required by the Financing Parties under the Financing Documents or as provided under the PPA, Issuer shall not sell, convey, transfer or otherwise dispose of the Project or any material part or any interest in it to any other person without the prior written consent of TNB and the Suruhanjaya Tenaga, which consent shall not be unreasonably withheld or delayed.

If the Financing Documents so require, TNB shall:

- (i) provide its consent to assignments and acknowledgement of rights of the Financing Parties (including cure rights and the rights of the Financing Parties under the Financing Documents to be substituted for Issuer upon the occurrence of any default provided that the Financing Parties shall notify TNB in writing before exercising such rights) as shall be necessary or reasonably appropriate in order to obtain financing for the Project in a timely manner provided that such rights shall be subject to the terms of the PPA and not inconsistent with TNB's rights hereunder;
- (ii) make payments to Issuer directly into a collateral security account established under the Financing Documents (subject to any claims or rights TNB may have against Issuer under the PPA);
- (iii) in the event of a default and provided that a prior written notice has been given to TNB, accept as a substitute for Issuer under the PPA, the agent for the Financing Parties, any designee or transferee of such agent or any purchaser of Issuer or the Project upon a foreclosure sale conducted on

behalf of the Financing Parties of Issuer's interest in the Project or of the issued share capital of Issuer; and

- (iv) subject to a prior written notice already been given to TNB, afford the Financing Parties an opportunity to remedy any Event of Default by Issuer within the relevant cure period hereunder before terminating the PPA.

Issuer acknowledges:

- (i) that any assignment or transfer to a secured party pursuant to the Financing Documents shall not relieve Issuer of its obligations to TNB under the PPA; and
- (ii) no such assignee or transferee shall be liable for the performance of Issuer's obligations under the PPA; and
- (iii) any exercise by any such assignee or transferee shall be subject to the terms of the PPA.

Governing Law and Dispute Resolution

The PPA is to be governed by, and shall be construed in accordance with, the laws of Malaysia.

If any dispute in relation to the PPA cannot be resolved between the parties by mutual agreement in the manner provided thereunder, then such dispute shall be settled exclusively and finally by arbitration conducted in accordance with the Rules for Arbitration of the Regional Centre for Arbitration at Kuala Lumpur. Subject to the arbitration provisions in the PPA, the parties hereby submit to the exclusive jurisdiction of courts located in Kuala Lumpur, Wilayah Persekutuan.

5.6.2 EPC Contract

The following section incorporates the key terms and conditions that are contained in the EPC Contract.

In respect of defined terms in this Section 5.6.2 only, where the same is not defined elsewhere in this Information Memorandum, the defined terms have the meaning ascribed to them in the EPC Contract.

Overview

The EPC Contract dated 14 February 2018, was entered into between the Issuer and the EPC Contractor for the design, engineering, procurement, construction, installation, commissioning and testing of the Facility on a turnkey basis in accordance with the terms and conditions contained in the EPC Contract.

The EPC Contractor comprises of China Energy Engineering Group Tianjin Electric Power Construction Co Ltd and CEEC Tianjin Electric Power (M) Sdn Bhd.

Contract Price and Payment

The Issuer shall pay the EPC Contractor a fixed lump sums of:

- (a) in respect of the part of the Works performed outside of Malaysia, an aggregate of United States Dollars Thirty Three Million Five Hundred and Three Thousand Nine Hundred and Seventy Four and cents Sixty Nine (USD33,503,974.69); and
- (b) in respect of the part of the Works performed within Malaysia, Ringgit Seventy Million Six Hundred and Sixty Eight Thousand Two Hundred and Seventy and sen Fifty One (RM70,668,270.51).

Performance Security

Performance bond

The EPC Contractor must deliver to the Issuer, a Performance Bond to the Issuer for an amount of twelve point five per cent (12.5%) of the Contract Price. Upon Commercial Operation in respect of the Facility, the amount of the Performance Bond shall be reduced to seven point five (7.5%) of the Contract Price.

The EPC Contractor must ensure the Performance Bond remains valid until the date that falls sixty (60) days after the issue of the Certificate of Final Completion.

Subject to the Issuer's rights to have recourse to the Performance Bond, the Performance Bond provided by the EPC Contractor under the EPC Contract will be returned by the Issuer to the EPC Contractor upon the later of:

- (a) the issue by the Issuer to the EPC Contractor of a Certificate of Final Completion and the issue by the EPC Contractor to the Issuer of the Certificate of Release;
- (b) the payment of all sums due from the EPC Contractor to the Issuer on termination; and
- (c) payment of any sums due from the EPC Contractor to the Issuer awarded pursuant to an arbitration award,

except where the EPC Contract is terminated prior to Final Completion, in which case such Performance Bond will be returned to the Issuer to the EPC Contractor upon the later of:

- (a) the payment of any sums due from the EPC Contractor to the Issuer on termination; and
- (b) payment of any sums due from the EPC Contractor to the Issuer awarded pursuant to an arbitration award (if applicable).

TNB Metering Equipment Warranties

Without prejudice to any other warranties expressed elsewhere in the EPC Contract,

the EPC Contractor warrants that:

- (a) the TNB Metering Equipment will be designed, tested and installed in accordance with Prudent Utility Practices and the specifications for the Works as described in the EPC Contract and will be free from defects, omissions and deficiencies of any kind (fair wear and tear excepted).
- (b) all equipment and items relating to the TNB Metering Equipment will be installed, and all work will be performed, in accordance with the Prudent Utility Practices and the specifications for the Works as described in the EPC Contract and the other requirements of the equipment manufacturers or suppliers.

The warranties given above will continue for twenty four (24) months from the date of transfer of the TNB Metering Equipment to TNB in accordance with the EPC Contract. For a part or parts of the TNB Metering Equipment that is repaired, replaced or made good during such twenty four (24)-month period or any extension of it, then equivalent warranties on such parts will continue for a period of twenty four (24) months from the date of the completion of such replacement or repair, provided always that no warranty shall extend beyond a period of thirty six (36) months from the date of transfer of the TNB Metering Equipment to TNB.

The EPC Contractor further repeats and warrants that the TNB Metering Equipment shall be free from latent engineering or design defects and the warranties given in the EPC Contract will continue for a period of sixty (60) months from the date of transfer of the TNB Metering Equipment to TNB pursuant to the EPC Contract without any extension to such period in respect of any remedial works taken to rectify such defect.

If, during the period referred to in the foregoing paragraph, a latent engineering or design defect is found which results in a failure or degradation or durability or performance of the TNB Metering Equipment, the EPC Contractor must, at the times as the Issuer reasonably requires and in a manner which causes as little disruption to the operation of the Facility as reasonably possible, promptly and at its cost repair, replace or otherwise make good (as the Issuer determines in its discretion in conjunction with the EPC Contractor) the defect as well as any damage to the Facility caused by such defect. The EPC Contractor will bear all incidental costs, including any costs of removal and costs associated with the repair, replacement or making good of any latent engineering or design defects.

Defects Guarantee

EPC Contractor's Guarantee

The EPC Contractor guarantees that the Works and the Facility will be free from defects, omissions and deficiencies of any kind (wear and tear excepted) until the expiry of the period of two (2) years from the Commercial Operation date for the whole of the Facility ("**Defects Liability Period**").

The EPC Contractor:

- (a) must promptly notify the Issuer upon becoming aware of any defects, omissions and/or damage arising from any defect or omission it discovers in

any completed part or parts of the Works and/or the Facility;

- (b) must promptly inspect and report to the Issuer regarding any and all defects, omissions and/or damage arising from any defect or omission in the Works and/or the Facility that is discovered by the Issuer and notified to the EPC Contractor;
- (c) must promptly at its cost repair, replace and/or make good any and all defects or omissions to the Works and/or the Facility or damage to the Works and/or the Facility arising from such defects or omissions that arise prior to the expiry of the last of the Defects Liability Period;
- (d) must undertake such repair, replacement and/or making good at times reasonably approved by the Issuer and in a manner that causes as little disruption as reasonably possible to the performance of the Work and/or operation of the Facility; and
- (e) bear all incidental costs (including any costs of removal) associated with the repair, replacement or making good of the defect, omission or damage.

If the repair or replacement or making good is of a character that it may affect the efficiency of the Facility, the Issuer may give to the EPC Contractor a notice requiring the EPC Contractor to make tests as required under the EPC Contract of the defective part of the Facility immediately on completion of the remedial work and the EPC Contractor must then carry out tests at its own costs. If that part fails the tests, the EPC Contractor must at its cost carry out further repair, replacement or making good until that part of the Facility passes the tests. The tests must be agreed by the Issuer.

If the EPC Contractor fails within a reasonable time to commence the work necessary to remedy the defect or omission or any damage to the Facility cause by the defect or omission, the Issuer may proceed to do the work or engage another party to do the work, and the costs, including incidental costs, incurred by the Issuer as a result will be a debt due and payable to the Issuer on demand and may be deducted from any payments otherwise due from the Issuer to the EPC Contractor. The Issuer may also have recourse to the security provided under the EPC Contract. The EPC Contractor is not liable for any such works performed by the Issuer or the third party to the extent they do not comply with the requirements of the EPC Contract.

The EPC Contractor must, within two (2) days of becoming aware of any Contractor Serial Defect (being a condition where a defect (being substantially the same defect having the same root cause) has been identified in a proportion of the Equipment provided by the EPC Contractor in accordance with the specification under the EPC Contract, which proportion is stipulated for the relevant Equipment in the EPC Contract) notify the Issuer of such Contractor Serial Defect with details. Upon receipt of notice from the Issuer contemplated above at any time prior to the expiry of the Defects Liability Period, the EPC Contractor:

- (a) must perform the root cause analysis;
- (b) must promptly, at its cost, replace the relevant piece of Equipment identified

in accordance with the EPC Contract;

- (c) must undertake such replacement within a reasonable time and in a manner that causes as little disruption as reasonably possible to the performance of the Works, and where such replacement is to occur after the Commercial Operation Date the EPC Contractor must undertake such replacement at times approved by the Issuer (acting reasonably) and in a manner that causes as little disruption as reasonably possible to the operation of the Facility; and
- (d) must bear all of its incidental costs (including any costs of removal) associated with the replacement of the relevant Equipment.

Following replacement of the relevant Equipment, the Issuer may give to the EPC Contractor a notice requiring the EPC Contractor to carry out additional tests at the EPC Contractor's cost, to demonstrate that the relevant photovoltaic modules or inverters and/or the Facility comply with the requirements of the EPC Contract. If the relevant Equipment and/or the entire Facility fail the tests, the EPC Contractor must at its cost carry out further replacement until the relevant Equipment and/or the entire Facility pass the tests. The tests must be agreed by the Issuer and the Contractor.

If the EPC Contractor fails to replace the relevant Equipment and/or retest the relevant Equipment and/or the entire Facility in accordance with the EPC Contract, the Issuer may proceed to do the work or engage another party to do the work, and the reasonable costs incurred by the Issuer as a result will be a debt due and payable to the Issuer on demand and may be deducted from any payments otherwise due from the Issuer to the EPC Contractor. The Issuer may also have recourse to the security provided under the EPC Contract.

Extension of Defects Liability Period

For a part of parts repaired, replaces or made good in the last year of the Defects Liability Period, the Defects Liability Period will be extended for a further twelve (12) months but only regarding that part or parts of the Facility repaired, replaced or made good.

Liability for Equipment covered by Component Warranties

The EPC Contractor is and remains liable for all Equipment covered by the component warranties as detailed in the EPC Contract until the expiry of the Defects Liability Period.

Latent Defects

Notwithstanding any other provision of EPC Contract, the EPC Contractor remains liable for Latent Defects that arise during the period of sixty (60) months commencing from the date of Commercial Operation ("**Latent Defect Period**"). If, during the Latent Defect Period, a Latent Defect is found, the Contractor must, at the times as the Issuer reasonably requires and in a manner which causes as little disruption to the operation of the Facility as reasonably possible, promptly and at its cost repair, replace or otherwise make good (as the Issuer determines in its discretion in conjunction with the EPC Contractor) the Latent Defect as well as any damage to the Facility caused by the Latent Defect. The EPC Contractor will bear all incidental

costs, including any costs of removal and costs associated with the repair, replacement or making good of the Latent Defect or damage.

“**Latent Defect**” means a defect in design, workmanship, engineering or materials not reasonably capable of being discovered by the **Issuer** prior to the expiry of the applicable Defects Liability Period in the course of normal operation and maintenance of the Facility and which materially impacts on the performance of the Facility or the rate at which the Spare Parts are being or are likely to be consumed.

Liquidated damages

Performance Liquidated Damages

Despite any other provisions of the EPC Contract, if the EPC Contractor does not meet the Post-COD Performance Guarantees in accordance with the EPC Contract after the Scheduled Commercial Operation Date, the EPC Contractor must pay the Issuer the Performance Liquidated Damages specified in the EPC Contract, as set out below.

Performance Liquidated Damages for breach of the Post-COD Performance Guarantee are:

Measurement Period 1 (which commences on the day after Commercial Operation Date)	RM0.50/kWh, to cover lost revenue during Measurement Period 1
Measurement Period 2 (which commences on the day after the completion of the Measurement Period 1)	RM5.58/kWh, based on the net present value of lost revenue during years 2 to 25

Performance Liquidated Damages are a debt due and payable to the Issuer on demand and may be deducted from any payments otherwise due from the Issuer to the Contractor.

The total aggregate liability of the EPC Contractor for Performance Liquidated Damages for breach of Post-COD Guarantees under the EPC Contract will not exceed twelve point five per cent (12.5%) of the Contract Price.

In the event that all or any of the EPC Contractor's obligations under the EPC Contract to pay Performance Liquidated Damages are held to be void or otherwise unenforceable, the EPC Contractor agreed to pay the Issuer damages in respect of all actual losses suffered by the Issuer due to circumstances in respect of which Performance Liquidated Damages would have been payable if the relevant obligation had been enforceable, including loss of profit, loss, of use, loss of revenue, loss of production and loss of savings.

Indemnities

The EPC Contractor is liable for and must indemnify the Issuer and its employees and officers from any and all claims, damages, losses and expenses (including legal fees and expenses) incurred, suffered, sustained or required to be paid directly or indirectly by or claims made against the Issuer and its employees and officers in connection with:

- (a) any loss or damage to physical property or death or injury resulting from any act or omission of the EPC Contractor, its officers, directors, agents, employees, subcontractors and affiliates that arises out of or is in any manner connected with the performance of the EPC Contract caused by any act or omission, breach of contract or breach of statutory duty by the EPC Contractor;
- (b) subject to the provisions of the EPC Contract, any loss or damage to the Works or any part thereof caused by an act or omission, breach of contract or breach of statutory duty by the EPC Contractor;
- (c) death, injury, sickness or disease in respect of the EPC Contractor's officers, directors, agents, employees, contractors or subcontractors;
- (d) any applicable environmental law arising out of the conditions of the Site or the EPC Contractor's construction of the Works, or custody of fuel, the use, presence, suspected presence, disposal, discharge, release, storage, treatment, transportation, handling, generation, disposal or escape of any pollutants or other toxic or hazardous substances from the Works, the contamination of the soil, sub-soil, air, surface water, sea water or groundwater at or beneath or around the Site or any pollution abatement, replacement, removal or other decontamination or monitoring obligations with respect thereto; and
- (e) any breach by the EPC Contractor (or any party it is responsible for including any subcontractors) of the EPC Contract.

Insurance*EPC Contractor's Insurances*

The EPC Contractor must at its own expense take out and maintain in effect the Contractor's Insurances in accordance with the EPC Contract which, where required under the EPC Contract, shall be maintained until the expiration of the Latent Defects Period.

Issuer's Insurances

Without affecting the liability of the EPC Contractor under the EPC Contract, the Issuer must, without cost to the EPC Contractor, effect and maintain the Owner's Insurances in accordance with the EPC Contract in the name of the Issuer and the Lenders which, where required under the EPC Contract, shall be maintained until the expiration of the Latent Defects Period.

Termination

Issuer's entitlement to terminate

The Issuer may at any time immediately terminate the EPC Contractor's employment under the EPC Contract for any reason by giving the EPC Contractor notice of termination.

Immediate termination for the EPC Contractor's default

The Issuer may, without prejudice to any other rights or remedies it may possess under or in connection with the EPC Contract, immediately terminate the EPC Contractor's employment by giving a notice of termination to the EPC Contractor if the EPC Contractor:

- (a) commits an act of insolvency;
- (b) is in breach of the provision on Assignment and Change in Control, as detailed below;
- (c) has incurred liability in excess of the aggregate cap specified in the EPC Contract;
- (d) is in breach of its obligations under the EPC Contract (including delays) and any Project Document or a Government Authorisation is terminated or revoked as a direct result thereof;
- (e) of any person on the EPC Contractor's behalf in performing the Works or any activities related thereto, whether before or after the signature date of the EPC Contract, directly or indirectly:
 - (i) makes any offer, payment, authorisation or promise to pay any money, or to give any gift or anything else of value to any governmental official, for the purpose of influencing an official act or decision of such governmental official, inducing such governmental official to omit to do any act in violation of their lawful duty, securing any improper advantage or inducing such governmental official to use their influence with a Government Entity or public international organization, to affect or influence any act or decision, or in order to assist any person (including the Issuer, the EPC Contractor or any subcontractor) in obtaining or retaining business; or
 - (ii) otherwise takes any action or omits to take any action that could reasonably be expected to subject the Issuer or any of its affiliates, the Issuer's representative under the EPC Contract or the Lenders to any liability under any anti-money laundering, anti-corruption or similar law applicable to such person, the Facility, the Site or the Works; or
- (f) fails to comply with or operate in conformity with any obligation of the EPC Contract and such failure, if capable of remedy, continues uncured for a period of seventy five (75) days after receipt of notice of such failure from the

Issuer.

Termination for Issuer's default

If:

- (a) the Issuer fails to pay to the EPC Contractor an undisputed amount due to the EPC Contractor as determined by the Issuer under the EPC Contract; or
- (b) the Issuer commits an act of insolvency,

the EPC Contractor may:

- (a) suspend performance of its obligations under the EPC Contract in accordance with the EPC Contract; and
- (b) immediately provide the Issuer with a notice requiring the remedy of the Issuer's default.

In addition to the EPC Contractor's right to suspend performance of its obligations under the EPC Contract, if the Issuer fails to remedy the default within ninety (90) days after receipt of the EPC Contractor's notice under item (b) above, the EPC Contractor may by a further notice to the Issuer terminate the EPC Contractor's employment under the EPC Contract. The EPC Contractor is not entitled to terminate the EPC Contractor's employment under the EPC Contract solely as a result of the Issuer withholding or setting off payment as provided under the EPC Contract or otherwise as a result of, or in connection with, any Dispute.

Assignment and Change in Control

No Assignment by EPC Contractor

Except with the prior written consent of the Issuer (which must not be unreasonably withheld or delayed), neither the EPC Contract nor any interest nor any claim under the EPC Contract nor any sum or sums which may become due or owing to the EPC Contractor as a result of the EPC Contractor's performance of the Works, may be assigned, novated, transferred or pledged, charged or mortgaged by the EPC Contractor.

Assignment by the Issuer

Except as approved in writing by the EPC Contractor (which must not be unreasonably withheld or delayed), neither the EPC Contract nor any interest nor any claim under the EPC Contract nor any sum or sums which may become due or owing to the EPC Contractor as a result of the EPC Contractor's performance of the Works, may be assigned, novated, transferred or pledged, charged or mortgaged by the EPC Contractor to an affiliate nor to any third party other than the Lenders (or a third party nominated by the Lenders) as contemplated in the paragraph below.

Assignment to Lenders and Financing Parties

Despite the paragraph above, the Issuer may, without the consent of the EPC Contractor or any further requirement, assign, novate, mortgage, or charge its rights,

interests, obligations or liabilities under the EPC Contract as security in favour of the Lenders or Financing Parties (or a third party nominated by the Lenders) in connection with obtaining financing for the Project.

No Change in Control without Approval

Except as approved in writing by the Issuer, the EPC Contractor must not effect a Change in Control. Approval must not be unreasonably withheld or delayed by the Issuer.

Dispute resolution

The EPC Contract is governed by, and shall be construed in accordance with, the laws of Malaysia.

If any dispute in relation to the EPC Contract cannot be resolved between the parties by designating in writing to the other party a representative to make decisions by mutual agreement in the manner provided thereunder, then such dispute shall be settled finally by arbitration conducted in accordance with the Rules for Arbitration of the Regional Centre for Arbitration at Kuala Lumpur. Each arbitration shall be conducted in Kuala Lumpur, Malaysia.

5.6.3 O&M Contract

In respect of defined terms in this Section 5.6.3 only, where the same is not defined elsewhere in this Information Memorandum, the defined terms have the meaning ascribed to them in the O&M Contract.

Overview

The O&M Contract is to be entered into between the Issuer and KNSB being the Operator whereby the O&M Contractor will provide operation and maintenance services in accordance with the O&M Contract.

Commencement and Option to Extend

The O&M Contract shall be deemed to have come into force on 25 February 2019 and shall expire on the later of (a) the twenty first (21st) anniversary of the Commercial Operation Date and (b) the expiry of the PPA ("**Initial Term**") unless terminated in accordance with the provisions of the O&M Contract. The Issuer shall have the option to extend the term of the O&M Contract for further periods of one (1) year each after the expiry of the Initial Term (the "**New Term**")

Assignment and subcontracting

The Operator shall not sub-contract any part of the Services without the prior written consent of the Issuer.

Assignment and novation

The Operator may not assign and/or novate all or any of its rights and obligations under the O&M Contract to any person without the Issuer's prior written consent.

Payments

- (a) In consideration of the Services rendered by the Operator, the Issuer shall pay the Operator in arrears based on the time spent by its employees and agents in the provision of the Services as well as the degree of skill and responsibility involved plus an additional margin to be determined by the Operator (the “**Fees**”).
- (b) The Operator shall issue invoices to the Issuer each month for the Services rendered in the preceding month supported by such relevant documentation as may be requested by the Issuer.

Insurance

The Issuer shall procure that appropriate insurance policies are purchased in respect of the Facility and that the Operator is included as a joint insured, provided that in the event any or all the insurance policies are assigned to any Person for the purposes of securing financing arrangements for the Issuer, the Operator shall, if required by the Issuer, agree and/or execute any documents as may be required to subordinate their rights under such insurance policies in favour of such Person. The Issuer shall provide the Operator with such copies of all such insurance policies effected by the Issuer and receipts of premiums paid by the Issuer.

The Operator shall purchase or procure the purchase of employer’s insurances in respect of the Operator’s Personnel and comprehensive motor vehicle insurance in respect of vehicles owned by the Operator and used in relation to the provision of the Services.

Operator’s Indemnity and Liability

The Operator shall indemnify and hold the Issuer harmless against any Loss to the extent that the same arises out of:

- (a) any breach by the Operator of its obligations under the O&M Contract;
- (b) any negligent act, error or omission on the part of the Operator, its directors, officers, employees, agents or sub-contractors or the Issuer’s Personnel in the performance of the Services; and
- (c) the Wilful Misconduct of the Operator or its directors, officers, employees, agents or sub-contractors or the Issuer’s Personnel,

provided always that the indemnity shall not apply to the extent that such Loss was occasioned or caused by the negligent act, error or omission on the part of the Issuer or any of its directors, officers, agents or sub-contractors, employees and those members of the Issuer’s Personnel whose removal, replacement or discipline has been recommended by the Operator but who the Issuer has failed to remove, replace or discipline.

Termination

Termination by the Issuer for cause

The Issuer may terminate the O&M Contract for any one or more of the reasons set out below:

- (a) **Wilful Misconduct:** upon written notice from the Issuer if the Operator has engaged in Wilful Misconduct in the performance of the Services and such actions have not been remedied within ten (10) days (or such longer period as may be specified in that notice) of receipt of a written notice from the Issuer requiring the Operator to do so; or
- (b) **Breach of Obligations:** upon written notice from the Issuer if (without prejudice to the termination of the PPA) the Operator commits a breach of its obligations under the O&M Contract and receives written notice in respect thereof from the Issuer and if such breach:
 - (i) is not remedied within fourteen (14) days (or such longer period as may be specified in that notice) of receipt of a written notice from the Issuer to do so;
 - (ii) disrupts or adversely affects or prejudices:
 - (A) the management of the Facility as required by Prudent Utility Practices; or
 - (B) the performance of the Services; or
 - (C) the activities of the operation of the Facility in generating electricity; or
- (c) **Nationalisation in relation to the Operator:** upon thirty (30) days' prior written notice from the Issuer, if any step is taken by any Government Entity with a view to the seizure, compulsory acquisition, expropriation or nationalisation of all or substantially all of the shares or assets of the Operator provided that the Issuer shall not be entitled to terminate the O&M Contract if the Operator demonstrates to the reasonable satisfaction of the Issuer that it is contesting such action in good faith and their performance of the Services will remain uninterrupted; or
- (d) **Insolvency and Enforcement:** upon written notice from the Issuer if:
 - (i) any step is taken with a view to the liquidation of the Operator unless either (a) it is for the purposes only of amalgamation or reconstruction, or (b) the step taken is the issue of a winding-up petition by a third Party and such action is being contested in good faith and such step does not adversely affect the ability of the Operator to perform its obligations under the O&M Contract in any material respect; or
 - (ii) the Operator suffers an encumbrance to take possession or an administrator is appointed or a receiver or a receiver and manager is appointed (and if such appointment is being contested in good faith it

has not been discharged within fourteen (14) days), in each case, in respect of all or substantially all of its assets; or

- (iii) the Operator makes any composition or arrangement with its creditors or is insolvent or unable to pay its debts as they fall due or stops, suspends or threatens to stop or suspend payment of all or a material part of its liabilities; or
- (e) **Cessation of Business:** upon thirty (30) days' written notice from the Issuer, if the Operator ceases to carry on the Services as its principal business; or
- (f) **Termination of PPA:** upon thirty (30) days' written notice from the Issuer if the PPA is terminated pursuant to the terms therein; or

In the event the PPA is terminated due to the default of the Issuer the Issuer shall pay the Operator a termination fee equivalent to three (3) months of the Operating Fees relevant to the Operating Year in which termination occurs. Provided Always that such termination fee shall not be payable if such default of the Issuer is attributable to or caused by any acts, default, negligence, omission, or Wilful Misconduct of the Operator.

- (g) **Termination of Licence:** upon written notice from the Issuer in the event the Licence is terminated.

Termination by Either Party

Either the Issuer or the Operator may terminate the O&M Contract for any of the reasons set out below:-

- (a) **Force Majeure**

Upon thirty (30) days' written notice from either Party, if the Operator is prevented from, or delayed in, performing any of its obligations as a result of a Force Majeure Event and, as a result thereof, the operation of the Facility is affected and such prevention or delay continues for a period of not less than six (6) months; or

- (b) **Nationalisation of the Facility**

Upon thirty (30) days' written notice from either Party, if any step is taken by any Government Entity with a view to the seizure, compulsory acquisition, expropriation or nationalisation of the Facility provided that the Operator shall not be entitled to terminate in such circumstances if the Issuer demonstrates to the reasonable satisfaction of the Operator that it is contesting such action in good faith unless and until such time as there is a material risk of the Facility being so seized, compulsorily acquired, expropriated or nationalised.

Termination by the Operator

The following constitute termination events (each a "**Termination Event**") which entitles the Operator to terminate the O&M Contract:

- (a) **Non-Payment**

If the Issuer defaults in the payment of any amount properly due to the Operator under the O&M Contract and such amounts remain unpaid and not disputed in good faith at the expiry of thirty (30) days following the date on which the Operator has given written notice thereof to the Issuer of the non-payment; or

(b) Breach of Obligations

If the Issuer commits a breach of any of its obligations under the O&M Contract and receives written notice in respect thereof from the Operator and such breach:

- i. if capable of being remedied is not remedied within thirty (30) days (or such longer period which may be specified in the notice) from the date of receipt from the Operator of such notice to do so; and
- ii. materially disrupts or materially adversely affects or prejudices the ability of the Operator properly to operate and maintain the Facility in accordance with the terms of the O&M Contract.

Force Majeure

The rights and obligations of both Parties under the O&M Contract (other than obligations to pay any amounts) shall be suspended in whole or in part, solely to the extent that the case may require, for the duration of any period during which the ability of either Party to perform any of its obligations under the O&M Contract is materially and adversely affected by a Force Majeure Event. Suspension of any obligation pursuant to this paragraph shall not affect any rights or obligations which may have accrued prior to such suspension or, if such circumstances affect only some obligations, any other rights or obligations of the Parties. Neither the failure by the Issuer to be able to borrow funds or utilise other financing facilities required in connection with the Project nor the failure to make any payment under the O&M Contract shall constitute a Force Majeure Event.

Agreed Procedures

The Operator shall:

- A. Prepare the Annual Operating Plan for approval by the Issuer which shall include, without limitation, recommendations on:
 - (1) an inventory of all consumables required for the operation and routine maintenance of the Facility; and
 - (2) an inventory of all components included in the inventory and required for each of the following:
 - (a) PV Modules cleaning, inspections and maintenance;
 - (b) PV Structures inspections and maintenance;
 - (c) Inverters, AC Combiner Boxes and SmartACU inspections and

maintenance;

- (d) Box Transformers inspections and maintenance;
- (e) Main Power Transformer inspections and maintenance (including tan delta test for the transformer bushings);
- (f) Meteorological Stations inspection and maintenance;
- (g) Static VAR Generator (SVG) inspections and maintenance;
- (h) Low Voltage and High Voltage Underground Cables inspections and maintenance;
- (i) PPC and Communications Network Systems hardware and software maintenance;
- (j) Other Plant Electrical Maintenance (switchgears, circuit breakers, relays, DC chargers, UPS, LVAC system, air conditioners, lightings, etc.);
- (k) Fire-fighting system inspections and maintenance;
- (l) CCTV surveillance system inspections and maintenance;
- (m) Solar farm and control building lightning arrestor system and grounding network inspection and maintenance;
- (n) Solar farm surrounding lighting system inspection and maintenance; and
- (o) Periodic solar farm compound maintenance (i.e. scheduled grass cutting to prevent vegetation growth over and above the solar panels and structures).

The Operator shall maintain and ensure adherence to safety procedures at all times. The Operator shall apprise the Issuer's Personnel of such regulations and procedures and ensure that they comply with such regulations and procedures in performing their duties under the O&M Contract. All parties and all persons employed by them when executing any work or service in or about the Facility shall adhere in all respects with Laws and Consents and the safety procedures that shall be applicable to such works. Any person who contravenes these requirements shall be warned by the Operator, or the Issuer, as the case may be, and if necessary removed from the Facility.

- B. The Operator shall maintain records for the Facility for the duration of the Initial Term (and the New Term if the Initial Term is extended in accordance with the O&M Contract), such records to be prepared in a format to be mutually agreed, and to include:
- (a) daily maintenance log setting forth, among others, all maintenance and inspection and inspection work performed on the Facility;

- (b) daily operating log setting forth, among other things, all operational conditions experienced by the Facility; and
- (c) any other records customarily maintained by electrical utilities and other operators of electrical facilities.

Daily log sheets shall record all material actions of the Operator's operation personnel, power production, change in operating status, outages, protective apparatus operation, any unusual findings during routine inspections, and actions taken and any changes in settings. Such daily log sheets shall be sufficiently detailed and accurate to allow the calculation as may be required by the PPA. The Issuer shall be provided with a summary of the daily operating report with other information, which it may reasonably request. Additional records shall be kept by the Operator on the maintenance executed during planned and unplanned outages of the Facility or parts thereof, safety, access, water consumption, lubrication, preventive maintenance, design modification or changes and statutory and insurance inspection and testing.

C. Planning of Outage

- (a) The Operator shall provide to the Issuer by 1st August each year, a schedule stipulating the activities to be undertaken and the duration of the activities which shall include the details as provided in Appendix F of the PPA.
- (b) The Operator and the Issuer shall mutually agree on the Planned Outages, which schedule shall include the estimated times of operation, amounts of electricity production, numbers of planned outages costing, dates, times, and duration of planned outages, including a specification of the maintenance requiring shutdown or reduction of output of the Facility, if necessary. The Issuer may, upon thirty (30) days' prior written notice to the Operator, revise the Operator's proposed schedule for the timing and duration of output of the Facility to accommodate the requirements of TNB, provided the proposed rescheduling will not affect the safety, performance, reliability or life span of the Facility or part thereof or result in the Operator incurring significant additional expenditure.
- (c) Subject to Schedule 1 Part III Clause P of the O&M Contract and the requirements of the Grid System Operator, good engineering standards and practices, operation and maintenance manuals and otherwise in accordance with the O&M Contract, the Operator agrees to coordinate maintenance, with the Issuer and the Grid System Operator, including providing Issuer and the Grid System Operator as soon as practicable but in any event not later than forty eight (48) hours' notice before any removal or return of parts of the Facility from service for maintenance, which notice shall include the scheduled start date and time and duration of such maintenance and details of any outage, if necessary.
- (d) Not later than ten (10) days after the beginning of each Contract Year and if requested by the Issuer, thirty (30) days after each outage or

inspection, the Operator shall submit to Issuer a report of all maintenance and inspection work performed in the prior Contract Year that may have an adverse effect on or materially impair the short or long term operation of Facility at the operational levels contemplated by the O&M Contract. The report shall also include the Operator's proposal for such other maintenance and inspection work as required by Prudent Utility Practices. The Issuer may provide comments concerning the proposals, provided that the Issuer's comments or failure to make comments with respect to the operation or maintenance of the Facility shall not be deemed to constitute an endorsement of the operation and durability or reliability of either the Facility or the Issuer's satisfaction with the performance of the O&M Contract.

- D. Maintain all registers, documentation or records at the offices within the Facility, on behalf of the Issuer for the Term (and the New Term if the Term is extended in accordance with the O&M Contract) or for such time as may be required by law or in accordance with Prudent Utility Practices such records as are required by the PPA including without limitation a register of all equipment subject to the Issuer's and statutory inspection, examination, audit and a copy of such records, documents, including recording all test dates and results, and materials to the extent necessary to ensure compliance by the Operator of its obligations under the O&M Contract, and the PPA.
- E. Ensure compliance with the terms of the Project Agreements.

Operating Regime

- A. The Facility will operate in accordance with the PPA, provided that the operations shall be consistent with the requirements of the Project Agreements.
- B. Without limitation to the parameters of the Facility's operation in paragraph A above, the Facility will be operated so as to permit compliance with the scheduled maintenance requirement set forth in the manufacturer's recommendations and in accordance with the good engineering standard and practices, the Operation and Maintenance Manuals, all operating procedures described in the O&M Contract, the TNB Performance Standard and Operational Guidelines set forth including guidelines and standards relating to synchronization, voltage control, reactive power and generation of harmonic frequencies to ensure that the operation of the plant or the Facility, as the case may be, will not have an adverse impact on the voltage wave form of the Grid system.
- C. The Operator shall notify the Issuer in a timely manner of any limitation, restrictions or outages affecting or which are likely to affect the Facility and if deemed necessary notify the Grid System Operator.

Operation Services

The Operator's obligation is to operate and maintain the Facility. The Operator shall:-

- A. Ensure that the Services shall be performed in accordance with the Malaysian

Grid Code, Operation and Maintenance Manuals, Laws, Consents, good engineering standards, and Prudent Utility Practices, insurance requirements, and the terms and conditions of the O&M Contract.

- B. Operate the Facility in a manner to ensure high efficiency, high availability, high output and discharge levels consistent with the Law and the requirements stipulated in the PPA.
- C. Carry out Annual Operating Plans within the Annual Budgets, and in accordance with safe and reliable Operation and Maintenance of the Facility, within the design limits and manufacturer's operation and maintenance instructions.
- D. Staffing the main control room of the Facility with sufficient qualified operators during all hours when the Facility is in operation.
- E. Advise the Issuer on the stocking policies of strategic spare parts, taking into account the availability and redundancy of different components and lead times from order to delivery, with special attention paid to defining the critical spare parts stock.
- F. Management of spares, tools equipment and consumables of the Facilities and procure and receive on behalf of and at the cost of the Issuer to include but not limited to the following:
 - (a) all spares replaced under warranty under the EPC Contract and spares due to normal wear and tear;
 - (b) replenishment of inventory stock, maintenance materials day to day consumables, materials including chemicals, lubricants and filters, etc.; and
 - (c) replacement of tools, special tools and equipment including mobile maintenance equipment.
- G. Provide and/or procure (at the Issuer's expense unless otherwise provided for within the O&M Contract) and receive on behalf the Issuer all materials, services and resources as are necessary to operate and maintain the Facility in accordance with the O&M Contract.
- H. Continuously monitor the performance and efficiency of the Facility, and carry out performance tests on the Facility annually or when the yield is below the expected value.
- I. At the request of the Issuer, liaise with the Issuer's technical advisers and the Contractor for the repair of all defects which occur during the Defects Liability Period and which the Contractor has been instructed to carry out under the EPC Contract. During this period, the Operator will provide to the Issuer all information known to the Operator relevant to any defects arising under the EPC Contract, co-ordinate with the EPC Contractor's staff to enable, so far as possible, both parties' contractual responsibilities to be met without interference of one on the other and shall not agree any course of action with the EPC Contractor without the prior consent of the Issuer (other than any

such course of action, required to enable the Operator to comply with its obligations under the O&M Contract).

- J. Liaise on behalf of the Issuer with TNB or the Grid System Operator, Single Buyer Department and Government Entity on relevant operational and maintenance issues.
- K. Provide regular reports and additional reports on major events in the operation and maintenance of the Facility.
- L. Notify the Issuer within twenty four (24) hours and confirm in writing within forty eight (48) hours, incidents or accidents which might give rise to claims or liability and assist the Issuer on insurance matters pertaining to the Facility.
- M. Comply with the requirements of the Project Agreements.

5.6.4 Technical & Management Services Agreement

The following section incorporates the key terms and conditions that are contained in the TMSA.

In respect of defined terms in this Section 5.6.4 only, where the same is not defined elsewhere in this Information Memorandum, the defined terms have the meaning ascribed to them in the TMSA.

Overview

The TMSA has been entered into between the Issuer and KNSB on 15 January 2018, whereby KNSB will provide technical, management, operation and maintenance support services to power plants located locally and abroad. The Issuer and KNSB shall collectively be referred to as the “**Parties**”, each a “**Party**”.

Appointment

The Issuer hereby appoints KNSB to procure and provide the Technical and Management Services (as set out in the TMSA) to the Issuer during the Term (as defined below) in consideration of the Fees (as defined below) and the Additional Fees (if applicable).

In consideration of the payment of the Fees and the Additional Fees (if applicable) by the Issuer to KNSB, KNSB hereby agrees to make available and perform the Technical and Management Services for the Issuer in accordance with the terms and conditions of the TMSA.

Term of Agreement

Notwithstanding anything to the contrary in the TMSA, the Parties agree that the Term shall be deemed to have commenced on and from 1 April 2015 and shall be deemed to be automatically extended upon the expiry of one (1) year from the date thereof for further periods of one (1) year each (the “**Term**”), unless the TMSA Agreement is terminated earlier in accordance with the TMSA.

Fees

In consideration of the Technical and Management Services rendered by KNSB, the Issuer shall during the Term pay KNSB for rendering the Technical and Management Services in arrears based on the time spent by its employees and agents as well as the degree of skill and responsibility involved (the "**Fees**").

KNSB shall issue invoices to the Issuer each month for the Technical and Management Services rendered in the preceding month supported by relevant documentation.

The Fees shall be exclusive of disbursements, costs and expenses incurred in connection with the Technical and Management Services (including without limitation travel costs, fees, costs and expenses of any external advisers engaged on behalf of the Issuer provided that KNSB shall have obtained the Issuer's prior consent as to the choice of external adviser and the amount of fees, costs and expenses to be incurred by such external adviser).

The Issuer undertakes that it shall promptly reimburse KNSB for all reasonable costs, charges and expenses incurred by it in the performance of the Technical and Management Services under the TMSA. All other costs, charges and expenses of, or incidental to the appointment, which may be reasonably incurred by KNSB, shall be for the account of the Issuer.

All invoices by KNSB for the Fees, Additional Fees and any other amounts payable under the TMSA shall be supported by relevant documents. The invoice shall set out in reasonable detail the breakdown of the invoiced amount (i.e. Fees, disbursements, service tax, third party costs, etc.) and the details of the Technical and Management Services rendered.

The Parties shall each bear their own taxes in relation to the Technical and Management Services to be provided under the TMSA. KNSB shall include in each invoice as a separate line item the amount of any goods and services tax payable in respect of the Fees, Additional Fees and other amounts payable for the Technical and Management Services under the TMSA, which goods and services tax shall be payable in addition to the amounts invoiced. For avoidance of doubt, all amounts stated in the TMSA are exclusive of goods and services tax, value added tax or other similar taxes or imposts that may hereafter become applicable.

In the event KNSB is of the view that the scope of services requires changes or expansion, both Parties shall work together to consider and if appropriate, agree on such changes or expansion and subsequent thereto, any adjustment to the Fees.

Additional Fees

In the event that any additional services are required by the Issuer over and above the scope of the Technical and Management Services provided in the TMSA for any specific transaction ("**Transaction**"), KNSB shall be paid, in addition to the Fees, further fees ("**Additional Fees**") in accordance with the TMSA, which Additional Fees shall be exclusive of goods and services tax, value added tax and/or other like taxes and such expenses as may be incurred by KNSB in connection with such additional services.

The Additional Fees payable and any additional terms and conditions in respect of the services to be rendered by KNSB shall be negotiated between the Parties taking into consideration the prevailing market practices and rates charged on an arm's length basis for similar transactions, and shall be determined based (without limitation) on the following factors:

- (a) the complexity of the Transaction or the difficulty or novelty of the Transaction, or both;
- (b) the level and areas of skill and expertise, services and labour to be provided by KNSB;
- (c) the time to be expended by KNSB;
- (d) the documents, material, due diligence investigations, and reports to be prepared by KNSB;
- (e) the place where and the circumstances under which the additional services or any part thereof are to be rendered; and
- (f) whether any financing or capital raising exercise is required in connection with a Transaction and whether such financing or capital raising exercise is to be raised or arranged by KNSB.

Termination

Without prejudice to any other remedy that either Party may have against the other Party, either Party may at any time during the Term, by giving notice in writing to the other, terminate the TMSA forthwith in any of the following events:

- (a) if the other Party commits a material breach of any of its obligations under the TMSA and such breach is not remedied within thirty (30) days of receipt of notice from the non-defaulting Party to do so;
- (b) if the other Party goes into liquidation either voluntarily or compulsorily (except as part of a bona fide scheme of reconstruction or amalgamation);
- (c) if the other Party has a receiver or manager appointed in respect of the whole or part of its assets or enters into an arrangement or compounds with its creditors; or
- (d) if the other Party shall cease to carry on business.

In addition to the rights to terminate above, either Party may at any time terminate the TMSA by giving the other Party seven (7) days' prior notice in writing of such intention to terminate the TMSA.

If the TMSA is terminated for any reason (including as a result of the expiry of the Term), then the following consequences shall follow:-

- (a) KNSB shall cease to provide the Technical and Management Services to the Issuer;

- (b) KNSB shall, if requested by the Issuer, return all books, accounts, documents and other records belonging to the Issuer within thirty (30) Business Days of the date of termination; and
- (c) the Issuer shall be liable to pay KNSB the Fees, the Additional Fees (if any) and any other amounts which are payable under the TMSA for the provision of the Technical and Management Services up to the effective date of termination.

The obligations of the Parties which are expressed as or which are capable of surviving the termination of the TMSA shall survive the termination of the TMSA and continue to be binding upon the Parties.

Force Majeure

If by reason of any act of God or public enemy, war, government acts or regulations, fire, flood, embargo, quarantine, epidemic, labour stoppages beyond its reasonable control, accident, unusually severe weather or any other cause beyond the reasonable control of the relevant Party or which they could not reasonably be expected to avoid ("**Force Majeure Event**"), any Party is delayed in or prevented from or hindered in performing any of its obligations under the TMSA, then such delay or non-performance (as the case may be) shall not be deemed to be a breach by the Party affected by the Force Majeure Event of its obligations under the TMSA. Both Parties shall be released from their respective obligations under the TMSA Agreement and in such an instance an equitable adjustment to be agreed between the Parties shall be made to the Fees.

Assignment

The Issuer shall not assign or novate any of its rights or obligations under the TMSA without the prior written consent of KNSB, such consent not to be unreasonably withheld or delayed. KNSB shall be entitled to assign all or any of its rights under the TMSA to any third party with prior written notice to the Issuer.

Technical Services

In consideration of the payment of the Fees, KNSB shall perform the services as set out below:-

*Operation & Maintenance ("**O&M**") Services*

Provision of a continuous support to site and/or via telephone and e-mail in areas of plant operation and maintenance as and when required, which include the following:

- (a) **Review of O&M practices**

provide technical expertise to carry out assessment of plant operations and maintenance processes. These efforts include a review of system data and critical equipment condition data to help develop a plan for improving plant operations in the areas of people, work processes, technology and management and to develop maintenance criteria for plant critical equipment. The maintenance practice shall conform to Prudent Utility Practices.

(b) **Review of plant, system and component performance**

provide technical expertise to carry out review and periodical monitoring of plant, systems and component performance data and enhancement of plant reliability and availability. Identify specific systems and components that have the highest potential failure and to remedy such symptom before failure by using PUP for reduced maintenance and operating cost and improved reliability.

(c) **Plant Optimisation**

provide technical expertise to conduct studies and analysis to further improve plant, systems and component performance and efficiency. Maximum benefit can be achieved by integrating predictive maintenance into existing work processes which are based on preventive and corrective maintenance.

(d) **Review of plant O&M standard procedures**

deploy experienced personnel to review or develop procedures to meet the requirements of system importance, safety and health of station personnel.

(e) **Optimisation of inventory**

provide expertise to review store inventory control program to reduce inventory holding costs and at the same time improve the availability of critical spare parts to meet the needs of plant operations.

(f) **Site technical assistance**

provide site assistance to trouble-shoot plant problems and other O&M technical matters.

(g) **Risk management and controls**

review and recommend appropriate risk management processes and control mechanisms in the areas of plant operations, maintenance, engineering, overhaul and modification, environmental compliance, health and safety management, performance measurement and reporting and perform audits and improvements.

Management Services

In consideration of the payment of the Fees, KNSB shall perform the services as set out below:-

1. provide treasury services, which include the following:
 - (a) placement of surplus funds to earn interest income;
 - (b) arranging with the bank to obtain new bank guarantees and to renew expired guarantees;
 - (c) arranging for transfer of funds from placement account to expenses

- account to meet funding requirements; and
- (d) arranging for transfer of surplus funds from collection account to placement account for placements;
- 2. provide legal advisory services, which include the following:
 - (a) ensure compliance with all relevant legislation affecting the Issuer or its relevant related corporation;
 - (b) advising on implications and recommending alternatives to ensure compliance with regulatory requirements in respect of new investments, group equity and debt structures; and
 - (c) assisting and advising the applications for licences and permit from governmental or statutory bodies which the Issuer or its relevant related corporation may require;
- 3. assist in company secretarial matters, which include the following:
 - (a) assisting in preparing and filing all the statutory returns of the Issuer or its relevant related corporation as required to be filed with the Companies Commission of Malaysia under the Companies Act;
 - (b) assisting in keeping and maintaining the statutory books, registers and other record of the Issuer or its relevant related corporation as required by the statutory or regulatory provisions for the time being in force and assisting in the performance of all duties and services normally performed by a secretary of a company including nominating a person to act as the secretary of the Issuer or its relevant related corporation, if necessary; and
 - (c) rendering advisory services and providing input to the Management and Board of the Issuer or its relevant related corporation in respect of company secretarial matters;
- 4. assist in tax compliance and provide tax advisory services, which include the following:
 - (a) reviewing the Issuer's or its relevant related corporation's accounts and preparing income tax returns and computations to ensure compliance with the relevant tax legislation;
 - (b) submitting on behalf of the Issuer or its relevant related corporation their tax returns to the Director General of Inland Revenue;
 - (c) advising tax implications in respect of new investments, group equity and debt structures;
 - (d) advising management on tax incentives and the ramifications; and
 - (e) attending to any other taxation matters related to the Issuer or its relevant related corporation from time to time;

5. provide audit and investigatory services which gives reasonable assurance to the Issuer or its relevant related corporation's management and Board of Directors that the Issuer or its relevant related corporation has an effective system of internal controls regarding the achievement of objectives in the following categories:
 - (a) adequacy of internal financial controls;
 - (b) effectiveness and efficiency of operation; and
 - (c) compliance with the Issuer or its relevant related corporation's policies/procedures, applicable laws/regulations or contracts;
6. provide public relation services, which include the following:
 - (a) assisting in organising promotional activities and marketing campaigns; and
 - (b) liaising with the media in respect of publicity events which services may be outsourced by KNSB;
7. provide solutions for business systems and methods, which include the following:
 - (a) developing procedural manuals for the Issuer or its relevant related corporation; and
 - (b) reviewing existing procedures as and when deemed necessary or expedient;
8. provide financial services, which include the following:
 - (a) advising on the compliance of the relevant accounting standards applicable to the Issuer or its relevant related corporation;
 - (b) advising and negotiating on the terms of any credit facility procured by the Issuer or its relevant related corporation;
 - (c) carrying out day-to-day accounting function; and
 - (d) preparing financial statements and ensure timely reporting to management and external parties;
9. provide information technology (IT) services and support, which include the following:
 - (a) providing technical support and maintenance of the Issuer or its relevant related corporation's office automation facilities (e.g. desktops, notebook, printer, projector, blackberry, etc.) and networking infrastructure;
 - (b) providing system administration, system security management,

technical support and maintenance of computer servers;

- (c) providing system engineering and standby support for the data centre facilities used for hosting the Issuer or its relevant related corporation's computer servers and networking equipment; and
- (d) assist in sourcing for proposals/quotation/solutions, conducting technical evaluation and recommending for the purchase of computer hardware, software and networking equipment for office automation infrastructure;

10. provide strategic and commercial advice, which include the following:

- (a) providing strategic and commercial advice and direction when dealing with issues involving customer and original equipment manufacturer;
- (b) providing advice on procurement of strategic parts and major maintenance activities for plant operations;
- (c) providing advice on annual plant insurance renewal programme; and
- (d) providing advice and direction on risk management policies and action plans on key risk identified by management.

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Section 6

Investment Considerations

Each tranche of the ASEAN Sustainability SRI Sukuk will carry different risks and all potential investors are strongly encouraged to evaluate each tranche of the ASEAN Sustainability SRI Sukuk on its own merit. Recipients of this Information Memorandum are advised to independently evaluate the risks described in this section before making an investment decision. The ASEAN Sustainability SRI Sukuk is subject to certain risk factors that could adversely affect, amongst others, the business of the Issuer. The risk factors relating to the ASEAN Sustainability SRI Sukuk and its possible mitigating factors which are summarised below do not purport to be comprehensive or exhaustive and are not intended to be a substitute or replacement for an independent assessment of the risk factors that may affect the ASEAN Sustainability SRI Sukuk. Each investor or prospective investor should carefully conduct his or her independent evaluation of the risks associated with investing in the ASEAN Sustainability SRI Sukuk.

6.1 Considerations Relating to the ASEAN Sustainability SRI Sukuk

6.1.1 Credit Rating

RAM Rating has assigned a preliminary long-term rating of AA2 for the ASEAN Sustainability SRI Sukuk. A rating is not a recommendation to purchase, hold or sell the ASEAN Sustainability SRI Sukuk. There is no assurance that a rating will remain in effect for any given period of time or that a rating will not be downgraded, suspended or withdrawn entirely by RAM Rating in the future, if, in its judgment, circumstances in the future so warrant. Further, such a rating is not a guarantee of repayment or that there will be no default by the Issuer under the ASEAN Sustainability SRI Sukuk. In the event that the rating initially assigned to the ASEAN Sustainability SRI Sukuk is subsequently downgraded, suspended or withdrawn for any reason, no person or entity will be obliged to provide any additional credit enhancement with respect to the ASEAN Sustainability SRI Sukuk. Any downgrading, suspension or withdrawal of a rating may have an adverse effect on the liquidity and market price of the ASEAN Sustainability SRI Sukuk. Any downgrading, suspension or withdrawal of a rating will not constitute an event of default with respect to the ASEAN Sustainability SRI Sukuk or an event by itself that warrants the ASEAN Sustainability SRI Sukuk to be immediately due and payable.

6.1.2 No Prior Market for the ASEAN Sustainability SRI Sukuk

The ASEAN Sustainability SRI Sukuk comprises a new issue of securities for which there is currently no secondary market. There can be no assurance that such secondary market will develop or, if it does develop, that it will provide the Sukukholders with the liquidity of investments or will continue for the tenor of the ASEAN Sustainability SRI Sukuk. If a market develops, the market value of the ASEAN Sustainability SRI Sukuk may fluctuate. Any sale of the ASEAN Sustainability SRI Sukuk by the Sukukholders in any secondary market which may develop may be at a discount from the original issue price of the ASEAN Sustainability SRI Sukuk, depending on many factors, including the prevailing interest rates and the market for similar securities.

6.1.3 Suitability of Investments

Each potential investor in the ASEAN Sustainability SRI Sukuk must determine the suitability of its investment in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the ASEAN Sustainability SRI Sukuk, the merits and risks of investing in the ASEAN Sustainability SRI Sukuk and the information contained in this Information Memorandum;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the ASEAN Sustainability SRI Sukuk and the impact the ASEAN Sustainability SRI Sukuk will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the ASEAN Sustainability SRI Sukuk;
- (iv) understand thoroughly the terms of the ASEAN Sustainability SRI Sukuk and be familiar with the behaviour of any relevant indices and financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic and other factors that may affect its investment and its ability to bear the applicable risks.

6.1.4 Shariah Compliance

Notwithstanding that the Shariah Adviser has provided a Shariah pronouncement on the structure and mechanism of the ASEAN Sustainability SRI Sukuk, case law in Malaysia indicates that the courts in Malaysia may still examine the issue of whether there has been compliance with Shariah and if held to be non-Shariah compliant, the recoverability of the profit element under the ASEAN Sustainability SRI Sukuk may be affected. No assurance is given that the approval of the Shariah Adviser will not be subject to challenge on grounds that the ASEAN Sustainability SRI Sukuk is not Shariah compliant.

6.1.5 Market Risk

The price of the ASEAN Sustainability SRI Sukuk in the secondary market may be influenced by numerous factors, including but not limited to, the political, economic, and any other factors that can affect the capital markets, the industry, the Issuer and/or the Sponsor in general. Adverse economic and financial developments could have a material adverse effect on the market value of the ASEAN Sustainability SRI Sukuk.

6.1.6 Interest Rate Risk

Sukukholders may suffer unforeseen losses due to fluctuations in interest rates. Although the ASEAN Sustainability SRI Sukuk are Islamic securities which do not pay interest, they are similar to fixed income securities and may therefore see their

price fluctuate due to fluctuations in interest rates. Generally, a rise in interest rates may cause a fall in bond prices. The ASEAN Sustainability SRI Sukuk may be similarly affected resulting in a capital loss for the Sukukholders. Conversely, when interest rates fall, bond prices and the prices at which the ASEAN Sustainability SRI Sukuk are traded may rise. Sukukholders may enjoy a capital gain but profit received may be reinvested for lower returns.

6.1.7 Enforcement and realisation

Following the enforcement of the security upon the declaration of an event of default with respect to the ASEAN Sustainability SRI Sukuk, the Security Agent (on behalf of the Sukukholders) will have recourse to the security provided to secure the ASEAN Sustainability SRI Sukuk. The realisation value of the security or any part thereof may be adversely affected by numerous factors, including without limitation, general changes in political and economic conditions, changes in governmental rules and regulations, war or acts of violence and other factors which are beyond the control of the Issuer, the Sponsor, the Security Agent and any person or party involved or interested in the ASEAN Sustainability SRI Sukuk.

No assurance can be given that the Security Agent will be in a position to realise the security provided to secure the ASEAN Sustainability SRI Sukuk for an amount that is sufficient to repay all amounts outstanding in relation to the ASEAN Sustainability SRI Sukuk.

6.1.8 ASEAN Sustainability Bond

RAM Consultancy opined that Edra Solar's ASEAN Sustainability Bonds Framework is aligned to the transparency and disclosure requirements of the ASEAN GBS, the ASEAN SBS, the globally recognised GBP and SBP and the ASEAN Sustainability Bond Standards.

According to the LOLA Guidelines, for an issuance of ASEAN Sustainability Bond, the Issuer must ensure that the issuance of the bonds adopts the standards as prescribed under the ASEAN Sustainability Bond Standards. There are various reporting obligations which the Issuer has to comply with under the ASEAN Sustainability Bond Standards in order for the ASEAN Sustainability SRI Sukuk to retain the term "ASEAN Sustainability" and there is no assurance that the Issuer is able to meet the obligations set out in the ASEAN Sustainability Bond Standards throughout the tenure of the ASEAN Sustainability SRI Sukuk.

6.2 Risks Relating to the Issuer

6.2.1 Issuer's Ability to Meet its Obligations Under the ASEAN Sustainability SRI Sukuk

The Issuer was incorporated in Malaysia on 13 August 2013 and therefore has limited operating history and/or track record. The only activities that the Issuer will engage in are the generation of solar photovoltaic energy from the Facility and other activities incidental or related to the foregoing as required under the Project Documents and the Transaction Documents (as defined in item (u) of the section entitled "*Other terms and conditions – Definitions*" in the PTC). The Issuer will not engage in any other business activity. The Issuer will therefore only be able to pay

any amounts due under the ASEAN Sustainability SRI Sukuk from its income and revenue generated under the Project which is dependent on the strength of its operation of the Project to generate positive cashflow.

Payments of all amounts due and payable in respect of the ASEAN Sustainability SRI Sukuk will be the Issuer's obligation alone and there is no recourse to the Sponsor. The payments of all amounts due and payable in respect of the ASEAN Sustainability SRI Sukuk will be the Issuer's obligation and will not be the obligation or responsibility of the Principal Adviser, the Lead Arranger, the Joint Lead Managers or any of their respective subsidiaries or affiliates, the advisers of the Principal Adviser, the Lead Arranger, the Joint Lead Managers or the Issuer, the Sukuk Trustee, and any other person involved or interested in the transaction envisaged under the ASEAN Sustainability SRI Sukuk. None of such persons will accept any liability whatsoever to the Sukukholders in respect of any failure of the Issuer to pay any amount due in respect of the ASEAN Sustainability SRI Sukuk.

6.2.2 Foreign Exchange Risk

The Issuer faces foreign currency exchange risk as some of the engineering, procurement and construction costs are denominated in USD. The Issuer had entered into hedging arrangements prior to Financial Close at the prevailing forward currency exchange rates for the respective dates that correspond to the payment dates specified in the EPC Contract to lock-in the currency exchange rates and protect the Issuer from adverse fluctuation in the exchange rates arising from any mismatch between the funding currency and the planned cost disbursement currency. The contracted forward currency exchange rate of 3.9692 USD/Ringgit is included in the Bank Case Financial Model. The Issuer had subsequently extended the last forward contract to match with the actual payment timing of the final payment to the EPC Contractor which is contracted at the forward currency exchange rate of 3.9750 USD/Ringgit.

Post Commercial Operation Date, the Issuer faces foreign currency exchange risk as some of the spare parts will be paid in foreign currency. The Issuer may enter into hedging arrangement to mitigate the fluctuation of such foreign currency exchange risk.

6.3 Risks Relating to the Project

6.3.1 Post-Completion Risk

(a) Offtake Risk

Under the PPA, the Issuer will have to sell all the solar photovoltaic energy generated to TNB and thus making TNB the sole offtaker. TNB currently has a monopoly in the transmission and distribution of electricity in Peninsular Malaysia. The risk associated with such monopoly is that the expected revenue stream of the Issuer will depend on the ability of TNB to make timely payments as the Issuer's revenue is principally derived from Energy Payments payable by TNB under the PPA. Therefore, the Issuer bears the risks of depending solely on the credit quality of a single buyer. To the extent that TNB's future power purchase obligations are compromised, there could be a material adverse effect on the Issuer's ability to meet its payment obligations under the ASEAN Sustainability SRI Sukuk.

However, TNB being one of the largest companies listed on Bursa, has consistently enjoyed a stable rating outlook. The table below sets out TNB's credit ratings as published on TNB's website as at <https://www.tnb.com.my/suppliers-investors-media-relations/financial-info>:

Local Rating Agency		International Rating Agency	
	Issuer Rating		Issuer Rating
RAM Rating Services Berhad (RAM)	AAA Stable	Standard & Poor's Rating Services (S&P)	BBB+ Stable
Malaysian Rating Corporation Berhad (MARC)	AAA AAA _{IS} Stable	Moody's Investors Service (Moody's)	A3 Stable

(b) Resource Risk

The Issuer will derive almost all of its revenues from the net electrical output generated by the Facility, whereby TNB is obliged to accept all net electrical output generated by the Facility up to the maximum annual allowable quantity at the energy rate stipulated in the PPA, and any net electrical output exceeding the maximum annual allowable quantity at a lower energy rate, subject to certain exclusions as outlined in Section 5.6.1 "*Power Purchase Agreement*" above. However, the net electrical output generated by the Facility are exposed to resource risk, as solar irradiance is an intermittent resource and may be subject to weather conditions.

The Issuer has applied the P90 energy yield results from the independent energy yield assessment of the Project conducted by the independent technical advisor into the Bank Case Financial Model, which has taken into consideration the parameters such as the site location and altitude, plant configurations, meteorological data, modules and inverters models, shading scene and equipment and system losses. A P90 value indicates that at any given year there is a ninety per cent (90%) probability that the production estimates will be exceeded in any given year. A P90 production number is a conservative estimate of annual production levels and on average two per cent (2%) above the maximum annual allowable quantity stipulated in the PPA for first six (6) years from the Commercial Operation Date and thereafter on average six per cent (6%) below the maximum annual allowable quantity stipulated in the PPA for the Facility.

Overall, the usage of P90 production values, combined with the meteorological data, adequate validation of ground source data in the region moderate the uncertainties with regards to the resource risk for the Facility.

(c) Facility Performance

Under the terms of the PPA, the Issuer is required to meet the declared annual quantity of such contract year. If the total net electrical output delivered by the Facility in a contract year is less than seventy per cent (70%)

of the declared annual quantity of such contract year, the Issuer is liable to pay the non-delivery payment calculated in accordance with the PPA. The abovementioned may occur in the event, for example, the Facility malfunctions or if the sun does not shine enough or some other act of God prevents the Facility from properly functioning.

In addition, the Issuer will not be entitled to Energy Payments for any excess net electrical output generated over and above the level of the maximum annual allowable quantity, although TNB may purchase and accept such excess energy based on the price as set out in the PPA.

Under the EPC Contract, the EPC Contractor has guaranteed certain performance targets at completion. If the EPC Contractor has not achieved the performance criteria for the following measurement periods, the EPC Contractor shall pay the Issuer performance liquidated damages ("**Performance Liquidated Damages**"), as follows:

- (i) Measurement Period 1: at the rate of RM0.50 per kWh, to cover lost revenue during Measurement Period 1; and
- (ii) Measurement Period 2: at the rate of RM5.58 per kWh, based on the net present value of lost revenue during years two (2) to twenty five (25).

The performance liquidated damages are capped at twelve per cent (12.5%) of the EPC Contract price and the Performance Liquidated Damages have to be supported by a performance bond representing twelve per cent (12%) of the EPC Contract price issued by the EPC Contractor, which will be reduced to seven point five per cent (7.5%) of the EPC Contract price as the Commercial Operation Date.

(d) Operations and Maintenance Risk

There are a number of operational factors that can lead to reduced revenue, penalties and/or increased costs to the Issuer. These include, for example, flooding, fluctuating solar irradiation from year to year, unscheduled grid downtime and equipment breakdown.

The Issuer will take out the relevant insurance to insure against the operations and maintenance risks. In addition, for the risks relating to an equipment breakdown, such risks may be mitigated by the equipment warranties procured or to be procured by the EPC Contractor under the EPC Contract from the relevant subcontractor, supplier or equipment supplier (including any original equipment manufacturer) for the various components with the warranties for the corresponding time periods (from the facility provisional acceptance date), as follows:

- (i) module product warranty of twelve (12) years;
- (ii) module performance guarantees for Year 1 (98%), Year 2 (97.25%) and maximum annual allowable quantity of 78,400MWh end of first year from the COD;

- (iii) inverter product warranty of five (5) years;
- (iv) transformer product warranty of two (2) years; and
- (v) solar photovoltaic module structure warranty of two (2) years.

The operations and maintenance of the Facility may be affected from latent damages. To address such risk, the EPC Contractor guarantee against any defects during the latent defect period which shall be for a period of sixty (60) months commencing on the Commercial Operation Date, whereby the EPC Contractor will be under an obligation to make good and complete any defects. For any part or parts repaired, replaced or made good in the last year of the latent defect period, the latent defect period will be extended for a further twelve (12) months but only regarding that part or parts of the Facility (as the case may be) repaired, replaced or made good.

The funds in the Operating Account (as described in the section entitled “*Details of designated accounts, if applicable*” of the PTC) will be utilised for scheduled major maintenance of the Facility in accordance with the annual operating budget.

(e) Force Majeure Risk

If either party is rendered unable by reason of force majeure to perform, wholly or in part, any obligation set out in the PPA, those obligations shall be suspended or excused to the extent their performance is affected by such event.

If a force majeure event affecting the Issuer occurs after the Commercial Operation Date of the Facility, such force majeure event does not relieve TNB of its obligation to make Energy Payments to the Issuer to the extent that the solar photovoltaic energy is delivered to TNB in accordance with the PPA.

On the other hand, if a force majeure event affects TNB occurs after the Commercial Operation Date of the Facility, TNB shall continue to make the non-acceptance payments calculated in accordance with the PPA, to the Issuer, to the extent that the Issuer is capable of delivering solar photovoltaic energy to TNB in accordance with the PPA.

(f) PPA Termination Payment

If TNB terminates the PPA due to an event of default by the Issuer, TNB has the option, but not the obligation to purchase the Project in accordance with the terms of the PPA. For more information on the purchase price of the Project following a termination of the PPA due to an event of default by the Issuer, please refer to Section 5.6.1 of this Information Memorandum under the header “*Consequences of Termination - Event of Default by the Issuer*”.

(g) Adequacy of Insurance Coverage

It is a condition precedent to the issuance of the ASEAN Sustainability SRI Sukuk that the Issuer procures a confirmation from the Independent Insurance Adviser that the insurance/takaful contracts required to be in effect for the operational phase of the Project has been obtained.

However, there can be no assurance that there will be sufficient coverage to adequately protect against interruption to business, generation of revenue, increased expenditure or any other liabilities associated with the business of the Issuer.

6.3.2 Regulatory and Environmental Risks

(a) Generation Licence

Under the Electricity Supply Act, a person who intends to operate a power plant is required to hold an electricity generation licence. The Commission, in issuing such licence, may also impose such conditions as may appear to be requisite or expedient in accordance with the provisions of the Electricity Supply Act. There is no certainty as to the nature of such conditions that may be imposed. Pursuant to the Electricity Supply Act, in the event of a breach of any of such conditions imposed, the Generation Licence may be suspended or revoked by the Commission.

Under the PPA, TNB is entitled to terminate the PPA in accordance with its terms in the event the Generation Licence is suspended or revoked or terminated due to the Issuer's default and the Issuer has not caused the same to be reinstated or renewed within the stipulated remedy period.

(b) Renewal of Licence/Permit Risks

The Issuer will require various approvals, licences, permits and certificates to operate their business and the Facility and will be required to renew these approvals, licences, permits and certificates or to obtain new approvals, licences, permits and certificates. Whilst the Issuer may not have experienced any significant difficulty in renewing and maintaining the approvals, licences, permits and certificates granted, there will not be any assurance that in the future the relevant authorities will issue or renew any required approvals, licences, permits or certificates in a timely manner or at all. Failure to renew, maintain or obtain the required approvals, licences, permits and certificates may interrupt the operations or delay or prevent the implementation of any capacity expansion or other new projects and may have a material adverse effect on the Issuer's business, financial condition and results of operations.

(c) Property

(i) Property Charge

The requirement to create and present a charge over the Project Land for registration in favour of the Security Agent (the "**Land Charge**") is a condition precedent to the issuance of the ASEAN Sustainability SRI Sukuk.

The creation of the Land Charge by the Issuer in favour of the Security Agent will be by way of a memorandum of charge as prescribed under the National Land Code which must be presented for registration at the relevant land registry. Under the National Land Code, once registered, the Property Charge is effective on the date the memorandum of charge was presented for registration at the relevant

land registry provided there are no technical or procedural errors. However, there is a risk that the memorandum of charge may not be registered in favour of the Security Agent due to similar reasons as stated above.

Therefore, there can be no assurance that the Property Charge will be registered in favour of the Security Agent.

(ii) Compulsory Land Acquisition

The Project Land may be subject to a compulsory land acquisition by the Government. If a compulsory land acquisition is made in respect of any or all of the Project Land, this will result in an adverse impact on the Project and accordingly, the ability of the Issuer to meet its obligation to make payments under the ASEAN Sustainability SRI Sukuk.

(d) Environmental and Social Risks

The Issuer, as with all other independent power producers, are subject to environmental legislations, policies and regulations. These include meeting air, water and noise emission standards. The Environmental Quality Act 1974 (“**EQA**”) specifies that an Environmental Impact Assessment (“**EIA**”) is required for “prescribed activities” provided under the EQA. The Project is not a “prescribed activity” under the EQA and therefore, an EIA is not required. The Department of Environment has confirmed in its letter dated 1 January 2015 to the Issuer that it has no objection in relation to the Facility, subject to the terms and conditions stated therein.

However, there can be no assurance that the Issuer can and will continue to comply with all the terms and conditions in the Department of Environment’s letter of no objection. In addition, the standards imposed by the environmental legislations and regulations may change or otherwise result in the increase in costs or losses of or reductions in revenue to the Issuer. Non-compliance of the terms and conditions in the Department of Environment’s letter of no objection and any relevant environmental legislations and regulations could also result in the suspension or revocation of the Generation Licence and/or the imposition of fines.

6.4 General Consideration

6.4.1 Forward Looking Statements

Certain statements, information, estimates and reports in this Information Memorandum are based on historical data, which may not be reflective of the future results, and others are forward-looking in nature, which are subject to uncertainties and contingencies. All forward-looking statements are based on estimates and assumptions made by the Issuer and the Sponsor and although each of the board of directors of the Issuer and the Sponsor believes that these forward-looking statements are reasonable, the statements are nevertheless subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from the future results, performance

or achievements expressed or implied in such forward-looking statements. In light of these and other uncertainties, the inclusion of forward-looking statements in this Information Memorandum should not be regarded as a representation or warranty by the Issuer, the Sponsor or its advisers or arrangers, and there can be no assurance that the plans and objectives will be achieved. A deterioration in the financial condition of the Issuer and the Sponsor could adversely affect the market value of the ASEAN Sustainability SRI Sukuk and the ability of the Issuer or the Sponsor to make payments under Transaction Documents relating to the ASEAN Sustainability SRI Sukuk to which it is a party when due, if at all.

6.4.2 Change in law

The issue of the ASEAN Sustainability SRI Sukuk is based on Malaysian law, tax and administrative practices in effect at the date hereof and have due regard to the expected tax treatment of all relevant statutes under such law and practice. No assurance can be given that Malaysian law, tax or administrative practice will not change after the closing or that such changes will not adversely impact the structure of the transaction and the treatment of the ASEAN Sustainability SRI Sukuk.

6.4.3 Inherent regulatory risk

Regulatory risk is an inherent feature for independent power producers such as the Issuer. Events such as the imposition of an annual windfall profit levy on independent power producers in Peninsular Malaysia and Sabah in 2008 – which had subsequently been abolished – and the Government's sporadic attempts to renegotiate power purchase agreements over the years highlight that the power industry, being a concession-based sector, remains vulnerable to regulatory risk.

6.4.4 Political, Economic and Regulatory Risks

Adverse developments in the political and economic conditions in Malaysia and other countries in the region could materially affect the financial prospects of the Issuer and the Sponsor. Political and economic uncertainties include risks of war, expropriation, nationalisation, re-negotiation or nullification of existing contracts, changes in interest rates and methods of taxation and currency exchange controls.

Investors should note that whilst the Issuer and the Sponsor strive to continue to take effective measures such as prudent financial management and efficient operating procedures, there can be no assurance that adverse political and economic factors will not materially affect the Issuer and the Sponsor.

6.4.5 Draft Contracts

As at the date of this Information Memorandum, the Tenancy Agreement and the O&M Contract have not been executed. There can be no assurance that the Issuer will be able to secure these contracts on favourable terms or at all. The draft Tenancy Agreement is currently pending confirmation from PKKK on the terms and will be executed after Financial Close. The execution of the Tenancy Agreement constitutes part of the conditions subsequent to the issuance of the ASEAN Sustainability SRI Sukuk. The O&M Contract will be executed after Financial Close and its execution constitutes part of the conditions subsequent to the issuance of the ASEAN Sustainability SRI Sukuk.

Section 7

Other Information

7.1 Contingent Liabilities

Other than the banker's guarantee/performance bonds as required under the Project Documents and liabilities incurred in the Issuer's ordinary course of business, the Issuer does not have any contingent liabilities.

7.2 Material Litigation

As at the LPD, there are no legal claims, demands, lawsuits or litigation (including those pending or threatened) by or against the Issuer or any proceedings pending or threatened which might materially and adversely affect the position or business of the Issuer, and in particular, any injunctions, winding up orders, any orders relating to the enforcement of judgments or other remedies which may if granted by the court, effectively cause the Issuer to have to cease all or parts of the Issuer's business.

7.3 Related Party Transactions

As at the LPD, save and except for the O&M Contract to be entered into and the Technical & Management Services Agreement entered into between the Issuer and KNSB, the Issuer confirms that it is not involved in any related party transactions.

To the best of the Issuer's knowledge, the Issuer is not involved in any related party transactions that were not at arm's length.

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Section 8

Economy and Industry Overview

8.1 Economic and Financial Developments in the Malaysian Economy in the Second Quarter of 2019

The Malaysian economy grew at a stronger pace of 4.9% in the second quarter of 2019

Gross domestic product (GDP) registered a higher growth of 4.9% in the second quarter of 2019 (1Q 2019: 4.5%), supported by continued expansion in domestic demand. On a quarter-on-quarter seasonally-adjusted basis, the economy grew by 1.0% (1Q 2019: 1.1%).

Private sector activity remained the key driver of growth

Domestic demand expanded by 4.6% in the second quarter (1Q 2019: 4.4%), supported by firm household spending and slightly higher private investment. Private consumption expanded by 7.8% (1Q 2019: 7.6%), supported by continued income growth and festive spending during the quarter. Selected Government measures, such as the special Aidilfitri assistance and Bantuan Sara Hidup, also provided some lift to overall household spending. After a strong growth in the first quarter of 2019 (6.3%), public consumption expanded marginally by 0.3%, due to lower spending on supplies and services. Growth in gross fixed capital formation (GFCF) registered a smaller contraction of 0.6% (1Q 2019: -3.5%), driven by a slightly higher private investment growth amid a continued decline in public investment. By type of assets, investments in structures turned around to register a positive growth of 1.2% (1Q 2019: -1.3%), reflecting some improvement in the residential property segment. Capital expenditure on machinery and equipment recorded a smaller decline of 4.2% (1Q 2019: -7.4%), following higher spending on information and communications technology (ICT). Private investment expanded at a faster pace of 1.8% (1Q 2019: 0.4%), supported by increased capital spending in the services and manufacturing sectors. Nonetheless, uncertainty surrounding global trade tensions and prevailing weaknesses in the broad property segment continued to weigh on the investment growth performance. Public investment registered a smaller contraction of 9.0% (1Q 2019: -13.2%), mainly reflecting higher fixed asset spending by the Federal Government which partially off set the continued weak investment by public corporations.

Expansion across all economic sectors

The services sector expanded by 6.1% in the second quarter of 2019 (1Q 2019: 6.4%).

Growth in the wholesale and retail trade subsector was relatively sustained across the wholesale, retail and motor vehicle segments amid firm household spending. The finance and insurance subsector was supported by the fee-based income segment following a major initial public offering in the capital market.

Growth in the transport and storage subsector was driven by higher air passenger traffic and port activity in both transshipment and gateway segments. However, growth

in the information and communication subsector moderated following slower demand for data communication services.

Growth in the manufacturing sector registered a marginal improvement at 4.3% (1Q 2019: 4.2%) amid better performance in the domestic-oriented industries. Higher production of motor vehicles mainly reflected strong sales during the festive season. Demand for metal-related materials for existing transport and infrastructure projects supported the higher production within the construction-related cluster. Meanwhile, within the export-oriented industries, the production of electronic components continued to be weighed by weaker global demand, with negative spillovers across the global semiconductor value chain.

Growth in the mining sector rebounded to 2.9% (1Q 2019: -2.1%), the first positive growth since the third quarter of 2017. The turnaround was supported mainly by the recovery in natural gas output following the pipeline disruptions in 2018. This had more than off set the continued drag to growth posed by lower oil production amid the planned facility shutdowns in East Malaysia.

The construction sector registered marginally higher growth at 0.5% (1Q 2019: 0.3%), on account of growth improvements in the residential and special trade subsectors. While the residential subsector registered a smaller contraction, activity remained weak amid the high unsold properties. The higher growth in the special trade subsector was due to end-works activity amid completion of some mixed development projects. The near-completion of a large petrochemical project continued to affect growth in the civil engineering subsector, while the non-residential subsector remained weak amid the oversupply of commercial properties.

In the agriculture sector, growth moderated to 4.2% (1Q 2019: 5.6%) following the decline in fishing and forestry activities as well as the moderation in natural rubber output growth due to the wintering season. This had partially off set the continued recovery in oil palm yields from the adverse weather in 2018.

Headline inflation increased mainly reflecting the lapse in the impact of the GST zerorisation

Headline inflation, as measured by the annual percentage change in the Consumer Price Index (CPI), averaged higher at 0.6% in 2Q 2019 (1Q 2019: -0.3%). The increase mainly reflected the lapse in the impact of the GST zerorisation that was implemented in June 2018. This contributed to the rise in headline inflation in June 2019 to 1.5% (May 2019: 0.2%; April 2019: 0.2%). Fuel inflation recorded a smaller negative largely due to domestic fuel prices averaging higher during the quarter in addition to the base effect (Average RON95 petrol price per litre in 2Q 2019: RM2.08; 1Q 2019: RM2.02). Core inflation, excluding the impact of consumption tax policy changes, was unchanged at 1.6%. Demand-driven inflationary pressures remained broadly stable and contained, amid the absence of excessive wage pressure and some degree of spare capacity in the capital stock.

Stable labour market conditions

During the second quarter, labour market conditions were stable. Employment growth was sustained at 2.1% (1Q 2019: 2.2%) while the unemployment rate remained unchanged at 3.3% (1Q 2019: 3.3%) as employment gains kept pace with labour force expansion during the quarter. Private sector wages grew by 4.2% (1Q 2019: 4.9%), driven by the services sector (4.4%; 1Q 2019: 3.8%) as the wholesale

and retail trade subsector saw a pick-up in wage growth (4.1%; 1Q 2019: 3.3%). However, growth in manufacturing wages were lower (3.9%, 1Q 2019: 7.0%), especially in the export-oriented industries, such as the electrical and electronics (E&E) (5.1%; 1Q 2019: 9.7%) and petrochemical clusters (3.1%; 1Q 2019: 6.7%).

Slight recovery in exports and smaller decline in imports

In the second quarter of 2019, gross exports turned around to register a positive growth of 0.2% (1Q 2019: -0.7%). This was supported by the rebound in commodities exports amid sustained manufactured exports. The trade surplus remained sizeable, albeit narrower at RM30.1 billion (1Q 2019: RM37.0 billion). Manufactured export growth was sustained at 0.3% (1Q 2019: 0.3%) as higher non-E&E exports helped off set the contraction in E&E exports. The improvement in non-E&E exports (0.9%; 1Q 2019: -2.5%) was attributed to higher demand for both resource-based and non-resource based exports including iron & steel and chemicals & chemicals products. In contrast, E&E exports declined by 0.4% (1Q 2019: 3.7%) on account of lower demand from People's Republic of China due in part to the ongoing trade tensions. Commodities exports rebounded to 0.8% (1Q 2019: -3.7%), supported by LNG and palm oil exports. Imports recorded a smaller decline of -1.2% (1Q 2019: -2.5%) on account of higher intermediate and consumption imports. Intermediate imports (7.5%; 1Q 2019: 0.0%) were driven by higher crude petroleum imports to cater for refinery activities. Capital imports recorded a smaller contraction due to a lower drag from machinery and equipment investments.

Current account surplus remained sizeable

The current account surplus of the balance of payment remained sizeable at RM14.3 billion or 3.9% of gross national income (GNI) in the second quarter of 2019 (1Q 2019: RM16.4 billion or 4.7% of GNI). This was due to higher investment income earned by Malaysian firms abroad which partly off set the lower goods surplus. As the improvement in import growth outpaced export growth, the goods surplus narrowed to RM28.1 billion (1Q 2019: RM33.8 billion). The primary income account registered a smaller deficit of RM5.5 billion (1Q 2019: -RM10.1 billion) due to the increase in investment income earned by Malaysian firms abroad, particularly from direct and portfolio investments. These investments were mainly in the finance and insurance, mining, information and technology sectors. This development more than off set the increase in investment income accrued to foreign direct investors and foreign portfolio investors in publicly-listed firms. In the services account, the deficit widened to RM3.4 billion (1Q 2019: -RM1.8 billion). This was attributable to higher net payments to foreign providers for transport and insurance services, in line with higher trade activity during the quarter. The travel account surplus narrowed to RM7.1 billion (1Q 2019: RM7.9 billion) on account of lower tourist per capita spending. The secondary income account deficit amounted to RM4.9 billion (1Q 2019: -RM5.5 billion), reflecting mainly outward remittances by foreign workers.

Financial account registered a net outflow

The financial account registered a net outflow of RM18.6 billion (1Q 2019: -RM13.8 billion), following outflows in the direct investment and portfolio investment accounts. These outflows have more than off set the marginal net inflow in the other investment account during the quarter.

The direct investment account registered a net outflow of RM8.2 billion (1Q 2019: net inflow of RM16.3 billion). Foreign direct investments (FDI) registered a smaller net

inflow of RM4.4 billion (1Q 2019: net inflow of RM21.7 billion). Inflows were channelled mainly into the services and manufacturing sectors. Direct investments abroad (DIA) by Malaysian companies registered a larger net outflow of RM12.6 billion (1Q 2019: net outflow of RM5.5 billion). DIA was channelled mainly into the services sector, particularly the financial services subsector and the accommodation and food services subsector, followed by the mining sector.

The portfolio investment account registered a net outflow of RM10.2 billion (1Q 2019: net inflow of RM2.1 billion), following a reversal of non-resident portfolio investments. Non-resident portfolio investments recorded a net outflow of RM5.1 billion during the quarter (1Q 2019: +RM13.5 billion). Following increased risk aversion and more cautious sentiments, non-resident investors pared down holdings in both the domestic equity and debt markets. At the same time, residents' portfolio investments abroad also recorded a smaller net outflow of RM5.0 billion (1Q 2019: -RM11.4 billion).

The other investment account recorded a marginal net inflow of RM0.3 billion (1Q 2019: -RM31.9 billion). This reflected inter-bank borrowings by the domestic banking system, which were almost entirely off set by interbank placements abroad and a net repayment of loans and trade credits by the private sector. Net errors and omissions amounted to RM2.9 billion, or 0.6% of total trade.

Manageable external debt

Malaysia's external debt amounted to RM931.1 billion, or 61.3% of GDP as at end-June 2019 (end-March 2019: RM903.7 billion or 59.5% of GDP). The increase reflects mainly the net drawdown of interbank borrowings and intercompany loans. There was also revaluation adjustment from the weaker ringgit against regional and major currencies during the period. These were partially off set by some liquidation of domestic debt securities and withdrawal of deposits by non-residents.

The country's external debt remains manageable, given its currency and maturity profiles, and the presence of large external assets. Close to one-third of external debt is denominated in ringgit (31.7%; end-March 2019: 32.7%), mainly in the form of non-resident holdings of domestic debt securities (61.7% share of ringgit-denominated external debt) and in ringgit deposits (18.0% share) in domestic banking institutions. As such, these liabilities are not subject to valuation changes from the fluctuations in the ringgit exchange rate.

The remaining external debt of RM636.1 billion or 68.3% of total external debt is denominated in foreign currency (FC). As at end-June 2019, off shore borrowings increased to RM580.5 billion or 38.2% of GDP (end-March: RM546.9 billion or 36.0% of GDP). The corporate sector accounted for slightly more than half of FC-denominated external debt and are largely subject to prudential and hedging requirements.

By instrument, 36.9% (or RM234.9 billion) of FC-denominated external debt are accounted by interbank borrowings and FC deposits in the domestic banking system. 78.3% of the interbank borrowings are in the form of largely stable intragroup borrowings from related offices abroad, including parent banks, regional offices and subsidiaries. This reflects banks' centralised liquidity and funding management practices.

During the quarter, banks' FC-denominated short-term external debt increased by RM20.6 billion driven by higher interbank borrowings. This was largely attributable to parent bank placements with foreign banks' in Malaysia (including banks in Labuan International Banking and Financial Centre (LIBFC)) to facilitate lending and investment activities. Funds received by foreign LIBFC banks were largely invested abroad with non-resident clients, a reflection of LIBFC banks' 'out-out' business activities. For locally-incorporated foreign banks, intragroup funds continue to be primarily used for short-term investments and lending in the domestic interbank market. Domestic banking groups accounted for the remaining increase in interbank borrowings reflecting their central role in managing liquidity and funding needs on a group-wide basis. In line with these developments, banks' total external assets also increased during the quarter by RM22.8 billion.

Overall, banks' funding and liquidity risks continue to be proactively managed via robust internal controls and policies, including internal limits on (i) interbank borrowings; (ii) foreign currency funding and liquidity positions; and (iii) foreign exchange market risk exposures. Foreign-currency risk, measured in terms of the net open position of FC-denominated exposures remained low at 4.9% of banks' total capital.

Long-term bonds and notes issued off shore stood at RM161.7 billion as at end-June 2019, accounting for 25.4% of total FC-denominated external debt. These were mainly by non-financial corporations and channelled primarily to finance asset acquisitions abroad. Intercompany loans, which amount to RM110.5 billion and account for 17.4% of FC-denominated external debt, are typically on flexible and concessionary terms. About 80% of these intercompany loans were obtained by multinational corporations (MNCs) from parent or affiliate companies abroad.

From a maturity perspective, 58.3% of the total external debt is skewed towards medium- to long-term tenure (end-March: 59.2%), suggesting limited rollover risks. Short-term external debt accounted for the remaining 41.7% of external debt. While rollover risks may be inherent, this is well contained. Close to half of the short-term external debt are intragroup borrowings among banks and corporations which are generally stable, while another 11% are accounted by trade credits, largely backed by export earnings. As at 31 July 2019, international reserves stood at USD103.9 billion, sufficient to finance 7.6 months of retained imports, and is 1.1 time the short-term external debt.

Of significance, reserves are not the only means for banks and corporations to meet their external obligations. The progressive liberalisation of foreign exchange administration rules has resulted in significant increase in non-reserves external assets. In particular, banks and corporations held roughly three-quarters of Malaysia's RM1.8 trillion external assets, which can be drawn down to meet their RM728.3 billion external debt obligations. While the flexible exchange rate remains the first line of defence, adequate international reserves and availability of substantial foreign currency external assets by banks and corporations continue to serve as important buffers against potential external shocks.

(Source: Bank Negara Malaysia's Quarterly Bulletin for Second Quarter 2019)

Section 9

Potential Conflict of Interest

A. OCBC AL-AMIN BANK BERHAD

To the best of its knowledge, OCBC Al-Amin Bank Berhad as the Principal Adviser, the Lead Arranger, the Joint Lead Manager, the Facility Agent, the Security Agent and the Shariah Adviser for the ASEAN Sustainability SRI Sukuk, is not aware of any conflict of interest situation arising from its respective roles for the ASEAN Sustainability SRI Sukuk.

B. STANDARD CHARTERED SAADIQ BERHAD

As at the date of this Information Memorandum and to the best of its knowledge, Standard Chartered Saadiq Berhad is not aware of any conflict of interest situation arising from its role as Joint Lead Manager for the ASEAN Sustainability SRI Sukuk.

However, should there be any conflict of interest that may arise from the above, the following measures are in place and/or will be taken:

- (i) Standard Chartered Saadiq Berhad is a licensed bank and its appointment as a Joint Lead Manager in relation to the ASEAN Sustainability SRI Sukuk is in the ordinary course of its business;
- (ii) the conduct of Standard Chartered Saadiq Berhad is regulated strictly by the Islamic Financial Services Act 2013 (as amended from time to time), the CMSA and by its own internal controls and checks;
- (iii) a due diligence review pursuant to the ASEAN Sustainability SRI Sukuk has been or will be undertaken together with other independent professional advisers; and
- (iv) the role of Standard Chartered Saadiq Berhad as a Joint Lead Manager in relation to the ASEAN Sustainability SRI is governed by the relevant Transaction Documents for the ASEAN Sustainability SRI Sukuk which sets out such role of Standard Chartered Saadiq Berhad.

Further, notwithstanding the above, the board of directors of the Issuer has confirmed the above arrangement and is agreeable to proceed with the issuance and offering of the ASEAN Sustainability SRI Sukuk in accordance with the above arrangement.

C. MESSRS ADNAN SUNDRA & LOW

To the best of its knowledge, Adnan Sundra & Low is not aware of any conflict of interest situation arising from its role as the solicitors for the Principal Adviser, the Lead Arranger and the Joint Lead Managers for the ASEAN Sustainability SRI Sukuk.

D. MESSRS RAHMAT LIM & PARTNERS

To the best of its knowledge, Rahmat Lim & Partners is not aware of any conflict of interest situation arising from its role as the solicitors for the Issuer for the ASEAN Sustainability SRI Sukuk.

E. UNIVERSAL TRUSTEE (MALAYSIA) BERHAD

To the best of its knowledge, Universal Trustee (Malaysia) Berhad is not aware of any conflict of interest situation arising from its role as the Sukuk Trustee for the ASEAN Sustainability SRI Sukuk.

F. JARDINE LLOYD THOMPSON SDN BHD

To the best of its knowledge, Jardine Lloyd Thompson Sdn Bhd is not aware of any conflict of interest situation arising from its role as the Independent Insurance Adviser for the ASEAN Sustainability SRI Sukuk.

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APPENDIX 1

Bank Case Financial Model

APPENDIX 2

Assumptions of Bank Case Financial Model

Principal Assumptions

The Bank Case Financial Model, which has been approved by the directors of the Issuer, have been prepared using a set of assumptions that include hypothetical assumptions about future events and management actions which cannot be confirmed and verified in the same way as past results and that are not necessarily expected to occur. Actual results may be different from the prospective financial information since anticipated events frequently do not occur as expected and the variation could be material.

Bank Case Financial Model is subject to business, economic and competitive uncertainties and unexpected events, many of which are beyond the control of the Issuer and its directors. Also, events and circumstances often do not occur as anticipated and therefore actual results are likely to differ from the projections, and the differences may be material and therefore should not be relied upon as showing financial outcomes that are likely to occur in practice.

(i) Project Costs assumptions

1. The construction work of the Project was commenced on 27 March 2018 and completed on 24 February 2019.
2. The total Project Costs are fully funded using the following sources of funds:

Source of Funds	RM' million
Ordinary Share Capital	32
Shareholder's Advances/Loan	280
Project Cash Flows	3
Total	315

(ii) Financing assumptions

1. The proposed issuance of the ASEAN Sustainability SRI Sukuk of up to RM245 million in nominal value by the Issuer to partly finance the Facility in Kuala Ketil, Kedah will be lodged with the SC and drawdown of RM245 million will be received by August 2019.
2. The shareholder's advances of up to RM245 million will be repaid in 2019 using the proceeds from the ASEAN Sustainability SRI Sukuk.

3. The repayments of the ASEAN Sustainability SRI Sukuk of up to RM245 million in nominal value are as follows:

Tranche	Principal repayment	Maturity Date
	RM'000	
1	10,000	August 2020
2	20,000	August 2022
3	30,000	August 2024
4	30,000	August 2026
5	35,000	August 2029
6	35,000	August 2031
7	35,000	August 2034
8	50,000	August 2037
Total	245,000	

4. The weighted average profit rates for the ASEAN Sustainability SRI Sukuk is 5.54% per annum.
5. Profit payments on the ASEAN Sustainability SRI Sukuk are payable semi-annually in February and August each year.

(iii) Revenue assumptions

- The electricity generation is assumed to achieve P90 energy yield results based on 25-year uncertainty and the monthly energy generation profile provided by the independent technical advisor in the Technical Due Diligence Report dated 19 July 2019.
- Energy production is assumed at maximum annual allowable limit with an annual degradation rate of 0.75% from second year onwards.
- Receivables turnover days is assumed to be 30 days throughout the projected period.

(iv) Operating costs assumptions

The operating expenses consist of fixed operating costs and variable operating costs.

1. Fixed Operating Costs

Fixed operating costs comprise of operation and maintenance costs, inverter maintenance costs, insurance, administrative costs, staff costs and independent advisers' monitoring costs. Contingency of two point five percent (2.5%) of the sum of administrative and staff costs are assumed throughout the projected period.

2. Variable Operating Costs

Variable operating costs comprise of auxiliary electricity consumption costs and water costs.

3. All operating costs incurred throughout the projected period are to be paid in the respective period.

(vi) Investing assumptions

1. Cash in the Maintenance Reserve Account will earn interest at a rate of 3.08% per annum. Interest is received in the same year.

(vii) Reserve Accounts

1. The Issuer shall maintain therein a minimum amount of RM5,078,592.00 in the Maintenance Reserve Account which will be built up on monthly basis commencing from the next immediate calendar month after issue date of the ASEAN Sustainability SRI Sukuk until December 2023.
2. The Issuer shall maintain at all times a minimum balance in the Financial Service Reserve Account equivalent to the amount of the profit and principal payment(s) due in the next six (6) months commencing from the issue date of the ASEAN Sustainability SRI Sukuk. In compliance with this requirement, a standby letter of credit is assumed to guarantee the Financial Service Reserve Account minimum balance at all times. The cost of the standby letter of credit is assumed to be one percent (1%) per annum.

(viii) Tax assumptions

1. The Issuer will not be enjoying the Approved Services Project status tax incentive in respect of its income (specifically the Issuer's income is subject to the purview of the Income Tax Act 1967). However, it is assumed that the Issuer will be entitled for the investment tax allowance up to 70% of its statutory income.
2. The Issuer is subject to an income tax rate of 24% throughout the projected period.
3. Capital allowance or industrial building allowance will be claimed as follows:

Categories	Initial Allowance rate	Annual Allowance rate
Industrial Building	10%	3%
Plant and machinery	20%	14%

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APPENDIX 3

Overview of the Site



APPENDIX 4

Edra Solar's ASEAN Sustainability Bonds Framework

APPENDIX 5

Second Opinion

APPENDIX 6

Edra Solar's Audited Financial Statements for the Financial Period Ended 31 December 2018

ISSUER

Edra Solar
(Company No. 1057995-U)
Level 43, Menara Maxis
Kuala Lumpur City Centre
50088 Kuala Lumpur

PRINCIPAL ADVISER / LEAD ARRANGER

OCBC Al-Amin Bank Berhad
(Company No. 818444-T)
Level 13, Menara OCBC
18, Jalan Tun Perak
50050 Kuala Lumpur

JOINT LEAD MANAGERS

OCBC Al-Amin Bank Berhad
(Company No. 818444-T)
Level 13, Menara OCBC
18, Jalan Tun Perak
50050 Kuala Lumpur

Standard Chartered Saadiq Berhad
(Company No. 823437-K)
Level 23, Equatorial Plaza
Jalan Sultan Ismail
50250 Kuala Lumpur

SHARIAH ADVISER

OCBC Al-Amin Bank Berhad
(Company No. 818444-T)
Level 13, Menara OCBC
18, Jalan Tun Perak
50050 Kuala Lumpur

FACILITY AGENT / SECURITY AGENT

OCBC Al-Amin Bank Berhad
(Company No. 818444-T)
Level 13, Menara OCBC
18, Jalan Tun Perak
50050 Kuala Lumpur

SUKUK TRUSTEE

Universal Trustee (Malaysia) Berhad
(Company No. 17540D)
No 1, 3rd Floor, Jalan Ampang
50450 Kuala Lumpur

**SOLICITORS TO THE PRINCIPAL ADVISER,
LEAD ARRANGER AND THE JOINT LEAD
MANAGERS**

Adnan Sundra & Low
Level 11, Menara Olympia
No. 8, Jalan Raja Chulan
50200 Kuala Lumpur

SOLICITORS TO THE ISSUER

Rahmat Lim & Partners
Suite 33.01, Level 33.01
The Gardens North Tower
Lingkar Syed Putra, Mid Valley City
59200 Lingkar Syed Putra
Kuala Lumpur