

STRICTLY PRIVATE & CONFIDENTIAL

INFORMATION MEMORANDUM

STARBRIGHT CAPITAL BERHAD

(Registration No. 201901038957)

(1348287-D)

**Proposed Issuance of Medium Term Notes of up to RM700.0
Million in Nominal Value Under an Asset-Backed Securitisation
Exercise**

LEAD ARRANGER/ LEAD MANAGER



CIMB INVESTMENT BANK BERHAD

(REGISTRATION No. 197401001266)

(18417-M)

This Information Memorandum is dated 11 December 2019

STRICTLY CONFIDENTIAL – DO NOT FORWARD

E-DISCLAIMER

ATTACHED IS AN ELECTRONIC COPY OF THE INFORMATION MEMORANDUM DATED 11 DECEMBER 2019 (“INFORMATION MEMORANDUM”), IN CONNECTION WITH THE PROPOSED ISSUANCE OF MEDIUM TERM NOTES OF UP TO RM700.0 MILLION IN NOMINAL VALUE UNDER AN ASSET-BACKED SECURITISATION EXERCISE BY STARBRIGHT CAPITAL BERHAD (REGISTRATION NO. 201901038957 (1348287-D)) (“ISSUER”).

BY OPENING AND ACCEPTING THIS ELECTRONIC TRANSMISSION CONTAINING THE INFORMATION MEMORANDUM, THE RECIPIENT AGREES TO BE BOUND BY ALL THE TERMS AND CONDITIONS BELOW. IF YOU DO NOT AGREE TO ANY OF THE TERMS AND CONDITIONS, PLEASE DELETE THIS ELECTRONIC TRANSMISSION IMMEDIATELY.

THIS INFORMATION MEMORANDUM IS STRICTLY CONFIDENTIAL AND ANY DISTRIBUTION OF THIS INFORMATION MEMORANDUM WITHOUT THE PRIOR CONSENT OF THE ISSUER, THE PRINCIPAL ADVISER, THE LEAD ARRANGER AND THE LEAD MANAGER IS UNAUTHORISED. THE PERSON RECEIVING THIS ELECTRONIC TRANSMISSION FROM THE ISSUER, THE PRINCIPAL ADVISER, THE LEAD ARRANGER, THE LEAD MANAGER AND ITS/THEIR RESPECTIVE AGENTS IS PROHIBITED FROM DISCLOSING THIS INFORMATION MEMORANDUM, ALTERING THE CONTENTS OF THIS INFORMATION MEMORANDUM OR FORWARDING A COPY OF THIS INFORMATION MEMORANDUM OR ANY PORTION THEREOF BY ELECTRONIC MAIL OR OTHERWISE TO ANY PERSON.

THIS INFORMATION MEMORANDUM IS NOT A PROSPECTUS AND HAS NOT BEEN REGISTERED NOR WILL IT BE REGISTERED AS A PROSPECTUS UNDER THE CAPITAL MARKETS AND SERVICES ACT 2007 AS AMENDED FROM TIME TO TIME (“CMSA”). AT ISSUANCE, THE MTNs MAY ONLY BE OFFERED, SOLD, TRANSFERRED OR OTHERWISE DISPOSED DIRECTLY OR INDIRECTLY TO A PERSON WHO FALLS WITHIN THE CATEGORIES AS DESCRIBED UNDER THE SELLING RESTRICTIONS AS PROVIDED IN THE IMPORTANT NOTICE OF THIS INFORMATION MEMORANDUM.

THIS TRANSMISSION SHALL NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY NOR SHALL THERE BE ANY SALE OF THE MTNs IN ANY JURISDICTION IN WHICH SUCH OFFER, SOLICITATION OR SALE WOULD BE UNLAWFUL UNDER THE LAWS OF SUCH JURISDICTIONS.

TRANSMISSION OVER THE INTERNET MAY BE SUBJECT TO INTERRUPTIONS, TRANSMISSION BLACKOUT, DELAYED TRANSMISSION DUE TO INTERNET TRAFFIC, INCORRECT DATA TRANSMISSION DUE TO THE PUBLIC NATURE OF THE INTERNET, DATA CORRUPTION, INTERCEPTION, UNAUTHORISED AMENDMENT, TAMPERING, VIRUSES OR OTHER TECHNICAL, MECHANICAL OR SYSTEMIC RISKS ASSOCIATED WITH INTERNET TRANSMISSIONS. THE ISSUER, THE PRINCIPAL ADVISER, THE LEAD ARRANGER AND THE LEAD MANAGER OR ITS/THEIR RESPECTIVE AGENTS HAVE NOT ACCEPTED AND WILL NOT ACCEPT ANY RESPONSIBILITY AND/OR LIABILITY FOR ANY SUCH INTERRUPTION, TRANSMISSION BLACKOUT, DELAYED TRANSMISSION, INCORRECT DATA TRANSMISSION, DATA CORRUPTION, INTERCEPTION, AMENDMENT, TAMPERING OR VIRUSES OR ANY CONSEQUENCES THEREOF WHICH MAY RESULT IN A DIFFERENCE BETWEEN THE INFORMATION MEMORANDUM DISTRIBUTED TO YOU IN ELECTRONIC FORMAT AND THE HARD COPY VERSION AVAILABLE TO YOU ON REQUEST FROM US.

THE FOREGOING IS IN ADDITION TO AND WITHOUT PREJUDICE TO ALL OTHER DISCLAIMERS AND AGREEMENTS WHICH A RECIPIENT OF THIS INFORMATION MEMORANDUM SHALL BE DEEMED TO HAVE AGREED TO OR BE BOUND BY AS PROVIDED IN THIS INFORMATION MEMORANDUM.

IMPORTANT NOTICE

Responsibility Statements

This information memorandum (“**Information Memorandum**”) has been approved by the directors of the Issuer (as defined in this Information Memorandum) and they collectively and individually accept full responsibility for the accuracy of the information and confirm that, after having made all reasonable enquiries, and to the best of their information and belief, there are no false or misleading statements or other facts the omission of which would make any statement in this Information Memorandum false or misleading and there is no material omission in this Information Memorandum.

The opinions and intentions expressed in this Information Memorandum in relation to the Issuer are honestly held, have been reached after considering all relevant circumstances and are based on reasonable assumptions and there are no other facts in relation to the Issuer or the issuance of MTNs (as defined in this Information Memorandum) the omission of which would, in the context of any issuance of MTNs, make any statement in this Information Memorandum misleading in any material respect and all reasonable enquiries have been made by the Issuer to ascertain such facts and to verify the accuracy of all such information and statements. No representation or warranty, expressed or implied, is made such that the information remains unchanged in any respect as of any date or dates after those stated herein, with respect to any matter concerning the Issuer or any statement made in this Information Memorandum. The Issuer and its board of directors accept full responsibility for the information contained in this Information Memorandum.

The directors of Sungai Harmoni Sdn. Bhd. (“**Originator**” or “**Sungai Harmoni**”) are responsible for all information relating to Sungai Harmoni, including all information and data relating to the Receivables (as defined in this Information Memorandum) and the Settlement Agreement (as defined in this Information Memorandum), and confirm that, after having made all reasonable enquiries, and to the best of their information and belief, there are no false or misleading statements or omission of other facts which would make any information in relation to Sungai Harmoni in this Information Memorandum false or misleading and, in respect of such information, there is no material omission in this Information Memorandum.

General Statement of Disclaimer

The Issuer has authorised the Lead Manager (as defined in this Information Memorandum) to distribute this Information Memorandum on a confidential basis to potential investors to whom an issue, offer or invitation to subscribe or purchase the MTNs would constitute, where relevant:- (a) at the point of issuance of the MTNs, an excluded issue, excluded offer or excluded invitation under Part 1 of Schedule 6 (or section 229(1)(b)) and Part 1 of Schedule 7 (or Section 230(1)(b)), read together with Schedule 9 (or section 257(3)) of the CMSA (as defined in this Information Memorandum); and (b) after the issuance of the MTNs, an excluded offer or excluded invitation under Part 1 of Schedule 6 (or section 229(1)(b)) read together with Schedule 9 (or section 257(3)) of the CMSA, for the sole purpose of assisting them to decide whether to subscribe for or purchase the MTNs. This Information Memorandum may not be, in whole or in part, reproduced or used for any other purpose, or shown, given, copied to or filed with any other person including, without limitation, any government or regulatory authority except with the prior written consent of the Issuer or as required under Malaysian laws, regulations or guidelines.

No representation or warranty, express or implied, is given or assumed by the Principal Adviser/ Lead Arranger/ Lead Manager as to the authenticity, origin, validity, accuracy or completeness of information and data contained in this Information Memorandum or that the information or data remains unchanged in any respect after the relevant date shown in this Information Memorandum. The Principal Adviser / Lead Arranger/ Lead Manager has not accepted and will not accept any responsibility for the information and data contained in this Information Memorandum or otherwise in relation to the issuance of the MTNs and shall not be liable for any consequences of reliance on any of the information or data in this Information Memorandum, except as provided by Malaysian laws. No person is authorised to give any information or data or to make any representation or warranty other than as contained in this Information Memorandum and, if given or made, any such information, data, representation or warranty must not be relied upon as having been authorised by the Issuer, the Principal Adviser/ Lead Arranger/ Lead Manager or any other person.

This Information Memorandum has not been and will not be made to comply with the laws of any Foreign Jurisdiction (as defined in this Information Memorandum), and has not been and will not be lodged, registered or approved pursuant to or under any legislation of (or with or by any regulatory authorities or other relevant bodies of) any Foreign Jurisdiction and it does not constitute an issue or offer of, or an invitation to apply for, the MTNs or any other securities of any kind by any party in any Foreign Jurisdiction.

The distribution or possession of this Information Memorandum in or from certain jurisdictions may be restricted or prohibited by law. Each recipient is required by the Issuer, the Principal Adviser/ Lead Arranger/ Lead Manager to seek appropriate professional advice regarding, and to observe, any such restriction or prohibition. Neither the Issuer, the Principal Adviser/ Lead Arranger/ Lead Manager accepts any responsibility or liability to any person in relation to the distribution or possession of this Information Memorandum in or from any such Foreign Jurisdiction. This Information Memorandum is not and is not intended to be a prospectus.

By accepting delivery of this Information Memorandum, each recipient agrees to the terms upon which this Information Memorandum is provided to such recipient as set out in this Information Memorandum, and further agrees and confirms that (a) it will keep confidential all of such information and data, (b) it is lawful for the recipient to subscribe for or purchase the MTNs under all jurisdictions to which the recipient is subject, (c) the recipient has complied with all applicable laws in connection with such subscription or purchase of the MTNs, (d) the Issuer, the Principal Adviser/ Lead Arranger/ Lead Manager and their respective directors, officers, employees and professional advisers are not and will not be in breach of the laws of any jurisdiction to which the recipient is subject as a result of such subscription or purchase of the MTNs by the recipient, and they shall not have any responsibility or liability in the event that such subscription or purchase of the MTNs by the recipient is or shall become unlawful, unenforceable, voidable or void, (e) it is aware that the MTNs can only be offered, sold, transferred or otherwise disposed of directly or indirectly in accordance with the relevant selling restrictions and all applicable laws, (f) it has sufficient knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of subscribing or purchasing the MTNs, and is able and is prepared to bear the economic and financial risks of investing in or holding the MTNs, (g) it is subscribing or accepting the MTNs for its own account, (h) it is a person to whom an issue, offer or invitation to subscribe or purchase the MTNs would constitute, where relevant:- (i) at the point of issuance of the MTNs, an excluded issue, excluded offer or excluded invitation under Part 1 of Schedule 6 (or section 229(1)(b)) and Part 1 of Schedule 7 (or section 230(1)(b)) read together with Schedule 9 (or section 257(3)) of the CMSA; and (ii) after the issuance of the MTNs, an excluded offer or excluded invitation under Part 1 of Schedule 6 (or section 229(1)(b)) read together with Schedule 9 (or section 257(3)) of the CMSA and (i) the making of this disclosure and general statement of disclaimer does not impose any continuing duty to update or provide any information from time to time or at any time except as specifically provided by law. Each recipient is solely

responsible for seeking all appropriate expert advice as to the laws of all jurisdictions to which it is subject. For the avoidance of doubt, this Information Memorandum shall not constitute an offer or invitation to subscribe for or purchase the MTNs in relation to any recipient who does not fall within item (h) above.

This Information Memorandum is not, and should not be construed as, a recommendation by the Issuer, the Principal Adviser/ Lead Arranger/ Lead Manager or any other party to the recipient to subscribe for or purchase the MTNs. This Information Memorandum is not a substitute for, and should not be regarded as, an independent evaluation and analysis. Each recipient should perform and is deemed to have made its own independent investigation and analysis of the Issuer, the MTNs and all other relevant matters, and each recipient should consult its own professional financial, legal, tax and other appropriate professional advisers.

The MTNs are direct, unconditional and secured obligations of the Issuer and shall at all times, rank pari passu without discrimination, preference or priority amongst themselves and at least pari passu with all other present and future unsecured obligations of the Issuer, subject to those preferred by law or the Transaction Documents (as defined in this Information Memorandum). The liability of the Issuer to make coupon payments and principal payments on the MTNs are limited to the assets of the Issuer available for this purpose in accordance with and subject to the priority of payments as set out in the Trust Deed (as defined in this Information Memorandum). Once the security has been exhausted and there are still obligations of the Issuer that remain outstanding, the outstanding obligations shall be deemed extinguished and the MTN Holders (as defined in this Information Memorandum) shall be deemed to agree that they shall not have any legal rights as against the Issuer and accordingly, they shall not be entitled to file a petition for or institute or join any other person in instituting proceedings for the reorganisation, liquidation, winding-up or receivership of the Issuer or other similar proceedings under any applicable laws. The Originator does not in any way stand behind the MTNs, except to the extent specified in the Transaction Documents.

This Information Memorandum includes certain historical information, estimates, projections or reports thereon derived from sources mentioned in this Information Memorandum and other parties with respect to the Malaysian economy, the local financial industry and certain other matters derived from sources. Such information, estimates, projections or reports have been included solely for illustrative purposes. No representation or warranty is made as to the accuracy or completeness of any information, estimate and projection or report thereon derived from such and other third party sources.

This Information Memorandum also includes “forward-looking statements” in so far as the forecast, projections and/or estimates of available cashflow are concerned and on other matters. These forecasts, projections and/or estimates and the related assumptions, while believed to be reasonable, are subject to risks and uncertainties that may cause the actual cashflow, event or result to be materially different from such forecast, projections and/or estimates. In light of this, the inclusion of forward-looking statements in this Information Memorandum should not be regarded as a representation or warranty by the Issuer or any other party that such forecast, projections and/or estimates or other forward-looking statements will be ultimately realised.

The Issuer, the Originator, the Principal Adviser/ Lead Arranger/ Lead Manager and certain other parties referred to in this Information Memorandum are companies limited by shares incorporated under the Companies Act 1965 (save for the Issuer which was incorporated under the Companies Act 2016), as amended from time to time. Any legal action arising out of or in connection with the issuance of the MTNs must be brought in the courts in Malaysia. In addition, any party seeking to take any legal action against such companies or persons outside Malaysia will have to establish that a court outside Malaysia has jurisdiction in respect of such action and, even if such court decides that it has the relevant jurisdiction, it may be

difficult for that party to effect service of process outside Malaysia or to enforce judgements obtained from such court predicated upon such liability provisions of laws of foreign countries.

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. Where this Information Memorandum contains or refers to a summary of a document or agreement, the summary is not meant to be exhaustive and potential investors should refer to or read the document or agreement in its entirety.

Statements of Disclaimer – Securities Commission Malaysia (“SC”)

This Information Memorandum will be deposited and/or lodged with the SC in accordance with the CMSA. The SC takes no responsibility for the contents of this Information Memorandum.

The lodgement pursuant to the LOLA Guidelines (as defined herein) in relation to the proposed issuance of the MTNs has been made with the SC on 11 December 2019 (“**SC Lodgement**”) once the terms and conditions of the issuance of the MTNs has been finalised.

The issue, offer or invitation in relation to the MTNs in this Information Memorandum or otherwise is subject to the SC Lodgement and the fulfilment of various conditions precedent including without limitation the execution of the agreements relating to the Transaction (as defined in this Information Memorandum) and 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 (updated and effective on 15 June 2015 and revised on 26 November 2019) (“**LOLA Guidelines**”) in relation to the proposed issuance of the MTNs with the SC and each recipient of this Information Memorandum acknowledges and agrees that the lodgement with the SC shall not be taken to indicate that the SC recommends the subscription or purchase of the MTNs.

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

EACH TRANCHE OF THE MTNs WILL CARRY DIFFERENT RISKS AND ALL INVESTORS SHOULD EVALUATE EACH TRANCHE OF THE MTNs ON ITS OWN MERIT. INVESTORS SHOULD RELY ON THEIR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT.

IT IS RECOMMENDED THAT PROSPECTIVE INVESTORS CONSULT THEIR OWN FINANCIAL, LEGAL, TAX AND OTHER ADVISERS BEFORE PURCHASING OR SUBSCRIBING OR ACQUIRING THE MTNs.

Confidentiality

To the recipient of this Information Memorandum:

This Information Memorandum and its contents are strictly confidential and the information herein contained is given to the recipient strictly on the basis that the recipient shall ensure the same remains confidential. Accordingly, this Information Memorandum and its contents, or any information which is made available to the recipient in connection with any further enquiries, must be held in complete confidence.

In the event that there is any contravention of this confidentiality undertaking or there is reasonable likelihood that this confidentiality undertaking may be contravened, the Issuer may, at its discretion, apply for any remedy available to the Issuer whether at law or equity, including without limitation, injunctions. The Issuer is entitled to fully recover from the contravening party all costs, expenses and losses incurred and/or suffered, in this regard. For the avoidance of doubt, it is hereby deemed that this confidentiality undertaking shall be imposed upon the recipient, the recipient's professional advisor, directors, employees and any other persons concerned with the issuance of the MTNs.

The recipient must return this Information Memorandum and all reproductions thereof whether in whole or in part and any other information in connection therewith to the Lead Manager promptly upon the Lead Manager's request, unless that recipient provides proof of a written undertaking satisfactory to the Lead Manager with respect to destroying these documents as soon as reasonably practicable after the said request from the Lead Manager.

Documents Incorporated by Reference

The following documents 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 audited annual financial statements of the Issuer, if published later;
- (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; and
- (c) the pricing supplement, if applicable.

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

TABLE OF CONTENTS

Clause	Page No.
1.0 INTRODUCTION.....	7
1.1 Transaction Overview.....	7
1.2 Overview of the Transaction Structure.....	7
1.3 Sale of the Assets under the Settlement Agreement	8
1.4 Principal Parties to the Transaction	9
1.5 Issuance of MTNs	10
1.6 Description of the MTNs	10
1.7 Collections from Receivables	11
1.8 Cash Flow Waterfall	12
2.0 SALIENT TERMS OF THE SETTLEMENT AGREEMENT	13
2.1 Details of the Payment Obligations.....	14
2.2 Prepayment by SPLASH	16
2.3 Missed Instalments.....	17
2.4 No deduction and Set-off.....	17
2.5 Warranty	17
3.0 INVESTMENT CONSIDERATIONS	18
3.1 Risks associated with the Receivables	18
3.2 Risks associated with the MTNs.....	19
3.3 Other Risks	21
4.0 OVERVIEW OF THE MALAYSIAN ECONOMY.....	24
4.1 Outlook of the Malaysian Economy for the rest of 2019.....	24
4.2 Socioeconomic of Selangor in 2018	25
4.3 Overview of the Water Industry in Malaysia.....	29
5.0 OBLIGOR AND GUARANTOR AND THEIR PROFILES	32
5.1 Obligor	32
5.2 Guarantor	34
6.0 CONTRACTING PARTIES AND THEIR PROFILES.....	36
6.1 Issuer	36
6.2 Originator	39
6.3 SPV Administrator	41
6.4 Share Trustee	42
6.5 Security Agent.....	43
6.6 Trustee.....	44
7.0 DESCRIPTION OF SIGNIFICANT TRANSACTION DOCUMENTS.....	45

8.0	TAX CONSIDERATIONS	48
8.1	Withholding Tax.....	48
8.2	Calculation of tax liability of the Issuer	48
8.3	Stamp Duty	48
8.4	Sales and Service Tax (“SST”).....	49
9.0	CONFLICT OF INTEREST	50
9.1	CIMB as the Principal Adviser, the Lead Arranger, the Lead Manager, the Facility Agent and the Security Agent for the Transaction.....	50
9.2	Messrs. Adnan Sundra & Low as Solicitors for the Transaction.....	50
9.3	Deloitte PLT as the Independent Auditor for the Transaction.....	50
9.4	Deloitte Tax Services Sdn. Bhd. as the Tax Adviser for the Transaction	50
9.5	MTrustee Berhad as the Trustee for the Transaction.....	50
9.6	SPV Corporate Services Sdn. Bhd. as the Share Trustee for the Transaction	50
9.7	SPV Corporate Services Sdn. Bhd. as the SPV Administrator for the Transaction	51
9.8	Sungai Harmoni as the Originator for the Transaction	51
	APPENDIX I.....	52
	Principal Terms and Conditions of the MTNs.....	52
	APPENDIX II.....	83
	Projected Collections from the Receivables and Principal Assumptions	83

DEFINITIONS OF KEY TERMS AND ABBREVIATIONS

Unless where the context otherwise requires or as otherwise defined in this Information Memorandum, terms defined in Appendix I (Principal Terms and Conditions of the MTNs) of this Information Memorandum shall have the same meanings when used in the other parts of this Information Memorandum.

Unless the context otherwise requires, the following definitions shall apply throughout this Information Memorandum:

Definitions	Meanings
Additional Payment	: Has the meaning ascribed thereto in section (A) of Other Terms and Conditions, "Additional payment upon declaration of an Event of Default" of Appendix I hereof
Administration Agreement	: The corporate administration agreement entered or to be entered into between the Issuer and the SPV Administrator to be dated on or about the date of the Trust Deed
Air Selangor	: Pengurusan Air Selangor Sdn. Bhd. (Registration No. 201401006213 (1082296-U))
Assets	: The Receivables and all rights, titles, interests and benefits arising in, to and under the Settlement Agreement, including all rights to collect payments and all rights of enforcement thereunder
Assignment and Charge	: The assignment and charge by the Issuer to the Security Agent of all of the Issuer's rights, titles, interests and benefits in, to and under: (a) the Settlement Agreement; (b) the Sale and Purchase Agreement; (c) the Administration Agreement; and (d) the Designated Accounts and all credit balances and Permitted Investments
Balance Cut-Over Sum	: Has the meaning ascribed thereto in Section 2.0 hereof
Balance Cut-Over Sum Prepayment	: Has the meaning ascribed thereto in Section 2.2(b)(i) hereof
Balance Settlement Sum	: An amount equal to the Settlement Sum less the Upfront Sum
Balance Settlement Sum Prepayment	: Has the meaning ascribed thereto in Section 2.2(a)(i) hereof
Balance Settlement Sum Prepayment Date	: Has the meaning ascribed thereto in Section 2.2(a)(ii) hereof

Definitions

Meanings

BNM	:	Bank Negara Malaysia
Bulk Water Supply Agreement	:	The bulk water supply agreement dated 24 May 2019 between Air Selangor and Sungai Harmoni (herein defined) on the appointment of Sungai Harmoni to operate and maintain the Sungai Selangor Water Treatment Works Phase 1 and to supply treated water to Air Selangor, and as amended by a supplemental agreement dated 12 September 2019
CCM	:	Companies Commission of Malaysia
CIMB	:	CIMB Investment Bank Berhad (Registration No. 197401001266 (18417-M))
CMSA	:	Capital Markets and Services Act 2007 (as amended from time to time)
Companies Act	:	Companies Act 2016 (as amended from time to time)
Credit Rating Agency or RAM	:	RAM Rating Services Berhad (Registration No. 200701005589 (763588-T))
Cut-Over Sum	:	Has the meaning ascribed thereto in Section 2.0 hereof
Debenture	:	The debenture by the Issuer in favour of the Security Agent creating a first fixed and floating charge over the whole of the Issuer's undertaking and all of its property, assets and rights, both present and future, other than those assigned under the Assignment and Charge
Default Interest	:	Has the meaning ascribed thereto in Section 2.1.1 hereof
Designated Accounts	:	Collectively, means: (a) Settlement Account; (b) SPV Maintenance Account; (c) Debt Service Reserve Account (" DSRA "); (d) Principal Redemption Account; and (e) such other accounts as may be advised by the legal counsel of the Lead Arranger/ Lead Manager, more particularly described in section (C) of Other Terms and Conditions, "Details of Account(s)" of Appendix I hereof

Definitions	Meanings
Deferred Purchase Price	: Has the meaning ascribed thereto in section (B) of Other Terms and Conditions, "Purchase Price" of Appendix I hereof
DSRA	: Has the meaning ascribed thereto in section (C) of Other Terms and Conditions, "Designated Accounts" of Appendix I hereof
Event of Default	: Has the meaning ascribed thereto in section entitled "Events of defaults or enforcement events, where applicable, including recourse available to investors" of Appendix I hereof
Facility Agent	: CIMB
Foreign Jurisdiction	: Any country (including its territories, all jurisdictions within that country and any possession areas subject to its jurisdiction), other than Malaysia
Guarantor	: Air Selangor
Independent Auditor	: Deloitte PLT
Issuer	: Starbright Capital Berhad (Registration No. 201901038957 (1348287-D))
Lead Arranger or LA	: CIMB
Lead Manager or LM	: CIMB
Limited Recourse/Non-Petition	: Has the meaning ascribed thereto in section (A) of Other Terms and Conditions, "Limited Recourse" and "No-petition" of Appendix I hereof
LOLA Guidelines	: The Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework of the SC (issued on 9 March 2015 and updated and effective on 15 June 2015 and revised on 26 November 2019 and as may be amended from time to time)
MTNs	: Medium term notes of up to RM700.0 million in nominal value issued under an asset-backed securitisation exercise, as more particularly described in Section 1.0 and Appendix I hereof
MTN Holders	: Holders of the MTNs
Obligor	: SPLASH
Originator	: Sungai Harmoni
Payment Obligations	: The instalment payment(s) made or to be made under the Settlement Agreement of the Receivables by

Definitions

Meanings

		SPLASH and/or Air Selangor, as the case may be, and “ Payment Obligation ” shall mean each and any one of them
Prepayment Notice	:	Has the meaning ascribed thereto in Section 2.2 hereof
Principal Adviser or PA	:	CIMB
Principal Redemption Account	:	Has the meaning ascribed thereto in section (C) of Other Terms and Conditions, “Principle Redemption Account” of Appendix I hereof
Permitted Investments	:	Has the meaning ascribed thereto in section entitled “Permitted investments, if applicable” of Appendix I hereof
Purchaser	:	The Issuer
Receivables	:	All the instalment payments to be paid to the Originator (whether in respect of the Balance Settlement Sum or the Balance Cut-Over Sum), together with all interest and any default interest thereon payable to the Originator by SPLASH and/or Air Selangor (as the case may be), pursuant to the Settlement Agreement
RM/Ringgit and sen	:	Ringgit Malaysia and sen respectively, the monetary units in the lawful currency of Malaysia
Sale and Purchase Agreement or SPA	:	The sale and purchase agreement to be entered into between the Originator and the Issuer for the sale of the Assets by the Originator to the Issuer
SC	:	Securities Commission of Malaysia
Security Agent	:	CIMB
Security Documents	:	Collectively, the following: (a) Debenture; (b) Assignment and Charge; (c) Share Charge; and (d) Any other security document executed or created to secure the repayment of the MTNs
Settlement Account	:	Has the meaning ascribed thereto in section (C) of Other Terms and Conditions, “Settlement Account” of Appendix I hereof
Settlement Agreement	:	The termination and settlement agreement dated 24 May 2019 entered into between Originator, Air Selangor and SPLASH in relation to the SPLASH OMA

Definitions

Meanings

Settlement Sum	:	Has the meaning ascribed thereto in Section 2.0 hereof
Share Charge	:	First legal charge by the Share Trustee in favour of the Security Agent over the entire issued and paid-up share capital of the Issuer
Share Trustee	:	SPV Corporate Services Sdn. Bhd. (Registration No. 200301015831 (618251-U))
Solicitors	:	Messrs. Adnan Sundra & Low
SPLASH	:	Syarikat Pengeluar Air Sungai Selangor Sdn. Bhd. (Registration No. 199901007446 (482346-K))
SPLASH OMA	:	The Operations and Maintenance Agreement dated 24 January 2000 between SPLASH and Perangasng Water Management Sdn. Bhd. (Registration No. 199101018095 (228406-T)) for the operations and maintenance of the Sungai Selangor Water Treatment Works Phase 1, as novated to the Originator by way of the Novation Agreement dated 21 August 2000 between SPLASH, Perangasng Water Management Sdn. Bhd. and Sungai Harmoni, and as amended by the supplemental agreement dated 2 August 2005 which has been terminated pursuant to the Settlement Agreement
SPV Administrator	:	SPV Corporate Services Sdn. Bhd. (Registration No. 200301015831 (618251-U))
SPV Maintenance Account	:	Has the meaning ascribed thereto in section (C) of Other Terms and Conditions, "SPV Maintenance Account" of Appendix I hereof
Sungai Harmoni	:	Sungai Harmoni Sdn. Bhd. (Registration No. 199201022650 (254154-U))
Taliworks	:	Taliworks Corporation Berhad (Registration No. 196501000264 (6052-V))
Tax Adviser	:	Deloitte Tax Services Sdn. Bhd. (Registration No. 197701005407 (36421-T))
Tranche	:	The MTNs with the same maturity date
Transaction	:	Proposed issue of, offer for subscription or purchase of, or invitation to subscribe for or purchase of MTNs arising from the securitisation of the Receivables

Definitions

Meanings

Transaction Documents	:	Has the meaning ascribed thereto in section (A) of Other Terms and Conditions, "Transaction Documents" of Appendix I hereof and more particularly described in Section 7 hereof
Trust Deed	:	The trust deed entered or to be entered into between the between the Issuer and the Trustee
Trustee	:	MTrustee Berhad (Registration No. 198701004362 (163032-V))
Trustees' Reimbursement Account	:	Has the meaning ascribed thereto in section (A) of Other Terms and Conditions, "Trustee's Reimbursement Account" of Appendix I hereof
Upfront Payment Date	:	26 September 2019
Upfront Sum	:	Has the meaning ascribed thereto in Section 2.0 hereof

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

1.0 INTRODUCTION

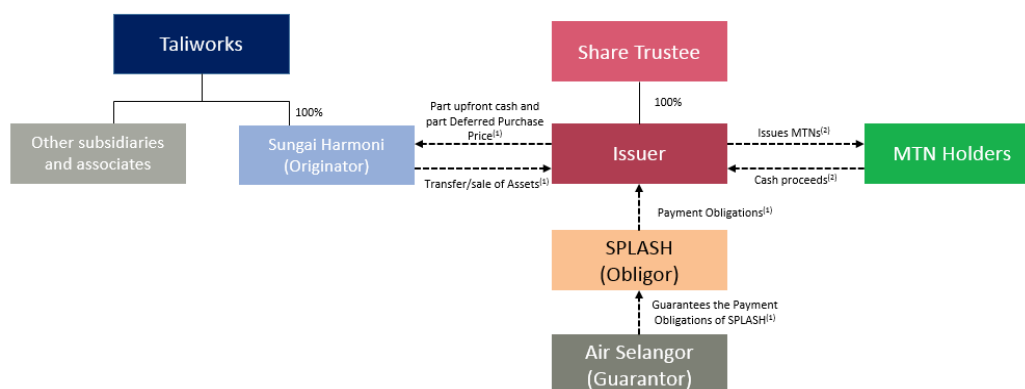
The information set out in this section and the following information relating to the Transaction is qualified in its entirety by, and must be read in conjunction with, the further detailed information appearing elsewhere in this Information Memorandum including the appendices.

1.1 Transaction Overview

The Issuer was incorporated as a special purpose bankruptcy remote vehicle under the Companies Act, to undertake the Transaction.

Pursuant to the SPA, the Originator and the Issuer will undertake a securitisation exercise involving the sale of the Assets under the Settlement Agreement (each payment made or to be made under the Settlement Agreement by the Obligor and/or Guarantor, as the case may be, shall be a Payment Obligation) by the Originator to the Issuer. The Issuer will issue the MTNs to, *inter alia*, meet part of the purchase consideration of the Assets under the SPA.

1.2 Overview of the Transaction Structure



- (1) The Issuer shall acquire the Assets, which includes *inter alia*, the right to receive the Payment Obligations pursuant to the Settlement Agreement, from Sungai Harmoni. The purchase consideration for the Assets will comprise of an upfront cash payment and the Deferred Purchase Price in accordance with the SPA.

The transfer/ sale of the Assets will be by way of a legal assignment. In the assignment arrangement, SPLASH as the Obligor of the Payment Obligations and Air Selangor as the Guarantor of the Payment Obligations, will also acknowledge their obligations to pay the Payment Obligations directly into the Settlement Account in a timely manner. The Settlement Account will be assigned and charged to the Security Agent for the benefit of the MTN Holders.

SPLASH or Air Selangor (as the case maybe) will credit the proceeds of the Payment Obligations into the Settlement Account which will then be used primarily towards the principal and coupon payments of the MTNs on the respective payment dates.

- (2) The Issuer shall issue MTNs backed by the Payment Obligations to fund, *inter alia*, the upfront cash payment for the sale of the Assets, cost and expenses incurred by the Issuer under the Transaction and fund the relevant Designated Accounts.

1.3 Sale of the Assets under the Settlement Agreement

1.3.1 Nature and Salient Terms of the Sale

Pursuant to the SPA, the Originator will sell the Assets to the Issuer. The SPA will specify the terms of the purchase of the Assets, including the representations and warranties given by the Originator and the consequences of a breach of these representations and warranties i.e. if not remedied, the Originator will be obliged to repurchase all the outstanding Receivables as at the date of the repurchase. There will also be conditions precedent set out in the SPA which shall include, *inter alia*, the giving of the notices of assignment and the receipt of the acknowledgements related thereto. In consideration of the Issuer paying the Originator the purchase consideration, the Originator's legal and beneficial ownership in the Assets will pass and vest in the Issuer on the completion date of the SPA.

1.3.2 Legal True Sale and Assignment

The sale of the Assets by the Originator to the Issuer under the SPA will be a "true sale" by way of a legal absolute assignment which shall effectively transfer all the Originator's legal and beneficial interests in and to the Settlement Agreement to the Issuer and the Originator will not retain any residual legal or beneficial interests in and to the Receivables and the rights under the Settlement Agreement. The Originator will represent and warrant that the sale of the Assets will be a valid assignment from the Originator to the Issuer of all of the Originator's rights, title, interest and benefits therein and in the proceeds thereof. In the event that any payments are received by the Originator in respect of the Receivables, such payments shall be held on trust by the Originator in favour of the Issuer.

Pursuant to the SPA, the Originator shall deliver to SPLASH and Air Selangor a notice of assignment.

The combination of the legal assignment i.e. the giving of notice by the Originator to SPLASH and Air Selangor of the sale of the Assets and the assignment of all of the Originator's rights, title, interests and benefits in and to the Settlement Agreement) together with the holding on trust by the Originator of any payments received, will effectively pass legal and beneficial title to the Assets from the Originator to the Issuer.

There will be two notices of assignment that will be issued. The first will be in relation to the SPA and shall be issued by the Originator to Air Selangor and SPLASH. The notice shall inform Air Selangor and SPLASH of, *inter alia*, the sale of the Assets to the Issuer and contain an instruction to Air Selangor and SPLASH to pay all monies due and payable under the Settlement Agreement into the Settlement Account of the Issuer. The notice will also contain an acknowledgment from each of Air Selangor and SPLASH acknowledging, *inter alia*, that (i) they consent to the sale of the Assets to the Issuer and (ii) they shall procure that all instalment payments (including all interest and default

interest thereon) are paid directly into the Settlement Account of the Issuer (or such other account as shall be notified to them by the Issuer or its agent in writing) in accordance with the instructions contained in the notice of assignment.

The second notice of assignment will be in relation to the Assignment and Charge and shall be issued by the Issuer to Air Selangor and SPLASH to give notice of the assignment and charge of the Assets to the Security Agent. In it the Issuer will, *inter alia*, instruct that Air Selangor and SPLASH make all payment owing under the Settlement Agreement into the Settlement Account. Air Selangor and SPLASH will further acknowledge and consent to the assignment and charge to the Security Agent and confirmation that they will procure that all instalment payments (including all interest and default interest thereon) are paid directly into the Settlement Account of the Issuer (or such other account as shall be notified to them by the Issuer or the Security Agent in writing) in accordance with the instructions contained in the notice of assignment.

1.3.3 Purchase Price

The purchase price for the Assets under the SPA will correspond to the cash flow amounts expected to be received by the Originator from the Receivables which will constitute a fair, reasonable and valuable consideration.

The purchase price will be satisfied via an upfront cash payment and the Deferred Purchase Price to be paid over the period of the Facility, in accordance with a schedule to be set out in the SPA.

1.4 Principal Parties to the Transaction

Issuer	Starbright Capital Berhad
Originator	Sungai Harmoni Sdn. Bhd.
Obligor for the Payment Obligations	Syarikat Pengeluar Air Sungai Selangor Sdn. Bhd.
Guarantor for the Payment Obligations	Pengurusan Air Selangor Sdn. Bhd.
Principal Adviser/ Lead Arranger/ Lead Manager	CIMB Investment Bank Berhad
Trustee	MTrustee Berhad
Security Agent	CIMB Investment Bank Berhad
Share Trustee	SPV Corporate Services Sdn. Bhd.
SPV Administrator	SPV Corporate Services Sdn. Bhd.
Facility Agent	CIMB Investment Bank Berhad

1.5 Issuance of MTNs

The MTNs will be issued in Tranches with different maturity dates. Each Tranche shall be identified numerically in ascending order of maturity date, with the shortest-tenured tranche being identified as “Tranche 1”. The Issuer will utilise the proceeds of issuance to fund the upfront purchase consideration under the SPA, cost and expenses incurred by the Issuer under the Transaction and to fund the Trustee’s Reimbursement Account and the relevant Designated Accounts.

MTN Holders will have limited recourse to the assets of the Issuer, and on the occurrence of an Event of Default where the MTN Holders by way of special resolution, decide to declare that an Event of Default has occurred under the MTNs, the MTN Holders will have recourse only to the assets of the Issuer available for this purpose in accordance with and subject to the priority of payments as set out in the Transaction Documents. Save for such recourse, the MTN Holders have no claims against the Issuer in respect of any liability of the Issuer under the MTNs.

1.6 Description of the MTNs

The payment of the collections from the Receivables pursuant to the Settlement Agreement or the proceeds of realisation thereof shall constitute a complete discharge of the Issuer’s duties and obligations in relation to the MTNs and the MTN Holders shall waive all claims against the Issuer in respect of any duties and obligations of the Issuer, which but for such waiver, the Issuer would be subject to, under or in connection with the MTNs.

The MTN Holders will also be deemed to have agreed (by their investment in or purchase of the MTNs or the holding of a beneficial interest therein) not to file a petition for or institute or join any other person in instituting proceedings for the reorganisation, liquidation, winding-up or receivership of the Issuer or other similar proceedings under any applicable laws, save and except as may be provided for in the Trust Deed.

In the event where SPLASH and Air Selangor fail to honour any of their obligations in respect of the Payment Obligations under the Settlement Agreement, or an insolvency event occurs in respect of Air Selangor, the Trustee may, and shall, at the direction of the MTN Holders by way of special resolution, immediately instruct the Security Agent to enforce the relevant Transaction Documents to take action against SPLASH and/or Air Selangor, as the case may be, to recover the defaulted Payment Obligation or part thereof which is due. For the avoidance of doubt, if there is a default in the payment of any one Payment Obligation, the other Payment Obligations which are not yet due cannot be accelerated, except in an event of insolvency of Air Selangor.

Upon the occurrence of any Event of Default, the Trustee may and shall, at the direction of the MTN Holders by way of special resolution, by written notice to the Issuer declare that an Event of Default has occurred, whereupon all sums payable under the MTNs shall become immediately due and payable by the Issuer and the Security Agent shall enforce the relevant Transaction Documents in accordance with their respective terms. For the avoidance of doubt, coupon on the MTNs shall continue to accrue and be payable to the MTN Holders notwithstanding the declaration of an Event of Default by the Trustee thereunder.

1.7 Collections from Receivables

The primary source of payment of the MTNs will be from the collections generated from the Receivables. Under the terms of the Notice of Assignment, the Obligor and the Guarantor will agree to deposit payments in respect of the Receivables directly into the Settlement Account. Application of funds in the Settlement Account shall be based on the priority of cash flow waterfall as described below and more particularly described in section (C) of Other Terms and Conditions, "Settlement Account" in Appendix I.

The following shall be deposited into the Settlement Account:

- (a) all collections in relation to the Receivables (including all proceeds pursuant to a Mandatory Prepayment Event (as defined in section entitled "Provisions on early redemption, if applicable" of Appendix I hereof) and Clean-Up Call Option (as defined in section (B) of Other Terms and Conditions, "Clean Up Call Option" of Appendix I hereof) to be received;
- (b) the transfer of all balances from all the other Designated Accounts (i) within three (3) business days upon full redemption of the Notes or (ii) three (3) business days prior to the expected date of Mandatory Prepayment Event or (iii) within three (3) business days following a declaration of an Event of Default;
- (c) other cash receipts of the Issuer from any source; and
- (d) income from Permitted Investments from the Designated Accounts.

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

1.8 Cash Flow Waterfall

Collections deposited into the Settlement Account shall be applied to the corresponding MTNs as per the diagram illustrating the application of funds below.
 Settlement Account – Application of Funds



THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

2.0 SALIENT TERMS OF THE SETTLEMENT AGREEMENT

This section provides a summarised description of the Settlement Agreement. It does not purport to be complete and is subject to the detailed terms of the Settlement Agreement itself.

The Settlement Agreement was entered into between Sungai Harmoni, SPLASH and Air Selangor on 24 May 2019 for, *inter alia*, the settlement of outstanding receivables due from SPLASH to Sungai Harmoni arising from the SPLASH OMA.

The Settlement Agreement became unconditional and was completed on 12 September 2019. Under the Settlement Agreement, there are two amounts that are to be paid to Sungai Harmoni, namely, the Settlement Sum and the Cut-Over Sum. As at the date of this Information Memorandum, the Balance Settlement Sum and the Balance Cut-Over Sum remain to be paid to Sungai Harmoni.

Balance Settlement Sum

Under the Settlement Agreement, SPLASH will pay ninety per cent (90%) of all the outstanding sums due and payable to Sungai Harmoni based on the monthly invoices issued by Sungai Harmoni to SPLASH under the SPLASH OMA:

- (a) accumulated as at 30 September 2018, equivalent to RM618,328,258.61; and
- (b) accumulated from 1 October 2018 up to 12 September 2019, equivalent to RM97,649,077.11,

(collectively, "**Settlement Sum**").

On 26 September 2019, SPLASH has paid to Sungai Harmoni an upfront sum equivalent to 10% of the Settlement Sum amounting to RM71,597,733.57 ("**Upfront Sum**"). The balance of the Settlement Sum ("**Balance Settlement Sum**") with interest of five point two five per cent (5.25%) per annum will be payable in nine (9) annual instalments as detailed out in Table 1 in Section 2.1 below.

Balance Cut-Over Sum

Pursuant to the Settlement Agreement, in addition to the Settlement Sum, SPLASH will pay Sungai Harmoni a sum equivalent to RM6,951,761.42 ("**Cut-Over Sum**"). On 26 November 2019, SPLASH paid to Sungai Harmoni a partial payment of the Cut-Over Sum in the amount of RM2,898,138.02. The balance of the Cut-Over Sum at RM4,053,623.40 ("**Balance Cut-Over Sum**") with interest of five point two five per cent (5.25%) per annum will be payable in nine (9) annual instalments as detailed out in Table 2 of Section 2.1 below.

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

2.1 Details of the Payment Obligations

Table 1 - Settlement Sum

No.	Description	Column I	Column II	Column III	Column IV
		Due Date	Interest Amount per Annum (RM)	Payment Amount (RM)	Unpaid Portion of the Settlement Sum (RM)
1	Upfront Sum	26/Sep/2019	-	71,597,733.57	644,379,602.15
2	Instalment No. 1	26/Sep/2020	33,829,929.11	105,427,662.68	572,781,868.58
3	Instalment No. 2	26/Sep/2021	30,071,048.10	101,668,781.67	501,184,135.01
4	Instalment No. 3	26/Sep/2022	26,312,167.09	97,909,900.66	429,586,401.44
5	Instalment No. 4	26/Sep/2023	22,553,286.08	94,151,019.65	357,988,667.87
6	Instalment No. 5	26/Sep/2024	18,794,405.06	90,392,138.63	286,390,934.30
7	Instalment No. 6	26/Sep/2025	15,035,524.05	86,633,257.62	214,793,200.73
8	Instalment No. 7	26/Sep/2026	11,276,643.04	82,874,376.61	143,195,467.16
9	Instalment No. 8	26/Sep/2027	7,517,762.03	79,115,495.60	71,597,733.59
10	Instalment No. 9	26/Sep/2028	3,758,881.01	75,356,614.60	(0.00)

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

Table 2 - Balance Cut-Over Sum

No.	Description	Column I	Column II	Column III	Column IV
		Due Date	Interest Amount per Annum (RM)	Payment Amount (RM)	Unpaid portion of Cut-Over Sum (RM)
1	Instalment No. 1	26/Sep/2020	212,815.23	663,217.83	3,603,220.80
2	Instalment No. 2	26/Sep/2021	189,169.09	639,571.69	3,152,818.20
3	Instalment No. 3	26/Sep/2022	165,522.96	615,925.56	2,702,415.60
4	Instalment No. 4	26/Sep/2023	141,876.82	592,279.42	2,252,013.00
5	Instalment No. 5	26/Sep/2024	118,230.68	568,933.28	1,801,610.40
6	Instalment No. 6	26/Sep/2025	94,584.55	544,987.15	1,351,207.80
7	Instalment No. 7	26/Sep/2026	70,938.41	521,341.01	900,805.20
8	Instalment No. 8	26/Sep/2027	47,292.27	497,694.87	450,402.60
9	Instalment No. 9	26/Sep/2028	23,646.14	474,048.74	(0.00)

2.1.1 Interest and Default Interest

(a) Balance Settlement Sum

Interest charges shall be payable by SPLASH on the unpaid portion of the Settlement Sum (if any) at the agreed interest rate of 5.25% per annum from the Upfront Payment Date until the relevant Due Date (set out in Section 2.1 above) or the Balance Settlement Sum Prepayment Date (set out in Section 2.2(a)(ii) below). Column II of Table 1 in Section 2.1 sets out the interest amount payable which has been calculated based on the interest rate and premised on payment on the respective Due Dates set out therein.

In the event that any portion is not paid on the relevant Due Date (set out in Table 1 in Section 2.1 above), default interest at the rate of 6.75% per annum shall be payable. Default interest shall be calculated in accordance with the formula below:

$$\text{Default Interest} = 6.75\% \times \text{Unpaid portion of Column III of Table 1} \times \frac{\text{Days overdue}}{365}$$

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

(b) Balance Cut-Over Sum

Interest charges shall be payable by SPLASH on the unpaid portion of the Cut-Over Sum (if any) at the agreed interest rate of 5.25% per annum as set out in Column II of Table 2 in Section 2.1.

Default interest at the rate of 6.75% per annum shall be payable on the unpaid portion of the annual instalment in Column III of Table 2, or in the case of Prepayment referred to in Section 2.2(b) below, part thereof after adjustment of interest charges calculated in accordance with Section 2.2(b)(ii) below. Default interest shall be calculated in accordance with the formula below:

$$\text{Default Interest} = 6.75\% \times \text{Unpaid portion of Column III of Table 2}^{**} \times \frac{\text{Days overdue}}{365}$$

*** If applicable, adjusted by Prepayment amount and **Section 2.2(b)(ii)** below*

2.2 Prepayment by SPLASH

(a) Balance Settlement Sum

- (i) Pursuant to the Settlement Agreement, SPLASH may at its sole discretion elect to prepay the entire unpaid portion of the Settlement Sum (i.e. in whole but not in part) ("**Balance Settlement Sum Prepayment**") at any time after the third anniversary of the Upfront Payment Date, without penalty or premium.
- (ii) In the event SPLASH elects for Prepayment at any time after the third anniversary of the Upfront Payment Date, SPLASH shall give Sungai Harmoni an irrevocable written notice of at least thirty (30) days (but which notice period shall not exceed sixty (60) days) ("**Prepayment Notice**") which shall state the prepayment date ("**Balance Settlement Sum Prepayment Date**") on which SPLASH shall make the Prepayment.
- (iii) SPLASH cannot make the Balance Settlement Sum Prepayment prior to the third anniversary of the Upfront Payment Date without the prior written consent of the Originator (as all the rights of the Originator under the Settlement Agreement shall be sold to the Issuer and the Issuer will in turn be assigning those rights to the Security Agent, this will mean that the Security Agent's written consent will have to be sought for any Balance Settlement Sum Prepayment).
- (iv) The Prepayment Notice may be issued by SPLASH at any time prior to the third anniversary of the Upfront Payment Date, provided that the Balance Settlement Sum Prepayment Date is not earlier than the third anniversary of the Upfront Payment Date.
- (v) In the event of such Balance Settlement Sum Prepayment, interest charges in relation to such Balance Settlement Sum Prepayment shall be prorated and reduced accordingly.

- (b) Balance Cut-Over Sum
 - (i) Pursuant to the Settlement Agreement, SPLASH may at its sole discretion elect to prepay all or any part of the unpaid portion of the Cut-Over Sum (“**Balance Cut-Over Sum Prepayment**”) before the respective Due Date (set out in Column I of Table 2 of Section 2.1 above), without penalty or premium.
 - (ii) In the event of such Balance Cut-Over Sum Prepayment, interest charges in relation to such Balance Cut-Over Sum Prepayment (set out in Column II of Table 2 of Section 2.1 above) shall be prorated and reduced accordingly.

2.3 Missed Instalments

In the event of a missed instalment being:

- (a) any instalment payment in Table 1 of Section 2.1 which SPLASH fails to pay within fourteen (14) days from the scheduled due date specified in Column I of Table 1 of Section 2.1; and/or
- (b) any instalment payment in Table 2 of Section 2.1 which SPLASH fails to pay within fourteen (14) days from the scheduled due date specified in Column I of Table 2 in Section 2.1),

Under the Settlement Agreement, Air Selangor guarantees and undertakes to immediately pay to Sungai Harmoni, upon written demand, the said missed payment together with Default Interest that may be due thereon. Sungai Harmoni acknowledges and agrees that the primary payment obligation to pay the entire Settlement Sum and Cut-Over Sum remains with SPLASH at all times, and that the guarantee provided by Air Selangor shall only be triggered in the event that there is a missed instalment and only in respect of such missed instalment.

2.4 No deduction and Set-off

Under the Settlement Agreement, the parties agree that the Settlement Sum, the Balance Cut-Over Sum, all interest and Default Interest amounts (calculated per 2.1.1 above) shall not be subject to any deduction or withholding whatsoever, and that SPLASH and/or Air Selangor shall not be entitled to set-off all or any portion of the amounts due to be paid by them against any amounts which may at any time be due and owing by Sungai Harmoni to SPLASH and/or Air Selangor, whether arising under the Settlement Agreement, the SPLASH OMA or the Bulk Water Supply Agreement.

2.5 Warranty

Air Selangor warrants, amongst others, that the State Government of Selangor is the indirect majority and controlling shareholder of Air Selangor and shall remain so for the duration of the Settlement Agreement.

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

3.0 INVESTMENT CONSIDERATIONS

The purchase or subscription of the MTNs may involve substantial risks and is suitable only for investors who have the knowledge and experience in financial, business and other matters necessary to enable them to evaluate the risks and merits of an investment in the MTNs.

This section provides a summary of certain risk factors which prospective investors should be aware of but it is not intended to be exhaustive and does not purport to be complete. Prior to making any investment decision, prospective investors of the MTNs should carefully read this entire Information Memorandum and the prospective investors should undertake their own investigations on the Issuer, the MTNs and the Receivables. Prospective investors should consider, among other things, particular considerations including those set out below in this Information Memorandum in connection to the Issuer, its business and the risks associated with the MTNs and the Receivables. Further, each Tranche of the MTNs issued will carry risks and all potential investors are strongly encouraged to evaluate each Tranche of the MTNs on its own merit and to make a careful and informed assessment before proceeding with any decision to invest in the MTNs.

The information contained in this Information Memorandum includes forward-looking statements which imply risks and uncertainties. The Issuer's actual results could differ materially from those anticipated in these forward-looking statements and/or otherwise projected as a result of certain factors, including but not limited to those set forth in this section.

3.1 Risks associated with the Receivables

3.1.1 Prepayment under the Settlement Agreement

SPLASH is entitled under the Settlement Agreement to prepay the entire unpaid portion of the Settlement Sum at any time after the third anniversary of the Upfront Payment Date, without penalty or premium. In addition, the relevant interest charges in relation to such unpaid portion of the Settlement Sum will be prorated and reduced accordingly. A prepayment under the Settlement Agreement is a Mandatory Prepayment Event under the MTNs.

3.1.2 Default and Enforcement

In the event that SPLASH and Air Selangor fail to honour any of their obligations in respect of the Payment Obligations, the Trustee may and shall, at the direction of the MTN Holders by way of special resolution (without having to declare an Event of Default), immediately instruct the Security Agent to take enforcement proceedings to recover the defaulted Payment Obligation or part thereof which is due. The other Payment Obligations which are not yet due cannot be accelerated.

3.1.3 Obligor/Guarantor's Default or Delinquency Risk

There can be no assurance that the Obligor and/or the Guarantor will be able to meet their respective payment obligations. The ability of SPLASH and/or Air Selangor to meet their respective payment obligations may be dependent on and may be adversely affected by numerous factors, including without limitation, changes in economic, political, financial conditions or governmental rules, regulations or policies, which are beyond the control of the Issuer or any other person involved or interested in the issuance of the MTNs.

Further, there may be risks in relation to the collection of payments of water bills, as not all consumers will pay their water bills, or pay on time. There is also risk that not all treated water will reach to consumers due to non-revenue water and any disruption in water supply due to maintenance works, burst pipes etc. All these risks reduce the revenue and income of the Obligor/ Guarantor.

3.1.4 Issuer's source of income

In accordance to the LOLA Guidelines, the Issuer is not allowed to carry out any business other than the asset-backed securitisation exercise. As such, the Issuer's only source of income is the Receivables that it is due to receive under the Settlement Agreement. In the event that the Receivables are insufficient to support the Issuer's business (i.e. the repayment of the MTNs pursuant to the asset securitisation exercise), the MTN Holders will have to bear any loss that arises.

3.2 Risks associated with the MTNs

3.2.1 Secondary Market for the MTNs

The MTNs comprise a new issue of securities for which there currently is no secondary market and further will not be listed on Bursa Malaysia Securities Berhad or any other exchange. There can be no assurance that a secondary market for the MTNs will develop or, if it does develop, that it will provide MTN Holders with liquidity of investment or that such market or any liquidity of investment which may develop will continue for the tenure of the MTNs.

Although the MTNs are tradable in the market, there can be no assurance that there is always liquidity in the market for the investors to trade their MTNs.

3.2.2 Rating of the MTNs

The Credit Rating Agency has assigned a preliminary rating of AAA for the MTNs.

However, a rating is not a recommendation to purchase, hold or sell the MTNs. Further, such a rating is not a guarantee of repayment or that there will be no default by the Issuer of the MTNs. There is no assurance that the ratings accorded to the MTNs will remain in effect for any given period of time or that the rating will not be lowered or withdrawn entirely by the Credit Rating Agency if circumstances in the future so warrant. A revision, suspension or withdrawal of the rating assigned to the MTNs may adversely affect the market price of the MTNs. In the event that the rating initially assigned to the MTNs is subsequently lowered or withdrawn for any reason, no person or entity will be obligated to provide any credit enhancement with respect to the MTNs. Any reduction or withdrawal of a rating will not constitute an Event of Default or an event obliging the Issuer to prepay the MTNs.

3.2.3 Issuer's ability to pay on the MTNs

The Issuer's ability to pay principal and coupons due and under the MTNs is dependent upon timely payment by SPLASH as the Obligor and/or Air Selangor as the Guarantor of the Payment Obligations.

3.2.4 Mandatory Prepayment Events

Upon the occurrence of a Mandatory Prepayment Event, the Issuer is obligated to mandatorily prepay in full all of the MTNs then outstanding within five (5) business days from the receipt by the Issuer of any payment from the Originator or SPLASH, as the case may be. In such an event, the MTN Holders may not make the return that they are expecting and there can be no assurance as to the availability of adequate substitute investments at the time the Issuer mandatorily prepays the MTNs in full.

3.2.5 No Guarantee

The Originator does not in any way guarantee the MTNs to be issued or issued by the Issuer.

3.2.6 Suitability of investments

The MTNs may not be a suitable investment for all investors. Each potential investor in the MTNs must determine the suitability of that investment in light of its own circumstances. Each potential investor should:

- (a) have sufficient knowledge and experience to make a meaningful evaluation of the MTNs, the merits and risks of investing in the MTNs and the information contained in this Information Memorandum;
- (b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the MTNs and the impact the MTNs will have on its overall investment portfolio;
- (c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the MTNs, including where the currency of payment is different from the potential investor's currency;
- (d) understand thoroughly the terms of the MTNs and be familiar with the behaviour of any relevant indices and financial markets; and
- (e) be able to evaluate (either alone or with the help of financial, legal or other advisers) possible scenarios for economic and other factors that may affect its investment and its ability to bear the applicable risks.

3.2.7 Inflation Risk

MTN Holders may suffer erosion on the return of their investments due to inflation. MTN Holders would have an anticipated rate of return based on expected inflation rates on the purchase of the MTNs. An unexpected increase in inflation could reduce the actual returns of the MTNs.

3.2.8 Market Value of the MTNs

If a secondary market develops, the market value of the MTNs may fluctuate. Trading prices of the MTNs may also be influenced by numerous factors, including the prevailing interest rates and credit rating of the Issuer, the market for similar securities, political, economic, financial conditions and any other

factors that can affect the capital markets. Consequently, any sale of the MTNs may be at prices that may be higher or lower than the original issue price. Adverse economic developments could have a material adverse effect on the market value of the MTNs.

3.2.9 Withholding Tax

There is no assurance that after the date of this Information Memorandum the payments by the Issuer in respect of the MTNs and the Transaction Documents may be made without withholding or deductions for or on account of taxes, duties or charges of whatsoever nature imposed or levied by any authority thereof or therein having power to tax.

In the event that any withholding or deduction of taxes, duties or charges of whatsoever nature is required by any applicable laws, the Issuer shall be required to make such additional amount to that the payee would receive the full amount which the payee would have received if no such withholding or deductions are made.

3.2.10 Interest Rate Risks

The MTN Holders may suffer unforeseen losses due to fluctuations in interest rates. Generally, a rise in interest rates may cause a fall in bond prices. The MTNs may be similarly affected resulting in a capital loss for the MTN Holders. Conversely, when interest rates fall, bond prices (this include the prices at which the MTNs trade) may rise. The MTN Holders may enjoy capital gains but the profits received may be reinvested for lower returns.

3.3 Other Risks

3.3.1 Limited recourse

The MTNs shall be the sole obligations of the Issuer. In particular, the MTNs will not be obligations or responsibilities of, or guaranteed by the Originator, the PA/LA/LM, the Trustee, the Share Trustee, any affiliate thereof nor the directors and shareholders of the Issuer, and any other person involved or interested in the transactions envisaged in the Transaction Documents. None of such persons will accept any liability whatsoever to the MTN Holders in respect of any failure by the Issuer to pay any amount due under the MTNs.

The liability of the Issuer to make coupon payments and principal repayments on the MTNs is limited to the assets of the Issuer available for this purpose in accordance with and subject to the order of priority of payments as set out in the Trust Deed.

Once the security has been exhausted and there are still obligations of the Issuer that remain outstanding, the outstanding obligations shall be deemed extinguished and the MTN Holders shall be deemed to agree that they shall not have any legal rights as against the Issuer and accordingly, they shall not be entitled to file a petition for or institute or join any other person in instituting proceedings for the reorganisation, liquidation, winding-up or receivership of the Issuer or other similar proceedings under any applicable laws.

MTN Holders will also be deemed to have agreed (by their subscription or purchase of the MTNs or the holding of a beneficial interest therein) that they shall not be entitled to file a petition for or join any person in petitioning for the winding up of the Issuer or otherwise institute against, or join any person in instituting against, the Issuer any bankruptcy, reorganisation, arrangement, insolvency or liquidation proceedings or other similar proceedings under any applicable laws.

3.3.2 Economic and regulatory change risk

Changes in economic and regulatory conditions in Malaysia and elsewhere could materially and adversely affect the financial and business prospects of the Issuer and/or the payments of the Payment Obligations. Amongst the economic and regulatory uncertainties are the expropriation, nationalisation, renegotiation or nullification of existing contracts, changes in interest rates and method of taxation. There can be no assurance that these changes will not materially affect the business of the Issuer and/or the payments of the Payment Obligations. Any adverse regulations and requirements may limit the Issuer's business or result in high compliance costs. Any failure by the Issuer to comply with any regulations may result in material penalties being imposed on the Issuer. No assurance can be given that any future changes to present regulation or any introduction of new regulation, or laws, by relevant authorities will not have a material adverse impact on the Issuer's business and/or the payments of the Payment Obligations.

3.3.3 Force Majeure

An event of force majeure is an event which is not within the control of the party effected, which that party is unable to prevent, avoid or remove and shall include war and acts of terrorism, riot and disorders, natural catastrophes and others. Force majeure events do not include economic downturn, non-availability or insufficient or lack of financing on the part of the Issuer. The occurrence of a force majeure event may have a material impact on the financial and business prospects of the Issuer.

3.3.4 Projected Collections from the Receivables

The projected collections from the Receivables as set out in Appendix II of this Information Memorandum are based on assumptions which the Directors of the Issuer believe to be reasonable based on the conditions prevailing at the time of preparation of the said cash flow projections. However, these assumptions are subject to uncertainties and contingencies. There can be no assurance that the cashflow projections contained herein will indeed be realised and actual results may be materially different from those stated herein. Investors are deemed to have read and understood the assumptions and uncertainties underlying the cash flow projections contained herein.

3.3.5 Forward-looking statement

Certain statements in this Information Memorandum are based on historical data which may not be reflective of future results. Other statements which are forward-looking in nature are also subject to uncertainties and contingencies. All forward-looking statements are based on estimates and assumptions made by the directors of the Issuer, and although believed to be reasonable by the

directors of the Issuer, are 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 Originator or the PA/LA/LM that the plans and objectives of the Issuer will be achieved.

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

4.0 OVERVIEW OF THE MALAYSIAN ECONOMY

4.1 Outlook of the Malaysian Economy for the rest of 2019

Against the backdrop of a challenging global environment, the Malaysian economy is expected to sustain its growth momentum, expanding by 4.3% to 4.8% in 2019 (2018: 4.7%). The external sector is expected to register a more moderate expansion in tandem with the moderation in global growth. Private sector activity will remain the anchor of growth amid continued rationalisation in the public sector. Labour market conditions are expected to remain supporting of growth, while inflation is projected to be broadly stable compared to 2018.

Growth will be supported by the gradual recovery from the unanticipated commodity disruptions in 2018, which will also benefit the manufacturing sector and trade activity. In addition, output from new manufacturing production facilities that will begin operating in 2019 will lend further support to growth. These facilities include large oil refinery and petrochemical facilities, as well as E&E, chemicals and rubber plants. On the demand side, private sector spending will continue to drive growth. Following the lapse of one-off factors in 2018, private consumption growth is expected to moderate, but remain firm. Household spending will benefit from continued employment and income growth. Employers surveys indicate that salary increments are expected to be sustained between 4.9% - 5.2% in 2019 while the unemployment rate is projected to remain relatively unchanged (3.3% - 3.5%; 2018: 3.4%). Policy measures such as the price ceiling on retail fuel prices, minimum wage adjustment and targeted cash transfers will lend further support to household expenditure. The normalisation of destocking activities by firms will serve as an additional support to growth in 2019. This is partly due to firms readjusting their inventories after the strong demand during the tax holiday period in 2018, which led to firms drawing down from their inventories. In addition, E&E firms which had large stock drawdown towards the end of 2018 in anticipation of weak demand, are less likely to have another significant drawdown in their inventories.

The growth projection is subject to several downside risks, mainly from the global environment. Unresolved trade tensions between the US and PR China, and a slower-than-expected global growth will affect Malaysia primarily via the trade and investment channel. The uncertain pace of the monetary policy normalisation in the US could heighten financial market volatility across emerging market economies, leading to volatile two-way capital flows and currency fluctuations. Volatility in the global oil price could also affect export performance and mining sector investment. On the domestic front, a re-occurrence of the commodity supply disruption, partly from unanticipated weather patterns, could affect the recovery in the mining and agriculture sectors. In addition, the oversupply situation in the property market could dampen activity in the construction sector.

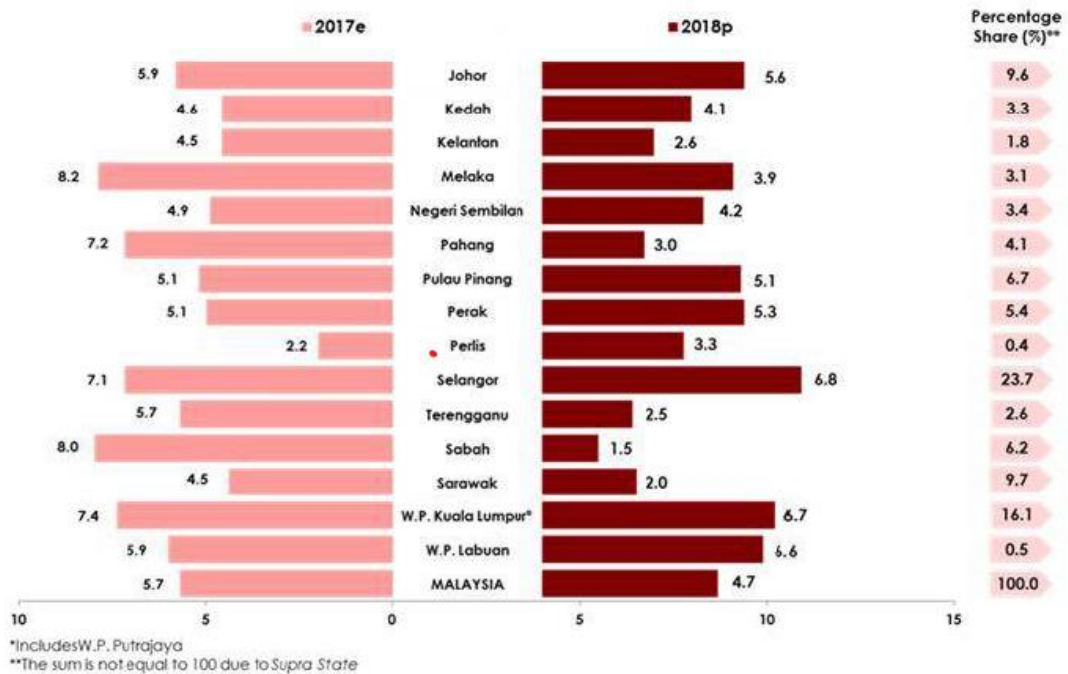
The strong fundamentals and the diversified nature of the economy will help Malaysia weather these risks and vulnerabilities while preserving macroeconomic and financial stability. These include a healthy labour market, stable inflation rate, continued surplus in the current account of the balance of payments, deep financial markets, as well as a strong financial sector. Exchange rate flexibility and sufficient level of international reserves further enhance the economy's capability to withstand external shocks. Moreover, commitment by the Government to fiscal, structural and institutional reforms will contribute to inclusive and sustainable growth going forward.

(Source: Bank Negara Annual Report 2018)

4.2 Socioeconomic of Selangor in 2018



Six states maintained as the major contributors to the national gross domestic product in 2018 with 72.1 per cent as compared to 71.7 per cent in the previous year with an increase of 0.4 per cent. Selangor recorded the highest contribution of 23.7 per cent followed by W.P. Kuala Lumpur (16.1%), Sarawak (9.7%), Johor (9.6%), Pulau Pinang (6.7%) and Sabah (6.2%) as depicted in Chart 1.

Chart 1: Economic growth and percentage contribution by state, 2018



THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

Six states grew at a faster pace than the national growth (4.7%) in 2018 namely Selangor (6.8%), W.P. Kuala Lumpur (6.7%), W.P. Labuan (6.6%), Johor (5.6%), Perak (5.3%) and Pulau Pinang (5.1%). The growth was driven by a better performance in services sector as well as a sustained growth in manufacturing. Meanwhile, the economic growth for commodity based states resulted in the slower growth than the national growth.

Growth (Constant 2015 Prices) (%)							
	 Agriculture	 Mining & Quarrying	 Manufacturing	 Construction	 Services	 Import Duty	 GDP %
MALAYSIA	0.1	-2.6	5.0	4.2	6.8	-11.5	4.7
Johor	0.5	4.8	5.1	9.6	7.3	-11.5	5.6
Kedah	0.2	3.9	3.0	9.2	5.4	-8.4	4.1
Kelantan	-1.0	15.8	0.3	-38.7	5.1	-3.1	2.6
Melaka	-1.1	6.4	4.6	-14.2	6.2	-7.8	3.9
Negeri Sembilan	0.3	2.4	3.3	10.6	5.8	-10.6	4.2
Pahang	1.2	-5.5	5.8	-25.8	6.5	-19.4	3.0
Pulau Pinang	-3.1	4.8	5.4	-3.8	6.2	-12.1	5.1
Perak	0.7	1.9	4.2	9.5	6.6	-14.7	5.3
Perlis	1.2	6.7	1.5	20.5	4.2	-12.3	3.3
Selangor	5.7	5.2	7.3	6.6	7.6	-13	6.8
Terengganu	-2.5	2	3.7	-9.2	3.6	-38.9	2.5
Sabah	-0.3	-5.6	2.3	24.1	5.6	-8	1.5
Sarawak	-1.4	-2.4	2.2	1.1	6.3	-9.6	2.0
W.P. Kuala Lumpur*	..	0.5	-0.1	6.8	7.3	-7.4	6.7
W.P. Labuan	5.8	-	5.3	11.2	7.5	-19.9	6.6

*Includes W.P. Putrajaya
 .. Not applicable

Selangor remained strong at a growth of 6.8 per cent compared to 7.1 per cent in 2017. Services sector grew 7.6 per cent (2017: 6.8%) fueled by wholesale & retail trade, communications and finance sub-sectors. Manufacturing sector, which recorded a growth of 7.3 per cent (2017: 7.9%), was driven by the performance of the electrical, electronics & optical products and motor vehicles & transport equipment sub-sectors. In addition, Construction sector recorded a growth of 6.6 as compared to 8.2 percent in 2017.

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

GDP per capita at national level increased to RM44,682 in 2018 as compared to RM42,834 in the previous year. Six states recorded GDP per capita surpassed the national level, led by W.P. Kuala Lumpur (RM121,293), W.P. Labuan (RM74,337), Penang (RM52,937), Sarawak (RM52,301), Selangor (RM51,528) and Melaka (RM47,960) as shown in Table 1.

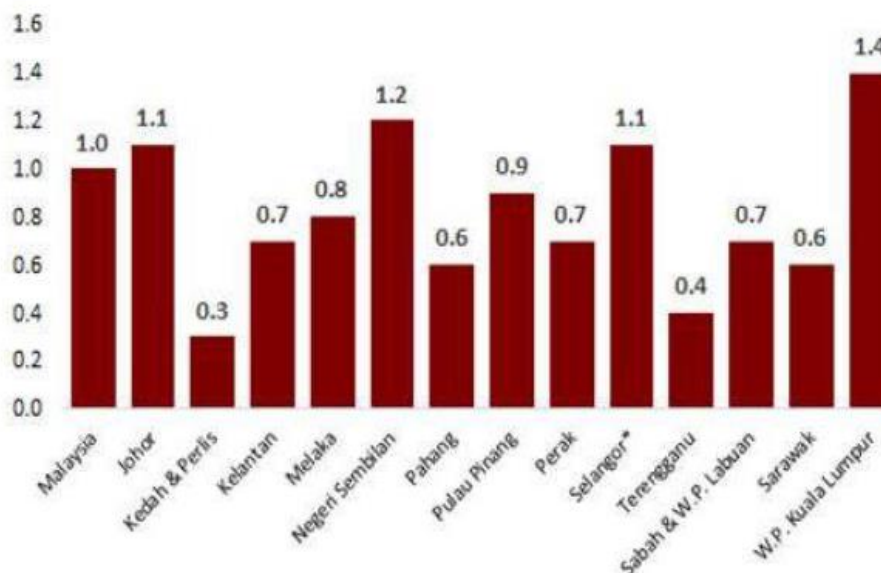
Table 1: GDP per capita by state, 2017-2018 at current prices - RM

State	2017	2018
W.P. Kuala Lumpur*	113,182	121,293
W.P. Labuan	70,820	74,337
Pulau Pinang	51,115	52,937
Sarawak	50,149	52,301
Selangor	49,013	51,528
Melaka	46,799	47,960
Negeri Sembilan	41,733	43,047
Johor	35,322	36,394
Pahang	35,754	35,554
Perak	29,335	30,303
Terengganu	29,855	30,216
Sabah	24,636	25,861
Perlis	23,611	24,442
Kedah	20,960	21,410
Kelantan	13,700	13,668
MALAYSIA	42,834	44,682

* Includes W.P. Putrajaya

Consumer Price Index (CPI) grew at a slower pace to 1.0 per cent as compared to 3.7 per cent in 2017. In 2018, four states surpassed the national inflation rate namely W.P. Kuala Lumpur (1.4%), Negeri Sembilan (1.2%) as well as Johor and Selangor (1.1%) as depicted in Chart 2.

Chart 2: Annual percentage change of Consumer Price Index, 2018



On the other hand, revenue of Selangor's state government increased 12.4 per cent to RM2.8 billion as compared to RM2.5 billion in 2016.

Chart 5: Revenue collected by the state government, 2016-2017



Out of 14 city council, 10 city council involving six states which are Selangor, Johor, Perak, Melaka, Sabah dan Sarawak recorded the highest financial position. Generally, from 10 listed city council, 7 posted a better performance in 2017 as compared to 2016.

Chart 6: Financial position for top 10 city council (RM Million) and revenue growth (%), 2016-2017



Out of 95 district council, 10 district council involving five states which are Selangor, Johor, Sabah, Kedah and Perak recorded the highest financial position.

In Selangor, 4 district council recorded highest financial position as compared to the others. Majlis Daerah Hulu Selangor recorded a revenue of RM83.5 million in 2017 with a growth of 1.2 per cent (Chart 7). It was followed by Majlis Daerah Kuala Langat (RM63.2 million), Majlis Daerah Kuala Selangor (RM61.6 million) and Majlis Daerah Sabak Bernam (RM22.1 million).

Chart 7: Financial position for top 10 district council (RM Million) and revenue growth (%), 2016-2017



(Source: State Socioeconomic Report 2018)

4.3 Overview of the Water Industry in Malaysia

Access to clean water and sewerage represents one of the most basic foundations of life. Malaysia today has already achieved impressive outcomes with close to 95.1% of its population having access to clean and treated water. The Government remains committed to expanding coverage and improving the quality of the water services industry nationwide. To achieve these objectives, the Water Services Industry Act (WSIA) was introduced in 2006. The Act aims to protect long-term financial sustainability and enable continuous improvement of the industry. In addition, the Government remains committed to tackling the long-standing issue of non-revenue water, currently at a national average of 36.6%. The following strategies will be pursued during the Eleventh Plan:

- (i) **Strategy D1: Raising the financial sustainability of the water services industry** by strengthening the tariff system and implementing joint billing for water and sewerage;
- (ii) **Strategy D2: Expanding network and treatment plant capacity through infrastructure investment and use of efficient technology**, through developing new treatment plants, increasing clean and treated water coverage and expanding connected water and sewerage services in rural areas;
- (iii) **Strategy D3: Increasing efficiency and productivity of water and sewerage services** through implementation of the Non-Revenue Water Reduction Programme and by rationalising and upgrading sewage treatment plants; and

- (iv) **Strategy D4: Strengthening the regulatory framework of the water services industry** with the National Sewerage Master Plan, a water demand management master plan and promotion of waste to wealth initiatives.

Strategy D1: Raising the financial sustainability of the water services industry

Strengthening the tariff setting mechanism

Capital expenditure for water treatment and distribution will be financed through the Perbadanan Aset Air Berhad (PAAB) to reduce the amount of financial support required from the Government. The viability of this arrangement will need to be tied to a new tariff setting mechanism that promotes full cost recovery. This will ultimately ensure that water services operators are financially sustainable.

A new tariff setting mechanism will also be implemented for sewerage service to cover operational cost. This will ensure that service operators are able to carry out scheduled maintenance, minimising incidences of non-compliance and safeguarding the environment.

Implementing joint billing for water and sewerage services

WSIA aims to integrate both water and sewerage services as a single industry. To this end, a joint billing exercise between water and sewerage services will be implemented based on a volumetric formula for sewerage tariffs. This is expected to increase collection rates by 20% to 30% for sewerage services, allowing operators to be financially sustainable.

Strategy D2: Expanding network and treatment plant capacity through infrastructure investment and use of efficient technology

Developing new treatment plants

The Government will ensure water supply sustainability, especially in stressed areas, by constructing new treatment plants or upgrading existing ones. Focus will be given to states which have water supply reserve margins of less than 10% such as Kedah (0%), Selangor (4.5%), and Negeri Sembilan (7.5%). With the completion of the Langat 2 Water Treatment Plant (WTP), the water supply reserve margin for Selangor will reach 14%. Similarly, the upgrading of Kulim High Tech WTP and Batu Kitang WTP will increase reserve margins for the Kulim High Tech Industrial Park in Kedah to 10% and for Kuching in Sarawak to 13%.

Increasing clean and treated water coverage

The Government aims to have 99% of the population served by clean and treated water by 2020. Alternative water supply systems such as rain water harvesting, tube wells, and gravity feed systems will be expanded in rural areas - particularly in Kelantan, Pahang, Sabah, and Sarawak. Efforts to expand connected water supply coverage in these states will continue, supplemented by these alternative systems. These systems will be tailored to local requirements, geographical considerations, and cost effectiveness considerations. Rain water harvesting systems will be adopted in remote areas with high rainfall while gravity feed systems will be adopted in highland areas with limited access.

Strategy D3: Increasing efficiency and productivity of water and sewerage services

Implementing a holistic non-revenue water (NRW) reduction programme

During the Eleventh Plan, NRW will be reduced from 36.6% in 2013 to 25%, as shown in Exhibit 7-15, with the implementation of a holistic NRW reduction programme. The reduction of 11% in NRW will result in an additional revenue of up to RM410 million annually. One of the initiatives is to develop comprehensive district metering zones, which also include meter and pipe replacement programmes, and pressure control management. Enforcement on illegal tapping will also be given priority. Regulations to require contractors to only use trained workers in pipe works will be enforced.

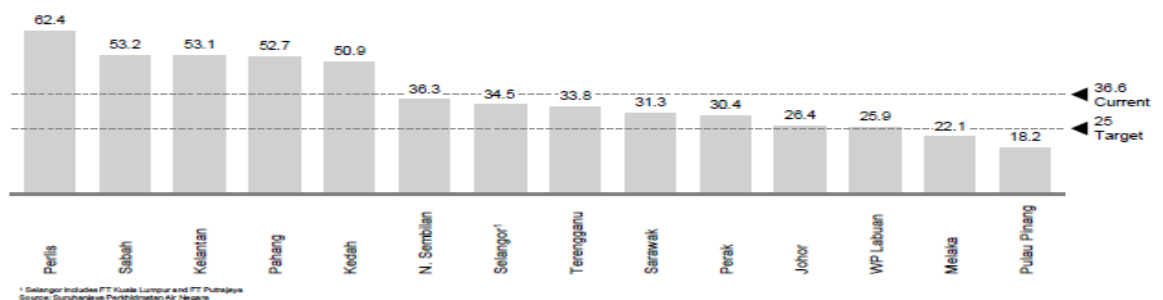
Strategy D4: Strengthening the regulatory framework of the water services industry

A comprehensive policy will be prepared for implementing agencies, industry players, and relevant stakeholders to guide the water services industry towards sustainability. This is to promote better and more coordinated planning through an enhanced understanding of the supply and demand chain from all sources.

Establishing a water demand management master plan

The Ministry of Energy, Green Technology and Water (KeTTHA) will develop a master plan on water demand management, which will enable better demand management and provide tools to forecast water demand. Priority will be given to reduce the use of treated water for non-potable uses by using alternative water sources such as rain water harvesting, storm water, and treated waste water. The revision of tariffs will also be used as a water demand management tool. In addition, communications, awareness and education programmes will be intensified to promote the efficient and prudent use of water.

Exhibit 7-15
Non-revenue water by states in 2013
 %



(Source: Eleventh Malaysia Plan)

5.0 OBLIGOR AND GUARANTOR AND THEIR PROFILES

5.1 Obligor

The background information of the Obligor as at 8 November 2019 are as follows:

Name	Syarikat Pengeluar Air Sungai Selangor Sdn. Bhd.
Registered Office	Level 4, Air Selangor Head Office, Jalan Pantai Baharu, 59200 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur
Registration No.	199901007446 (482346-K)
Total Issued Share Capital	RM50,000,001.00
Board of Directors	1) Abas Bin Abdullah 2) Suhaimi Bin Kamaralzaman 3) Zaheeda Banu Binti Mohamad Ariff 4) Kevin Lee Shih-Min
Company Secretaries	1) Shahniza Anom Binti Elias 2) Tarina Binti Taib

5.1.1 BRIEF HISTORY AND BACKGROUND OF OBLIGOR

By way of a Privatisation Agreement dated 24 January 2000, the State Government of Selangor appointed SPLASH as the concessionaire in respect of the Sungai Selangor Water Treatment Works Phase 1 and the Sungai Selangor Water Treatment Works Phase 3. Pursuant to a restructuring of the water services industry and a master agreement dated 12 September 2014 executed between the Federal Government of Malaysia, the State Government of Selangor, Air Selangor and Pengurusan Aset Air Berhad (Company No. 732544-D), Air Selangor was to acquire certain water concession companies in the State of Selangor and Federal Territories of Kuala Lumpur and Putrajaya, including SPLASH. The share purchase agreement in respect of the acquisition of SPLASH was executed between Syarikat Pengeluar Air Selangor Holdings Berhad and Air Selangor on 28 September 2018 and completed on 24 April 2019.

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

5.1.2 SHAREHOLDING STRUCTURE OF OBLIGOR

SPLASH is owned by two shareholders which are Air Selangor (consisting of fifty million (50,000,000) ordinary shares) and Menteri Besar Selangor (Incorporated) (consisting of one (1) preference share).

A summary flow-chart of the shareholding structure are as follows:



(Source: CCM search results of the Obligor and Enactment 10 Menteri Besar Selangor (Incorporation) Enactment 1994)

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

5.2 Guarantor

The background information of the Guarantor as at 8 November 2019 are as follows:

Name	Pengurusan Air Selangor Sdn. Bhd.
Registered Office	Level 4, Air Selangor Head Office, Jalan Pantai Baharu, 59200 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur
Registration No.	201401006213 (1082296-U)
Total Issued Share Capital	RM13,503,215,926.00
Board of Directors	1) Teo Yen Hua 2) Mohd Amin Bin Ahmad Ahya 3) Suhaimi Bin Kamaralzaman 4) Dato' Nor Azmie Bin Diron 5) YAB Tuan Amirudin Bin Shari
Company Secretaries	1) Wong Mei Yoke 2) Shahniza Anom Binti Elias

5.2.1 BRIEF HISTORY AND BACKGROUND INFORMATION OF THE GUARANTOR

The water services industry in Selangor, Federal Territories of Kuala Lumpur and Putrajaya has been highly fragmented and inefficient for more than two decades since the privatisation of water services which started in 1994.

The restructuring of the water industry began in 2008 when the Selangor government gave Kumpulan Darul Ehsan (KDEB) the mandate to lead and consolidate the water industry owned and operated by different companies.

Air Selangor was set up as the special purpose vehicle of the Selangor government to be the single holistic licensee to provide water services following the restructuring of the water services industry.

On 15 October 2015, Air Selangor acquired Syarikat Bekalan Air Selangor Sdn. Bhd. (SYABAS) and PNSB Water Sdn. Bhd. (PNSB Water). Thereafter, Konsortium ABASS Sdn. Bhd. (ABASS) on 26 January 2016, Konsortium Air Selangor Sdn. Bhd. (KASB) on 11 March 2016 and finally SPLASH on 24 April 2019.

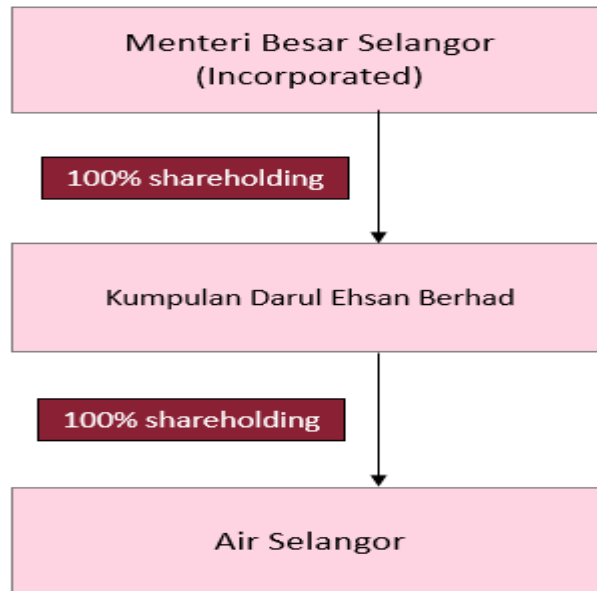
On 13 September 2019, Air Selangor has become the single holistic licensee to extract, treat and distribute water for all its customers in Selangor, Federal Territories of Kuala Lumpur and Putrajaya. Air Selangor will continue to strive towards providing the best services to customers.

(Source: <https://www.airselangor.com/>)

5.2.2 SHAREHOLDING STRUCTURE OF THE GUARANTOR

Air Selangor is a wholly-owned subsidiary of Kumpulan Darul Ehsan Berhad, a company incorporated in Malaysia.

A summary flow-chart of the shareholding structure are as follows:



(Source: CCM search results of the Guarantor)

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

6.0 CONTRACTING PARTIES AND THEIR PROFILES

6.1 Issuer

(a) Background information of the Issuer

The Issuer was incorporated in Malaysia on 29 October 2019 as a public limited company under the name Starbright Capital Berhad. It is wholly-owned by the Share Trustee, who will hold the shares on a discretionary trust for charitable organisations.

The background information of the Issuer as at 8 November 2019 are as follows:

Name	Starbright Capital Berhad
Registered Office	7.02, 7 th Floor, Wisma Central, Jalan Ampang, 50450 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur
Registration No.	201901038957 (1348287-D)
Total Issued Share Capital	RM2.00
Board of Directors	1) Lui Kwee Hui 2) Lim Kean Chai
Company Secretary	Lui Kwee Hui

The Issuer is established as a special purpose bankruptcy remote vehicle to undertake the Transaction and to issue MTNs. In that connection, the Issuer has the following objects to be undertaken solely in connection with or incidental to the Transaction:-

- (i) to acquire from the Originator, the Assets, on such terms and conditions as the Directors see fit and in accordance with the Transaction, and thereafter to deal with the Assets as permitted under the terms of the Transaction;
- (ii) to borrow or raise financing (including but not limited to the issuance of MTNs on such terms and conditions as deemed appropriate by the Directors) for the acquisition of the Assets, and to secure the payment and repayment of such borrowing or financing incurred by the Issuer by mortgage, charge, pledge, lien, assignment or other security interest over the whole or any part of the Receivables, and/or any property, assets, undertakings or rights of the Issuer, both present and future, and in particular, by the assignment of all the Issuer's rights, interests, benefits and title under the Transaction Documents, bank accounts and such other security as necessary for the Transaction;

- (iii) to collect all proceeds derived from the Assets or any part thereof and to sub-contract to third parties all services that may be required in order to maintain the Assets and the Issuer as the Directors deem fit;
- (iv) to maximise returns from surplus funds by investing the same in investments permitted under the Transaction;
- (v) to enter into any credit enhancement arrangement under the Transaction, to enter into the Transaction Documents and any other agreements, contracts, deeds or instruments necessary to give effect to the Transaction and in connection with or furtherance of the objects set out above; and
- (vi) to do all such other things as may be necessary, incidental or conducive to such business operation or to attain the objects set out above.

The Issuer is structured as a bankruptcy remote entity in that, among others, pursuant to its constitution, it is only allowed to carry on the business as referred to in its objects and is therefore not permitted to carry out any business other than that which is incidental to the asset-backed securitisation exercise. This is to ensure as far as possible that there is no default on the issuance of the MTNs by virtue of the Issuer's other businesses since it will not be allowed to have any such other businesses. This is particularly important given that the bankruptcy of the Issuer will result in a default on the MTNs which themselves are issued on limited recourse terms.

The ordinary share of the Issuer is owned by the Share Trustee, who will hold the same on a discretionary trust for the benefit of charitable institutions and will further declare themselves as trustee of the said trust. Accordingly, the ownership of the Issuer is not in any way held by the Originator nor is the Originator in any way able to exercise any control over the decisions of the Issuer throughout the tenure of the MTNs. Please see Section 6.4 of this Information Memorandum on the profile of the Share Trustee.

The Issuer has no employees.

(b) **Board of Directors**

The two (2) directors of the Issuer are independent professionals.

A brief profile of the directors of the Issuer as at 8 November 2019 is set out below:

(i) **Lui Kwee Hui**

Ms. Lui, aged 46 a member of The Malaysian Association of the Institute of Chartered Secretaries and Administrators who has practised as a company secretary for more than ten (10) years.

She had previously worked as the company secretary of a public listed company listed on the Main Board of the Kuala Lumpur Stock Exchange. Previously, she has worked in several other professional service organisations specialising in providing company secretarial and related services to companies, both private and public limited companies.

She is now the company secretary for special purpose vehicle companies set up to undertake the issuance of debt securities such as bonds, asset-backed securities, among others.

(ii) **Lim Kean Chai**

Mr. Lim, aged 59, graduated from the University of Western Australia in 1984. He is a fellow of the Chartered Accountants of Australia & New Zealand, a Chartered Accountant of the Malaysian Institute of Accountants, an associate of the Chartered Taxation Institute of Malaysia and a professional member of the Institute of Internal Auditors Malaysia. Mr Lim was a co-opted member of the Executive Committee of the Malaysian Intellectual Property Association and acts as the Secretary of Yayasan Reka Cipta Malaysia.

(c) **Borrowings**

As at 8 November 2019, the Issuer has no outstanding borrowings / other indebtedness incurred by the Issuer.

(d) **Material Commitments and Contingencies**

As at 8 November 2019, the Issuer has not incurred any material commitments or contingent liabilities.

(e) **Material Contracts**

As at 8 November 2019, the Issuer has not entered into any material contracts since incorporation.

(f) **Material Litigation**

As at 8 November 2019, the Issuer has not been involved in any material litigation since incorporation.

(g) **Financial Highlights**

As at the date of this Information Memorandum, there are no audited financial statements of the Issuer as the Issuer is a newly incorporated company.

(h) **Disclosure**

The Issuer and its board members have not been convicted or charged with any offence under any securities laws, corporation laws or other laws involving fraud or dishonesty in a court of law, and no action has been initiated against the Issuer or its board members for breaches of the same, since incorporation.

6.2 Originator

(a) Background information of the Originator

The Originator was incorporated in Malaysia on 15 December 1992. The Originator is engaged in the provision of management, operation and maintenance of water treatment plants.

The background information of the Originator as at 8 November 2019 are as follows:

Name	Sungai Harmoni Sdn. Bhd.
Registered Office	Unit 30-01, Level 30, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur
Registration No.	199201022650 (254154-U)
Total Issued Share Capital	RM5,000,000.00
Board of Directors	1) Chew Hoong Cheong 2) Zulfikri Bin Suboh 3) Wong Voon Leong
Company Secretaries	1) Wong Wai Foong 2) Tan Bee Hwee

(b) Board of Directors

A brief profile of the directors of the Originator as at 8 November 2019 is set out below:

(i) Chew Hoong Cheong

Mr Chew Hoong Cheong, a Malaysian aged 61, was appointed as General Manager of Taliworks overseeing the Water & Engineering Division on 1 January 2014. He graduated with a Bachelor of Civil Engineering degree from Monash University, Australia in 1981 and a postgraduate Master of Applied Science in Resource Management from the now University of Canberra, Australia. Mr. Chew Hoong Cheong is a member of the Institution of Engineers, Malaysia (Grad. I.E.M) and is also a registered engineer with the Board of Engineers, Malaysia (BEM). Mr Chew Hoong Cheong has been with Taliworks since May 1990. He was appointed as a director of Sungai Harmoni on 2 January 2014.

(ii) Zulfikri Bin Suboh

Tuan Hj. Zulfikri Bin Suboh, a Malaysian aged 55, was appointed as Assistant General Manager on 1 January 2014. He holds a bachelor's degree in Civil Engineering from Clarkson University, New York, USA in 1987. He is a member of the Institute of Engineers, Malaysia (Grad.

I.E.M) and is also a registered engineer with the Board of Engineers, Malaysia (BEM). Hj. Zulfikri began his career at Taliworks Consortium Sdn. Bhd. (entity part of the LGB Group) in 1987 as part of the team in the privatization concession of Loji Air Sungai Semenyih in Selangor, the first water privatization project in Malaysia. At that time Loji Air Sg Semenyih was the biggest water treatment plant in Malaysia. He was transferred to Loji Air Sg Selangor Fasa 1 (SSP1), currently one of the biggest water treatment plant in Malaysia in 1993 under Sungai Harmoni to join the team that oversaw initial operation of the plant. He was appointed as a director of Sungai Harmoni on 2 January 2014.

(iii) **Wong Voon Leong**

Mr. Wong Voon Leong, a Malaysian aged 54, is currently serving as the General Manager, Group Finance of Taliworks, a position he held since he joined the company in 2004. He qualified as an accountant and currently is a member of the Malaysian Institute of Certified Public Accountants and Malaysian Institute of Accountants. He was appointed as a director of Sungai Harmoni on 8 May 2018.

(c) **Material Commitments and Contingencies**

As at 8 November 2019, the Originator does not have any material commitments or contingencies and the board of directors of the Originator are not aware of any pending or future material commitments and contingencies save as disclosed in the Audited Financial Statements for the year ended 31 December 2018 of the Originator.

(d) **Material Litigation**

As at 8 November 2019, the Originator has no subsisting material litigation, claim or arbitration, either as plaintiff or defendant involving the Originator and the boards of directors do not have any knowledge of any proceedings, pending or threatened, against the Originator or any facts likely to give rise to any proceedings which might materially affect the income from, title to or possession of any of the assets and/or business of the Originator.

(e) **Disclosure**

To the best of their knowledge, Sungai Harmoni and its board members have not been convicted or charged with any offence under any securities laws, corporation laws or other laws involving fraud or dishonesty in a court of law, and no action has been initiated against Sungai Harmoni or its board members for breaches of the same in the past ten (10) years.

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

6.3 SPV Administrator

The background information of the SPV Administrator as at 8 November 2019 are as follows:

Name	SPV Corporate Services Sdn. Bhd.
Registered Office	7.02, 7 th Floor, Wisma Central, Jalan Ampang, 50450 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur
Registration No.	200301015831 (618251-U)
Total Issued Share Capital	RM2,000.00
Board of Directors	1) Lui Kwee Hui 2) Lee Yun Choong
Company Secretary	Lui Kwee Hui

Role of SPV Administrator

The SPV Administrator is appointed by the Issuer to provide company secretarial services to and administer the statutory duties of the Issuer, including the filing of the relevant returns with the regulatory authorities and to act on any other administration work as may be instructed by the Trustee from time to time.

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

6.4 Share Trustee

The background information of the Share Trustee as at 8 November 2019 are as follows:

Name	SPV Corporate Services Sdn. Bhd.
Registered Office	7.02, 7 th Floor, Wisma Central, Jalan Ampang, 50450 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur
Registration No.	200301015831 (618251-U)
Total Issued Share Capital	RM2,000.00
Board of Directors	1) Lui Kwee Hui 2) Lee Yun Choong
Company Secretary	Lui Kwee Hui

Role of Share Trustee

The Share Trustee is the registered shareholder of the Issuer, who will hold the ordinary shares in the Issuer upon a discretionary trust for the benefit of charitable organisations and will further declare themselves as trustee of the said trust.

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

6.5 Security Agent

The background information of the Security Agent as at 8 November 2019 are as follows:

Name	CIMB Investment Bank Berhad
Registered Office	Level 13, Menara CIMB, Jalan Stesen Sentral 2, Kuala Lumpur Sentral, 50470 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur
Registration No.	197401001266 (18417-M)
Total Issued Share Capital	100,000,000 ordinary shares and 1,000,000 preference shares
Board of Directors	1) Nadzirah Binti Abd. Rashid 2) Manu Bhaskaran 3) Didi Syafruddin Yahya 4) Cheim Dau Meng 5) Jefferi Mahmud Hashim
Company Secretary	Rossaya Binti Mohd Nashir

Role of the Security Agent

The Security Agent holds the security of the MTNs for and on behalf of the MTN Holders and to enforce such security in accordance with the Transaction Documents.

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

6.6 Trustee

The background information of the Trustee as at 8 November 2019 are as follows:

Name	MTrustee Berhad
Registered Office	B-2-9 (2 nd Floor), Pusat Perdagangan Kuchai, No. 2, Jalan 1/127, Off Jalan Kuchai Lama, 58200 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur
Registration No.	198701004362 (163032-V)
Total Issued Share Capital	RM1,000,000.00
Board of Directors	<ol style="list-style-type: none">1. Dato' Ng Mann Cheong2. Wong Yew Sen3. Johari Low Bin Abdullah4. Saw Leong Aun5. Lum Sing Fai6. Chan Mo Lin
Company Secretaries	<ol style="list-style-type: none">1. Low Pooi Ming2. Lee Vern Yeing

Role of the Trustee

The Trustee acts as the trustee for and on behalf of the MTN Holders to represent and protect the interest/rights of the MTN Holders in accordance with the Transaction Documents and to notify the Issuer of any breach of terms of the Trust Deed and/or other Transaction Documents and to enforce the rights of the MTN Holders in accordance with the Transaction Documents.

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

7.0 DESCRIPTION OF SIGNIFICANT TRANSACTION DOCUMENTS

This section provides a description of the significant agreements (in no particular order) in respect of the Transaction. The agreements are governed under the laws of Malaysia. The execution of the agreements is one of the conditions for the issuance of the MTNs. This summary does not purport to be complete and is subject to the detailed terms of the agreements. For the complete terms and conditions of each of the executed significant agreements, please refer to the terms and conditions in each of the executed significant agreements.

The significant agreements in respect of the Transaction are as follows:

(a) Facility Agreement

Parties : Issuer;
Lead Arranger;
Lead Manager; and
Facility Agent.

The facility agreement to be entered into between the Issuer, the Lead Arranger, the Lead Manager and the Facility Agent sets out the terms and conditions of the issuance of the MTNs, including but not limited to the conditions precedent for the issuance and other requirements necessary for the issuance to take place. In addition, the facility agreement contains certain representations and warranties of the Issuer and the covenants by the Issuer. The facility agreement also provides that the Issuer shall pay to the Lead Arranger, the Lead Manager and the Facility Agent fees and expenses incurred by them.

(b) Trust Deed

Parties : Issuer; and
Trustee.

The Trust Deed to be entered into between the Issuer and the Trustee which sets out the terms and conditions of the MTNs, including but not limited to the Tranches of MTNs, coupon rates, coupon payment dates, the maturity dates, redemption provisions, positive, negative and information covenants, Events of Default and the consequences of a declaration of an Event of Default. In addition, the Trust Deed contains provisions on the appointment of the Trustee (including the remuneration of the Trustee) as well as specific details relating to the securitisation structure, such as application of the monies received in respect of the MTNs and priority in which funds are to be applied and that there is a limited recourse to the Issuer. The Trust Deed will comply with the Trust Deeds Guidelines and the LOLA Guidelines.

(c) Administration Agreement

Parties : Issuer; and
SPV Administrator.

The Administration Agreement to be entered into between the Issuer and the SPV Administrator sets out the terms and conditions pursuant to which the SPV Administrator shall provide company secretarial services and administer the statutory duties of the Issuer, including but not limited to the filing of taxes and other statutory documents required by law. The Administration Agreement also provides that the Issuer shall pay to the SPV Administrator all fees and expenses incurred by it.

(d) SPA

Parties : Issuer;
Originator; and
Security Agent.

The SPA to be entered into between the Issuer, the Originator and the Security Agent shall set out the amount of the Receivables to be sold and the details thereof (including the purchase consideration and timing of payment), the conditions precedent to the completion of the sale and purchase, the representations and warranties of the Issuer as well as the Originator (including but not limited to representations and warranties in relation to the Assets) and the consequences of a breach thereof. Additionally, the SPA shall also contain a declaration of trust on the part of the Originator in favour of the Issuer, of all monies received by the Originator from the Obligor and/or the Guarantor and a covenant to pay these monies over to the Issuer. The notice of assignment to be issued by the Originator to Air Selangor and SPLASH to give notice of the sale to the Issuer shall also be attached to the SPA. The notice of assignment shall contain an acknowledgement and consent from each of Air Selangor and SPLASH of the sale to the Issuer as well as their acknowledgement and confirmation to pay all monies owing under the Settlement Agreement directly into the Settlement Account of the Issuer.

(e) Deed of Trust

Parties : Share Trustee; and
Trustee.

The deed of trust to be entered into between the Share Trustee and the Trustee sets out the terms and conditions pursuant to which the Share Trustee will hold the shares of the Issuer on a discretionary trust for any organisation or institution falling within the meaning of "institution" or "organisation" under Section 44(7) of the Income Tax Act, 1967. The deed of trust also provides for the remuneration of the Share Trustee.

(f) Security Agency Agreement

Parties : Issuer;
Share Trustee;
Security Agent; and
Trustee.

The security agency agreement to be entered into between the Issuer, the Share Trustee, the Trustee and the Security Agent sets out the terms upon which the Security Agent agrees to act and to hold the benefit of all the security created under the relevant security documents on trust for the Trustee, the Security Agent and the MTN Holders. The Security Agent assumes that the interests of the MTN Holders are represented by the Trustee and will generally act upon the directions given to the Security Agent through the Trustee. The duties of the Security Agent include all obligations in relation to the preservation and realisation of the security created under the relevant security documents.

The powers of the Security Agent include, *inter alia*, the appointment and removal of any receiver appointed by it and the powers of investment where the charge has become enforceable. In performing its duties, the Security Agent may act upon expert advice and shall not be responsible for loss arising from the erroneous advice, unless the Security Agent has had notice of the inaccuracy of the advice.

The security agency agreement also provides that the Issuer shall pay to the Security Agent fees and expenses incurred by it.

(g) Security Documents

The security documents to which the Issuer is a party set out the terms and conditions of certain first party securities to be provided by the Issuer. The third party security to be provided by the Share Trustee in favour of the Security Agent sets out the terms and conditions of such security. The security documents are more particularly identified in the section entitled "Details of security/ collateral pledged, if applicable" of Appendix I hereof.

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

8.0 TAX CONSIDERATIONS

8.1 Withholding Tax

All coupon payments or discount received by a MTN Holder who/which is an individual, unit trust and listed closed-end fund from the investment made in the MTNs are exempted from Malaysian income tax under paragraph 35(b), Schedule 6 of the Income Tax Act, 1967 where the MTNs, not being a convertible loan stock, are approved or authorized by, or lodged with, the SC.

All coupon payments received by a company not resident in Malaysia (other than such profits accruing to a place of business in Malaysia of such company) from the MTNs are exempted from income tax under paragraph 33A(1)(b), Schedule 6 of the Income Tax Act, 1967 as the MTNs is issued in Ringgit, and not being convertible loan stock, will be lodged with the SC. This exemption shall not apply to interest paid or credited to a company in the same group.

Payments of coupons to MTN Holders where the above income tax exemptions under Paragraphs 35(b) and 33A(1)(b) of Schedule 6 to the Income Tax Act, 1967 apply should not be subject to Malaysian withholding tax. Where the recipient of the coupon payments is a non-resident person which does not qualify for the aforesaid income tax exemptions, Malaysian withholding tax at the rate of 15% (reduced tax treaty rates may apply) of the gross coupon payments shall be applicable under Section 109(1) of the Income Tax Act, 1967. The Issuer is required to withhold tax on the coupon payments and remit it to the Inland Revenue Board within one month after paying or crediting the profits to the MTN Holders.

8.2 Calculation of tax liability of the Issuer

The Issuer is a resident in Malaysia for tax purposes by virtue of the management and control of its business and affairs being exercised in Malaysia. It shall be subject to tax on all of its Malaysian sourced income.

All outgoing and expenses which are wholly and exclusively incurred in the production of the gross income of the Issuer shall be deductible for tax purposes except for those expenses which are specifically disallowed under the Income Tax Act, 1967. The Issuer is entitled to claim capital allowances on the qualifying capital expenditures incurred.

Any unabsorbed business losses and capital allowances of the Issuer can be carried forward for utilisation in subsequent years of assessment (subject to the shareholder continuity test, where applicable). However, the carry forward of any unabsorbed business losses will now be limited to a maximum of 7 years.

8.3 Stamp Duty

There is exemption from stamp duty on specific instruments executed on or after 1 January 2001 for the purpose of a securitisation transaction approved by the SC pursuant to Stamp Duty (Exemption) (No. 12) Order 2001.

8.4 Sales and Service Tax (“SST”)

8.4.1 Overview

SST was reintroduced in Malaysia with effect from 1 September 2018 to replace the repealed Goods and Services Tax regime. Sales tax is a single stage tax levied and charged on all taxable goods manufactured in or imported into Malaysia. Service tax is a single stage tax imposed on prescribed taxable services. The two taxes are governed by the Sales Tax Act 2018 and the Service Tax 2018 respectively and the accompanying Regulations and Orders.

Generally, service tax is charged on any provision of “taxable services” provided in Malaysia by a registered person in carrying on his business. Any taxable person providing taxable services and exceeds the respective thresholds is required to be registered (i.e. registered person).

8.4.2 Service Tax on the Issuer

The activities performed by the Issuer under this arrangement are not within the scope of the prescribed services and is therefore not a taxable service for the purposes of the service tax. The Issuer would not be required to register under the Service Tax Act 2018.

The third-party service providers under the issuance of the MTNs that are contractually engaged by the Issuer, where the Issuer is the contractual recipient of the services (these include the Principal Adviser, Facility Agent, Solicitors etc.), would be subject to 6% services tax, where those third party services providers are registered for service tax. To the extent service tax applies, this would be a cost to be borne by the Issuer.

8.4.3 SST on MTN Holders

The sale and purchase of the Assets under the Settlement Agreement and the issuance of MTNs by the Issuer are not prescribed taxable services for the purposes of service tax and are not subject to service tax.

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

9.0 CONFLICT OF INTEREST

After making enquiries as were reasonable in the circumstances, the board of directors of the Issuer is not aware of any other conflict of interest situations other than the potential conflict of interest situations listed below and the relevant mitigating factors/measures:

9.1 CIMB as the Principal Adviser, the Lead Arranger, the Lead Manager, the Facility Agent and the Security Agent for the Transaction

As at the date hereof and after making enquiries as were reasonable in the circumstances, CIMB is not aware of any circumstances that would give rise to a conflict of interest situation in its capacities as, *inter alia*, the Principal Adviser, the Lead Arranger, the Lead Manager, the Facility Agent and the Security Agent for the Transaction.

9.2 Messrs. Adnan Sundra & Low as Solicitors for the Transaction

As at the date hereof and after making enquiries as were reasonable in the circumstances, Messrs. Adnan Sundra & Low is not aware of any circumstances that would give rise to a conflict of interest in its capacity as the solicitors to CIMB for the Transaction.

9.3 Deloitte PLT as the Independent Auditor for the Transaction

As at the date hereof and after making enquiries as were reasonable in the circumstances, Deloitte PLT is not aware of any circumstances that would give rise to a conflict of interest in its capacity as the Independent Auditor for the Transaction.

9.4 Deloitte Tax Services Sdn. Bhd. as the Tax Adviser for the Transaction

As at the date hereof and after making enquiries as were reasonable in the circumstances, Deloitte Tax Services Sdn. Bhd. is not aware of any circumstances that would give rise to a conflict of interest in its capacity as the Tax Adviser for the Transaction.

9.5 MTrustee Berhad as the Trustee for the Transaction

As at the date hereof and after making enquiries as were reasonable in the circumstances, MTrustee Berhad is not aware of any circumstances that would give rise to a conflict of interest situation in its capacity as the Trustee for the Transaction.

9.6 SPV Corporate Services Sdn. Bhd. as the Share Trustee for the Transaction

As at the date hereof and after making enquiries as were reasonable in the circumstances, SPV Corporate Services Sdn. Bhd. is not aware of any circumstances that would give rise to a conflict of interest situation or a potential conflict of interest situation in its capacity as the Share Trustee for the Transaction.

9.7 SPV Corporate Services Sdn. Bhd. as the SPV Administrator for the Transaction

As at the date hereof and after making enquiries as were reasonable in the circumstances, SPV Corporate Services Sdn. Bhd. is not aware of any circumstances that would give rise to a conflict of interest situation or a potential conflict of interest situation in its capacity as the SPV Administrator for the Transaction.

9.8 Sungai Harmoni as the Originator for the Transaction

As at the date hereof and after making enquiries as were reasonable in the circumstances, Sungai Harmoni is not aware of any circumstances that would give rise to a conflict of interest in its capacity as the Originator for the Transaction.

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

APPENDIX I

Principal Terms and Conditions of the MTNs

The information set out in this section is qualified in its entirety by, and must be read in conjunction with, the further detailed information appearing elsewhere in this Information Memorandum. Words and expressions used and defined in this Appendix I shall, in the event of inconsistency with the defined terms set out in this Information Memorandum, only be applicable for this Appendix I.

Name of facility	:	Issuance of asset-backed medium term notes (“ Notes ”) of up to RM700.0 million in nominal value (“ Facility ”).
One-time issue or programme	:	One-time issue.
Shariah principles (for sukuk)	:	Not applicable.
Facility description (for Ringgit-denominated sukuk, to provide description as cleared by SC)	:	<p>The Originator (as defined below) and the Issuer will undertake a securitisation exercise involving the sale by the Originator to the Issuer of the Assets (as defined below) pursuant to the Sale and Purchase Agreement (as defined in the section “Other Terms and Conditions”). In order to fund such purchase, the Issuer will issue the Notes. The Notes shall be governed by, amongst others, the relevant guidelines by the SC.</p> <p>“Assets” means the Receivables and all rights, titles, interests and benefits arising in, to and under the Settlement Agreement, including all rights to collect payments and all rights of enforcement thereunder.</p> <p>“Receivables” means all the instalment payments whatsoever to be paid to the Originator under the Settlement Agreement (each instalment payment shall be a “Payment Obligation”) together with any default interest thereon payable to the Originator by the Obligor and/or the Guarantor pursuant to the Settlement Agreement (as defined in the section “Other Terms and Conditions”).</p> <p>“Originator” means Sungai Harmoni Sdn Bhd (Registration No. 199201022650 (254154-U)) with the registered address at Unit 30-01, Level 30, Tower A, Vertical Business Suite, Avenue 3 Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur.</p>

		<p><u>Tranche</u></p> <p>The Notes may comprise one or more tranches with different maturity dates (each a "Tranche"). Each Tranche shall be identified numerically in ascending order of final maturity date ("Maturity Date"), with the shortest tranche being identified as Tranche '1'.</p>
Currency	:	Ringgit.
Expected facility/programme size (for programme, to state the option to upsize)	:	Up to RM700.0 million. No.
Tenure of facility/programme	:	Serial maturity of one (1) year to nine (9) years.
Clearing and settlement platform	:	PayNet.
Availability period for debt/ sukuk programme	:	The Notes shall be available for the period commencing from the date all the conditions precedent set out in the Transaction Documents (as defined below) are fulfilled to the satisfaction of the Lead Arranger provided that the first issuance of the Notes shall be made within sixty (60) business days from the date of lodgement of the required information and documents relating to the Notes with the SC (" Lodgement "), as required under the LOLA Guidelines.
Mode(s) of issue	:	<p>Book building. Book running. Bought deal. Direct placement. Private placement.</p> <p><u>Additional notes:</u></p> <p>The Notes may be issued via private/ direct placement or a bought deal basis or book running or book building on best efforts basis, as the Issuer may elect.</p>
Selling restrictions	:	<p><u>Selling Restrictions at Issuance</u></p> <p>The Notes may only be offered, sold, transferred or otherwise disposed directly or indirectly to a person to whom an offer or invitation to subscribe for the Notes may be made and to whom the Notes are issued would fall within Part 1 of Schedule 6 and Part 1 of Schedule 7 of Capital Markets & Services Act 2007, as amended from time to time ("CMSA") read together with Schedule 9 or Section 257(3) of the CMSA, subject to any change in applicable laws.</p>

		<p><u>Selling Restrictions Thereafter</u></p> <p>The Notes may only be offered, sold, transferred or otherwise disposed directly or indirectly to a person to whom an offer or invitation to purchase the Notes would fall within Part 1 of Schedule 6 or Section 229(1)(b) of CMSA read together with Schedule 9 or Section 257(3) of the CMSA, subject to any change in applicable laws.</p>
Tradability and transferability	:	<p>Tradeable & Transferable.</p> <p>Tradable & transferable amount: RM700.0 million</p>
Details of security/collateral pledged, if applicable	:	<p>(a) Share charge over the issued and paid up share capital of the Issuer;</p> <p>(b) Debenture creating a fixed and floating charge over the whole of the Issuer's undertaking and all of its property, assets and rights, both present and future (save for those assigned under item (c) below);</p> <p>(c) Assignment and charge over Issuer's rights, interests, title and benefits under:</p> <p style="padding-left: 40px;">(i) Sale and Purchase Agreement;</p> <p style="padding-left: 40px;">(ii) Settlement Agreement;</p> <p style="padding-left: 40px;">(iii) Corporate Administration Agreement (as defined in the section "Other Terms and Conditions"); and</p> <p style="padding-left: 40px;">(iv) Designated Accounts (as defined below).</p> <p>All Notes under the Facility shall be secured by the security described above.</p> <p>Recourse against the Issuer in relation to its obligations under the Notes will be limited to the amount of Receivables under the Settlement Agreement and any assets related thereto and derived therefrom. Noteholders will have no recourse to the Originator's assets.</p>
Details of guarantee, if applicable	:	Not guaranteed.
Convertibility of Issuance	:	Non-convertible.
Exchangeability of Issuance and details of the exchangeability	:	Non-exchangeable.

Call option and details, if applicable	:	No call option.
Put option and details, if applicable	:	No put option.
Positive Covenant	:	<p>To include but not limited to the following:</p> <ul style="list-style-type: none"> (a) the Issuer shall maintain in full force and effect all relevant 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 or for the Issuer to enter into or perform its obligations under the Transaction Documents or to ensure the validity, enforceability, admissibility in evidence of the obligations of the Issuer or the priority or rights of the financiers under the Transaction Documents and the Issuer shall comply with the same; (b) the Issuer shall at all times on demand execute all such further documents and do all such further acts reasonably necessary at any time or times to give further effect to the terms and conditions of the Transaction Documents; (c) the Issuer shall 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; (d) the Issuer shall at all times promptly perform and carry out all of its obligations under all the Transaction Documents, the terms and conditions of the Notes (including but not limited to redeeming in full all outstanding Notes on the relevant Maturity Date(s) or any other date on which the Notes are due and payable in accordance with the terms and conditions of the Notes) and ensure that it shall immediately notify the Trustee in the event that the Issuer is unable to fulfil or comply with any of the provisions of the Transaction Documents; (e) the Issuer shall open and maintain the Designated Accounts with the Issuer's name as the prefix to the name of the respective Designated Accounts and pay all relevant

		<p>amounts into the Designated Accounts and make all payments from the Designated Accounts only as permitted under “Details of Account(s)” of the Other Terms and Conditions;</p> <p>(f) the Issuer shall prepare its financial statements on a basis consistently applied in accordance with approved accounting standards in Malaysia and those financial statements shall give a true and fair view of the results of the operations of the Issuer for the period to which the financial statements are made up and shall disclose or provide against all liabilities (actual or contingent) of the Issuer;</p> <p>(g) the Issuer shall promptly comply with all applicable laws including the provisions of the CMSA and/or the notes, circulars, conditions or guidelines issued by SC from time to time;</p> <p>(h) the Issuer shall at all times maintain a paying agent who is based in Malaysia and the Issuer shall procure the paying agent to notify the Trustee, through the facility agent, if the paying agent does not receive payment from the Issuer on the due dates as required under the Trust Deed;</p> <p>(i) the Issuer shall keep proper books and accounts at all times and to provide the Trustee and any person appointed by it access to such books and accounts to the extent permitted by law;</p> <p>(j) the Issuer shall ensure that the terms in the Trust Deed do not contain any matter which is inconsistent with the provisions of the information memorandum relating to the Facility; and</p> <p>(k) such other covenants (including covenants by the Originator in the relevant Transaction Documents) as advised by the legal counsel of the Lead Arranger/ Lead Manager.</p>
<p>Negative Covenant</p>	<p>:</p>	<p>To include but not limited to the following:</p> <p><u>Covenants by the Issuer</u></p> <p>(a) the Issuer shall not obtain or permit to exist any indebtedness other than the Facility in connection with the securitisation exercise;</p>

	<ul style="list-style-type: none">(b) the Issuer shall not create or permit to exist any encumbrance, mortgage, charge (whether fixed or floating), pledge, lien, hypothecation, assignment by way of security, trust arrangement for the purpose of providing security or other security interest of any kind over any of its assets including, without limitation, title transfer and/or retention arrangements having a similar effect or any agreement to create any of the foregoing, but excluding liens arising in the ordinary course of business by operation of law and not by way of contract, and those security as contemplated under this term sheet;(c) the Issuer shall not provide or permit to exist any guarantee to any party;(d) the Issuer shall not dispose of any assets other than in connection with the securitisation exercise;(e) the Issuer shall not add, delete, amend, supplement or substitute its Constitution in a manner which may be materially prejudicial to the interests of the Noteholders;(f) the Issuer shall not 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;(g) the Issuer shall not declare or pay any dividends or make any distribution whether income or capital in nature to its shareholders;(h) except otherwise contemplated in the Transaction Documents, the Issuer shall not enter into any transactions, whether directly or indirectly with interested persons (including its directors or shareholders) unless such transaction is entered into:<ul style="list-style-type: none">(i) in the ordinary course of its business;(ii) on an arms-length basis and on terms no less favourable to the Issuer than those which could have been obtained in comparable transactions from persons who are not interested persons;
--	--

		<p>(iii) will not have a Material Adverse Effect on the Issuer;</p> <p>For the purposes of this term sheet, “Material Adverse Effect” means any material adverse effect on the business or condition (financial or otherwise) or results of the operations of the Issuer or the ability of the Issuer to perform any of its obligations under any of the Transaction Documents.</p> <p>(i) the Issuer shall not use the proceeds of the Facility except for the purposes set out in this term sheet;</p> <p>(j) the Issuer shall not lend any money to any party;</p> <p>(k) the Issuer shall not engage in any other businesses other than the objects stated in its Constitution;</p> <p>(l) the Issuer shall not have any subsidiaries or associate companies;</p> <p>(m) the Issuer shall not have employees or incur fiduciary responsibilities to third party(ies) other than parties involved in the securitisation exercise; and</p> <p>(n) such other covenants as may be advised by the legal counsel of the Lead Arranger/Lead Manager.</p> <p><u>Covenants by the Originator</u></p> <p>(a) the Originator shall not agree to any amendment, variation, supplement to the Settlement Agreement, including any setting-off of the amounts payable and due under the Settlement Agreement;</p> <p>(b) the Originator shall not vary or waive any breach by the Obligor (as defined below) or the Guarantor (as defined below) of the Settlement Agreement, or exercise any rights or powers of termination thereunder; and</p> <p>(c) such other covenants as may be advised by the legal counsel of the Lead Arranger/Lead Manager.</p>
Financial Covenant	:	No financial covenant.

Information Covenant	: To include but not limited to the following: (a) the Issuer shall provide to the Trustee and the Credit Rating Agency at least on an annual basis, a certificate confirming that it has complied with all its obligations under the Transaction Documents and the Notes and that there does not exist or had not existed, from the date the Notes were issued or the date of the previous certificate as the case may be, any Event of Default (as defined below), and if such is not the case, to specify the same; (b) the Issuer shall deliver to the Trustee and the Credit Rating Agency the following: (i) as soon as they become available (and in any event within one hundred and eighty (180) days after the end of each of its financial years) copies of its financial statements for that year which shall contain the income statements and balance sheets of the Issuer and which are audited and certified without qualification by a firm of independent certified public accountants acceptable to the Trustee; (ii) as soon as they become available (and in any event within ninety (90) days after the end of the first half of its financial year) copies of its unaudited half yearly financial statements for that period which shall contain the income statements and balance sheets of the Issuer which are duly certified by any one of its directors; (iii) promptly, such additional financial or other information relating to the Issuer's business and its operations as the Trustee may from time to time reasonably request; and (iv) promptly, all notices or other documents received by the Issuer from any of its shareholders or its creditors which contents may materially and adversely affect the interests of the Noteholders, and a copy of all documents dispatched by the Issuer to its shareholders (or any class of them) in their capacity as shareholders or its creditors generally at the same time as these documents are
-----------------------------	---

	<p style="text-align: center;">dispatched to these shareholders or creditors,</p> <ul style="list-style-type: none">(c) the Issuer shall promptly notify the Trustee and the Credit Rating Agency of any change in its board of directors and/or shareholders;(d) the Issuer shall promptly notify the Trustee and the Credit Rating Agency of any change in its condition (financial or otherwise) and of any litigation or other proceedings of any nature whatsoever being threatened or initiated against the Issuer before any court or tribunal or administrative agency which may materially and adversely affect the ability of the Issuer to perform any of its obligations under any of the Transaction Documents;(e) the Issuer shall promptly give notice to the Trustee and the Credit Rating Agency of the occurrence of any Event of Default or any event which, upon the giving of notice and/or lapse of time and/or the issue of a certificate and/or the fulfilment of the relevant requirement as contemplated under the relevant transaction document would constitute an Event of Default ("Potential Event of Default") forthwith upon becoming aware thereof, and it shall take all reasonable steps and/or such other steps as may reasonably be requested by the Trustee to remedy and/or mitigate the effect of the Event of Default or the Potential Event of Default;(f) the Issuer shall promptly notify the Trustee of any change in its withholding tax position;(g) the Issuer shall promptly give to the Trustee any information which the Trustee and Security Agent, as the case may reasonably require in order to discharge its duties and obligations under the Facility relating to the affairs of the Issuer to the extent permitted by law; and(h) such other covenants (including any covenants applicable to the Originator in the relevant Transaction Documents) as advised by the legal counsel of the Lead Arranger/ Lead Manager.
--	--

<p>Details of designated account(s), if applicable, including:</p> <p>(a) names of account; (b) parties responsible for opening the account; (c) parties responsible for maintaining/operating the account; (d) signatories to the account; (e) sources and utilisation of funds; and (f) diagram illustrating the flow of monies and conditions for disbursements</p>	<p>:</p>	<p>Please refer to “Details of Account(s)” of the Other Terms and Conditions.</p> <p>Note: Upload file for (f) diagram illustrating the flow of monies and conditions for disbursement</p>
<p>Name of credit rating agency, credit rating (state whether final or indicative) and amount rated, if applicable</p>	<p>:</p>	<p>Rated.</p> <p>Indicative rating: AAA¹ by RAM.</p> <p>¹ <i>Kindly refer to RAM’s website (https://www.ram.com.my/ratings) for the rating definitions.</i></p>
<p>Conditions precedent</p>	<p>:</p>	<p>To include but not limited to the following (all have to be in form and substance acceptable to the Lead Arranger/ Lead Manager):</p> <p>A. <u>Main Documentation</u></p> <p>(a) The Transaction Documents have been signed, stamped or endorsed as exempted from stamp duty and, where applicable, presented for registration.</p> <p>(b) All relevant notices and acknowledgements (including from Syarikat Pengeluar Air Sungai Selangor Sdn Bhd (“Obligor”) and Pengurusan Air Selangor Sdn Bhd (“Guarantor”) (where applicable) and the account bank of the Designated Accounts) shall have been made or received as the case may be.</p> <p>B. <u>The Issuer</u></p> <p>(a) Certified true copies of the Certificate of Incorporation, and the Constitution of the Issuer.</p> <p>(b) Certified true copies of the latest Return for Allotment of Shares, Notification for Change in</p>

	<p>the Registered Address, and Notification of Change in the Register of Directors, Managers and Secretaries of the Issuer.</p> <p>(c) A certified true copy of the board resolution of the Issuer authorising, among others, the execution of the Transaction Documents.</p> <p>(d) A list of the Issuer's authorised signatories and their respective specimen signatures.</p> <p>(e) A report of the company search conducted on the Issuer.</p> <p>(f) A report of the winding up search conducted on the Issuer or the statutory declaration of the Issuer.</p> <p>C. <u>The Originator</u></p> <p>(a) Certified true copies of the Certificate of Incorporation, and the Constitution of the Originator.</p> <p>(b) Certified true copies of the latest Return for Allotment of Shares, Notification for Change in the Registered Address, and Notification of Change in the Register of Directors, Managers and Secretaries of the Originator.</p> <p>(c) A certified true copy of the board resolution of the Originator authorising, among others, the execution of the Transaction Documents to which it is a party.</p> <p>(d) A list of the Originator's authorised signatories and their respective specimen signatures.</p> <p>(e) A report of the company search conducted on the Originator.</p> <p>(f) A report of the winding up search conducted on the Originator or the statutory declaration of the Originator.</p> <p>D. <u>General</u></p> <p>(a) Receipt of acknowledgment in respect of the lodgement to the Securities Commission Malaysia ("SC") has been obtained and, where applicable, all other relevant approvals from any other regulatory authorities.</p> <p>(b) Evidence that all transaction fees, costs and expenses have been or will be paid in full.</p>
--	---

		<p>(c) The Lead Arranger/ Lead Manager has received from its legal counsel a favourable legal opinion addressed to it and the Trustee advising with respect to, among others, the legality, validity and enforceability of the Transaction Documents and a confirmation addressed to the Lead Arranger/ Lead Manager that all the conditions precedent have been fulfilled.</p> <p>(d) The Lead Arranger/ Lead Manager has received from its legal counsel a legal opinion addressed to it on the “true sale” nature of the transaction.</p> <p>(e) The Lead Arranger/ Lead Manager has received from its legal counsel a legal opinion addressed to it on the “bankruptcy remoteness” of the Issuer.</p> <p>(f) Receipt of evidence that the Notes have been accorded a rating of AAA by RAM.</p> <p>(g) The Security Agent has received from the Originator the original and executed copy of the Settlement Agreement.</p> <p>(h) Documentary evidence that the Settlement Agreement has become unconditional.</p> <p>(i) Confirmation that the Trustee’s Reimbursement Account (as defined below) has been opened for the purposes stated herein and the mandate for operating the account has been issued in favour of the Trustee as the sole signatory.</p> <p>(j) Confirmation that the Designated Accounts have been opened for the purposes stated herein and the mandate for operating the Designated Accounts has been issued in favour of the Security Agent as the sole signatory.</p> <p>(k) Such other conditions precedent as advised by the legal counsel of the Lead Arranger/Lead Manager.</p>
<p>Representations and warranties</p>	<p>:</p>	<p>To include but not limited to the following:</p> <p>(a) the Issuer is a company with limited liability duly incorporated and validly existing under the laws of Malaysia, has full power to carry on its business and to own its property and</p>

	<p>assets, and has full legal and/or beneficial ownership of all its property and assets;</p> <p>(b) the Constitution of the Issuer incorporate provisions which authorise, and all necessary corporate and other relevant actions have been taken to authorise, and all relevant consents and approvals of any administrative, governmental or other authority or body in Malaysia have been duly obtained and are in full force and effect which are required to authorise, the Issuer to execute and deliver and perform the transactions contemplated in the Transaction Documents in accordance with their terms;</p> <p>(c) neither the execution and delivery of any of the Transaction Documents nor the performance of any of the transactions contemplated by the Transaction Documents did or does (i) contravene or constitute a default under any provision contained in any agreement, instrument, law, ordinance, decree, judgment, order, rule, regulation, licence, permit or consent by which the Issuer or any of its assets is bound or which is applicable to the Issuer or any of its assets, (ii) cause any limitation on the Issuer or the powers of its directors, whether imposed by or contained in its Constitution or in any agreement, instrument, law, ordinance, decree, order, rule, regulation, judgment or otherwise, to be exceeded, or (iii) other than the security interest created to secure the Notes, cause the creation or imposition of any security interest or restriction of any nature on any of the Issuer's assets;</p> <p>(d) the audited financial statements of the Issuer of each of its financial year have been prepared on a basis consistently applied in accordance with the accounting standards in Malaysia and give a true and fair view of the results of its operations for that year and the state of its affairs at that date;</p> <p>(e) each of the Transaction Documents is or will when executed and/or issued, as the case may be, be in full force and effect and constitutes, or will when executed or issued, as the case may be, constitute, valid and legally binding obligations of the Issuer enforceable in accordance with its terms;</p>
--	---

		<ul style="list-style-type: none"> (f) there is no winding-up petition or proceedings being initiated or threatened against the Issuer; (g) there is no litigation, arbitration, administrative proceeding, claim or dispute being initiated or threatened against the Issuer or any of its assets; (h) there is no change in the business condition (financial or otherwise), performance or results of the operations of the Issuer which may have a Material Adverse Effect; (i) to the best of the Issuer's knowledge, there is no change of law or other governmental action which shall make it impossible for the Issuer to perform covenants and obligations on its part to be performed under the Transaction Documents to which it is a party to; and (j) such other representations and warranties (including representations and warranties by the Originator) as advised by the legal counsel of the Lead Arranger/ Lead Manager.
<p>Events of defaults or enforcement events, where applicable, including recourse available to investors</p>	<p>:</p>	<p>To include but not limited to the following events of default ("Event of Default"):</p> <ul style="list-style-type: none"> (a) the Issuer fails to pay any amount due from it under any of the Transaction Documents on the due date or, if so payable, on demand; (b) any representation or warranty made or given by the Issuer under the Transaction Documents or which is contained in any certificate, document or statement furnished at any time pursuant to the terms of the Notes and/or any of the Transaction Documents proves to have been incorrect or misleading in any material respect on or as of the date made or given or deemed made or given, and in the case of a failure which in the opinion of the Trustee is capable of being remedied, the Issuer does not remedy the failure within a period of seven (7) days after the Issuer became aware or having been notified by the Trustee or the Security Agent of the failure; (c) the Issuer fails to observe or perform its obligations under any of the Transaction Documents or the Notes or under any undertaking or arrangement entered into in connection therewith other than an obligation of the type referred to in paragraph above, and in the case of a failure which in the opinion of

	<p>the Trustee is capable of being remedied, the Issuer does not remedy the failure within a period of seven (7) days after the Issuer became aware or having been notified by the Trustee or the Security Agent of the failure;</p> <p>(d) there has been a breach by the Issuer of any obligation under any of the Issuer's existing contractual obligations which may materially and adversely affect the Issuer's ability to perform its obligations under the Transaction Documents and, if in the opinion of the Trustee is capable of being remedied, the Issuer does not remedy the breach within a period of seven (7) days after the Issuer became aware or having been notified by the Trustee or the Security Agent of the breach;</p> <p>(e) any indebtedness for borrowed moneys of the Issuer becomes due or payable or capable of being declared due or payable prior to its stated maturity or any guarantee or similar obligations of the Issuer is not discharged at maturity or when called and such declaration of indebtedness being due or payable or such call on the guarantee or similar obligations is not discharged or disputed in good faith by the Issuer in a court of competent jurisdiction within thirty (30) days from the date of such declaration or call, or the Issuer goes into default under, or commits a breach of, any agreement or instrument relating to any such indebtedness, guarantee or other obligations, or any security created to secure such indebtedness becomes enforceable;</p> <p>(f) 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 business or assets of the Issuer, or distress, legal process, sequestration or any form of execution is levied or enforced or sued out against the Issuer which may have a Material Adverse Effect on the Issuer, or any security interest which may for the time being affect any of its assets becomes enforceable;</p> <p>(g) the Issuer fails to satisfy any judgement 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</p>
--	---

	<p>law or such appeal or application for a stay of execution has been dismissed;</p> <p>(h) any step or action is taken for the winding-up, administration, dissolution or liquidation of the Issuer or a resolution is passed for the winding-up, administration, dissolution or liquidation of the Issuer or a petition for winding up, administration, dissolution or liquidation is presented against the Issuer and the Issuer has not taken any action in good faith to set aside such petition within thirty (30) days from the date of service of such petition or a winding up order has been made against the Issuer, or the Issuer becomes insolvent or commits an act of insolvency;</p> <p>(i) 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 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 2016 has been instituted against the Issuer;</p> <p>(j) where there is a revocation, withholding, invalidation or modification of any license, authorisation, approval or consent which in the opinion of the Trustee may impair or prejudice the Issuer's ability to comply with the terms and conditions of the Notes or the Transaction Documents;</p> <p>(k) the Issuer is deemed unable to pay any of its debts under Section 466(1) of the Companies Act 2016 or becomes unable to pay any of its debts as they fall due or suspend or threaten to suspend making payments with respect to all or any class of its debts;</p> <p>(l) any creditor of the Issuer exercises a contractual right to take over the financial management of the Issuer and such event in</p>
--	--

		<p>the opinion of the Trustee may have a Material Adverse Effect on the Issuer;</p> <p>(m) the Issuer changes or threatens to change the nature or scope of a substantial part its business, or suspends or threatens to suspend or cease or threatens to cease the operation of a substantial part of its business which it now conducts directly or indirectly and such change or suspension or cessation in the opinion of the Trustee may have a Material Adverse Effect on the Issuer;</p> <p>(n) at any time any of the provisions of the Transaction Documents is or becomes illegal, void, voidable or unenforceable;</p> <p>(o) the Issuer and/or the Originator repudiates any of the Transaction Documents or the Issuer and/or the Originator does or causes to be done or omits to do any act or thing evidencing an intention to repudiate any of the Transaction Documents;</p> <p>(p) any of the assets, undertakings, rights or revenue of the Issuer are seized, nationalised, expropriated or compulsorily acquired by or under the authority of any governmental body which in the opinion of the Trustee may have a Material Adverse Effect on the Issuer;</p> <p>(q) any event or events has or have occurred or a situation exists which in the opinion of the Trustee may have a Material Adverse Effect on the Issuer, and in the case of the occurrence of such event or situation which in the opinion of the Trustee is capable of being remedied, the Issuer does not remedy it within a period of seven (7) days after the Issuer became aware or having been notified by the Trustee or the Security Agent of the event or situation;</p> <p>(r) it becomes unlawful for the Originator to perform its obligations under any of the Transaction Documents to which it is a party;</p> <p>(s) the Obligor and/or the Guarantor fail to honour any of their obligations in respect of the Payment Obligations under the Settlement Agreement;</p> <p>(t) Selangor State Government is no longer the indirect majority or controlling shareholder of the Guarantor and/or the Guarantor is no</p>
--	--	---

	<p>longer the majority or controlling shareholder of the Obligor;</p> <ul style="list-style-type: none">(u) the Obligor and/or the Guarantor repudiates or does or causes to be done or omits to do any act or thing evidencing an intention to repudiate the Settlement Agreement;(v) an insolvency event occurs in respect of the Obligor;(w) an insolvency event occurs in respect of the Guarantor;(x) where there is a revocation, withholding, invalidation or modification of the Guarantor's individual water licence;(y) at any time any of the provisions of the Settlement Agreement is or becomes illegal, void, voidable or unenforceable; or(z) such other events as advised by the legal counsel of the Lead Arranger/ Lead Manager. <p>Upon the occurrence of an Event of Default under items (s) or (w) above, the Trustee may, and shall, at the direction of the Noteholders by way of special resolution (but without the need for the Noteholders to declare an Event of Default), immediately instruct the Security Agent enforce the relevant Transaction Documents to take action against the Obligor and/or the Guarantor to recover the defaulted Payment Obligation or part thereof which is due. For the avoidance of doubt, if there is a default in the payment of any one Payment Obligation, the other Payment Obligations which are not yet due cannot be accelerated except in the event of an insolvency of the Guarantor item (w) above.</p> <p>Upon the occurrence of any Event of Default, the Trustee may, and shall at the direction of the Noteholders by way of special resolution, declare that an Event of Default has occurred, whereupon all sums payable under the Notes shall become immediately due and payable by the Issuer and the Security Agent shall enforce the relevant Transaction Documents in accordance with their respective terms. For the avoidance of doubt, coupon on the Notes shall continue to accrue and be payable to the Noteholders notwithstanding the declaration of an Event of Default by the Trustee hereunder.</p>
--	--

Governing laws	:	<p>Laws of Malaysia.</p> <p>The Issuer shall unconditionally and irrevocably submit to the non-exclusive jurisdictions of the courts of Malaysia.</p>
Provisions on buy-back, if applicable	:	No provision on buy-back.
Provisions on early redemption, if applicable	:	<p><u>Mandatory Prepayment</u></p> <p>In the event of an occurrence of the following events (“Mandatory Prepayment Events”):</p> <p>(a) a breach of any representations and warranties by the Originator under the Sale and Purchase Agreement and such breach, if capable of being remedied, has not been remedied after a specified period from when the Originator becomes aware of such breach or receives notice from the Issuer/Trustee of such breach, or is not capable of being remedied (“Originator Breach of Warranty”); or</p> <p>(b) the Obligor prepays its Payment Obligations under the Settlement Agreement (“Full Prepayment”),</p> <p>then the Issuer shall mandatorily prepay in full all of the Notes within five (5) business days from the receipt by the Issuer of payment from the Originator or the Obligor, as the case may be.</p>
Voting	:	All Noteholders shall vote as a single class, regardless of which Tranche of the Notes they own/hold.
Permitted investments, if applicable	:	<p>The funds standing to the credit of the Designated Accounts shall be placed in permitted investments limited to the following (“Permitted Investments”):</p> <p>(a) Treasury bills, money market instrument and sukuk issued by the Government of Malaysia or BNM;</p> <p>(b) Securities issued by a government related entity, corporate or any financial institution pursuant to the Financial Services Act 2013 (“FSA”) and having a minimum long term rating of AA₃ and/or short term rating of P1 by RAM or its equivalent; and</p>

	<p>(c) Deposits and money market instruments with any financial institution licensed pursuant to the FSA and having a minimum long term rating of AA3 and/or short term rating of P1 by RAM or its equivalent,</p> <p>subject to the following:</p> <ul style="list-style-type: none">(i) no Event of Default has occurred;(ii) the maturity of the Permitted Investments shall fall on a date which is at least three (3) business days before the next coupon payment date and/or the maturity date, whichever is earlier and shall be remitted into the original account from which such monies relating to such Permitted Investments were obtained from;(iii) the Permitted Investments shall be denominated in Ringgit;(iv) Permitted Investments in item (ii) above shall not exceed 50% of the total funds available to be invested in Permitted Investments; and(v) the exposure to each counterparty in item (ii) above shall not exceed 10% of the total funds available in all the Designated Accounts to be invested in Permitted Investments.
--	---

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

Other Terms and Conditions		
Settlement Agreement	:	The Termination and Settlement Agreement entered into between the Guarantor, the Obligor, and the Originator dated 24 May 2019.
Sale and Purchase Agreement	:	A sale and purchase agreement will be executed between, inter alia, the Originator (as the Seller) and the Issuer (as the Purchaser) whereby, subject to the compliance of conditions set out therein, the Originator shall agree to sell and the Issuer shall agree to purchase the Assets.
Corporate Administration Agreement	:	The corporate administration agreement to be executed between the Issuer and the corporate administrator (“ Corporate Administrator ”) whereby the Corporate Administrator will be appointed to carry out all the statutory and administrative duties of the Issuer.
(A) Notes		
Periodic Distribution Rate/Coupon Rate	:	To be determined prior to the issuance of the Notes.
Periodic Distribution Payment Frequency	:	To be determined prior to the issuance of the Notes.
Periodic Distribution Payment Basis	:	The Coupon Rate will be calculated on the basis of a year of 365 days and the actual number of days elapsed (actual/365 days).
Form and Denomination	:	<p>The Notes shall be issued in accordance with (1) the “Participation and Operation Rules for Payment and Securities Services (“PayNet Rules”) issued by Payment Networks Malaysia Sdn Bhd and includes its successors-in-title (“PayNet”) and (2) the Operational Procedures for Securities Services issued by MyClear, (“PayNet Procedures”) as amended or substituted from time to time (collectively the “PayNet Rules and Procedures”).</p> <p>Each Note shall be represented by a global certificate to be deposited with BNM, and is exchangeable for definitive bearer form only in certain limited circumstances. The denomination of the Notes shall be RM1,000 or in multiples of RM1,000 at the time of issuance.</p>
Issue Price	:	To be determined prior to the issuance of the Notes.

<p>Details of utilisation of proceeds</p>	<p>:</p>	<p>The proceeds from Notes shall be utilised by the Issuer as follows:</p> <ul style="list-style-type: none"> (a) to meet fees, costs and expenses incurred or to be incurred by the Issuer in connection with the issuance of the Notes; (b) to fund the Trustee's Reimbursement Account; (c) to fund the relevant Designated Accounts; and (d) to complete the purchase of the Assets from the Originator.
<p>Purchase and cancellation</p>	<p>:</p>	<p>The Issuer may at any time purchase the Notes at any price in the open market or by private treaty, but these purchased Notes shall be cancelled and cannot be resold.</p>
<p>Additional payment upon declaration of an Event of Default</p>	<p>:</p>	<p>The Issuer shall pay to the Noteholders on a pro-rata basis a sum equivalent to 1.5% per annum on the principal portion of any due and unpaid Payment Obligation which is received by the Issuer as part of the default interest amount under the Settlement Agreement and such default interest amount shall be calculated in accordance with the formulas as prescribed in the Settlement Agreement ("Additional Payment").</p> <p>For the avoidance of doubt, the Issuer is only obliged to pay the Additional Payment if the Issuer receives any default interest amount under the Settlement Agreement and such amount shall be deposited into the Settlement Account. The Additional Payment shall be paid from the Settlement Account in the order of priority set out therein.</p>
<p>Transaction Documents</p>	<p>:</p>	<p>Includes, inter alia, the following documents:</p> <ul style="list-style-type: none"> (a) Corporate Administration Agreement; (b) Trust Deed; (c) Securities Lodgement Form; (d) Sale and Purchase Agreement; (e) Security Agency Agreement; (f) Security Documents; and (g) All other documents to be advised by the by

		the legal counsel of the Lead Arranger/ Lead Manager.
Status	:	The Notes will constitute direct, unconditional and secured obligations of the Issuer and shall at all times rank pari passu, without discrimination, preference or priority amongst themselves and at least pari passu with all other present and future unsecured and unsubordinated obligations of the Issuer, subject to those preferred by law or the Transaction Documents.
Taxation	:	All payments by the Issuer shall be made without withholding or deductions for or on account of any present or future tax, duty or charge of whatsoever nature imposed or levied by or on behalf of Malaysia, or any other applicable jurisdictions, or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law, in which event the Issuer shall be required to make such additional amount to that the payee would receive the full amount which the payee would have received if no such withholding or deductions are made.
Trustee's Reimbursement Account	:	The Issuer shall open and maintain the Trustee's Reimbursement Account and deposit a sum of RM30,000.00 into the account. This account shall be opened in the name of the Issuer and operated by the Trustee and moneys therein shall be used strictly by the Trustee in carrying out its duties in relation to any Event of Default or enforcement events in relation to the Facility. The sum in the account shall be maintained at all times throughout the tenure of the Facility. Upon full repayment of all amounts due under the Notes, balances in the Trustee's Reimbursement Account shall be utilised for the payment of the Deferred Purchase Price in accordance with the Sale and Purchase Agreement.
No petition	:	The agreements to be entered into between the Issuer and service providers (" Counterparties ") (save for the Securities Lodgement Form) shall contain clauses to the effect that during the period when the Notes are outstanding, the Counterparties will not bring any proceedings for the winding up or bankruptcy of the Issuer. This clause is also applicable for substitute service providers.
Limited Recourse	:	The Notes are issued on a limited recourse basis. The Noteholders will only have the benefit of the Receivables and the collections from and/or proceeds of realisation thereof, including amounts standing to the credit of the relevant bank accounts

		and all rights of the Issuer under the Transaction Documents, to satisfy their right to receive coupon payments and redemption of the principal of the Notes.
(B) Sale of the Assets		
Sale	:	<p>The Sale and Purchase Agreement shall specify the specific terms and conditions governing the sale and purchase of the Assets including but not limited to:</p> <ul style="list-style-type: none"> (a) the Sale Date; (b) the amount of Receivables to be sold, the purchase price and the method of completion (including the Deferred Purchase Price (as defined herein) (if any)); (c) an assignment of the rights, title, interest and benefit in and to the Receivables by the Originator to the Issuer; and (d) such other terms and conditions as may be advised by the legal counsel of the Lead Arranger/ Lead Manager.
Purchase Price	:	<p>The price to be paid for the Receivables on the Sale Date for the Receivables will be defined in the Sale and Purchase Agreement. The purchase price payable shall be part settled by the Issuer in cash on the issue date. A portion of the purchase price shall be payable by the Issuer to the Originator on a deferred basis in accordance with the priority of payment as detailed under section (D) "Details of Account(s)" herein ("Deferred Purchase Price").</p>
Representations and Warranties by the Originator	:	<p>The Originator will make certain representations and warranties in the Sale and Purchase Agreement with respect to the Receivables, including but not limited to the following:</p> <ul style="list-style-type: none"> (a) that the Receivables are or will be as of the date of the sale and assignment of the Receivables ("Sale Date"), amongst others: <ul style="list-style-type: none"> (i) absolutely, beneficially owned by the Originator free and clear of all liens, encumbrances, charges and security interests; (ii) Receivables which the Originator is not prohibited or restricted by law, contract or otherwise from effecting the transfer

	<p>to the Issuer free from all encumbrances;</p> <p>(iii) not subject to any right of rescission, set-off, counterclaim or defence, other than applicable bankruptcy and insolvency defences and does not provide for the substitution, addition or exchange of any of the goods or services that would result in a reduction in any payments due thereunder and no circumstances exist, to the best of the Originator's belief, which would give the Obligor the right to refuse to make any payment under the relevant Payment Obligation;</p> <p>(iv) not sold, assigned, transferred or pledged or otherwise furnished for security by the Originator to any other party and the Receivables have not been included in any other pool of receivables for the purpose of any other transaction;</p> <p>(v) the final schedule payment date of the Receivable falls before the last day of the tenure of the Notes; and</p> <p>(vi) no payment in respect of the Receivables scheduled to be received after the Sale Date have been received on or before such Sale Date.</p> <p>The Originator will indemnify the Issuer against all damages, losses, liabilities, costs, expenses and claims awarded against or incurred by the Issuer resulting from the breach of any representation or warranty made by the Originator in the Sale and Purchase Agreement. Save as aforesaid, the Originator shall not be liable to the Issuer for any loss howsoever suffered by the Issuer arising from the sale of the Assets.</p> <p>If the Originator breaches any representations and warranties and such breach, being capable of being remedied, remains uncured for a specified period after the Originator becomes aware or receives notice thereof from the Issuer or Trustee, or where such breach is not capable of being remedied, all of the Payment Obligations shall be resold and reassigned to the Originator at the Repurchase Price (as described below). In the event of such reassignment, the consideration shall be utilised to mandatorily prepay all of the Notes.</p>
--	--

<p>Repurchase Price pursuant to a Mandatory Prepayment Event - Originator Breach of Warranty</p>	<p>:</p>	<p>The Repurchase Price shall be the price payable by the Originator to repurchase the Receivables under Mandatory Prepayment Events - Originator Breach of Warranty which amount shall be the aggregate of:</p> <ul style="list-style-type: none"> (a) The nominal value of the Receivables outstanding as at the date of repurchase; plus (b) The amount of all accrued interest of the Receivables up to the date of repurchase; plus (c) All other ancillary costs in relation to the repurchase of the Receivables which shall include, but is not limited to recovery/legal expenses. <p>Any such amount received by the Issuer shall be deposited into the Settlement Account and applied in the order of priority as out therein.</p>
<p>Legal Assignment</p>	<p>:</p>	<p>The sale of the Assets by the Originator under the Sale and Purchase Agreement will be a “true sale” by way of an absolute legal assignment. The Originator will represent and warrant that the sale of the Assets will be a valid assignment from the Originator to the Issuer of all of the Originator’s rights, title, interests and benefits therein and in the proceeds thereof. Since the sale of the Assets is to be by way of a legal assignment, the Originator will notify the Obligor and Guarantor of the sale. The Obligor and Guarantor will acknowledge and accept the terms of the assignment in the relevant Notice of Assignment.</p>
<p>Notice of Assignment</p>	<p>:</p>	<p>The Notice of Assignment shall include an acknowledgment and consent by the Obligor and Guarantor of the assignment by the Originator of its rights, title, interests and benefits in and to the Settlement Agreement.</p>
<p>Collections from Receivables</p>	<p>:</p>	<p>Under the terms of the Notice of Assignment, the Obligor and the Guarantor will agree to deposit all payments in respect of the Receivables directly into the Settlement Account.</p> <p>In the event payments are made to the Originator directly, the Originator shall hold such payments on trust for the Issuer and shall deposit such payments into the Settlement Account within three (3) business days from the Originator’s receipt of such payments, and the Originator shall inform the Trustee, Security Agent and Facility Agent accordingly and shall further inform the Obligor and Guarantor (as the case may be) to make all future payments directly into the Settlement Account.</p>

Clean Up Call Option	:	<p>The Originator may repurchase all (but not part only) of the outstanding Receivables on any date after the nominal value of the Receivables falls below zero point six percent (0.60%) of the nominal value of the Receivables initially purchased from the Originator and provided always that amounts outstanding on the Notes have been reduced to zero.</p> <p>The repurchase price shall be equivalent to the aggregate of:</p> <ul style="list-style-type: none"> (a) The nominal value of the Receivables outstanding as at the date of repurchase; plus (b) The amount of all accrued interest of the Receivables up to the date of repurchase; plus (c) All other ancillary costs in relation to the repurchase of the Receivables which shall include, but is not limited to recovery/ legal expenses in relation to the Receivables. <p>Any such amount received shall be deposited into the Settlement Account and applied in the order of priority set out therein.</p>
-----------------------------	---	--

(C) Details of Account(s)

Designated Accounts	:	<p>The Issuer shall open and maintain the following designated accounts with the name of the Issuer as the prefix to the name of the respective Designated Accounts with a financial institution having a minimum long term rating of AA3 and short term rating of P1 unless specified otherwise by the Credit Rating Agency:</p> <ul style="list-style-type: none"> (a) Settlement Account; (b) SPV Maintenance Account; (c) Debt Service Reserve Account (“DSRA”); (d) Principal Redemption Account; and (e) such other accounts as may be advised by the legal counsel of the Lead Arranger/ Lead Manager. <p>The Designated Accounts will be charged to the Security Agent with the Security Agent as the sole signatory.</p> <p>The funds standing to the credit of the Designated Accounts may be placed in Permitted Investments and any income from the Permitted Investments</p>
----------------------------	---	---

		shall be credited into the Settlement Account.
Settlement Account	:	<p>The following shall be deposited into the Settlement Account:</p> <ul style="list-style-type: none"> (a) all collections in relation to the Receivables (including all proceeds pursuant to a Mandatory Prepayment Event and a Clean Up Call Option to be received; (b) the transfer of all balances from all the other Designated Accounts (i) within three (3) business days upon full redemption of the Notes or (ii) three (3) business days prior to the expected date of Mandatory Prepayment Event or (iii) within three (3) business days following a declaration of an Event of Default; (c) other cash receipts of the Issuer from any source; and (d) income from Permitted Investments from the Designated Accounts. <p><u>Application of funds OTHER THAN (1) following a Mandatory Prepayment Event OR (2) upon a declaration of an Event of Default</u></p> <p>Funds in the Settlement Account shall be applied in the following order of priority:</p> <ul style="list-style-type: none"> (a) to the payment of any taxes and other statutory obligations of the Issuer and fees and expenses in relation to the Facility as and when it becomes due and to the extent that it has not been met from the SPV Maintenance Account and on each anniversary of the issue date of the Notes, to set aside amounts sufficient to meet any estimated taxes and other statutory obligations of the Issuer payable in the immediate next 12 months and such amounts shall be duly reviewed by the Issuer's tax agent and submitted to amongst others, the Trustee, Security Agent and Credit Rating Agency; (b) on each coupon date/ Maturity Date, to the payment of all coupons due and payable on the Notes, if not met from the DSRA; (c) on each anniversary of the issue date of the Notes, to transfer to the DSRA an amount equivalent to the next coupon payment to be made on the Notes;

	<p>(d) on the relevant Maturity Date, to the payment of principal due and payable on the relevant Tranche of the Notes;</p> <p>(e) on each anniversary of the issue date of the Notes, to the payment of the Deferred Purchase Price in accordance with the Sale and Purchase Agreement;</p> <p>(f) after the amounts outstanding on the Notes have been reduced to zero, any balances remaining in the Settlement Account will be applied in the following order of priority:</p> <ul style="list-style-type: none">(i) an amount set aside for any winding up expenses of the Issuer;(ii) to the payment of the remaining Deferred Purchase Price outstanding in accordance with the Sale and Purchase Agreement;(iii) any remaining amounts shall be retained by the Issuer. <p><u>Application of funds following a Mandatory Prepayment Event or upon a declaration of an Event of Default</u></p> <p>Funds in the Settlement Account shall be applied in the following order of priority:</p> <ul style="list-style-type: none">(a) to the payment of any taxes and other statutory obligations of the Issuer and fees and expenses in relation to the Facility;(b) to the payment of coupon on the Notes (including any accrued and unpaid coupon) on a pro-rata basis;(c) to the payment of Additional Payment on a pro-rata basis;(d) to the payment of principal on the Notes on a pro-rata basis;(e) after the amounts outstanding on the Notes have been reduced to zero, any balances remaining in the Settlement Account will be applied in the following order of priority:<ul style="list-style-type: none">(i) an amount set aside for any winding up expenses of the Issuer;
--	--

		<p>(ii) to the payment of the Deferred Purchase Price in accordance with the Sale and Purchase Agreement;</p> <p>(iii) any remaining amounts shall be retained by the Issuer.</p>
<p>SPV Maintenance Account</p>	<p>:</p>	<p>The Issuer will establish an SPV Maintenance Account for liquidity requirements and to meet certain taxes and government charges, estimated fees, costs and expenses.</p> <p>The SPV Maintenance Account will be funded by an initial deposit from the issue proceeds of the Notes (“General Deposit”).</p> <p>The General Deposit will be an amount equivalent to the projected expenses of the Issuer or any such amount detailed in the Transaction Documents.</p> <p>Funds in the SPV Maintenance Account shall be applied in the following order of priority:</p> <p>(a) payment of any taxes and government charges owed;</p> <p>(b) payment of (i) the accrued and unpaid fees, costs and expenses, payable to the service providers appointed in connection with the Facility and the securitisation exercise; (ii) the accrued and unpaid fees, costs and expenses, payable to the relevant payee which are not expressly prohibited by any of the Transaction Documents,</p> <p>subject to a maximum amount to be detailed in the Transaction Documents.</p> <p>(i) Within three (3) business days upon full repayment of all amounts due under the Notes or (ii) three (3) business days prior to the expected date of a Mandatory Prepayment Event or (iii) within three (3) business days following a declaration of an Event of Default, any balances remaining in the SPV Maintenance Account will be transferred to the Settlement Account.</p>
<p>Debt Service Reserve Account</p>	<p>:</p>	<p>The DSRA will be initially funded from the issue proceeds of the Notes and thereafter, from time to time, by transfers from the Settlement Account of an amount equivalent to the next six (6) months’ coupon payment obligations in respect of the relevant Notes or any such amount detailed in the Transaction Documents.</p>

		<p>The amounts in the DSRA shall only be available to the Issuer to meet coupon payments due and payable on the relevant Notes.</p> <p>The Security Agent shall transfer such amounts from the Settlement Account to the DSRA on the relevant coupon payment dates.</p> <p>(i) Within three (3) business days upon full repayment of all amounts due under the Notes or (ii) three (3) business days prior to the expected date of a Mandatory Prepayment Event or (iii) within three (3) business days following a declaration of an Event of Default, any balances remaining in the DSRA will be transferred to the Settlement Account.</p>
<p>Principal Redemption Account</p>	<p>:</p>	<p>The Principal Redemption Account will be funded by an initial deposit from the issue proceeds of the Notes by an amount detailed in the Transaction Documents.</p> <p>The amounts in the Principal Redemption Account shall only be available to the Issuer to meet the principal due and payable on the Notes if such payment is not met fully from the Settlement Account in accordance with the priority of payment thereunder.</p> <p>(i) Within three (3) business days upon full repayment of all amounts due under the Notes or (ii) three (3) business days prior to the expected date of a Mandatory Prepayment Event or (iii) within three (3) business days following a declaration of an Event of Default, any balances remaining in the Principal Redemption Account will be transferred to the Settlement Account.</p>

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

APPENDIX II

Projected Collections from the Receivables and Principal Assumptions

Projected Collections from the Receivables

The Issuer's cash inflow is mainly derived from collections from the Receivables and such monies shall be credited into the Settlement Account.

Based on the principal assumptions described below and other assumptions made as of the date of this Information Memorandum, the Receivables are projected to generate the following cash flow:

FYE 31 Dec	A	B	C = A + B
	Interest Collections	Principal Collections	Collections
	RM	RM	RM
2020	33,829,929	71,597,734	105,427,663
2021	30,071,048	71,597,734	101,668,782
2022	26,312,167	71,597,734	97,909,901
2023	22,553,286	71,597,734	94,151,020
2024	18,794,405	71,597,734	90,392,139
2025	15,035,524	71,597,734	86,633,258
2026	11,276,643	71,597,734	82,874,377
2027	7,517,762	71,597,734	79,115,496
2028	3,758,881	71,597,734	75,356,615

Principal assumptions upon which the projected collections from the Receivables is derived include:

- (a) There will be no significant changes in the prevailing economic and political conditions in Malaysia and elsewhere that will adversely affect the activities or performance of the Issuer, Obligor and Guarantor.
- (b) There will be no significant changes in the present legislations or government regulations, lending guidelines and other operational regulations or restrictions which will adversely affect the operations of the Issuer.
- (c) There will be no significant changes in the rate of inflation and interest rate.
- (d) The current taxation laws in Malaysia will continue to apply and it is assumed that there will be no material changes in such laws or practice or the rates and bases of taxation, levies and duties.
- (e) Principal and interest collections are derived only from the Balance Settlement Sum under the Settlement Agreement. For avoidance of doubt, the principal and interest collections exclude the Balance Cut-Over Sum.
- (f) No delinquency, default or prepayment on the Receivables.

- (g) No breach of warranty which results in the repurchase of the Receivables by the Originator.
- (h) The Receivables will not be disposed throughout the projection period.
- (i) Certain numbers are subject to rounding.

THE REST OF THIS PAGE IS INTENTIONALLY LEFT BLANK

ISSUER

STARBRIGHT CAPITAL BERHAD
7.02, 7th Floor
Wisma Central, Jalan Ampang
50450 Kuala Lumpur
Wilayah Persekutuan Kuala Lumpur

PRINCIPAL ADVISER, LEAD ARRANGER, LEAD MANAGER & SECURITY AGENT

CIMB INVESTMENT BANK BERHAD
Level 13, Menara CIMB
Jalan Stesen Sentral 2
Kuala Lumpur Sentral
50470 Kuala Lumpur
Wilayah Persekutuan Kuala Lumpur

ORIGINATOR

SUNGAI HARMONI SDN. BHD.
Unit 30-01, Level 30, Tower A
Vertical Business Suite, Avenue 3
Bangsar South, No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Wilayah Persekutuan Kuala Lumpur

SHARE TRUSTEE/ SPV ADMINISTRATOR

SPV CORPORATE SERVICES SDN. BHD.
7.02, 7th Floor
Wisma Central, Jalan Ampang
50450 Kuala Lumpur
Wilayah Persekutuan Kuala Lumpur

TRUSTEE

MTRUSTEE BERHAD
B-2-9 (2nd Floor)
Pusat Perdagangan Kuchai
No. 2, Jalan 1/127, Off Jalan Kuchai Lama
58200 Kuala Lumpur
Wilayah Persekutuan Kuala Lumpur

INDEPENDENT AUDITOR/ TAX ADVISER

DELOITTE PLT/ DELOITTE TAX SERVICES
SDN. BHD.
Level 16, Menara LGB
1 Jalan Wan Kadir
Taman Tun Dr. Ismail
60000 Kuala Lumpur
Wilayah Persekutuan Kuala Lumpur

**SOLICITORS TO THE PRINCIPAL ADVISER, LEAD ARRANGER & LEAD MANAGER FOR
THE TRANSACTION**

MESSRS ADNAN SUNDRA & LOW
Level 11 Menara Olympia
No. 8 Jalan Raja Chulan
50200 Kuala Lumpur
Wilayah Persekutuan Kuala Lumpur