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STRICTLY PRIVATE & CONFIDENTIAL

INFORMATION MEMORANDUM

SWIRL ASSETS BERHAD

(REGISTRATION NO. 201901042855 (1352185-X))

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

JOINT LEAD ARRANGERS / JOINT LEAD MANAGERS



AmINVESTMENT BANK BERHAD

**(REGISTRATION NO.
197501002220 (23742-V))**



CIMB INVESTMENT BANK BERHAD

**(REGISTRATION NO.
197401001266 (18417-M))**

This Information Memorandum is dated 27 August 2020

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 Notes (as defined in this Information Memorandum) the omission of which would, in the context of any issuance of Notes (as defined in this Information Memorandum), 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 Syarikat Pengeluar Air Selangor Holdings Berhad ("**Originator**" or "**SPLASH Holdings**") are responsible for all information relating to SPLASH Holdings, including all information and data relating to the Receivables (as defined in this Information Memorandum) and the Share Purchase 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 SPLASH Holdings 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 Joint Lead Managers (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 Notes would constitute, where relevant:- (a) at the point of issuance of the Notes, 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 Notes, 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 Notes. 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 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 Joint Lead Arrangers / Joint Lead Managers 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 Joint Lead Arrangers / Joint Lead Managers have 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 Notes 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 Joint Lead Arrangers / Joint Lead Managers 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 Notes 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 Joint Lead Arrangers / Joint Lead Managers to seek appropriate professional advice regarding, and to observe, any such restriction or prohibition. Neither the Issuer nor the Joint Lead Arrangers / Joint Lead Managers accept 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 Notes 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 Notes, (d) the Issuer, the Joint Lead Arrangers / Joint Lead Managers 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 Notes by the recipient, and they shall not have any responsibility or liability in the event that such subscription or purchase of the Notes by the recipient is or shall become unlawful, unenforceable, voidable or void, (e) it is aware that the Notes 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 Notes, and is able and is prepared to bear the economic and financial risks of investing in or holding the Notes, (g) it is subscribing or accepting the Notes for its own account, (h) it is a person to whom an issue, offer or invitation to subscribe or purchase the Notes would constitute, where relevant:- (i) at the point of issuance of the Notes, 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 Notes, 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 Notes 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 Joint Lead Arrangers / Joint Lead Managers or any other party to the recipient to subscribe for or purchase the Notes. 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 Notes and all other relevant matters, and each recipient should consult its own professional financial, legal, tax and other appropriate professional advisers. All information and statements herein are subject to the detailed provisions of the respective agreements referred to herein and are qualified by reference to such documents.

The Senior Notes (as defined in this Information Memorandum) 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 Junior Notes (as defined in this Information Memorandum) are direct, unconditional and unsecured obligations of the Issuer, subordinated to the Senior Notes, 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 subordinated obligations of the Issuer, subject to those preferred by law or the Transaction Documents. The liability of the Issuer to make coupon payments and principal payments on the Notes 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 Noteholders (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. Notwithstanding the foregoing, the Originator does not in any way stand behind the Notes, except to the extent specified in the Transaction Documents.

This Information Memorandum includes certain historical information (which may not be reflective of the future), estimates, projections or reports thereon derived from sources mentioned in this Information Memorandum and other parties with respect to the Malaysian economy, the utilities sector, the local financial industry and certain other matters. 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 Joint Lead Arrangers / Joint Lead Managers 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). Any legal action arising out of or in connection with the issuance of the Notes 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 Notes has been made with the SC on 12 August 2020 (“**SC Lodgement**”).

The issue, offer or invitation in relation to the Notes 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 30 June 2020) (“**LOLA Guidelines**”) in relation to the proposed issuance of the Notes 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 Notes.

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 NOTES WILL CARRY DIFFERENT RISKS AND ALL INVESTORS SHOULD EVALUATE EACH TRANCHE OF THE NOTES 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 NOTES.

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 Notes.

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 Joint Lead Managers promptly upon the Joint Lead Managers' request, unless that recipient provides proof of a written undertaking satisfactory to the Joint Lead Managers with respect to destroying these documents as soon as reasonably practicable after the said request from the Joint Lead Managers.

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:

- (i) the most recently published audited annual financial statements and, if published later, the most recently published interim financial statements of the Issuer (if any);
- (ii) 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
- (iii) the pricing supplement, if applicable.

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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 Notes) 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 on the Senior Notes upon declaration of an Event of Default” of Appendix I hereof
AIBB	: AmInvestment Bank Berhad (Registration No. 197501002220 (23742-V))
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 Share Purchase 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: <ul style="list-style-type: none"> (i) the Sale and Purchase Agreement; (ii) the Share Purchase Agreement; (iii) the Corporate Administration Agreement; and (iv) the Designated Accounts
Balance Deferred Sum	: The Deferred Sum less the first Annual Instalment (as defined in Section 2.0 hereof) paid by Air Selangor to SPLASH Holdings under the Share Purchase Agreement
BNM	: Bank Negara Malaysia
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)

Definitions

Meanings

Completion Date	:	Has the meaning ascribed thereto in Section 2.0 hereof
Corporate Administrator	:	SPV Corporate Services Sdn. Bhd. (Registration No. 200301015831 (618251-U))
Corporate Administration Agreement	:	The corporate administration agreement entered or to be entered into between the Issuer and the Corporate Administrator
Credit Rating Agency	:	RAM Rating Services Berhad (Registration No. 200701005589 (763588-T))
Clean Up Call Option	:	The Originator's clean-up call option to repurchase the Receivables as more particularly described in Section (B) of Other Terms and Conditions, "Clean Up Call Option" of Appendix I 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
Deferred Sum	:	Has the meaning ascribed thereto under Section 2.0 hereof
Designated Accounts	:	Collectively, means: <ul style="list-style-type: none"> (i) Settlement Account; (ii) SPV Maintenance Account; (iii) Escrow Account; (iv) Early Redemption Account; and (v) such other accounts as may be advised by the legal counsel of the Joint Lead Arrangers / Joint Lead Managers, as more particularly described in section (C) of Other Terms and Conditions, "Details of Designated Account(s)" of Appendix I hereof
Early Redemption Account	:	Has the meaning ascribed thereto in section (C) of Other Terms and Conditions, "Early Redemption Account" of Appendix I hereof
Early Redemption Amount	:	Has the meaning ascribed thereto in section (A) of Other Terms and Conditions, "Early Redemption Amount" of Appendix I hereof
Escrow Account	:	Has the meaning ascribed thereto in section (C) of Other Terms and Conditions, "Escrow Account" of Appendix I hereof

Definitions

Meanings

Event of Default	:	Has the meaning ascribed thereto in the section entitled “Events of defaults or enforcement events, where applicable, including recourse available to investors” of Appendix I hereof
Facility Agent	:	AIBB
Foreign Jurisdiction	:	Any country (including its territories, all jurisdictions within that country and any possession areas subject to its jurisdiction), other than Malaysia
Issuer	:	Swirl Assets Berhad (Registration No. 201901042855 (1352185-X))
Joint Lead Arrangers or JLAs	:	AIBB and CIMB
Joint Lead Managers or JLMs	:	AIBB and CIMB
Joint Principal Advisers or JPAs	:	AIBB and CIMB
Junior Notes	:	The junior class notes to be issued under the MTN Facility
Junior Noteholder(s)	:	The holder(s) of the Junior Notes
Late Payment Interest	:	Has the meaning ascribed thereto in Section 2.3 hereof
Limited Recourse/No 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 30 June 2020) as amended from time to time
Lodgement Party	:	AIBB
Mandatory Prepayment Event	:	The occurrence of any of the following events: <ul style="list-style-type: none"> (a) a breach of any representations and warranties by the Originator under the Sale and Purchase Agreement as outlined in the section “Representations and Warranties by the Originator” 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

Definitions

Meanings

	:	is not capable of being remedied (“ Originator Breach of Warranty ”); or
	:	(b) Air Selangor prepays in full all its instalment payments under the Share Purchase Agreement (together with accrued interest payable thereon) (“ Full Prepayment ”); or
	:	(c) Air Selangor prepays any of the instalment payments under the Share Purchase Agreement in part (together with accrued interest payable thereof) (“ Partial Prepayment ”).
Minimum ERA Balance	:	Has the meaning ascribed thereto in section (C) of Other Terms and Conditions, “Early Redemption Account” of Appendix I hereof
MTN Facility	:	The asset-backed medium term notes facility of up to Ringgit Seven Hundred Million (RM700,000,000.00) in nominal value
Notes	:	Asset-backed medium term notes of up to Ringgit Seven Hundred Million (RM700,000,000.00) in nominal value comprising of Senior Notes and Junior Notes, as more particularly described in Section 1.0 and Appendix I hereof
Noteholders	:	Collectively, the Senior Noteholders and the Junior Noteholder(s)
Obligor	:	Air Selangor
Originator	:	SPLASH Holdings
Payment Obligations	:	The instalment payment(s) to be paid to the Originator by Air Selangor under the Share Purchase Agreement together with interest payable thereon, and “ Payment Obligation ” shall mean each and any one (1) of them
Periodic Settlement Account Information	:	Has the meaning ascribed thereto in section (C) of Other Terms and Conditions “Settlement Account” of Appendix I hereof
Permitted Investments	:	Has the meaning ascribed thereto in the section entitled “Permitted investments, if applicable” of Appendix I hereof
Prepayment	:	Has the meaning ascribed thereto in Section 2.2 hereof
Purchase Price	:	Has the meaning ascribed thereto in Section 2.0 hereof
Purchaser	:	The Issuer

Definitions

Meanings

Receivables	:	The remaining eight (8) instalment payments to be paid to the Originator under the Share Purchase Agreement together with interest and any late payment interest thereon payable to the Originator by Air Selangor pursuant to the Share Purchase Agreement
Repurchase Price	:	<p>The price payable by the Originator to repurchase the Receivables in the event of:</p> <p>(1) the Originator Breach of Warranty; or</p> <p>(2) the Originator exercises the Clean Up Call Option,</p> <p>which shall be equal to the aggregate of:</p> <p>(a) the nominal value of the Receivables outstanding as at the date of repurchase;</p> <p>(b) the amount of all accrued interest of the Receivables up to the date of repurchase; and</p> <p>(c) all other ancillary costs which shall include, but not limited to, late payment interest (if any) and recovery/legal expenses on any defaulted Payment Obligations.</p>
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
Sale Securities	:	<p>(i) The 50,000,000 ordinary shares in SPLASH; and</p> <p>(ii) the 350,000,000 redeemable unsecured loan stocks issued by SPLASH to SPLASH Holdings</p>
SC	:	Securities Commission Malaysia
Security Agent	:	AIBB
Security Documents	:	<p>Collectively, the following:</p> <p>(i) Share Charge;</p> <p>(ii) Debenture; and</p> <p>(iii) Assignment and Charge.</p>
Senior Notes	:	The senior class notes to be issued under the MTN Facility
Senior Noteholders	:	The holder(s) of the Senior Notes.

Definitions

Meanings

Settlement Account	:	Has the meaning ascribed thereto in section (C) of Other Terms and Conditions, "Settlement Account" of Appendix I 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 Purchase Agreement	:	The share purchase agreement dated 28 September 2018 executed between Air Selangor as the purchaser and SPLASH Holdings as the vendor in relation to the sale of the Sale Securities by SPLASH Holdings to Air Selangor (as amended and/or varied by the supplemental agreement dated 18 May 2020 executed between Air Selangor and SPLASH Holdings)
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 Holdings	:	Syarikat Pengeluar Air Selangor Holdings Berhad (Registration No. 199901008026 (482926-X))
SPV Maintenance Account	:	Has the meaning ascribed thereto in section (C) of Other Terms and Conditions, "SPV Maintenance Account" of Appendix I hereof
Tax Adviser	:	Tricor Taxand Sdn. Bhd. (previously known as Axcelasia Taxand Sdn. Bhd.) (Registration No. 200601026227 (745982-X))
Tranche	:	(a) In relation to the Senior Notes, means all the Senior Notes with the same maturity date; and (b) In relation to the Junior Notes, shall comprise of one tranche;
Transaction	:	Proposed issue of, offer for subscription or purchase of, or invitation to subscribe for or purchase of Notes arising from the securitisation of the Assets
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 Issuer and the Trustee

Definitions

Meanings

Trustee	:	MTrustee Berhad (Registration No. 198701004362 (163032-V))
Trustee's Reimbursement Account	:	Has the meaning ascribed thereto in section (A) of Other Terms and Conditions, "Trustee's Reimbursement Account" of Appendix I hereof
Upfront Sum	:	Has the meaning ascribed thereto in Section 2.0 hereof

1.0 INTRODUCTION

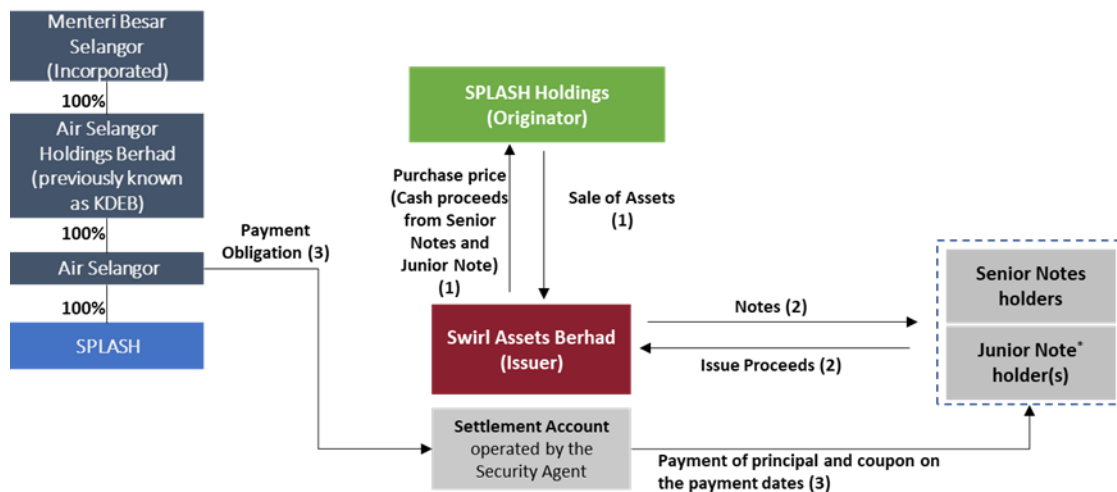
The information set out in this section and the following information relating to the Transaction is qualified in its entirety by, and must be read in conjunction with, the further detailed information appearing elsewhere in this Information Memorandum including the appendices.

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 by the Originator to the Issuer. The Issuer will issue the Notes to, *inter alia*, meet part of the purchase consideration of the Assets under the SPA.

1.2 Overview of the Transaction Structure



* Junior Notes will be subscribed by the Originator and/or its affiliates.

- (1) The Issuer shall acquire the Assets, which includes *inter alia*, the right to receive the Payment Obligations pursuant to the Share Purchase Agreement, from SPLASH Holdings. The purchase consideration for the Assets shall be funded via the issue proceeds of the Senior Notes and the Junior Notes on the issue date.

The transfer/ sale of the Assets will be by way of a legal assignment. In the assignment arrangement, Air Selangor as the Obligor of the Payment Obligations, will also acknowledge its 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 Senior Noteholders.

- (2) The Issuer shall issue the Notes backed by the Payment Obligations:-
 - (i) to fund the purchase of the Assets from the Originator;
 - (ii) to prefund the relevant Designated Accounts;

- (iii) to meet fees, costs and expenses incurred or to be incurred by the Issuer under the Transaction; and
 - (iv) to fund the Trustee's Reimbursement Account.
- (3) Air Selangor will credit all monies due and payable under the Share Purchase Agreement into the Settlement Account which will then be used primarily towards the principal redemption and coupon payments of the Notes on the respective payment dates.

1.3 Sale of the Assets under the Share Purchase 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 or if capable of remedy remains unremedied for a period of ten (10) days after the Originator becomes aware of the breach or receives written notice from the Issuer or the Trustee that there has been a breach, 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 Share Purchase 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 Share Purchase 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 Air Selangor, a notice of assignment. The combination of the legal assignment i.e. the giving of notice by the Originator to 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 Share Purchase 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 (2) 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. The

notice shall inform Air Selangor of, *inter alia*, the sale of the Assets to the Issuer and contain an instruction to Air Selangor to pay all monies due and payable under the Share Purchase Agreement into the Settlement Account of the Issuer. The notice will also require Air Selangor to, *inter alia*, (i) consent to the sale of the Assets to the Issuer and (ii) acknowledge and agree that it will pay all monies due and payable under the Share Purchase Agreement directly into the Settlement Account of the Issuer.

The second notice of assignment will be in relation to the Assignment and Charge and shall be issued by the Issuer to Air Selangor to give notice of the assignment and charge of the Assets to the Security Agent. The Issuer will, *inter alia*, instruct Air Selangor to make all payments owing under the Share Purchase Agreement into the Settlement Account. Air Selangor will further acknowledge and consent to the assignment and charge to the Security Agent and confirm that they will pay all monies due and payable under the Share Purchase Agreement into the Settlement Account of the Issuer.

1.3.3 Purchase Consideration

The purchase consideration 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 fair, reasonable and valuable consideration.

The purchase consideration will be satisfied via the issuance proceeds of the Notes on the issuance date.

1.4 Principal Parties to the Transaction

Issuer	Swirl Assets Berhad
Originator	Syarikat Pengeluar Air Selangor Holdings Berhad
Obligor of the Payment Obligations	Pengurusan Air Selangor Sdn Bhd
Joint Lead Arrangers / Joint Lead Managers	AmInvestment Bank Berhad and CIMB Investment Bank Berhad
Trustee	MTrustee Berhad
Security Agent	AmInvestment Bank Berhad
Share Trustee	SPV Corporate Services Sdn. Bhd.
Corporate Administrator	SPV Corporate Services Sdn. Bhd.
Facility Agent	AmInvestment Bank Berhad

1.5 Issuance of the Notes

The Senior Notes will be issued in Tranches with different maturity dates. Each Tranche shall be identified numerically in ascending order of maturity date, with the tranche having the shortest tenure being identified as "Tranche 1". The Junior Notes will comprise of only one (1) tranche.

The Issuer will utilise the issuance proceeds:-

- (i) to fund the purchase of the Assets from the Originator;
- (ii) to prefund the relevant Designated Accounts;
- (iii) to meet fees, costs and expenses incurred by the Issuer under the Transaction; and
- (iv) to fund the Trustee's Reimbursement Account.

1.6 Description of the Notes

The payment of the collections from the Receivables pursuant to the Share Purchase Agreement or the proceeds of realisation thereof shall constitute a complete discharge of the Issuer's duties and obligations in relation to the Notes and the Noteholders 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 Notes.

The Noteholders will also be deemed to have agreed (by their investment in or purchase of the Notes 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 that Air Selangor fails to honour any of its obligations in respect of the Payment Obligations under the Share Purchase Agreement or an insolvency event occurs in respect of Air Selangor, the Trustee may, and shall, at the direction of the Noteholders by way of a special resolution, immediately instruct the Security Agent to enforce the relevant Transaction Documents to take action against Air Selangor to recover the defaulted Payment Obligation or part thereof which is due. For the avoidance of doubt, in the event of a declaration of any Event of Default, the Payment Obligations which are not yet due will not be accelerated except in the event of an insolvency of Air Selangor.

Upon the occurrence of any Event of Default, the Trustee may at its discretion and shall, at the direction of the Noteholders (by way of a 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 Senior Notes shall continue to accrue and be payable to the Senior Noteholders notwithstanding the declaration of an Event of Default by the Trustee. Further to the above, the Junior Noteholder(s) shall not be entitled to declare an Event of Default unless the Senior Noteholders have declared an Event of Default or there are no more Senior Notes remaining outstanding.

The Noteholders will have limited recourse to the Issuer, and on the occurrence of any Event of Default and declaration thereof, the Noteholders 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 Noteholders have no claims against the Issuer in respect of any liability of the Issuer under the Notes.

1.7 Collections from Receivables

The primary source of payment of the Notes will be from the collections generated from the Receivables. Under the terms of the Notice of Assignment, the Obligor will agree to deposit all monies due and payable under the Share Purchase Agreement 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" of 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, the Repurchase Price and any late payment interest received by the Issuer under the Share Purchase Agreement);
- (b) the transfer of all balances from all the other Designated Accounts
 - (i) within three (3) business days upon full redemption of the Senior Notes; or
 - (ii) no later than three (3) business days prior to the expected date of the full prepayment of the Senior Notes pursuant to:
 - (1) an Originator Breach of Warranty; or
 - (2) a Full Prepayment; or
 - (iii) within three (3) business days following a declaration of an Event of Default, as the case may be;
- (c) other cash receipts of the Issuer from any source;
- (d) income from Permitted Investments from the Designated Accounts; and
- (e) transfers of an amount equivalent to the credit balances in the Trustee's Reimbursement Account.

Further to the above, the Issuer shall cause and procure the Security Agent, on a monthly basis, to provide the Periodic Settlement Account Information to the Trustee, Facility Agent and the Issuer.

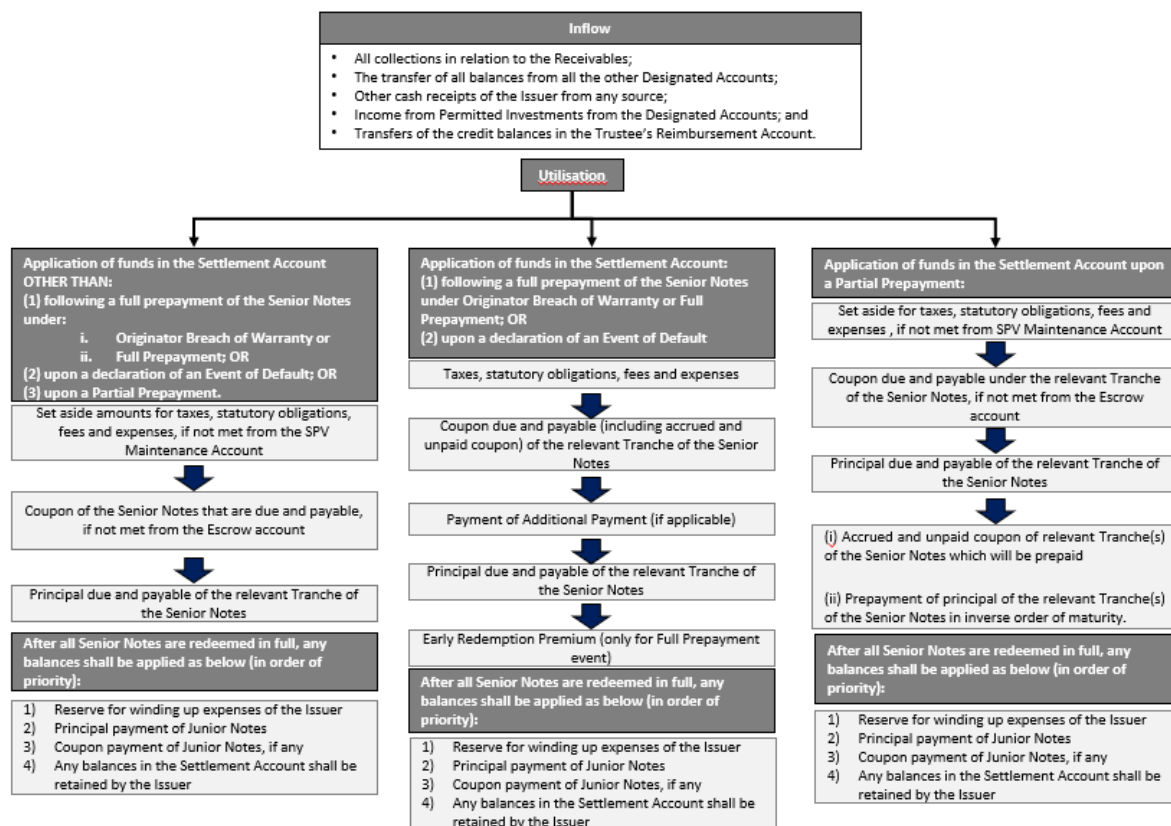
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1.8 Cash Flow Waterfall¹

1.8.1 Settlement Account

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

Settlement Account – Application of Funds



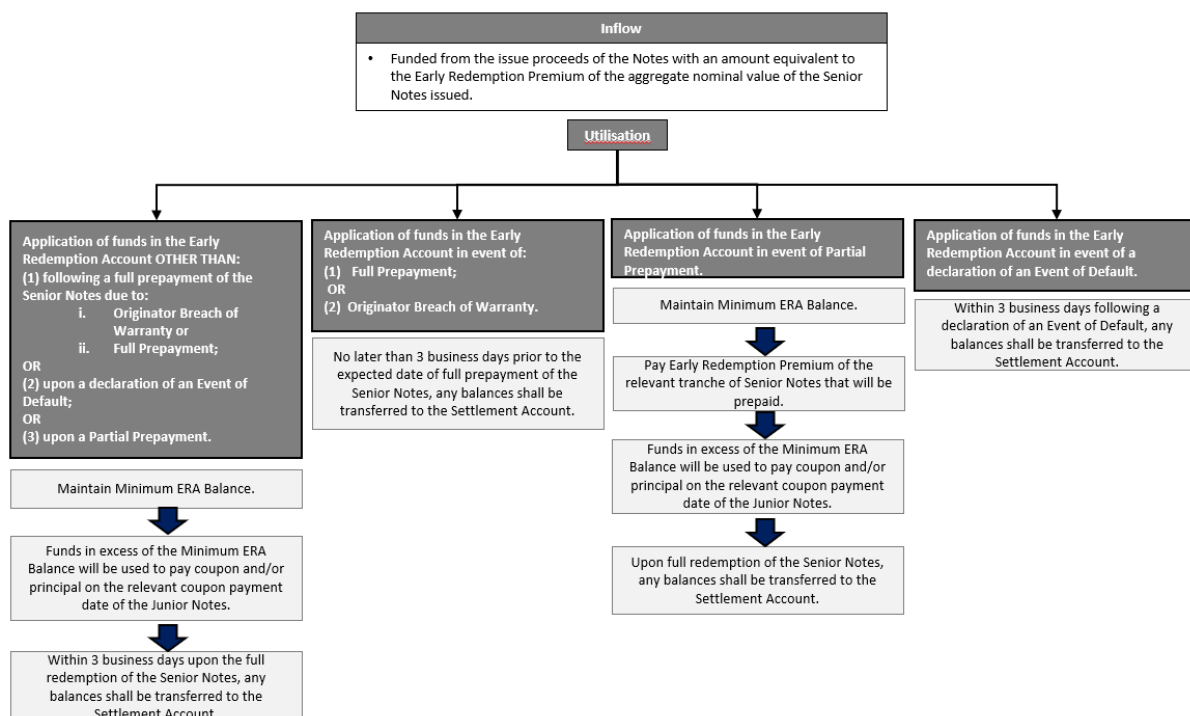
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¹ The diagrams in this section are only a summary of the application of funds of the Settlement Account and Early Redemption Account. Please refer to section (C) of Other Terms and Conditions, “Details of Designated Account(s)” of Appendix I hereof for further details.

1.8.2 Early Redemption Account

Collections deposited into the Early Redemption Account shall be applied to the corresponding Notes as per the diagram illustrating the application of funds below.

Early Redemption Account – Application of Funds



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2.0 SALIENT TERMS OF THE SHARE PURCHASE AGREEMENT

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

The Share Purchase Agreement was entered into between Air Selangor and SPLASH Holdings on 28 September 2018 for the purchase of the Sale Securities by Air Selangor from SPLASH Holdings.

The Share Purchase Agreement became unconditional on 22 April 2019 and was completed on 24 April 2019 ("**Completion Date**").

On 18 May 2020, a supplemental agreement was entered into between Air Selangor and SPLASH Holdings to amend and clarify the position in relation to prepayments by Air Selangor, which is set out in Section 2.2 below.

Purchase Price

Under the Share Purchase Agreement, SPLASH Holdings shall receive from Air Selangor the amount of Ringgit Two Billion Five Hundred and Fifty Million (RM2,550,000,000.00) for the Sale Securities consisting of:-

- (i) a sum of Ringgit One Billion Nine Hundred Million (RM1,900,000,000.00) on the Completion Date ("**Upfront Sum**"); and
- (ii) the balance sum of Ringgit Six Hundred and Fifty Million (RM650,000,000.00) ("**Deferred Sum**") in nine (9) annual instalments ("**Annual Instalments**") comprising
 - (a) eight (8) equal annual instalments of Ringgit Seventy-Two Million Two Hundred Twenty-Two Thousand and Two Hundred and Twenty-Two (RM72,222,222.00) only each; and
 - (b) one (1) final annual instalment of Ringgit Seventy-Two Million Two Hundred Twenty-Two Thousand and Two Hundred and Twenty-Four (RM72,222,224.00).

(collectively, the "**Purchase Price**").

Interest shall be payable by Air Selangor to SPLASH Holdings on, amongst others, the Annual Instalments in the manner set out in Section 2.1.1.

On the Completion Date, Air Selangor paid to SPLASH Holdings the Upfront Sum. On 24 April 2020, Air Selangor made payment of the first Annual Instalment of Ringgit Seventy-Two Million Two Hundred Twenty-Two Thousand Two Hundred and Twenty-Two (RM72,222,222.00) together with interest thereon to SPLASH Holdings. The Balance Deferred Sum yet to be paid by Air Selangor is as set out in Table 1 in Section 2.1 below.

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2.1 Details of the Payment Obligations

Table 1 – Balance Deferred Sum

No.	Description	Column I	Column II	Column III	Column IV
		Due Date	Balance Deferred Sum (RM)	Interest Amount per annum (RM)	Total (RM)
1	Instalment No. 2	24 April 2021	72,222,222.00	30,333,333.00	102,555,555.00
2	Instalment No. 3	24 April 2022	72,222,222.00	26,541,667.00	98,763,889.00
3	Instalment No. 4	24 April 2023	72,222,222.00	22,750,000.00	94,972,222.00
4	Instalment No. 5	24 April 2024	72,222,222.00	18,958,333.00	91,180,555.00
5	Instalment No. 6	24 April 2025	72,222,222.00	15,166,667.00	87,388,889.00
6	Instalment No. 7	24 April 2026	72,222,222.00	11,375,000.00	83,597,222.00
7	Instalment No. 8	24 April 2027	72,222,222.00	7,583,333.00	79,805,555.00
8	Instalment No. 9	24 April 2028	72,222,224.00	3,791,667.00	76,013,891.00

2.1.1 Interest on the Balance Deferred Sum

Interest charges shall be payable by Air Selangor to SPLASH Holdings on the Balance Deferred Sum at the agreed interest rate of 5.25% per annum from the date falling immediately after the Completion Date until the relevant payment due date as set out in Column I of Table 1 in Section 2.1 above (“**Due Date**”) or the Prepayment Date (as defined in Section 2.2 below). Column III of Table 1 in Section 2.1 above sets out the interest amount payable which has been calculated based on the agreed interest rate and premised on Air Selangor’s payment on the respective Due Dates.

2.2 Prepayment by Air Selangor of the Balance Deferred Sum

- (i) Pursuant to the Share Purchase Agreement, Air Selangor may at its sole discretion elect to prepay all or any part of the unpaid portion of the Balance Deferred Sum at any time before the respective Due Date (“**Prepayment**”), without penalty or premium.
- (ii) In the event Air Selangor elects for Prepayment, Air Selangor shall give SPLASH Holdings an irrevocable written notice of at least thirty (30) days (but which notice period shall not exceed sixty (60) days) (“**Prepayment Notice**”) prior to the prepayment date (“**Prepayment Date**”), which shall specify the Prepayment Date (on which date Air Selangor shall make the Prepayment) and identify the Prepayment amount and all accrued interest amounts payable up to the Prepayment Date.

- (iii) In the event of a Prepayment, the relevant interest charges as set out in Column III of Table 1 of Section 2.1 above shall be prorated and reduced accordingly.
- (iv) In the case of a partial Prepayment, the following shall apply:
 - (a) the Prepayment amounts shall be applied to pay the Annual Instalments in the inverse order of maturity with reference to the Due Dates; and
 - (b) each Prepayment shall be in an amount of not less than Ringgit Five Million (RM5,000,000.00).

2.3 Late Payment Interest After Due Date

In the event that any portion of the Balance Deferred Sum (or part thereof remaining unpaid after a Prepayment) is not paid on the relevant Due Date, late payment interest at the rate of 6.75% per annum ("**Late Payment Interest**") shall be payable by Air Selangor to SPLASH Holdings on:

- (i) the relevant Annual Instalment amount or part thereof (in the case of a Prepayment); and
- (ii) the interest charges set out in Column III of Table 1 of Section 2.1 above or (in the case of a Prepayment) the accrued interest amounts payable.

The Late Payment Interest shall be calculated in accordance with the formula below:

$$\text{Late Payment Interest} = 6.75\% \times (\text{item (i) above} + \text{item (ii) above}) \times \frac{\text{No. of days overdue}}{365}$$

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3.0 INVESTMENT CONSIDERATIONS

The purchase or subscription of the Notes 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 Notes.

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 Notes should carefully read this entire Information Memorandum and the prospective investors should undertake their own investigations on the Issuer, the Notes 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 Notes and the Receivables. Further, each Tranche of the Senior Notes and the Junior Notes issued will carry different risks and all potential investors are strongly encouraged to evaluate each Tranche of the Senior Notes and the Junior Notes on its own merit and to make a careful and informed assessment before proceeding with any decision to invest in the Notes.

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 Share Purchase Agreement

Air Selangor is entitled under the Share Purchase Agreement to prepay all or any part of the unpaid portion of the Balance Deferred Sum at any time before the respective Due Dates without penalty or premium, and the relevant interest charges in relation to such portion of the Balance Deferred Sum being prepaid, will be prorated and reduced accordingly.

A prepayment under the Share Purchase Agreement (whether in full or in part) is a Mandatory Prepayment Event for the Senior Notes, whereby (i) in the case of a prepayment under the Share Purchase Agreement which results in Full Prepayment, the Issuer shall mandatorily prepay, in whole and not in part, all outstanding Senior Notes; and (ii) in the case of Partial Prepayment, the Issuer shall mandatorily prepay the Senior Notes outstanding in part, in the following manner:

- (a) to prepay each Tranche in inverse order of maturity; and
- (b) if any Tranche cannot be prepaid in full, such Tranche shall be prepaid on a pro-rata basis.

Please refer to the section entitled "Provisions on early redemption, if applicable" set out in Appendix I hereof for further information on the prepayment of the Senior Notes.

3.1.2 Default and Enforcement

In the event that Air Selangor fails to honour any of its obligations in respect of the Payment Obligations, the Trustee may, and shall, at the direction of the Noteholders by way of a special resolution, immediately instruct the Security Agent to recover the defaulted Payment Obligation or part thereof which is due. The other Payment Obligations which are not yet due will not be accelerated except in the event of an insolvency of Air Selangor.

For the avoidance of doubt, in the event of a declaration of any Event of Default, the Payment Obligations which are not yet due will not be accelerated except in the event of an insolvency of Air Selangor.

3.1.3 Obligor's Default or Delinquency Risk

There can be no assurance that the Obligor will be able to meet the Payment Obligations. The ability of Air Selangor to make the 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 Notes.

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.

3.1.4 Issuer's source of income

In accordance with 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 from the Receivables that it is due to receive under the Share Purchase Agreement. In the event that the Receivables are insufficient to support the Issuer's business (i.e. the repayment of the Notes pursuant to the asset securitisation exercise), the Noteholders will have to bear any loss that arises.

3.2 Risks associated with the Notes

3.2.1 Secondary Market for the Notes

The Notes 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 Notes will develop or, if it does develop, that it will provide Noteholders with liquidity of investment or that such market or any liquidity of investment which may develop will continue for the tenure of the Notes.

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

3.2.2 Rating of the Notes

The Credit Rating Agency has assigned a preliminary rating of AAA² to the Senior Notes.

However, a rating is not a recommendation to purchase, hold or sell the Senior Notes. Further, such a rating is not a guarantee of repayment or that there will be no default by the Issuer of the Notes. There is no assurance that the rating accorded to the Senior Notes 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 Senior Notes may adversely affect the market price of the Senior Notes. In the event that the rating initially assigned to the Senior Notes is subsequently lowered or withdrawn for any reason, no person or entity will be obligated to provide any credit enhancement with respect to the Senior Notes. Any reduction or withdrawal of a rating will not constitute an Event of Default or an event obliging the Issuer to prepay the Notes.

The Junior Notes are unrated.

3.2.3 Issuer's ability to pay on the Senior Notes

The Issuer's ability to pay principal and coupons due and payable and under the Senior Notes is dependent upon timely payment by Air Selangor of the Payment Obligations.

3.2.4 Issuer's ability to pay on the Junior Notes

There is no guarantee that the Junior Noteholder(s) will receive coupon payments and principal repayment. Nevertheless, any funds in excess of the Minimum ERA Balance may be utilised to pay the coupon and/or principal of the Junior Notes. After all Senior Notes have been redeemed in full, all other amounts due and payable by the Issuer have been duly paid, and an amount has been set aside for any winding up expenses of the Issuer, any balance in the Settlement Account may be utilised for payment of principal and/or coupon on the Junior Notes.

Any unpaid coupons shall be deferred and shall be payable on the next coupon payment date, without any penalty (i.e. on a cumulative and non-compounded basis). Non-payment of the coupon payments for the Junior Notes shall not constitute an Event of Default unless all of the Senior Notes have been redeemed in full.

3.2.5 Consequences of Mandatory Prepayment Events

In the event of an Originator Breach of Warranty, the Issuer shall mandatorily prepay, in whole and not in part, all of the Senior Notes within five (5) business days from the date of receipt by the Facility Agent of a written notice (with a copy extended to the Trustee, Credit Rating Agency and Security Agent) from

² The definition of credit rating can be found on Credit Rating Agency's website at <https://www.ram.com.my/ratings>

the Issuer notifying the Facility Agent of the mandatory prepayment of the Senior Notes.

A prepayment under the Share Purchase Agreement (whether in full or in part) is also a Mandatory Prepayment Event for the Senior Notes. In the event of a Full Prepayment by the Obligor, the Issuer shall mandatorily prepay, in whole and not in part, all the Senior Notes outstanding within two (2) business days from the date of receipt of the Full Prepayment.

In the event of a Partial Prepayment, the Issuer shall mandatorily prepay the outstanding Senior Notes in part, two (2) business days from the receipt by the Issuer of the Partial Prepayment in the following manner:

- (a) to prepay each Tranche in inverse order of maturity; and
- (b) if any Tranche cannot be prepaid in full, then such Tranche shall be prepaid on a pro-rata basis.

As such, the Noteholders 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 Notes (whether in full or in part).

Please refer to item 29 of Appendix I below, "Provisions on early redemption, if applicable" for further details in relation to the prepayment of the Notes.

3.2.6 No Guarantee

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

3.2.7 Prepayment of Junior Notes

The Junior Notes may be prepaid at any time prior to its maturity, in whole or in part, without any premium, from funds in the Early Redemption Account (and from the Settlement Account after all the Senior Notes have been redeemed in full and all other amounts due and payable by the Issuer have been duly paid, and an amount has been set aside for any winding up expenses of the Issuer). Any prepayment of the Junior Notes from the Early Redemption Account is subject to any requirements under the Early Redemption Account including the Minimum ERA Balance.

As such, the Junior Noteholder(s) 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 Junior Notes (whether in full or in part).

3.2.8 Additional Payment

Upon the declaration of an Event of Default, the Issuer shall pay to the Senior Noteholders a sum equivalent to 1.5% per annum on the instalment amount of any due and unpaid Payment Obligation which is received by the Issuer as part of the Late Payment Interest and such Late Payment Interest shall be calculated in accordance with the formula prescribed in the Share Purchase

Agreement. For the avoidance of doubt, the Issuer is only obliged to pay the Additional Payment if the Issuer receives any Late Payment Interest and such amount shall be paid from the Settlement Account in the order of priority set out therein.

The Additional Payment is not applicable to the Junior Noteholder(s).

3.2.9 Declaration of Event of Default by the Junior Noteholder(s)

The Junior Noteholder(s) shall not be entitled to declare an Event of Default unless the Senior Noteholders have declared an Event of Default or there are no more Senior Notes remaining outstanding.

In addition, the Junior Noteholder(s) do not have the benefit of the security interests (as set out in the Security Documents) created by the Issuer and/or the Share Trustee (as the case may be) in favour of the Security Agent. The Security Agent holds the aforementioned security interests for the benefit of the Senior Noteholders only. The cashflow waterfall in respect of the Settlement Account and the Early Redemption Account does provide for payment to the Junior Noteholder(s). However, in the event of an insolvency of the Issuer, the Junior Noteholder(s) will be unsecured creditors of the Issuer and would not have any secured claim to the funds remaining in the Designated Accounts.

3.2.10 Suitability of investments

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

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained in this Information Memorandum;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where the currency of payment is different from the potential investor's currency;
- (iv) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- (v) be able to evaluate (either alone or with the help of 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.

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3.2.11 Inflation Risk

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

3.2.12 Market Value of the Notes

If a secondary market develops, the market value of the Notes may fluctuate. Trading prices of the Notes may also be influenced by numerous factors, including the prevailing interest rates and credit rating of the Senior Notes, the market for similar securities, political, economic, financial conditions and any other factors that can affect the capital markets. Consequently, any sale of the Notes 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 Notes.

3.2.13 Withholding Tax

There is no assurance that after the date of this Information Memorandum the payments by the Issuer in respect of the Notes 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.

3.2.14 Interest Rate Risks

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

3.2.15 Liquidity of the Notes

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

3.3 Other Risks

3.3.1 Limited recourse

The Notes shall be the sole obligations of the Issuer. In particular, the Notes will not be obligations or responsibilities of, or guaranteed by the Originator, the JLAs, the JLMs, the Trustee, the Share Trustee, the Security Agent, 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 Noteholders in respect of any failure by the Issuer to pay any amount due under the Notes.

The liability of the Issuer to make coupon payments and principal repayments on the Notes 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 Noteholders 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.

Noteholders will also be deemed to have agreed (by their subscription or purchase of the Notes 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, the Obligor 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, the Obligor 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 and/or the Obligor'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, viral pandemics such as the ongoing coronavirus COVID-19 pandemic 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 projected collections. However, these assumptions are subject to uncertainties and contingencies. There can be no assurance that the projected collections 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 projected collections contained herein.

3.3.5 Consequences of a pandemic

The outbreak of an infection, disease or pandemic or any other serious public health concern in Malaysia and/or globally could adversely impact the business, financial condition, results of operations and prospects of the Obligor.

The outbreak of an infectious disease or pandemic (such as the ongoing novel coronavirus COVID-19) in Malaysia and/or globally, together with any resulting restrictions on travel and movement, a lockdown and/or imposition of quarantines, could have a negative impact on the Malaysian and global economy and business activities and potentially result in the disruption of global supply chains and world trade, negatively affecting global economic growth.

There can be no assurance that any precautionary measures taken against infectious diseases or pandemic would be effective. A future outbreak of an infectious disease or any other serious public health concerns in Malaysia and/or globally could adversely affect the business, financial condition, results of operations and prospects of the Obligor.

3.4 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, the JLAs and the JLMs that the plans and objectives of the Issuer will be achieved.

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4.0 OVERVIEW OF THE MALAYSIAN ECONOMY

4.1 Outlook for the Malaysian Economy in 2020

The Malaysian economy, as with most economies, was impacted by COVID-19 in the first quarter of 2020

The Malaysia economy moderated sharply to 0.7% in the first quarter of 2020 (4Q 2019: 3.6%). On the supply side, the services and manufacturing sectors moderated while the other sectors contracted. In terms of expenditure, external demand and investments declined, while private consumption growth moderated. On a quarter-on-quarter seasonally-adjusted basis, the economy contracted by 2.0%.

The moderation reflected the impact of measures taken both globally and domestically to contain the spread of the COVID-19 pandemic. Domestically, it mainly reflected the implementation of the Movement Control Order (**MCO**). After a steady expansion in the first two months of the quarter, economic activity came to a sharp downshift with the implementation of the MCO on 18 March 2020. Movement restrictions including international and domestic travel restrictions, limited work and operating hours and mandatory social distancing significantly curtailed economic activity. Production was only permitted for essential goods and services and the industries integral to their supply chains. Labour-intensive and consumer-oriented sectors were also impacted.

During the quarter, headline inflation remained modest at 0.9%, mainly reflecting the lapse in the remaining impact from Sales and Services Tax (SST) implementation and lower price-volatile inflation. Core inflation moderated slightly to 1.3%.

Exchange rate developments

In the first quarter of 2020, the ringgit depreciated by 4.9% against the US dollar, following large non-resident portfolio outflows amounting to RM26.2 billion (USD6.3 billion) as global risk aversion intensified. This development was in line with regional countries amid uncertainties surrounding the duration and severity of the COVID-19 pandemic, and its economic impact. While various measures have been implemented by governments and central banks globally to support the economy, investor sentiments remained affected by the weakening and uncertain outlook to global growth. As a result of the ongoing risk aversion in global financial markets and demand for safe haven assets, Malaysia continued to experience non-resident portfolio outflows and the ringgit depreciated by 5.8% against the US dollar in 2020 (as at 12 May). As this environment of uncertainty will persist in the near-term, capital flows and exchange rate volatility is expected going forward.

Financing conditions

Net financing expanded at a sustained pace of 4.7% on an annual basis, supported by higher growth in outstanding loans. Growth in outstanding business loans increased, while outstanding household loan growth declined. Nonetheless, demand for both business and household loans slowed in comparison to the previous quarter.

Since the Special Relief Facility (**SRF**) was made available on 6 March, the participating financial institutions (**PFIs**) and BNM have worked swiftly to implement the SRF, to ensure that SMEs benefit quickly. As at 4 May 2020, the PFIs have approved more than 20,000 applications amounting to about RM10 billion. Demand has been overwhelming, and as a result, the earlier announced RM5 billion SRF allocation has been quickly taken up that will directly benefit more than 9,000 SMEs across Malaysia, and preserve more than 200,000 jobs. In view of the strong demand, BNM has upsized the SRF by another RM5 billion to cater for all of the applications approved by PFIs as at 4 May bringing the total final allocation to RM10 billion.

With the gradual lifting of the movement control order (**MCO**) and reopening of the economic sectors, SMEs can also avail themselves to the existing financing schemes offered by the Government, the financial institutions, as well as from the remaining allocation for BNM's Fund for SMEs (All Economic Sectors Facility, Agrofood Facility, Automation and Digitalisation Facility, and Micro Enterprises Facility).

SMEs can also access financing options through the imSME platform which helps to match financing needs with a variety of fund providers that cater to SMEs. In the first quarter of 2020, financial institutions have collectively disbursed RM62 billion financing to SMEs, of which RM48 billion for working capital purposes.

All policy levers are being deployed to cushion the economic impact of COVID-19

The economic stimulus measures implemented by the Government will provide sizeable assistance to households and businesses. This is further augmented by the Bank's broad array of measures, including reductions in the OPR and SRR, deferment of loan and financing repayments for a period of six months for individual and SME borrowers, daily market operations to ensure ample liquidity, and enhancements to existing financing facilities under BNM's Fund for SMEs. The Bank has also allowed banks to utilise their regulatory buffers to further ensure continued financial intermediation.

The Malaysian economy is expected to gradually pick up in 2H 2020

The global and Malaysian economic outlook for 2020 will be significantly impacted by the COVID-19 pandemic as strict measures to contain the spread of the pandemic, will weigh considerably on both external demand and domestic growth. The Malaysian economy is expected to contract in the second quarter. This reflects the longer duration of containment measures both globally and domestically.

As these containment measures are eased and the domestic MCO is lifted, economic activity is expected to gradually improve in 2H 2020. The sizable fiscal, monetary and financial measures and progress in transport-related public infrastructure projects will provide further support to growth in 2H 2020. In line with the projected improvement in global growth, the Malaysian economy is expected to register a positive recovery in 2021.

Average headline inflation in 2020 is likely to turn negative, due mainly to projections of substantially lower global oil prices. Going forward, the outlook of headline inflation remains significantly affected by global oil and other commodity prices including food, as well as evolving demand conditions. Underlying inflation is expected to be subdued amid the projections of weaker domestic growth prospects and labour market conditions.

(Source: *BNM Press Release dated 13 May 2020 bearing reference no. 05/20/05, Bank Negara Malaysia*)

4.2 Overview of the Malaysian Economy in the Second Quarter of 2020

Growth declined in 2Q 2020

The Malaysian economy was confronted by concurrent supply and demand shocks arising from weak external demand conditions and strict containment measures in 2Q 2020. As a result, the economy registered its first contraction since the Global Financial Crisis (2Q 2020: -17.1%; 3Q 2009: -1.1%). On the supply side, this was reflected in negative growth across most sectors. From the expenditure side, domestic demand declined, while exports of goods and services registered a sharper contraction. On a quarter-on-quarter seasonally-adjusted basis, the economy declined by 16.5% (1Q 2020: -2.0%).

Weak growth across most economic sectors

Weak growth was recorded across most economic sectors amid the imposition of the Movement Control Order (MCO), followed by the Conditional and Recovery MCO, during 2Q 2020.

The services sector contracted by 16.2% (1Q 2020: 3.1%). The sector was affected by the implementation of a nationwide restrictive MCO, with only essential services such as food-related retail, utilities, banking, transportation as well as information and communication entities allowed to operate with very limited capacity. The subsequent transition to Conditional MCO (CMCO) in May and Recovery MCO (RMCO) in June provided some relief to businesses in the sector. The lockdown had substantially affected consumer spending and tourism activity, as shown by the significant declines in the wholesale and retail trade, as well as food and beverages and accommodation sub-sectors. The transport and storage sub-sector was impacted by a sudden stop in tourist arrivals due to travel restrictions imposed domestically as well as the international border closures. Growth in the finance and insurance sub-sector was weighed down by lower net interest income, and lower fee-based income amid subdued capital market activity. Meanwhile, growth in the information and communication sub-sector was relatively sustained by the continued high demand for data communication services especially during this period of remote working arrangements.

The manufacturing sector contracted by 18.3% (1Q 2020: 1.5%), due largely to the imposition of MCO restrictions as well as weak demand conditions. The extension of the MCO from end-March throughout April curtailed production activity across all industries. Essential sectors and those in the related supply-chain sectors operated at reduced capacity to ensure sufficient social distancing at workplaces, while non-

essential sectors such as transport equipment and textile-related industries did not operate. Following the lifting of MCO restrictions in May, manufacturing firms gradually restarted operations, but did so while observing sector-specific health protocols amidst subdued demand conditions externally and domestically. The latter had particularly affected the performance of the primary and consumer-related clusters. Nevertheless, the impact of weak demand was partially mitigated by a backlog of orders which supported a faster production recovery, observed mainly in the electric and electronics (E&E) industry.

The mining sector recorded a sharper contraction of 20.0% in 2Q 2020 (1Q 2020: -2.0%). Oil and gas output were affected by a sharp decline in demand due to the MCO as well as maintenance works in East Malaysia. Growth was also weighed by lower production in the other mining segment due to restrictions during the MCO period.

Activity in the construction sector declined by 44.5% (1Q 2020: -7.9%), as almost all activities came to a standstill particularly in the month of April. Despite the partial reopening of the economy on 4 May, most construction sites faced challenges restarting due to adjustments required to comply with the strict COVID-19 Standard Operating Procedures (SOPs). Most of the construction sites were reported to remain idle as developers faced challenges to restart, including financial constraints, initial lack of clarity over the SOPs and COVID-19 testing, and disruptions in the supply of construction materials. However, the situation improved significantly towards the end of the quarter after the Government implemented additional measures to facilitate the revival of the economy.

However, the agriculture sector rebounded in the quarter at 1.0% (1Q 2020: -8.7%), mainly due to the recovery in oil palm production as fresh fruit bunch yields normalised from the earlier impact of dry weather and fertiliser cutbacks. The oil palm recovery was also supported by higher harvesting activities, arising from the greater presence of workers in estates during the MCO period. This more than offset the weaker production in the other agriculture subsectors, such as fisheries and livestock, due to weak demand.

Sharp contraction in domestic demand

Domestic demand declined by 18.7% in 2Q 2020 (1Q 2020: 3.7%), due mainly to weaker private sector expenditure. Spending by the private sector was impacted by lower income, movement restrictions and subdued consumer and business sentiments. While net exports continued to decline, the contribution of the external sector to the economy improved due mainly to the larger contraction in imports vis-à-vis the previous quarter.

Private consumption growth declined by 18.5% in 2Q 2020 (1Q 2020: 6.7%). Household spending was particularly impacted by the strict movement restrictions in the early part of the quarter and income losses amid weak economic conditions. As movement restrictions were gradually relaxed towards the end of the quarter, retail and financing data indicated some improvement in spending, albeit remaining subdued. During this challenging period, stimulus measures such as the disbursement of Bantuan Prihatin Nasional cash transfers, EPF i-Lestari withdrawals and the implementation of the loan moratorium helped to cushion consumption spending.

Public consumption continued to expand, albeit at a more moderate pace of 2.3% (1Q 2020: 5.0%). Growth was supported by continued increase in emoluments amid lower spending on supplies and services.

Gross fixed capital formation (GFCF) registered a sharper contraction of 28.9% (1Q 2020: -4.6%), weighed by significantly lower capital spending by both public and private sectors. By type of asset, both investment in structures and machinery & equipment (M&E) declined by 41.2% (1Q 2020: -4.0%) and 11.1% (1Q 2020: -6.2%), respectively.

Private investment declined by 26.4% (1Q 2020: -2.3%), due mainly to the COVID-19 containment measures and heightened uncertainty which affected business sentiments and investment intentions. During the quarter, investment was affected by mobility restrictions, which temporarily halted the implementation of projects. Despite the gradual relaxation of the MCO, firms maintained a cautious approach to capital expenditure amid slower production and disruptions to global value chains. Furthermore, businesses also faced challenges in the delivery and installation of M&E amid border closures.

Public investment also recorded a larger decline of 38.7% (1Q2020: -11.3%). This was due to a contraction in capital spending by both general government and public corporations due mainly to the movement restrictions.

Negative headline inflation due to decline in fuel prices; risk of deflation is minimal

Headline inflation, as measured by the annual percentage change in the Consumer Price Index (CPI), declined to -2.6% during the quarter (1Q 2020: 0.9%). The lower headline inflation was primarily due to the substantial decline in retail fuel prices (average RON95 petrol price per litre in 2Q 2020: RM 1.37; 1Q 2020: RM 1.96) and the implementation of the tiered electricity tariff rebate beginning the month of April.

Notwithstanding the negative headline inflation, the decline in prices was not broad-based. In April, a relatively larger share of CPI items recorded unchanged prices (61%; March: 50%) amid the MCO which resulted in a significant reduction in economic activity. As economic activity gradually resumed under the CMCO and RMCO beginning from early May, there were some signs of normalisation in prices with a gradual increase in the share of CPI items recording price increases (May: 36%; June: 44%).

Core inflation moderated slightly to 1.2% (1Q 2020: 1.3%). Despite the moderation in overall demand pressure and weaker labour market conditions, some essential goods and services such as food away from home and small household appliances experienced price increases during the quarter. This suggests the continued presence of underlying demand especially for necessities.

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The MPC reduced the OPR to provide support to the economic environment and to accelerate the pace of economic recovery

The Monetary Policy Committee (MPC) reduced the Overnight Policy Rate (OPR) by a cumulative 125 basis points on four occasions in 2020. This has brought the OPR to the current level of 1.75%. The ceiling and floor rates of the corridor for the OPR were correspondingly reduced to 2.00% and 1.50%, respectively.

The OPR reduction of 25 basis points in January 2020 was a pre-emptive measure to sustain growth amid price stability. At that point in time, although the global economy was expected to continue expanding, uncertainty from various trade negotiations, geopolitical tensions, and heightened volatility in financial markets posed downside risks to the outlook. There were also downside risks to the domestic economy emanating from domestic factors that included weakness in the commodities sector and delays in the implementation of projects.

As the COVID-19 outbreak in PR China evolved into a global pandemic, measures taken to contain the pandemic had a significant impact on both global and domestic economic activity. The OPR adjustments at the March and May 2020 MPC meetings, by 25 basis points and 50 basis points, respectively, were thus intended to cushion the economic impact of the COVID-19 pandemic on businesses and households. Further ahead, the easier monetary conditions would also support the improvement in economic activity amid the gradual easing of the Movement Control Order (MCO) from early May 2020.

More recently, at the July 2020 MPC meeting, the OPR was reduced by a further 25 basis points to 1.75%. Economic activity has begun to recover from the trough in 2Q 2020. In 2H 2020, growth is expected to be supported by the resumption in economic activity across the various sectors as Malaysia gradually exits from the movement restriction orders, a gradual improvement in sentiments, and positive effects from the fiscal stimulus packages. The projected improvement in domestic economy is expected to be further supported by a gradual recovery in global growth conditions. The pace and strength of the domestic economic recovery, however, remain subject to downside risks emanating from both domestic and external factors. These include the prospect of secondary outbreaks of the pandemic leading to reimpositions of containment measures, more persistent weakness in labour market conditions, and a weaker-than-expected recovery in global growth. This OPR reduction is therefore intended to provide additional policy stimulus to accelerate the pace of economic recovery. The MPC will continue to assess evolving conditions and their implications on the overall outlook for inflation and domestic growth.

The reductions in the OPR were swift and sizeable, given the fast-moving nature of this unprecedented public health crisis and the consequent impact to the economy. The OPR reductions would lend broad-based support to the economy. In particular, in an environment where households' and businesses' incomes are being affected by lower economic activity, the OPR reductions would ease debt servicing burdens, total borrowing costs, and thus cash constraints, for households, SMEs, and corporates. The lower interest rates would also lower the cost of financing and thus lend support to credit expansion and fund-raising activity.

These OPR adjustments complement other monetary and financial measures undertaken by Bank Negara Malaysia, as well as fiscal measures implemented. These include financial relief measures, regulatory and supervisory measures, lending facilities for SMEs, and adjustments to the Statutory Reserve Requirement (SRR) in

March and May 2020. In particular, the adjustments to the SRR, which include both the reduction in the SRR ratio from 3.00% to 2.00%, and flexibility to all banking institutions to use Malaysian Government Securities (MGS) and Malaysian Government Investment Issues (MGII) to fully meet the SRR compliance, were part of the Bank's continuous efforts to ensure sufficient liquidity to support financial intermediation activity. The Bank will continue to utilise its policy levers as appropriate to create enabling conditions for a sustainable economic recovery.

Malaysian economy to recover gradually as the economy progressively re-opens and external demand improves

Economic activity in Malaysia contracted sharply in the first half of the year (-8.3%) as the measures introduced to contain the pandemic globally and domestically resulted in a concurrent supply and demand shock to the economy. However, growth is expected to have troughed in 2Q 2020. Economic activity has resumed significantly since the economy began to reopen in early May. Monthly indicators such as wholesale and retail trade, industrial production, electricity generation, and gross exports all grew faster in June than in the period between March and May.

The improvement in growth in 2H 2020 will also be supported by the recovery in global growth and continued policy support. In particular, consumption and investment activities are expected to benefit from the wide-range of measures in the fiscal stimulus packages, continued financial measures and low interest environment. While there is upside potential to growth, the pace and strength of the recovery remain susceptible to downside risks emanating from domestic and external factors. Growth could potentially be lifted by a larger-than-expected impact from stimulus measures. Nevertheless, the prospect of secondary COVID-19 outbreaks leading to the re-imposition of containment measures, more persistent weakness in labour market conditions, and a weaker-than-expected recovery in global growth pose downside risks to growth.

Inflationary pressures to remain muted in 2H 2020

In 2H 2020, average headline inflation is expected to remain negative largely due to low retail fuel prices. stimulus measures to alleviate cost burdens, such as the tiered electricity tariff rebate, would also keep inflation low. However, headline inflation is projected to decline by a smaller magnitude compared to 2Q 2020 as global oil prices continue to recover and economic conditions gradually improve.

The risks of a broad-based and persistent decline in prices are assessed to be limited as economic activity gradually resumes and demand conditions improve. While underlying inflation, as measured by core inflation, is expected to be subdued, it is projected to average within earlier expectations for the year as a whole.

(Source: BNM Quarterly Bulletin in the Second Quarter of 2020)

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4.3 Socioeconomic of Selangor in 2019

Performance of Gross Domestic Products (GDP) by State 2019

In 2019, the Malaysia economy grew at a moderate rate of 4.3 per cent as compared to 4.8 per cent in the previous year. All sectors posted positive growth with the exception of Mining & quarrying. In momentum point of view, Agriculture and Mining & quarrying posted a better growth while other sectors registered slower performance than the previous year.

A total of 72.3 per cent of Malaysia's total GDP was contributed by six main states. Selangor sustained as a major contributor to Malaysia's economy with a share of 24.2 per cent, followed by W.P. Kuala Lumpur (16.4%), Sarawak (9.6%), Johor (9.4%), Pulau Pinang (6.7%) and Sabah (6.0%).

In general, seven states grew at a faster pace than the national growth (4.3%). Selangor topped the list with 6.7 per cent while W.P. Kuala Lumpur stood at 6.0 per cent. Kelantan rose to 5.3 per cent, W.P. Labuan (5.2%) Negeri Sembilan (5.1%), Kedah (4.6%) and Perlis (4.6%).

The country's economic growth is shaped by the economic performance at the state level. Diversification in the concentration of production between states has given a different impact on overall GDP performance. Seven states recorded better growth as compared to the preceding year, namely Kelantan 5.3 per cent (2018: 2.6%), Negeri Sembilan 5.1 per cent (2018: 4.2%), Kedah 4.6 per cent (2018: 4.0%), Perlis 4.6 per cent (2018: 3.3%), Pahang 3.7 per cent (2018: 3.0%), Terengganu 3.3 per cent (2018: 2.5%) dan Sarawak 2.5 per cent (2018: 2.2%). On the other hand, lower external demand scenarios have affected investment and export-oriented activities and products in Malaysia. Thus, the other eight states recorded slower growth as against to 2018 with a total contribution of 71.7 per cent to national GDP.

In terms of GDP per capita, six states recorded GDP per capita above national level (RM46,450) namely W.P. Kuala Lumpur (RM129,472), W.P. Labuan (RM77,798), Pulau Pinang (RM55,243), Selangor (RM54,995), Sarawak (RM53,358) and Melaka (RM49,172). In general, GDP per capita value is influenced by production performance and price factors. The year 2019 has seen a decline in prices for the country's major commodities, especially palm oil, crude oil and natural gas.

Graduates statistics

The number of graduates in Malaysia was 5.3 million persons in 2019, increased by 6.9 per cent from 4.9 million persons in 2018. The highest number of graduates was recorded by Selangor (1.65 million persons), Johor (493.1 thousand persons) and W.P. Kuala Lumpur (446.7 thousand persons). Graduates labour force participation rate (GLFPR) was 83.5 per cent, decreased 0.1 percentage points as against 83.6 per cent in 2018. Selangor and Sabah recorded the highest GLFPR in 2019 at 86.5 per cent followed by W.P. Putrajaya at 85.9 per cent and Sarawak 85.3 per cent. On the other hand, the lowest GLFPR recorded by Perlis with 76.1 per cent

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Household gross income

In 2019, the mean income in Malaysia was RM7,901 while Malaysia's median income amounted to RM5,873. In terms of growth, the median income in Malaysia grew by 3.9 per cent per year in 2019 (2016: 6.6%) while the mean income rose at 4.2 per cent in 2019. At the state level, W.P. Kuala Lumpur recorded the highest median income with RM10,549 followed by W.P. Putrajaya (RM9,983), Selangor (RM8,210), W.P. Labuan (RM6,726), Johor (RM6,427), Pulau Pinang (RM6,169) and Melaka (RM6,054). W.P. Putrajaya had the highest compounded annual growth rate of median income at 6.3 per cent over the period of 2016 to 2019, higher than the national median growth rate (3.9%).

State Government & Local Authorities' Statistics

In 2018, eight state governments recorded an increase in revenue collection. Sarawak's state government recorded the highest revenue amounted to RM7.2 billion, followed by Sabah's state government Sabah (RM4.2 billion) and Selangor (RM2.0 billion).

Out of 14 city council, 10 city council recorded the highest financial position which involving W.P. Kuala Lumpur, Selangor, Johor, Perak, Pulau Pinang, Melaka, Sabah and Sarawak.

On the other hand, ten district councils which recorded the highest financial position involving local authorities in Selangor, Kelantan, Johor, Terengganu, Sabah and Perak. All of the district councils recorded better financial position except Majlis Daerah Penampang and Majlis Daerah Kota Tinggi. Majlis Daerah Hulu Selangor recorded the highest revenue of RM108.3 million in 2018, followed by Majlis Daerah Kuala Langat (RM80.8 million) and Majlis Daerah Kuala Selangor (RM64.1 million).

(Source: Press Release State Socioeconomic Report 2019)

4.4 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 Langkat 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.

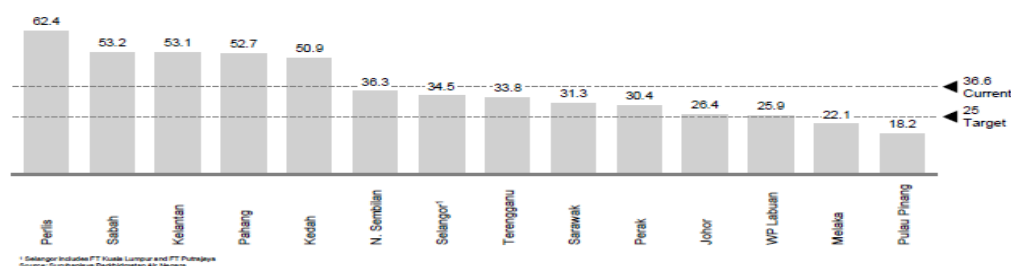
Strategy D4: Strengthening the regulatory framework of the water services industry

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)

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5.0 OBLIGOR AND ITS PROFILE

5.1 Obligor

The background information of the Obligor as at 10 August 2020 are as follows:

Name	Pengurusan Air Selangor Sdn. Bhd.
Registered Office	Level 4, Air Selangor Head Office, Jalan Pantai Baharu, 59200 Kuala Lumpur
Registration No.	201401006213 (1082296-U)
Total Issued Share Capital	RM13,503,215,926.00 consisting of 8,000,002 ordinary shares and 10,805,342,490 otherwise than cash
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 6) Marina Yong Poh Nyuk 7) Izham Bin Hashim
Company Secretaries	1) Wong Mei Yoke 2) Shahniza Anom Binti Elias

5.2 Brief History and Background Information of the Obligor

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 state government gave Kumpulan Darul Ehsan Berhad ("**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 state 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.

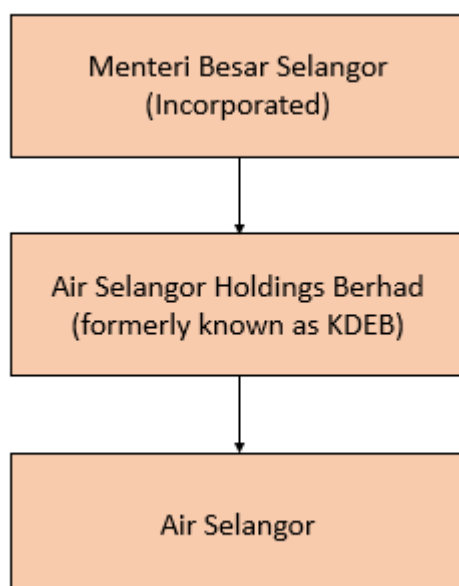
On 13 September 2019, Air Selangor became the single holistic licensee to extract, treat and distribute water for all its customers in Selangor, Federal Territories of Kuala Lumpur and Putrajaya. Air Selangor will continue to strive towards providing the best services to customers.

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

5.3 Shareholding Structure of the Obligor

Air Selangor is a wholly-owned subsidiary of Air Selangor Holdings Berhad (previously known as KDEB) a company incorporated in Malaysia.

A summary of the shareholding structure is as follows:



(Source: CCM search results of the Obligor)

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6.0 CONTRACTING PARTIES AND THEIR PROFILES

6.1 Issuer

(i) Background information of the Issuer

The Issuer was incorporated in Malaysia on 27 November 2019 as a public limited company under the name Swirl Assets Berhad. It is wholly-owned by the Share Trustee, who will hold the shares of the Issuer on a discretionary trust for charitable organisations.

The background information of the Issuer as at 10 August 2020 are as follows:

Name	Swirl Assets Berhad
Registered Office	7.02, 7 th Floor Wisma Central, Jalan Ampang 50450 Kuala Lumpur
Registration No.	201901042855 (1352185-X)
Total Issued Share Capital	RM2.00 consisting of two (2) ordinary shares of RM1.00 each
Board of Directors	1) Lui Kwee Hui 2) Chan Wan Hoo
Company Secretary	Lui Kwee Hui

The Issuer is established as a special purpose vehicle for the specific purpose of undertaking a securitisation transaction, which involves the securitisation of the Assets purchased by the Issuer. The objects for which the Issuer is established are solely in connection with or incidental to the securitisation transaction and include the following:-

- (i) to acquire from the Originator, the Assets, on such terms and conditions as the Directors see fit and in accordance with the securitisation transaction, and thereafter to deal with the Assets as permitted under the terms of the securitisation transaction;
- (ii) to borrow or raise financing (including but not limited to the issuance of the MTN Facility 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 Assets, 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 securitisation 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 securitisation transaction;
- (v) to enter into any credit enhancement arrangement under the securitisation transaction, to enter into the Transaction Documents and any other agreements, contracts, deeds or instruments necessary to give effect to the securitisation 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 Notes 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 Notes which themselves are issued on limited recourse terms.

The ordinary shares of the Issuer are 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 Notes. Please see Section 6.4 of this Information Memorandum on the profile of the Share Trustee.

The Issuer has no employees.

(ii) Board of Directors

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

A brief profile of the directors of the Issuer as at 10 August 2020 is set out below:

(a) Lui Kwee Hui

Ms. Lui, aged 47 a member of The Malaysian Institute of Chartered Secretaries and Administrators (MAICSA) 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. She has previously worked as the company secretary of a public listed company listed on the Main Board of the Kuala Lumpur Stock Exchange as well as in several other professional service organisations specialising in the provision of company secretarial and related services to 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.

(b) Chan Wan Hoo

Mr Chan aged 37, is a certified accountant by profession and a member of both the Malaysian Institute of Accountants and the Association of Chartered Certified Accountants since 2015.

He has more than ten (10) years working experience in several accounting firms specializing in accounting and auditing for private companies in various industries.

Currently, he is a partner in an audit firm, Messrs YC Lee & Co PLT where he practicing audit assurance.

(iii) Borrowings

As at 10 August 2020, the Issuer has no outstanding borrowings / other indebtedness.

(iv) Material Commitments and Contingencies

As at 10 August 2020, the Issuer has not incurred any material commitments or contingent liabilities.

(v) Material Contracts

As at 10 August 2020, the Issuer has not entered into any material contracts.

(vi) Material Litigation

As at 10 August 2020, the Issuer has not been involved in any material litigation.

(vii) 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.

(viii) 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.

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6.2 Originator

(i) Background information of the Originator

The Originator was incorporated in Malaysia on 7 May 1999. The Originator is principally involved in the investment holding.

The background information of the Originator as at 10 August 2020 are as follows:

Name	Syarikat Pengeluar Air Selangor Holdings Berhad
Registered Office	Menara Gamuda, D-16-01, Block D, PJ Trade Centre, No. 8, Jalan PJU 8/8A, Bandar Damansara Perdana, 47820 Petaling Jaya, Selangor
Registration No.	199901008026 (482926-X)
Total Issued Share Capital	10,000 ordinary shares
Board of Directors	<ol style="list-style-type: none"> 1) Tan Sri Nik Awang @ Wan Azmi bin Wan Hamzah 2) Dato' Idris bin Md Tahir 3) Saw Wah Theng 4) Dato' Azmi bin Mat Nor 5) Wong Mun Keong
Company Secretaries	<ol style="list-style-type: none"> 1) Pang Siok Tieng 2) Didi Choong Mei Yee

(ii) Board of Directors

A brief profile of the directors of the Originator as at 10 August 2020 is set out below:

(a) Tan Sri Nik Awang @ Wan Azmi bin Wan Hamzah

Tan Sri Nik Awang @ Wan Azmi bin Wan Hamzah, aged 70, was appointed to the Board of SPLASH Holdings on 9 April 2014. He is currently a Director of Halfmoon Bay Capital Limited ("**Halfmoon Bay**"). He is a former banker and a businessman with an accounting qualification. He was admitted as a member of the Institute of Chartered Accountants in England and Wales in 1975. He has also been a member of the Malaysian Institute of Certified Public Accountant since 1975. In 1994, he was conferred an Honorary Doctorate in Business Administration from the Robert Gordon University, United Kingdom and an Honorary Fellowship by Aberdeen University, United Kingdom. He started his career in 1970 as an Articled Clerk in Stoy, Hayward & Co, an audit firm in the United Kingdom where he served for five (5) years. He then joined Guthrie Corporation Ltd, United Kingdom as a Financial Accountant in 1975, and returned to join Kumpulan Guthrie Sdn Bhd in 1976 to serve as an Assistant Management Accountant. In 1977, he joined The New Straits Times Press

(Malaysia) Berhad, initially as a Management Accountant and subsequently as a Financial Controller. After two (2) years of serving in The New Straits Times Press (Malaysia) Berhad, Tan Sri Wan Azmi took the job as Chief Executive Officer in Peremba Berhad, a position which he held for four (4) years. Thereafter in 1983, he was appointed as the Managing Director of United Estates Projects Berhad, a company principally involved in property development. In 1985, he assumed the position of Chief Executive Officer of Malayan Banking Berhad. After resigning from Malayan Banking Berhad in 1986, he began to pursue his own entrepreneurial initiatives. He serves as the Chairman of his family investment company, Rohas Sdn Bhd, an investment company he set up in 1984 and held the position until today. From 1990 to 2002, Tan Sri Wan Azmi had also held directorships in various public companies listed on Bursa Securities. In respect of the directorships he held for a period of more than five (5) years, he was a Non Independent Non-Executive Director in R.J. Reynolds Berhad (now known as JT International Berhad) from 1990 to 1996, Land & General Berhad from 1990 to 2002, Bell & Order Berhad (now known as Scomi Engineering Berhad) from 1994 to 2001 and Amway (Malaysia) Holdings Berhad from 1996 to 2002. He was also the Chairman of each of the aforementioned companies during his tenure as a Non Independent Non-Executive Director of these companies. Tan Sri served as Non-Independent Non-Executive Chairman of Rohas Tecnic Berhad from 2017 to 2019.

(b) Dato' Idris bin Md Tahir

Dato' Idris bin Md Tahir, aged 66 was appointed to the Board of SPLASH Holdings on 15 January 2015. He started his career with Bank Negara Malaysia (Central Bank of Malaysia) as an Executive Officer of the Investment Department from 1978 until 1983, before joining Bank Islam Malaysia Berhad ("BIMB") as one of the pioneers of the group in establishing the first Islamic Bank in Malaysia. In his twenty-nine (29) years of service with BIMB group of companies, he held various senior managerial posts and was also the Chief Internal Auditor where he was involved in various Islamic Financial activities which included Islamic Banking, Takaful (Islamic Insurance), Ijarah (Islamic Leasing), Wakalah (Islamic Nominees), Islamic Asset Management and Islamic Stockbroking. His last post was as Executive Director / Chief Executive Office of BIMB Securities Sdn Bhd, an Islamic stockbroking company, before his retirement in 2012. He currently serves as an Independent Non-Executive Director of Kumpulan Perangsang Selangor Berhad.

(c) Saw Wah Theng

Mr. Saw Wah Theng, aged 63, was appointed to the Board of SPLASH Holdings on 14 February 2013. A Chartered Accountant by profession, he was admitted as an Associate of the Institute of Chartered Accountants in England and Wales in 1985 and is a member of the Malaysian Institute of Accountants. He has extensive working experience in accounting and corporate finance while he was attached to accounting and auditing firms in the United Kingdom and Malaysia, and as the Group Financial Controller of Hong Leong Industries Berhad. He is part of Gamuda Berhad's Key Senior Management Team, holding the position of Senior Financial Advisor. As a Senior Financial Advisor, he is in charge of advising on strategies for major investments, major project financing for Gamuda Engineering Sdn Bhd and Gamuda Land Sdn Bhd, Gamuda Capital investments, Group performance management and Treasury.

He is a Director of Kesas Holdings Berhad, Danau Permai Resort Berhad, Horizon Hills Resort Berhad and several private limited companies.

(d) Dato' Azmi bin Mat Nor

YBhg Dato' Haji Azmi, aged 62, a Civil Engineer was appointed to the Board of SPLASH Holdings on 29 October 2001. He holds a Bachelor of Science degree in Civil Engineering and a Master's of Science degree in Highway Engineering, both from University of Strathclyde, Glasgow, Scotland, UK. He was a Resident Engineer at the Public Works Department (JKR) of Pahang and Selangor. His last position with the Public Works Department (JKR) was as Assistant Director to the Central Zone Design Unit of JKR Kuala Lumpur (Road Branch). YBhg Dato' Haji Azmi has extensive knowledge of developing and managing the implementation of complex infrastructure concession projects in Malaysia as well as overseeing the operations of infrastructure concessions, namely expressways, water-related and others. He is part of Gamuda Berhad's Key Senior Management Team, currently holding the position of Group Executive Director and is heavily involved in the implementation of the Klang Valley Mass Rapid Transit projects. He is also a Director of Lingkaran Trans Kota Holdings Berhad, Kesas Holdings Berhad and several private limited companies.

(e) Wong Mun Keong

Wong Mun Keong, aged 59, was appointed to the Board of SPLASH Holdings on 13 April 2015. He is currently the Chief Investment Officer at Halfmoon Bay, a company that invests mostly in start-ups in new economy sectors such as technology, bio-pharma and logistics. He graduated with a Bachelor of Commerce (Hons) Degree from the University of New South Wales, Sydney. Prior to joining Halfmoon Bay, he was the Group Senior General Manager of Business Development & Corporate Finance at Gamuda Berhad. Mr Wong has previously worked at Schroders Securities Malaysia as the Head of Research and at RHB Securities Sdn Bhd as a Research Analyst. He has also lectured in Finance at the University of Technology, Sydney.

He has extensive experience in infrastructure project financing, investment analysis and corporate research. Mr Wong is an Executive Director of Rohas Tecnic Berhad. He also sits on the Board of Scomi Energy Services Berhad as a Non-Independent Non-Executive Director.

(iii) Material Commitments and Contingencies

As at 10 August 2020, 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 March 2019 of the Originator.

(iv) Material Contracts

As at 10 August 2020, the Originator has no material contracts (save for the Share Purchase Agreement).

(v) Material Litigation

As at 10 August 2020, 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.

(vi) Disclosure

To the best of their knowledge, SPLASH Holdings 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 SPLASH Holdings or its board members for breaches of the same in the past ten (10) years.

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6.3 Corporate Administrator

The background information of the Corporate Administrator as at 10 August 2020 are as follows:

Name	SPV Corporate Services Sdn. Bhd.
Registered Office	7.02, 7 th Floor, Wisma Central, Jalan Ampang, 50450 Kuala Lumpur
Business Registration No.	200301015831 (618251-U)
Total Issued Share Capital	RM2,000.00 consisting of 2,000 ordinary shares of RM1.00 each
Board of Directors	1) Lui Kwee Hui 2) Lee Yun Choong
Company Secretary	Lui Kwee Hui

Role of Corporate Administrator

The Corporate 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.

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6.4 Share Trustee

The background information of the Share Trustee as at 10 August 2020 are as follows:

Name	SPV Corporate Services Sdn. Bhd.
Registered Office	7.02, 7 th Floor, Wisma Central, Jalan Ampang, 50450 Kuala Lumpur
Registration No.	200301015831 (618251-U)
Total Issued Share Capital	RM2,000.00 consisting of 2,000 ordinary shares of RM1.00 each
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.

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6.5 Security Agent

The background information of the Security Agent as at 10 August 2020 are as follows:

Name	AmInvestment Bank Berhad
Registered Office	22nd Floor, Bangunan AmBank Group, No. 55, Jalan Raja Chulan, 50200 Kuala Lumpur
Company Registration No.	197501002220 (23742-V)
Total Issued Share Capital	RM200,000,000.00 consisting of 200,000,000 ordinary shares of RM1.00 each
Board of Directors	<ol style="list-style-type: none">1) Jeyaratnam A/L Tamotharam Pillai2) Tan Bun Poo3) Ramesh Pillai4) Chee Li Har5) Seow Yoo Lin6) Lum Sing Fai7) Dato' Kong Sooi Lin
Company Secretaries	<ol style="list-style-type: none">1) Koid Phaik Gunn2) Koh Suet Peng

Role of the Security Agent

The Security Agent holds the security of the Senior Notes for and on behalf of the Senior Noteholders and to enforce such security in accordance with the Transaction Documents.

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6.6 Trustee

The background information of the Trustee as at 10 August 2020 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
Registration No.	198701004362 (163032-V)
Total Issued Share Capital	RM1,000,000.00 consisting of 100,000 ordinary shares
Board of Directors	1) Dato' Ng Mann Cheong 2) Wong Yew Sen 3) Johari Low Bin Abdullah 4) Saw Leong Aun 5) Lum Sing Fai 6) Chan Mo Lin
Company Secretaries	1) Low Pooi Ming 2) Lee Vern Yeing

Role of the Trustee

The Trustee acts as the trustee for and on behalf of the Noteholders to represent and protect the interest/rights of the Noteholders 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 Noteholders in accordance with the Transaction Documents.

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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 Notes. 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;
Joint Lead Arrangers;
Joint Lead Managers; and
Facility Agent.

The facility agreement to be entered into between the Issuer, the Joint Lead Arrangers, the Joint Lead Managers and the Facility Agent sets out the terms and conditions of the issuance of the Notes, 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 Joint Lead Arrangers, the Joint Lead Managers 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 Notes, including but not limited to the Tranches of Notes, 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 Notes 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 (revised 23 July 2020 and effective 12 August 2011), as amended from time to time and the LOLA Guidelines.

(c) Corporate Administration Agreement

Parties : Issuer; and
Corporate Administrator.

The Corporate Administration Agreement to be entered into between the Issuer and the Corporate Administrator sets out the terms and conditions pursuant to which the Corporate 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 Corporate Administration Agreement also provides that the Issuer shall pay to the Corporate 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 in relation to the sale of the Assets 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 Receivables) 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 a covenant to pay these monies over to the Issuer. The notice of assignment to be issued by the Originator to Air Selangor 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 Air Selangor of the sale to the Issuer as well as its acknowledgement and confirmation to pay all monies owing under the Share Purchase 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 and the Senior Noteholders. The Security Agent assumes that the interests of the Senior Noteholders 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.

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8.0 TAX CONSIDERATIONS

8.1 Withholding Tax

All coupon payments or discount received by a Noteholder who/which is an individual, unit trust and listed closed-end fund from the investment made in the Notes are exempted from Malaysian income tax under paragraph 35(b), Schedule 6 of the Income Tax Act, 1967 where the Notes, 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 interest accruing to a place of business in Malaysia of such company) from the Notes are exempted from income tax under paragraph 33A(1)(b), Schedule 6 of the Income Tax Act, 1967 as the Notes are issued in Ringgit, not a convertible loan stock and 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 Noteholders 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% (differing tax treaty rates may apply based on the country and residence of any non-resident person) 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 interest to the Noteholders.

8.2 Calculation of tax liability of the Issuer

The Issuer is a tax 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 be limited to a maximum of seven (7) years of assessment.

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 Act 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 which exceed the respective thresholds is required to be registered (i.e. registered person). In addition, service tax is also charged on any imported taxable service acquired by any person in Malaysia from any person who is outside Malaysia.

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 service tax. The Issuer would not be required to register under the Service Tax Act 2018.

Where third-party service providers that are contractually engaged by the Issuer for the purpose of the issuance of the Notes, these include the Joint Principal Advisers, Joint Lead Arrangers, Joint Lead Managers, Facility Agent, Security Agent, Solicitors etc., are registered for service tax purposes, they are required to charge service tax at 6% for taxable services provided. Under such circumstances, such cost is to be borne by the Issuer.

8.4.3 SST on Noteholders

The sale and purchase of the Assets under the Share Purchase Agreement and the issuance of Notes by the Issuer are not prescribed taxable services and hence, are not subject to service tax.

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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 AIBB as the Joint Lead Arranger, Joint Lead Manager, Facility Agent, Security Agent and Lodgement Party for the Transaction

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

9.2 CIMB as the Joint Lead Arranger and Joint Lead Manager 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 the Joint Lead Arranger and Joint Lead Manager for the Transaction.

9.3 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 the Joint Principal Advisers and Joint Lead Arrangers for the Transaction.

9.4 Tricor Taxand Sdn. Bhd. (previously known as Axcelasia Taxand Sdn. Bhd.) as Tax Adviser for the Transaction

As at the date hereof and after making enquiries as were reasonable in the circumstances, Tricor Taxand Sdn. Bhd. (previously known as Axcelasia Taxand 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 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 Corporate Administrator and 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 Corporate Administrator and Share Trustee for the Transaction.

9.7 SPLASH Holdings as Originator for the Transaction

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

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APPENDIX I

Principal Terms and Conditions of the Notes

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.

- (1) Name of facility : Issuance of asset-backed medium term notes ("**Notes**") of up to RM700.0 million in nominal value comprising of senior class notes ("**Senior Notes**") and junior class notes ("**Junior Notes**") ("**Facility**").
- (2) One-time issue or programme : One-time issue.
- (3) Shariah principles (for sukuk) : Not applicable.
- (4) A description of the structure of the securitisation transaction (for ABS) (for Ringgit-denominated sukuk, to provide description as cleared by SC) : The Originator and the Issuer will undertake a securitisation exercise involving the sale by the Originator to the Issuer of the Assets pursuant to the Sale and Purchase Agreement ("**Securitisation**"). In order to fund such purchase, the Issuer will issue the Notes. The Notes shall be governed by, amongst others, the relevant guidelines issued by the SC.

Tranche

The Senior Notes may comprise one (1) or more tranches with different maturity dates (each a "**Tranche**"). Each Tranche shall be identified numerically in ascending order of maturity date ("**Maturity Date**"), with the tranche having the shortest tenure being identified as Tranche '1'.

The Junior Notes will comprise of one (1) Tranche.

- (5) Details of assets under ABS : "**Assets**" means the Receivables and all rights, titles, interests and benefits arising in, to and under the Share Purchase Agreement (as described in the section entitled "Share Purchase Agreement" of "Other terms and conditions"), including all rights to collect payments and all rights of enforcement thereunder.

"**Receivables**" means the remaining eight (8) instalment payments to be paid to the Originator under the Share Purchase Agreement together with interest and any late payment interest thereon payable to the Originator by Air Selangor (as defined below) pursuant to the Share Purchase Agreement. Each instalment payment together with interest payable thereon shall be a "**Payment Obligation**".

“**Air Selangor**” means Pengurusan Air Selangor Sdn Bhd (Registration No. 201401006213 (1082296-U)).

- (6) Currency : Ringgit
- (7) Expected facility/ programme size : Up to RM700,000,000.00.
- (8) Option to upsize (for programme) : No.
- (9) Tenure of facility/ programme : Senior Notes: Serial maturity of one (1) to eight (8) years.
Junior Notes: Eight (8) years.
- (10) Availability period for debt/sukuk programme : Not applicable.
- (11) Clearing and settlement platform : PayNet
- (12) Mode of issue :
- | | |
|---|---------------------------|
| X | Private/direct placement. |
| X | Bought deal. |
| X | Book building. |
| | Tender. |

Additional notes:

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.

- (13) Selling restrictions : (i) At Issuance
- | | |
|---|---|
| | Exclusively to persons outside Malaysia |
| X | Part 1 of Schedule 6 of the Capital Markets & Services Act, 2007 (CMSA) |
| X | Part 1 of Schedule 7 of the CMSA |
| X | Read together with Schedule 9 of CMSA |
| | Schedule 8 of CMSA |
| | *Section 2(6) of the Companies Act, 2016 |
| | Other (Please specify) |

(ii) After Issuance

- | | |
|---|---|
| | Exclusively to persons outside Malaysia |
| X | Part 1 of Schedule 6 of the Capital Markets & Services Act, 2007 (CMSA) |
| X | Read together with Schedule 9 of CMSA |
| | Schedule 8 of CMSA |
| | *Section 2(6) of the Companies Act, 2016 |
| | Other (Please specify) |

Additional notes:

Selling Restrictions at Issuance

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.

Selling Restrictions Thereafter

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.

- | | | | |
|--------------------------------------|-------|---|------------------------------------|
| (14) Tradability and transferability | and : | | Non-tradable and non-transferable. |
| | | X | Tradable and transferable. |
| | | | Restricted transferability. |

Tradable & transferable amount: RM700,000,000.00

- | | | |
|---|---|--|
| (15) Details of security/ collateral pledged, if applicable | : | <p>All Senior Notes shall be secured by the following security:</p> <ul style="list-style-type: none"> (i) Share charge over the issued and paid up share capital of the Issuer; (ii) 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; (iii) Assignment and charge over the Issuer’s rights, interests, title and benefits under the: <ul style="list-style-type: none"> (a) Sale and Purchase Agreement; (b) Share Purchase Agreement; (c) Corporate Administration Agreement (as described in the section entitled “Corporate Administration Agreement” of “Other terms and conditions”); and (d) Designated Accounts. |
|---|---|--|

The Junior Notes shall be unsecured and the holders of the Junior Notes (“**Junior Noteholders**”) shall not be able to declare an Event of Default (as defined in the section

entitled “Events of default or enforcement events, where applicable, including recourse available to investors”) ahead of the holders of the Senior Notes (“**Senior Noteholders**”) so long as the Senior Notes remain outstanding.

- (16) Details of guarantee, : Not guaranteed.
if applicable
- (17) Convertibility of : Non-convertible.
issuance and details
of the convertibility, if
applicable
- (18) Exchangeability of : Non-exchangeable.
issuance and details
of the
exchangeability, if
applicable
- (19) Call option and : No call option.
details, if applicable
- (20) Put option and : No put option.
details, if applicable
- (21) Details of covenants : **Positive Covenants**

To include but not limited to the following:

- (i) the Issuer shall maintain in full force and effect all relevant authorisations, consents, rights, licences, approvals and permits (governmental and otherwise) and shall 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 Noteholders under the Transaction Documents and the Issuer shall comply with the same;
- (ii) 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;
- (iii) 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;

- (iv) the Issuer shall promptly perform and carry out all its obligations under all the Transaction Documents and the terms and conditions of the Notes at all times (including but not limited to redeeming the Notes in full on the relevant Maturity Date(s) or any other date on which the Notes are due and payable) 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;
- (v) 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 amounts into the Designated Accounts and make all payments from the Designated Accounts only as permitted under the Securitisation;
- (vi) 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;
- (vii) 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;
- (viii) 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;
- (ix) 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;
- (x) 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;

- (xi) 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
- (xii) such other covenants (including covenants by the Originator in the relevant Transaction Documents) as advised by the legal counsel of the Joint Lead Arrangers/Joint Lead Managers and agreed by the Issuer and/or the Originator, as the case may be.

Negative Covenants

To include but not limited to the following:

- (i) the Issuer shall not permit to exist any indebtedness other than the Facility in connection with the Securitisation;
- (ii) 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 given to the Senior Noteholders as set out in the section entitled "Details of security/collateral pledged, if applicable";
- (iii) the Issuer shall not grant or permit to exist any guarantees, indemnities or similar assurances against financial loss in respect of any indebtedness to any party;
- (iv) the Issuer shall not dispose of any assets other than in connection with the Securitisation;
- (v) 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;
- (vi) 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;

- (vii) the Issuer shall not declare or pay any dividends or make any distribution whether income or capital in nature to its shareholders;
- (viii) 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:
 - (a) in the ordinary course of its business;
 - (b) 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;
 - (c) will not have a Material Adverse Effect (as defined below) on the Issuer.

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;

- (ix) the Issuer shall not use the proceeds of the Facility except for the purposes set out in this term sheet;
- (x) the Issuer shall not lend any money to any party;
- (xi) the Issuer shall not engage in any other businesses other than the objects stated in its Constitution;
- (xii) the Issuer shall not have any subsidiaries or associate companies;
- (xiii) the Issuer shall not have employees or incur fiduciary responsibilities to third party(ies) other than parties involved in the Securitisation;
- (xiv) the Issuer shall not open and maintain any other accounts save for the Designated Accounts and the Trustee’s Reimbursement Account;
- (xv) the Issuer shall not enter into any amalgamation, demerger or reconstruction which may affect its ability to perform its obligations under the Transaction Documents;

- (xvi) the Originator shall not agree to any amendment, variation, supplement to the Share Purchase Agreement, including any setting-off of the amounts due and payable under the Share Purchase Agreement;
- (xvii) the Originator shall not vary or waive any breach by Air Selangor of the Share Purchase Agreement, or exercise any rights or powers of termination thereunder; and
- (xviii) such other covenants (including covenants by the Originator in the relevant Transaction Documents) as may be advised by the legal counsel of the Joint Lead Arrangers/Joint Lead Managers and agreed by the Issuer and/or the Originator, as the case may be.

Financial Covenants

No Financial Covenants.

Information Covenants

To include but not limited to the following:

- (i) the Issuer shall provide to the Trustee and Credit Rating Agency 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 or enforcement event, and if such is not the case, to specify the same;
- (ii) the Issuer shall deliver to the Trustee and Credit Rating Agency the following:
 - (a) 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;
 - (b) 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;

- (c) 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;
 - (d) 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 dispatched to these shareholders or creditors, and
 - (e) on a semi-annual basis, information on the balances in the Designated Accounts including a breakdown of the amounts held in Permitted Investments (as defined in the section entitled "Permitted investments, if applicable");
- (iii) the Issuer shall promptly notify the Trustee and the Credit Rating Agency of any change in its board of directors and/or shareholders;
 - (iv) 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 have a Material Adverse Effect on the Issuer;
 - (v) 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;

- (vi) the Issuer shall upon becoming aware of the following immediately notify the Trustee and the Credit Rating Agency of:
 - (a) any right or remedy under the terms of the Transaction Documents which has become immediately enforceable;
 - (b) any circumstance that has occurred that would materially prejudice the Issuer;
 - (c) any substantial change in the nature of the business of the Issuer;
 - (d) any change in its withholding tax position or taxing jurisdiction of the Issuer;
 - (e) any change in the utilisation of proceeds from the issuance of the Notes from that set out in the section entitled “Details of Utilisation of Proceeds” of Other Terms and Conditions; or
 - (f) any other matter that may materially prejudice the interest of the Noteholders;
 - (vii) upon its receipt of any notice from Air Selangor of its intention to prepay the instalment payments under the Share Purchase Agreement, the Issuer shall immediately notify the Facility Agent in writing of the same (with a copy extended to the Trustee, Credit Rating Agency and the Security Agent); and
 - (viii) such other covenants (including any covenants applicable to the Originator in the relevant Transaction Documents) as advised by the legal counsel of the Joint Lead Arrangers/Joint Lead Managers and agreed by the Issuer and/or the Originator, as the case may be.
- (22) Details of Designated Accounts, if applicable, including:
- (a) names of account;
 - (b) parties responsible for opening the account;
 - (c) parties responsible for maintaining/operating the account;
 - (d) signatories to the account;
- : The Issuer shall open and maintain the following designated accounts (“**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:
- (a) Settlement Account;
 - (b) SPV Maintenance Account;
 - (c) Escrow Account; and

- (e) sources and utilisation of funds; and
 (f) diagram illustrating the flows of monies and conditions for disbursements;

- (d) Early Redemption Account.

The Designated Accounts will be charged to the Security Agent with the Security Agent as the sole signatory.

The funds standing to the credit of the Designated Accounts may be placed in Permitted Investments and any income from the Permitted Investments shall be credited into the Settlement Account.

Please refer to the section entitled “Details of Designated Accounts” of the “Other terms and conditions” below.

- (23) Details of Credit Rating, if applicable : ☐ Not Rated
☒ Rated as follows:

Senior Notes

Credit rating agency	:	RAM
Credit rating	:	AAA
Final/Indicative	:	Indicative
Name of Tranche/Series/Class	:	Tranches 1 to 8
Partial rating	:	No
Amount rated	:	RM585,000,000.00

Junior Notes

Unrated.

- (24) Conditions precedent : To include but not limited to the following (all have to be in the form and substance acceptable to the Joint Lead Arrangers/Joint Lead Managers):

A Main Documentation

- (i) The Transaction Documents have been signed, stamped or endorsed as exempted from stamp duty and, where applicable, presented for registration.
- (ii) All relevant assignment notices and acknowledgements (including from Air Selangor and the account bank of the Designated Accounts), shall have been made or received, as the case may be.

B The Issuer

- (i) Certified true copies of the Certificate of Incorporation, and the Constitution of the Issuer.
- (ii) 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 Issuer.

- (iii) A certified true copy of the board resolution of the Issuer authorising, among others, the establishment of the Facility, the execution of the Transaction Documents and the issuance of the Notes.
- (iv) A list of the Issuer's authorised signatories and their respective specimen signatures.
- (v) A report of the company search conducted on the Issuer.
- (vi) A report of the winding up search conducted on the Issuer or the statutory declaration of the Issuer.

C The Originator

- (i) Certified true copies of the Certificate of Incorporation, and the Memorandum and Articles of Association/Constitution of the Originator.
- (ii) 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.
- (iii) 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.
- (iv) A list of the Originator's authorised signatories and their respective specimen signatures.
- (v) A report of the company search conducted on the Originator.
- (vi) A report of the winding up search conducted on the Originator or the statutory declaration of the Originator.

D General

- (i) Receipt of the acknowledgment in respect of the lodgement to the SC has been obtained and where applicable, all other relevant approvals from any other regulatory authorities.
- (ii) Evidence on the completion of due diligence in form and substance acceptable to the Joint Lead Arrangers/Joint Lead Managers.

- (iii) Receipt of an opinion from the Tax Adviser in form and substance acceptable to the Joint Lead Arrangers/Joint Lead Managers.
- (iv) Receipt of the base case projections by the Joint Lead Arrangers/Joint Lead Managers and the Security Agent from the Issuer in form and substance acceptable to the Joint Lead Arrangers/Joint Lead Managers.
- (v) Evidence that all transaction fees, costs and expenses have been or will be paid in full.
- (vi) The Joint Lead Arrangers/Joint Lead Managers have received from their legal counsel a favourable legal opinion addressed to them and the Trustee advising with respect to, among others, the legality, validity, binding nature and enforceability of the Transaction Documents and a confirmation addressed to the Joint Lead Arrangers/ Joint Lead Managers that all the conditions precedent have been fulfilled.
- (vii) The Joint Lead Arrangers/Joint Lead Managers have received from their legal counsel a legal opinion addressed to them on the “true sale” nature of the transaction.
- (viii) The Joint Lead Arrangers/Joint Lead Managers have received from their legal counsel a legal opinion addressed to them on the “bankruptcy remoteness” of the Issuer.
- (ix) Receipt of evidence that the Senior Notes have been accorded a rating of AAA by the Credit Rating Agency.
- (x) The Security Agent has received from the Originator the original and executed copy of the Share Purchase Agreement.
- (xi) Documentary evidence that the Share Purchase Agreement has become unconditional.
- (xii) Confirmation that the Trustee’s Reimbursement Account 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.
- (xiii) Confirmation that the Designated Accounts have been opened in accordance with the provisions of the Transaction Documents.

- (xiv) Such other conditions precedent as advised by the legal counsel of the Joint Lead Arrangers/Joint Lead Managers and agreed by the Issuer.

(25) Representations and warranties : To include but not limited to the following:

- (i) 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 assets, and has full beneficial ownership of all its property and assets;
- (ii) 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;
- (iii) 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 as at the date this representation and warranty is made or repeated (a) 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, (b) 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 (c) cause the creation or imposition of any security interest or restriction of any nature on any of the Issuer's assets;
- (iv) 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;

- (v) 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;
 - (vi) there is no winding-up petition or proceedings being initiated or threatened against the Issuer;
 - (vii) there is no litigation, arbitration, administrative proceeding, claim or dispute being initiated or threatened against the Issuer;
 - (viii) 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;
 - (ix) to 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
 - (x) such other representations and warranties as advised by the legal counsel of the Joint Lead Arrangers/Joint Lead Managers and agreed by the Issuer.
- (26) Events of defaults or enforcement events, where applicable, including recourse available to investors : To include but not limited to the following events of default ("**Event of Default**"):
- (i) 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. For the avoidance of doubt, non-payment of coupon on the Junior Notes (save for the failure to pay coupon on the Maturity Date of the Junior Notes or on any coupon payment date after the Senior Notes have been fully redeemed) shall not constitute an Event of Default, and such unpaid amount shall be payable on the next coupon payment date, without any penalty (i.e. on a cumulative and non-compounded basis);
 - (ii) 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;

- (iii) 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 (i) above, 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;
- (iv) there has been a breach by the Issuer of any obligation under any of the Issuer's existing contractual obligations which may have a Material Adverse Effect on the Issuer 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;
- (v) 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;
- (vi) 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;

- (vii) 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 law or such appeal or application for a stay of execution has been dismissed;
- (viii) any step is taken for the winding-up, dissolution or liquidation of the Issuer or a resolution is passed for the winding-up of the Issuer or a petition for winding up is presented against the Issuer 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 winding-up petition or a winding up order has been made against the Issuer;
- (ix) 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;
- (x) where there is a revocation, withholding, invalidation or modification of any license, authorisation, approval or consent which in the opinion of the Trustee may have a Material Adverse Effect;
- (xi) 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;
- (xii) any creditor of the Issuer exercises a contractual right to take over the financial management of the Issuer and such event in the opinion of the Trustee may have a Material Adverse Effect on the Issuer;

- (xiii) the Issuer or the Originator 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;
- (xiv) at any time, any of the provisions of the Transaction Documents is or becomes illegal, void, voidable or unenforceable;
- (xv) 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;
- (xvi) 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;
- (xvii) 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;
- (xviii) it becomes unlawful for the Originator to perform its obligations under any of the Transaction Documents to which it is a party;
- (xix) Air Selangor fails to honour any of its obligations in respect of the Payment Obligations under the Share Purchase Agreement;
- (xx) Selangor State Government is no longer the indirect majority or controlling shareholder of Air Selangor;
- (xxi) Air Selangor repudiates or does or causes to be done or omits to do any act or thing evidencing an intention to repudiate the Share Purchase Agreement;

- (xxii) an insolvency event occurs in respect of Air Selangor;
- (xxiii) where there is a revocation, withholding, invalidation or modification of the individual water licence of Air Selangor;
- (xxiv) at any time any of the provisions of the Share Purchase Agreement is or becomes illegal, void, voidable or unenforceable;
- (xxv) the Originator undertakes, conducts or carries on any business or operations or does anything or takes any step which could potentially give rise to a right of set-off on the part of Air Selangor over the Receivables; or
- (xxvi) such other events as advised by the legal counsel of the Joint Lead Arrangers/Joint Lead Managers and agreed by the Issuer.

Upon the occurrence of an Event of Default under items (xix) or (xxii) above, the Trustee may, and shall, at the direction of the Noteholders by way of a special resolution, immediately instruct the Security Agent to enforce the relevant Transaction Documents to take action against the Obligor to recover the defaulted Payment Obligation or part thereof which is due. For the avoidance of doubt, in the event of a declaration of any Event of Default, the Payment Obligations which are not yet due will not be accelerated except in the event of an insolvency of Air Selangor in item (xxii) above.

Upon the occurrence of any Event of Default, the Trustee may at its discretion and shall, at the direction of the Noteholders (by way of a 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 Senior Notes shall continue to accrue and be payable to the Senior Noteholders notwithstanding the declaration of an Event of Default by the Trustee hereunder.

Further, the Junior Noteholders shall not be entitled to declare an Event of Default unless the Senior Noteholders have declared an Event of Default or there are no more Senior Notes remaining outstanding.

(27) Governing laws : Laws of Malaysia.

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

(28) Provisions on buy-back, if applicable : No provision on buyback.

(29) Provisions on early redemption, if applicable : **Mandatory Prepayment**

The occurrence of any the following events shall constitute a mandatory prepayment event ("**Mandatory Prepayment Event**"):

- (a) a breach of any representations and warranties by the Originator under the Sale and Purchase Agreement as outlined in the section "Representations and Warranties by the Originator" of the "Other terms and conditions" below 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
- (b) Air Selangor prepays in full all its instalment payments under the Share Purchase Agreement (together with accrued interest payable thereon) ("**Full Prepayment**"); or
- (c) Air Selangor prepays any of the instalment payments under the Share Purchase Agreement in part (together with accrued interest payable thereon) ("**Partial Prepayment**").

In the event of Originator Breach of Warranty:

- (i) The Issuer shall, within two (2) business days from the date of receipt by the Issuer of the Repurchase Price (as defined below), issue a written notice to the Facility Agent (with a copy extended to the Trustee, Credit Rating Agency and Security Agent) notifying the Facility Agent of the mandatory prepayment of the Senior Notes.
- (ii) The Issuer shall mandatorily prepay in whole and not in part, all of the Senior Notes within five (5) business days from the date of receipt of the notice referred to item (i) above.
- (iii) Such mandatory prepayment shall be at the nominal value of the Senior Notes, which shall include the accrued coupon (where applicable).

In the event of Full Prepayment:

- (i) The Issuer shall, within two (2) business days from the date of receipt by the Issuer of the notice from Air Selangor of its intention to prepay in full all of its instalment payments under the Share Purchase Agreement (together with the accrued interest payable thereon), issue a written notice to the Facility Agent (with a copy extended to the Trustee, Credit Rating Agency and Security Agent) notifying the Facility Agent of the mandatory prepayment of the Senior Notes.
- (ii) The Issuer shall mandatorily prepay, in whole but not in part, all the Senior Notes outstanding within two (2) business days from the date of receipt of the Full Prepayment.
- (iii) Such mandatory prepayment shall be at the aggregate of the Early Redemption Amount (as set out in the section entitled "Early Redemption Amount" of "Other terms and conditions") and the accrued coupon (where applicable) to be calculated from and including the preceding coupon payment date until and excluding the date of early redemption ("**Early Redemption Date**") based on a 365-day year.

In the event of Partial Prepayment:

- (i) The Issuer shall, within two (2) business days from the date of receipt by the Issuer of the notice from Air Selangor of its intention to prepay any part of its instalment payments under the Share Purchase Agreement (together with accrued interest payable thereon), issue a written notice to the Facility Agent (with a copy extended to the Trustee, Credit Rating Agency and Security Agent) notifying the Facility Agent of the mandatory prepayment of the relevant Senior Notes.
- (ii) The Issuer shall mandatorily prepay the Senior Notes outstanding in part, two (2) business days from the date of receipt by the Issuer of the Partial Prepayment in the following manner:
 - (a) to prepay each Tranche in inverse order of maturity; and
 - (b) if any Tranche cannot be prepaid in full, such Tranche shall be prepaid on a pro-rata basis.

- (iii) Such mandatory prepayment for the relevant Tranche to be prepaid shall be at the aggregate of the Early Redemption Amount and the accrued coupon (where applicable) to be calculated from and including the preceding coupon payment date until and excluding the Early Redemption Date based on a 365-day year.

The notices referred to in item (i) under Originator Breach of Warranty, Full Prepayment and Partial Prepayment above shall be referred to as “**Early Redemption Notice**”.

The “**Repurchase Price**” shall be the price payable by the Originator to repurchase the Receivables in the event of the Originator Breach of Warranty or the Originator exercising the Clean Up Call Option which shall be equal to the aggregate of:

- (i) The nominal value of the Receivables outstanding as at the date of repurchase;
- (ii) The amount of all accrued interest of the Receivables up to the date of repurchase; and
- (iii) All other ancillary costs which shall include, but not limited to, late payment interest (if any) and recovery/legal expenses on any defaulted Payment Obligations.

The Originator shall remit the Repurchase Price to the Issuer, within a period of five (5) business days from the date of repurchase or such longer period as may be mutually agreed between the Issuer and the Originator.

The Junior Notes may be prepaid at any time prior to its maturity, in whole or in part, without any premium, from funds in the Early Redemption Account but subject to any requirements under the Early Redemption Account including the Minimum ERA Balance (as defined in the section entitled “Early Redemption Account” of the “Other terms and conditions”). Once all the Senior Notes have been fully redeemed, the Junior Notes may be prepaid from funds in the Settlement Account or any other Designated Account in accordance with the terms thereof.

(30) Voting

- : All Senior Noteholders shall vote as a single class, regardless of which Tranche of the Notes they own/hold.

All Junior Noteholders shall vote as a single class. The Junior Noteholder shall be bound by the decision/vote of the Senior Noteholders in all matters save and except where the Senior Notes have been redeemed in full.

- (31) Permitted investments, applicable if : The funds standing to the credit of the Designated Accounts may be placed in permitted investments limited to the following (the “**Permitted Investments**”):
- (i) Treasury bills, money market instrument and sukuk issued by the Government of Malaysia or BNM;
 - (ii) 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
 - (iii) 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,

subject to the following:

1. no Event of Default has occurred;
2. 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;
3. the Permitted Investments shall be denominated in Ringgit;
4. Permitted Investments in item (ii) above shall not exceed 50% of the total funds available to be invested in Permitted Investments;
5. the exposure to each counterparty in item (ii) above shall not exceed 10% of the total funds in all the Designated Accounts available to be invested in Permitted Investments.

(32) Ta’widh : Not applicable.

(33) Ibra’ : Not applicable.

(34) Kafalah : Not applicable.

Other terms and conditions

- (a) A description of the structure of the securitisation transaction : The Originator and the Issuer will undertake a securitisation exercise involving the sale by the Originator to the Issuer of the Assets pursuant to the Sale and Purchase Agreement. 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.
- (b) Share Purchase Agreement : The Share Purchase Agreement dated 28 September 2018 entered into between Air Selangor as the purchaser and the Originator as the vendor in respect of the sale by the Originator to Air Selangor of its shareholding in Syarikat Pengeluar Air Sungai Selangor Sdn Bhd, as amended and supplemented by the Supplemental Share Purchase Agreement dated 18 May 2020.
- (c) Sale and Purchase Agreement : A sale and purchase agreement to 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.
- (d) Corporate Administration Agreement : The corporate administration agreement to be executed between the Issuer and the Corporate Administrator whereby the Corporate Administrator will be appointed to carry out all the statutory and administrative duties of the Issuer.

(A) Notes

- (e) Coupon Rate : Senior Notes
On a fixed rate basis to be determined prior to the issuance of the Senior Notes.

Junior Notes
On a variable rate basis.
- (f) Coupon Rate : Semi-annual or such other frequency to be determined prior to the issuance of the Notes.
Payment Frequency
- (g) Coupon Rate : The coupon rate will be calculated on the basis of the actual number of days elapsed on a 365 days basis.
Payment Basis
- (h) Form and Denomination : The Notes shall be issued in accordance with (1) the "Participation and Operation Rules for Payment and Securities Services ("**PayNet Rules**") issued by 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**").

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 RM1,000.00 or in multiples of RM1,000.00 at the time of issuance.

- (i) Issue Price : The Notes may be issued at par or at discount to the nominal value.
- (j) Details of utilisation of proceeds : The proceeds from the Notes shall be utilised by the Issuer as follows:
- (i) to fund the purchase of the Assets from the Originator;
 - (ii) to prefund the relevant Designated Accounts;
 - (iii) to meet fees, costs and expenses incurred or to be incurred by the Issuer in connection with the Facility; and
 - (iv) to fund the Trustee's Reimbursement Account.
- (k) Additional payment on the Senior Notes upon declaration of an Event of Default : The Issuer shall pay to the holders of the Senior Notes a sum equivalent to 1.5% per annum on the instalment amount of any due and unpaid Payment Obligation which is received by the Issuer as part of the late payment interest amount under the Share Purchase Agreement and such late payment interest amount shall be calculated in accordance with the formula prescribed in the Share Purchase Agreement ("**Additional Payment**").

For the avoidance of doubt, the Issuer is only obliged to pay the Additional Payment if the Issuer receives any late payment interest amount under the Share Purchase 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.

The Additional Payment is not applicable for the Junior Notes.

- (l) Purchase and cancellation : 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.
- (m) Transaction Documents : Includes, inter alia, the following documents:
- (i) Corporate Administration Agreement;
 - (ii) Trust Deed;
 - (iii) Securities Lodgement Form;
 - (iv) Sale and Purchase Agreement;
 - (v) Security Agency Agreement;

- (vi) Security Documents;
- (vii) All other documents to be advised by the legal counsel of the Joint Lead Arrangers/Joint Lead Managers and agreed by the Issuer and/or the Originator, as the case may be.

(n) Status : The Senior Notes shall constitute direct, unconditional, unsubordinated 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.

The Junior Notes shall constitute direct, unconditional and unsecured obligations of the Issuer, subordinated to the Senior Notes, 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 subordinated obligations of the Issuer, subject to those preferred by law or the Transaction Documents.

(o) 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.

(p) 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.

Within three (3) business days:

- (i) from the date of the full redemption of the Notes; or
- (ii) prior to the expected date of the full prepayment of the Notes,

whichever is earlier, any balances remaining in the Trustee's Reimbursement Account shall be transferred to the Settlement Account.

(q) No petition : The agreements to be entered into between the Issuer and service providers in relation to the Facility ("**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.

(r) 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.

In the event that the assets of the Issuer have been exhausted and there are still obligations of the Issuer (whether in respect of principal, coupon or otherwise) that remain outstanding, the outstanding obligations of the Issuer shall be deemed extinguished and the Noteholders (and all other parties to the transaction) shall have no further rights 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 Noteholders will have no recourse to the Originator or its assets.

(s) Early Redemption Amount : In respect of each Tranche of the Senior Notes, the Early Redemption Amount ("**ERA**") shall be calculated by the Facility Agent based on the following formula and the calculation of the Facility Agent shall, in the absence of manifest error, be final and binding:

$$ERA = \frac{NV \times ERP}{100}$$

Where:

NV means the aggregate nominal value of the Senior Notes to be redeemed; and

ERP means the early redemption factor per RM100 (rounded to 2 decimal places) subject to a minimum of RM100, calculated as follows:

$$ERP = \left[\frac{100}{\left[1 + (YTM / 2) \right]^{(N-1)+(T/E)}} \right] + \left[\sum_{k=1}^N \frac{[100 \times (CR / 2)]}{\left[1 + (YTM / 2) \right]^{(N-1)+(T/E)}} \right] - \left[\frac{S}{365} \times CR \times 100 \right]$$

Where:

- N** = Number of coupon payment date(s) between the original Maturity Date and the Early Redemption Date
- T** = Number of days from the Early Redemption Date to the coupon payment date immediately following the Early Redemption Date
- E** = Number of days between the coupon payment date immediately preceding the Early Redemption Date to the next coupon payment date immediately following the Early Redemption Date
- YTM** = CR minus Spread
- S** = Number of days from the coupon payment date immediately preceding the Early Redemption Date to the Early Redemption Date

For the purposes of calculating the YTM, the following variables shall be used:

- 1) “**CR**” means the coupon rate for the Senior Notes expressed as a percentage per annum.
- 2) “**Spread**” means 0.50%.

For the avoidance of doubt, upon the declaration of an Event of Default, the Early Redemption Amount shall no longer be applicable and any amounts standing to the credit of the Early Redemption Account shall be transferred to the Settlement Account.

(B) Sale of the Assets

- (t) Sale : 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:
 - (a) the Sale Date (as defined in the section entitled “Representations and Warranties by the Originator” of the “Other terms and conditions”);

- (b) the amount of Receivables to be sold, the purchase price and the method of completion;
 - (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 Joint Lead Arrangers/Joint Lead Managers and agreed by the Issuer and/or the Originator.
- (u) Purchase Price : 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 funded via the issue proceeds of the Notes on the issue date.
- (v) Representations and Warranties by the Originator : 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:
- (i) that the Receivables are or will be as of the date of the sale and assignment of the Receivables ("**Sale Date**"), amongst others:
 - (a) absolutely, beneficially owned by the Originator free and clear of all liens, encumbrances, charges and security interests;
 - (b) Receivables which the Originator is not prohibited or restricted by law, contract or otherwise from effecting the transfer to the Issuer free from all encumbrances;
 - (c) 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 Air Selangor the right to refuse to make any payment under the relevant Payment Obligation;
 - (d) 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;

- (e) the final schedule payment date of the Receivable falls before the last day of the tenure of the Notes;
- (f) no payment in respect of the Receivables scheduled to be received after the Sale Date have been received on or before such Sale Date.

The Originator shall 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.

If the Originator breaches any representation and warranty in respect of a Receivable and such breach, being capable of being remedied, remains unremedied 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 the Receivables shall be resold and reassigned to the Originator at the Repurchase Price. In the event of such reassignment, the consideration shall be utilised to mandatorily prepay all of the Senior Notes.

- (w) Legal Assignment : 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 Air Selangor of the sale. Air Selangor will acknowledge and accept the terms of the assignment in the relevant Notice of Assignment.
- (x) Notice of Assignment : The Notice of Assignment shall include an acknowledgement and consent by Air Selangor of the assignment by the Originator of its rights, title, interests and benefits in and to the Share Purchase Agreement, and the agreement by Air Selangor to pay all instalment payments (including all interest and late payment interest thereon) directly into the Settlement Account.
- (y) Collection Receivables from : Under the terms of the Notice of Assignment, Air Selangor shall deposit all payments in respect of the Receivables directly into the Settlement Account.

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 Air Selangor to make all future payments directly into the Settlement Account.

- (z) Clean Up Call : The Originator may repurchase at the Repurchase Price all (and not part only) of the outstanding Receivables on any date after the nominal value of the Receivables falls below five per cent (5%) of the nominal value of the Receivables initially purchased from the Originator.

The Repurchase Price received by the Issuer shall be deposited into the Settlement Account and applied in the order of priority set out therein.

(C) Details of Designated Accounts

- (aa) Settlement Account : 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, the repurchase price pursuant to the exercise of the Clean Up Call Option, and any late payment interest received by the Issuer under the Share Purchase Agreement);
 - (b) the transfer of all balances from all the other Designated Accounts:
 - (i) within three (3) business days upon full redemption of the Senior Notes; or
 - (ii) no later than three (3) business days prior to the expected date of the full prepayment of the Senior Notes pursuant to:
 - (1) Originator Breach of Warranty; or
 - (2) Full Prepayment; or
 - (iii) within three (3) business days following a declaration of an Event of Default, as the case may be;
 - (c) other cash receipts of the Issuer from any source;
 - (d) income from Permitted Investments from the Designated Accounts;
 - (e) transfers of an amount equivalent to the credit balances in the Trustee's Reimbursement Account.

The Issuer shall cause and procure the Security Agent, on a monthly basis, provide information on the balances of the Settlement Account to the Trustee, Facility Agent and Issuer (“**Periodic Settlement Account Information**”).

(A) Application of funds in the Settlement Account OTHER THAN:

- (1) following a full prepayment of the Senior Notes under (i) Originator Breach of Warranty or (ii) Full Prepayment; OR**
- (2) upon a declaration of an Event of Default; OR**
- (3) upon a Partial Prepayment.**

Funds in the Settlement Account shall be applied in the following order of priority:

- (a) upon receipt of the scheduled Payment Obligations, to set aside amounts sufficient to meet any estimated taxes, other statutory obligations, fees, costs and expenses of the Issuer payable in the immediate next twelve (12) months, to the extent that such obligations cannot be met from the SPV Maintenance Account. Such amounts shall be duly reviewed by the Issuer's tax agent and submitted to, amongst others, the Trustee, the Security Agent and the Credit Rating Agency;
- (b) on each coupon date, to the payment of coupon of the Senior Notes when they become due and payable, if not met from the Escrow Account;
- (c) on the relevant Maturity Date, to the payment of principal due and payable for the relevant Tranche of the Senior Notes;
- (d) after all the Senior Notes have been redeemed in full, and all other amounts due and payable by the Issuer have been duly paid, any balances remaining in the Settlement Account shall be applied in the following order of priority:
 - (i) an amount set aside for any winding up expenses of the Issuer;
 - (ii) payment of principal of the Junior Notes;
 - (iii) payment of coupon of the Junior Notes, if any;
 - (iv) any remaining amounts shall be retained by the Issuer.

- (B) Application of funds in the Settlement Account:**
(1) following a full prepayment of the Senior Notes under (i) Originator Breach of Warranty or (ii) Full Prepayment; OR
(2) upon a declaration of an Event of Default

Funds in the Settlement Account shall be applied in the following order of priority:

- (a) to the payment of any outstanding taxes and other statutory obligations of the Issuer and fees and expenses in relation to the Facility and the Securitisation;
- (b) to the payment of accrued and unpaid coupon of the Senior Notes, if any, on a pro-rata basis;
- (c) to the payment of the Additional Payment, if applicable on a pro-rata basis;
- (d) to the payment of principal of the Senior Notes, on a pro-rata basis;
- (e) in the event of a Full Prepayment only, to the payment of Early Redemption Premium (as defined in the section entitled “Early Redemption Account” of “Other terms and conditions”);
- (f) after all the Senior Notes have been redeemed in full, and all other amounts due and payable by the Issuer have been duly paid, any balances remaining in the Settlement Account shall be applied in the following order of priority:
 - (i) an amount set aside for any winding up expenses of the Issuer;
 - (ii) to the payment of principal of the Junior Notes;
 - (iii) to the payment of coupon of the Junior Notes, if any;
 - (iv) any remaining amounts shall be retained by the Issuer.

(C) Application of funds in the Settlement Account upon a Partial Prepayment

Funds in the Settlement Account shall be applied in the following order of priority:

- (a) upon receipt of the scheduled Payment Obligations, to set aside amounts sufficient to meet any estimated taxes, other statutory obligations, fees, costs and

expenses of the Issuer payable in the immediate next twelve (12) months to the extent that such obligations cannot be met from the SPV Maintenance Account;

- (b) on each coupon date, to the payment of coupon of the Senior Notes when they become due and payable, if not met from the Escrow Account;
- (c) on the relevant Maturity Date, to the payment of the principal due and payable for the relevant Tranche of the Senior Notes;
- (d) two (2) business days from the date of receipt of the Partial Prepayment whereby the Partial Prepayment shall be utilised for the payment of:
 - (i) accrued but unpaid coupon of the relevant Tranche(s) of Senior Notes which will be prepaid in accordance with sub-paragraph (ii) below); and
 - (ii) the prepayment of principal of the relevant Tranche(s) of the Senior Notes in inverse order of maturity starting with the Tranche of the Senior Notes with the longest tenure until such Senior Notes have been fully redeemed.
- (e) after all the Senior Notes have been redeemed in full, and all other amounts due and payable by the Issuer have been duly paid, any balances remaining in the Settlement Account shall be applied in the following order of priority:
 - (i) an amount set aside for any winding up expenses of the Issuer;
 - (ii) payment of principal of the Junior Notes;
 - (iii) payment of coupon of the Junior Notes, if any;
 - (iv) any remaining amounts shall be retained by the Issuer.

(bb) SPV
Maintenance
Account

: The Issuer will establish an SPV Maintenance Account for liquidity requirements to meet payments of any taxes and other statutory obligations of the Issuer and fees and expenses in relation to the Facility and the Securitisation.

The SPV Maintenance Account will be funded from the issue proceeds of the Notes of an amount equivalent to the projected tax and expenses of the Issuer during the tenure of the Notes.

Funds in the SPV Maintenance Account shall be applied in the following order of priority:

- (a) payment of any taxes and other statutory obligations of the Issuer;
- (b) payment of (1) the accrued and unpaid fees, costs and expenses, payable to the service providers; (2) the accrued and unpaid Issuer fees, costs and expenses, payable to the relevant payee which are not expressly prohibited by any of the Transaction Documents.

Withdrawal from the SPV Maintenance Account shall be against documentary evidence acceptable to the Security Agent.

Balances in the SPV Maintenance Account shall be transferred to the Settlement Account:

- (i) within three (3) business days upon full redemption of the Senior Notes; or
- (ii) no later than three (3) business days prior to the expected date of the full prepayment of the Senior Notes pursuant to:
 - (1) Originator Breach of Warranty; or
 - (2) Full Prepayment; or
- (iii) within three (3) business days following a declaration of an Event of Default,

whichever is the earlier.

- (cc) Escrow Account : This account will be initially funded from the issue proceeds of the Notes of an amount equivalent to the immediate next six (6) months' coupon payment obligations in respect of the Senior Notes.

The Issuer may utilise the funds in the Escrow Account to meet the coupon payments due and payable under the Senior Notes.

Balances in the Escrow Account shall be transferred to the Settlement Account:

- (i) within three (3) business days upon full redemption of the Senior Notes; or
- (ii) no later than three (3) business days prior to the expected date of the full prepayment of the Senior Notes pursuant to:

- (1) Originator Breach of Warranty; or
- (2) Full Prepayment; or
- (iii) within three (3) business days following a declaration of an Event of Default,

whichever is the earlier.

For the avoidance of doubt, the Escrow Account may be closed in the event that there are no balances therein.

(dd) Early
Redemption
Account

- : The Early Redemption Account will be funded from the issue proceeds of the Notes of an amount equivalent to the Early Redemption Premium of the aggregate nominal value of the Senior Notes issued.

"Early Redemption Premium" shall be equivalent to the aggregate of the Early Redemption Amount less the aggregate nominal value of Senior Notes issued.

Prior to a declaration of an Event of Default, the Issuer shall maintain a minimum balance equivalent to the Early Redemption Premium of the aggregate nominal value of the Senior Notes outstanding at any point of time ("**Minimum ERA Balance**").

The Issuer shall utilise the amounts in the Early Redemption Account to meet the Early Redemption Premium of the relevant Tranche of the Senior Notes in a (i) Full Prepayment and (ii) Partial Prepayment.

The Minimum ERA Balance in the Early Redemption Account will reduce from time to time, pursuant to (1) a redemption of the relevant Tranche of the Senior Notes at its respective Maturity Date and/or (2) an early redemption of the relevant Tranche of the Senior Notes pursuant to a Mandatory Prepayment Event. The amount which the Minimum ERA Balance shall be reduced by, shall be calculated by the Facility Agent five (5) business days prior to each coupon payment date and to notify the Trustee, Security Agent and Credit Rating Agency, within one (1) business day of such calculation.

The Issuer may utilise the funds in excess of the Minimum ERA Balance for payment of the coupon and/or principal of the Junior Notes on the relevant coupon payment date.

Balances in the Early Redemption Account shall be transferred to the Settlement Account:

- (i) within three (3) business days upon full redemption of the Senior Notes; or

- (ii) no later than three (3) business days prior to the expected date of the full prepayment of the Senior Notes pursuant to:
 - (1) Originator Breach of Warranty; or
 - (2) Full Prepayment; or
- (iii) within three (3) business days following a declaration of an Event of Default,

whichever is the earlier.

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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 March	A	B	C = A + B
	Balance Deferred Sum Collections	Interest Collections	Collections
	RM	RM	RM
2022	72,222,222.00	30,333,333.00	102,555,555.00
2023	72,222,222.00	26,541,667.00	98,763,889.00
2024	72,222,222.00	22,750,000.00	94,972,222.00
2025	72,222,222.00	18,958,333.00	91,180,555.00
2026	72,222,222.00	15,166,667.00	87,388,889.00
2027	72,222,222.00	11,375,000.00	83,597,222.00
2028	72,222,222.00	7,583,333.00	79,805,555.00
2029	72,222,224.00	3,791,667.00	76,013,891.00

Principal assumptions upon which the projected collections from the Receivables are 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 and Obligor.
- (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) No delinquency, default or prepayment on the Receivables.
- (f) No breach of warranty which results in the repurchase of the Receivables by the Originator.

- (g) The Receivables will not be disposed throughout the projection period.
- (h) Certain numbers are subject to rounding.

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ISSUER

SWIRL ASSETS BERHAD
7.02, 7th Floor
Wisma Central, Jalan Ampang
50450 Kuala Lumpur

JOINT LEAD ARRANGERS AND JOINT LEAD MANAGERS

AmINVESTMENT BANK BERHAD
22nd Floor, Bangunan AmBank Group
No. 55, Jalan Raja Chulan
50200 Kuala Lumpur

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

FACILITY AGENT AND SECURITY AGENT

AmINVESTMENT BANK BERHAD
22nd Floor, Bangunan AmBank Group
No. 55, Jalan Raja Chulan
50200 Kuala Lumpur

ORIGINATOR

SYARIKAT PENGELUAR AIR SELANGOR
HOLDINGS BERHAD
Menara Gamuda, D-16-01
Block D, PJ Trade Centre
No. 8, Jalan PJU 8/8A
Bandar Damansara Perdana
47820 Petaling Jaya
Selangor Darul Ehsan

**SHARE TRUSTEE/ CORPORATE
ADMINISTRATOR**

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

TRUSTEE

MTRUSTEE BERHAD
Level 15, Menara AmFirst
No. 1, Jalan 19/3
46300 Petaling Jaya
Selangor

TAX ADVISER

TRICOR TAXAND SDN. BHD.
(PREVIOUSLY KNOWN AS AXCELASIA
TAXAND SDN. BHD.)
Suite 13A.05, Level 13A
Wisma Goldhill
67 Jalan Raja Chulan
50200 Kuala Lumpur

**SOLICITORS TO THE JOINT PRINCIPAL ADVISERS, JOINT LEAD ARRANGERS & JOINT
LEAD MANAGERS**

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