

## SUNVIEW GROUP BERHAD (“SUNVIEW” OR THE “COMPANY”)

### - HEADS OF TERMS FOR SOLAR PHOTOVOLTAIC POWER PROJECT IN UZBEKISTAN BETWEEN FABULOUS SUNVIEW SDN. BHD., A WHOLLY-OWNED SUBSIDIARY OF THE COMPANY AND THE GOVERNMENT OF THE REPUBLIC OF UZBEKISTAN

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*(The definitions used in this announcement shall have the same meanings as those used in the announcements made on 13 June 2024 and 20 June 2024 (“Announcements”) unless stated otherwise.)*

## 1. INTRODUCTION

Further to the announcements made on 13 June 2024 and 20 June 2024, the Board of Directors of Sunview (“the Board”) wishes to announce that Fabulous Sunview Sdn. Bhd. (“Fabulous Sunview” or “the Developer”), a wholly-owned subsidiary of the Company, had on 17 July 2024 entered into a heads of terms agreement (“Heads of Terms”) for a solar photovoltaic power project of two plants in Uzbekistan with a total capacity of 600MW<sub>AC</sub> (where the capacity for Andijan region will be 400MW<sub>AC</sub> and capacity for Fergana region will be 200MW<sub>AC</sub>) on a build, own, operate and transfer or decommission basis (“the Project”) with the Government of the Republic of Uzbekistan, represented by the Ministry of Energy of the Republic of Uzbekistan (“the Government”) and Fabulous Sunview will establish special purpose company(ies) to be registered in the Republic of Uzbekistan for the Project (“Project Company”).

*(Fabulous Sunview and the Government are hereinafter individually referred to as a “Party” and collectively as the “Parties”)*

## 2. SALIENT TERMS OF THE HEADS OF TERMS

### 2.1 PROJECT OVERVIEW

The Project Company shall be entitled to develop, design, supply, construct, complete (test and commission), finance, own, insure, operate, maintain and transfer or decommission at the end of the power purchase agreement (“PPA”) term (“Project Rights”) a solar photovoltaic power plant in Andijan district of Andijan region and Fergana district of Fergana region, Uzbekistan (“the Plant(s)”) with a total capacity of 600MW<sub>AC</sub> (where the capacity for Andijan region will be 400MW<sub>AC</sub> and capacity for Fergana region will be 200MW<sub>AC</sub>) (“Contracted Capacity”) on a build, own, operate and transfer or decommission basis.

All electrical energy (“Energy”) generated by the Plant shall be supplied by the Project Company and purchased by “National Electric Grid of Uzbekistan” JSC (or another entity as may be designated by the Government), (“the Purchaser”) in accordance with the terms set forth herein and the terms to be described in definitive legal documentation for the Plant, including but not limited to:

- (a) the PPA between the Project Company and the Purchaser. The execution of the PPA shall be a condition precedent for the financial close (“Closing Date”) of the Project, and the coming into force of certain other project agreements;
- (b) the Investment Agreement between the Project Company, the Developer, and the Government of the Republic of Uzbekistan (represented by the Ministry of Investments, Industry and Trade of the Republic of Uzbekistan); and
- (c) the Land Lease Agreement between the Project Company and the Ministry of Energy of the Republic of Uzbekistan shall be a condition precedent for the coming into effect of the PPA,

(collectively referred to as the “Project Agreements”) and approved in accordance with legislation of the Republic of Uzbekistan.

The Government shall prepare the first drafts of the Project Agreements, and the Developer shall use their best endeavours to review and approve such Project Agreements.

The Project Agreements shall be in form and substance customary in Uzbekistan and in line with international market standards for these types of non-recourse financed independent power projects.

## **2.2 PAYMENTS**

The Government shall procure that all payments by the Purchaser to the Project Company under the PPA shall be made in Uzbekistan Soums equivalent of the relevant amount in USD based on the rate or rates of exchange available for the conversion of Uzbekistan Soums into USD at the date of the payment.

The Purchaser shall compensate the Project Company for any loss it suffers as a result of any foreign currency fluctuations between the date of payment and the date of exchange of Uzbekistan Soums into USD.

The detailed terms of conversion and payments shall be finalised in the PPA to the satisfaction of the Government and the Developer.

## **2.3 PPA EFFECTIVE DATE**

The PPA shall be effective from the first date on which all the conditions precedent under such PPA are either satisfied or irrevocably waived (the "PPA Effective Date").

The PPA is expected to be entered into in August 2024.

## **2.4 PPA TERM**

The PPA shall be effective from the PPA Effective Date and shall continue in full force and effect until the earlier of:

- (a) the date of early termination of such PPA in accordance with the terms of such PPA; and
- (b) the date of expiry of a period of 25 years from the Scheduled Commercial Operations Date for the Plant, unless extended in accordance with the terms set out in the PPA,

## **2.5 END OF TERM/EARLY TERMINATION**

**Decommissioning:** Upon the expiry of the PPA, or upon certain early termination events, including Project Company events of default and prolonged natural force majeure (or equivalent), the Purchaser may require the Project Company (at its cost) to decommission its Plant on terms and conditions to be agreed in the Project Agreements.

**Transfer upon early termination:** Upon certain early termination events (in particular for Purchaser event of defaults, political force majeure, and prolonged natural force majeure), the Purchaser shall be required (or the Project Company may require the Purchaser) to purchase its Plant for the Termination Payment to be agreed and set out in the PPA. Upon certain other early termination events, the Purchaser will not be required (but may have the option) to purchase the Plant on terms and conditions to be agreed in the Project Agreements.

**Transfer upon expiry:** Upon the expiry of the PPA, where the Purchaser does not require the Plant to be decommissioned, the Project Company shall transfer the Plant (in a condition commensurate with its age, taking into account fair wear and tear) to the Purchaser (or its nominee) for zero consideration.

## **2.6 BATTERY ENERGY STORAGE SYSTEM PROJECT**

The Parties agree that, subject to and in accordance with the terms and conditions to be further agreed by the Parties, the Developer will develop a 100MW<sub>AC</sub> / 200MWh battery energy storage system project at a location close to the site, for Andijan region. The battery energy storage system shall be limited to the discharged in two cycles and each cycle shall be two hours only. For clarification, the Purchaser shall pay to the Project Company based on the availability of the battery energy storage system and not based on the discharge of the battery energy storage system. The battery energy storage system will share the same hybrid plant substation and transmission facilities with the Project ("the BESS Project"). The BESS Project shall be carried out for a tenure of twelve years from the date of commissioning of the Andijan Project.

## **3. GOVERNING LAW AND DISPUTE RESOLUTION**

All Project Agreements shall be governed by and construed in accordance with the laws of the Republic of Uzbekistan.

In case of any dispute, save for disputes under the land lease agreement subject to the exclusive jurisdiction of Uzbek courts, will be finally resolved by binding arbitration under the rules of the Tashkent International Court of Arbitration, seated in Tashkent, Uzbekistan, with one or several arbitrator(s) appointed in accordance with the said rules. The language shall be in English.

## **4. RATIONALE AND PROSPECTS OF THE HEADS OF TERMS**

The Heads of Terms set forth binding understandings and commitments between the Parties hereto with regards to entering into the definitive legal documentation set forth in 2.1 hereof.

## **5. RISK FACTOR**

Save as disclosed below, the Board is of the view that the risk exposure involved in the Heads of Terms is minimal and in the event the Company enters into a normal business arrangement, it will exercise due care in considering the associated risks and benefits, and will take appropriate measures to ensure the successful implementation of the Heads of Terms.

### **5.1. Political risk**

Any adverse developments in the political conditions in Uzbekistan, where the Company operates, may adversely affect the prospects of the Company. The Company will mitigate such risks by continuously monitoring the political changes in Uzbekistan as they arise in the future.

## **6. FINANCIAL EFFECTS OF THE AGREEMENT**

### **6.1 Share capital and shareholding of substantial shareholders**

The Heads of Terms is not expected to have any effect on the issued share capital and substantial shareholders' shareholdings of the Company as it does not involve any issuance of new ordinary shares in the Company.

### **6.2 Net assets per share and gearing**

The Heads of Terms will not have any material effect on the net assets per share and gearing of the Company for the financial year ending 31 March 2025.

### **6.3 Earnings per share**

The Heads of Terms is not expected to have any material effect on the earnings per share of the Company for the financial year ending 31 March 2025.

**7. APPROVALS REQUIRED**

The Heads of Terms is not subject to the approval of the Company's shareholders or any other relevant regulatory authorities.

**8. INTEREST OF DIRECTORS AND MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED TO THEM**

None of the Directors, major shareholders of the Company and/or persons connected to them have any interest, whether direct or indirect, in the Heads of Terms.

**9. DIRECTORS' STATEMENT**

The Board, having reviewed and considered the terms and conditions of the Heads of Terms, is of the opinion that the Heads of Terms is in the best interest of the Company.

**10. DOCUMENT AVAILABLE FOR INSPECTION**

A copy of the Heads of Terms is available for inspection at the registered office of the Company at the Third Floor, No. 77, 79 & 81, Jalan SS21/60, Damansara Utama, 47400 Petaling Jaya, Selangor Darul Ehsan from Monday to Friday (except public holidays) for a period of three (3) months commencing from the date of this announcement.

This announcement is dated 18 July 2024.