

IMPORTANT NOTICE

NOT FOR DISTRIBUTION TO ANY U.S. PERSON OR INTO OR WITHIN THE UNITED STATES

IMPORTANT: You must read the following before continuing. The following applies to the offering circular following this page (the “**Offering Circular**”), and you are therefore advised to read this carefully before reading, accessing or making any other use of the Offering Circular. In accessing the Offering Circular, you agree to be bound by the following terms and conditions, including any modifications to them any time you receive any information from us as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “**SECURITIES ACT**”) OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION AND THE SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES, OR INTO THE UNITED STATES OR, FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT), EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS.

THE OFFERING CIRCULAR MAY NOT BE DOWNLOADED, FORWARDED OR DISTRIBUTED IN WHOLE OR IN PART TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER, AND MAY NOT BE FORWARDED TO ANY U.S. PERSON OR TO ANY U.S. ADDRESS. ANY SUCH DOWNLOADING, FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS. ANY INVESTMENT DECISION SHOULD BE MADE ON THE BASIS OF THE APPLICABLE PRICING SUPPLEMENT AND TERMS AND CONDITIONS OF THE SUKUK. IF YOU HAVE GAINED ACCESS TO THIS TRANSMISSION CONTRARY TO ANY OF THE FOREGOING RESTRICTIONS, YOU ARE NOT AUTHORISED AND WILL NOT BE ABLE TO PURCHASE ANY OF THE SECURITIES DESCRIBED IN THE OFFERING CIRCULAR.

Confirmation of your representation: In order to be eligible to view the Offering Circular, recipients must not be a U.S. person (within the meaning of Regulation S under the Securities Act). You have accessed the Offering Circular on the basis that you have confirmed to us that, by accepting the electronic mail (“**e-mail**”) attaching the Offering Circular and accessing the Offering Circular: (1) you are not located in the United States of America, its territories and possessions, any State of the United States and the District of Columbia, you are not, and you are not acting for the account or benefit of, a U.S. person, as defined in Regulation S under the Securities Act, and the e-mail address that you gave us and to which the e-mail attaching the Offering Circular has been delivered is not located in the United States; and (2) you consent to delivery of the Offering Circular and any amendments or supplements thereto by electronic transmission.

IMPORTANT NOTICE TO PROSPECTIVE INVESTORS

Prospective investors should be aware that certain intermediaries in the context of certain offerings of Sukuk pursuant to this Programme (each such offering, a “**CMI Offering**”), including certain Dealers, may be “capital market intermediaries” (“**CMIs**”) subject to Paragraph 21 of the Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission (the “**SFC Code**”). This notice to prospective investors is a summary of certain obligations the SFC Code imposes on such CMIs, which require the attention and cooperation of prospective investors. Certain CMIs may also be acting as “overall coordinators” (“**OCs**”) for a CMI Offering and are subject to additional requirements under the SFC Code. The application of these obligations will depend on the role(s) undertaken by the relevant Dealer(s) in respect of each CMI Offering.

Prospective investors who are the directors, employees or major shareholders of the Issuer, a CMI or its group companies would be considered under the SFC Code as having an association (“**Association**”) with the Issuer, the CMI or the relevant group company. Prospective investors associated with the Issuer or any CMI (including its group companies) should specifically disclose this when placing an order for the relevant Sukuk and should disclose, at the same time, if such orders may negatively impact the price discovery process in relation to the relevant CMI Offering. Prospective investors who do not disclose their Associations are hereby deemed not to be so associated. Where prospective investors disclose their Associations but do not disclose that such order may negatively impact the price discovery process in relation to the relevant CMI Offering, such order is hereby deemed not to negatively impact the price discovery process in relation to the relevant CMI Offering.

Prospective investors should ensure, and by placing an order prospective investors are deemed to confirm, that orders placed are bona fide, are not inflated and do not constitute duplicated orders (i.e. two or more corresponding or identical orders placed via two or more CMIs). A rebate may be offered by the Issuer to all private banks for orders they place (other than in relation to the Sukuk subscribed by such private banks as principal whereby they are deploying their own balance sheet

for onward selling to investors), payable upon closing of the relevant CMI Offering based on the principal amount of the Sukuk distributed by such private banks to investors. Private banks are deemed to be placing an order on a principal basis unless they inform the CMIs otherwise. As a result, private banks placing an order on a principal basis (including those deemed as placing an order as principal) will not be entitled to, and will not be paid, the rebate. Details of any such rebate will be set out in the applicable Pricing Supplement or otherwise notified to prospective investors. If a prospective investor is an asset management arm affiliated with any relevant Dealer, such prospective investor should indicate when placing an order if it is for a fund or portfolio where the relevant Dealer or its group company has more than 50% interest, in which case it will be classified as a “proprietary order” and subject to appropriate handling by CMIs in accordance with the SFC Code and should disclose, at the same time, if such “proprietary order” may negatively impact the price discovery process in relation to the relevant CMI Offering. Prospective investors who do not indicate this information when placing an order are hereby deemed to confirm that their order is not a “proprietary order”. If a prospective investor is otherwise affiliated with any relevant Dealer, such that its order may be considered to be a “proprietary order” (pursuant to the SFC Code), such prospective investor should indicate to the relevant Dealer when placing such order. Prospective investors who do not indicate this information when placing an order are hereby deemed to confirm that their order is not a “proprietary order”. Where prospective investors disclose such information but do not disclose that such “proprietary order” may negatively impact the price discovery process in relation to the relevant CMI Offering, such “proprietary order” is hereby deemed not to negatively impact the price discovery process in relation to the relevant CMI Offering.

Prospective investors should be aware that certain information may be disclosed by CMIs (including private banks) which is personal and/or confidential in nature to the prospective investor. By placing an order, prospective investors are deemed to have understood and consented to the collection, disclosure, use and transfer of such information by the relevant Dealers and/or any other third parties as may be required by the SFC Code, including to the Issuer, any OCs, relevant regulators and/or any other third parties as may be required by the SFC Code, it being understood and agreed that such information shall only be used for the purpose of complying with the SFC Code, during the bookbuilding process for the relevant CMI Offering. Failure to provide such information may result in that order being rejected.

You are reminded that the Offering Circular has been delivered to you on the basis that you are a person into whose possession the Offering Circular may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver the Offering Circular, electronically or otherwise, to any other person.

The materials relating to any offering of the securities described in the Offering Circular do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the underwriters or any affiliate of the underwriters is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the underwriters or such affiliate on behalf of the Issuer and the Obligor (both as defined in the Offering Circular) in such jurisdiction.

The Offering Circular has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of Khazanah Global Sukuk Berhad, Khazanah Nasional Berhad, CIMB Investment Bank Berhad, J.P. Morgan Securities plc or MUFG Securities EMEA plc (the “**Arrangers**”), the Dealers (as defined in the Offering Circular), the Trustee (as defined in the Offering Circular), or the Agents (as defined in the Offering Circular), or any person who controls any of them, or any of their respective directors, officers, employees, agents, representatives, advisers or affiliates, accepts any liability or responsibility whatsoever in respect of any difference between the Offering Circular distributed to you in electronic format and any hard copy version.

Actions that you May Not Take: If you receive this document by e-mail, you should not reply by e-mail to this notice, and you may not purchase any securities by doing so. Any reply via e-mail communications, including those you generate by using the “Reply” function on your e-mail software, will be ignored or rejected.

You are responsible for protecting against viruses and other destructive items. Your use of e-mail is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

OFFERING CIRCULAR DATED 22 MAY 2023



KHAZANAH
NASIONAL

KHAZANAH GLOBAL SUKUK BERHAD

(incorporated in Malaysia with limited liability under the Companies Act, 2016 of Malaysia)

(Registration Number: 202301005908 (1499827-P))

U.S.\$5,000,000,000 Multicurrency Sukuk Issuance Programme

Under the U.S.\$5,000,000,000 Multicurrency Sukuk Issuance Programme (the “Programme”) described in this offering circular (the “Offering Circular”), Khazanah Global Sukuk Berhad in its capacity as issuer (the “Issuer”), subject to compliance with all relevant laws, regulations and directives, may from time to time issue trust certificates (the “Sukuk”) denominated in any currency (other than Malaysian Ringgit) agreed between the Issuer, Khazanah Nasional Berhad (the “Obligor”), the relevant Dealer(s) (as defined below), the Issuing and Paying Agent (as defined below) and the Registrar (as defined below).

The Sukuk may only be issued in registered form. The aggregate face amount of the Sukuk outstanding under the Programme will not at any time exceed U.S.\$5,000,000,000 (or the equivalent in other currencies), subject to increase as described herein.

Each Series (as defined herein) of Sukuk issued under the Programme will be constituted by a master trust deed dated 22 May 2023 entered into between the Issuer, the Obligor and The Bank of New York Mellon, London Branch (the “Trustee”, which expression shall include all persons for the time being the trustee or trustees under the master trust deed) (the “Master Trust Deed”) as supplemented by a supplemental trust deed entered into on the date of issue of the relevant Sukuk (the “Issue Date”) in respect of the relevant Series (the “Supplemental Trust Deed” and, together with the Master Trust Deed, the “Trust Deed”). The Issuer will hold the Trust Assets (as defined in the terms and conditions of the Sukuk (the “Terms and Conditions of the Sukuk” or the “Conditions”) for each Series upon trust absolutely for and on behalf of the Sukukholders of such Series *pro rata* according to the face amount of Sukuk held by each Sukukholder.

The Sukuk may be issued by the Issuer on a continuing basis to one or more of the Dealers appointed under the Programme from time to time (each a “Dealer” and together the “Dealers”), which appointment may be for a specific issue or on an ongoing basis. References in this Offering Circular to the “relevant Dealer” shall, in the case of an issue of Sukuk being (or intended to be) subscribed for by more than one Dealer, be to all Dealers agreeing to subscribe for such Sukuk.

The Sukuk will be limited recourse obligations of the Issuer. An investment in Sukuk issued under the Programme involves certain risks. For a discussion of these risks see “Risk Factors”. No payment of any amount whatsoever shall be made in respect of the Sukuk except to the extent that funds for that purpose are available from the relevant Trust Assets. Sukukholders will otherwise have no recourse to any assets of the Issuer or the Obligor in respect of any shortfall in the expected amounts due under the relevant Trust Assets to the extent that the Trust Assets have been exhausted, following which all obligations of the Issuer shall be extinguished.

Applications have been made for the Programme to be listed under Bursa Malaysia Securities Berhad’s (“Bursa”) Exempt Regime and the official list of the Labuan International Financial Exchange Inc. (the “Labuan International Financial Exchange” or “LFX”). The Sukuk issued pursuant to the Programme may be listed under Bursa’s Exempt Regime but will not be quoted for trading. Bursa and the LFX take no responsibility for the contents of this Offering Circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon any part of the contents of this Offering Circular. Investors are advised to read and understand the contents of this Offering Circular before investing. If in doubt, the investors should consult his or her adviser.

Approval in-principle has been received from the Singapore Exchange Securities Trading Limited (the “SGX-ST”) in relation to the Programme and application will be made to the SGX-ST for permission to deal in and for the listing and quotation of any Sukuk which are agreed at or prior to the time of issue thereof to be so listed on the SGX-ST. Such permission will be granted when such Sukuk have been admitted to the Official List of the SGX-ST. There is no assurance that the application to the Official List of the SGX-ST for the listing of the Sukuk will be approved. Admission to the Official List of the SGX-ST and listing and quotation of any Sukuk on the SGX-ST is not to be taken as an indication of the merits of the Issuer, the Obligor, any of their respective subsidiaries, their respective associated companies, the Programme or the Sukuk. The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained in this Offering Circular.

Unlisted series of Sukuk may also be issued pursuant to the Programme and Sukuk may also be listed on stock exchanges other than the SGX-ST, Bursa and the Labuan International Financial Exchange. The relevant Pricing Supplement (each, a “Pricing Supplement”) in respect of any series of Sukuk will specify whether or not such Sukuk will be listed on the SGX-ST, Bursa, the Labuan International Financial Exchange or on any other stock exchange.

Notice of the aggregate face amount of Sukuk, periodic distribution amounts in respect of the Sukuk, the issue price of the Sukuk and any other terms and conditions not contained herein which are applicable to each Series of Sukuk will be set out in the applicable Pricing Supplement which, with respect to Sukuk to be listed on the SGX-ST, will be delivered to the SGX-ST before the date of listing of the Sukuk of such Series.

The Sukuk will be represented by registered certificates (each a “Certificate”), one Certificate being issued in respect of the entire holding of Sukuk of one Series. Each Series of Sukuk will initially be represented by a registered global Certificate (each a “Global Certificate”). A Global Certificate may be deposited on the Issue Date with a common depository on behalf of Euroclear Bank SA/NV (“Euroclear”) and Clearstream Banking S.A. (“Clearstream”). Beneficial interests in Global Certificates held in book-entry form through Euroclear or Clearstream will be shown on, and transfers thereof will be effected only through, records maintained by Euroclear or Clearstream. The provisions governing the exchange of interests in a Global Certificate for definitive Sukuk are described in “Summary of Provisions Relating to the Sukuk while in Global Form”.

The Programme is rated A3 and A- by Moody’s Investor Service Inc. (“Moody’s”) and S&P Global Ratings (“S&P”), respectively. Sukuk issued under the Programme may be rated or unrated. Where a Tranche (as defined in the Terms and Conditions of the Sukuk) of Sukuk issued under the Programme is rated, its rating will not necessarily be the same as the rating applicable to the Programme and (where applicable) such rating will be specified in the relevant Pricing Supplement. A rating is not necessarily a recommendation to buy, sell or hold securities and may be subject to suspension, change, or withdrawal at any time by the assigning rating agency.

The Sukuk have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”) or with any securities regulatory authority of any state or other jurisdiction of the United States. Subject to certain exceptions, the Sukuk may not be offered or sold within the United States, or for the account or benefit of, U.S. persons. The Sukuk are subject to certain restrictions on transfer, see “Subscription and Sale”.

The transaction structure relating to the Sukuk (as described in this Offering Circular) has been approved by the Board Shariah Committee of CIMB Islamic Bank Berhad. The Board Shariah Committee of CIMB Islamic Bank Berhad does not accept any responsibility for the content of the information included in this Offering Circular, including the accuracy or completeness of such information, nor has it determined whether the Sukuk are Shariah-compliant. Prospective Sukukholders should not rely on the approval referred to above in deciding whether to make an investment in the Sukuk and should consult their own Shariah advisers as to whether the proposed transaction is in compliance with their individual standards of compliance with Shariah principles. The Board Shariah Committee of CIMB Islamic Bank Berhad has not assessed the suitability of the Sukuk to which this Offering Circular relates to any particular investor or type of investor. If any investor does not understand the contents of this Offering Circular or are unsure whether the Sukuk to which this Offering Circular relates are suitable for his or her individual investment objectives and circumstances, such investor should consult an authorised financial adviser.

The lodgement to the Securities Commission Malaysia (the “SC”) in respect of the required information and relevant documents relating to the Programme (the “SC Lodgement”) was made by CIMB Investment Bank Berhad as the principal adviser. The SC Lodgement was made on 22 May 2023 pursuant to the Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework (first issued on 9 March 2015 as amended from time to time). The SC Lodgement shall not be taken to indicate that the SC recommends the subscription or purchase of the Sukuk under the Programme.

Investing in Sukuk issued under the Programme involves certain risks. If in doubt, investors should consult his or her legal, financial, tax or other professional adviser. Prospective investors should have regard, *inter alia*, to the factors described under the section headed “Risk Factors” in this Offering Circular.

Arrangers

CIMB

J.P. Morgan

MUFG

Dealers

BofA Securities

BNP PARIBAS

CIMB

Citigroup

DBS Bank Ltd.

J.P. Morgan

HSBC

Maybank

MUFG

OCBC Bank

SMBC Nikko

Standard Chartered Bank

NOTICE TO INVESTORS

The directors of the Issuer and the Obligor collectively and individually accept full responsibility for the accuracy of the information contained in this Offering Circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts, the omission of which would make any statements herein misleading.

Investors should only rely on the information contained in this Offering Circular. The information contained in this Offering Circular is given only as at the date of this Offering Circular. The business, financial condition, results of operations and prospects of the Issuer and the Obligor may have changed since that date.

Each of the Issuer and the Obligor, having made all reasonable enquiries, confirms that this Offering Circular contains all information with respect to the Issuer and the Obligor, and their respective subsidiaries and the Sukuk which is material in the context of the Programme and the issue and offering of the Sukuk, that the information contained herein is true and accurate in all material respects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and have been reached after considering all relevant circumstances and are based on reasonable assumptions, that there are no other facts the omission of which would, in the context of the Programme and the issue and offering of the Sukuk, make this Offering Circular as a whole or any of such information contained herein or the expression of any such opinions or intentions herein misleading in any material respect. Each of the Issuer and the Obligor accepts responsibility accordingly. This Offering Circular is based on information provided by the Issuer and the Obligor and by other sources that they believe are reliable. No assurance can be given that such information from other sources is accurate or complete.

This Offering Circular is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see “*Documents Incorporated by Reference*”). This Offering Circular shall be read and construed on the basis that such documents are incorporated in, and form part of, this Offering Circular.

This Offering Circular has been prepared by the Issuer and the Obligor for use in connection with the offer and sale of the Sukuk outside the United States. The Issuer, the Obligor, the Arrangers and the Dealers reserve the right to reject any offer to purchase the Sukuk, in whole or in part, for any reason. This Offering Circular does not constitute an offer to any person in the United States, or for the account or benefit of, U.S. persons. Distribution of this Offering Circular by any person outside the United States to any person within the United States is unauthorised and any disclosure without the prior written consent of the Issuer and the Obligor of any of its contents to any such person within the United States, is prohibited.

Each Series of Sukuk will be issued on the terms set out herein under “*Terms and Conditions of the Sukuk*” (the “**Terms and Conditions of the Sukuk**” or the “**Conditions**”) as amended and/or supplemented by the Pricing Supplement specific to such Series. This Offering Circular must be read and construed together with any amendments or supplements hereto and with any information incorporated by reference herein and, in relation to each Series of Sukuk, must be read and construed together with the relevant Pricing Supplement.

No person has been authorised to give any information or to make any representation other than those contained in this Offering Circular in connection with the Programme or the issue or sale of the Sukuk and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Obligor, any of the Dealers or the Arrangers, the Trustee or any of the Agents (as defined in the Agency Agreement referred to herein), or any person who controls any of them, or any of their respective directors, officers, employees, agents, representatives, advisers or affiliates. Save as expressly stated in this Offering Circular, nothing contained herein is, or may be relied upon as, a promise or representation as to the future performance or policies of the Issuer, the Obligor or any of their respective subsidiaries or associated companies (if any). Neither this Offering Circular nor any other document or information or any part thereof, delivered or supplied under or in relation to the Programme may be used for the purpose of, and does not constitute an offer of, such solicitation or invitation by or on behalf of the Issuer, the Obligor, the Arrangers, any of the Dealers, the Trustee or the Agents, or any person who controls any of them, or any of their respective directors, officers, employees, agents, representatives, advisers or affiliates, to subscribe for or purchase the Sukuk in any jurisdiction or under any circumstances in which such offer, solicitation or invitation is unlawful, or not authorised or to any person to whom it is unlawful to make such offer, solicitation or invitation.

Neither the delivery of this Offering Circular (or any part thereof) nor any sale, offering or purchase made in connection herewith shall, under any circumstances, constitute a representation or create any implication that there has been no change in the prospects, results of operation or general affairs of the Issuer, the Obligor or their respective subsidiaries and/or associated companies since the date hereof or the date upon which this Offering Circular has been most recently amended or supplemented or that there has been no adverse change in the financial position of the Issuer, the Obligor or their respective subsidiaries and/or associated companies since the date hereof or the date upon which this Offering Circular has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

The distribution and publication of this Offering Circular or any such other document or information and the offering or sale of the Sukuk in certain jurisdictions may be restricted by law. Persons who distribute or publish this Offering Circular or any such other document or information or into whose possession this Offering Circular or any such other document or information comes are required by the Issuer, the Obligor, the Dealers and the Arrangers to inform themselves about and to observe any such restrictions and all applicable laws, orders, rules and regulations. The Sukuk have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States. Subject to certain exceptions, the Sukuk may not be offered or sold within the United States. The Sukuk are subject to certain restrictions on transfer. In particular, there are restrictions on the distribution of this Offering Circular and the offer or sale of Sukuk in the United States, the European Economic Area (the “**EEA**”), the United Kingdom, Hong Kong, Singapore, Malaysia, Japan, the Dubai International Financial Centre (“**DIFC**”), The Kingdom of Saudi Arabia, The Kingdom of Bahrain, the State of Qatar (“**Qatar**”) (including the Qatar Financial Centre), the United Arab Emirates (excluding the DIFC), Switzerland and The People’s Republic of China, excluding the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan (the “**PRC**”) (see “*Subscription and Sale*”).

This Offering Circular and/or any other document or information (or any part thereof) delivered or supplied under or in relation to the Programme shall not be deemed to constitute an offer of, or an invitation by or on behalf of the Issuer, the Obligor, any of the Arrangers, the Dealers, the Trustee or the Agents, or any person who controls any of them, or any of their respective directors, officers, employees, agents, representatives, advisers or affiliates, to subscribe for, or purchase, any Sukuk. This Offering Circular and any other documents or materials in relation to the issue, offering or sale of the Sukuk have been prepared solely for the purpose of the initial sale by the relevant Dealer(s) of the Sukuk from time to time to be issued pursuant to the Programme. Recipients of this Offering Circular shall not reissue, circulate or distribute this Offering Circular or any part thereof in any manner whatsoever.

None of the Arrangers, the Dealers, the Trustee or any of the Agents, or any person who controls any of them, or any of their respective directors, officers, employees, agents, representatives, advisers or affiliates, have separately verified the information contained in this Offering Circular or incorporated by reference. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Arrangers, the Dealers, the Trustee or any of the Agents, or any person who controls any of them, or any of their respective directors, officers, employees, agents, representatives, advisers or affiliates, as to the accuracy or completeness of the information contained in this Offering Circular or incorporated by reference, or of any other information supplied in connection with the Sukuk or the Programme and none of the Arrangers, the Dealers, the Trustee or the Agents, or any person who controls any of them, or any of their respective directors, officers, employees, agents, representatives, advisers or affiliates, accept any responsibility for any acts or omissions of the Issuer or any other person (other than the relevant Dealers) in connection with the issue and offering of the Sukuk. Each person receiving this Offering Circular acknowledges that such person has not relied on the Arrangers, the Dealers, the Trustee or any of the Agents, or any person who controls any of them, or any of their respective directors, officers, employees, agents, representatives, advisers or affiliates, in connection with its investigation of the accuracy of such information or its investment decision. To the fullest extent permitted by law, none of the Dealers or the Arrangers accepts any responsibility for the contents of this Offering Circular or for any other statement, made or purported to be made by the Arranger or a Dealer or on its behalf in connection with the Issuer, the Obligor, or the issue and offering of the Sukuk. Each Arranger and Dealer accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Offering Circular or any such statement.

This Offering Circular is not intended to provide the basis of any credit or other evaluation, nor should it be considered as a recommendation by any of the Issuer, the Obligor, the Arrangers, the Dealers, the Trustee or any of the Agents, or any person who controls any of them, or any of their respective directors, officers, employees, agents, representatives, advisers or affiliates, that any recipient of this Offering Circular should purchase the Sukuk. Each potential purchaser of the Sukuk should determine for itself the relevance of the information contained in this Offering Circular and its purchase of the Sukuk should be based upon such independent investigations and consultations with its own tax, legal and business advisers as it deems necessary. See "*Risk Factors*" for a discussion of certain factors to be considered in connection with an investment in the Sukuk.

Any purchase or acquisition of the Sukuk is in all respects conditional on the satisfaction of certain conditions set out in the Dealer Agreement and the issue of the Sukuk by the Issuer pursuant to the Dealer Agreement. Any offer, invitation to offer or agreement made in connection with the purchase or acquisition of the Sukuk or pursuant to this Offering Circular shall (without

any liability or responsibility) on the part of the Issuer, the Obligor, the Arrangers or any of the Dealers) lapse and cease to have any effect if (for any other reason whatsoever) the Sukuk are not issued by the Issuer pursuant to the Dealer Agreement.

Any person(s) who is invited to purchase or subscribe for the Sukuk or to whom this Offering Circular is sent shall not make any offer or sale, directly or indirectly, of any Sukuk or distribute or cause to be distributed any document or other material in connection therewith in any country or jurisdiction except in such manner and in such circumstances as will result in compliance with any applicable laws and regulations.

It is recommended that persons proposing to purchase or subscribe for any of the Sukuk consult their own Shariah adviser, tax adviser, legal adviser, financial adviser and business adviser as to Shariah, tax, legal, financial, business and related matters concerning the acquisition, ownership or disposal of the Sukuk. The Board Shariah Committee of CIMB Islamic Bank Berhad has confirmed that the Transaction Documents (as defined below) are, in its opinion, Shariah-compliant. However, there can be no assurance that the Transaction Documents or any issue and trading of a Series of Sukuk will be deemed to be Shariah-compliant by any other Shariah board or Shariah scholars. None of the Issuer, the Obligor, the Trustee, the Agents, any of the Arrangers or any of the Dealers or any person who controls any of them or any of their respective directors, officers, employees, agents, representatives, advisers or affiliates, makes any representation as to the Shariah compliance of any Series of Sukuk and potential investors are reminded that, as with any Shariah views, differences in opinion are possible. Potential investors should obtain their own independent Shariah advice as to the compliance of the Transaction Documents and the issue and trading of a Series of Sukuk with their individual standards of compliance with Shariah principles. Questions as to the Shariah permissibility of the structure or the issue and the trading of the Sukuk may limit the liquidity and adversely affect the market value of the Sukuk. See *“Risk Factors — Investors must make their own determination as to Shariah Compliance”*.

IMPORTANT NOTICE TO PROSPECTIVE INVESTORS

Prospective investors should be aware that certain intermediaries in the context of certain offerings of Sukuk pursuant to this Programme (each such offering, a **“CMI Offering”**), including certain Dealers, may be “capital market intermediaries” (**“CMIs”**) subject to Paragraph 21 of the Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission (the **“SFC Code”**). This notice to prospective investors is a summary of certain obligations the SFC Code imposes on such CMIs, which require the attention and cooperation of prospective investors. Certain CMIs may also be acting as “overall coordinators” (**“OCs”**) for a CMI Offering and are subject to additional requirements under the SFC Code. The application of these obligations will depend on the role(s) undertaken by the relevant Dealer(s) in respect of each CMI Offering.

Prospective investors who are the directors, employees or major shareholders of the Issuer, a CMI or its group companies would be considered under the SFC Code as having an association (**“Association”**) with the Issuer, the CMI or the relevant group company. Prospective investors associated with the Issuer or any CMI (including its group companies) should specifically disclose this when placing an order for the relevant Sukuk and should disclose, at the same time, if such orders may negatively impact the price discovery process in relation to the relevant CMI Offering. Prospective investors who do not disclose their Associations are hereby deemed not to be so associated. Where prospective investors disclose their Associations but do not disclose that such order may negatively impact the price discovery process in relation to the relevant CMI Offering, such order is hereby deemed not to negatively impact the price discovery process in relation to the relevant CMI Offering.

Prospective investors should ensure, and by placing an order prospective investors are deemed to confirm, that orders placed are bona fide, are not inflated and do not constitute duplicated orders (i.e. two or more corresponding or identical orders placed via two or more CMIs). A rebate may be offered by the Issuer to all private banks for orders they place (other than in relation to the Sukuk subscribed by such private banks as principal whereby they are deploying their own balance sheet for onward selling to investors), payable upon closing of the relevant CMI Offering based on the principal amount of the Sukuk distributed by such private banks to investors. Private banks are deemed to be placing an order on a principal basis unless they inform the CMIs otherwise. As a result, private banks placing an order on a principal basis (including those deemed as placing an order as principal) will not be entitled to, and will not be paid, the rebate. Details of any such rebate will be set out in the applicable Pricing Supplement or otherwise notified to prospective investors. If a prospective investor is an asset management arm affiliated with any relevant Dealer, such prospective investor should indicate when placing an order if it is for a fund or portfolio where the relevant Dealer or its group company has more than 50% interest, in which case it will be classified as a “proprietary order” and subject to appropriate handling by CMIs in accordance with the SFC Code and should disclose, at the same time, if such “proprietary order” may negatively impact the price discovery process in relation to the relevant CMI Offering. Prospective investors who do not indicate this information when placing an order are hereby deemed to confirm that their order is not a “proprietary order”. If a prospective investor is otherwise affiliated with any relevant Dealer, such that its order may be considered to be a “proprietary order” (pursuant to the SFC Code), such prospective investor should indicate to the relevant Dealer when placing such order. Prospective investors who do not indicate this information when placing an order are hereby deemed to confirm that their order is not a “proprietary order”. Where prospective investors disclose such information but do not disclose that such “proprietary order” may negatively impact the price discovery process in relation to the relevant CMI Offering, such “proprietary order” is hereby deemed not to negatively impact the price discovery process in relation to the relevant CMI Offering.

Prospective investors should be aware that certain information may be disclosed by CMIs (including private banks) which is personal and/or confidential in nature to the prospective investor. By placing an order, prospective investors are deemed to have understood and consented to the collection, disclosure, use and transfer of such information by the relevant Dealers and/or any other third parties as may be required by the SFC Code, including to the Issuer, any OCs, relevant regulators and/or any other third parties as may be required by the SFC Code, it being understood and agreed that such information shall only be used for the purpose of complying with the SFC Code, during the bookbuilding process for the relevant CMI Offering. Failure to provide such information may result in that order being rejected.

SINGAPORE SFA PRODUCT CLASSIFICATION

In connection with Section 309B of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the “SFA”) and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the “**CMP Regulations 2018**”), unless otherwise specified before an offer of Sukuk, the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Sukuk are ‘prescribed capital markets products’ (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

EEA RETAIL INVESTORS

If the Pricing Supplement in respect of any Sukuk includes a legend entitled “*Prohibition of Sales to EEA Retail Investors*”, the Sukuk are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MiFID II**”); (ii) a customer within the meaning of Directive (EU) 2016/97 (the “**Insurance Distribution Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the “**Prospectus Regulation**”). Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the “**PRIIPs Regulation**”) for offering or selling the Sukuk or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Sukuk or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

UK RETAIL INVESTORS

If the Pricing Supplement in respect of any Sukuk includes a legend entitled “*Prohibition of Sales to UK Retail Investors*”, the Sukuk are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (the “**UK**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the “**EUWA**”); (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the “**FSMA**”) and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently, no key information document required by the PRIIPs Regulation as it forms part of domestic law by virtue of the EUWA (the “**UK PRIIPs Regulation**”) for offering or selling the Sukuk or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Sukuk or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

NOTICE TO UK RESIDENTS

Any Sukuk to be issued under the Programme which do not constitute “alternative finance investment bonds” (“**AFIBs**”) within the meaning of Article 77A of the Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2010 will represent interests in a collective investment scheme (as defined in the FSMA) which has not been authorised, recognised or otherwise approved by the Financial Conduct Authority. Accordingly, any Sukuk to be issued under the Programme must not be marketed in the United Kingdom to the general public and this Offering Circular is not being distributed to, and must not be passed on to, the general public in the United Kingdom.

The distribution in the United Kingdom of this Offering Circular, any Pricing Supplement and any other marketing materials relating to the Sukuk is being addressed to, or directed at: (A) if the distribution of the Sukuk (whether or not such Sukuk are AFIBs) is being effected by a person who is not an authorised person under the FSMA, only the following persons: (i) persons who are Investment Professionals as defined in Article 19(5) of the Financial Services and Markets

Act 2000 (Financial Promotion) Order 2005 (the “Financial Promotion Order”), (ii) persons falling within any of the categories of persons described in Article 49 (High net worth companies, unincorporated associations, etc) of the Financial Promotion Order; and (iii) any other person to whom it may otherwise lawfully be made in accordance with the Financial Promotion Order; and (B) if the Sukuk are not AFIBs and the distribution is effected by a person who is an authorised person under the FSMA, only the following persons: (i) persons falling within one of the categories of Investment Professional as defined in Article 14(5) of the Financial Services and Markets Act 2000 (Promotion of Collective Investment Schemes) (Exemptions) Order 2001 (the “**Promotion of CISs Order**”), (ii) persons falling within any of the categories of person described in Article 22 (High net worth companies, unincorporated associations, etc.) of the Promotion of CISs Order and (iii) any other person to whom it may otherwise lawfully be made in accordance with the Promotion of CISs Order.

Persons of any other description in the United Kingdom may not receive and should not act or rely on this Offering Circular, any Pricing Supplement or any other marketing materials in relation to the Sukuk.

Potential investors in the United Kingdom in any Sukuk are advised that all, or most, of the protections afforded by the United Kingdom regulatory system will not apply to an investment in such Sukuk and that compensation will not be available under the United Kingdom Financial Services Compensation Scheme.

Any individual intending to invest in any investment described in this Offering Circular should consult their professional adviser and ensure that they fully understand all the risks associated with making such an investment and that they have sufficient financial resources to sustain any loss that may arise from such investment.

KINGDOM OF SAUDI ARABIA NOTICE

This Offering Circular may not be distributed in the Kingdom of Saudi Arabia except to such persons as are permitted under the Offers of Securities Regulations issued by the Capital Market Authority of the Kingdom of Saudi Arabia (the “**Capital Market Authority**”). The Capital Market Authority does not make any representations as to the accuracy or completeness of this Offering Circular, and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this Offering Circular. Prospective purchasers of the Sukuk issued under the Programme should conduct their own due diligence on the accuracy of the information relating to the Sukuk. If a prospective purchaser does not understand the contents of this Offering Circular, he or she should consult an authorised financial adviser.

NOTICE TO RESIDENTS IN THE KINGDOM OF BAHRAIN

In relation to investors in the Kingdom of Bahrain (“**Bahrain**”), Sukuk issued in connection with this Offering Circular and related offering documents may only be offered in registered form to existing account holders and accredited investors as defined by the Central Bank of Bahrain (the “**CBB**”) in Bahrain where such investors make a minimum investment of at least U.S.\$100,000 or any equivalent amount in any other currency or such other amount as the CBB may determine.

This Offering Circular does not constitute an offer of securities in Bahrain pursuant to the terms of Article (81) of the Central Bank and Financial Institutions Law 2006 (decree Law No. 64 of 2006). This Offering Circular and related offering documents have not been and will not be

registered as a prospectus with the CBB. Accordingly, no Sukuk may be offered, sold or made the subject of an invitation for subscription or purchase, nor will this Offering Circular or any other related document or material be used in connection with any offer, sale or invitation to subscribe or purchase Sukuk, whether directly or indirectly, to persons in Bahrain, other than to accredited investors for an offer outside Bahrain.

The CBB has not reviewed, approved or registered this Offering Circular or related offering documents and it has not in any way considered the merits of the Sukuk to be offered for investment, whether in or outside Bahrain. Therefore, the CBB assumes no responsibility for the accuracy and completeness of the statements and information contained in this Offering Circular and expressly disclaims any liability whatsoever for any loss howsoever arising from reliance upon the whole or any part of the content of this Offering Circular. No offer of Sukuk will be made to the public in Bahrain and this Offering Circular must be read by the addressee only and must not be issued, passed to or made available to the public generally.

NOTICE TO THE RESIDENTS OF QATAR

The Sukuk will not be offered, sold or delivered, at any time, directly or indirectly, in Qatar in a manner that would constitute a public offering. This Offering Circular has not been and will not be reviewed or approved by or registered with the Qatar Financial Markets Authority, the Qatar Financial Centre Regulatory Authority, the Qatar Stock Exchange or the Qatar Central Bank in accordance with their regulations or any other regulations in Qatar and the Qatar Financial Centre. The Sukuk are not and will not be traded on the Qatar Stock Exchange. The Sukuk and interests therein will not be offered to investors domiciled or resident in Qatar (including the Qatar Financial Centre) and do not constitute debt financing in Qatar (including the Qatar Financial Centre) under the Commercial Companies Law No. (11) of 2015 or otherwise under the laws of Qatar (including the Qatar Financial Centre).

NOTICE TO RESIDENTS OF MALAYSIA

In accordance with the Capital Markets and Services Act 2007 of Malaysia (the “CMSA”), a copy of this Offering Circular will be deposited with the SC, which takes no responsibility for its contents. The issue, offer or invitation in relation to the Sukuk in this Offering Circular or otherwise are subject to the fulfilment of various conditions precedent including without limitation the SC Lodgement. The SC Lodgement has been made pursuant to the Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework (first issued on 9 March 2015 as amended from time to time). The recipient of this Offering Circular acknowledges and agrees that that SC Lodgement shall not be taken to indicate that the SC recommends the subscription or purchase of the Sukuk. The SC shall not be liable for any non-disclosure on the part of the Issuer or the Obligor and assumes no responsibility for the correctness of any statements made or opinions or reports expressed in this Offering Circular.

MIFID II PRODUCT GOVERNANCE/TARGET MARKET

The Pricing Supplement in respect of any Sukuk may include a legend entitled “*MiFID II Product Governance/Professional investors and ECPs only target market*” which will outline the target market assessment in respect of the Sukuk and which channels for distribution of the Sukuk are appropriate. Any person subsequently offering, selling or recommending the Sukuk (a “**distributor**”) should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Sukuk (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the “**MiFID Product Governance Rules**”), any Dealer subscribing for any Sukuk is a manufacturer in respect of such Sukuk, but otherwise neither the Arrangers nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

UK MiFIR PRODUCT GOVERNANCE/TARGET MARKET

The Pricing Supplement in respect of any Sukuk may include a legend entitled “*UK MiFIR Product Governance/Professional investors and ECPs only target market*” which will outline the target market assessment in respect of the Sukuk and which channels for distribution of the Sukuk are appropriate. Any person subsequently offering, selling or recommending the Sukuk (a “**distributor**”) should take into consideration the target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the “**UK MiFIR Product Governance Rules**”) is responsible for undertaking its own target market assessment in respect of the Sukuk (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR Product Governance Rules, any Dealer subscribing for any Sukuk is a manufacturer in respect of such Sukuk, but otherwise neither the Arrangers nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MiFIR Product Governance Rules.

STABILISATION

In connection with the issue of any Tranche of Sukuk, the Dealer or Dealers (if any) named as the stabilising manager(s) (the “**Stabilising Manager(s)**”) (or any person acting on behalf of any Stabilising Manager(s)) in the applicable Pricing Supplement may over allot Sukuk or effect transactions with a view to supporting the market price of the Sukuk of the Series of which such Tranche forms part at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action or over-allotment may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Sukuk is made and, if begun, may cease at any time, but must end no later than the earlier of 30 days after the Issue Date of the relevant Tranche of Sukuk and 60 days after the date of the allotment of the relevant Tranche of Sukuk. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or any person acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.

CERTAIN TERMS AND CONVENTIONS

Unless indicated otherwise, in this Offering Circular, all references to (i) the “**Issuer**” are to Khazanah Global Sukuk Berhad, (ii) the “**Obligor**” and “**Khazanah**” are to Khazanah Nasional Berhad, and (iii) the “**Khazanah Group**” or “**Group**” are to the Obligor and its consolidated subsidiaries.

All references in this Offering Circular to the “**Government**” are to the Government of Malaysia. All references in this Offering Circular to the “**United States**” and “**U.S.**” are to the United States of America. All references in this Offering Circular to the (i) “**Bursa**” are to the Bursa Malaysia Securities Berhad; (ii) “**Labuan International Financial Exchange**” or “**LFX**” are to the Labuan International Financial Exchange Inc.; and (iii) “**SGX-ST**” are to the Singapore Exchange Securities Trading Limited.

All references to “**U.S. dollars**”, “**USD**” and “**U.S.\$**” are to the currency of the United States of America, all references to “**Singapore dollars**” and “**S\$**” are to the currency of Singapore, all references to “**Sterling**” and “**£**” refer to pounds sterling, all references to “**Euro**”, “**euro**” and “**€**” refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community, as amended, and all references to “**Malaysian Ringgit**”, “**Ringgit**”, “**RM**” and “**sen**” are to the currency of Malaysia. All references in this Offering Circular to “**FY**” are to the financial year ended 31 December.

Certain figures included in this Offering Circular have been subject to rounding adjustments; accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

In this Offering Circular, unless the contrary intention appears, a reference to a law or a provision of a law is a reference to that law or a provision as extended, amended or re-enacted.

PRESENTATION OF FINANCIAL INFORMATION

This Offering Circular contains the audited unconsolidated financial information of Khazanah as at and for the years ended 31 December 2019, 31 December 2020, 31 December 2021 and 31 December 2022, which has been extracted from Khazanah’s audited consolidated financial statements respectively, each as at and for the years ended 31 December 2020, 2021 and 2022 (the “**Audited Accounts**”) that were filed with the Companies Commission of Malaysia. The Audited Accounts are included in this Offering Circular, see “*Index to Financial Statements*”.

The Audited Accounts were prepared and presented in accordance with Malaysian Financial Reporting Standards (“**MFRS**”), International Financial Reporting Standards (“**IFRS**”) and the requirements of the Companies Act 2016 in Malaysia, which may differ in certain material respects from generally accepted accounting principles and auditing standards that prospective investors may be familiar with in other countries.

INDUSTRY AND OTHER MARKET DATA

Market data and certain industry forecasts used throughout this Offering Circular have been obtained from internal surveys, market research, publicly available information and industry publications. Industry publications generally state that the information that they contain has been obtained from sources believed to be reliable but that the accuracy and completeness of that information is not guaranteed. Similarly, internal surveys, industry forecasts and market

research, while believed to be reliable, have not been independently verified, and none of the Issuer, the Obligor, the Arrangers, the Dealers, the Trustee or the Agents, or any person who controls any of them, or any of their respective directors, officers, employees, agents, representatives, advisers or affiliates, makes any representation as to the accuracy of that information.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Some statements in this Offering Circular may be deemed to be forward-looking statements. Forward-looking statements include statements concerning the Khazanah Group's plans, objectives, goals, strategies, future operations and performance and the assumptions underlying these forward-looking statements. When used in this Offering Circular, the words "estimates", "expects", "believes", "intends", "plans", "aims", "seeks", "may", "will", "should" and any similar expressions generally identify forward-looking statements. These forward-looking statements are contained in the sections entitled "*Risk Factors*", "*Use of Proceeds*", and other sections of this Offering Circular. Khazanah has based these forward-looking statements on the current view of its management with respect to future events and financial performance. Although Khazanah believes that the expectations, estimates and projections reflected in its forward-looking statements are reasonable as of the date of this Offering Circular, if one or more of the risks or uncertainties inherent in the businesses in which Khazanah or entities within the Khazanah Group are involved materialise (including, without limitation, the risks identified in this Offering Circular), or if any of Khazanah's underlying assumptions prove to be incomplete or inaccurate, then Khazanah's and/or the Khazanah Group's actual results of operations may vary from those expected, estimated or predicted.

Any forward-looking statements contained in this Offering Circular speak only as at the date of this Offering Circular. Without prejudice to any requirements under applicable laws and regulations, each of the Issuer and Khazanah expressly disclaims any obligation or undertaking to disseminate after the date of this Offering Circular any updates or revisions to any forward-looking statements contained herein to reflect any change in expectations thereof or any change in events, conditions or circumstances on which any such forward-looking statements are based.

SUPPLEMENTARY OFFERING CIRCULAR

The Issuer and the Obligor have given undertakings to the Arrangers that if the Issuer has notified the Arrangers in writing that it intends to issue Sukuk under the Programme, the Issuer and the Obligor shall prepare an amendment or supplement to this Offering Circular or a replacement Offering Circular if any event shall have occurred as a result of which this Offering Circular, if not amended or supplemented, would include a statement of fact which is not true and accurate in any material respect or omit any fact the omission of which would make any statement therein misleading in any material respect.

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DOCUMENTS INCORPORATED BY REFERENCE

This Offering Circular should be read and construed in conjunction with:

- (a) each relevant Pricing Supplement,
- (b) the most recently published audited unconsolidated annual financial statements (including the auditors' report thereon) of Khazanah, and
- (c) all amendments and supplements from time to time to this Offering Circular,

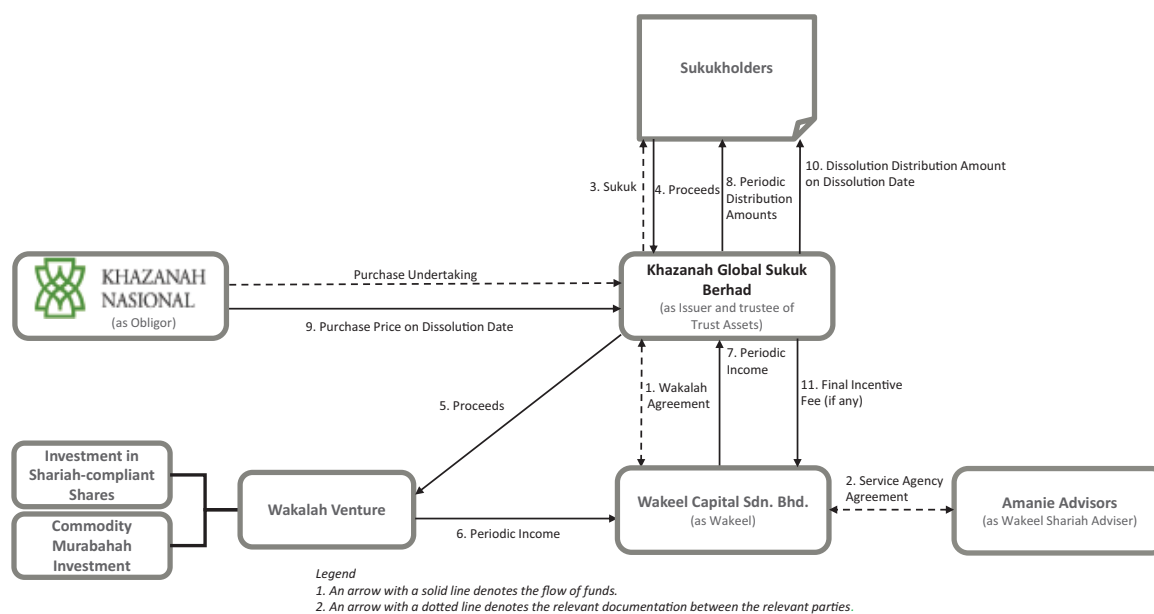
which shall be deemed to be incorporated in, and to form part of, this Offering Circular and which shall be deemed to modify or supersede the contents of this Offering Circular to the extent that a statement contained in any such document is inconsistent with such contents. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Offering Circular.

Copies of all such documents which are so deemed to be incorporated by reference herein, and to form part of, this Offering Circular will be available for inspection by any Sukukholder (provided that the same has been provided by the Issuer or the Obligor to The Bank of New York Mellon, London Branch in its capacity as issuing and paying agent under the Agency Agreement (the "**Issuing and Paying Agent**")) at the specified office of the Issuing and Paying Agent at all reasonable times during usual business hours (being between 9:00 a.m. and 3:00 p.m.) on any weekday (Saturdays, Sundays and public holidays excepted) (which as at the date of this Offering Circular is as set out at the end of this Offering Circular), following prior written request and proof of holding and identity satisfactory to the Issuing and Paying Agent. The documents specified in item (c) above will also be available on the SGX-ST website at <http://www.sgx.com>, and/or the Bursa website at List of Exempt Regime Bonds/Sukuk and/or LFX Media Release available at <http://www.bursamalaysia.com>, depending on where the Sukuk are listed and for so long as the rules of such stock exchange require. Copies of the documents listed in item (b) above which are deemed to be incorporated by reference in this Offering Circular may be obtained on the website of the SGX-ST at <https://www.sgx.com>. The above websites and any other websites referenced in this Offering Circular are intended as guides as to where other public information relating to the Issuer, the Obligor and the Khazanah Group may be obtained free of charge. Information appearing in such websites does not form part of this Offering Circular or any relevant Pricing Supplement and none of the Issuer, the Obligor, the Arrangers, the Dealers, the Trustee or the Agents, or any person who controls any of them, or any of their respective directors, officers, employees, agents, representatives, advisers or affiliates, accepts any responsibility whatsoever that any information, if available, is accurate and/or up-to-date. Such information, if available, should not form the basis of any investment decision by an investor to purchase or deal in the Sukuk. None of the Arrangers, the Dealers, the Trustee or the Agents, or any person who controls any of them, or any of their respective directors, officers, employees, agents, representatives, advisers or affiliates, accepts any responsibility for any documents provided by the Issuer or the Obligor to the Issuing and Paying Agent so as to be available for inspection as aforesaid.

STRUCTURE DIAGRAM AND CASHFLOWS

Set out below is a simplified structure diagram and description of the principal cash flows underlying each Series issued. Potential investors are referred to the Terms and Conditions of the Sukuk and the detailed descriptions of the relevant Transaction Documents set out elsewhere in this Offering Circular for a fuller description of certain cash flows and for an explanation of the meaning of certain capitalised terms used below.

STRUCTURE DIAGRAM



* An arrow with a solid line denotes the flow of funds

** An arrow with a dotted line denotes the relevant documentation between the relevant parties

Process overview for each Series of Sukuk issued under the Programme:

1. The Issuer and the Wakeel shall enter into a Wakalah Agreement at the Programme level for all Series of Sukuk issued under the Programme, pursuant to which the Issuer (on behalf of the Sukukholders) shall appoint the Wakeel as its agent and shall authorise the Wakeel to hold and administer the Wakalah Venture for and behalf of the Issuer (on behalf of the Sukukholders) in accordance with the terms of the Wakalah Agreement for each Series. Any loss incurred under the Wakalah Venture shall be borne by the Sukukholders in proportion to the face amount of the Sukuk held by each Sukukholder.
2. The Wakeel and the Wakeel Shariah Adviser shall enter into a Service Agency Agreement at the Programme level for all Series of Sukuk to be issued under the Programme, pursuant to which the Wakeel shall appoint the Wakeel Shariah Adviser to perform the duties relating to Shariah governance of the Wakalah Venture as set out in the Wakalah Agreement for each Series.
3. On the issue date of each series (the “**Issue Date**”), the Issuer shall issue the Sukuk.

4. On the Issue Date, the Sukukholders shall subscribe for the Sukuk by payment of the proceeds to the Issuer. The Sukuk will be constituted by way of a Master Trust Deed as supplemented, in relation to each Series, by a Supplemental Trust Deed (each, a “**Supplemental Trust Deed**” and, together with the Master Trust Deed, the “**Trust Deed**”) and the Issuer shall hold the relevant Trust Assets for the Sukuk on trust absolutely for the Sukukholders as the beneficiaries of the trust pursuant to the terms of the Trust Deed.
5. On the Issue Date, the Issuer (on behalf of the Sukukholders) shall invest the proceeds in the Wakalah Venture which shall comprise investments in certain Shariah-compliant Shares and a Commodity Murabahah Investment. At least 51% of the proceeds shall be applied in the purchase of Shariah-compliant Shares on the Issue Date. Furthermore, no more than 49% of the proceeds shall be invested in the Commodity Murabahah Investment on the Issue Date. The Deferred Sale Price payable in relation to a Murabahah Contract shall be the aggregate of the applicable Commodity Purchase Price, the applicable Murabahah Profit and the applicable Mark Up Amount. During the term of the Sukuk, the aggregate fair market value of the Tangible Assets comprised in the Wakalah Venture must be at least equal to 33% of the value of the Wakalah Venture as a whole.
6. The Wakeel shall receive the Periodic Income generated by the Wakalah Venture. The Periodic Income in respect of any Return Accumulation Period, shall be the aggregate of the Wakalah Venture Income and all amounts received by or on behalf of the Issuer in respect of the Commodity Murabahah Investment, in each case in respect of such Return Accumulation Period.
7. On the day falling one Business Day before each relevant Periodic Distribution Date, the Wakeel shall calculate the Periodic Income in respect of the Return Accumulation Period ending on the immediately forthcoming Periodic Distribution Date, and procure the payment of such amount to the Issuer.
8. Provided that the Periodic Income is sufficient to satisfy the same, the Issuer shall pay the Periodic Distribution Amount to the Sukukholders on each Periodic Distribution Date.
9. On the day falling one Payment Business Day before the Scheduled Dissolution Date, the Dissolution Event Redemption Date, the Tax Dissolution Date or the Optional Dissolution Date, as applicable, the Purchase Price shall be calculated and determined, in accordance with the Valuation Principles, by the Wakeel or such other calculation agent to be appointed by the Issuer under the terms of the Wakalah Agreement.
10. The Issuer shall, on the Scheduled Dissolution Date, the Dissolution Event Redemption Date, the Tax Dissolution Date or the Optional Dissolution Date, as applicable, provided that all payments made under the Murabahah Agreement and Purchase Price are sufficient to satisfy the same, pay the Dissolution Distribution Amount to the Sukukholders.
11. The Issuer shall pay, on the relevant Tax Dissolution Date, Optional Dissolution Date, Scheduled Dissolution Date or Dissolution Event Redemption Date, as the case may be, the Final Incentive Fee from such amounts received from the Obligor under the Purchase Undertaking and the Master Murabahah Agreement to the Wakeel, provided that no amounts remain outstanding on the Sukuk or under Condition 5(b) (*Application of Proceeds from Trust Assets*) of the Terms and Conditions of the Sukuk. The Wakeel shall also be entitled to retain any Wakalah Venture Income generated by the Wakalah Venture as an incentive fee.

SUMMARY OF THE PROGRAMME

This summary must be read as an introduction to this Offering Circular and any decision to invest in the Sukuk should be based on a consideration of this Offering Circular as a whole, including any information incorporated by reference. Words and expressions defined in the Terms and Conditions of the Sukuk or elsewhere in this Offering Circular have the same meanings in this summary.

- Issuer:** Khazanah Global Sukuk Berhad.
- Obligor:** Khazanah Nasional Berhad.
- Description:** U.S.\$5,000,000,000 Multicurrency Sukuk Issuance Programme.
- Size:** The maximum aggregate face amount of the Sukuk to be issued, when added to the aggregate face amount of all Sukuk outstanding, shall be U.S.\$5,000,000,000 (or its equivalent in other currencies) or such higher amount as may be increased in accordance with the terms of the Dealer Agreement.
- Arrangers:** CIMB Investment Bank Berhad, J.P. Morgan Securities plc and MUFG Securities EMEA plc.
- Dealers:** BNP Paribas, CIMB Investment Bank Berhad, Citigroup Global Markets Limited, DBS Bank Ltd., The Hongkong and Shanghai Banking Corporation Limited, J.P. Morgan Securities plc, Malayan Banking Berhad, Merrill Lynch (Singapore) Pte. Ltd., MUFG Securities EMEA plc, Oversea-Chinese Banking Corporation Limited, SMBC Nikko Securities (Hong Kong) Limited and Standard Chartered Bank and such other Dealers as may be appointed by the Issuer and the Obligor in accordance with the Dealer Agreement.

The Issuer and the Obligor may from time to time appoint one or more additional Dealers in accordance with the terms of the Dealer Agreement. Any such appointment of a Dealer may be in respect of a single Series, Tranche or the whole Programme. References in this Offering Circular to “Permanent Dealers” are to all Dealers other than those appointed as such solely in respect of one or more specified Tranches (and whose appointment has not been terminated) and references to “Dealers” are to all Permanent Dealers and any other Dealer that is appointed to the Programme.

Trustee:	The Bank of New York Mellon, London Branch. Pursuant to the Master Trust Deed, the Issuer shall delegate to the Trustee certain of the present and future duties, powers, trusts, authorities and discretions vested in the Issuer by certain provisions of the Master Trust Deed. In particular, the Trustee shall be entitled to (and, in certain circumstances, shall, subject to being indemnified and/or secured and/or pre-funded to its satisfaction, be obliged to) take enforcement action in the name of the Issuer against the Issuer and the Obligor following a Dissolution Event.
Issuing and Paying Agent and (where appointed) Calculation Agent:	The Bank of New York Mellon, London Branch.
Transfer Agent and Registrar:	The Bank of New York Mellon SA/NV, Dublin Branch.
Shariah Adviser:	CIMB Islamic Bank Berhad.
Wakeel Shariah Adviser:	Amanie Advisors Sdn. Bhd.
Method of Issue:	The Sukuk may be issued from time to time under the Programme on a syndicated or non-syndicated basis. The Sukuk will be issued in series (each a “ Series ”) having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of profit, if any), the Sukuk of each Series being intended to be interchangeable with all other Sukuk of that Series. Each Series may be issued in one or more tranches (each, a “ Tranche ”), on the same or different issue dates. The specific terms of each Series or Tranche will be specified in the relevant Pricing Supplement.
Issue Price:	Sukuk may only be issued on a fully-paid basis and at an issue price which is at par.
Form and Denomination and Trading of the Sukuk:	The Sukuk are issued in registered form in the denomination amount shown thereon or on the Certificates and in the currency and the denominations specified in the applicable Pricing Supplement. Save as provided in Condition 3(c) (<i>Delivery of New Certificates</i>) of the Terms and Conditions of the Sukuk, each Certificate shall represent the entire holding of Sukuk of the relevant Series by the same holder.

Title to the Sukuk shall pass by registration in the register that the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement (the “**Register**”). Except as ordered by a court of competent jurisdiction or as required by law, the holder of any Sukuk shall be deemed to be and shall be treated as the absolute owner such Sukuk for the purpose of receiving payment thereof or on account thereof and for all other purposes, whether or not it is overdue and notwithstanding any notice of ownership, theft, loss or forgery thereof or any writing thereon made by anyone, and no person shall be liable for so treating the holder.

Clearing Systems: Clearstream, Euroclear and, in relation to any Tranche, such additional or alternative clearing system as may be agreed between the Issuer, the Obligor and the relevant Dealer(s) and approved in writing by the Trustee, the Issuing and Paying Agent and the Registrar.

Initial Delivery of Sukuk: On or before the Issue Date for each Tranche, the Global Certificate representing the Sukuk may be deposited with a common depository for Euroclear and Clearstream. Global Certificates may also be deposited with any other clearing system or may be delivered outside any clearing system provided that the method of such delivery has been agreed in advance by the Issuer, the Trustee, the Issuing and Paying Agent, the Registrar and the relevant Dealer. The Sukuk that are to be credited to one or more clearing systems on issue will be registered in the name of, or in the name of nominees or a common nominee for, such clearing systems.

Currencies: Subject to compliance with all applicable laws, regulations and directives, Sukuk may be issued in U.S. dollars or any other currency (other than Malaysian Ringgit) as may be agreed between the Issuer, the Obligor, the relevant Dealer(s), the Issuing and Paying Agent and the Registrar.

Specified Denomination: Sukuk will be in such denominations as may be specified in the relevant Pricing Supplement save that: (i) the minimum denomination of each Sukuk will be such amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the Specified Currency; (ii) unless otherwise permitted by then current laws and regulations, the minimum denomination of each Sukuk admitted to trading on a regulated market within the EEA or offered to the public in a Member State of the EEA, in circumstances which require the publication of a prospectus under the Prospectus Regulation, will be at least €100,000 (or, if the Sukuk are denominated in a currency other than euro, the equivalent amount in such currency, as calculated on the Issue Date of the Sukuk); and (iii) unless otherwise permitted by then current laws and regulations, Sukuk in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of Section 19 of the FSMA and which have a maturity of less than one year must have a minimum redemption value of £100,000 (or its equivalent in other currencies).

Maturities: Subject to compliance with all relevant laws, regulations and directives, the Sukuk may have maturities of such tenor as may be agreed between the Issuer and the relevant Dealer(s), subject to such minimum or maximum maturities of tenor as may be allowed or required from time to time by the SC or the relevant central bank (or equivalent body) or any laws or regulations applicable to the Issuer, the Obligor or the relevant Specified Currency.

Status of the Sukuk: The Sukuk will represent an undivided proportionate beneficial ownership interest in the relevant Trust Assets (as defined below) and will be limited recourse obligations (subject to Condition 6(b) (*Issuer Negative Pledge*) of the Terms and Conditions of the Sukuk) of the Issuer and shall at all times rank *pari passu* rateably and without discrimination, and without any preference or priority among themselves, subject to the priorities or rights preferred by law. The obligations of the Obligor (in any capacity) pursuant to the Transaction Documents to which it is a party will constitute (subject to Condition 6(c) (*Obligor Negative Pledge*) of the Terms and Conditions of the Sukuk) direct, unconditional, unsubordinated and unsecured obligations of the Obligor and shall at all times rank *pari passu* rateably and without any discrimination, preference or priority among themselves, subject to priorities or rights preferred by law.

In respect of each Series, the Issuer shall hold the relevant Trust Assets for such Series upon trust absolutely for and on behalf of the Sukukholders of such Series *pro rata* according to the face amount of Sukuk held by each holder of the relevant Series of Sukuk. The “**Trust Assets**” of the relevant Series will comprise (i) the interests, rights, title, benefits and entitlements, present and future, of the Issuer in, to and under the Wakalah Venture from time to time (excluding any representations given by the Obligor to the Issuer and/or the Trustee under any documents constituting the Wakalah Venture from time to time); (ii) the interests, rights, title, benefits and entitlements, present and future, of the Issuer in, to and under the Transaction Documents (excluding any representations given by the Obligor to the Issuer and/or the Trustee pursuant to any of the Transaction Documents); and (iii) all proceeds of the foregoing.

Issuer Negative Pledge: So long as any of the Sukuk remains outstanding (as defined in the Master Trust Deed), the Issuer shall not create, purport to create, or permit to be outstanding, any mortgage, charge, pledge or other security interest (other than liens arising by operation of law) (an “**Encumbrance**”) upon the whole or any part of its property, assets or revenues, present or future, except for any rights of set-off, netting or other similar rights arising from custodial arrangements relating to shares which may be held by the Issuer.

Obligor Negative Pledge: So long as any of the Sukuk remains outstanding (as defined in the Master Trust Deed), the Obligor shall not create, purport to create, or permit to be outstanding any Encumbrance upon the whole or any part of its property, assets or revenues, present or future, to secure for the benefit of the holders of any International Investment Securities (as defined below): (i) payment of any sum due in respect of any such International Investment Securities; (ii) any payment under any guarantee of any such International Investment Securities; or (iii) any payment under any indemnity or other like obligation relating to any such International Investment Securities without in any such case at the same time according to the Sukukholders as security for the performance of its purchase undertakings under the Purchase Undertaking and its payment obligations under the Master Murabahah Agreement, either the same security as is granted to or is outstanding in respect of such International Investment Securities, guarantee, indemnity or other like obligation or such other security as the Trustee in its absolute discretion shall deem to be not materially less beneficial to the Sukukholders or as shall be approved by an Extraordinary Resolution (as defined in the Master Trust Deed) of the Sukukholders.

“**International Investment Securities**” means bonds, debentures, notes, certificates, loan stock or investment securities of the Obligor which (a) either (i) are by their terms payable, or confer a right to receive payment, in any currency other than Ringgit or (ii) are denominated or payable in Ringgit and more than 50.0 per cent. of the aggregate nominal amount thereof is initially distributed outside Malaysia by or with the authorisation of the issuer thereof and (b) are for the time being, or are capable of being, quoted, listed, ordinarily dealt in or traded on any stock exchange, quotation system or over-the-counter or other similar securities market.

Limited Recourse: The Sukuk will not represent an interest in any of the Issuer, the Obligor, the Trustee, the Agents or any of their respective affiliates. Notwithstanding anything to the contrary contained in the Terms and Conditions of the Sukuk or in any Transaction Document, no payment of any amount whatsoever shall be made in respect of the Sukuk by the Issuer, the Trustee or the Agents or any of their respective directors, officers, employees, agents or delegates except to the extent that funds are available therefor from the Trust Assets. The Trust Assets will include, amongst other things, all of the Issuer's rights, title, interest, entitlement and benefit in, to and under the Transaction Documents, which when any amount is due and payable thereunder, will constitute a general unsecured and unsubordinated obligation of the Obligor in respect of which a claim may be made by the Issuer or the Trustee and which will rank as described in Condition 4(a)(ii) (*Status of Sukuk*) of the Terms and Conditions of the Sukuk.

By subscribing for or acquiring the Sukuk, the Sukukholders acknowledge that no recourse may be had for the payment of any amount due and owing in respect of the Sukuk against the Trustee, the Issuer or the Agents or any of their respective directors, officers, employees, agents or delegates and to the extent that all claims in respect of the Trust Assets have been exhausted (including actions to procure payment by the Obligor (in its capacity as buyer) under the Master Murabahah Agreement and the relevant Murabahah Contract and to fulfil its obligations under the Purchase Undertaking) all claims in respect of the Sukuk shall be extinguished.

In addition, no Sukukholder will be able to petition for, or join any other person in instituting proceedings for, the reorganisation, liquidation, winding up or receivership of any of the Issuer (and/or its directors), the Trustee or the Agents or any of their affiliates if there is a shortfall after claims in respect of the Trust Assets have been exhausted or otherwise.

Scheduled Dissolution: Unless the Sukuk are previously redeemed or purchased and cancelled, in full, as provided in the Terms and Conditions of the Sukuk, each Sukuk shall be finally redeemed at its Dissolution Distribution Amount and the Trust shall be dissolved by the Issuer on the Scheduled Dissolution Date specified in the Terms and Conditions of the Sukuk following the payment of all such amounts in full and the execution of a sale agreement pursuant to the Purchase Undertaking.

Dissolution Events: Upon the occurrence of a Dissolution Event, the Sukuk may be redeemed at the Dissolution Distribution Amount and the Issuer may be required to dissolve the Trust, in each case as more particularly described in Condition 12 (*Dissolution Events*) of the Terms and Conditions of the Sukuk.

Early Dissolution for

Taxation Reasons:

Where the Issuer has or will become obliged to pay additional amounts in respect of the Sukuk pursuant to Condition 10 (*Taxation*) of the Terms and Conditions of the Sukuk or where the Obligor has or will become obliged to pay additional amounts in respect of the Sukuk pursuant to any Transaction Document or increase the payment of such additional amounts as a result of any change in, or amendment to, the laws (or any regulations, rulings or other administrative pronouncements promulgated thereunder) of the jurisdiction of incorporation of the Issuer or the Obligor (as the case may be) or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, rulings or other administrative pronouncements, which change or amendment is made public on or after the Issue Date or any other date specified in the applicable Pricing Supplement, and such obligation cannot be avoided by the Issuer or the Obligor (as the case may be) taking reasonable measures available to them, the Issuer or the Obligor (as the case may be) may at any time, following receipt of an Exercise Notice from the Obligor pursuant to the Purchase Undertaking and on giving not less than 30 nor more than 60 days' notice to Sukukholders (which notice shall be irrevocable), redeem the Sukuk in whole but not in part at an amount equal to the relevant Dissolution Distribution Amount on the Tax Dissolution Date subject to and in accordance with Condition 8(b) (*Early Dissolution for Taxation Reasons*) of the Terms and Conditions of the Sukuk.

- (i) the Issuer has or will become obliged to pay additional amounts in respect of the Sukuk pursuant to Condition 10 (*Taxation*) of the Terms and Conditions of the Sukuk or increase the payment of such additional amounts as a result of any change in, or amendment to, the laws (or any regulations, rulings or other administrative pronouncements promulgated thereunder) of the jurisdiction of incorporation of the Issuer or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, rulings or other administrative pronouncements, which change or amendment is made public on or after the Issue Date or any other date specified in the applicable Pricing Supplement, and such obligation cannot be avoided by the Issuer taking reasonable measures available to it; or

- (ii) the Obligor has or will become obliged to pay additional amounts in respect of the Sukuk pursuant to the terms of any Transaction Documents, or to increase the payment of such additional amounts as a result of any change in, or amendment to, the laws (or any regulations, rulings or other administrative pronouncements promulgated thereunder) of the jurisdiction of incorporation of the Obligor any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, rulings or other administrative pronouncements, which change or amendment is made public on or after the Issue Date or any other date specified in the applicable Pricing Supplement, and such obligation cannot be avoided by the Obligor taking reasonable measures available to it,

the Issuer may at any time, following receipt of an Exercise Notice from the Obligor pursuant to the Purchase Undertaking and on giving not less than 30 nor more than 60 days' notice to Sukukholders (which notice shall be irrevocable), redeem the Sukuk in whole but not in part at an amount equal to the relevant Dissolution Distribution Amount on the Tax Dissolution Date subject to and in accordance with Condition 8(b) (*Early Dissolution for Taxation Reasons*) of the Terms and Conditions of the Sukuk.

Dissolution at the Option of the Issuer (Optional Dissolution Right):

If so specified in the Terms and Conditions of the Sukuk, the Issuer may, on giving not less than 15 nor more than 30 days' irrevocable notice to the Sukukholders, the Trustee and Issuing and Paying Agent (or such other notice period as may be specified in the Terms and Conditions of the Sukuk) redeem all of the Sukuk on any Optional Dissolution Date. All Sukuk in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with Condition 8(c) (*Dissolution at the Option of the Issuer (Optional Dissolution Right)*) of the Terms and Conditions of the Sukuk. After payment in full of the Dissolution Distribution Amount to all Sukukholders and execution of a sale agreement pursuant to the Purchase Undertaking, the Issuer shall be bound to dissolve the Trust.

Dissolution Date Any Scheduled Dissolution Date, Tax Dissolution Date, Optional Dissolution Date or Dissolution Event Redemption Date.

Purchase and Cancellation: Pursuant to Condition 8(e) (*Purchases*) of the Terms and Conditions of the Sukuk, the Issuer, the Obligor or any of their respective Subsidiaries may at any time purchase the Sukuk at any price in the open market or otherwise provided that in any such case such purchase is or, as the case may be, purchases are in compliance with all relevant laws, regulations and directives. Pursuant to Condition 8(f) (*Cancellation*) of the Terms and Conditions of the Sukuk, Sukuk purchased by or on behalf of the Issuer shall be, and all Sukuk purchased by or on behalf of the Obligor or any of its Subsidiaries (other than the Issuer) may be, surrendered for cancellation by surrendering the Certificate representing such Sukuk to the Registrar and, if so surrendered, shall, together with all Sukuk redeemed by the Issuer, be cancelled forthwith. Any Sukuk or Certificates so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer and the Obligor in respect of any such Sukuk shall be discharged.

The Sukuk so purchased, while held by or on behalf of the Issuer, the Obligor or any of their respective Subsidiaries, shall not entitle the holder to vote at any meetings of the Sukukholders and shall not be deemed to be outstanding for certain purposes, including without limitation for the purposes of calculating any quorum at meetings of the Sukukholders and for the purposes of Condition 12 (*Dissolution Events*) and Condition 14 (*Meetings of Sukukholders, Modification, Waiver and Substitution*) of the Terms and Conditions of the Sukuk.

Asset Substitution: The Wakeel may substitute Tangible Assets in accordance with the relevant provisions of the Wakalah Agreement, the Issuer Undertaking and the Obligor Undertaking, provided that the aggregate value of any new assets is equal to or greater than the aggregate value of the substituted assets.

Withholding tax: All payments in respect of the Sukuk by the Issuer shall be made free and clear of any set-off or counterclaim, and without deduction or withholding for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within the jurisdiction of incorporation of the Issuer or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In such event, the Issuer shall pay such additional amounts as will result in the receipt by the Sukukholders of such amounts as would have been received by them had no such set-off, counterclaim, deduction or withholding been required, save for certain exceptions. For further details, please see Condition 10 (*Taxation*) of the Terms and Conditions of the Sukuk. The Wakeel will undertake in the Wakalah Agreement to pay such additional amounts as may be necessary pursuant to Condition 10 (*Taxation*) of the Terms and Conditions of the Sukuk so that the full amount due and payable by the Issuer in respect of the Sukuk is received by the Issuer for the purposes of payment to the Sukukholder in accordance with and subject to the provisions of Condition 10 (*Taxation*) of the Terms and Conditions of the Sukuk. All payments by the Obligor under the Transaction Documents shall be made free and clear of any set-off or counterclaim, and without withholding or deduction for, or on account of, any present or future taxes, duties, assessments, governmental charges, withholding or other payment of whatever nature imposed, levied, collected, withheld or assessed by or within Malaysia or any authority therein or thereof having power to tax unless such set-off, counterclaim, withholding or deduction is required by law. In that event, the Obligor will agree to pay such additional amounts so that the full amount which would otherwise have been due and payable is received by the Issuer.

Transaction Documents: Transaction Documents means, in relation to each Series, the relevant Sukuk, the Master Trust Deed as supplemented by the applicable Supplemental Trust Deed, the Agency Agreement, the Master Sale and Purchase Agreement as supplemented by the applicable Supplemental Sale and Purchase Agreement, the Purchase Undertaking (together with each relevant sale agreement executed upon exercise of the Purchase Undertaking), the Issuer Undertaking (together with each relevant sale and purchase agreement executed upon exercise of the Issuer Undertaking), the Obligor Undertaking (together with each relevant sale and purchase agreement executed upon exercise of the Obligor Undertaking), the Wakalah Agreement, the Master Murabahah Agreement (together with all offers, acceptances and confirmations delivered pursuant thereto in connection with the relevant Series), the Costs Undertaking Deed, the Deed of Surrender, the Issuer’s Power of Attorney, the Obligor’s Power of Attorney and any additional documents specified thereon;

Rating:..... The Programme is rated A3 and A- by Moody’s and S&P, respectively. Sukuk issued under the Programme may be rated or unrated. Where a Tranche of Sukuk issued under the Programme is rated, its rating will not necessarily be the same as the rating applicable to the Programme and (where applicable) such rating will be specified in the applicable Pricing Supplement. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.

Listing and Admission to Trading:..... Each Series of Sukuk may, if so agreed between the Issuer and the relevant Dealer(s), be listed on the SGX-ST, Bursa (under the Exempt Regime), the LFX or any stock exchange(s) as may be agreed between the Issuer and the relevant Dealer(s), subject to all necessary approvals having been obtained.

Selling Restrictions:..... Each issue of Sukuk denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see “*Subscription and Sale*”) including the following restrictions applicable at the date of this Offering Circular: the United States, the EEA, the United Kingdom, Hong Kong, Singapore, Malaysia, Japan, the Dubai International Financial Centre (“**DIFC**”), the Kingdom of Saudi Arabia, the Kingdom of Bahrain, Qatar (including the Qatar Financial Centre), the United Arab Emirates (excluding the DIFC), Switzerland and the PRC, and such other restrictions as may be required in connection with a particular issue of Sukuk. See “*Subscription and Sale*”.

Governing Law:..... The Master Trust Deed, the Agency Agreement, the Dealer Agreement, the Wakalah Agreement, the Purchase Undertaking, the Issuer Undertaking, the Obligor Undertaking, the Costs Undertaking Deed, the Master Murabahah Agreement and each of the Issuer’s Power of Attorney, the Obligor’s Power of Attorney and the Deed of Surrender executed for each Series will be governed by English law. The Master Sale and Purchase Agreement will be governed by Malaysian law.

Legal Entity Identifier of the Issuer:..... 213800VIN16ILYRCKD86

RISK FACTORS

Notwithstanding that this Offering Circular does not contain all information in relation to the Issuer, the Obligor and/or the Sukuk that any individual prospective investor may deem appropriate prior to making an investment decision in relation to the Sukuk, prior to making such a decision, prospective investors of the Sukuk should carefully consider all the information set forth in this Offering Circular, including the risk factors set out below. The risk factors set out below do not purport to be complete or comprehensive in terms of all the risk factors that may be involved in the businesses of the Issuer, the Obligor, its subsidiaries and associate companies or any decision to purchase, own or dispose of the Sukuk. There may also be additional risk factors which the Issuer, the Obligor or the Dealers are currently unaware of or which are not disclosed herein, which may also impair the financial condition, performance or results of operations of the Issuer, the Obligor, or affect the market price of, liquidity and/or trading in, the Sukuk. Words and expressions defined in "Terms and Conditions of the Sukuk" shall have the same meanings in this section unless otherwise stated.

Considerations relating to this Offering Circular

This Offering Circular does not purport to, nor does it contain, all information in relation to the Issuer or the Obligor.

This Offering Circular (or any part hereof) is not intended to provide the basis for any credit or other evaluation and should not be considered as a recommendation by any of the Issuer, the Obligor, the Dealers, the Trustee or the Agents, or any person who controls any of them, or any of their respective directors, officers, employees, agents, representatives, advisers or affiliates, that any recipient of this Offering Circular or any such other document or information (or such part thereof) should subscribe for or purchase any of the Sukuk. Each person receiving this Offering Circular acknowledges that such person has not relied on any of the Issuer, the Obligor, the Arrangers or the Dealers, the Trustee or the Agents, or any person who controls any of them, or any of their respective directors, officers, employees, agents, representatives, advisers or affiliates, in connection with its investigation of the accuracy of the information contained herein or of any additional information considered by it to be necessary in connection with its investment decision.

Any recipient of this Offering Circular contemplating subscribing for or purchasing any of the Sukuk should determine for itself the relevance of the information contained herein and any such other document or information (or any part thereof) and its investment should be, and shall be deemed to be, based solely upon its own independent investigation of the financial condition and affairs, and its own appraisal of the prospects and creditworthiness of the Issuer, the Obligor and their respective subsidiaries and associate companies (if any), the Terms and Conditions of the Sukuk and any other factors relevant to its decision, including the merits and risks involved.

Considerations relating to the Issuer

The Issuer has not conducted any activity since its incorporation (other than in connection with the Programme), has no material assets and is dependent on Khazanah to pay amounts due under the Sukuk.

The Issuer is a special purpose vehicle in the form of a limited liability company incorporated in Malaysia on 21 February 2023, pursuant to the Companies Act, 2016 of Malaysia and has not conducted any business activities since its incorporation other than those relating or incidental

to the Programme and the issuance of the Sukuk thereunder. Its principal business activities are to issue the Sukuk and to engage in activities incidental or related to such issuance and to undertake any Shariah-compliant transactions involving, or relating to, the Obligor and/or its affiliates, provided that such Shariah-compliant transactions would contain a limited recourse provision which specifies that recourse in each of those Shariah-compliant transactions shall be limited to the relevant assets in relation thereto. The Issuer's only material assets in relation to the Sukuk, which will be held by it as trustee on trust for the Sukukholders, will be the Trust Assets, including its rights under the Transaction Documents to receive the Dissolution Distribution Amount plus any due and unpaid Period Distribution Amounts payable upon maturity or any due and unpaid Periodic Distribution Amounts payable on the occurrence of a Dissolution Event (as applicable). The Sukuk will not be obligations or responsibilities of, or guaranteed by, the Trustee, any of the Agents or the Dealers. As a consequence, the Issuer's ability to satisfy its obligations under the Sukuk is subject to all the risks to which Khazanah is subject that could negatively affect its ability to satisfy its obligations under the Transaction Documents.

Considerations relating to the Obligor

Khazanah and its portfolio companies are subject to macroeconomic, strategic, financial and political risks.

Following the gradual recovery from the novel coronavirus disease (“COVID-19”) pandemic, global growth is expected to slow meaningfully.

Geopolitical risks have continued to emerge globally in relation to the incursion of Ukraine by Russia, leading to rising tensions and increased military activity in the Baltic Sea. The military conflict between Russia and Ukraine has heightened already-increasing polarisation globally, bringing to the fore issues such as energy security concerns, security threats and competition between different trade and economic systems. The resulting impact on supply chains and the global supply of oil and gas as well as agricultural produce has resulted in shortages around the world and rising costs of goods. This is expected to hurt consumer purchasing power globally, with developing markets and low-income households particularly vulnerable.

Trade tensions between the United States and major trading partners, most notably China, remain heightened following the introduction of a series of tariff measures in both the United States and China and a U.S. investment ban on several Chinese companies, and these tensions could significantly impact global trade. Such tensions are set to continue in the areas of data and technology security, the maritime claims in the South and East China Seas, China-Taiwan tensions and human rights accusations.

The COVID-19 pandemic has been one of the most significant global health crises in recent times and caused a global recession. The COVID-19 pandemic has exposed the risks of sudden stoppages of economies and supply chain disruptions worldwide. Although the risks of reimposition of tight border controls and restrictions on movement and economic activities is now lower as most parts of the world are moving from a pandemic into an endemic state of COVID-19, the emergence of new COVID-19 variants could lead to resurgence in infection rates. Country-specific policies to contain COVID-19 could also have meaningful spillovers to global activity and financial markets.

Against this backdrop, central banks around the world, including in the United States and several large emerging markets, have tightened monetary policy. Fixed income assets have also come under pressure as central banks raised interest rates and removed accommodative policies, while the U.S. dollar has strengthened. Recently, the financial conditions of banking institutions have come under severe pressure and deterioration, as exemplified by the proposed restructuring of Credit Suisse Group AG and the failures of Silicon Valley Bank and Signature Bank in the first quarter of 2023 which has caused increased volatility in capital markets. A high degree of uncertainty over the global outlook remains. Heightened geopolitical uncertainties, increased risks of inflation and tighter monetary policy leave the global economy more vulnerable and raise the risk of global recession. Global supply chains have been upended as a consequence of both the COVID-19 pandemic and the geopolitical environment, and the transition time required to get around bottlenecks and add new capacity could mean that price levels remain elevated for longer. This will present difficult trade-offs for central banks. As the environment gets increasingly complex and downside risks rise, volatility in financial markets could continue to persist.

Downside risks and volatility in the global financial markets have had, and could in the future have, a significant impact on the value of Khazanah's portfolio, the value and profitability of Khazanah's portfolio companies' businesses and, in turn, the Khazanah Group's revenue and profitability. In addition, these conditions have had, and could in the future have, a significant impact on the ability of Khazanah's portfolio companies to pay dividends or make other distributions or payments to Khazanah or may result in investments not generating the expected returns.

The Obligor has no operations of its own and is dependent on investment income from its investments for revenue and to pay dissolution amounts on the Sukuk.

The Obligor is a holding company for investments in its subsidiaries and associate companies and has no operations of its own. As a result, the Obligor will depend upon its investment income, including dividends and distributions from its subsidiaries, associate companies and investee companies and proceeds from divestments, to make payments if and when required, in its capacity as Buyer under the Master Murabahah Agreement and in its capacity as Obligor under the Purchase Undertaking. The ability of such companies to pay dividends to their shareholders (including the Obligor) is subject to, among other things, the results of operations and funding requirements of such companies, distributable reserves, the approval of their directors and shareholders, and applicable law and restrictions contained in debt instruments of such companies, if any. Moreover, further issues of equity interests by these companies could dilute the ownership interest of the Obligor in such companies.

The Master Murabahah Agreement and Purchase Undertaking will be structurally subordinated to all existing and future obligations of Khazanah's subsidiaries and associate companies.

As a holding company with no independent operations, Khazanah's obligations, in its capacity as Buyer under the Master Murabahah Agreement and in its capacity as Obligor under the Purchase Undertaking, will be effectively subordinated to all existing and future obligations of its direct and indirect subsidiaries and associate companies. All claims of creditors of these companies, including trade creditors, lenders, financiers and all other creditors, will have priority as to the assets of such companies over claims of the Obligor and its creditors, including any claims by or on behalf of the Issuer relating to amounts payable by Khazanah pursuant to the Master Murabahah Agreement and the Purchase Undertaking.

Khazanah and its portfolio companies are subject to strategic risk.

Khazanah's investment portfolio is subject to investment and market risks as well as concentration risks. Khazanah's investment portfolio may be concentrated in certain sectors and geographic regions or in certain of its individual investments which may or may not be listed. Khazanah's investment portfolio profile may change from period to period depending on various factors, including market conditions, investment opportunities, and the investments and divestments undertaken by Khazanah.

Khazanah will be guided by its investment philosophy of earning appropriate risk adjusted financial returns, generating sustainable returns, and integrating ethical and responsible considerations into investment activities.

Khazanah and its portfolio companies are exposed to various regulatory and litigation risks.

Khazanah and its portfolio companies hold investments in Malaysia and other countries, which means that Khazanah and such entities are subject to a variety of legal and regulatory requirements (including sanctions laws and regulations) and judiciary systems in such jurisdictions. Laws and regulations that are applied in such countries may change from time to time. Changes in laws or regulations (including sanctions laws and regulations), other regulatory matters or litigation actions involving Khazanah and its portfolio companies, or restrictions such as tariffs, trade barriers, requirements relating to withholding taxes on Khazanah or such entities in any jurisdiction may have a material adverse effect on the financial condition of Khazanah and the Khazanah Group or the business or results of operations of the Khazanah Group.

Khazanah may be exposed to claims or liabilities relating to investments and divestments.

In connection with an investment in, or divestment of, an interest in a company, Khazanah may be exposed to certain claims or liabilities relating to the subject company (or its ownership interest therein), including, without limitation, tax or environmental claims or liabilities. Pursuant to the Malaysia Budget 2023: *Membangun Malaysia Madani* (the “**Malaysia Budget 2023**”), the Government may introduce a capital gains tax for the disposal of unlisted shares (which the Prime Minister of Malaysia has subsequently clarified would not be applicable to the sale of unlisted shares through an approved initial public offering) by companies beginning the year 2024, which may be applicable to Khazanah if and when imposed. There can be no assurance that any of the aforementioned claims or liabilities would not have a material adverse effect on the financial condition of Khazanah and the Khazanah Group or the business or results of operations of the Khazanah Group.

Khazanah is exposed to interest rate risk and currency fluctuation risk.

Khazanah is exposed to interest rate movements through its floating rate financing arrangements. As a result, the Khazanah Group is sensitive to changes in interest rates. Interest rates are sensitive to numerous factors not within the Khazanah Group's control, including the government and central bank policy in Malaysia and globally. See further risk factor entitled “— *Khazanah and its portfolio companies are subject to macroeconomic, strategic, financial and political risks*” above. The Khazanah Group cannot give any assurance that any current or future hedging activities will sufficiently protect it from the adverse effects of interest rate movements. An increase in interest rates would cause the Khazanah Group's debt service obligations to increase and could have a material adverse effect on the Khazanah Group's business, results of operations, financial condition and prospects.

In addition, because Khazanah has investments in different geographic regions that are denominated in different foreign currencies, Khazanah's returns on these investments, including any dividends received from these investments, are subject to foreign exchange rate risks. Fluctuations between these currencies and the Malaysian Ringgit, Khazanah's reporting currency, also expose Khazanah to translation risk when accounting for these investments in its financial statements. While Khazanah adopts a portfolio risk management approach and regularly monitors its portfolio in respect of such risks, these risks are inherent in Khazanah's business and cannot be eliminated. Any such risks, if they materialise, may adversely affect the Khazanah Group's financial condition and results of operations.

Government ownership of Khazanah.

Save for the one ordinary share owned by the FLC, a body corporate incorporated pursuant to the Federal Lands Commissioner (Incorporation) Act, 1957 of Malaysia, all the ordinary shares of Khazanah are owned by the Minister of Finance (Inc), a body corporate incorporated pursuant to the Minister of Finance (Incorporation) Act, 1957 of Malaysia and Khazanah is the sovereign wealth fund of Malaysia. As such, the Government, as the sole shareholder of Khazanah, can exercise influence over the corporate objectives, strategies or actions of Khazanah. Although the Government has not to date taken any actions to exercise such influence, there can be no assurance that the Government will not do so in a manner that is inconsistent with the interests of the Sukukholders.

Considerations relating to Malaysia

Political, economic and social developments in Malaysia may adversely affect the Khazanah Group.

As a company incorporated in Malaysia with significant investment exposure to the fiscal performance of Malaysia, the financial condition of Khazanah and the Khazanah Group or the business or results of operations of the Khazanah Group may be adversely affected by political, economic and social developments in Malaysia. Any change in Government policies, changes to senior positions within the Government or any political instability in Malaysia arising from these changes, may have a material adverse effect on the Khazanah Group, its business, operations and financial condition. Furthermore, any changes in the composition of the Government could result in a change in Government policies.

In addition to changes in the Government, other political and economic uncertainties include, but are not limited to, the COVID-19 pandemic and other outbreaks of disease, the risks of war, terrorism, riots, expropriation, nationalism, renegotiation or nullification of existing contracts, changes in interest rates and methods of taxation.

Developments in Malaysia and globally may negatively impact Khazanah and its portfolio companies.

The market and economic conditions in Malaysia and globally have been, and continue to be, volatile. The adverse global economic conditions and the volatility of the capital markets have had, and may continue to have, an adverse impact on the value of Khazanah's portfolio, the value and profitability of Khazanah's portfolio companies' businesses and, in turn, the Khazanah Group's revenue and profitability. Ongoing events such as the continued instability of European and U.S. financial markets, as well as continued political instability and turmoil in certain Middle Eastern countries and the incursion of Ukraine by Russia may adversely affect economic

activity and financial markets. In addition, these conditions have had, and may continue to have, an adverse impact on the ability of Khazanah's portfolio companies to pay dividends or make other distributions or payments to Khazanah, or may result in Khazanah's portfolio not generating the expected returns for Khazanah. See further risk factor entitled "*— Khazanah and its portfolio companies are subject to macroeconomic, strategic, financial and political risks*" above.

A re-imposition of capital controls may affect investors' ability to repatriate the proceeds from the sale of the Sukuk and dissolution amounts paid on the Sukuk from Malaysia.

As part of the package of policy responses to the 1997 economic crisis in Southeast Asia, the Government introduced selective capital control measures on 1 September 1998. The Government initiated the liberalisation of selective capital control measures in 1999 to allow foreign investors to repatriate principal capital and profits, subject to a system of graduated exit levies based on the duration of investment in Malaysia. On 1 February 2001, the Government revised the levy to apply only to profits made from portfolio investments retained in Malaysia for less than one year. Currently, there are no applicable repatriation levy measures in Malaysia.

However, there is no assurance that the Government will not re-impose these or other capital controls in the future. If the Government re-imposes foreign exchange controls, investors may not be able to repatriate the proceeds of the sale of the Sukuk and dissolution amounts plus any due and unpaid Periodic Distribution Amounts paid on the Sukuk from Malaysia for a specified period of time or may only do so after paying a levy.

Malaysian corporate and other disclosure and accounting standards differ from those in other jurisdictions.

Khazanah's financial statements are prepared and presented in accordance with MFRS, IFRS and the requirements of the Companies Act 2016 in Malaysia, which may differ in certain material respects from generally accepted accounting principles and auditing standards that prospective investors may be familiar with in other countries. As a result, Khazanah's financial statements and reported earnings could be significantly different from those which would be reported under other jurisdictions. This Offering Circular does not contain a reconciliation of Khazanah's financial statements to generally accepted accounting principles of any other jurisdiction, and there is no assurance that such reconciliation would not reveal material differences.

Considerations relating to the Sukuk

Performance of contractual obligations.

The ability of the Issuer to make payments in respect of the Sukuk will depend upon the due performance by the other parties to the Transaction Documents of their obligations thereunder, and in particular the performance by the Obligor of its purchase and/or payment obligations. Specifically, the ability of the Issuer to make payments in respect of the Sukuk will be dependent on, *inter alia*, the receipt by it of Deferred Sale Price from the Buyer under the Master Murabahah Agreement.

Withholding tax under the Sukuk.

If withholding taxes are imposed in respect of payments to Sukukholders of amounts due pursuant to the Sukuk, the Issuer will be obliged (subject to sufficient funds being available to it) to gross up or otherwise compensate Sukukholders for the lesser amounts the Sukukholders will receive as a result of the imposition of such withholding taxes. Such gross up payment will be made by the Issuer out of the payment of Deferred Sale Price due under the Master Murabahah Agreement. However, no assurance can be given that such funds will be sufficient to enable the Issuer to make such gross up payment.

The Sukuk are limited recourse obligations.

The Sukuk will not be debt obligations of the Issuer. Instead, each Sukuk will represent an undivided proportionate beneficial ownership interest in the Trust Assets relating to that Series. Recourse to the Issuer will be limited to the Trust Assets of the relevant Series and the proceeds of the Trust Assets of the relevant Series will be the sole source of payments on the Sukuk of that Series. Upon receipt by the Issuer of a Dissolution Notice in accordance with the terms of Condition 12 (*Dissolution Events*) of the Terms and Conditions of the Sukuk, the sole rights of each of the Issuer and/or the Trustee (acting on behalf of the Sukukholders), will be (subject to Condition 13 (*Realisation of Trust Assets*) of the Terms and Conditions of the Sukuk) against the Obligor to perform its obligations under the Transaction Documents to which it is a party.

No Sukukholder shall be entitled to proceed directly against the Issuer or the Obligor unless the Trustee, having become bound so to proceed, fails to do so within a reasonable period and such failure is continuing. Under no circumstances shall the Trustee or any Sukukholder have any right to cause the sale or other disposition of any of the Trust Assets (other than as expressly contemplated in the Transaction Documents) and the sole right of the Trustee and the Sukukholders against the Issuer and the Obligor shall be to enforce their respective obligations under the Transaction Documents to which they are a party.

Following the enforcement, realisation and ultimate distribution of the net proceeds of the relevant Trust Assets in respect of the Terms and Conditions of the Sukuk of the relevant Series to the Sukukholders in accordance with the Terms and Conditions of the Sukuk and the Trust Deed, the Issuer shall not be liable for any further sums in respect of such Series and, accordingly, Sukukholders may not take any action against the Issuer, the Trustee or any other person (including without limitation the Obligor) to recover any such sum in respect of the Sukuk or the relevant Trust Assets.

After enforcing the Trust Assets and distributing the net proceeds of such Trust Assets in accordance with Condition 5(b) (*Application of Proceeds from Trust Assets*) of the Terms and Conditions of the Sukuk, the obligations of the Issuer in respect of the Sukuk shall be satisfied and no Sukukholder may take any further steps against the Issuer (or any steps against the Trustee) to recover any further sums in respect of the Sukuk and the right to receive any such sums unpaid shall be extinguished. In particular, no Sukukholder shall be entitled in respect thereof to petition or to take any other steps for the winding up of the Issuer.

No third-party guarantees.

Investors should be aware that no guarantee is or will be given in relation to the Sukuk by the Obligor or any other person.

Ability of defined majorities to bind all Sukukholders.

The Master Trust Deed will contain provisions for calling meetings of Sukukholders of a Series to consider matters affecting their interests generally. These provisions will permit defined majorities to bind all Sukukholders of such a Series including Sukukholders who did not attend and vote at the relevant meeting and Sukukholders who voted in a manner contrary to the majority.

The Terms and Conditions of the Sukuk, the Trust Deed and other Transaction Documents may be modified without notice to Sukukholders.

The Terms and Conditions of the Sukuk will also provide that the Trustee may (but is not obliged to) agree, without the consent of the Sukukholders, to (i) any modification of any of the provisions of the Trust Deed, any other Transaction Document or the Terms and Conditions of the Sukuk which in the opinion of the Trustee is of a formal, minor or technical nature, is made to correct a manifest error or to comply with any mandatory provision of law or is required by Euroclear, Clearstream, and/or any other clearing system in which the Sukuk may be held, and (ii) any other modification (except as mentioned in the Trust Deed) which is in the opinion of the Trustee not materially prejudicial to the interests of the Sukukholders, and (iii) any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed, the Transaction Documents or the Terms and Conditions of the Sukuk which is in the opinion of the Trustee not materially prejudicial to the interests of the Sukukholders. Any such modification, authorisation or waiver shall be binding on the Sukukholders and, unless the Trustee otherwise agrees, such modification, waiver or authorisation shall be notified by the Issuer to the Sukukholders as soon as practicable.

The Terms and Conditions of the Sukuk may be amended, modified, or varied in relation to any Series of Sukuk by the terms of the relevant Pricing Supplement in relation to such Series.

The Trustee may request that the Sukukholders provide an indemnity and/or security and/or prefunding to its satisfaction.

In certain circumstances, including, without limitation, the giving a notice pursuant to Condition 12 (*Dissolution Events*) of the Terms and Conditions of the Sukuk and the taking of steps and/or actions and/or the institution of proceedings against the Issuer and/or the Obligor under any Transaction Document to which either of the Issuer or the Obligor is a party pursuant to Condition 13 (*Realisation of Trust Assets*) of the Terms and Conditions of the Sukuk, the Trustee may, at its sole discretion, request the Sukukholders to provide an indemnity and/or security, and/or pre-funding to its satisfaction before it takes steps and/or actions and/or institutes proceedings on behalf of the Sukukholders. The Trustee shall not be obliged to take any such steps and/or actions and/or to institute any such proceedings if not first indemnified and/or secured and/or prefunded to its satisfaction. Negotiating and agreeing to any indemnity and/or security and/or pre-funding can be a lengthy process and may impact on when such steps and/or actions can be taken and/or when such proceedings can be instituted. The Trustee may not be able to take steps and/or actions and/or to institute proceedings, notwithstanding the provision of an indemnity and/or security and/or prefunding to it, in breach of the terms and conditions governing the relevant Sukuk or the relevant Transaction Documents and in such circumstances, or where there is uncertainty or dispute as to the applicable laws or regulations, to the extent permitted by the agreements and the applicable law, it will be for the Sukukholders to take such steps and/or actions and/or to institute such proceedings directly.

Sukukholders' ability to enforce claims is uncertain.

Substantially all the assets of the Obligor and the Issuer and the assets of their respective directors and executive officers are located in Malaysia. Generally, since the United Kingdom is a reciprocating country, any judgment obtained against the Issuer, the Obligor or any of their directors or executive officers in any of the superior courts of the United Kingdom or other reciprocating countries as listed in the Reciprocal Enforcement of Judgments Act, 1958 of Malaysia, other than a judgment of such a court given on appeal from a court which is not a superior court, in respect of any sum payable by the Issuer or the Obligor, can be registered in the Malaysian High Court without re-examination or re-litigation of the matters adjudicated upon, if:

- (i) the judgment is final and conclusive as between the parties thereto;
- (ii) the judgment is not directly or indirectly for the payment of taxes or other charges of a like nature or of a fine or other penalty;
- (iii) the judgment was not obtained by fraud;
- (iv) the enforcement of the judgment would not be contrary to public policy in Malaysia;
- (v) the enforcement of the judgment would not be an enforcement of penal or revenue laws of England;
- (vi) the judgment was not obtained in proceedings in which the defendant did not (notwithstanding that process may have been duly served on him in accordance with the laws of England) receive notice of those proceedings in sufficient time to enable it to defend the proceedings and did not appear;
- (vii) is vested in the person by whom the application for registration was made;
- (viii) the judgment is for a fixed sum and not for multiple damages;
- (ix) enforcement of proceedings is instituted within six years after the date of the judgment, or, where there have been proceedings by way of appeal against the judgment, after the date of the last judgment given in those proceedings;
- (x) an appeal is not pending, and the judgment creditor is not entitled and intending to appeal, against the judgment;
- (xi) the judgment was made by a court of competent jurisdiction; and
- (xii) the judgment has not been wholly satisfied and is enforceable by execution in the courts of England.

As a result, the Trustee and/or the Sukukholders with claims against the Obligor or the Issuer, or their respective directors or executive officers, will generally be able to pursue such claims by registering such judgments obtained in the recognised English courts or those of other reciprocating countries in the Malaysian High Court.

In addition, where the sum payable under a judgment which is to be registered is expressed in a currency other than Malaysian currency, the judgment shall be registered as if it were a judgment for such sum in Malaysian currency as is equivalent to the sum so payable on the basis of the rate of exchange prevailing at the date of the judgment of the original court.

The Sukuk may not be a suitable investment for all investors.

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

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Sukuk, the merits and risks of investing in the Sukuk and the information contained or incorporated by reference in this Offering Circular or any applicable pricing supplement;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Sukuk and the impact the Sukuk will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Sukuk, including where the currency for the face amount or any periodic distribution payments is different from the potential investor's currency;
- (iv) understand thoroughly the terms of the Sukuk and be familiar with the behaviour of any relevant indices and financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, profit rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Sukuk will be complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in the Sukuk which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Sukuk will perform under changing conditions, the resulting effects on the value of the Sukuk and the impact this investment will have on the potential investor's overall investment portfolio. Each potential investor should consult its legal advisers to determine whether and to what extent: (i) the Sukuk constitute legal investments for it; (ii) the Sukuk can be used as collateral for various types of borrowing or financing; and (iii) other restrictions apply to any purchase or pledge of any Sukuk by the investor. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of the Sukuk under any applicable risk-based capital or similar rules and regulations.

The Sukuk will be unsecured obligations, the payment of which may be jeopardised in certain circumstances.

As the Sukuk and the Obligor's payment obligations under the Transaction Documents will be unsecured obligations, their payment may be compromised if:

- the Obligor enters into bankruptcy, liquidation, reorganisation or other winding-up procedures;
- there is a default in payment under the Obligor's future secured indebtedness or other unsecured indebtedness; or
- there is an acceleration of any of the Obligor's indebtedness.

If any of these events occurs, the Obligor's assets may not be sufficient to pay amounts due under the Transaction Documents which in turn may result in the Issuer having insufficient funds to pay amounts due in respect of any of the Sukuk.

The Sukuk may be subject to early dissolution by the Issuer.

In certain circumstances, the Sukuk may be subject to early dissolution by the Issuer. If the Issuer has or will become liable to pay additional amounts in respect of the Sukuk and/or the Obligor is required to pay additional amounts pursuant to certain Transaction Documents, in each case as a result of certain changes affecting taxation in Malaysia or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, rulings or other administrative pronouncements, which change or amendment is made public on or after the Issue Date or any other date specified in the Pricing Supplement, the Issuer may redeem all but not some only of the Sukuk upon giving notice in accordance with the Terms and Conditions of the Sukuk.

In each case, dissolution will take place in accordance with the Terms and Conditions of the Sukuk. An early dissolution feature is likely to limit the market value of the Sukuk. During any period when the Obligor may require the Issuer to redeem any Sukuk, the market value of those Sukuk generally may not rise substantially above the dissolution amount payable.

Considerations relating to the Tangible Assets

Ownership of the Tangible Assets.

In order to comply with the requirements of Shariah, an interest in the Tangible Assets of each Series will pass to the Issuer under the relevant Master Sale and Purchase Agreement, as supplemented by the Supplemental Sale and Purchase Agreement. The Issuer will declare a trust in respect of its ownership interest in such Tangible Assets and the other relevant Trust Assets in favour of the Sukukholders of the relevant Series pursuant to the Master Trust Deed, as supplemented by the relevant Supplemental Trust Deed. Accordingly, Sukukholders will have beneficial ownership interests in the relevant Tangible Assets unless transfer of the Tangible Assets is prohibited by, or ineffective under, any applicable law (see "*Transfer of the Tangible Assets*" below).

No investigation or enquiry will be made and no due diligence will be conducted in respect of any Tangible Assets. Only limited representations will be obtained from the Obligor in respect of the Tangible Assets of a Series. In particular, the precise terms of such Tangible Assets or the nature of the assets sold or held will not be known (including whether there are any restrictions on transfer or any further obligations required to be performed by the Obligor to give effect to the transfer of the ownership interest in the Tangible Assets). No steps will be taken to perfect the transfer of the ownership interest in any Tangible Assets or otherwise give notice to any obligor in respect thereof. The obligors in respect of such Tangible Assets may have rights of set off or counterclaim against the Obligor in respect of such Tangible Assets.

In addition, if and to the extent that a third party is able to establish a direct claim against the Issuer, the Trustee or any relevant Sukukholders on the basis of legal or beneficial ownership of any Tangible Assets, the Obligor has agreed in the Trust Deed to indemnify the Issuer, the Trustee and the Sukukholders against any such liabilities. If the Obligor is unable to meet any such claims, then the relevant Sukukholders may suffer losses in excess of the original face amount invested.

Transfer of the Tangible Assets.

No investigation has been or will be made as to whether any interest in any Tangible Assets may be transferred as a matter of the law governing the contracts, the law of the jurisdiction where such assets are located or any other relevant law. No investigation will be made to determine if any Supplemental Sale and Purchase Agreement will have the effect of transferring an ownership interest in the relevant Tangible Assets. The Master Sale and Purchase Agreement is, and each Supplemental Sale and Purchase Agreement will be, governed by Malaysian law and, to the extent that such laws are applied in relation to any dispute, there are doubts whether an ownership interest in certain assets (in particular receivable assets such as ijara or murabahah contracts) can be effectively transferred without notice of the transfer being given to the obligor. Accordingly, no assurance is given that any ownership interest in any Tangible Assets will be transferred to the Issuer.

The Obligor has agreed in the Purchase Undertaking to indemnify the Issuer for the purposes of redemption in full of the outstanding Sukuk in the event that any transfer of an ownership interest in any Tangible Assets is found to be ineffective. In addition, the Obligor has agreed in the Purchase Undertaking that, to the extent that the sale and purchase or transfer of any ownership interest in any Tangible Assets is not (or is alleged not to be) effective in any jurisdiction for any reason, it will make payment of an amount equal to the relevant exercise price.

In the event that the Tangible Assets of any Series are not repurchased by the Obligor for any reason, the Trustee will seek to enforce the above provisions of the Purchase Undertaking. To the extent that it obtains an English judgment in its favour, it may seek to enforce that judgment or award in a Malaysian court.

Considerations related to Sukuk generally

Set out below is a brief description of certain market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

The ratings of the Programme may be downgraded or withdrawn and may not reflect all the risks associated with an investment in those Sukuk.

The Programme has been assigned a rating of A3 and A- by Moody's and S&P, respectively. Sukuk issued under the Programme may be rated or unrated. Where a Tranche of Sukuk issued under the Programme is rated, its rating will not necessarily be the same as the rating applicable to the Programme. The ratings represent the opinions of the rating agencies and their assessment of the ability of the Issuer and the Obligor to perform their respective obligations under the Sukuk and credit risks in determining the likelihood that payments will be made when due under the Sukuk. A reduction or withdrawal of the ratings may adversely affect the market price of the Sukuk and the Issuer's or the Obligor's ability to access the debt capital markets. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Sukuk. A credit rating is not a recommendation to buy, sell or hold securities and may be revised, suspended or withdrawn by the rating agency at any time.

Sukuk issued under the Programme have no current active trading market and may trade at a discount to their initial offering price and/or with limited liquidity.

Sukuk issued under the Programme will be new securities which may not be widely distributed and for which there is currently no active trading market (unless in the case of any particular Tranche, such Tranche is to be consolidated with and form a single series with a Tranche of Sukuk which is already issued). If the Sukuk are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuer and/or the Obligor. If the Sukuk are trading at a discount, investors may not be able to receive a favourable price for their Sukuk, and in some circumstances investors may not be able to sell their Sukuk at all or at their fair market value. Although an application may be made for the Sukuk issued under the Programme to be admitted to listing on the SGX-ST, Bursa (under the Exempt Regime) or the Labuan International Financial Exchange or any other stock exchange, there is no assurance that such application will be accepted, that any particular Tranche of Sukuk will be so admitted or that an active trading market will develop. In addition, the market for investment grade and crossover grade debt has been subject to disruptions that have caused volatility in prices of securities similar to the Sukuk issued under the Programme. Accordingly, there is no assurance as to the development or liquidity of any trading market, or that disruptions will not occur, for any particular Tranche of Sukuk.

Definitive Sukuk may not be available in certain denominations.

In relation to any issue of Sukuk which are tradeable in clearing systems in amounts other than integral multiples of the relevant minimum or specified denomination, should definitive Sukuk be required to be issued, a holder who does not have such integral multiple in his account with the relevant clearing system, at the relevant time, may not receive all of his entitlement in the form of definitive Sukuk unless and until such time as his holding becomes an integral multiple thereof.

Reliance on procedures of clearing systems.

Sukuk issued under the Programme will be represented on issue by one or more Global Certificates that may be deposited with a common depository for Euroclear and Clearstream (the “**Clearing Systems**”). Except in the circumstances described in each Global Certificate, investors will not be entitled to receive Sukuk in definitive form. Each relevant Clearing System(s) and their respective direct and indirect participants (if any) will maintain records of the beneficial interests in each Global Certificate held through it. While the Sukuk are represented by a Global Certificate, investors will be able to trade their beneficial interests only through the relevant Clearing Systems and their respective participants (if any).

While the Sukuk of a Series are represented by a Global Certificate, the Issuer will discharge its payment obligations in respect of the Sukuk of that Series by making payments through the relevant Clearing System for distribution to their account holders. A holder of a beneficial interest in a Global Certificate must rely on the procedures of the Clearing System(s) and its participants (if any) to receive payments under the Sukuk. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in any Global Certificate.

Holders of beneficial interests in a Global Certificate will not have a direct right to vote in respect of the Sukuk so represented. Instead, such holders will be permitted to act only to the extent that they are enabled by the Clearing System(s) and its participants to appoint appropriate proxies.

Investors must make their own determination as to Shariah compliance.

Members of the Board Shariah Committee of CIMB Islamic Bank Berhad have confirmed that, in their opinion, the Sukuk and the Transaction Documents are in compliance with Shariah principles. However, there can be no assurance as to the Shariah permissibility of the Transaction Documents or any issue and the trading of a Series of Sukuk will be deemed to be Shariah-compliant by any other Shariah board or Shariah scholars or Shariah scholars. None of the Issuer, the Obligor (including its Shariah Committee), the Trustee, the Agents, the Arrangers and the Dealers or any person who controls any of them or any of their respective directors, officers, employees, agents, representatives, advisers or affiliates, makes any representation as to the Shariah compliance of any Series of Sukuk. Investors are reminded that, as with any Shariah views, differences in opinion are possible. Investors are advised to obtain their own independent Shariah advice as to whether the structure and the Transaction Documents meet their individual standards of compliance and make their own determination as to the future tradability of the Sukuk on any secondary market. If the Sukuk are deemed not to be Shariah-compliant by an investor’s own standard of Shariah compliance, such investor may be required to sell or otherwise dispose of its Sukuk by virtue of its own constitutional restraints or otherwise. Similarly, if the Sukuk are deemed not to be Shariah-compliant by a potential investor’s standards of Shariah-compliance, it may be prohibited from buying the Sukuk by virtue of its own constitutional restraints or otherwise. Accordingly, the liquidity and price of the Sukuk in the market may be adversely affected by particular Shariah standards, and the interpretation thereof, of existing or potential investors.

Shariah requirements in relation to interest awarded by a court.

In accordance with applicable Shariah principles, each of the Issuer and the Trustee will waive all and any entitlement it may have to interest awarded in its favour by any court in connection with any dispute under any of the Transaction Documents. Should there be any delay in the enforcement of a judgment given against the Obligor, judgment interest may accrue in respect of that delay and, as a result of the waiver referred to above, Sukukholders will not be entitled to receive any part of such interest.

There can be no assurance as to the impact of a change in the laws governing the Transaction Documents.

The Terms and Conditions of the Sukuk and the Transaction Documents (other than the Master Sale and Purchase Agreement) will be governed by English law. The Master Sale and Purchase Agreement will be governed by the laws of Malaysia. No assurance can be given as to the impact of any possible judicial decision or change to English law or the laws of Malaysia after the date of this Offering Circular (including their impact on the interpretation of such laws after the date of this Offering Circular), nor can any assurance be given that any such change would not adversely affect the ability of the Obligor to make payment under the relevant Transaction Documents or the Issuer to make payments under the Sukuk.

Exchange rate risks and exchange controls may result in investors receiving less profit or principal than expected.

The Issuer will pay principal and profit on the Sukuk in the currency specified in the relevant Pricing Supplement (the “**Specified Currency**”). This presents certain risks relating to currency conversions if an investor’s financial activities are denominated principally in a currency or currency unit (the “**Investor’s Currency**”) other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor’s Currency) and the risk that authorities with jurisdiction over the Investor’s Currency may impose or modify exchange controls. An appreciation in the value of the Investor’s Currency relative to the Specified Currency would decrease (1) the Investor’s Currency equivalent yield on the Sukuk, (2) the Investor’s Currency equivalent value of the principal payable on the Sukuk and (3) the Investor’s Currency equivalent market value of the Sukuk.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less profit or principal than expected, or no profit or principal.

The value of Sukuk may be adversely affected by movements in market interest rates.

Investment in any Sukuk involves the risk that subsequent changes in market interest rates may adversely affect the value of such Sukuk.

Sukukholders may suffer unforeseen losses due to fluctuations in interest rates. Generally, a rise in interest rates may cause a fall in the price of the Sukuk, resulting in a capital loss for the Sukukholders. However, the Sukukholders may reinvest the profit payments at higher prevailing interest rates. Conversely, when interest rates fall, the price of the Sukuk may rise. The Sukukholders may enjoy a capital gain but profit payments received may be reinvested at lower prevailing interest rates.

Inflation risk.

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

Legal investment considerations may restrict certain investments.

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (a) Sukuk are legal investments for it, (b) Sukuk can be used as collateral for various types of borrowing and (c) other restrictions apply to its purchase or pledge of any Sukuk. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Sukuk under any applicable risk-based capital or similar rules.

TERMS AND CONDITIONS OF THE SUKUK

The following is the text of the terms and conditions which, save for the words in italics and subject to completion and amendment and as supplemented or varied in accordance with the provisions of the relevant Pricing Supplement, will be endorsed on the Sukuk in definitive form issued in exchange for the Global Certificate(s) representing each Series. Either (i) the full text of these terms and conditions together with the relevant provisions of the Pricing Supplement or (ii) these terms and conditions as so completed, amended, supplemented or varied (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed on such Sukuk. All capitalised terms that are not defined in the Conditions (as defined below) will have the meanings given to them in the applicable Pricing Supplement. Those definitions will be endorsed on the definitive Sukuk in definitive form. References in the Conditions to “Sukuk” are to the Sukuk of one Series only, not to all Sukuk that may be issued under the Programme, with details of the relevant Series being shown on the face of the relevant Sukuk and in the relevant Pricing Supplement.

Khazanah Global Sukuk Berhad (the “**Issuer**”) has established a multicurrency sukuk issuance programme (the “**Programme**”) for the issuance of trust certificates (the “**Sukuk**”) in a maximum aggregate face amount of U.S.\$5,000,000,000 (or the equivalent in other currencies calculated as described in the dealer agreement between the Issuer, Khazanah Nasional Berhad (the “**Obligor**”) and the Dealers named therein dated 22 May 2023 (the “**Dealer Agreement**”), or such other maximum aggregate face amount as increased in accordance with the terms of the Dealer Agreement.

The Sukuk are constituted by a master trust deed dated 22 May 2023 (the “**Master Trust Deed**”) between the Issuer, the Obligor and The Bank of New York Mellon, London Branch, as trustee of the Sukukholders (as defined below) (the “**Trustee**”, which term shall, where the context so permits, include its successor(s) and all other persons or companies substituting the Trustee for the purposes of the Trust Deed and any co-trustee if so appointed pursuant to the Trust Deed) (as amended and/or supplemented prior to date of issue of the relevant Sukuk (the “**Issue Date**”)) as supplemented by a supplemental Trust Deed entered into on the Issue Date of the relevant Sukuk in respect of the relevant Series (the “**Supplemental Trust Deed**” and, together with the Master Trust Deed, the “**Trust Deed**”).

An agency agreement (as amended and/or supplemented as at the Issue Date, the “**Agency Agreement**”) dated 22 May 2023 has been entered into in relation to the Sukuk issued under the Programme between the Issuer, the Obligor, the Trustee, The Bank of New York Mellon, London Branch, as issuing and paying agent (in such capacity, the “**Issuing and Paying Agent**”, which expression includes any successor issuing and paying agent appointed from time to time, and together with any further or other paying agents appointed from time to time in respect of the Sukuk, the “**Paying Agents**”) and (where appointed as contemplated therein) as calculation agent (in such capacity, the “**Calculation Agent**”, which expression includes any successor(s) or additional calculation agents appointed from time to time), and The Bank of New York Mellon SA/NV, Dublin Branch, as registrar in respect of Sukuk (the “**Registrar**”, which expression includes any successor registrar appointed from time to time), as transfer agent in respect of Sukuk (together with any further or other transfer agents appointed from time to time in respect of such Sukuk, in such capacity, the “**Transfer Agent**”, which expression includes any successor(s) or additional transfer agents appointed from time to time) and the other agents named in it (collectively, the “**Agents**”). References to the Agents or any of them shall include their successors.

Pursuant to a costs undertaking deed (as amended and/or supplemented from time to time, the “**Costs Undertaking Deed**”) dated 22 May 2023 executed by the Obligor, the Obligor has agreed to pay the fees and expenses of the Agents and the other service providers appointed in connection with the issue of the Sukuk under the Programme and to indemnify them in respect of any loss incurred in the performance of their respective obligations.

These terms and conditions (these “**Conditions**”) include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of Certificate referred to below, the Agency Agreement and the remaining Transaction Documents (as defined below). The Sukukholders are bound by, and are deemed to have notice of, all the provisions applicable to them in the Transaction Documents.

Copies of the Transaction Documents are available for inspection by Sukukholders at all reasonable times during normal business hours (being between 9:00 a.m. and 3:00 p.m., from Monday to Friday other than a public holiday) at the principal office of the Trustee for the time being (being at the Issue Date at 160 Queen Victoria Street, London EC4V 4LA, United Kingdom) and at the specified office of the Issuing and Paying Agent for the time being, in each case following prior written request and proof of holding and identity to the satisfaction of the Trustee or, as the case may be, the Issuing and Paying Agent.

Each initial Sukukholder, by its acquisition and holding of its interest in a Sukuk, shall be deemed to authorise and direct the Issuer, on behalf of the Sukukholders: (a) to apply the proceeds of the issue of the Sukuk towards the purchase of Tangible Assets and the entry into of a Commodity Murabahah Investment (in the proportions to be determined prior to the relevant Issue Date and otherwise in accordance with the provisions of the Transaction Documents), and (b) to enter into each Transaction Document to which it is a party, subject to the terms and conditions of the Trust Deed and these Conditions.

Each initial Sukukholder, by its acquisition and holding of its interest in a Certificate, shall be deemed to authorise and direct the Issuer to appoint Wakeel Capital Sdn. Bhd. as the agent of the Issuer (in such capacity, the “**Wakeel**”) to perform certain duties in respect of the Wakalah Venture in accordance with the terms of the Wakalah Agreement and the Investment Plan and to enter into each Transaction Document to which it is a party, subject to the terms and conditions of the Trust Deed and these Conditions.

1 Interpretation

Unless defined herein or the context otherwise requires, capitalised words and expressions used but not defined herein or hereon shall have the meaning given to them in the Trust Deed and the Agency Agreement. In addition, for the purposes of these Conditions, the following expressions have the following meanings:

“**Accounts Receivables**” means the total accounts receivables figure as it appears on the latest semi-annual financial statements of the Relevant Company;

“**Accounts Receivables (Market Capitalisation) Test Ratio**” means a ratio (expressed as a percentage) calculated in accordance with the following formula:

Accounts Receivables (Market Capitalisation) Test Ratio = Accounts Receivables/Market Capitalisation;

“Accounts Receivables and Cash (Total Assets) Test Ratio” means a ratio (expressed as a percentage) calculated in accordance with the following formula:

Accounts Receivables and Cash (Total Assets) Test Ratio = (Accounts Receivables + Cash Amount)/Total Assets;

“Broken Amount” means the amount specified as such in the applicable Pricing Supplement;

“Business Activity Test” means with respect to a company whose shares are comprised in the Trust Assets, such company not being involved in the following non-Shariah compliant businesses: (a) alcohol, (b) tobacco, (c) pork-related products, (d) conventional financial services, (e) weapons and defence and (f) entertainment, including but not limited to businesses related to hotels, casinos and gambling;

“Business Day” means in the case of a currency other than euro, a day (other than a Saturday, a Sunday or a public holiday) on which commercial banks are open for general business in Labuan, Kuala Lumpur and the principal financial centre for the currency of the relevant Sukuk; and/or in the case of euro, a day on which T2 is operating;

“Calculation Amount” means the amount specified as such in the applicable Pricing Supplement;

“Cash and Interest Bearing Items (Total Assets) Test Ratio” means a ratio (expressed as a percentage) calculated in accordance with the following formula:

Cash and Interest Bearing Items (Total Assets) Test Ratio = (Cash Amounts + Interest Bearing Securities)/Total Assets;

“Cash and Interest Bearing Securities (Market Capitalisation) Test Ratio” means a ratio (expressed as a percentage) calculated in accordance with the following formula:

Cash and Interest Bearing Securities (Market Capitalisation) Test Ratio = (Cash Amounts + Interest Bearing Securities)/Market Capitalisation;

“Commodity Murabahah Investment” means the sale of Commodities (as defined therein) by the Issuer to the Obligor, initially purchased by the Issuer using a proportion of the proceeds of the issue of the Sukuk, pursuant to the Master Murabahah Agreement and having the terms set out in the relevant Murabahah Contract;

“Debt (Market Capitalisation) Test Ratio” means a ratio (expressed as a percentage) calculated in accordance with the following formula:

Debt (Market Capitalisation) Test Ratio = Total Debt/Market Capitalisation;

“Debt (Total Assets) Test Ratio” means a ratio (expressed as a percentage) calculated in accordance with the following formula:

Debt (Total Assets) Test Ratio = Total Debt/Total Assets;

“Deed of Surrender” means the deed of surrender to be dated the Issue Date of the relevant Series executed by the Issuer, surrendering in favour of the relevant seller any and all of its voting rights in respect of the Tangible Assets and any other shares which form part of the relevant Wakalah Venture;

“Deferred Sale Price” means the deferred sale price payable by the Obligor to the Issuer in respect of the Commodity Murabahah Investment;

“Delegation” has the meaning given to it in Condition 15(a);

“DJIM Financial Ratios” means the financial ratios of Dow Jones Islamic Market Indexes, namely:

- (a) Debt (Market Capitalisation) Test Ratio is less than 33.0 per cent.;
- (b) Cash and Interest Bearing Securities (Market Capitalisation) Test Ratio is less than 33.0 per cent.; and
- (c) Accounts Receivables (Market Capitalisation) Test Ratio is less than 33.0 per cent.

“Dissolution Date” means, as the case may be:

- (a) any Scheduled Dissolution Date;
- (b) any Tax Dissolution Date;
- (c) any Optional Dissolution Date; or
- (d) any Dissolution Event Redemption Date;

“Dissolution Distribution Amount” means:

- (a) the sum of:
 - (i) the outstanding face amount of such Sukuk; and
 - (ii) any due and unpaid Periodic Distribution Amounts for such Sukuk; or
- (b) such other amount specified hereon as being payable upon any Dissolution Date;

“Dissolution Event” means any of the following events:

- (a) **Non-payment:** (i) default is made in payment of the Dissolution Distribution Amount on the Scheduled Dissolution Date or in the payment of the Dissolution Distribution Amount on the dates on which such amount is payable in accordance with these Conditions, in each case provided that such default continues for a period of 10 Business Days after the due date, or (ii) default is made in payment of the Periodic Distribution Amount on the due date for payment thereof, provided that such default continues for a period of 10 Business Days after the due date, or (iii) default is made in payment of the Deferred Sale Price under the relevant Murabahah Contract on the

date on which such amount is payable in accordance with the terms of the Master Murabahah Agreement and such Murabahah Contract, provided that such default continues for a period of 10 Business Days after the due date. In this paragraph (a), “**Business Day**” means:

- (i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in Labuan and Kuala Lumpur; and
 - (ii) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency or (2) in relation to any sum payable in euro, a day on which T2 is open; or
- (b) **Breach of Other Obligations:** the Issuer or the Obligor defaults in performance or observance of or compliance with any one or more of its other obligations (other than any payment obligations under (a) above) set out in the Sukuk or the Trust Deed which default is incapable of remedy or, if such default is capable of remedy, such default is not remedied within 30 days after written notice of such default shall have been given to the Issuer (or the Obligor, as the case may be) by the Trustee; or
- (c) **Cross Default:**
- (i) any other indebtedness of the Issuer or the Obligor in respect of monies borrowed or raised is or is declared to be or is capable of being rendered due and payable prior to its stated maturity by reason of any actual default, event of default or the like (however described) or is not paid when due or, as a result of any actual default, event of default or the like (however described), any facility relating to any such indebtedness is or is declared to be or is capable of being cancelled or terminated before its normal expiry date or any person otherwise entitled to use any such facility is not so entitled; or
 - (ii) the Issuer or the Obligor fails to pay when properly called upon to do so any guarantee of indebtedness for borrowed monies,
- provided however, that no Dissolution Event will occur under this paragraph (c):
- (A) unless and until the aggregate amount of the indebtedness in respect of which one or more of the events mentioned in this paragraph (c) has/have occurred equals or exceeds U.S.\$50,000,000 or its equivalent in another currency; or
 - (B) if the Issuer or the Obligor is contesting the relevant claim or declaration in good faith prior to an order or award being made against it; or
- (d) **Winding-up:** a resolution is passed or an order of a court of competent jurisdiction is made that the Issuer or the Obligor be wound up or dissolved otherwise than for the purposes of or pursuant to and followed by a consolidation, amalgamation, merger or reconstruction the terms of which shall have previously been approved by an Extraordinary Resolution of the Sukukholders; or

- (e) **Ownership of Obligor:** the Government of Malaysia ceases for whatever reason, to own, directly or indirectly, the entire issued share capital of the Obligor; or
- (f) **Ownership of Issuer:** the Obligor ceases for whatever reason, to own, directly or indirectly, the entire issued share capital of the Issuer;

“**Dissolution Event Redemption Date**” has the meaning given to it in Condition 12(a);

“**Dissolution Notice**” has the meaning given to it in Condition 12(a);

“**Exercise Notice**” means an exercise notice given pursuant to the terms of the Purchase Undertaking;

“**Extraordinary Resolution**” has the meaning given to it in the Trust Deed;

“**Financial Period**” means any annual financial period of the Relevant Company in respect of which audited financial statements are or must under applicable law be prepared;

“**Financial Ratio Test**” means with respect to a company which shares are comprised in the Trust Assets, either the DJIM Financial Ratios or the FTSE Financial Ratios;

“**Fixed Amount**” means the amount specified as such in the applicable Pricing Supplement;

“**FTSE Financial Ratios**” means financial ratios of the FTSE Shariah Global Equity Index Series, namely:

- (a) Debt (Total Assets) Test Ratio is less than 33.0 per cent.;
- (b) Cash and Interest Bearing Items (Total Assets) Test Ratio is less than 33.0 per cent.;
- (c) the aggregate of Interest Income and Non-compliant Activities Income do not exceed 5.0 per cent. of Total Revenue; and
- (d) Accounts Receivables and Cash (Total Assets) Test Ratio is less than 50.0 per cent.;

“**International Investment Securities**” means bonds, debentures, notes, certificates, loan stock or investment securities of the Obligor which (a) either (i) are by their terms payable, or confer a right to receive payment, in any currency other than Ringgit or (ii) are denominated or payable in Ringgit and more than 50.0 per cent. of the aggregate nominal amount thereof is initially distributed outside Malaysia by or with the authorisation of the issuer thereof and (b) are for the time being, or are capable of being, quoted, listed, ordinarily dealt in or traded on any stock exchange, quotation system or over-the-counter or other similar securities market;

“**Interest Bearing Securities**” means investments of the Relevant Company in interest bearing securities; provided that:

- (a) investment in any financial instrument accepted as Shariah-compliant by the Wakeel, or the Wakeel Shariah Adviser on its behalf, shall not be included in the calculation of Interest Bearing Securities; and
- (b) any financial instrument or structure based on discounting or trading of receivables shall be included in the calculation of Interest Bearing Securities;

“Interest Income” means the income of the Relevant Company from Interest Bearing Securities. Any revenue classified as “Other Revenue” or described in similar terms and the source of which is not specifically identified in the accounts of the Relevant Company shall be assumed (in the absence of a determination by the Wakeel Shariah Adviser) to be Interest Income for these purposes. Interest Income for a relevant period in respect of which a dividend is paid shall be the sum of the Interest Income and Other Revenue line items as stated in the financial statements of the Relevant Company for the Relevant Period unless and until audited financial statements are available which specifically identify the source of revenue classified as “Other Revenue” for such relevant period;

“Investment Conditions” means in relation to each Series, the following conditions to be met by the Wakeel (or any agent appointed by the Wakeel in connection with the same):

- (a) ensuring that each such Wakalah Venture Contract remains in full force and effect whilst any Sukuk remain outstanding;
- (b) ensuring that all assets comprised in the Wakalah Venture are Shariah-compliant;
- (c) ensuring that at all times during the term of the Sukuk the aggregate value of the Tangible Assets comprised in the Wakalah Venture is at least equal to the Tangible Assets Minimum Value, all as valued in accordance with the Valuation Principles; and
- (d) not waiving or forgiving the obligation of any counterparty under any Wakalah Venture Contracts and not entering into any arrangement to dispose at a discount of any rights under any such Wakalah Venture Contract;

“Investment Plan” means the investment plan consisting of the requirement for (i) the Issuer to invest the proceeds of the issue of the Sukuk of the relevant Series on the Issue Date in the Wakalah Venture; and (ii) the Wakeel to ensure satisfaction of the Investment Conditions;

“Issuer’s Power of Attorney” means in relation to each Series, the power of attorney dated the Issue Date executed by the Issuer in favour of the Obligor relating to the Purchase Undertaking;

“Issuer Undertaking” means the undertaking dated 22 May 2023 and granted by the Issuer for the benefit of the Obligor;

“Market Capitalisation” means the average market capitalisation of the Relevant Company for the preceding 24 months ending on the date falling at the end of the Financial Period for which the relevant financial ratio is calculated, based on the average daily closing price of the relevant shares in such period multiplied by the average number of relevant shares outstanding in such period;

“Master Murabahah Agreement” means the master Murabahah agreement dated 22 May 2023 between the Issuer, the Obligor and CIMB Islamic Bank Berhad in its capacity as facility agent;

“Master Sale and Purchase Agreement” means the master sale and purchase agreement dated 22 May 2023 between the Issuer and the Obligor;

“Murabahah Contract” has the meaning given to it in the Master Murabahah Agreement;

“Non-compliant Activities Income” means the income of the Relevant Company from activities determined by the Wakeel, or the Wakeel Shariah Adviser on its behalf, in its discretion (which determination shall be deemed to be conclusive and binding) as not in compliance with Shariah principles;

“Obligor’s Power of Attorney” means in relation to each Series, the power of attorney dated the Issue Date executed by the Obligor in favour of the Issuer and the Trustee relating to the Purchase Undertaking;

“Obligor Undertaking” means the undertaking dated 22 May 2023 and granted by the Obligor for the benefit of the Issuer and the Wakeel as its agent;

“Offering Circular” means the offering circular dated 22 May 2023 in relation to the Programme, as revised, supplemented, amended, updated or replaced from time to time;

“Optional Dissolution Date” means, in relation to any exercise of the Optional Dissolution Right, the date(s) specified as such hereon;

“Optional Dissolution Right” means the right specified in Condition 8(c);

“Outstanding” shall have the meaning given to it in the Trust Deed;

“Periodic Distribution Amount” has the meaning given to it in Condition 7;

“Periodic Distribution Date” means the date or dates specified as such in the applicable Pricing Supplement;

“Periodic Distribution Period” means the period beginning on and including the Profit Commencement Date and ending on but excluding the first Periodic Distribution Date and each successive period beginning on and including a Periodic Distribution Date and ending on but excluding the next succeeding Periodic Distribution Date;

“Potential Dissolution Event” means any condition, event or act which, with the giving of notice, lapse of time, declaration, demand, determination or fulfilment of any other applicable condition (or any combination of the foregoing) would constitute a Dissolution Event;

“Proceedings” has the meaning given to it in Condition 19(b);

“Profit Amount” means:

- (a) in respect of a Return Accumulation Period, the amount of profit payable per Calculation Amount for that Return Accumulation Period and which, unless otherwise specified hereon, shall mean the Fixed Amount or Broken Amount specified hereon as being payable on the Periodic Distribution Date ending the Periodic Distribution Period of which such Return Accumulation Period forms part; and
- (b) in respect of any other period, the amount of profit payable per Calculation Amount for that period;

“Profit Commencement Date” means the Issue Date or such other date as may be specified hereon;

“Profit Period Date” means each Periodic Distribution Date unless otherwise specified hereon;

“Profit Rate” means the profit rate payable from time to time in respect of the Sukuk and that is either specified hereon or calculated in accordance with the provisions hereof;

“Purchase Undertaking” means the purchase undertaking dated 22 May 2023 and granted by the Obligor for the benefit of the Issuer and the Trustee;

“Record Date” has the meaning given to it in Condition 9(a);

“Register” has the meaning given to it in Condition 2;

“Relevant Company” means any entity, all or part of the beneficial interest of the share capital of which may be, or all or some of the beneficial interest of the Securities may be, at the relevant time included in the Trust Assets;

“Relevant Date” has the meaning given to it in Condition 10;

“Relevant Powers” has the meaning given to it in Condition 15(a);

“Return Accumulation Period” means the period beginning on (and including) the Profit Commencement Date and ending on (but excluding) the first Profit Period Date and each successive period beginning on (and including) a Profit Period Date and ending on (but excluding) the next succeeding Profit Period Date;

“Ringgit” means the lawful currency for the time being of Malaysia;

“Scheduled Dissolution Date” means the date specified as such in the applicable Pricing Supplement;

“Securities” means Shariah-compliant shares or other securities (including without limitation any Shariah-compliant evidence of indebtedness or rights to subscribe or purchase shares or other securities), as determined by the Wakeel, or the Wakeel Shariah Adviser on its behalf, in its discretion, which determination shall be deemed to be conclusive and binding;

“Series” means a series of Sukuk which are identical in all respects;

“SGX-ST” means the Singapore Exchange Securities Trading Limited;

“Stock Exchange” means, in relation to the Sukuk, the stock exchange or exchanges (if any) on which the Sukuk are for the time being quoted or listed;

“Subsidiary” means a subsidiary as defined in the Companies Act 2016, Malaysia;

“Supplemental Sale and Purchase Agreement” means the supplemental sale and purchase agreement to be dated the Issue Date of the relevant Series between the Issuer and the Obligor (or such other person named therein as the seller of the assets which are the subject of such agreement) for purchase of the Tangible Assets;

“Tangible Assets” has the meaning given to it in the Master Sale and Purchase Agreement;

“Tangible Assets Minimum Value” means, for so long as any Sukuk is outstanding, the aggregate fair market value of the Tangible Assets comprised in the Wakalah Venture in relation to such Sukuk being at least equal to 33.0 per cent. of the Wakalah Venture as a whole, all as determined in accordance with the Valuation Principles;

“TARGET Business Day” has the meaning given to it in Condition 7(e);

“T2” means the real time gross settlement system operated by the Eurosystem, or any successor system;

“Tax Dissolution Date” has the meaning given to it in Condition 8(b);

“Total Assets” means the aggregate of the value of all current and non-current assets, which appears on the latest semi-annual balance sheet of the Relevant Company;

“Total Debt” means total debt (long-term and short-term), which appears on the latest semi-annual balance sheet of the Relevant Company; provided that:

- (a) financing accepted as Shariah-compliant by the Wakeel, or the Wakeel Shariah Adviser on its behalf, shall not be included in the calculation of Total Debt; and
- (b) any financial instrument or structure based on discounting or trading of receivables shall be included in the calculation of Total Debt;

“Total Revenue” means total revenue for a relevant period as stated in the financial statements of the Relevant Company;

“Transaction Documents” means, in relation to each Series:

- (a) the relevant Sukuk;
- (b) the Master Trust Deed as supplemented by the applicable Supplemental Trust Deed;
- (c) the Agency Agreement;
- (d) the Master Sale and Purchase Agreement as supplemented by the applicable Supplemental Sale and Purchase Agreement;
- (e) the Purchase Undertaking (together with each relevant sale agreement executed upon exercise of the Purchase Undertaking);
- (f) the Issuer Undertaking (together with each relevant sale and purchase agreement executed upon exercise of the Issuer Undertaking);

- (g) the Obligor Undertaking (together with each relevant sale and purchase agreement executed upon exercise of the Obligor Undertaking);
- (h) the Wakalah Agreement;
- (i) the Master Murabahah Agreement (together with all offers, acceptances and confirmations delivered pursuant thereto in connection with the relevant Series);
- (j) the Costs Undertaking Deed;
- (k) the Deed of Surrender;
- (l) the Issuer's Power of Attorney;
- (m) the Obligor's Power of Attorney; and
- (n) any additional documents specified hereon;

“**Trust**” means, in respect of a Series, the trust created by the Issuer over the Trust Assets pursuant to the Trust Deed;

“**Trust Assets**” has the meaning given to it in Condition 5(a);

“**Valuation Principles**” means the following valuation principles that shall be used to calculate the value of the Wakalah Venture:

- (a) the value of the Wakalah Venture on any valuation date is equal to the aggregate of the fair market value of the Tangible Assets comprised in the Wakalah Venture and the value of the outstanding Deferred Sale Price under the Commodity Murabahah Investment (each determined as described below);
- (b) the fair market value of shares, including without limitation distributions or dividends in the form of shares, which are not listed on any stock exchange on any valuation date shall be calculated by reference to the net tangible assets of the relevant company as derived from its most recently published audited accounts;
- (c) the fair market value of shares, including without limitation distributions or dividends in the form of shares, which are listed on a stock exchange on any valuation date shall be calculated by reference to the volume weighted average price of such shares for a period of 20 trading days ending on the trading day falling two Business Days prior to the relevant valuation date;
- (d) the value of the outstanding Deferred Sale Price under the Commodity Murabahah Investment on any valuation date shall be equal to the aggregate of all outstanding amounts that remain payable under the Master Murabahah Agreement and the relevant Murabahah Contract on the relevant valuation date in accordance with the terms thereof;

- (e) the fair market value of any assets or the relevant dividend or distribution (as the case may be) shall be determined by the Wakeel acting in good faith by reference to one or more valuation methodologies customarily adopted in respect of assets of a similar nature and approved by the Wakeel Shariah Adviser; and
- (f) all calculations and determinations shall be expressed in the Specified Currency. Any amounts not expressed in the Specified Currency shall be converted into the Specified Currency at the then prevailing exchange rate between the Specified Currency and the relevant currency;

“**volume weighted average price**” means in respect of any trading day (being a day on which the principal stock exchange or the securities market on which the shares are traded or dealt in is open for business) and with regards to the relevant share, the volume weighted average price of such share as obtained or derived from Bloomberg on that trading day or if no transaction in respect of such share takes place on that trading day, the average of the closing bid and offer prices on that day in respect of such share as derived from the stock exchange or other securities market on which such share is principally traded;

“**Wakalah Agreement**” means the Wakalah agreement dated 22 May 2023 between the Issuer and Wakeel Capital Sdn. Bhd.;

“**Wakalah Portfolio**” has the meaning given to it in the Wakalah Agreement;

“**Wakalah Venture**” has the meaning given to it in the Wakalah Agreement;

“**Wakalah Venture Contracts**” means the Master Sale and Purchase Agreement, any Supplemental Sale and Purchase Agreement, the Master Murabahah Agreement and any Murabahah Contract and any ancillary contracts in relation thereto entered into from time to time, including but not limited to the Deed of Surrender, the Issuer Undertaking, the Obligor Undertaking, the Purchase Undertaking and any sale and purchase agreements or substitution agreements entered into pursuant to such undertakings;

“**Wakalah Venture Income**” means, in relation to each Series, a sum in Ringgit equal to the amount of all dividends and other distributions in each case in the form of cash, accruing to the Issuer as beneficial owner of the shares comprised in the Wakalah Venture for so long as any Sukuk under such Series remains outstanding; and

“**Wakeel Shariah Adviser**” refers to Amanie Advisors Sdn. Bhd., the Shariah adviser appointed by the Wakeel.

All references to the “**face amount**” of a Sukuk shall be deemed to include the relevant Dissolution Distribution Amount, any additional amounts (other than relating to Periodic Distribution Amounts) which may be payable under Condition 10 and any other amount in the nature of face amounts payable pursuant to these Conditions.

All references to “**Periodic Distribution Amounts**” shall be deemed to include any additional amounts in respect of profit distributions which may be payable under Condition 10 and any other amount in the nature of a profit distribution payable pursuant to these Conditions.

2 Form, Denomination and Title

(a) Form and Denomination

The Sukuk are issued in registered form in the denomination amount shown thereon or on the Certificates and in the currency (the “**Specified Currency**”) and the denominations (the “**Specified Denomination(s)**”) specified in the applicable Pricing Supplement.

Sukuk are represented by registered certificates (“**Certificates**”) and, save as provided in Condition 3(c), each Certificate shall represent the entire holding of Sukuk by the same holder.

(b) Title

- (i) Title to the Sukuk shall pass by registration in the register that the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement (the “**Register**”). Except as ordered by a court of competent jurisdiction or as required by law, the holder of any Sukuk shall be deemed to be and shall be treated as the absolute owner of such Sukuk for the purpose of receiving payment thereof or on account thereof and for all other purposes, whether or not such Sukuk is overdue and notwithstanding any notice of ownership, theft, loss or forgery thereof or any writing thereon made by anyone, and no person shall be liable for so treating the holder.
- (ii) In these Conditions, “**Sukukholder**” or “**holder**” means the person in whose name a Sukuk is registered, “**Series**” means a Tranche, together with any further Tranche or Tranches, which are (a) expressed to be consolidated and forming a single series and (b) identical in all respects (including as to listing) except for their respective issue dates, issue prices and/or dates of the first payment of interest and “**Tranche**” means Sukuk which are identical in all respects (including as to listing).
- (iii) Words and expressions defined in the Trust Deed or used in the applicable Pricing Supplement (as defined in the Trust Deed) shall have the same meanings where used in these Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Trust Deed and the applicable Pricing Supplement, the applicable Pricing Supplement will prevail.

*Upon issue, the Sukuk will be represented by a global certificate which will be deposited with, and registered in the name of a nominee for, a common depositary for Euroclear Bank SA/NV (“**Euroclear**”) and Clearstream Banking S.A. (“**Clearstream**”) (the “**Global Certificate**”). Ownership interests in the Global Certificate will be shown on, and transfers thereof will only be effected through, records maintained by Euroclear, Clearstream and their respective participants. The Conditions are modified by certain provisions contained in the Global Certificate. Sukuk which are represented by the Global Certificate will be transferable only in accordance with the rules and procedures for the time being of Euroclear, Clearstream, and/or any other relevant clearing system.*

3 Transfers

(a) Transfer of Sukuk

Subject to Conditions 3(d) and 3(e) and the relevant provisions of the Agency Agreement, one or more Sukuk may be transferred in whole or in part upon the surrender (at the specified office of the Registrar or any Transfer Agent) of the Certificate(s) representing such Sukuk to be transferred, together with the form of transfer endorsed on such Certificate(s), duly completed and executed and any other evidence as the Registrar or such Transfer Agent may require to prove the title of the transferor and the authority of the individuals that have executed the form of transfer. In the case of a transfer of part only of a holding of Sukuk represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. In the case of a transfer of Sukuk to a person who is already a holder of Sukuk, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding. All transfers of Sukuk and entries on the Register will be made subject to, and will be made in accordance with, the detailed regulations concerning transfers of Sukuk, the initial form of which is scheduled to the Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of the Registrar and the Trustee, and by the Registrar with the prior written approval of the Issuer and the Trustee. A copy of the current regulations will be made available for inspection by the Registrar to any Sukukholder at all reasonable times during normal business hours (being between 9:00 a.m. and 3:00 p.m., from Monday to Friday other than a public holiday) at the specified office of the Registrar following prior written request and proof of holding and identity to the satisfaction of the Registrar. No transfer of title to a Sukuk will be valid unless and until entered on the Register.

(b) Exercise of Option or Partial Dissolution in Respect of Sukuk

In the case of an exercise of the Issuer's option in respect of, or a partial dissolution of, a holding of Sukuk represented by a single Certificate, a new Certificate shall be issued to the holder to reflect the exercise of such option or in respect of the balance of the holding for which no payment was made. In the case of a partial exercise of an option resulting in Sukuk of the same holding having different terms, separate Certificates shall be issued in respect of those Sukuk of that holding that have the same terms. New Certificates shall only be issued against surrender of the existing Certificates to the Registrar or any Transfer Agent. In the case of a transfer of Sukuk to a person who is already a holder of Sukuk, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding.

(c) Delivery of New Certificates

Each new Certificate to be issued upon transfer of any Sukuk pursuant to Conditions 3(a) or 3(b) shall be available for delivery within seven business days of receipt of a duly completed form of transfer and surrender of the Certificate for exchange. Delivery of the new Certificate(s) shall be made at the specified office of the Registrar or such Transfer Agent (as the case may be) to whom delivery or surrender of such form of transfer or Certificate shall have been made or, at the option of the holder

making such delivery or surrender as aforesaid and as specified in the relevant form of transfer or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the Registrar or the relevant Transfer Agent (as the case may be) the costs of such other method of delivery and/or such insurance or takaful as it may specify. In this Condition 3(c), “**business day**” means a day (other than a Saturday, a Sunday or a public holiday) on which commercial banks are generally open for business in the place of the specified office of the Registrar or the relevant Transfer Agent (as the case may be).

Except in the limited circumstances described in the Global Certificate, owners of interests in the Sukuk will not be entitled to receive physical delivery of Certificates.

(d) Transfers Free of Charge

Transfers of Sukuk on registration, transfer, exercise of an option or partial dissolution shall be effected without charge by or on behalf of the Issuer, the Registrar or the Transfer Agents, but upon (i) payment by the relevant Sukukholder of any tax, duty, assessment or other governmental charge that may be imposed in relation to it (or the giving of such indemnity and/or security and/or prefunding as the Issuer, the Registrar or the relevant Transfer Agent may require); (ii) the Registrar or the relevant Transfer Agent (as the case may be) being satisfied in its absolute discretion with the documents of title or identity of the person making the application; and (iii) the Registrar or the relevant Transfer Agent (as the case may be) being satisfied in its absolute discretion that the regulations concerning transfer of Sukuk have been complied with.

(e) Closed Periods

No Sukukholder may require the transfer of a Sukuk to be registered: (i) during the period of 15 days ending on the due date for redemption of that Sukuk, (ii) during the period of 15 days prior to any date on which Sukuk may be called for redemption by the Issuer at its option pursuant to Condition 8(c), (iii) after any such Sukuk has been called for redemption or (iv) during the period of seven days ending on (and including) any Record Date (as defined in Condition 9(a)).

4 Status

(a) Status of Sukuk

- (i) The Sukuk represent an undivided proportionate beneficial ownership interest in the relevant Trust Assets and are limited recourse obligations of the Issuer. Each Sukuk will constitute unsecured obligations (subject to Condition 6(b)) of the Issuer and shall at all times rank *pari passu* rateably and without discrimination, preference or priority among themselves, subject to priorities or rights preferred by law.
- (ii) The obligations of the Obligor (in any capacity) pursuant to the Transaction Documents to which it is a party constitute (subject to Condition 6(c)) direct, unconditional, unsubordinated and unsecured obligations of the Obligor and shall at all times rank *pari passu* rateably and without any discrimination, preference or priority among themselves, subject to priorities or rights preferred by law.

- (iii) The provisions of the Trust Deed and the other Transaction Documents bind the Issuer, the Obligor, the Trustee, the Sukukholders and all persons claiming through or under them and the Certificates shall be issued subject to the provisions of the Trust Deed and the other Transaction Documents and these Conditions (all of which shall be deemed to be incorporated in the Trust Deed as if expressly set out verbatim in full therein).
- (iv) The Issuer covenants and undertakes with the Trustee and each Sukukholder on the terms as set out in Clauses 10 and 11 of the Trust Deed.

(b) Limited Recourse and Agreement of Sukukholders

The Sukuk do not represent an interest in any of the Issuer, the Obligor, the Trustee, the Agents or any of their respective affiliates.

Notwithstanding anything to the contrary contained herein or in any Transaction Document, no payment of any amount whatsoever shall be made in respect of the Sukuk by the Issuer, the Trustee or the Agents or any of their respective directors, officers, employees, agents or delegates except to the extent that funds are available therefor from the Trust Assets. The Trust Assets include, amongst others, all of the Issuer's rights, title, interest, entitlement and benefit in, to and under the Transaction Documents, which when any amount is due and payable thereunder, constitutes a general unsecured and unsubordinated obligation of the Obligor in respect of which a claim may be made by the Issuer or the Trustee and which ranks as described in Condition 4(a)(ii).

By subscribing for or acquiring the Sukuk, the Sukukholders acknowledge that no recourse may be had for the payment of any amount due and owing in respect of the Sukuk against the Trustee, the Issuer or the Agents or any of their respective directors, officers, employees, agents or delegates and to the extent that all claims in respect of the Trust Assets have been exhausted (including actions to procure payment by the Obligor (in its capacity as buyer) under the Master Murabahah Agreement and the relevant Murabahah Contract and to fulfil its obligations under the Purchase Undertaking) all claims in respect of the Sukuk shall be extinguished.

In addition, no Sukukholder will be able to petition for, or join any other person in instituting proceedings for, the reorganisation, liquidation, winding up or receivership of any of the Issuer (and/or its directors), the Trustee or the Agents or any of their affiliates if there is a shortfall after claims in respect of the Trust Assets have been exhausted or otherwise.

5 The Trust

(a) Trust Assets

Pursuant to the Trust Deed, the Issuer holds the Trust Assets for each Series upon trust absolutely for and on behalf of the Sukukholders of such Series *pro rata* according to the face amount of Sukuk held by each holder. The term “**Trust Assets**” in respect of each Series means the following:

- (i) the interests, rights, title, benefits and entitlements, present and future, of the Issuer in, to and under the Wakalah Venture from time to time (excluding any representations given by the Obligor to the Issuer and/or the Trustee under any documents constituting the Wakalah Venture from time to time);
- (ii) the interests, rights, title, benefits and entitlements, present and future, of the Issuer in, to and under the Transaction Documents (excluding any representations given by the Obligor to the Issuer and/or the Trustee pursuant to any of the Transaction Documents); and
- (iii) all proceeds of the foregoing.

See “Summary of Principal Transaction Documents” appearing elsewhere in this Offering Circular for more information on the Trust Assets, the Wakalah Venture and the Transaction Documents.

(b) Application of Proceeds from Trust Assets

The Trustee shall hold all and any monies received by it under the Trust Deed and/or the other Transaction Documents, despite any appropriation of all or part of them by the Issuer, in trust for the Sukukholders and apply the same in the following manner on each Periodic Distribution Date and on any Dissolution Date:

- (i) **first**, (to the extent not already satisfied under the relevant Transaction Documents) in or towards the payment of or provision for all fees, all costs, charges and expenses properly incurred and all liabilities incurred by the Trustee in carrying out its functions, rights, powers and/or discretions under the Trust Deed, the Certificates and/or the other Transaction Documents (including, for the avoidance of doubt, such amounts as aforesaid incurred by or payable to any Appointee (as defined in the Trust Deed) and to the Agents for so long as they are acting as agents of the Trustee);
- (ii) **second**, (to the extent not already satisfied under the relevant Transaction Documents including pursuant to Condition 5(b)(i)) in and towards the payment of or provision for all fees, all costs, charges and expenses properly incurred and liabilities incurred by the Agents in or incidental to the exercise or performance of any obligation, power, right, discretion and/or authority conferred on them under the Trust Deed, the Certificates and/or the other Transaction Documents;
- (iii) **third**, in or towards the payment of taxes and other government charges (if any) payable in connection with the Certificates;

- (iv) **fourth**, in or towards payment *pari passu* and rateably of all Periodic Distribution Amounts due and unpaid in respect of the Certificates; and
- (v) **fifth**, in or towards payment *pari passu* and rateably of all other amounts due and unpaid in respect of the Certificates.

(c) **Final Incentive Fee**

The Issuer shall pay on the relevant Tax Dissolution Date, the Optional Dissolution Date, the Scheduled Dissolution Date or the Dissolution Event Redemption Date an incentive fee (the “**Final Incentive Fee**”) from such amounts received from the Obligor under the Purchase Undertaking and the Master Murabahah Agreement to the Wakeel, provided that no amounts remain outstanding on the Sukuk or under Condition 5(b).

The Wakeel shall also be entitled to retain any Wakalah Venture Income generated by the Wakalah Venture as an incentive fee.

6 Covenants

(a) **Issuer Covenants**

The Issuer has covenanted in the Trust Deed that, *inter alia*, so long as any Sukuk remains outstanding, it shall not (without the prior written consent of the Trustee):

- (i) sell, transfer, assign, participate, exchange or otherwise dispose of, or pledge, mortgage, hypothecate or otherwise encumber (by security interest, lien (statutory or otherwise), preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever or otherwise) (or permit such to occur or suffer such to exist), any part of its beneficial interest in the Trust Assets, except pursuant to the Purchase Undertaking, the Issuer Undertaking or the Obligor Undertaking or as otherwise envisaged in these Conditions and the Trust Deed;
- (ii) use the proceeds of the issue of the Sukuk for any purpose other than as set out in the Offering Circular, as supplemented by the applicable pricing supplement prepared by the Issuer in connection with the relevant Series;
- (iii) have any subsidiaries;
- (iv) redeem any of its shares or pay any dividend or make any other distribution to its shareholders;
- (v) put to its directors or shareholders any resolution for, or to appoint any liquidator for, its winding up or any resolution for the commencement of any other bankruptcy or insolvency proceeding with respect to it; or

- (vi) enter into any contract, transaction, amendment, obligation or liability or do anything or engage in any business or activity other than:
- (A) as provided for or permitted in the Transaction Documents;
 - (B) Shariah-compliant transactions involving, or relating to, the Obligor and/or its affiliates (“**Shariah-compliant Transactions**”), provided that any such Shariah-compliant Transaction shall contain a limited recourse provision with the same effect to that which is set out in Condition 4(b) in relation to such transaction which specifies that recourse in each of those Shariah-compliant Transactions shall be limited to the relevant trust assets in relation thereto and, upon written request of the Trustee, has delivered to the Trustee an opinion of legal counsel satisfactory to the Trustee that such limited recourse provision is substantially similar in effect as that which is set out in Condition 4(b);
 - (C) the ownership, management and disposal of the Trust Assets as provided in the Transaction Documents or other trust assets in relation to Shariah-compliant Transactions as referred to in sub-paragraph (B) of this Condition 6(a)(vi);
 - (D) such other matters which are incidental to any of sub-paragraphs (A), (B) or (C) of this Condition 6(a)(vi); and
 - (E) as may be required in order that the Sukuk may be listed on such internationally recognised stock exchange as may be selected and approved by the Issuer and notified to the Trustee.

The Issuer has undertaken in the Trust Deed that, *inter alia*, so long as any Sukuk remains outstanding, it will obtain and/or maintain all applicable consents and approvals which are required for the performance of its obligations under the Sukuk and the Trust Deed.

(b) **Issuer Negative Pledge**

So long as any of the Sukuk remains outstanding (as defined in the Master Trust Deed), the Issuer shall not create, purport to create, or permit to be outstanding any mortgage, charge, pledge or other security interest (other than liens arising by operation of law) (an “**Encumbrance**”) upon the whole or any part of its property, assets or revenues, present or future, except for any rights of set-off, netting or other similar rights arising from custodial arrangements relating to shares which may be held by the Issuer.

(c) **Obligor Negative Pledge**

So long as any of the Sukuk remains outstanding (as defined in the Master Trust Deed), the Obligor shall not create, purport to create, or permit to be outstanding any Encumbrance upon the whole or any part of its property, assets or revenues, present or future, to secure for the benefit of the holders of any International Investment Securities: (i) payment of any sum due in respect of any such International Investment Securities; (ii) any payment under any guarantee of any such International Investment Securities; or (iii) any payment under any indemnity or other like obligation relating

to any such International Investment Securities, without in any such case at the same time according to all the Sukukholders as security for the performance of its purchase undertakings under the Purchase Undertaking and its payment obligations under the Master Murabahah Agreement, either the same security as is granted to or is outstanding in respect of such International Investment Securities, guarantee, indemnity or other like obligation or such other security as the Trustee in its absolute discretion shall deem to be not materially less beneficial to the Sukukholders or as shall be approved by an Extraordinary Resolution (as defined in the Master Trust Deed) of the Sukukholders.

7 Periodic Distribution Amounts

(a) Fixed Periodic Distribution Amount

Each Sukuk bears profit on its outstanding face amount from (and including) the Profit Commencement Date at the rate per annum (expressed as a percentage and as indicated in the applicable Pricing Supplement) equal to the Profit Rate, such profit being payable in arrear on each Periodic Distribution Date. The amount of profit payable shall be determined in accordance with Condition 7(c). Each such amount of profit is referred to in these Conditions as a “**Periodic Distribution Amount**”. Periodic Distribution Amounts shall be distributed to Sukukholders by the Issuing and Paying Agent on behalf of the Issuer, *pro rata* to their respective holdings and subject to Condition 5(b) and Condition 9.

(b) Entitlement to Profit

Profit shall cease to accumulate in respect of each Sukuk on the due date for redemption unless, upon due presentation, payment is improperly withheld or refused, in which event profit shall, subject to the terms of the Transaction Documents, continue to accumulate (both before and after judgment) at the Profit Rate in the manner provided in this Condition 7 to (but excluding) the Relevant Date.

(c) Calculations

The amount of profit payable per Calculation Amount in respect of any Sukuk for any Return Accumulation Period shall be equal to the product of the Profit Rate, the Calculation Amount specified in the applicable Pricing Supplement, and the Day Count Fraction for such Return Accumulation Period, unless a Profit Amount (or a formula for its calculation) is applicable to such Return Accumulation Period, in which case the amount of profit payable per Calculation Amount in respect of such Sukuk for such Return Accumulation Period shall equal such Profit Amount (or be calculated in accordance with such formula). Where any Periodic Distribution Period comprises two or more Return Accumulation Periods, the amount of profit payable per Calculation Amount in respect of such Periodic Distribution Period shall be the sum of the Profit Amounts payable in respect of each of those Return Accumulation Periods. In respect of any other period for which profit is required to be calculated, the provisions above shall apply save that the Day Count Fraction shall be for the period for which profit is required to be calculated.

(d) **Determination and Publication of Profit Rates, Profit Amounts and Dissolution Distribution Amounts**

The Calculation Agent shall, as soon as practicable on each Profit Rate Determination Date, or such other time on such date as the Calculation Agent may be required to calculate any rate or amount or make any determination or calculation, determine such rate and calculate the Profit Amounts for the relevant Return Accumulation Period, calculate the relevant Dissolution Distribution Amount or make such determination or calculation, as the case may be, and cause the Profit Rate and the Profit Amounts for each Return Accumulation Period and the relevant Periodic Distribution Date and, if required to be calculated, the relevant Dissolution Distribution Amount to be notified to the Issuer, the Obligor, the Trustee, each of the Paying Agents and any other Calculation Agent appointed in respect of the Sukuk that is to make a further calculation upon receipt of such information (and, if the Sukuk are listed and/or admitted to trading on a stock exchange and the rules of such exchange or other relevant authority so require, the Issuer shall, as soon as practicable, notify such exchange or other relevant authority) as soon as practicable after their determination but in no event later than (i) the commencement of the relevant Periodic Distribution Period, if determined prior to such time, in the case of notification to such exchange of a Profit Rate and Profit Amount, or (ii) in all other cases, the fourth Payment Business Day after such determination.

If the Sukuk become due and payable under Condition 12, the accrued profit and the Profit Rate payable in respect of the Sukuk shall nevertheless continue to be calculated as previously in accordance with this Condition 7 but no publication of the Profit Rate or the Profit Amount so calculated need be made. The determination of any rate or amount and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon the Sukukholders and all parties.

(e) **Definitions**

In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

“Payment Business Day” means:

- (i) in the case of a currency other than euro, a day (other than a Saturday, a Sunday or a public holiday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre for such currency; and/or
- (ii) in the case of euro, any day on which T2 is open for the settlement of payments in euro (a **“TARGET Business Day”**); and/or
- (iii) in the case of a currency and/or one or more Business Centres a day (other than a Saturday, a Sunday or a public holiday) on which commercial banks and foreign exchange markets settle payments in such currency in the Business Centre(s) or, if no currency is indicated, generally in each of the Business Centres; and

“**Day Count Fraction**” means, in respect of the calculation of an amount of profit on any Sukuk for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting a Periodic Distribution Period or a Return Accumulation Period, the “**Calculation Period**”):

- (i) if “**Actual/Actual**” or “**Actual/Actual — ISDA**” is specified in the applicable Pricing Supplement, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (ii) if “**Actual/365 (Fixed)**” is specified in the applicable Pricing Supplement, the actual number of days in the Calculation Period divided by 365;
- (iii) if “**Actual/365 (Sterling)**” is specified in the applicable Pricing Supplement, the actual number of days in the Calculation Period divided by 365 or, in the case of a Periodic Distribution Date falling in a leap year, 366;
- (iv) if “**Actual/360**” is specified in the applicable Pricing Supplement, the actual number of days in the Calculation Period divided by 360;
- (v) if “**30/360**”, “**360/360**” or “**Bond Basis**” is specified in the applicable Pricing Supplement, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y2 - Y1)] + [30 \times (M2 - M1)] + (D2 - D1)}{360}$$

where:

- Y1** = is the year, expressed as a number, in which the first day of the Calculation Period falls;
- Y2** = is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;
- M1** = is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;
- M2** = is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;
- D1** = is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D1 will be 30; and
- D2** = is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D1 is greater than 29, in which case D2 will be 30;

- (vi) if “**30E/360**” or “**Eurobond Basis**” is specified in the applicable Pricing Supplement, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y2 - Y1)] + [30 \times (M2 - M1)] + (D2 - D1)}{360}$$

where:

- Y1** = is the year, expressed as a number, in which the first day of the Calculation Period falls;
- Y2** = is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;
- M1** = is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;
- M2** = is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;
- D1** = is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D1 will be 30; and
- D2** = is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D2 will be 30;
- (vii) if “**30E/360 (ISDA)**” is specified in the applicable Pricing Supplement, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y2 - Y1)] + [30 \times (M2 - M1)] + (D2 - D1)}{360}$$

where:

- Y1** = is the year, expressed as a number, in which the first day of the Calculation Period falls;
- Y2** = is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;
- M1** = is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;
- M2** = is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;
- D1** = is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D1 will be 30; and
- D2** = is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Scheduled Dissolution Date or (ii) such number would be 31, in which case D2 will be 30;

(viii) if “**Actual/Actual-ICMA**” is specified hereon,

- (a) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and
- (b) if the Calculation Period is longer than one Determination Period, the sum of:
 - (x) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and
 - (y) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year

where:

“**Determination Period**” means the period from and including a Determination Date in any year to but excluding the next Determination Date; and

“**Determination Date**” means the date(s) specified as such in the applicable Pricing Supplement or, if none is so specified, the Periodic Distribution Date(s).

(f) **Calculation Agent**

The Issuer shall procure that there shall at all times be one or more Calculation Agents if provision is made for them in the applicable Pricing Supplement and for so long as any Sukuk is outstanding (as defined in the Trust Deed). Where more than one Calculation Agent is appointed in respect of the Sukuk, references in these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under these Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Profit Rate for a Return Accumulation Period or to calculate any Profit Amount or any Dissolution Distribution Amount, as the case may be, or to comply with any other requirement, the Issuer shall appoint a leading bank or financial institution engaged in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the calculation or determination to be made by the Calculation Agent (acting through its principal London office or any other office actively involved in such market) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

8 Redemption and Dissolution of the Trust

(a) Dissolution on the Scheduled Dissolution Date

Unless previously redeemed, or purchased and cancelled, in full, as provided below, each Sukuk shall be finally redeemed at its Dissolution Distribution Amount and the Trust shall be dissolved by the Issuer on the Scheduled Dissolution Date specified hereon following the payment of all such amounts in full and the execution of a sale agreement pursuant to the Purchase Undertaking.

(b) Early Dissolution for Taxation Reasons

The Sukuk may be redeemed at the option of the Issuer in whole, but not in part, at any time (such dissolution date being a “**Tax Dissolution Date**”), on giving not less than 30 nor more than 60 days’ notice (a “**Tax Dissolution Notice**”) to the Sukukholders (which notice shall be irrevocable) and in writing to the Trustee and the Issuing and Paying Agent at their Dissolution Distribution Amount if the Issuer satisfies the Trustee immediately prior to the giving of such Tax Dissolution Notice that:

- (i) (A) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 10, or increase the payment of such additional amounts, as a result of any change in, or amendment to, the laws (or any regulations, rulings or other administrative pronouncements promulgated thereunder) of the jurisdiction of incorporation of the Issuer or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, rulings or other administrative pronouncements, which change or amendment is made public on or after the Issue Date or any other date specified in the applicable Pricing Supplement, and (B) such obligation cannot be avoided by the Issuer taking reasonable measures available to it; or
- (ii) (A) the Obligor has or will become obliged to pay additional amounts pursuant to the terms of any Transaction Document, or to increase the payment of such additional amounts, as a result of any change in, or amendment to, the laws (or any regulations, rulings or other administrative pronouncements promulgated thereunder) of the jurisdiction of incorporation of the Obligor or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, rulings or other administrative pronouncements, which change or amendment is made public on or after the Issue Date or any other date specified in the applicable Pricing Supplement, and (B) such obligation cannot be avoided by the Obligor taking reasonable measures available to it,

provided that in either case, (x) no such Tax Dissolution Notice shall be given to Sukukholders unless a duly completed Exercise Notice has been received by the Obligor from the Issuer pursuant to the Purchase Undertaking; and (y) no such Tax Dissolution Notice may be given earlier than 90 days prior to the earliest date on which the Issuer or the Obligor, as the case may be, would be obliged to pay such additional amounts were a payment in respect of the Sukuk (in the case of the Issuer) or pursuant to any Transaction Document (in the case of the Obligor) then due.

Prior to the publication of any Tax Dissolution Notice pursuant to this Condition 8(b), the Issuer (or the Obligor, as the case may be) shall deliver or procure that there is delivered to the Issuing and Paying Agent and the Trustee (I) a certificate in English signed by an Authorised Signatory (as defined in the Trust Deed) of the Issuer or the Obligor, as the case may be, stating that the obligation referred to in Condition 8(b)(i)(A) or, as the case may be, Condition 8(b)(ii)(A) cannot be avoided by the Issuer (or the Obligor, as the case may be) taking reasonable measures available to it, and (II) an opinion, addressed to and in form and substance satisfactory to the Trustee, of independent tax or legal advisers of recognised standing to the effect that the Issuer or, as the case may be, the Obligor has or is likely to become obliged to pay such additional amounts as a result of such change or amendment.

The Trustee shall be entitled (but shall not be obliged) to accept and rely conclusively on any such certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent set out in Conditions 8(b)(i) or Condition 8(b)(ii), as the case may be, above without further enquiry and without liability to any Sukukholder or any other person, in which event the same shall be conclusive and binding on Sukukholders.

Upon expiry of any such notice given in accordance with this Condition 8(b) and after payment in full of the Dissolution Distribution Amount to Sukukholders and execution of a sale agreement pursuant to the Purchase Undertaking, the Issuer shall be bound to dissolve the Trust.

(c) Dissolution at the Option of the Issuer (Optional Dissolution Right)

If Optional Dissolution Right is specified hereon, the Issuer may, having given not less than 15 nor more than 30 days' irrevocable notice (an "**Issuer Optional Dissolution Notice**") to the Sukukholders, the Trustee and the Issuing and Paying Agent (or such other notice period as may be specified hereon), redeem all of the Sukuk on any Optional Dissolution Date.

All Sukuk in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition 8(c). After payment in full of the Dissolution Distribution Amount to all Sukukholders and execution of a sale agreement pursuant to the Purchase Undertaking, the Issuer shall be bound to dissolve the Trust.

(d) Dissolution following a Dissolution Event

Upon the occurrence of a Dissolution Event, the Sukuk may be redeemed at the Dissolution Distribution Amount and the Issuer may be required to dissolve the Trust, in each case as more particularly described in Condition 12.

(e) Purchases

The Issuer, the Obligor or any of their respective Subsidiaries may at any time purchase the Sukuk at any price in the open market or otherwise, provided that in any such case such purchase or purchases is or are in compliance with all relevant laws, regulations and directives.

The Sukuk purchased by the Issuer shall be surrendered to the Issuing and Paying Agent or the Registrar for cancellation. The Sukuk purchased by the Obligor or any of its Subsidiaries (other than the Issuer) may be surrendered by the purchaser through the Issuer to the Issuing and Paying Agent or the Registrar for cancellation or may at the option of the Obligor or any of its Subsidiaries (other than the Issuer) be held or resold. The Sukuk so purchased, while held by or on behalf of the Issuer, the Obligor or any of their respective Subsidiaries, shall not entitle the holder to vote at any meetings of the Sukukholders and shall not be deemed to be outstanding for certain purposes, including without limitation for the purposes of calculating any quorum at meetings of the Sukukholders and for the purposes of Condition 12 and Condition 14.

For the purposes of these Conditions, “**directive**” includes any present or future directive, regulation, request, requirement, rule or credit restraint programme of any relevant agency, authority, central bank department, government, legislative, minister, ministry, official public or statutory corporation, self-regulating organisation, or stock exchange.

(f) **Cancellation**

All Sukuk purchased by or on behalf of the Issuer shall be, and all Sukuk purchased by or on behalf of the Obligor or any of its Subsidiaries (other than the Issuer) may be, surrendered for cancellation by surrendering the Certificate representing such Sukuk to the Registrar and, if so surrendered, shall, together with all Sukuk redeemed by the Issuer, be cancelled forthwith. Any Sukuk or Certificates so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer and the Obligor in respect of any such Sukuk shall be discharged.

(g) **No other Dissolution**

The Issuer shall not be entitled to redeem the Sukuk or dissolve the Trust other than as provided in this Condition 8 and in Condition 12. Upon payment in full of all amounts due in respect of the Sukuk of any Series and the subsequent dissolution of the Trust as provided in this Condition 8 and/or in Condition 12 (as the case may be), the Sukuk shall cease to represent interests in the Trust Assets and no further amounts shall be payable in respect thereof and the Issuer shall have no further obligations in respect thereof.

9 Payments

(a) **Method of Payment**

Payments of the Dissolution Distribution Amount shall be made against presentation and surrender of the relevant Certificates at the specified office of any of the Paying Agents or of the Registrar and in the manner provided below.

Payments of Periodic Distribution Amounts in respect of each Sukuk shall be paid to the person shown on the Register at the close of business on the fifth day before the due date for payment thereof (the “**Record Date**”).

Payments on each Sukuk shall be made by transfer to an account maintained by the holder in that currency with a Bank.

In this Condition 9(a), “**Bank**” means a bank in the principal financial centre for such currency or, in the case of euro, in a city in which banks have access to T2.

(b) Payments subject to Law, etc.

All payments are subject in all cases to (i) any applicable fiscal or other laws, regulations and directives in the place of payment, but without prejudice to the provisions of Condition 10 and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the “Code”) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto. No commission or expenses shall be charged to the Sukukholders in respect of such payments.

(c) Appointment of Agents

The Issuing and Paying Agent, the Calculation Agent, the other Paying Agents, the Transfer Agents and the Registrar initially appointed by the Issuer and the Obligor and their specified offices are listed below. Subject to the provisions of the Agency Agreement, the Issuing and Paying Agent, the other Paying Agents, the Registrar, the Transfer Agents and the Calculation Agent act solely as agents of the Issuer and the Obligor (or, as provided in the Trust Deed, the Trustee) and none of them assume any obligation or relationship of agency or trust for or with any Sukukholder. The Issuer and the Obligor reserve the right at any time to vary or terminate the appointment of the Issuing and Paying Agent, any other Paying Agent, the Calculation Agent, any Transfer Agent and the Registrar and to appoint additional or other Paying Agents, Calculation Agent, Transfer Agents and Registrar, provided that they will at all times maintain (i) an Issuing and Paying Agent, (ii) a Calculation Agent, (iii) a Transfer Agent, (iv) a Registrar, (v) a Paying Agent in Singapore, where the Sukuk may be presented or surrendered for payment or redemption, in the event that the Sukuk are in definitive form, for so long as the Sukuk are listed on the SGX-ST and the rules of the SGX-ST so require and (vii) such other agents as may be required by any other stock exchange on which the Sukuk may be listed, in each case as approved in writing by the Trustee.

Notice of any such change or any change of any specified office will promptly be given by the Issuer to the Sukukholders in accordance with Condition 17.

(d) Non-business days

Subject as provided in the relevant Pricing Supplement or subject as otherwise provided in these Conditions, if any date for the payment in respect of any Sukuk is not a Business Day, the holder shall not be entitled to payment until the next following Business Day and shall not be entitled to any profit or other payment in respect of any such delay.

10 Taxation

All payments in respect of the Sukuk by the Issuer shall be made free and clear of any set-off or counterclaim, and without deduction or withholding for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within the jurisdiction of incorporation of the Issuer or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In such event, the Issuer shall pay such additional amounts as will result in the receipt by the Sukukholders of such amounts as would have been received by them had no such set-off, counterclaim, deduction or withholding been required, except that no such additional amounts shall be payable in respect of any Sukuk presented for payment:

(a) **Other connection**

to, or to a third party on behalf of, a holder who is subject to such taxes, duties, assessments or governmental charges by reason of his being connected with the jurisdiction of incorporation of the Issuer otherwise than by reason only of the holding of the Sukuk or the receipt of any sums due in respect of such Sukuk (including, without limitation, the holder being a resident of, or having a permanent establishment in, the jurisdiction of incorporation of the Issuer); or

(b) **Presentation more than 30 days after the Relevant Date**

more than 30 days after the Relevant Date except to the extent that the holder thereof would have been entitled to such additional amounts on presenting the same for payment on the last day of such period of 30 days.

Notwithstanding any other provision of these Conditions, in no event will the Issuer be required to pay any additional amounts in respect of the Sukuk for, or on account of, any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the Code or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, or any official interpretations thereof, or any law implementing an intergovernmental approach thereto.

As used in these Conditions, “**Relevant Date**”, in respect of any Sukuk, means the date on which payment in respect thereof first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date falling seven days after that on which notice is duly given to the Sukukholders in accordance with Condition 17 that, upon further presentation of the Sukuk being made in accordance with these Conditions, such payment will be made, provided that payment is in fact made upon such presentation, and references to “**Periodic Distribution Amounts**” and the “**Dissolution Distribution Amount**” shall be deemed to include any additional amounts which may be payable under these Conditions or any undertaking given in addition to or in substitution for it under the Trust Deed.

Neither the Trustee nor any Agent shall be responsible for paying any tax, duty, assessment, governmental charge, withholding or other payment referred to in this Condition 10 or for determining whether such amounts are payable or the amount thereof, and none of them shall be responsible or liable for any failure by the Issuer, the Obligor, any Sukukholder or any third party to pay such taxes, duties, assessments, governmental charges, withholding

or other payment in any jurisdiction or to provide any notice or information to the Trustee or any Agent that would permit, enable or facilitate the payment of Dissolution Distribution Amount, Periodic Distribution Amount or other amount under or in respect of the Sukuk without deduction or withholding for or on account of any tax, duty, assessment, governmental charge, withholding or other payment imposed by or in any jurisdiction.

The Transaction Documents each provide that payments thereunder by the Obligor shall be made free and clear of any set-off or counterclaim, and without withholding or deduction for, or on account of, any present or future taxes, duties, assessments, governmental charges, withholding or other payment of whatever nature imposed, levied, collected, withheld or assessed by Malaysia or any authority therein or thereof having power to tax, unless such set-off, counterclaim, withholding or deduction is required by law and, in such case, provide for the payment by the Obligor of additional amounts so that the full amount which would otherwise have been due and payable is received by the Issuer.

Further, the Obligor has undertaken in the Wakalah Agreement to pay such additional amounts as may be necessary pursuant to this Condition 10 so that the full amount due and payable by the Issuer in respect of the Sukuk to the Sukukholders is received by the Issuer for the purposes of payment to the Sukukholders in accordance with and subject to the provisions of this Condition 10.

11 Prescription

Claims against the Issuer for payment in respect of the Sukuk shall be prescribed and become void unless made within 10 years (in the case of the Dissolution Distribution Amount) or five years (in the case of Periodic Distribution Amounts) from the appropriate Relevant Date in respect of them.

12 Dissolution Events

(a) Dissolution Event

Upon the occurrence and continuation of a Dissolution Event:

- (i) the Trustee, upon receiving written notice thereof under the Trust Deed, shall (subject to it being indemnified, secured and/or pre-funded to its satisfaction) promptly give notice of the occurrence of the Dissolution Event to the Sukukholders in accordance with Condition 17 with a request to Sukukholders to indicate to the Issuer and the Trustee if they wish the Sukuk to be redeemed and the Trust to be dissolved; and
- (ii) the Trustee in its sole discretion may, and shall if so requested in writing by the holders of at least 25.0 per cent. of the then aggregate face amount of the Series of Sukuk outstanding or if so directed by an Extraordinary Resolution, subject in each case to being indemnified, secured and/or pre-funded to its satisfaction, give notice (a “**Dissolution Notice**”) to the Issuer, the Obligor and the Issuing and Paying Agent in writing and to the Sukukholders in accordance with Condition 17 that the Sukuk are immediately due and payable at the Dissolution Distribution Amount, whereupon they shall become so due and payable. A Dissolution Notice may be given pursuant to this Condition 12(a)(ii), whether or not notice has been given to Sukukholders as provided in Condition 12(a)(i).

Upon receipt of such Dissolution Notice, the Issuer (failing which the Trustee), shall (x) deliver an Exercise Notice to the Obligor under the Purchase Undertaking and thereafter execute the relevant sale agreement for purchase of the Wakalah Portfolio and (y) notify the Obligor that the outstanding Deferred Sale Price is immediately due and payable under the terms of the Master Murabahah Agreement and the relevant Murabahah Contract. The Issuer (failing which the Trustee) shall use the proceeds thereof to redeem the Sukuk at the Dissolution Distribution Amount on the date specified in the relevant Dissolution Notice (the relevant “**Dissolution Event Redemption Date**”) and the Trust shall be dissolved on the day after the last outstanding Sukuk has been so redeemed in full.

Upon payment in full of such amounts and dissolution of the Trust as aforesaid, the Sukuk shall cease to represent interests in the Trust Assets and no further amounts shall be payable in respect thereof and the Issuer shall have no further obligations in respect thereof.

(b) Enforcement and Exercise of Rights

Upon and following the occurrence of a Dissolution Event, to the extent that any amount payable in respect of the Sukuk of the relevant Series has not been paid in full (notwithstanding the provisions of Condition 12(a)), the Issuer or the Trustee, subject to it being indemnified and/or secured and/or pre-funded to its satisfaction, may (acting for the benefit of the Sukukholders) take one or more of the following steps:

- (i) enforce the provisions of the Purchase Undertaking and the Master Murabahah Agreement against the Obligor; and/or
- (ii) take such other steps as the Issuer or the Trustee may consider necessary to recover amounts due to the Sukukholders.

13 Realisation of Trust Assets

- (a) The Trustee shall not be bound in any circumstances to take any action to enforce or to realise the relevant Trust Assets or take any action and/or steps and/or institute any proceedings against the Issuer and/or the Obligor under any Transaction Document to which either of the Issuer or the Obligor is a party unless (i) it shall have been so directed by an Extraordinary Resolution of the Sukukholders of such Sukuk or so requested in writing by Sukukholders holding not less than 25.0 per cent. in face amount of such Sukuk outstanding and (ii) it shall have been indemnified and/or secured and/or pre-funded by the Sukukholders to its satisfaction.
- (b) No Sukukholder shall be entitled to proceed directly against the Issuer or the Obligor unless the Trustee, having become bound to do so, fails or neglects to do so within a reasonable period and such failure or neglect shall be continuing. Under no circumstances shall the Trustee or any Sukukholder have any right to cause the sale or other disposition of any of the relevant Trust Assets (other than as expressly contemplated in the Transaction Documents) and the sole right of the Trustee and the Sukukholders against the Issuer and the Obligor shall be to enforce their respective obligations under the Transaction Documents to which they are a party.

- (c) Following the enforcement, realisation and ultimate distribution of the net proceeds of the relevant Trust Assets in respect of the Sukuk of the relevant Series to the Sukukholders in accordance with these Conditions and the Trust Deed, the Issuer shall not be liable for any further sums in respect of such Series and, accordingly, Sukukholders may not take any action against the Issuer, the Trustee or any other person (including the Obligor) to recover any such sum in respect of the Sukuk or the relevant Trust Assets.
- (d) Conditions 13(a), 13(b) and 13(c) are subject to this Condition 13(d). After enforcing or realising the relevant Trust Assets in respect of the Sukuk of the relevant Series and distributing the net proceeds of the relevant Trust Assets in respect of the Sukuk of the relevant Series in accordance with Condition 5(b), the obligations of the Issuer in respect of the Sukuk of the relevant Series shall be satisfied and no Sukukholder may take any further steps against the Issuer (or any steps against the Trustee) to recover any further sums in respect of the Sukuk of the relevant Series and the right to receive from the Issuer any such sums remaining unpaid shall be extinguished. In particular, no Sukukholder shall be entitled in respect thereof to petition or to take any other steps for the winding-up of the Issuer.

14 Meetings of Sukukholders, Modification, Waiver and Substitution

(a) Meetings of Sukukholders

The Trust Deed contains provisions for convening meetings (including by way of conference call or by use of a videoconference platform) of Sukukholders of a Series to consider any matter affecting their interests, including without limitation modification by Extraordinary Resolution of the Sukuk of such Series (including these Conditions insofar as the same may apply to such Sukuk) or any of the provisions of the Trust Deed.

The Trustee, the Issuer or the Obligor at any time may, and the Trustee following the request in writing by Sukukholders holding not less than 25.0 per cent. of the face amount of the Sukuk of any Series for the time being outstanding and after being indemnified and/or secured and/or pre-funded to its satisfaction against all costs and expenses shall, convene a meeting of the Sukukholders of that Series. An Extraordinary Resolution passed at any quorate meeting of the Sukukholders shall be binding on all the Sukukholders, whether or not they are present at the meeting.

The quorum at any such meeting for passing an Extraordinary Resolution is two or more persons holding or representing more than 50.0 per cent. in face amount of the Sukuk of any Series for the time being outstanding, or at any adjourned meeting two or more persons being or representing Sukukholders whatever the face amount of the Sukuk so held or represented, except that any Extraordinary Resolution proposed, *inter alia*, (i) to amend any Dissolution Date in respect of the Sukuk or any date for payment of Periodic Distribution Amounts on the Sukuk, (ii) to reduce or cancel the face amount of, or any premium payable on redemption of, the Sukuk, (iii) to reduce the rate or rates of profit in respect of the Sukuk or to vary the method or basis of calculating the rate or rates or amount of profit or the basis for calculating any Profit Amount in respect of the Sukuk, (iv) to vary any method of, or basis for, calculating the Dissolution Distribution Amount, (v) to vary the currency or currencies of payment or denomination of the Sukuk, (vii) to modify the provisions concerning the quorum

required at any meeting of Sukukholders or the majority required to pass an Extraordinary Resolution, (vii) to modify or cancel the payment obligations of the Obligor (in any capacity) and/or the Issuer under the Transaction Documents and/or the Sukuk (as the case may be) or (viii) to amend any of the Obligor's covenants included in the Purchase Undertaking, the quorum shall be two or more persons holding or representing not less than 75.0 per cent. in face amount of the Sukuk for the time being outstanding, or at any adjourned such meeting two or more persons holding or representing not less than 25.0 per cent. in face amount of the Sukuk for the time being outstanding. An Extraordinary Resolution duly passed at any such quorate meeting shall be binding on all the Sukukholders of the relevant Series, whether present or not and whether they voted for or against such Extraordinary Resolution.

The Trust Deed provides that:

- (i) a written resolution signed by or on behalf of the holders of not less than 75.0 per cent. in face amount of a Series of Sukuk for the time being outstanding, or
- (ii) where the terms of the proposed resolution have been notified to the Sukukholders through the relevant clearing system(s), approval of a resolution proposed by the Issuer, the Obligor or the Trustee (as the case may be) given by way of electronic consents communicated through the electronic communications systems of the relevant clearing system(s) in accordance with their operating rules and procedures by or on behalf of the holders of not less than 75.0 per cent. in face amount of the Sukuk outstanding,

shall also, in each case, be valid and effective as a duly passed Extraordinary Resolution.

(b) Modification of the Trust Deed or any Transaction Document

The Trustee may (but is not obliged to) agree, without the consent of the Sukukholders, to (A) any modification of any of the provisions of the Trust Deed, any other Transaction Document and/or these Conditions which in the opinion of the Trustee is of a formal, minor or technical nature, is made to correct a manifest error or to comply with any mandatory provision of law or is required by Euroclear, Clearstream, (or any other clearing system in which the Sukuk may be held), (B) any other modification (except as mentioned in the Trust Deed) which is in the opinion of the Trustee not materially prejudicial to the interests of the Sukukholders, and (C) any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed, any other Transaction Document or these Conditions which is in the opinion of the Trustee not materially prejudicial to the interests of the Sukukholders. Any such modification, authorisation or waiver shall be binding on the Sukukholders and, unless the Trustee otherwise agrees, such modification, waiver or authorisation shall be notified by the Issuer to the Sukukholders as soon as practicable.

These Conditions may be amended, modified or varied in relation to any Series of Sukuk by the terms of the relevant Pricing Supplement in relation to such Series.

(c) **Entitlement of the Trustee**

In connection with the performance and exercise of its functions and/or duties and/or the exercise of its rights, powers and/or discretions under the Trust Deed, the Agency Agreement and/or these Conditions (including but not limited to those in relation to any proposed modification, waiver or authorisation), the Trustee shall have regard to the interests of the Sukukholders as a class and shall not have regard to the interests of, or be responsible for the consequences of such exercise for, individual Sukukholders and the Trustee shall not be entitled to require, nor shall any Sukukholder be entitled to claim, from the Issuer, the Obligor or the Trustee any indemnification or payment in respect of any tax consequence of any such exercise upon individual Sukukholders.

15 Indemnification and other matters

(a) **Delegation of Powers**

The Issuer will in the Trust Deed irrevocably and unconditionally appoint the Trustee to be its attorney and in its name, on its behalf and as its act and deed, to execute, deliver and perfect all documents, and to exercise all of the present and future duties, powers (including the power to sub-delegate), trusts, rights, authorities (including, but not limited to, the authority to request directions from any Sukukholders and the power to make any determinations to be made under the Trust Deed) and discretions vested in the Issuer by the Trust Deed, that the Trustee may consider to be necessary or desirable in order to, upon the occurrence of a Dissolution Event or Potential Dissolution Event, and subject to its being indemnified and/or secured and/or pre-funded to its satisfaction, to exercise all of the rights of the Issuer under the Transaction Documents and make such distributions from the relevant Trust Assets as the Issuer is bound to make in accordance with the Trust Deed, provided that no obligations, duties, liabilities or covenants of the Issuer pursuant to the Trust Deed or any other Transaction Document shall be imposed on the Trustee by virtue of this delegation (together the “**Delegation**” of the “**Relevant Powers**”), provided that in no circumstances will such Delegation of the Relevant Powers result in the Trustee holding on trust the relevant Trust Assets (or any part thereof) and provided further that such Delegation and the Relevant Powers shall not include any duty, power, trust, authority or discretion to hold any of the relevant Trust Assets, to dissolve any of the trusts constituted by the Trust Deed following the occurrence of a Dissolution Event or Potential Dissolution Event or to determine the remuneration of the Trustee. The Issuer shall ratify and confirm all things done and all documents executed by the Trustee in the exercise of all or any of the Relevant Powers.

In addition to the Delegation of the Relevant Powers under the Trust Deed, the Trustee also has certain powers which are vested solely in it from the date of the Master Trust Deed.

The appointment of a delegate by the Issuer is intended to be in the interests of the Sukukholders and does not affect the Issuer’s continuing role and obligations as sole trustee.

(b) Indemnification of the Trustee

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility. Under the Trust Deed, the Trustee is entitled to be indemnified, secured and/or pre-funded to its satisfaction and to be relieved from responsibility in certain circumstances including, without limitation, provisions relieving it from taking steps and/or actions and/or instituting proceedings to enforce its rights in respect of the relevant Trust Assets or any other right it may have pursuant to the Trust Deed or the other Transaction Documents or from taking other actions unless first indemnified and/or secured and/or pre-funded to its satisfaction and entitling the Trustee to be paid or reimbursed for its fees, costs, charges and expenses properly incurred and any indemnity payments and liabilities incurred by it in priority to the claims of Sukukholders. The Trustee and any other person, whether or not acting for itself, may become owner of and/or may acquire, hold or dispose of any Sukuk or other security (or any interest therein) of the Issuer, the Obligor, any entity related (directly or indirectly) with the Issuer and/or the Obligor or any other person, may enter into or be interested in any contract or transaction with any such person and may act on, or as depositary, custodian, trustee or agent for, any committee or body of holders of any securities of any such person in each case with the same rights as it would have had if the Trustee were not appointed under the Trust Deed and shall not be accountable for the same and shall be entitled to retain and shall not in any way be liable to account to the Issuer, the Obligor, the Sukukholders or any other person for any profit made or share of brokerage or commission or remuneration or other amount or benefit received thereby or in connection therewith.

(c) No Liability

None of the Trustee or any of the Agents shall be responsible for the performance by the Issuer, the Obligor or any other person appointed by the Issuer or the Obligor in relation to the Sukuk or the Trust Assets of the duties and obligations on their part expressed in respect of the same and, unless it has express written notice from the Issuer or the Obligor to the contrary, the Trustee and each Agent shall be entitled to assume that the same are being duly performed.

None of the Trustee or any Agent shall be liable to any Sukukholder, the Issuer, the Obligor or any other person for any action taken by the Trustee or such Agent in accordance with the instructions, directions, requests or resolutions of the Sukukholders given by Sukukholders of the requisite face amount of Sukuk outstanding or passed at a meeting of the Sukukholders convened and held in accordance with the Trust Deed or passed as otherwise provided in the Trust Deed. The Trustee shall be entitled to rely conclusively on any direction, request or resolution of Sukukholders given by Sukukholders holding the requisite face amount of Sukuk outstanding or passed at a meeting of Sukukholders convened and held in accordance with the Trust Deed.

Whenever the Trustee is required or entitled by the terms of the Trust Deed, the other Transaction Documents, these Conditions or any other transaction document to exercise any right, discretion or power, take or refrain from taking any action, make any decision or give any direction, the Trustee is entitled, prior to its exercising any such right, discretion or power, taking or refraining from taking any such action, making any such decision, or giving any such direction or clarification of any

directions or certification, to seek directions from the Sukukholders by way of an Extraordinary Resolution or clarifications of any directions, and the Trustee is not responsible or liable to any person for any loss or liability incurred by the Issuer, the Obligor, the Sukukholders or any other person as a result of any delay in it exercising such discretion or power, taking such action, making such decision, or giving such direction or certification as a result of seeking such directions or clarification or in the event that no such direction or clarification is given to the Trustee by the Sukukholders.

Each Sukukholder shall be solely responsible for making and continuing to make its own independent appraisal of and investigation into the financial condition, creditworthiness, condition, affairs, status and nature of each of the Issuer and the Obligor, and the Trustee shall not at any time have any responsibility or liability for the same and each Sukukholder shall not rely on the Trustee in respect thereof.

(d) Reliance on Certificates and/or Reports

The Trustee may rely conclusively without liability to Sukukholders, the Issuer, the Obligor or any other person on any report, confirmation, opinion, certificate or information from or any advice of any legal advisers, expert or other professional adviser (including, without limitation, any lawyer, valuer, accountant, surveyor, banker, broker, rating agency, auctioneer, auditors, investment bank or financial consultant), whether or not addressed to it and whether their liability in relation thereto is limited (by its terms or by any engagement letter relating thereto entered into by the Trustee or any of its directors, officers or employees or any custodian, agent, delegate or nominee appointed by the Trustee or any other person or in any other manner) by reference to a monetary cap, methodology or otherwise, and, in such event, such report, confirmation, opinion, certificate, advice or information shall be binding on the Sukukholders.

(e) Notice of events

The Trustee shall not be under any obligation to monitor, or take any steps to ascertain, compliance with the provisions of the Trust Deed, the other Transaction Documents and/or these Conditions or whether a Dissolution Event or Potential Dissolution Event or any event which could lead to the occurrence of a Dissolution Event or Potential Dissolution Event has occurred or may occur, and the Trustee shall not be liable to the Issuer, the Obligor, the Sukukholders or any other person for not doing so. The Trustee shall be under no obligation to monitor any financial performance of the Issuer or the Obligor and the Trustee shall not be responsible or liable to the holders of the Sukuk or any other person for any loss arising from any failure to do so.

16 Replacement of Certificates

If a Certificate is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, at the specified office of the Registrar or such Paying Agent or Transfer Agent, as the case may be, as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Sukukholders in accordance with Condition 17, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, undertaking, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Certificate is

subsequently presented for payment, there will be paid to the Issuer on demand the amount payable by the Issuer in respect of such Certificate) and otherwise as the Issuer or the relevant Agent(s) may require. Mutilated or defaced Certificates must be surrendered before replacements will be issued.

17 Notices

Notices to the holders of Sukuk shall be valid if mailed to them at their respective addresses in the Register and deemed to have been given on the fourth weekday (being a day other than a Saturday, a Sunday or a public holiday) after the date of mailing. Notwithstanding the foregoing, notices to the holders of Sukuk will be valid if published in a daily newspaper of general circulation in Asia (or, if the holders of any Series of Sukuk can be identified, notices to such holders will also be valid if they are given to each of such holders). It is expected that such publication will be made in *The Business Times*. Notices will, if published more than once or on different dates, be deemed to have been given on the date of the first publication in such newspaper as provided above.

If the Sukuk are listed on any Stock Exchange and the rules of such Stock Exchange so require, notice will in any event be published by the Issuer in accordance with the rules of such Stock Exchange.

So long as the Sukuk are represented by a Global Certificate and such Global Certificate is held in its entirety on behalf of Euroclear and/or Clearstream or the Alternative Clearing System (as defined in the Trust Deed), notices to the Sukukholders shall be validly given by the delivery of the relevant notice to Euroclear or Clearstream or the Alternative Clearing System, for communication by the relevant clearing system to entitled accountholders in substitution for notification as required by these Conditions and shall be deemed to have been given at the time of delivery to the relevant clearing system(s).

Notices to be given by any Sukukholder pursuant hereto (including to the Issuer) shall be in writing and given by lodging the same with the Registrar or such other Agent as may be specified in these Conditions.

Whilst the Sukuk are represented by a Global Certificate, such notice may be given by any Sukukholder to the Issuing and Paying Agent or, as the case may be, the Registrar or, as the case may be, such other Agent through Euroclear and/or Clearstream and/or the Alternative Clearing System in such manner as the Issuing and Paying Agent or, as the case may be, the Registrar or, as the case may be, such other Agent and Euroclear and/or Clearstream and/or the Alternative Clearing System may approve for this purpose.

Notwithstanding the other provisions of this Condition 17, in any case where the identities and addresses of all the Sukukholders are known to the Issuer, notices from the Issuer to such holders may be given individually by recorded delivery mail by the Issuer to such addresses and will be deemed to have been given by the Issuer when received at such addresses.

18 Further Issues

In respect of any Series, the Issuer may, subject to and in accordance with the Trust Deed, from time to time without the consent of the Sukukholders create and issue additional Sukuk having the same terms and conditions as the outstanding Sukuk of such Series (or terms and conditions which are the same in all respects save for the issue date, the issue price and the date and amount of the first payment of the Periodic Distribution Amount and the date from which Periodic Distribution Amounts start to accrue), and so that the same shall be consolidated and form a single Series with the outstanding Sukuk of such Series. Any additional Sukuk which are to form a single Series with the outstanding Sukuk previously constituted by the Trust Deed shall be constituted by a deed supplemental to the Master Trust Deed and the Supplemental Trust Deed, and the Issuer and the Obligor shall also enter into agreements supplemental to the other Transaction Documents. References in these Conditions to the Sukuk include (unless the context requires otherwise) any other Sukuk issued pursuant to this Condition and forming a single series with the outstanding Sukuk.

19 Contracts (Rights of Third Parties) Act 1999

Without prejudice to the rights of the Sukukholders as set out in Condition 13, no person shall have any right to enforce any term or condition of the Sukuk under the Contracts (Rights of Third Parties) Act 1999 of England, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

20 Governing Law and Jurisdiction

(a) Governing Law

The Trust Deed and the Sukuk and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law.

(b) Jurisdiction

The courts of England are to have jurisdiction to settle any disputes that may arise out of or in connection with the Trust Deed and the Sukuk and accordingly any legal action or proceedings arising out of or in connection with the Trust Deed and the Sukuk (“**Proceedings**”) may be brought in such courts. Each of the Issuer and the Obligor has in the Trust Deed irrevocably submitted to the jurisdiction of such courts and waived any objection to Proceedings in any such courts whether on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum.

(c) Service of Process

Each of the Issuer and the Obligor has in the Trust Deed irrevocably appointed a process agent in England to receive, for it and on its behalf, service of process in any Proceedings in England. Such service shall be deemed completed on delivery to such process agent (whether or not it is forwarded to and received by the Issuer or the Obligor, as the case may be). If for any reason the process agent ceases to be such an agent, the Issuer and the Obligor will promptly appoint a substitute process agent and shall deliver to the Trustee a copy of the substitute process agent’s acceptance of that appointment within 30 days of such cessation. Nothing herein shall affect the right to serve process in any other manner permitted by law.

SUMMARY OF PROVISIONS RELATING TO THE SUKUK WHILE IN GLOBAL FORM

1 Initial Issue of Sukuk

Global Certificates may be delivered on or prior to the original issue date of the Tranche to a Common Depository (as defined below).

Upon the initial deposit of a Global Certificate in registered form, which will be deposited with, and registered in the name of a nominee for, a common depository for Euroclear and Clearstream (the “**Common Depository**”), the relevant clearing system will credit each subscriber with a face amount of Sukuk equal to the face amount thereof for which it has subscribed and paid.

Sukuk that are initially deposited with the Common Depository may also be credited to the accounts of subscribers with (if indicated in the relevant Pricing Supplement) other clearing systems through direct or indirect accounts with Euroclear and Clearstream held by such other clearing systems. Conversely, Sukuk that are initially deposited with any other clearing system may similarly be credited to the accounts of subscribers with Euroclear, Clearstream or other clearing systems.

2 Relationship of Accountholders with Clearing Systems

Save as provided in the following paragraph, each of the persons shown in the records of Euroclear, Clearstream or any other clearing system (each an “**Alternative Clearing System**”) as the holder of a Sukuk represented by a Global Certificate must look solely to Euroclear, Clearstream or such Alternative Clearing System (as the case may be) for his share of each payment made by the Issuer to the holder of such Global Certificate or the holder of the underlying Sukuk, as the case may be, and in relation to all other rights arising under the Global Certificate, subject to and in accordance with the respective rules and procedures of Euroclear, Clearstream or such Alternative Clearing System (as the case may be). Such persons shall have no claim directly against the Issuer in respect of payments due on the Sukuk for so long as the Sukuk are represented by such Global Certificate and such obligations of the Issuer will be discharged by payment to the holder of the underlying Sukuk, as the case may be, in respect of each amount so paid.

3 Exchange

The following will apply in respect of transfers of Sukuk held in Euroclear, Clearstream or an Alternative Clearing System. These provisions will not prevent the trading of interests in the Sukuk within a clearing system whilst they are held on behalf of such clearing system but will limit the circumstances in which the Sukuk may be withdrawn from the relevant clearing system.

Transfers of the holding of Sukuk represented by a Global Certificate pursuant to Condition 3(a) (*Transfer of Sukuk*) of the Terms and Conditions of the Sukuk may only be made if the Global Certificate is cleared through Euroclear and/or Clearstream, if the relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so, provided that, in the case of the first transfer of part of a holding pursuant to this paragraph, the Registered Holder has given the Registrar not less than 30 days’ notice at its specified office of the Registered Holder’s intention to effect such transfer.

4 Amendment to Terms and Conditions of the Sukuk

The Global Certificates will contain provisions that apply to the Sukuk that they represent, some of which modify the effect of the Terms and Conditions of the Sukuk set out in this Offering Circular. The following is a summary of certain of those provisions:

4.1 Payments

All payments in respect of Sukuk represented by a Global Certificate be made against presentation and, if no further payment falls to be made in respect of the Sukuk, surrender of that Global Certificate to or to the order of the Registrar or such other Paying Agent as shall have been notified to the Sukukholders for such purpose. A record of each payment made will be noted on the relevant Register which shall be *prima facie* evidence that such payment has been made in respect of the Sukuk.

For the purpose of any payments made in respect of a Global Certificate, the relevant place of presentation (if applicable) shall be disregarded in the definition of “business day” set out in Condition 9(d) (*Non-business days*) of the Terms and Conditions of the Sukuk.

All payments in respect of Sukuk represented by a Global Certificate held on behalf of Euroclear and Clearstream will be made to, or to the order of, the person whose name is entered on the Register at the close of business on the record date which shall be the Clearing System Business Day immediately prior to the date for payment, where “**Clearing System Business Day**” means Monday to Friday inclusive except 25 December and 1 January.

4.2 Prescription

Claims against the Issuer for payment in respect of the Sukuk shall be prescribed and become void unless made within 10 years (in the case of the Dissolution Distribution Amount) or five years (in the case of Periodic Distribution Amounts) from the appropriate Relevant Date (as defined in Condition 10 (*Taxation*) of the Terms and Conditions of the Sukuk).

4.3 Meetings

The holder of Sukuk represented by a Global Certificate shall (unless such Global Certificate represents only one Sukuk) be treated as being two persons for the purposes of any quorum requirements of a meeting of Sukukholders. All holders of Sukuk are entitled to one vote in respect of each integral currency unit of the Specified Currency of the Sukuk comprising such Sukukholder’s holding, whether or not represented by a Global Certificate.

4.4 Cancellation

Cancellation of any Sukuk represented by a Global Certificate that is surrendered for cancellation (other than upon its redemption) will be effected by reduction in the aggregate face amount of the relevant Series of Sukuk in the Register.

4.5 Optional Dissolution

In the event that any early dissolution right of the Issuer is exercised in respect of some but not all of the Sukuk of any Series, the rights of accountholders with a clearing system in respect of the Sukuk will be governed by the standard procedures of Euroclear, Clearstream or any Alternative Clearing System (as the case may be).

4.6 Trustee's Powers

In considering the interests of Sukukholders while any Global Certificate is held on behalf of, or is registered in the name of any nominee for a clearing system, the Trustee may have regard to any information provided to it by such clearing system or its operator as to the identity (either individually or by category) of its accountholders with entitlements to such Global Certificate and may consider such interests as if such accountholders were the holders of the Sukuk represented by such Global Certificate.

4.7 Notices

So long as the Sukuk are represented by a Global Certificate and such Global Certificate is held in its entirety on behalf of Euroclear and/or Clearstream or the Alternative Clearing System, notices to the Sukukholders shall be validly given by the delivery of the relevant notice to Euroclear or Clearstream or the Alternative Clearing System, for communication by the relevant clearing system to entitled accountholders in substitution for notification as required by the Terms and Conditions of the Sukuk and shall be deemed to have been given at the time of delivery to the relevant clearing system(s), except that if the Sukuk are listed on any Stock Exchange and the rules of such Stock Exchange so require, notice will in any event be published by the Issuer in accordance with the rules of such Stock Exchange.

5 Electronic Consent and Written Resolution

While any Global Certificate is held on behalf of, or any Global Certificate is registered in the name of any nominee for, one or more of Euroclear, Clearstream or an Alternative Clearing System, then, in respect of any resolution proposed by the Issuer, the Obligor or the Trustee:

- (a) where the terms of the proposed resolution have been notified to the Sukukholders through the relevant clearing system(s), each of the Issuer, the Obligor and the Trustee shall be entitled to rely upon approval of such resolution proposed by the Issuer, the Obligor or the Trustee (as the case may be) given by way of electronic consents communicated through the electronic communications systems of the relevant clearing system(s) in accordance with their operating rules and procedures by or on behalf of the holders of not less than 75.0 per cent. in principal amount of the Sukuk outstanding ("**Electronic Consent**"). None of the Issuer, the Obligor or the Trustee shall be liable or responsible to anyone for such reliance; and
- (b) where Electronic Consent is not being sought, for the purpose of determining whether a resolution in writing signed by the holders of not less than 75.0 per cent. in principal amount of the Sukuk outstanding has been validly passed, the Issuer, the Obligor and the Trustee shall be entitled to rely on consent or instructions given in writing directly to the Issuer, the Obligor and/or the Trustee, as the case may be, by (i) accountholders

in the clearing system with entitlements to such Global Certificate and/or, (ii) where the accountholders hold any such entitlement on behalf of another person, the person identified by that accountholder as the person for whom such entitlement is held. For the purpose of establishing the entitlement to give any such consent or instruction, the Issuer, the Obligor and the Trustee shall be entitled to rely on any certificate or other document issued by, in the case of (i) above, Euroclear, Clearstream or any other relevant clearing system (the “**relevant clearing system**”) and, in the case of (ii) above, the relevant clearing system and the accountholder identified by the relevant clearing system for the purpose of (ii) above. Any resolution passed in such manner shall be binding on all Sukukholders, even if the relevant consent or instruction proves to be defective. Any such certificate or other document shall, in the absence of manifest error, be conclusive and binding for all purposes. Any such certificate or other document may comprise any form of statement or print out of electronic records provided by the relevant clearing system (including Euroclear’s EUCLID or Clearstream’s CreationOnline system) in accordance with its usual procedures and in which the accountholder of a particular principal or principal amount of the Sukuk is clearly identified together with the amount of such holding. None of the Issuer, the Obligor and the Trustee shall be liable to any person by reason of having accepted as valid or not having rejected any certificate or other document to such effect purporting to be issued by any such person and subsequently found to be forged or not authentic.

USE OF PROCEEDS

The proceeds of each Series of Sukuk issued under the Programme will be applied by the Issuer pursuant to the terms of the relevant Transaction Documents to acquire Tangible Assets and acquire Commodities to be sold to Khazanah Nasional Berhad, in each case as specified in the Pricing Supplement for the relevant Series, such assets to form part of the Trust Assets for the relevant Series.

The proceeds of each Series of Sukuk subsequently received by Khazanah Nasional Berhad in consideration for the transactions entered into with the Issuer as set out above are presently intended to be used by Khazanah Nasional Berhad for the purposes of funding its Shariah-compliant general investments and/or refinancing of borrowings. If, in respect of any particular issue, there is a particular identified use of proceeds, this will be stated in the applicable Pricing Supplement.

THE TRUST ASSETS

Pursuant to the Trust Deed, the Issuer will declare a trust over the Trust Assets for each Series under which it shall hold the Trust Assets upon trust absolutely for the holders of the Sukuk *pro rata* according to the face amount of Sukuk held by each Sukukholder in accordance with the Trust Deed and the Terms and Conditions of the Sukuk.

The Trust Assets in respect of each Series will mean the following:

- (a) the interests, rights, title, benefits and entitlements, present and future, of the Issuer in, to and under the Wakalah Venture from time to time (excluding any representations given by the Obligor to the Issuer and/or the Trustee under any documents constituting the Wakalah Venture from time to time);
- (b) the interests, rights, title, benefits and entitlements, present and future, of the Issuer in, to and under the Transaction Documents (excluding any representations given by the Obligor to the Issuer and/or the Trustee pursuant to any of the Transaction Documents); and
- (c) all proceeds of the foregoing.

Unless otherwise provided, defined terms in this section shall have the meaning given to them in “*Terms and Conditions of the Sukuk*”.

The Wakalah Agreement

The Issuer and the Wakeel shall on 22 May 2023 enter into a Wakalah Agreement pursuant to which the Issuer (on behalf of the Sukukholders) shall appoint the Wakeel as its agent and shall, in relation to each Series, instruct the Wakeel to perform certain duties in relation to the Wakalah Venture in accordance with the terms of the Wakalah Agreement and the Investment Plan.

In relation to each Series of Sukuk, the Wakeel shall act as agent of the Issuer (on behalf of the Sukukholders) at all times in respect of its rights and obligations under the Wakalah Agreement, the Investment Plan and the Wakalah Venture Contracts. The Wakeel may perform any of its duties or execute any of its powers under the Wakalah Agreement directly or through agents or delegates, which appointment or delegation may be made upon such terms as the Wakeel may think fit.

The Investment Plan requires (i) the Issuer to invest the proceeds of the issue of the Sukuk of the relevant Series on the Issue Date in the Wakalah Venture; and (ii) the Wakeel to ensure satisfaction of the Investment Conditions set out therein and described in this section.

The Investments

In relation to each Series of Sukuk, the Wakalah Venture shall comprise investments in (i) certain Tangible Assets and (ii) the Commodity Murabahah Investment, in each case as described below. The Investment Conditions as set out in the Terms and Conditions of the Sukuk and the Wakalah Agreement shall require the Wakeel (or any agent or delegate appointed by the Wakeel in connection with the same) to, *inter alia*, (i) ensure that all assets comprised in the Wakalah Venture are Shariah-compliant; and (ii) ensure that at all times during the term of the Sukuk, the aggregate value of the Tangible Assets comprised in the Wakalah Venture is at least equal to the Tangible Assets Minimum Value, all as valued in accordance with the Valuation Principles (as defined herein). Any loss incurred under the Wakalah Venture shall be borne by the Sukukholders in proportion to the face amount of the Sukuk held by each such Sukukholder.

For the purposes of calculating the value of the Wakalah Venture and the relevant Investments comprised within the Wakalah Venture, the Valuation Principles shall apply.

In relation to each Series of Sukuk, the Issuer has in the Wakalah Agreement agreed to appoint the Wakeel as an agent (or such other agent from time to time as shall have been approved by the Trustee) for the purposes of making all calculations and determinations required to be made under the Wakalah Venture Contracts in accordance with the Valuation Principles.

In relation to each Series of Sukuk, the Issuer has in the Wakalah Agreement appointed the Wakeel as its agent, and the Wakeel has agreed to act as agent of the Issuer, in each case with effect from the date of the Wakalah Agreement and to provide the Wakalah Services in accordance with the terms of the Wakalah Agreement for the duration of the Wakalah Ownership Period.

Final Incentive Fee

Provided that all payments made under the Purchase Undertaking and the Master Murabahah Agreement are sufficient to satisfy the aggregate of (i) the Dissolution Distribution Amount payable on the Scheduled Dissolution Date, the Dissolution Event Redemption Date, the Tax Dissolution Date or the Optional Dissolution Date, as applicable, and (ii) all amounts payable under Condition 5(b) (*Application of Proceeds from Trust Assets*) of the Terms and Conditions of the Sukuk) and provided no amounts remain outstanding in respect of the Sukuk, the Wakeel shall be entitled to the Final Incentive Fee. The Wakeel shall also be entitled to retain any Wakalah Venture Income generated by the Wakalah Venture as an incentive fee.

Master Sale and Purchase Agreement, Supplemental Sale and Purchase Agreement and Deed of Surrender

Pursuant to the Master Sale and Purchase Agreement, the Seller may, in connection with the issue of a Series, from time to time, agree to sell, transfer and convey to the Issuer, and the Issuer may, from time to time, agree to purchase and accept the transfer and conveyance from the Seller of, beneficial ownership of certain Tangible Assets. On each occasion upon which any such agreement is reached, the Seller and the Issuer will enter into a Supplemental Sale and Purchase Agreement on the relevant Issue Date which will, among other things, specify the Tangible Assets and the Purchase Price to be paid to the Seller by the Issuer for them.

The Issuer will use no less than 51 per cent. of the proceeds of issue of a Series to purchase eligible Shariah-compliant Tangible Assets pursuant to the Master Sale and Purchase Agreement. The Tangible Assets will be identified in the applicable Pricing Supplement and will also be set out in the schedule to the relevant Supplemental Sale and Purchase Agreement.

On the Issue Date (in respect of the beneficial ownership of the Shariah-compliant Shares purchased pursuant to the terms of the Supplemental Sale and Purchase Agreement) the Issuer shall execute a Deed of Surrender and subsequently (in respect of any other shares which form part of the Wakalah Venture), the Issuer shall execute an additional Deed of Surrender, surrendering in each case in favour of the relevant seller any and all of its voting rights in respect of such shares.

In accordance with the terms of the Wakalah Agreement, the Wakeel shall manage the assets forming part of the Wakalah Venture and shall exercise all rights as beneficial shareholder on behalf of the Issuer and shall instruct the Seller (or any other registered owner of shares forming part of the Wakalah Venture) to take all necessary steps to give effect to such decisions.

Obligor Undertaking

Pursuant to the Obligor Undertaking dated 22 May 2023 granted by the Obligor in favour of the Issuer and the Wakeel, if the aggregate value of the Tangible Assets comprised in the Wakalah Venture falls below the Tangible Assets Minimum Value at any time, the Obligor has undertaken that it will, provided that the Issuer or the Wakeel (acting as the Issuer's agent) has served an exercise notice in accordance with the terms of the Obligor Undertaking, enter into a substitution agreement pursuant to which it will accept transfer of the beneficial ownership in certain assets comprised in the Wakalah Venture of the relevant Series (the number and identity of such assets being at the discretion of the Wakeel) from the Issuer in consideration for the transfer or procuring the transfer of beneficial ownership in alternative Tangible Assets (such Tangible Assets having been notified by the Obligor and approved by the Wakeel as evidenced by the serving of the relevant exercise notice) so that the fair market value of the Tangible Assets comprised in the Wakalah Venture after the relevant substitution has been made is at least equal to the Tangible Assets Minimum Value, all as determined in accordance with the Valuation Principles by the Wakeel in accordance with the Wakalah Agreement.

In addition, pursuant to the Obligor Undertaking, if at any time any assets comprised in the Investments in relation to each Series of Sukuk are no longer Shariah-compliant ("**Non-Shariah compliant Tangible Assets**"), the Obligor has also undertaken that it will, provided that the Issuer or the Wakeel (acting as the Issuer's agent) has served an exercise notice in accordance with the terms of the Obligor Undertaking, enter into a substitution agreement pursuant to which it will accept transfer of the beneficial ownership in the Non-Shariah compliant Tangible Assets from the Issuer in consideration for the transfer or procuring the transfer of beneficial ownership in certain Shariah-compliant Tangible Assets by it to the Issuer (such Shariah-compliant Tangible Assets having been notified by the Obligor and approved by the Wakeel as evidenced by the serving of the relevant exercise notice) the fair market value of which is at least equal to the fair market value of the Non-Shariah compliant Tangible Assets being substituted, with all such valuations being determined in accordance with the Valuation Principles by the Wakeel in accordance with the terms of the Wakalah Agreement.

Issuer Undertaking

Pursuant to the Issuer Undertaking dated 22 May 2023, the Issuer has undertaken that it will, provided that the Obligor has served an exercise notice in accordance with the terms of the Issuer Undertaking, at any time enter into a substitution agreement with the Obligor pursuant to which it will transfer, or will procure the transfer of, beneficial ownership in all or any of the assets comprised in the Wakalah Venture of the relevant series (the number and identity of such shares being at the discretion of the Wakeel) to the Obligor in consideration for the transfer of beneficial ownership in alternative Tangible Assets to the Issuer by the Obligor, provided that immediately following such substitution the fair market value of all Tangible Assets comprised in the Wakalah Venture of the relevant Series is at least equal to the Tangible Assets Minimum Value, all as determined in accordance with the Valuation Principles.

If any dividends or other distributions are received other than in the form of cash or shares, or if any other rights of any kind are given to shareholders (including without limitation the right to subscribe for new shares in the relevant company (a “**Rights Issue**”)), the Wakeel shall on behalf of Issuer direct the Seller (or such relevant seller) to take all necessary action in respect thereof and/or to exercise such rights in accordance with its instructions.

Upon the Seller (or such relevant seller) having exercised (as instructed by the Wakeel) on behalf of the Issuer the Issuer’s rights under a Rights Issue, it will direct the Seller (or such relevant seller) to sell the securities received for such Rights Issue to the Obligor for the Rights Issue Settlement Amount and the Issuer will enter into a Transfer Agreement with the Obligor to effect such sale (which amount shall be paid on to the Seller (or such relevant seller)).

Where the Issuer, the Obligor or their respective subsidiaries have purchased any Sukuk in accordance with Condition 8(e) (*Purchases*) of the Terms and Conditions of the Sukuk and surrendered for cancellation such Sukuk in accordance with Condition 8(f) (*Cancellation*) of the Terms and Conditions of the Sukuk, it will enter into a Transfer Agreement with the Obligor to transfer, or procure the transfer of, the beneficial ownership in the Cancelled Tangible Assets in return for which the Cancelled Sukuk shall be cancelled, provided that the Cancelled Tangible Asset(s) that is(are) the subject of the Exercise Notice delivered shall not be subject to such other Exercise Notice (each as defined in the Purchase Undertaking, the Obligor Undertaking or the Issuer Undertaking, as the case may be) delivered by the Issuer under the Purchase Undertaking or the Obligor Undertaking, or received by it under the Issuer Undertaking, in each case, which remains outstanding and, if applicable, where the related redemption of the relevant Sukuk referred to therein has not occurred in accordance with the Terms and Conditions of the Sukuk, and in respect of the exercise of such right in relation to the cancellation of part only of the Sukuk then outstanding, the fair market value of all Tangible Assets comprised in the Wakalah Venture of the relevant Series following such cancellation is at least equal to the Tangible Assets Minimum Value (after, for the avoidance of doubt, taking into account the transfer to the Obligor of the beneficial ownership of the relevant Cancelled Tangible Assets), all as determined in accordance with the Valuation Principles.

Purchase Undertaking

Pursuant to the Purchase Undertaking dated 22 May 2023, in connection with each Series of Sukuk outstanding from time to time under the Programme, the Obligor has agreed to purchase all of the Wakalah Portfolio in respect of such Series (together with all of the Issuer’s beneficial ownership in the Tangible Assets relating to such Series and forming part of the relevant Wakalah Portfolio) upon, as applicable, the Scheduled Dissolution Date, the occurrence of Dissolution Event in respect of the Sukuk, the delivery of a Tax Dissolution Notice by the Issuer to the Sukukholders or the delivery of an Issuer Optional Dissolution Notice by the Issuer to the Sukukholders in connection with the event specified in Condition 8(c) (*Dissolution at the Option of the Issuer (Optional Dissolution Right)*) of the Terms and Conditions of the Sukuk, in each case, by delivering an Exercise Notice to the Obligor in respect of the relevant Sukuk.

The Obligor’s payment obligations under the Purchase Undertaking shall rank *pari passu* with the claims of all its unsecured and unsubordinated creditors, except for obligations mandatorily preferred by law.

Master Murabahah Agreement

In connection with each Series of Sukuk outstanding from time to time under the Programme, the Issuer may desire to enter into a Commodity Murabahah Investment with the Buyer using no more than 49 per cent. of the issue proceeds of such Series. The Issuer will purchase certain commodities from certain suppliers at the spot price, upon the receipt of a purchase order from Khazanah Nasional Berhad (acting in its capacity as the Buyer) pursuant to which the Buyer will irrevocably undertake to purchase such commodities from the Issuer in consideration for a deferred sale price.

Pursuant to each Murabahah Contract, the Buyer shall deliver to the Issuer a purchase order and an undertaking to purchase commodities on the settlement date specified in the purchase order. The Issuer shall sell the commodities so purchased on its behalf by the Facility Agent to the Buyer on the settlement date specified in the purchase order in consideration for the Deferred Sale Price payable in accordance with the terms of the Murabahah Contract.

The Deferred Sale Price payable by the Buyer to the Issuer shall be equal to the aggregate of the applicable Commodity Purchase Price, the applicable Murabahah Profit and the applicable Mark Up Amount. The Murabahah Profit is the amount equal to the aggregate of the Periodic Distribution Amounts that will be payable under the Sukuk during the period from (and including) the Issue Date to (and including) the Scheduled Dissolution Date.

Pursuant to the Master Murabahah Agreement, the amount of Deferred Sale Price payable on each date specified therefor in the Letter of Offer and Acceptance shall be subject to adjustment (without further formality) as provided below:

- (a) all remaining amounts of the Deferred Sale Price shall become immediately due and payable if a Dissolution Event has occurred and a Dissolution Notice has been delivered in accordance with the Terms and Conditions of the Sukuk;
- (b) all remaining amounts of the Deferred Sale Price shall become due and payable on the Business Day prior to any Tax Dissolution Date;
- (c) all remaining amounts of the Deferred Sale Price shall become due and payable on the Business Day prior to any Optional Dissolution Date; and
- (d) the Cancellation Proportion of the Deferred Sale Price shall become due and payable where the Issuer, the Obligor or their respective subsidiaries have purchased any Sukuk in accordance with Condition 8(e) of the Terms and Conditions of the Sukuk and cancelled such Sukuk in accordance with Condition 8(f) of the Terms and Conditions of the Sukuk.

The Buyer has acknowledged that the Issuer (in its capacity as trustee of the Trust Assets) has delegated certain of its rights under the Master Murabahah Agreement in accordance with the terms of the Trust Deed and has expressly consented and agreed that the Trustee may enforce the Master Murabahah Agreement in accordance with its terms and the terms of the Master Trust Deed and the relevant Supplemental Trust Deed.

The Master Trust Deed, as supplemented by each Supplemental Trust Deed

The Master Trust Deed is entered into between the Issuer, the Obligor and the Trustee and will be governed by English law. A Supplemental Trust Deed between the same parties will be entered into on the Issue Date of each Series of Sukuk and will also be governed by English law.

Upon the issue by the Issuer of any Sukuk, such Sukuk shall forthwith be constituted by the Master Trust Deed and the relevant Supplemental Trust Deed without any further formality and irrespective of whether or not the issue of such debt securities contravenes any covenant or other restriction in the Master Trust Deed or the Programme limit.

The Trust Assets in respect of each Series of Sukuk comprise (unless otherwise specified in the relevant Supplemental Trust Deed), amongst other things, the interests, rights, title, benefits and entitlements, present and future, of the Issuer in, to and under the Wakalah Venture from time to time (excluding any representations given by the Obligor to the Issuer and/or the Trustee under any documents constituting the Wakalah Venture from time to time), the interests, rights, title, benefits and entitlements, present and future, of the Issuer in, to and under the Transaction Documents from time to time (other than in relation to any representations given by the Obligor to the Issuer and/or the Trustee under any of the Transaction Documents and all proceeds of the foregoing.

Pursuant to the Master Trust Deed as supplemented by the relevant Supplemental Trust Deed, in connection with any Series of Sukuk, the Issuer, in its capacity as trustee, shall hold the Trust Assets as trustee for the Sukukholders upon and subject to the trusts and provisions of the Master Trust Deed as supplemented by the relevant Supplemental Trust Deed and under the terms of the relevant Transaction Documents.

The Issuer has irrevocably and unconditionally appointed the Trustee to be its attorney and in its name, on its behalf and as its act and deed to: (i) execute and perfect all documents; and (ii) exercise all of the present and future duties, powers (including the power to sub-delegate), trusts, authorities and discretions vested in the Issuer by the Master Trust Deed, the relevant Supplemental Trust Deed and the Transaction Documents (to the extent applicable) (including but not limited to the power to make any determinations to be made under the Master Trust Deed and the relevant Supplemental Trust Deed) that the Trustee may consider to be necessary or desirable in order to exercise all of the rights of the Issuer under the Transaction Documents (provided that no obligations, duties or covenants of the Issuer pursuant to any Transaction Document shall be imposed on the Trustee by virtue of such delegation) and make such distributions from the Trust Assets as the Issuer in its capacity as trustee is bound to make in accordance with the provisions of the Master Trust Deed (together the “**Delegation**” of the “**relevant powers**”) provided that in no circumstances will such Delegation result in any duty, power, trust, authority or discretion to dissolve any of the trusts constituted by the Master Trust Deed and the Supplemental Trust Deed except in accordance with the Terms and Conditions of the Sukuk or to determine the remuneration of the Trustee. The appointment of a delegate by the Issuer pursuant to the Master Trust Deed is intended to be in the interests of the Sukukholders.

The Master Trust Deed specifies that the rights of recourse in respect of Sukuk shall be limited to the amounts from time to time available and comprising the relevant Trust Assets of that Series. The Sukukholders have no claim or recourse against the Issuer to the extent the Trust Assets have been exhausted following which all obligations of the Issuer shall be extinguished.

Agency Agreement

The Agency Agreement is entered into between the Issuer, the Obligor, the Trustee, the Issuing and Paying Agent and the other Agents in respect of the Sukuk. The Agency Agreement provides for, *inter alia*, payment of all sums in respect of each Series of Sukuk.

Costs Undertaking Deed

Pursuant to the Costs Undertaking Deed dated 22 May 2023 granted by the Obligor in favour of, among others, the Issuer, the Trustee and the Agents, the Obligor has undertaken to, *inter alia*, pay all fees and expenses of the Trustee and each Agent, to indemnify the Issuer against any costs which it incurs in connection with each of the Transaction Documents (including the fee payable to the Wakeel under the Wakalah Agreement) and to indemnify the Trustee and each Agent against all losses, liabilities and claims incurred by or payable to each of them on the terms set out in the Master Trust Deed, any Supplemental Trust Deed and the Agency Agreement, respectively.

DESCRIPTION OF THE ISSUER

Khazanah Global Sukuk Berhad (Registration No. 202301005908 (1499827-P)) was incorporated on 21 February 2023 in Malaysia pursuant to the Companies Act, 2016 of Malaysia. The Issuer is a special purpose vehicle and has been formed for the purpose of participating in the transactions contemplated by the Transaction Documents.

The issued and paid-up capital of the Issuer is RM2.00 and is held by Khazanah. The directors of the Issuer and their designations are as follows:

<u>Name</u>	<u>Principal Occupation</u>
Ng Eu Gin	Director
Lai Wei Ming	Director

The objects of the Issuer as set out in its Constitution include, among others, to carry on the business as a fund raising vehicle and to carry on any Shariah-compliant transactions (“**Shariah-compliant Transactions**”) provided that such Shariah-compliant Transactions would contain a limited recourse provision which specifies that recourse in each of those Shariah-compliant Transactions shall be limited to the relevant assets in relation thereto.

The Issuer has not engaged, since its incorporation, in any material activities other than those relating or incidental to the Programme and the issuance of the Sukuk thereunder and the matters contemplated in this Offering Circular and the Transaction Documents and the authorisation of its entry into any other transactions and documents referred to in this Offering Circular to which it is or will be a party, or any other activities permitted under its Constitution.

The fiscal year of the Issuer ends on 31 December of each year, beginning in 2023. The Issuer will prepare annual accounts. Auditors for the Issuer will be appointed.

There has been no material change in the capitalisation of the Issuer as at the date hereof.

DESCRIPTION OF KHAZANAH NASIONAL BERHAD

OVERVIEW

Khazanah Nasional Berhad is the sovereign wealth fund of Malaysia with the aim to grow long-term wealth for the nation. Khazanah was incorporated under the Companies Act 1965 of Malaysia on 3 September 1993 as a public limited company and commenced operations in 1994. Save for one ordinary share owned by the FLC, all of the ordinary share capital of Khazanah is owned by the Minister of Finance (Inc) pursuant to the Minister of Finance (Incorporation) Act, 1957. The Minister of Finance (Inc) is owned by the Government.

Khazanah has a six-member Board comprising representatives from the public and private sectors. Dato' Seri Anwar Ibrahim, the Prime Minister of Malaysia, is the Chairman of the Board. The Board is assisted in the discharge of its duties by the Executive Committee (“EXCO”), the Audit and Risk Committee (“ARC”) and the Nomination and Remuneration Committee (“NRC”) established by the Board.

Khazanah’s mandate to grow Malaysia’s long-term wealth was refreshed in late 2018. Through its investments, Khazanah seeks to deliver sustainable economic and societal benefits for the nation that contribute towards “Advancing Malaysia”. This is done through achieving long-term risk-adjusted returns across the portfolios, as well as undertaking investments that catalyse new growth areas, strengthen Malaysia’s economic competitiveness, and contribute to impactful socio-economic outcomes. Khazanah invests and operates responsibly to ensure that everything done has long-lasting impact towards a better future for Malaysia.

Khazanah will pursue its overall mandate by focusing on four distinct areas — (1) Investment Portfolio, (2) Dana Impak Portfolio, (3) Developmental Assets and (4) Special Situation Assets. These four areas have been identified, each with its own distinct objectives, policies and strategies.

For recent developments relating to Khazanah, please see “*Description of Khazanah Nasional Berhad — Recent Developments*” below.

Moving forward, Khazanah seeks to execute the following strategic imperatives:

- Advancing Malaysia
- Building on Its Financial Strength
- Creating a Sustainable Future
- Developing a Winning Team

Khazanah’s registered office is currently located at Level 22, Mercu UEM, Jalan Stesen Sentral 5, Kuala Lumpur Sentral, 50470 Kuala Lumpur, Malaysia.

SELECTED COMPANIES AS AT 31 DECEMBER 2022. LIST IS NOT EXHAUSTIVE

The diagram below sets out a list of selected portfolio companies by sectors of the Khazanah Group as at 31 December 2022:



STRATEGY

Khazanah has identified the following four strategic imperatives for delivering on its purpose: (i) Advancing Malaysia; (ii) building on its financial strength; (iii) creating a sustainable future; and (iv) developing a winning team.

Advancing Malaysia

Khazanah will undertake four key initiatives to deliver impactful outcomes for the nation through Advancing Malaysia. These include the following:

(1) Dana Impak

Khazanah has allocated RM6 billion to the Dana Impak initiative to be invested over a five-year period in certain sectors to strengthen the country's resilience and open new growth opportunities. The Dana Impak initiative is an impact fund which also seeks to deliver socio-economic benefits to Malaysians across the following six themes:

- **Digital Society and Technology Hub:** Harness digitalisation and technological developments to boost efficiency and economic growth.
- **Quality Health and Education for all:** Ensure equal access to health and education amid global demographic shifts.
- **Decent Work and Social Mobility:** Narrow the income and wealth gap to ensure future social mobility.
- **Food and Energy Security:** Ensure the availability and security of critical resources like food, water and energy.
- **Building Climate Resilience:** Preserve and protect the environment.
- **Competing in Global Markets:** Remain competitive in a multipolar world.

One of the key projects under the Dana Impak initiative is the Khazanah Impact Innovation Challenge (“**KIIC**”) with the theme ‘Enhancing Ageing Services for Malaysians’ launched in 2021, in partnership with the Malaysian Research Accelerator for Technology and Innovation (“**MRANTI**”) (formerly known as Malaysian Global Innovation and Creativity Centre (“**MaGIC**”)) and Endeavour Malaysia, to seek local innovative and unique solutions to provide affordable, accessible and sustainable senior care services for Malaysians. Under the KIIC initiative, six companies, out of 130 applications, were awarded a seed grant of RM300,000 each, and the opportunity to undergo a structured scaling up programme.

In 2022, Khazanah identified Dana Impak projects worth approximately RM500 million across various impact areas such as agrifoods and work force digital upskilling, which aim to deliver socioeconomic benefits to build national resilience and new growth opportunities.

In line with the Malaysia Budget 2023: *Membangun Malaysia Madani*, Khazanah launched the Future Malaysia Programme, an initiative under its Dana Impak mandate, which aims to support the local start-up ecosystem of entrepreneurs, start-ups, venture capital, and corporate venture programmes through collaborations with domestic and international partners in 2023. The

programme involves working with domestic and international partners to fund high-growth and innovative Malaysian companies with sustainable business models that deliver socioeconomic impact and benefits for Malaysia. Also pursuant to the Malaysia Budget 2023, Khazanah will provide RM150 million to spur the development of environmentally friendly development projects including supporting carbon markets and reforestation of degraded forests, through Dana Impak. Government-linked companies such as Khazanah and the Malaysian Employees Provident Fund will also invest up to RM1.5 billion in innovative and high-growth local startup companies.

In addition, Khazanah also launched the Future Malaysia Skills initiative in 2023, through which it will invest in upskilling and reskilling initiatives with the aim to generate a sustainable pipeline of talent, and in the process, provide Malaysians with in-demand skills for access to high quality jobs, leading to improved livelihood and spurring competitive industries that drive economic growth for Malaysia.

(2) Active corporate player

Khazanah is an active participant in Malaysia's capital markets to create value therein and spur economic growth. While the majority of Khazanah's portfolio is in Malaysian public assets, Khazanah also constantly looks for opportunities to make new private investments along with driving best-in-class performance in its investee companies, and work with regulators to improve the overall regulatory environment. Khazanah aims to encourage its investee companies in future-proofing their businesses through embracing technology and sustainability to navigate the current challenging economic climate.

(3) Global investor

Khazanah will continue to invest globally across various asset classes to create wealth for Malaysia as well as look for opportunities to facilitate flows of knowledge, networks and investment opportunities into Malaysia. International investments comprised approximately 35 per cent. of Khazanah's Investment Portfolio as at 31 December 2022 across several asset classes, including public and private equities, and real assets. Khazanah's strong international presence will allow it to continue to act as Malaysia's representative in the global markets, with partnerships and investments that act as flows between Malaysia and the rest of the world.

(4) Building capacity and vibrant communities

Building on its efforts since 2006, Khazanah will remain committed in building capacity and developing vibrant communities through corporate responsibility initiatives that aim to enhance societal value creation for the benefit of Malaysians. Such initiatives will be determined based on the current societal landscape and will be done either directly or via its affiliated entities such as Yayasan Hasanah, Khazanah Research Institute ("KRI"), Taman Tugu, Think City and Yayasan Khazanah.

Pursuant to the Malaysia Budget 2023, Khazanah will lead the formation of the National Heritage Fund, which has an estimated cost of RM700 million and aims to attract private participation in restoring national heritage buildings.

Building on its Financial Strength

Khazanah will continue to build on its financial strength by investing into a well-diversified portfolio to achieve its long-term risk-adjusted returns targets, as well as maintain financial discipline through prudent management of debt and liquidity. This includes Khazanah continuing its efforts towards rebalancing its portfolio in achieving its target Strategic Asset Allocation (“SAA”) which should reduce risk while producing optimal returns. Khazanah will also look to turnaround some of its assets, especially those directly impacted by the pandemic and other structural issues.

Please see “*Description of Khazanah Nasional Berhad — Investments — Investment Approach*” for more details.

Creating a Sustainable Future

Khazanah’s mandate goes beyond financial value creation, with the organisation remaining conscious of the impact of its investments. A key focus of Khazanah will be on creating a sustainable future by embedding environmental, social, and governance (“ESG”) considerations in all aspects of its business, including investment decisions and employees. Khazanah also aims to play a leading role in shaping an equitable and responsible ESG transition for corporate Malaysia.

Please see “*Description of Khazanah Nasional Berhad — Sustainability*” for more details.

Developing a Winning Team

The development of a winning team is crucial in delivering Khazanah’s mandate with the aim of instilling a culture of high performance and collaboration, equipping employees with future-proof skillsets, and adopting new technologies for higher productivity. The execution of Khazanah’s long-term strategy is underpinned by Khazanah’s core values of accountability, respect and support.

As part of its digital transformation journey, Khazanah has developed a strategy called “NexGen” which prioritises areas where Khazanah can optimise technology to improve agility and collaboration. “NexGen” comprises the following three core pillars and six focus areas and will involve 14 programmes over a five-year period.

Architecture	Culture	Enablement
<ul style="list-style-type: none"> • Data: To ensure capabilities continuously improve the quality of Khazanah’s decisions towards better business outcomes. • Applications: To ensure Khazanah maximises digital tools. 	<ul style="list-style-type: none"> • Digital Culture: Accelerate adoption of digital tools. • Agile Ways of Working: Improve teamwork through collaboration. 	<ul style="list-style-type: none"> • Technology Capabilities & Service Model: The shift to humanise digital technology. • Governance: Right set of policies to achieve Khazanah’s objectives.

Khazanah also has in place numerous initiatives such as the Khazanah Scholarship Programme, which is a developmental platform available for high potential employees to pursue full-time postgraduate studies in premier universities, and the Staff Development Benefit programme, which provides financial assistance to staff who wish to undertake part-time study or professional certification which is of professional relevance to the staff’s current and future roles in Khazanah.

Other Organisational Achievements

In 2021, Khazanah made significant strides in building and enhancing its organisational capabilities. Khazanah developed a holistic sustainability strategy and established a set of guiding principles to ensure its decisions and actions facilitate an equitable and responsible transition to sustainable practices.

Khazanah's digital transformation journey has also continued to be adopted, with stronger implementation of digital technology to improve workflow efficiency. For instance, Khazanah has implemented a cloud-based private markets platform to ensure better governance for Khazanah's investment and divestment decisions as well as a cloud-based human resource system that fully digitalises Khazanah's human resource function.

INVESTMENTS

Investment Approach

Khazanah's purpose is, first and foremost, to deliver sustainable economic and societal value and outcomes for all Malaysians. Khazanah strives to undertake investments which balance generating robust financial returns with its developmental mandate, to benefit Malaysians now as well as for future generations.

In accordance with its purpose, Khazanah applies a long-term investment horizon to deliver sustainable risk-adjusted returns guided by its long-term SAA. The SAA enables Khazanah to diversify its asset class, sector and geographical exposures whilst minimising concentration risks. Ultimately, the SAA is key in ensuring overall solvency and consistency in long-term returns, which in addition to being reinvested, fund Khazanah's various strategic initiatives.

Khazanah continues to rebalance its portfolio through a mix of active and direct investment strategies, external fund managers, as well as opportunistically monetising its investments at the appropriate valuations.

Notable examples of Khazanah's strategic divestments include the following:

- In 2020, Khazanah had, via its wholly-owned indirect subsidiary, Pulau Memutik Ventures Sdn. Bhd., completed the divestment of its 100 per cent. interest in Prince Court Medical Centre Sdn Bhd to Pantai Holdings Sdn Bhd (a wholly-owned indirect subsidiary of IHH Healthcare Berhad) for a total cash consideration of RM1.02 billion.
- On 26 July 2021, Khazanah completed the divestment of its entire 100 per cent. equity interest in SilTerra Malaysia Sdn Bhd to the DNeX consortium for a total cash consideration of RM273 million.
- Over the course of 2019 and 2020, Khazanah divested a significant stake of its shareholdings in Alibaba Group Holding Ltd. Further, in January 2022, Gunung Korbu Investments (Cayman Islands) Limited, a subsidiary of Khazanah, disposed off 732,000 units of shares in Alibaba Group Holding Ltd, for a total consideration of U.S.\$98 million, resulting in a gain of disposal of U.S.\$76 million.

A long-term investment approach enables Khazanah to weather short-term market volatilities and optimise returns while taking on measured risk over a long horizon. Khazanah is also disciplined in continually assessing its portfolio with an investor mindset. This includes actively engaging with its investee companies to ensure focus on delivering value to shareholders.

In addition, Khazanah advocates and demonstrates responsible and sustainable actions through its investments. Khazanah is committed to the UN Principles for Responsible Investment and the Malaysian Code for Institutional Investors which promote the active integration of ESG considerations into investment analysis, decision-making and asset ownership.

Khazanah's primary source of funding is in the form of shareholder equity, debt financing, as well as proceeds from the monetisation of its investments to finance its wide-ranging investment activities.

In respect of the financial year ended 31 December 2021 (“FY2021”), a dual-fund investment structure, established in 2019, drove Khazanah's portfolio: a Commercial Fund and a Strategic Fund, each with its own distinct objectives, policies, and strategies. The primary objective of the Commercial Fund was to generate maximum risk-adjusted returns on a long-term basis to grow its financial assets while the Strategic Fund invested to deliver economic and societal returns for Malaysia. Please see “*Description of Khazanah Nasional Berhad — Key Performance Highlights in respect of FY2021 — Portfolio Performance*” for more details on the performance of the Commercial Fund and the Strategic Fund in FY2021.

Moving forward, for the financial year ended 31 December 2022 (“FY2022”) and beyond, Khazanah's investment portfolio reporting has moved away from the “Commercial Fund” and “Strategic Fund” nomenclatures into the following four distinct categories — (1) Investment Portfolio, (2) Dana Impak Portfolio, (3) Developmental Assets Portfolio and (4) Special Situation Assets Portfolio.

(1) Investment Portfolio

The Investment Portfolio is an intergenerational portfolio that seeks to generate risk-adjusted returns on a long-term basis to preserve and grow the long-term value of Khazanah's assets. It comprises all assets that are subjected to commercial returns expectations and prioritises the continuity of portfolio rebalancing efforts towards the target SAA.

(2) Dana Impak Portfolio

Khazanah has allocated RM6 billion to be invested over a five-year period in the Dana Impak Portfolio, with a focus on increasing Malaysia's economic competitiveness and building national resilience whilst delivering socio-economic impact for Malaysians. All investments within the Dana Impak Portfolio are tailored with clearly defined targeted socio-economic outcomes and will be planned and executed across the six themes mentioned under *Description of Khazanah Nasional Berhad — Strategy — Advancing Malaysia — (1) Dana Impak*.

(3) Developmental Assets Portfolio

The Developmental Assets Portfolio comprises long-term developmental investments with the potential to deliver socio-economic impact. It focuses on shepherding companies towards long-term financial sustainability.

(4) Special Situation Assets Portfolio

The Special Situation Assets Portfolio comprises investments that require a turnaround in terms of profitability and sustainable operating cash flows. The priority for the companies within the Special Situation Assets Portfolio is to resolve the challenges faced through active management.

Selected Portfolio Companies

As at 31 December 2022, Khazanah had interests in more than 100 companies, either directly or indirectly through ownership of shares. These companies are involved in various sectors such as media and communications, financial services, power, healthcare, property, transportation and logistics, innovation and technology, infrastructure and construction, creative, leisure and tourism, sustainable development, consumer, life sciences, agriculture, wellness and education amongst others.

A summary of Khazanah's selected portfolio companies by sector, which (in aggregate) represent more than 65 per cent. of its total investments as at 31 December 2022, is set out below:

Communication Services

Astro Malaysia Holdings Berhad ("Astro")

Astro is an investment holding company incorporated in Malaysia that principally engages in the provision of television services, radio services, film library licensing, content creation, aggregation and distribution, talent management, multimedia interactive services, digital media and home shopping. In 2021, Astro was voted as the Platinum winner in the Media Networks category for the 12th year running at the Putra Brand Awards 2021.

As at 31 December 2022, Khazanah had an effective shareholding interest of 20.7 per cent. in Astro.

Axiata Group Berhad ("Axiata")

Axiata is an investment holding company incorporated in Malaysia, which engages in the provision of mobile communication and network transmission related services on an international scale. It received, amongst others, the Best Company for Investor Relations (Large Cap) award and the Best Investor Relations Professional (Large Cap) award at the 10th Malaysian Investor Relations Awards 2020 hosted by Malaysian Investor Relations Association in 2020.

In November 2022, Axiata announced the completion of the merger of the telco operations of its subsidiary, Celcom Axiata Berhad, and Digi.com Berhad to form CelcomDigi Berhad which is the largest telecommunications company listed on Bursa.

As at 31 December 2022, Khazanah had an effective shareholding interest of 36.7 per cent. in Axiata.

Telekom Malaysia Berhad (“Telekom”)

Incorporated in Malaysia, Telekom is the national connectivity and digital infrastructure provider and Malaysia’s leading integrated telecommunications company; offering a comprehensive suite of communication services and solutions in fixed (telephony and broadband), mobility, content, WiFi, ICT, Cloud and smart services. In 2021, Telekom was ranked 2nd in the Telecommunication Sector and 15th overall at the GRADUAN Brand Awards 2021.

On 15 April 2021, it was announced that Khazanah had completed a placement of 53.8 million shares in Telekom for a total cash consideration of RM310.4 million, as part of its ongoing portfolio rebalancing efforts. The placement price of RM5.80 per share represents a three per cent. discount to the closing market price of RM5.98 on 14 April 2021. As at 31 December 2022, Khazanah had an effective shareholding interest of 20.2 per cent. in Telekom.

TIME dotcom Berhad (“TIME”)

TIME dotcom Berhad is an investment holding company incorporated in Malaysia, which delivers both domestic and global connectivity, data centre, cloud computing and managed service solutions to Enterprise, Wholesale and Retail market segments. In 2021, TIME’s data centre business, AIMS Data Centre, was awarded Malaysia Data Centre Services Provider of the Year for the fourth time running by Frost & Sullivan.

As at 31 December 2022, Khazanah had an effective shareholding interest of 19.4 per cent. in TIME.

Consumer Staples

Farm Fresh Berhad (“Farm Fresh”)

Farm Fresh is a Malaysia-based company, which is engaged in the business of farming, manufacturing and distribution of various dairy products and plant-based products. In 2021, Farm Fresh was recognised as one of Asia’s Best Performing Companies, at the Asia Corporate Excellence & Sustainability Awards 2021, organised by MORS Group. In March 2022, Farm Fresh completed its initial public offering (“IPO”) and listing on Bursa with a market capitalisation of RM2.51 billion, which was the largest IPO on Bursa in 2022.

Consumer Discretionary

Destination Resorts and Hotels Sdn Bhd.(“DRH”) (formerly known as Themed Attractions Resorts & Hotels Sdn Bhd).

Established by Khazanah in 2015, DRH serves to establish the The Datai brand as a world-class brand and expand the home-grown brand internationally; and to turn Desaru Coast into a world-class destination resort which will boost economic activities in the surrounding areas and ultimately contribute to the country’s GDP and nation-building objectives.

In FY2021, Khazanah subscribed to an additional 896,143,025 redeemable convertible cumulative secured loan stock and 798,269,361 preference shares in DRH. As at 31 December 2022, Khazanah had an effective shareholding interest of 100 per cent. in DRH.

Financials

Bank Muamalat Malaysia Berhad (“Bank Muamalat”)

Established in 1999, Bank Muamalat is one of two independent full-fledged Islamic Financial Institutions in Malaysia. Bank Muamalat has a nationwide network of 67 branches, a kiosk and an offshore Labuan branch that provides a wide range of Islamic banking products and services including foreign currency deposits, investment accounts, foreign exchange trading, working capital financing, trade financing, project and contract financing, venture capital and Islamic capital market services to both Malaysians and foreigners.

CIMB Group Holdings Berhad (“CIMB”)

Incorporated in Malaysia, CIMB is a leading Malaysia-based bank, which is a provider of banking products and financial services. Its business activities are categorised into four segments: Consumer Banking, Wholesale Banking, Commercial Banking and CIMB Digital Assets & Group Funding. In 2022, CIMB swept a total of 20 awards in treasury solutions from three key industry awards, namely the Asia Risk Awards 2022, The Asset Triple A Islamic Finance Awards 2022 and The Asset Triple A Private Capital Awards 2022.

On 15 April 2022, it was announced that Khazanah had completed a placement of 105 million shares in CIMB at RM5.10 per share, raising gross proceeds of RM535.5 million. The placement price represents a 3.4 per cent. discount to the closing market price of RM5.28 on 13 April 2022. The share placement exercise was part of Khazanah’s on-going efforts to rebalance its portfolio and recycle its investments into new assets in Malaysia and globally, including new investments under the Dana Impak initiative. As at 31 December 2022, Khazanah had an effective shareholding interest of 24.1 per cent. in CIMB.

Sun Life Malaysia Assurance Berhad (“Sun Life”)

Incorporated in Malaysia, Sun Life is a joint venture by Sun Life Assurance Company of Canada and Khazanah that offers a comprehensive range of life insurance & Family Takaful products and services to Malaysians across the country. In 2022, Sun Life was awarded the Life Insurance Award at the Malaysia International Business Awards 2022.

Healthcare

IHH Healthcare Berhad (“IHH”)

IHH is a Malaysia-based investment holding company that provides a full spectrum of integrated healthcare services. IHH’s segments include hospital and healthcare, IMU Health, PLife REIT and others. It operates its hospital and healthcare segment in Singapore, Malaysia, India, Greater China, Turkey and Europe and Southeast Asia. Its portfolio of brands include Acibadem, Mount Elizabeth, Prince Court, Gleneagles, Fortis, Pantai, Parkway and IMU. These brands offer its patients comprehensive and personalised care ranging from primary to quaternary, and even ancillary services, such as laboratories, diagnostics, imaging and rehabilitation. It provides day-to-day healthcare services through outpatient treatment, routine check-ups and vaccinations. Its secondary care comprises specialist consultation, local surgeries, emergency care, laboratory services, diagnostics and acute treatment.

ReGen Rehabilitation International Sdn Bhd (“ReGen”)

Incorporated in Malaysia, ReGen is the first private rehabilitation hospital in Malaysia with dedicated rehabilitation gyms & facilities and 96-beds licensed by the Ministry of Health of Malaysia.

In January 2022, Ophir Ventures Sdn. Bhd., a wholly-owned subsidiary of Khazanah, further subscribed to 1,096,667 ordinary shares and 5,903,333 redeemable convertible preference shares issued at RM1 per share for a total consideration of RM7 million. As at 31 December 2022, Khazanah had an effective shareholding interest of 65.2 per cent. in ReGen.

Industrial Services

Cenviro Sdn Bhd (“Cenviro”)

Incorporated in Malaysia, Cenviro is Malaysia’s leading circular waste management solutions provider, operating mainly in treatment and disposal, recycling and recovery of scheduled waste in Malaysia, and is highly driven towards ESG best practices. Cenviro, through its subsidiary, owns and operates Malaysia’s first integrated toxic and hazardous scheduled waste management centre in Port Dickson, Negeri Sembilan, which has been in operation since 1998. The Kualiti Alam Waste Management Centre has an annual capacity to store, treat and dispose of more than 100,000 tonnes of scheduled waste daily.

On 20 May 2022, Khazanah announced that it entered into a strategic partnership with SK ecoplant Co. Ltd. of South Korea to accelerate Cenviro growth into a regional waste management powerhouse. As at 31 December 2022, Khazanah had an effective shareholding interest of 70.0 per cent. in Cenviro.

Cement Industries of Malaysia Berhad (“Cement Industries”)

Cement Industries is a Malaysia-based company that manufactures building products, offers cement bags, ready-mixed concrete, quarries limestone and invests in properties. Cement Industries was involved in the construction of the Sultan Abdul Halim Mu’Adzam Shah Bridge which is the second longest bridge in Southeast Asia.

As at 31 December 2022, Khazanah had an effective shareholding interest of 100 per cent. in Cement Industries.

UEM Edgenta Berhad (“UEM Edgenta”)

UEM Edgenta is a Malaysia-incorporated asset management and infrastructure solutions company with a presence in seven countries spanning across Asia and the Middle East. UEM Edgenta’s asset management segment provides integrated facilities management and engineering contracting services for a range of assets and building types specialising in healthcare support, and property and facility solutions while its infrastructure solutions segment focuses on highway network maintenance and asset management, including pavement works and solutions services with expanded capabilities beyond roads, servicing multiple industries, including rail, airports, ports and oil and gas. In 2021, UEM Edgenta was awarded the 2021 Frost & Sullivan Malaysia Facilities Management Company of the Year Award for the sixth consecutive year.

As at 31 December 2022, Khazanah had an effective shareholding interest of 69.1 per cent. in UEM Edgenta.

Transportation & Logistics

Malaysia Aviation Group Berhad (“MAGB”)

MAGB is a global aviation organisation comprising three focused business portfolios from airlines, aviation services and e-commerce and travel services businesses. Its current airlines business portfolio that serves the global, domestic and segmented market comprises Malaysia Airlines — the national carrier of Malaysia, Firefly and MASwings — the regional airlines focused on serving communities across Malaysia, and AMAL by Malaysia Airlines — a leading one-stop pilgrimage travel solutions centre.

MAGB also focuses on aviation services business such as maintenance, repair and overhaul, cargo, ground handling and training that houses MAB Engineering, MASKargo — an all-inclusive cargo logistic and terminal operations service provider, Aerodarat — a multiservice ground handling solution provider and MAB Academy — a one-stop Aviation and Hospitality Centre of Excellence.

MAGB has undertaken a comprehensive financial restructuring exercise and a review of its long term business plan for a sustainable aviation organisation. The restructuring of the MAGB group involved bilateral agreements with a number of key stakeholders, namely operating lessors, spare engine lessors, maintenance service providers, corporate lenders, and Government of Malaysia-related entities. Approval by the UK Courts to proceed with the proposed scheme of arrangement was granted on 20 January 2021 followed by the successful court sanction hearing on 22 February 2021. MAGB’s restructuring exercise was then completed on 22 March 2021, with the support from all creditors and Khazanah as the shareholder of MAGB, where Khazanah committed to inject RM3.6 billion of fresh capital into MAGB by 2025. This restructuring provided MAGB with financial resilience throughout 2021 and 2022, resulting in a healthy cash balance since end-2021 to weather the economic downturn. Moving forward, MAGB will work closely with the Government of Malaysia and other industry stakeholders to drive the safe restart to air travel and to promote the recovery of the aviation industry.

In FY2021, Khazanah subscribed to an additional 29,720,249 ordinary shares in MAGB, for a total cash consideration of RM1,330 million. In FY 2021, the Government of Malaysia had also, through a subsidiary, converted the loan due from MAB Pesawat Sdn. Bhd. of RM5.3 billion into ordinary shares of MAGB, resulting in a dilution of Khazanah’s equity stake. As at 31 December 2022, Khazanah had an effective shareholding interest of 86.6 per cent. in MAGB.

Malaysia Airports Holdings Berhad (“MAH”)

MAH is a Malaysia-incorporated company that manages, operates, maintains and develops airports. It is one of the largest airport groups in the world, operating a total of 39 airports, including five international airports. MAH’s non-airport operations comprise agriculture, horticulture activities, hotel operations and project and repair maintenance businesses.

As at 31 December 2022, Khazanah had an effective shareholding interest of 33.2 per cent. in MAH.

PLUS Malaysia Berhad (“PLUS”)

Incorporated in Malaysia, PLUS develops and manages highways as well as provides rest and service areas, overhead bridge restaurants, vista points, petrol stations, self-service kiosks, toll systems, and traffic monitoring centres in Malaysia. In 2021, PLUS was awarded the Best Highway Brand Communication at the Highway Industry Awards 2021 in Malaysia.

As at 31 December 2022, Khazanah had an effective shareholding interest of 51.0 per cent. in PLUS.

Real Estate

M+S Pte Ltd (“M+S”)

Established in 2011, the joint venture between Khazanah and Temasek Holdings (Private) Limited, M+S is a real estate development company that manages and develops residential and commercial properties in Singapore. M+S developed two integrated developments, DUO and Marina One, in Singapore.

As at 31 December 2022, Khazanah had an effective shareholding interest of 60.0 per cent. in M+S.

UEM Sunrise Berhad (“UEM Sunrise”)

UEM Sunrise is one of Malaysia’s leading property developers. It is the flagship company for the township and property development businesses of UEM Group Berhad and Khazanah. UEM Sunrise has core competencies in macro township development; high rise residential, commercial, retail and integrated developments; as well as property management and project and construction services. It is the master developer of Iskandar Puteri (formerly known as Nusajaya), one of the five flagship zones of Iskandar Malaysia and also has a presence in South East Asia, Canada and Australia.

As at 31 December 2022, Khazanah had an effective shareholding interest of 69.6 per cent. in UEM Sunrise.

Iskandar Investment Berhad (“Iskandar Investment”)

Incorporated in 2006, Iskandar Investment is a Malaysia-based investment holding company that develops high impact projects in the education, tourism and leisure, creative and health and wellness sectors to cultivate an investment destination and liveable region.

As at 31 December 2022, Khazanah had an effective shareholding interest of 60.0 per cent. in Iskandar Investment.

Southern Marina Development Sdn Bhd (“SMD”)

SMD is a property developer which developed Southern Marina Residences, an integrated waterfront enclave in Puteri Harbour.

As at 31 December 2022, Khazanah had an effective shareholding interest of 30.0 per cent. in SMD.

Sunway Iskandar Sdn Bhd (“Sunway Iskandar”)

Sunway Iskandar is a property developer that owns and operates real estate properties. It develops, builds and manages townships, retail facilities, residential building, apartment and infrastructure projects.

As at 31 December 2022, Khazanah had an effective shareholding interest of 40 per cent. in Sunway Iskandar.

Renewable Energy

Cenergi SEA Berhad (“Cenergi”)

Incorporated in 2013, Cenergi is a premier sustainable energy solutions company specialising in reducing carbon footprint through investment in renewable energy and energy efficiency projects. In 2022, Cenergi received the ‘Best ASEAN Green SRI Sukuk’ at The Asset Triple A Islamic Finance Awards 2022 for its recent RM 210 million dual-tranche ASEAN Green SRI Senior Sukuk Wakalah issuance.

As at 31 December 2022, Khazanah had an effective shareholding interest of 97.0 per cent. in Cenergi.

Utilities

Tenaga Nasional Berhad (“Tenaga”)

Tenaga is the largest electricity utility company in Malaysia and a leading utility company in Asia with an international presence in United Kingdom, Kuwait, Turkey, Saudi Arabia, Pakistan, India and Indonesia. It serves an estimated 9.44 million customers in Peninsular Malaysia. Its operations cover the electricity production and supply value chain, including generation, transmission and distribution of energy. Tenaga develops, operates and maintains a portfolio of power generating units. In 2021, Tenaga was conferred the Brand of the Year award for the fifth time at the World Branding Awards.

As at 31 December 2022, Khazanah had an effective shareholding interest of 25.5 per cent. in Tenaga.

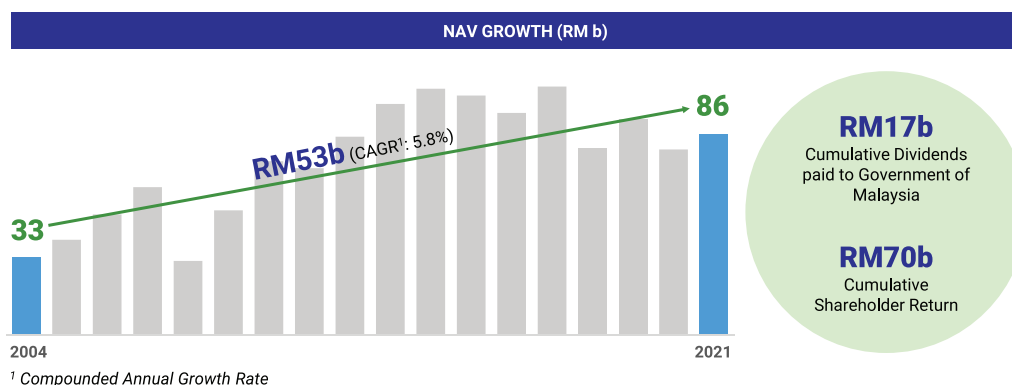
Recent Acquisitions

Pathology Asia Holdings Pte. Ltd. (“Pathology”)

On 1 December 2021, Pulau Kaca Investments Limited, a wholly-owned subsidiary of Khazanah, entered into a share purchase agreement with Medlab Asset Management Pte. Ltd. and TPG Helipad L.P to purchase secondary ordinary shares in Pathology for a total consideration of U.S.\$44,497,182. The acquisition was completed on 7 January 2022.

Performance in respect of FY2021

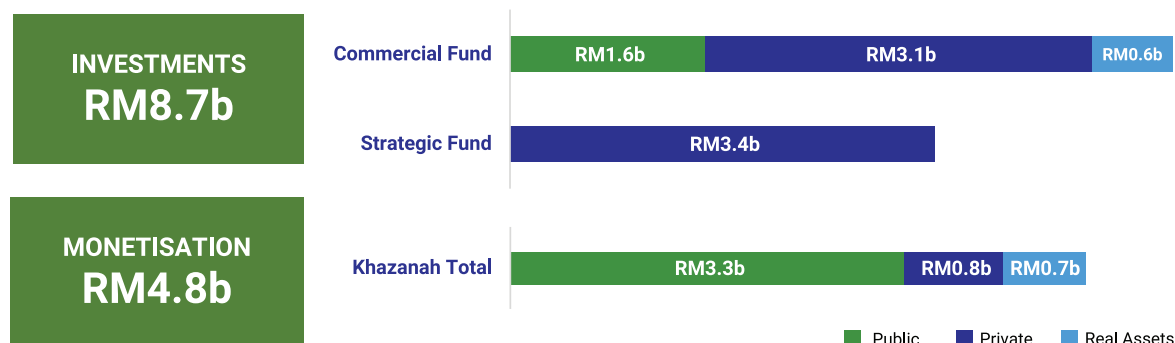
In FY2021, Khazanah has continued to grow and safeguard its assets on behalf of the nation, with net asset value (“NAV”) recording a compounded annual growth rate (“CAGR”) of 5.8 per cent. since 2004.



Khazanah’s NAV grew from RM79 billion as at 31 December 2020 to RM86 billion as at 31 December 2021 which was largely attributable to the strong performance of the Commercial Fund. However, profit from operations fell to RM670 million in respect of FY2021 from RM2.9 billion in respect of the financial year ended 31 December 2020 (“FY2020”). The reduction of profit was mainly due to continuing financial assistance being extended to Khazanah’s airlines and tourism companies still impacted by the COVID-19 pandemic. Profit was also impacted by lower fair value gains and lower dividend income from investee companies on the back of subdued FY2020 earnings.

Khazanah deployed RM8.7 billion in investments in FY2021, with a significant portion invested in Malaysia (41.7 per cent. or RM3.6 billion) and raised RM4.8 billion from monetisation of assets in its portfolio. Khazanah continued to maintain its financial discipline in FY2021. Operating expenses were reduced to RM420 million in FY2021 from RM490 million in FY2020. Debt increased marginally to RM48 billion in FY2021 from RM43 billion in the previous year, while its Realisable Asset Value (“RAV”) over debt ratio remained healthy at 2.8 times. Khazanah also declared a dividend of RM2 billion to the Government of Malaysia for FY2021 to support the Government’s efforts in tackling the pandemic.

In FY2021, Khazanah deployed a total of RM8.7 billion in investments under its portfolio, with the breakdown between the Commercial Fund and the Strategic Fund as set out below.



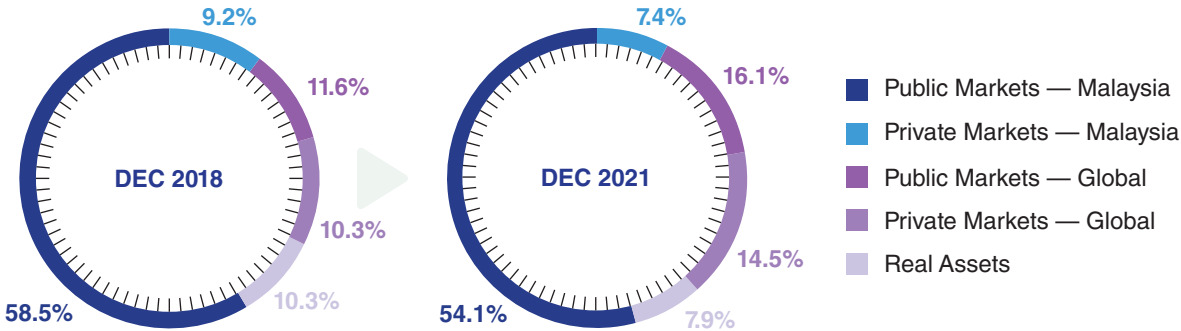
Khazanah also generated a total of RM4.8 billion in proceeds from the monetisation of its investments in FY2021, with the breakdown by asset class set out below.

Commercial Fund

As at 31 December 2021, the Commercial Fund portfolio’s RAV was RM106 billion, and the fund achieved a one-year net asset value time-weighted rate of return of 19.0 per cent., with a rolling three-year return of 7.0 per cent., which is on track to meet Khazanah’s long-term five-year rolling target of consumer price index of +3.0 per cent.

Despite the challenging and disruptive market environment, Khazanah was able to grow the portfolio value, whilst making progress in the SAA and portfolio diversification via deployment into public markets — developed markets, real assets and private equity, whilst monetising Khazanah’s US and European private equity investments at attractive valuations.

As a result, there were improvements to Khazanah’s portfolio weightings as at 31 December 2021, with increasing allocation into global investments as part of Khazanah’s Commercial Fund assets under management since Khazanah commenced the rebalancing of its portfolio in 2019. For its Malaysian assets, Khazanah’s focus continues to be on value-creation efforts to future-proof and drive performance improvements in its businesses. The diagram below sets out a comparison between the portfolio weightings of Khazanah’s Commercial Fund assets under management as at 31 December 2018 and 31 December 2021.



The table below sets out the annual return by asset class of the Commercial Fund as at 31 December 2019, 31 December 2020 and 31 December 2021.

	As at 31 December 2021	As at 31 December 2020	As at 31 December 2019	3-year Rolling
Public Markets — Malaysia	19.5%	-7.8%	2.5%	4.1%
Public Markets — Global	1.6%	26.2%	27.5%	17.8%
Private Markets — Malaysia	13.9%	-6.4%	7.9%	4.8%
Private Markets — Global	19.1%	-1.3%	6.1%	7.6%
Real Assets	11.2%	0.1%	10.5%	7.1%

The table below sets out the geographical split of the Commercial Fund as at 31 December 2019, 31 December 2020 and 31 December 2021.

	As at 31 December 2021	As at 31 December 2020	As at 31 December 2019
Malaysia	63.5%	63.4%	69.2%
China	14.8%	17.0%	13.9%
Asia (Ex-China)	12.0%	12.1%	12.9%
Europe, Middle East and Africa	2.8%	2.8%	2.4%
North America	7.0%	4.8%	1.6%

Strategic Fund

In FY2021, Khazanah’s holdings in aviation and leisure and tourism assets were adversely affected by the continued effects of the COVID-19 pandemic and travel restrictions. As at 31 December 2021, the Strategic Fund recorded a reduction of 11.4 per cent. in value time-weighted rate of return with a RAV of RM28 billion, benchmarked against the targeted rate of return of the 10-year Malaysian Government Securities (MGS).

Throughout FY2021, Khazanah has continued to play a strategic role in support of these affected assets to recover from the impact of the COVID-19 pandemic, by providing capital injections and value creation plans. Despite the challenging conditions, Khazanah achieved significant milestones including the timely completion of MAGB’s restructuring exercise which saw the reduction of RM15 billion in liabilities. This restructuring effort enables MAGB to be more financially resilient and readies the airline operations for the anticipated recovery in air travel. Khazanah has also maintained support for its developmental assets such as DRH and Iskandar Malaysia Studios Sdn Bhd through capital injections in 2021, and is currently working with the management of those companies to develop and execute strategies for business recovery and sustainability.

SUSTAINABILITY

Khazanah’s foray into ESG began in 2005 with the launch of the GLC Transformation Programme, an acknowledgement that the key to the long-term sustainability of Malaysian corporates is by having good governance and social practices.

Throughout the 10-year GLC Transformation Programme, guidelines that emphasised the importance of performance orientation, best corporate practices and good governance practices were implemented across the participating companies, with favourable outcomes achieved by 2015.

As early as 2009, Khazanah has initiated studies to better understand the implications of ESG issues on its investment portfolio and companies. Khazanah began investing in sustainability themed opportunities, both locally and abroad, that looked to provide returns beyond financial value and would positively impact the environment and communities they operated in. These thematic investments include its ventures into Cenviro and Cenergi, investments that focus on improving the environment.

Sustainability approach

Khazanah's mandate is primarily to create a better Malaysia for future generations. It is therefore vital to embed sustainability principles into Khazanah's daily operations as part of the long-term objective to deliver impactful outcomes. As the sovereign wealth fund of Malaysia, Khazanah is responsible for creating value beyond monetary terms. Khazanah remains conscious of the impact of its investments on the broader society as well as the natural environment.

To ensure that Khazanah's decisions and actions facilitate an equitable and responsible transition in adopting ESG practices, Khazanah anchors itself on the following principles:

- **Do Good:** To aspire for positive outcomes and ensure Khazanah's actions today produce results towards a positive economic, social and environmental change for current and future generations.
- **Do Better:** Aim to build on the status quo, by identifying opportunities to create positive value through managing risks and preparing for the future.
- **Do No Harm:** To manage and mitigate risks to ensure that Khazanah's actions do not expose stakeholders to negative effects on the social fabric, the economy or the environment.

Since the development of the Sustainable Investment Policy in 2019, Khazanah has embarked on initiatives to deepen its understanding of ESG issues and its impact on portfolio companies. Khazanah is committed to ensuring optimal outcomes for its companies through an equitable and responsible transition, supported and driven by continuous active shareholder engagement.

In FY2021, Khazanah established the Sustainability Working Group ("**SWG**"), a company-wide initiative that looked to transform how Khazanah behaves as an organisation, incorporating sustainability into all aspects of Khazanah's operations, beyond its investment processes. The SWG was formed to assess its daily business activities and introduce new initiatives to make Khazanah a more sustainable and responsible organisation. The SWG, made up of 36 employees, representing all divisions across all levels — is focused on reducing emissions, reducing waste from Khazanah's operations and ensuring better practices among Khazanah's staff (e.g. through volunteer and social responsibility initiatives).

Guiding principles

In ensuring that Khazanah holds true to its sustainability aspirations, Khazanah developed a set of holistic guiding principles to help ensure that its decisions and actions facilitate an equitable and responsible transition. These guiding principles allow for the flexibility to navigate its approach based on the different asset classes and sectors in which Khazanah invests.

The guiding principles for sustainability include the following: (a) meeting legal and ethical standards as responsible corporate citizens; (b) being accountable to stakeholders and considering what they look to Khazanah for; (c) ensuring returns commensurate with risks so that Khazanah can manage expected outcomes; (d) acting fairly and judiciously to uphold what is right and ensure equity; (e) being practical and reasonable taking into account context and potential trade-offs; (f) prioritising substance over form to prevent green-washing; and (g) considering adding value through the transition process and being part of the solution before divesting.

Sustainability Framework

In June 2022, Khazanah launched its sustainability framework (the “**Sustainability Framework**”) to guide the Khazanah Group to deliver sustainable value as an enterprise and investor by integrating ESG considerations into its core business.

Purpose and Sustainability Aspiration

The key purposes and sustainability aspirations under the Sustainability Framework are to (i) invest to deliver sustainable value for Malaysians and (ii) play a leading role at shaping an equitable and responsible transition towards a sustainable future for Malaysia.

Sustainability Focus Areas

The following diagram sets out the primary focus areas under the Sustainability Framework that Khazanah is committed to address and manage.



Sustainable Investing and Enterprise Sustainability

As part of the Sustainability Framework, Khazanah has identified Sustainable Investing and Enterprise Sustainability as two key action points to help achieve its sustainability targets.

Through Sustainable Investing, Khazanah has commenced integration of ESG considerations into its investment decision making and stewardship of all its investee companies and will continue to do so. For example, ESG risk assessments are included in all papers for new investments tabled to the Investment Committee. In addition, Khazanah also monitors ESG performance and ratings of its public markets portfolio that span multiple geographies and sectors, and provide quarterly updates to the investment committee — utilising several datasets subscribed from global ESG data providers. Flagged ESG issues are immediately escalated to the relevant departments for further deliberation on next steps.

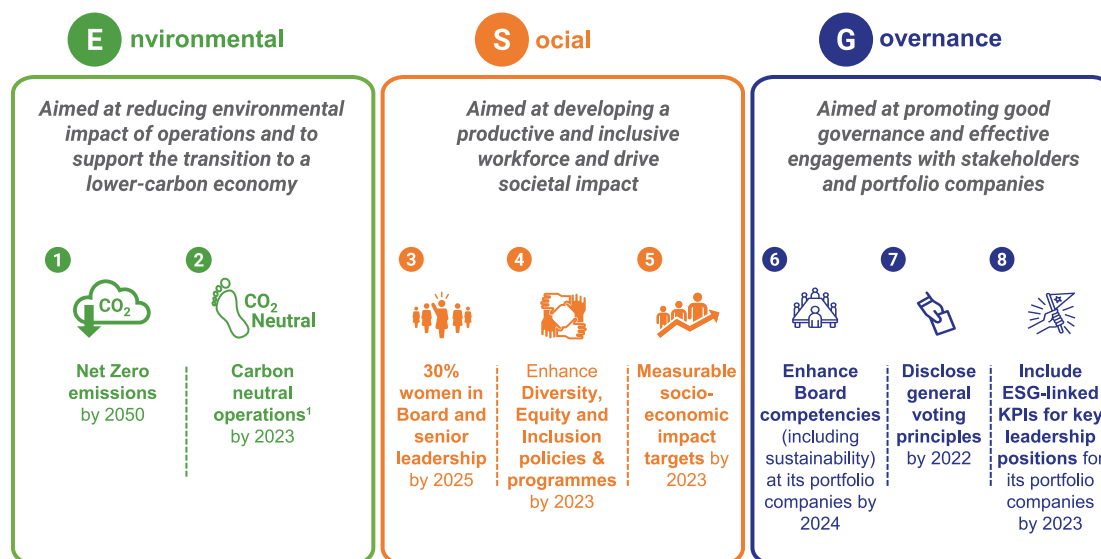
Concurrently, via its Enterprise Sustainability approach, Khazanah will embed sustainability into its day-to-day operations through better management of its energy usage, material consumption patterns, as well as travel practices.

Integrity at Khazanah

Khazanah supports the National Anti-Corruption Plan 2019-2023 and various national directives on integrity and anti-corruption measures. Khazanah has successfully completed its Integrity & Anti-Corruption Plan (“IACP”) 2019-2020 and is currently executing the IACP 2021-2022. Under the IACP, various processes and procedures were enhanced, and a series of programmes and communications were rolled out to staff and Khazanah’s investee companies.

Sustainability Targets

Khazanah has identified the following eight sustainability targets under the three main pillars of (i) environment, (ii) social and (iii) governance, to tackle the various challenges affecting Khazanah’s portfolio.



1. Covers Scope 1, 2 and partial Scope 3 Greenhouse Gas (GHG) emissions pertaining to Khazanah’s operations (e.g. business air travel)

ESG-related affiliations and community engagements

In Khazanah’s ongoing efforts to improve its organisational practices and that of its portfolio companies, it is imperative that Khazanah continues to build knowledge about sustainability via engagements with other organisations and partners. Such organisations and partners include the Institutional Investor Council Malaysia, International Forum of Sovereign Wealth Funds and CEO Action Network. Khazanah is also a signatory to the United Nation’s Principles for Responsible Investment, where it subscribes to principles for incorporating ESG elements into its investment policies, including (i) incorporating ESG considerations into its investment analysis and decision-making processes; (ii) incorporating ESG considerations into its ownership policies and practices; (iii) seeking appropriate disclosure on ESG issues by the entities that it invests in; (iv) promoting inclusive development and the sustainability agenda with the investment sector in Malaysia through the sharing of insights and experience at industry events and knowledge sharing platforms; (v) taking a collaborative stance in partnering, sharing and learning best practices; and (vi) enhancing its reporting practices, including the making of relevant disclosures on its ESG activities and progress.

Khazanah’s mandate goes beyond financial value creation, with a strong national development agenda embedded in the ethos of the organisation. Khazanah’s purpose to deliver societal returns to local communities is well established. In supporting the government’s national development agenda, Khazanah hopes to generate better outcomes and quality of life for all Malaysians.

Khazanah continues to deliver sustainable societal returns through corporate responsibility initiatives.

Key initiatives led by Khazanah and its affiliated organisations include the following.

COVID-19 relief efforts

In April 2020, Khazanah contributed RM20 million to support relief efforts in response to the COVID-19 pandemic in Malaysia and it was channelled through the Government-Linked Companies (“GLC”) and Government-Linked Investment Companies (“GLIC”) Disaster Response Network, which was coordinating GLC and GLIC assistance to the Ministry of Health of Malaysia and other groups in urgent need.

Yayasan Hasanah

Yayasan Hasanah (“YH”), a foundation of Khazanah, had led numerous initiatives through specific focus areas such as Education, Community Development, Environment, Knowledge and Arts and Heritage and Culture. YH aims to create impact that complements Khazanah’s effort of developing a globally competitive Malaysia. YH’s annual funding is derived out of the returns of its endowment fund. This has enabled it to take a long-term view of initiatives and programmes, invest in system improvements and reform as well as provide sustainability to the mission. In FY 2021, YH managed a total of RM554 million in FY2021 which directly and indirectly assisted 1.5 million people through COVID-19 relief efforts and various other programmes. In FY 2022, Yayasan Hasanah provided a total of RM54 million in grants allocated to 164 projects on key impact areas namely education, environment, community development, arts and public spaces and various other programmes. As at 31 December 2022, Yayasan Hasanah has contributed a total of RM1.8 billion through its various initiatives since 2006.

Yayasan Khazanah

Yayasan Khazanah (“YK”) was established in 2006 to support the growth of local talents which will increase national competitiveness on the global arena. YK plays an important role in identifying, supporting and nurturing top young talents in the country by facilitating full scholarships under various scholarship programmes to study at premier universities in the United States, the United Kingdom, Australia and Malaysia. YK also provides such students with a chance to develop further via job opportunities at GLCs, GLICs or government agencies, for the benefit of the nation. In 2021, YK sponsored a total of 304 individuals, with 104 individuals awarded scholarships across all YK programmes and 200 individuals received Khazanah Study Grants.

Taman Tugu

Taman Tugu is a 66-acre green space located in the heart of Kuala Lumpur. The conservation, preservation and operation of this rainforest park has been undertaken as a corporate social responsibility project by Khazanah with the support of various public sector agencies and civil-society organisations. The project entailed the rehabilitation of the former illegal dumping ground which was earmarked for development into a pristine green space for the community and protecting it into perpetuity under a public trust, established by Khazanah for Taman Tugu and other potential assets of heritage value.

Since its opening in September 2018, the park has seen close to one million visitors and received global accolades including Lonely Planet’s Top-10 New Openings in the World (2019) and Honorary Recognition from World Urban Parks Association (2020).

In 2022, more trails and recreational spaces were added to further increase activation and accommodate more wellness and community programmes for all ages at the park.

Moving forward, Taman Tugu will focus more on providing community centred nature education programmes and carbon offset activities to further create awareness around the importance of the sustainability agenda and encourage more public participation towards the conservation of nature.

Khazanah Research Institute

KRI was established in February 2014 to undertake analyses and research on the pressing issues of the nation, and based on the research, provide actionable policy recommendations to improve the well-being of Malaysians. In 2021, the institute released 32 publications (including discussion papers, reports and articles) with selected works such as “Psychological Vulnerabilities and its Relationship to Food During the Pandemic”, “Data Transparency for Prison Reform”, “Building Resilience: Towards Inclusive Social Protection in Malaysia”, “Back to School: Reopening Schools Safely”, “Electronic Health Records: Planning the Foundation for Digital Healthcare in Malaysia” and “Implications of the Dominant Shift to Industrial Crops in Malaysian Agriculture Phase 2: System Dynamics Model of Industrial Crops”. In 2022, KRI continued to conduct research on key pressing issues for the country with a total of 26 publications released in 2022, in which the findings and recommendations would be used to assist the Government and other relevant stakeholders in developing policies to improve the well-being of Malaysians.

Think City

Think City is a social purpose organisation which strives to be a catalyst for change in the way cities are planned, curated, developed and celebrated. It was established by Khazanah in 2009 to spearhead urban regeneration in George Town, Penang and the resulting impact and success has led to expansion into other areas of Penang, Kuala Lumpur and Johor Bahru. In 2021, Think City launched the Downtown Kuala Lumpur Grants Programme to enable communities to participate in the recovery and transformation of the historic centre of Kuala Lumpur into a creative and cultural district. In 2022, Think City played a catalytic role in the heritage conservation of Coronation Avenue with Johor Bahru City Council. Think City also implemented the Northern Region Archaeotourism Network in 2022 under the auspices of Ministry of Finance to preserve unique tangible and intangible cultural assets. Pursuant to the Malaysia Budget 2023, RM30 million is allocated to increase the liveability of public housing in Kuala Lumpur, Malaysia. Kuala Lumpur City Hall will collaborate with ThinkCity to revitalise life in the city centre through beautifying projects in focal locations as well as raising the potential of historic and cultural assets.

Malaysia Short Term Employment Programme (“MySTEP”)

MySTEP is part of the government’s Penjana Kerjaya 2.0 & 3.0 initiatives which are supported by Khazanah. MySTEP offers training and on-the-job placement through various industry partners, and is open to Malaysians aged 18 years and above, including school leavers and the special needs community. The programme aims to equip unemployed graduates with the right knowledge, skills and mindset which are in demand by the job market. In 2021, Khazanah and its related companies trained participants across Malaysia with most securing jobs in sectors such as manufacturing, hospitality, banking, and e-commerce. This project benefits from The Social Security Organisation (PERKESO) incentives under the Penjana Kerjaya scheme.

RECENT DEVELOPMENTS

Khazanah’s Annual Review 2023 (“KAR 2023”) and audited financial statements for FY2022

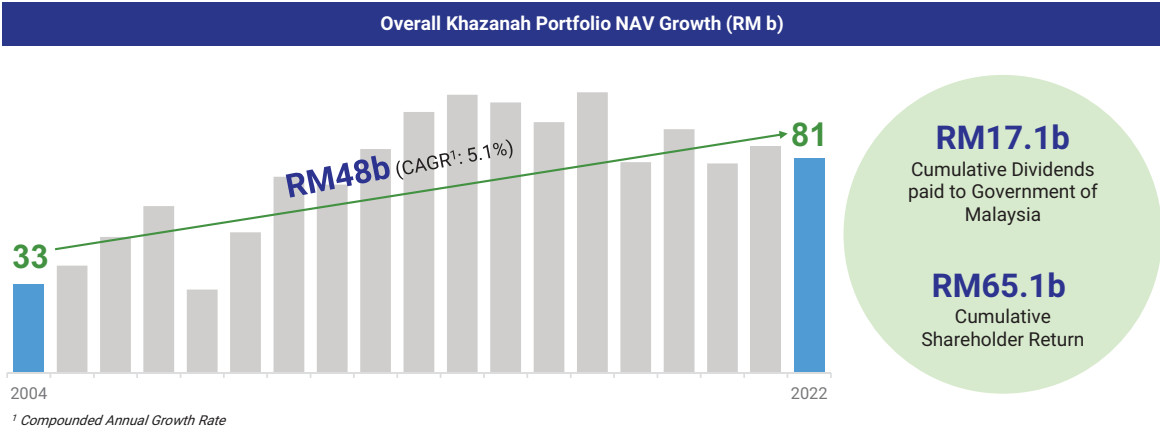
On 21 March 2023, Khazanah presented the KAR 2023 which saw Khazanah announcing, *inter alia*, its financial and portfolio performance of FY2022.

The highlights of Khazanah’s financial and portfolio performance in FY2022 from KAR 2023 are set out below.

Khazanah recorded a profit from operations of RM1.6 billion for FY2022, an increase of RM930 million from FY2021, mainly due to contributions from monetisation activities and lower impairment in Khazanah’s portfolio. In addition, Khazanah’s debt increased marginally to RM49.1 billion in FY2022 compared to RM48.5 billion in the previous year.

On 19 May 2023, Khazanah released its audited financial statements for FY2022. For more details on the audited unconsolidated financial information of Khazanah for FY2022, please see “*Summary of Financial Information*”.

Despite a challenging year in 2022 where Khazanah recorded a decline in its NAV of five per cent. from RM86 billion as at 31 December 2021 to RM81 billion as at 31 December 2022 due to global market downtrends, Khazanah has continued to grow and safeguard its assets for the nation recording a CAGR of 5.1 per cent since 2004 as at 31 December 2022. Khazanah’s RAV over debt ratio remained healthy at 2.7 times.



Khazanah also declared a dividend of RM500 million for FY2022 to the Government of Malaysia, with cumulative dividends declared since 2004 amounting to RM17.1 billion as at 31 December 2022.

In FY2022, Khazanah remains focused on building long-term financial return and has continued its portfolio rebalancing towards the target SAA with deployments into public equities, private equities and real assets. Khazanah deployed RM6.6 billion in new investments and raised RM2.5 billion from the monetisation of assets in FY2022.

As at 31 December 2022, Khazanah’s Investment Portfolio recorded a RAV of RM122.5 billion RAV and a four-year rolling NAV Time-Weighted Rate of Return (“TWRR”) of 2.2 per cent. Khazanah’s Investment Portfolio also recorded a NAV TWRR of -5.7 per cent. for FY2022 due to the global market downturn, which is aligned with the declines in the MSCI Emerging Markets Asia, S&P 500 and the FTSE Bursa Malaysia KLCI indices at -22.8 per cent., -19.5 per cent. and -4.6 per cent. respectively.

The table below sets out the RAV TWRR by asset class of the Investment Portfolio as at 31 December 2019, 31 December 2020, 31 December 2021 and 31 December 2022.

	% of Investment Portfolio	RAV TWRR as at 31 December 2022	RAV TWRR as at 31 December 2021	RAV TWRR as at 31 December 2020	RAV TWRR as at 31 December 2019	4-year Rolling
Public Markets						
— Malaysia	55.9%	-4.2%	14.0%	-7.4%	3.2%	1.1%
Public Markets						
— Global	13.4%	-16.3%	1.6%	26.2%	27.5%	8.1%
Private Markets						
— Malaysia	9.2%	16.8%	12.2%	-4.7%	5.9%	7.2%
Private Markets						
— Global	13.5%	3.9%	19.1%	-1.3%	6.1%	6.7%
Real Assets	8.0%	23.5%	11.2%	0.1%	10.5%	11.0%

For further details, please refer to Khazanah’s website. For the avoidance of doubt, none of the information contained in the website is intended to be incorporated by reference to or form part of this Offering Circular.

Divestment of 100 per cent. stake in Iskandar Malaysia Studios Sdn Bhd

On 9 April 2023, Khazanah announced that it has, through its wholly-owned special purpose vehicle, Granatum Ventures Sdn Bhd, entered into a definitive share sale agreement to divest 100 per cent. of its shareholding stake in Iskandar Malaysia Studios Sdn Bhd (“IMS”) to Studio Management Services Sdn Bhd, a consortium led by IMS’ current Malaysian management team in partnership with GHY Culture & Media Holding Co., Limited and its subsidiary, GHY Culture & Media (Malaysia) Sdn. Bhd. The completion of the transaction is currently pending fulfilment of the relevant conditions precedent.

SUMMARY OF FINANCIAL INFORMATION

The following tables present selected audited financial information for Khazanah on an unconsolidated basis as at and for each of the years ended 31 December 2019, 31 December 2020, 31 December 2021 and 31 December 2022. The selected audited unconsolidated financial information of Khazanah should be read in conjunction with the Audited Accounts and the notes thereto. The Audited Accounts are included in this Offering Circular, see “*Index to Financial Statements*”.

The Audited Accounts have been prepared in accordance with MFRS, IFRS and the requirements of the Companies Act 2016 in Malaysia, which may differ in certain material respects from generally accepted accounting principles and auditing standards that prospective investors may be familiar with in other countries.

Statement of Comprehensive Income

	As at and for the year ended 31 December			
	2019	2020	2021	2022
	(audited)			
	(RM'000)			
Income	14,856,383	9,307,027	4,911,220	7,262,921
Dividend income	13,554,009	6,816,015	3,883,924	6,516,337
Gain from divestments	1,182,409	1,932,612	801,881	376,253
Other operating income	119,965	558,400	225,415	370,331
Operating expenses	(483,346)	(528,163)	(498,973)	(611,679)
Net unrealised gain on financial assets designated as fair value through profit or loss	561,753	1,114,372	102,023	(1,042,285)
Net (loss)/gain on revaluation of derivatives	(3,363)	46,510	(38,178)	166,587
Foreign exchange effect (loss)/gain, net. . .	282,788	442,575	(142,641)	77,875
Allowance for impairment losses on investments and receivables, net of writebacks	(4,029,712)	(5,219,589)	(2,085,792)	(542,187)
Operating Profit	11,184,503	5,162,732	2,247,659	5,311,232
Finance costs	(2,201,914)	(1,891,152)	(1,813,848)	(1,936,980)
Profit before taxation	8,982,589	3,271,580	433,811	3,374,252
Taxation	(10,212)	(21,533)	(17,767)	(18,054)
Net profit for the year	8,972,377	3,250,047	416,044	3,356,198
Other comprehensive income (“OCI”) <i>Items that will not be reclassified subsequently to profit or loss</i>				
Net (loss)/profit on fair value through other comprehensive income — (Loss)/ profit on fair value changes, net of tax representing other comprehensive (loss)/ income for the year	(1,500)	21,000	(9,704)	—
Total comprehensive income for the year	<u>8,970,877</u>	<u>3,271,047</u>	<u>406,340</u>	<u>3,356,198</u>

Statement of Financial Position

	As at and for the year ended 31 December			
	2019	2020	2021	2022
	(audited)			
	(RM'000)			
Assets				
Cash and bank balances	1,208,891	3,388,329	1,279,258	1,748,026
Investment in money market instruments . .	—	64,921	34,896	—
Other financial investments	4,632,211	3,756,473	4,241,730	5,209,729
Other receivables	868,932	871,802	916,281	1,289,262
Tax recoverable	25,097	26,634	26,223	23,836
Interest in subsidiaries	43,747,396	40,273,004	41,935,344	40,060,409
Interest in associates	25,928,295	25,713,966	25,378,931	25,226,670
Property, plant and equipment	24,263	10,225	15,727	19,790
Investment properties	—	352,569	—	—
Other intangible assets	549	372	766	1,291
Total assets	<u>76,435,634</u>	<u>74,458,295</u>	<u>73,829,156</u>	<u>73,579,013</u>
Liabilities				
Other liabilities	3,587,882	3,544,768	2,019,939	1,379,967
Borrowings	45,769,258	42,610,496	45,062,668	42,762,886
Derivative liabilities	174,919	128,409	166,587	—
Total liabilities	<u>49,532,059</u>	<u>46,283,673</u>	<u>47,249,194</u>	<u>44,142,853</u>
Equity attributable to Owners of the Company				
Share capital	12,284,201	12,284,201	12,284,201	12,284,201
Capital contribution from shareholders . . .	2,324,423	2,324,423	2,324,423	2,324,423
Fair value adjustment reserve	9,000	30,000	—	—
Retained profits	12,285,951	13,535,998	11,971,338	14,827,536
Total equity	<u>26,903,575</u>	<u>28,174,622</u>	<u>26,579,962</u>	<u>29,436,160</u>
Total equity and liabilities	<u>76,435,634</u>	<u>74,458,295</u>	<u>73,829,156</u>	<u>73,579,013</u>

Statement of Cash Flows

	As at and for the year ended 31 December			
	2019	2020	2021	2022
	(audited)			
	(RM'000)			
Cash flows from operating activities				
(Loss)/profit before taxation	8,982,589	3,271,580	433,811	3,374,252
Adjustments for:				
Gain from divestments	(1,182,409)	(1,932,612)	(801,881)	(376,253)
Dividend income	(13,554,009)	(6,816,015)	(3,883,924)	(6,516,337)
Interest income	(90,530)	(127,938)	(113,626)	(129,004)
Unrealised (gain)/loss on foreign exchange, net	(282,788)	(442,575)	142,641	(77,875)
Depreciation on property and equipment	4,920	7,133	1,793	2,025
Depreciation on investment property . .	—	2,691	6,118	—
Other intangible assets written off	—	—	85	—
Amortisation of other intangible assets .	1,162	355	229	254
Allowance for impairment losses in investments and receivables, net of writebacks	4,029,712	5,219,589	2,085,792	542,187
(Gain)/loss on disposal of property and equipment	(285)	48	(278)	—
Interest expense	2,201,914	1,891,152	1,813,848	1,936,980
Net loss/(gain) on financial assets designated as fair value through profit or loss	(561,753)	(1,114,372)	(102,023)	1,042,285
Net loss/(gain) on revaluation of derivatives	3,363	(46,510)	38,178	(166,587)
Operating loss before working capital changes	(448,114)	(87,474)	(379,237)	(368,073)
Changes in receivables	(1,231,004)	(1,407,200)	2,699,792	1,003,272
Changes in payables	1,278,959	1,138,693	(4,503,658)	(2,470,802)
Income tax paid	(29,820)	(20,000)	(17,355)	(15,667)
Net cash used in operating activities	(429,979)	(375,981)	(2,200,458)	(1,851,270)

As at and for the year ended 31 December

	2019	2020	2021	2022
	(audited)			
	(RM'000)			
Cash flows from investing activities				
Proceeds from disposal/(purchase) of investments, net	(10,237,299)	1,528,680	(1,333,714)	1,480,515
Purchase of property and equipment	(19,361)	(11,462)	(10,627)	(6,088)
Purchase of other intangible assets	(132)	(178)	(708)	(779)
Proceeds from disposal of property and equipment	408	18,319	3,610	—
Dividend received	13,554,009	6,816,015	3,883,924	6,212,926
Interest received	90,530	127,938	74,760	57,137
Net cash generated from investing activities	<u>3,388,155</u>	<u>8,479,312</u>	<u>2,617,245</u>	<u>7,743,711</u>
Cash flows from financing activities				
Repayment of borrowings	(9,599,769)	(12,452,233)	(7,473,723)	(9,020,670)
Drawdown of borrowings	9,468,365	8,903,451	9,328,121	5,592,000
Dividends paid	(1,000,000)	(1,000,000)	(3,000,000)	(500,000)
Interest paid	(1,485,425)	(1,375,111)	(1,380,256)	(1,495,003)
Net cash used in financing activities	<u>(2,616,829)</u>	<u>(5,923,893)</u>	<u>(2,525,858)</u>	<u>(5,423,673)</u>
Net changes in cash and cash equivalents	341,347	2,179,438	(2,109,071)	468,768
Cash and cash equivalents at the beginning of year	867,544	1,208,891	3,388,329	1,279,258
Cash and cash equivalents at the end of year	<u>1,208,891</u>	<u>3,388,329</u>	<u>1,279,258</u>	<u>1,748,026</u>
Cash and cash equivalents comprise				
Cash and bank balances	155,169	196,564	161,630	167,781
Deposits with licensed banks	1,053,722	3,191,765	1,117,628	1,580,245
	<u>1,208,891</u>	<u>3,388,329</u>	<u>1,279,258</u>	<u>1,748,026</u>

PRINCIPAL INDEBTEDNESS OF KHAZANAH

The following is a summary of Khazanah's principal financing arrangements.

The table below sets forth the total borrowings of Khazanah as at 31 December 2022.

	Amount Outstanding as at 31 December 2022
	(Audited)
	(RM'000)
Khazanah Bonds — Secured	5,767,282
Exchangeable Trust Certificates	1,014,749
Islamic Medium Term Notes issued by Danga Capital Berhad	10,000,000
Islamic Medium Term Notes issued by Danum Capital Berhad	10,100,000
Islamic Medium Term Notes issued by Dua Capital Ltd.	4,404,670
Islamic Medium Term Notes issued by Rantau Abang Capital Berhad	3,000,000
Islamic Medium Term Notes issued by Ihsan Sukuk Berhad	100,000
Medium term notes	2,584,185
Unsecured Term loans	3,342,000
Revolving Credit Facility	2,450,000
Total Borrowings	42,762,886

Khazanah Bonds — Secured

Since March 1999, Khazanah has from time to time issued various series of medium to long-term zero coupon Islamic bonds with maturities ranging between five and 15 years. Each series of zero coupon Islamic bonds is guaranteed by the Government and is based upon the Islamic financing concepts of “Murabahah” or “Musyarakah”. The Government guaranteed zero coupon Islamic bonds were issued at a discount and will be redeemed at 100 per cent. of their nominal value on their relevant redemption dates. The aggregate nominal value of the outstanding Government guaranteed zero coupon Islamic bonds as at 31 December 2022 was RM6.5 billion. The accreted book value of such Islamic bonds as at 31 December 2022 was RM5.8 billion, which represented their nominal value less the unamortised discount on such Islamic bonds.

The table below sets forth the details of the Government guaranteed zero coupon Islamic bonds issued by Khazanah and outstanding as at 31 December 2022.

	At nominal value	Unamortised discount (audited) (RM million)	Amount outstanding as at 31 December 2022 (audited)	Date of repayment	Yield to maturity at issuance (%)
Issued 14 August 2008 15-year	2,000	65	1,935	14 August 2023	5.330
Issued 20 March 2009 15-year	1,500	85	1,415	20 March 2024	4.840
Issued 27 August 2009 15-year	1,000	76	924	27 August 2024	4.820
Issued 3 September 2012 20-year	1,000	328	672	3 September 2032	4.150
Issued 12 October 2012 15-year	1,000	179	821	12 October 2027	4.170
Total	6,500	733	5,767		

Exchangeable Trust Certificates and Exchangeable Bonds

In February 2018, Khazanah issued Shariah-compliant exchangeable trust certificates through an independent special purpose vehicle, Cindai Capital Ltd. The offering comprised U.S.\$320.8 million five-year, cash-settled exchangeable trust certificates due 2023 which are referenced to H-shares of par value of RMB1.00 each of CITIC Securities Co. Ltd. In February 2021, the Issuer redeemed U.S.\$3,108,000 in nominal value of the exchangeable trust certificates. In October 2022, November 2022 and December 2022, the Issuer repurchased and cancelled U.S.\$30 million, U.S.\$48 million and U.S.\$10 million in nominal value of the exchangeable trust certificates respectively. On 8 February 2023, the Issuer redeemed U.S.\$225,942,000 in nominal value of the exchangeable trust certificates. On 17 January 2023, the holders of the exchangeable trust certificates exercised their exchange rights and exchanged U.S.\$3,750,000 in nominal value of the exchangeable trust certificates. As at the date of this Offering Circular, there are no outstanding exchangeable trust certificates.

In August 2019, Khazanah issued exchangeable bonds through a wholly-owned subsidiary, Cerah Capital Limited. The offering comprised U.S.\$500 million five-year guaranteed exchangeable bonds due 2024 which are exchangeable into ordinary shares of CIMB Group Holdings Berhad. These exchangeable bonds were fully redeemed in August 2022.

Danga Capital Berhad (Islamic Medium Term Notes)

Khazanah has, via a Malaysian-incorporated independent special purpose vehicle, Danga Capital Berhad (“**Danga**”), established a Ringgit-Denominated Islamic Medium Term Notes Programme on 6 February 2009 which was updated on 30 December 2015 and a Multicurrency Islamic Medium Term Notes Programme on 10 February 2009 which was updated on 18 December 2015, with a combined programme limit of RM20.0 billion in nominal value.

On 29 January 2015, Danga issued RM1.5 billion in nominal value of Islamic medium term notes with a maturity of 15 years and profit payment of 4.88 per cent. per annum.

On 23 February 2016, Danga issued RM1.5 billion in nominal value of Islamic medium term notes with a maturity of 10 years and profit payment of 4.60 per cent. per annum.

On 6 September 2017, Danga issued RM1.5 billion in nominal value of Islamic medium term notes with a maturity of 10 years and profit payment of 4.52 per cent. per annum.

On 26 January 2018, Danga issued RM1.5 billion in nominal value of Islamic medium term notes with a maturity of 15 years and profit payment of 4.94 per cent. per annum.

On 21 March 2018, Danga issued RM2.0 billion in nominal value of Islamic medium-term notes with a maturity of 15.5 years and profit payment of 5.02 per cent. per annum.

On 25 January 2021, Danga issued RM0.5 billion in nominal value of Islamic medium-term notes with a maturity of three years and profit payment of 2.32 per cent. per annum.

On 25 January 2021, Danga issued RM1.5 billion in nominal value of Islamic medium-term notes with a maturity of seven years and profit payment of 2.96 per cent. per annum.

As at 31 December 2022, the aggregate nominal value of the outstanding Islamic medium term notes issued pursuant to the Ringgit-Denominated Islamic Securities Programme and the Multicurrency Islamic Securities Programme was RM10 billion.

Each of these financings has recourse to Khazanah pursuant to a purchase undertaking executed by Khazanah on the establishment of the Ringgit-Denominated Islamic Medium Term Notes Programme and the Multicurrency Islamic Medium Term Notes Programme.

Danum Capital Berhad (Islamic Medium Term Notes)

Khazanah has, via a Malaysian-incorporated independent special purpose vehicle, Danum Capital Berhad (“**Danum**”), established a RM10.0 billion Ringgit-Denominated Islamic Medium Term Notes Programme on 7 February 2019. The programme limit was increased from RM10.0 billion to RM20.0 billion on 28 March 2022.

On 14 February 2019, Danum issued RM0.5 billion in nominal value of Islamic medium term notes with a maturity of seven years and profit payment of 4.30 per cent. per annum.

On 14 February 2019, Danum issued RM1.0 billion in nominal value of Islamic medium term notes with a maturity of 15 years and profit payment of 4.68 per cent. per annum.

On 9 May 2019, Danum issued RM2.0 billion in nominal value of Islamic medium term notes with a maturity of four years and profit payment of 3.96 per cent. per annum.

On 21 February 2020, Danum issued RM0.5 billion in nominal value of Islamic medium term notes with a maturity of five years and profit payment of 3.07 per cent. per annum.

On 21 February 2020, Danum issued RM1.5 billion in nominal value of Islamic medium term notes with a maturity of 15 years and profit payment of 3.42 per cent. per annum.

On 15 April 2020, Danum issued RM0.5 billion in nominal value of Islamic medium term notes with a maturity of one year and one day and profit payment of 2.64 per cent. per annum. These notes were fully redeemed in April 2021.

On 13 May 2020, Danum issued RM0.5 billion in nominal value of Islamic medium term notes with a maturity of five years and profit payment of 2.97 per cent. per annum.

On 13 May 2020, Danum issued RM0.5 billion in nominal value of Islamic medium term notes with a maturity of seven years and profit payment of 3.14 per cent. per annum.

On 13 May 2020, Danum issued RM1.0 billion in nominal value of Islamic medium term notes with a maturity of 10 years and profit payment of 3.29 per cent. per annum.

On 9 March 2021, Danum issued RM0.4 billion in nominal value of Islamic medium term notes with a maturity of one year and one day and profit payment of 2.12 per cent. per annum. These notes were fully redeemed in March 2022.

On 21 April 2021, Danum issued RM0.5 billion in nominal value of Islamic medium term notes with a maturity of one year and one day and profit payment of 2.24 per cent. per annum. These notes were fully redeemed in April 2022.

On 2 May 2022, Danum issued RM0.6 billion in nominal value of Islamic medium term notes with a maturity of three years and profit payment of 2.55 per cent. per annum.

On 30 June 2022, Danum issued RM1.2 billion in nominal value of Islamic medium term notes with a maturity of three years and profit payment of 4.02 per cent. per annum.

On 30 June 2022, Danum issued RM0.8 billion in nominal value of Islamic medium term notes with a maturity of seven years and profit payment of 4.68 per cent. per annum.

As at 31 December 2022, the nominal amount of outstanding Islamic medium term notes was RM10.1 billion issued pursuant to the Islamic Medium Term Notes Programme.

Dua Capital Ltd. (Islamic Medium Term Notes)

On 11 May 2021, Khazanah has, via a Labuan-incorporated special purpose vehicle, Dua Capital Berhad, issued a dual-tranche Sukuk comprising a 5-year U.S.\$400 million in nominal value Sukuk due 2026 with the profit payment of 1.66 per cent. per annum and a 10-year U.S.\$600 million in nominal value Sukuk due 2031 with the profit payment of 2.78 per cent. per annum.

As at 31 December 2022, the nominal amount of outstanding Islamic medium term notes was approximately RM4.4 billion issued pursuant to the Sukuk financing.

Rantau Abang Capital Berhad (Islamic Medium Term Notes)

Khazanah has, via its wholly-owned subsidiary, Rantau Abang Capital Berhad, established a RM3.0 billion Ringgit-Denominated Commercial Paper/Islamic Medium Term Notes Programme (“**CP/IMTN Programme**”) and RM7.0 billion Ringgit-Denominated Islamic Medium Term Notes Programme (“**IMTN Programme**”) in March 2006. The CP/IMTN Programme expired in 2013.

Pursuant to the IMTN Programme, Khazanah has issued various series of Islamic medium term notes with maturities ranging between five to 20 years, which are based upon the Islamic financing concept of “Musyarakah”. Each of these financings includes provisions for recourse to Khazanah pursuant to a purchase undertaking. As at 31 December 2022, the nominal amount of outstanding Islamic medium term notes was RM3.0 billion issued pursuant to the IMTN Programme.

Ihsan Sukuk Berhad (Islamic Medium Term Notes)

Khazanah has, via a Malaysian-incorporated independent special purpose vehicle, Ihsan Sukuk Berhad (“**Ihsan**”), established a RM1.0 billion Ringgit-Denominated Sukuk Programme in March 2015.

On 18 June 2015, Ihsan issued RM100 million in nominal value of Islamic medium term notes with a maturity of seven years and profit payment of 4.30 per cent. per annum. The notes were fully redeemed in June 2022. Pursuant to the fulfilment of predefined key performance indicators, Khazanah, as the obligor, enjoyed a 6.22 per cent reduction on the redemption amount, being the nominal value of the notes.

On 8 August 2017, Ihsan issued RM100 million in nominal value of Islamic medium term notes with a maturity of seven years and profit payment of 4.60 per cent. per annum.

As at 31 December 2022, the nominal amount of outstanding Islamic medium term notes was RM100 million issued pursuant to the Sukuk Programme.

Medium term notes

On 30 January 2020, Khazanah issued medium term notes with nominal value of RM2.9 billion with a maturity of 20 years and interest payments of 4.137 per cent. per annum.

Term loans — unsecured

Khazanah maintains unsecured loan facilities, denominated in Ringgit and U.S. dollars.

The Ringgit denominated unsecured fixed term loan of RM2.5 billion bears interest of 4.641 per cent. per annum and will mature in January 2025.

On 16 March 2021, Khazanah drew down a fixed term loan amounting to RM810.0 million. The unsecured fixed term loan bears interest of 2.35 per cent. per annum from 16 March 2021 to 16 March 2022. This fixed term loan has been refinanced with a floating term loan for another year to 16 March 2023 with a higher principal amount of RM842.0 million. The floating term loan bears interest of 2.435 per cent. to 4.105 per cent. between March 2022 to March 2023.

As at 31 December 2022, the principal amount outstanding on these loan facilities was RM3.3 billion. On 16 March 2023, the RM842.0 million floating term loan has been refinanced with a fixed term loan for another 6 months to September 2023 with a higher principal amount of RM895.8 million, bearing interest of 3.95 per cent. per annum from 16 March 2023 to 18 September 2023.

Revolving credit facility

The Ringgit denominated revolving credit facility of RM5.25 billion bears interest ranging from 2.33 per cent. to 3.53 per cent. per annum in 2021 and 2022. As at 31 December 2022, RM2.45 billion remains outstanding on this revolving credit facility.

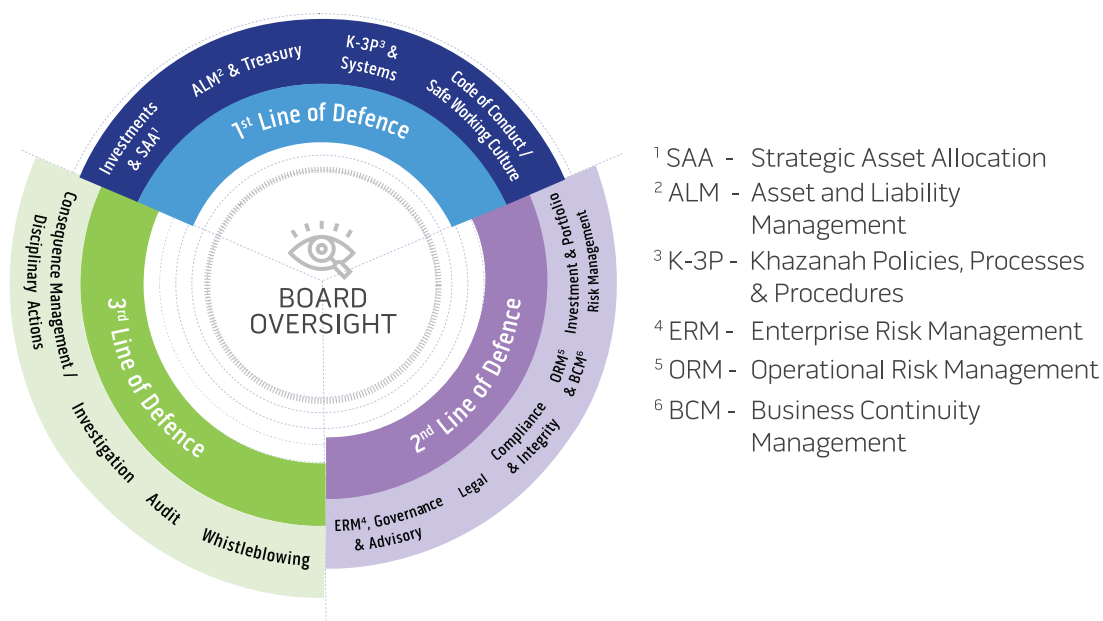
MANAGEMENT AND CORPORATE GOVERNANCE

GOVERNANCE AND ACCOUNTABILITY FRAMEWORK

The governance of Khazanah is guided by the Framework of Integrity, Governance and Risk Management (the “**FIGR**”) which was first adopted by the Board in 2004 and subsequently updated in June 2021 to highlight the Board’s oversight function and Khazanah’s core values. The FIGR serves as a guide for the effective management of risks, and to inculcate a culture of good corporate governance and risk management throughout the institution. The FIGR sets the parameters to guide Khazanah’s overall business operations according to its core values by which every member of Khazanah is expected to hold itself accountable, respect different viewpoints and support one another, with accountability to the Board at its core.

Khazanah operates within the framework of a clearly defined mandate that is aligned with the national development objectives of the Government of Malaysia. The Board governs Khazanah’s operations and is ultimately accountable and responsible for Khazanah’s overall governance. Dato’ Seri Anwar Ibrahim, the Prime Minister of Malaysia, is the Chairman of Khazanah’s Board and is supported by a group of qualified individuals with diverse professional backgrounds and expertise as Board members. A Board Charter sets out the roles and responsibilities of the Board in overseeing the management of Khazanah and the FIGR includes a schedule of matters for the board, limits of authority for management, a risk management policy, a code of conduct and other relevant matters.

A summary of the Board’s oversight functions is set out below.



The Board is assisted by three subcommittees — the Executive Committee (“**EXCO**”), the Audit and Risk Committee (“**ARC**”) and the Nomination and Remuneration Committee (“**NRC**”). The EXCO consists of Non-Executive Directors and an Executive Director, the ARC has a majority (including its Chairman) comprising independent non-executive directors, and the NRC consists of Non-Executive Directors. At the management level, a Management Committee and an Investments Committee are in place to assist the Board in managing and overseeing operational and investment-related matters.

Khazanah complies with statutory public disclosure requirements concerning its investments, divestments and capital-raising exercises. Khazanah also makes appropriate disclosure of its performance and operations, both to meet legal and regulatory requirements and on a voluntary basis to its stakeholders via various platforms.

Khazanah’s accounts are audited by an independent external auditor, and the audited financial statements are submitted to the Companies Commission of Malaysia. Financial data is disclosed to Khazanah’s shareholder (Minister of Finance, Inc). Khazanah publishes its audited financial statements on its website and through annual publications including The Khazanah Report.

Stakeholder engagement remains a priority for Khazanah. Various outreach programmes are organised for the media, asset managers and partners, government agencies, parliamentarians and civil society organisations, to inform them of Khazanah’s operations, activities and performance. This is intended to enhance their understanding of Khazanah.

MANAGEMENT OF KHAZANAH

Board of Directors

The Directors of Khazanah as at the date of this Offering Circular are set forth below:

Name	Position
Dato’ Seri Anwar Ibrahim	Chairman
Goh Ching Yin	Director
Tan Sri Mohammed Azlan Hashim	Director
Dato’ Zainal Abidin Putih	Director
Lau Seng Yee	Director
Datuk Azian Mohd Aziz	Director
Dato’ Amirul Feisal Wan Zahir	Managing Director

The biographies of the Directors of Khazanah are set forth below.

Dato’ Seri Anwar Ibrahim

Chairman

Dato’ Seri Anwar Ibrahim was appointed as the Chairman of Khazanah effective 3 January 2023. He is the current Prime Minister of Malaysia and Minister of Finance. He was the Deputy Prime Minister from 1993 to 1998 and has also held various ministerial posts, including Minister of Education, Minister of Agriculture, and Minister of Culture, Youth and Sports.

Goh Ching Yin

Director, Chairman of EXCO, Member of ARC and Member of NRC

Goh Ching Yin was appointed as a Board member of Khazanah effective 31 July 2018. He was a former Executive Director of the Chairman’s Office, Strategy & Development, and Market Oversight at the Securities Commission Malaysia. Prior to that, he was CEO of Southern

Investment Bank, Managing Director, Corporate Finance for BNP Paribas Group, and Chief Representative of BNP Peregrine Sdn Bhd. He also served at RHB Sakura Merchant Bankers Berhad, Renong Group and Price Waterhouse Associates. He is currently the Chairman and Independent Non-Executive Director of Allianz Life Insurance Malaysia Berhad, Maybank Asset Management Singapore Pte Ltd and Maybank Securities Pte Ltd. He also sits on the boards of Maybank Investment Bank Berhad, Maybank Asset Management Group Berhad, Allianz Malaysia Berhad and Shangri-La Hotels (Malaysia) Berhad. He holds an MBA from Cranfield University, United Kingdom.

Tan Sri Mohammed Azlan Hashim

Director, Chairman of NRC and Member of EXCO

Tan Sri Mohammed Azlan Hashim was appointed as Board member of Khazanah effective 1 April 2020. He is a member of the Employees' Provident Fund Board of Directors and Chairman of its Investment Panel. He is also currently Chairman of several public listed entities including Telekom Malaysia Berhad, D&O Green Technologies Berhad, Marine & General Berhad and IHH Healthcare Berhad. He has extensive working experience in the corporate sectors including financial services and investments. Among others, he served as Chief Executive of Bumiputra Merchant Bankers Berhad, Managing Director of Amanah Capital Malaysia Berhad and Executive Chairman of Bursa Malaysia Berhad. He holds a Bachelor of Economics from Monash University, Melbourne and is a qualified Chartered Accountant. He is a Fellow Member of the Institute of Chartered Accountants, Australia, Member of Institute of Chartered Secretaries and Administrators and the Malaysian Institute of Accountants.

Dato' Zainal Abidin Putih

Director, Chairman of Audit Risk Committee (ARC)

Dato' Zainal Abidin Putih was appointed as a Board member of Khazanah effective 18 April 2023. He is currently the Chairman of several companies including Land & General Berhad, Tokio Marine Insurans (Malaysia) Berhad and Touch 'n Go Sdn Bhd. He also sits on the boards of several private limited companies.

He brought with him decades of extensive experience in audit, having worked as a practising accountant throughout his career covering many principal industries including banks, insurance, energy, transport, manufacturing, government agencies, plantations, properties, hotels, investment companies and unit trusts. He has good knowledge of taxation matters and management consultancy, especially in the areas of acquisition, takeovers, amalgamations, restructuring and public listing of companies.

He is a fellow of the Institute of Chartered Accountants in England and Wales, as well as a member of the Malaysian Institute of Accountants and the Malaysian Institute of Certified Public Accountants. He is the current Chairman of Financial Reporting Foundation. He was the past president of the Malaysian Institute of Certified Public Accountants, former Chairman of the Malaysian Accounting Standards Board and Pengurusan Danaharta Nasional Berhad, as well as a former member of the Malaysian Communication & Multimedia Commission. He is a Trustee of IJN Foundation and a Trustee of Yayasan Universiti Multimedia.

Lau Seng Yee

Director, Member of EXCO and Member of NRC

Lau Seng Yee was appointed as a Board member of Khazanah effective 26 June 2019. He has 25 years of extensive China market experience in the technology and media sector. He joined Tencent Holding Company since 2006 holding various key management roles such as SEVP, President of Online Media Group, Chairman of Global Branding and Group Marketing before transitioning into his current role as the Senior Management Advisor in January 2021. Prior, he was the CEO of BBDO and CEO of Publicis in China. Recognised as “Global Media Person of the Year” by Cannes Lions in 2015, he joins a list of previous recipients which includes Facebook founder Mark Zuckerberg, former Microsoft CEO Steve Balmer, and former Google Chairman Eric Schmidt, among others. A distinguished alumnus of Universiti Kebangsaan Malaysia and Rutgers University in New Jersey, where he received his Executive MBA; he completed the Advanced Management Program at Harvard Business School, and now serves as Harvard Business School Asia Pacific Advisory Board member since 2015.

Datuk Azian Mohd Aziz

Director and Member of ARC

Datuk Azian Mohd Aziz was appointed as a Board Member of Khazanah effective 26 June 2019. She graduated with a Bachelor of Laws (LL.B) (Hons) degree from the University of Malaya. Her career began on 1 October 1987 with her appointment as a Federal Counsel in Attorney General’s Chambers. She held various positions throughout her careers, such as a Legal Advisor to the Ministry of Transport, Senior Federal Counsel in Advisory Division and Research Division of the Attorney General’s Chambers, Senior Assistant Parliamentary Draftsman and Legal Advisor to the Ministry of Defence. In 2009, Datuk Azian was appointed as the Corporation Secretary of Putrajaya Corporation.

Later in 2010, she was made the Director General of the Judicial and Legal Training Institute at the Prime Minister’s Department. Subsequently in 2012, she was appointed as the Treasury Solicitor, Ministry of Finance. In 2014, she was then made the Deputy Head of Advisory Division (Municipal) I of the Attorney General’s Chambers. In late 2016, she was promoted as the Head of International Affairs Division, Attorney General’s Chambers and on 1 November 2018, she was appointed as the Head of Advisory Division in the Attorney General’s Chambers. From 16 December 2020, she is the Parliamentary Draftsman of the Attorney General’s Chambers.

She is currently a Board Member of the Inland Revenue Board of Malaysia. Previously, throughout her career, she has sat as a director of various entities such as Sepang International Circuit, Amanah Raya Berhad, Amanah Raya Trustees, Syarikat Perumahan Negara Berhad, Institut Jantung Negara and Syarikat Prasarana Nasional Berhad. She has also previously sat on the Board of Advisors of Institut Latihan Islam Malaysia.

Dato’ Amirul Feisal Wan Zahir

Managing Director and Member of EXCO

Dato’ Amirul Feisal Wan Zahir was appointed as the Managing Director of Khazanah effective 16 July 2021. Previously, he was Group Chief Financial Officer of Malayan Banking Berhad (“**Maybank**”) since July 2016 and he was also the Group Head, Global Banking of Maybank from October 2014 until June 2016. Prior to Maybank, he joined Permodalan Nasional Berhad in 2010 as Executive Vice President of Special Projects and was seconded to Chemical Company of Malaysia Berhad, a public listed company, as Group Managing Director. In 2008, he was appointed as Managing Director, Head of Investment Banking for Maybank Investment Bank where he was responsible for the Investment Banking, Corporate Finance, Equity Capital

Markets and Private Equity Divisions. He had also served as Executive Director at BinaFikir Sdn Bhd from 2004 to 2008. He is currently the Chairman of Iskandar Investment Berhad, M+S Pte Ltd, Yayasan Khazanah and Amanah Warisan Negara (“AWAN”). He sits on the Board of Trustee of Yayasan Hasanah and Khazanah Research Institute. Dato’ Amirul Feisal Wan Zahir is a Fellow of the Institute of Chartered Accountants England and Wales, a member of the Malaysian Institute of Accountants, and a Chartered Banker, Asian Institute of Chartered Bankers. He holds a Bachelor of Science degree in Economics majoring in Accounting and Finance from London School of Economics & Political Science, United Kingdom and completed the Advanced Management Program at Harvard Business School.

Senior management

The senior management of Khazanah as at the date of this Offering Circular is set forth below:

Name	Position
Dato’ Amirul Feisal Wan Zahir	Managing Director
Faridah Bakar Ali	Chief Financial Officer
Dato’ Mohamed Nasri Sallehuddin	Executive Director, General Counsel, Company Secretary and Head of Corporate & Support Services
Datuk Amran Hafiz Affifudin	Executive Director, Head of Malaysian Investments
Bryan Lim	Executive Director, Head of Dana Impak and Head of Healthcare
Datuk Hisham Hamdan	Executive Director, Head of Public Markets
Geoff Lee	Executive Director, Head of Private Markets and Head of Technology
Wong Shu Hsien	Executive Director, Head of Transport and Tourism
Selvendran Katheerayson	Executive Director, Head of Real Assets and Property
Latifah Daud	Executive Director, Head of Strategic Human Capital Management
Suhana Dewi Selamat	Executive Director, Head of Governance, Risk & Compliance
Wong Wai Seng	Head of Strategy and Head of Asset Allocation
Effizal Faiz Zulkifly	Head of Consumer and Services
Dr Farid Mohamed Sani	Head of Special Projects (Investments)
Ong King How	Head of Telco and Media
Nicholas Khaw	Head of Research
Sherliza Zaharudin	Head of Corporate Communications

The biographies of the senior management of Khazanah are as set forth below:

Dato' Amirul Feisal Wan Zahir

Refer to “— Board of Directors — Dato' Amirul Feisal Wan Zahir” above.

Faridah Bakar Ali

Chief Financial Officer

Faridah Bakar Ali joined Khazanah in May 2006 after building a career in accountancy and finance with PricewaterhouseCoopers Malaysia and BP Malaysia.

In Khazanah, Faridah delivered several notable Islamic Finance transactions including the world's first exchangeable sukuk and the inaugural retail offering of Sukuk Ihsan, Khazanah's sustainable and responsible investment sukuk.

Faridah graduated from Lancaster University in Accounting & Finance. She is a member of the Malaysian Institute of Accountants (“MIA”) and a Fellow of the Institute of Chartered Accountants in England and Wales (“ICAEW”).

Dato' Mohamed Nasri Sallehuddin

Executive Director, General Counsel, Company Secretary and Head of Corporate & Support Services

Dato' Mohamed Nasri Sallehuddin joined Khazanah in September 2009. Prior to that, he was a partner with a leading law firm in Malaysia, advising clients on corporate law and the legal aspects of corporate restructuring, takeovers and mergers. He obtained his Bachelor of Laws (Hons) degree from University of Wales, Aberystwyth, United Kingdom in 1993. He sat for his bar examination in 1994 and was admitted to Gray's Inn as a barrister-at-law in 1995. Having completed his pupillage, he was admitted to the High Court of Malaya as an advocate and solicitor in 1996. He also holds an MBA from University of Strathclyde, United Kingdom.

Datuk Amran Hafiz Affifudin

Executive Director, Head of Malaysian Investments

Datuk Amran Hafiz Affifudin joined Khazanah in June 2011. He started his career with PETRONAS in corporate finance and treasury functions. He also has experience in the private equity industry, where he served in various roles and responsibilities with several firms. He holds a B.Sc. in Commerce, majoring in Accounting and Finance from the McIntire School of Commerce at the University of Virginia, United States.

Bryan Lim

Executive Director, Head of Dana Impak and Head of Healthcare

Bryan Lim joined Khazanah in December 2005. He was a key member of the team that set up Khazanah's first foreign office in Beijing in 2008 and was subsequently appointed Head of China in 2017. After serving for 13 years overseas, he returned to Malaysia in 2021 to assume his current role. Prior to Khazanah, he was with Ernst & Young, Rating Agency Malaysia Bhd (RAM) and ECM Libra Securities Sdn Bhd. He holds a Master's in Business Administration from the MIT Sloan Fellows programme at the Massachusetts Institute of Technology, United States and a Bachelor of Commerce and Management degree from Lincoln University, New Zealand. He is also a Chartered Financial Analyst (“CFA”) charterholder.

Datuk Hisham Hamdan

Executive Director, Head of Public Markets

Datuk Hisham Hamdan joined Khazanah in April 2011 from Sime Darby Berhad, where he served in various senior capacities, covering strategy and business development, healthcare, energy & utilities, and China. He holds two Bachelor's degrees in Chemical Engineering and Industrial management from Purdue University, United States. He has also attended the Harvard Business School's Advanced Management Programme.

Geoff Lee

Executive Director, Head of Private Markets and Head of Technology

Geoff joined Khazanah in September 2021 after spending over 30 years in various roles in the finance and investments industries in Hong Kong and the United Kingdom. He was previously a partner at Hendale Capital, a private investment vehicle sponsored by a leading global tech entrepreneur, Head of Principal Investments at Korea Development Bank Asia, Head of Asian Investments at HSBC Alternative Proprietary Investments and Managing Director and co-founder of Myo Capital Special Situations Fund.

Prior to moving to the buy-side, he spent nearly a decade in investment banking latterly as a Director of Telecommunication, Media and Technology and founding member of the Mergers & Acquisitions team at HSBC Investment Bank Asia.

Geoff is a UK Fellow Chartered Accountant and a graduate of the University of Manchester.

Wong Shu Hsien

Executive Director, Head of Transport and Tourism

Wong Shu Hsien joined Khazanah in February 2005 from Binafikir Sdn Bhd. Prior to that, she worked in a private equity firm, Emerging Markets Partnership, the Principal Adviser to AIG Infrastructure Fund II. She holds a degree in Economics from University of Cambridge, United Kingdom and a Master in Economics and Political Science from London School of Economics, United Kingdom.

Selvendran Katheerayson

Executive Director, Head of Real Assets and Property

Selvendran Katheerayson has been with Khazanah since January 2006. Prior to this, he has worked at Motorola Inc and Maxis Communications Berhad. He started his career at Ernst & Young in June 1994. He holds a Master in Public Administration degree from Harvard University, a Master of Business Administration (Finance) degree from the University of Hull, United Kingdom and an Honours degree in Law from the University of London, United Kingdom.

Latifah Daud

Executive Director, Head of Strategic Human Capital Management

Latifah Daud joined Khazanah in April 2015 from Honeywell International Inc. where she and her family lived in Shanghai, China for eight years. She has extensive management consulting and human resources experience gained over a 30-year career in a variety of industries including semiconductor, aerospace and software technology solutions.

Early on in her career, she worked for a consulting firm in Singapore, as well as at Hatibudi Nominees/Renong Group and Arab Malaysian Merchant Bank in Kuala Lumpur. She once taught computer science at Yayasan Pelajaran MARA. She was on the Board of Trustees of Yayasan Khazanah and a member of the Industrial Relations Panel at Malaysian Employers Federation. She now sits on the Board of Theta Edge Berhad, a Tabung Haji Group company as an Independent Director as well as the Industry Network Talent Advisory, at TalentCorp, Ministry of Human Resources.

She holds a Bachelor of Science in Computer Management and an MBA from Eastern Illinois University, United States.

Suhana Dewi Selamat

Executive Director, Head of Governance, Risk & Compliance

Suhana Dewi Selamat joined Khazanah in November 2012 and was appointed Chief Risk Officer on 1 February 2017. She has over 25 years of experience in legal, regulatory, compliance and risk management roles in local firms and in multinational companies, including eight years as a Trustee of WWF Malaysia. She read law at the London School of Economics and Political Sciences.

Wong Wai Seng

Head of Strategy and Head of Asset Allocation

Wong Wai Seng joined Khazanah in August 2011. He is responsible for overall corporate strategy, strategic asset allocation and strategic planning to meet Khazanah's long-term mandate and sustainability goals. He holds a Bachelor's Degree in Management (Technology), majoring in Finance from Universiti Teknologi Malaysia, Masters in Business Administration from the Thunderbird School of Global Management as a Fullbright scholar and Master of Science in Management as a Sloan Fellow from the Stanford Graduate School of Business. Wai Seng is an Associate Chartered Management Accountant.

Effizal Faiz Zulkifly

Head of Consumer

Effizal Faiz Zulkifly joined Khazanah in July 2007 and has covered the infrastructure and telecommunication space including the UEM Group, Telekom Malaysia, and Astro Berhad. He currently serves as the Non-Executive Director of UEM Sunrise Berhad. Before Khazanah, he was a business analyst with Citibank Berhad. He holds a Master of Commerce, Finance and Business Information System, University of Sydney, a Master of Business Administration, MIT Sloan Fellows Program from the Massachusetts Institute of Technology, United States and a Bachelor of Commerce, Accounting, University of Queensland, Australia.

Dr Farid Mohamed Sani

Head of Special Projects (Investments)

Dr Farid Mohamed Sani rejoined Khazanah in December 2018 after serving as Chief Strategy Officer of UEM Group. Prior to that, he was with Telekom Malaysia from 2012 to 2017. Dr Farid first joined Khazanah in July 2004 and stayed until 2011. He was previously a consultant at McKinsey & Co. He holds a Bachelor's and Master's degree in Chemical Engineering, as well as a PhD in Chemical Engineering, all three from the University of Cambridge, United Kingdom.

Ong King How

Head of Telco and Media

Ong King How joined Khazanah in November 2006, working in the Managing Director's Office before joining Investments in 2008. Prior to Khazanah, he worked in PricewaterhouseCoopers Malaysia, specialising in financial services. He holds a Bachelor of Business (Accountancy) degree with distinction from RMIT University, Australia and is a member of CPA Australia.

Nicholas Khaw

Head of Research

Nicholas Khaw joined Khazanah in April 2011 from the Economic Planning Unit of the Prime Minister's Department, where he started his career as a macroeconomist. Currently, he is also responsible for overseeing operations at Khazanah Research Institute and is a monthly contributor to The Edge Malaysia's Forum column. He holds a Master's in Public Administration in International Development (MPA/ID) from Harvard Kennedy School and completed his Bachelor of Arts in Economics at Harvard College, United States. He is currently a part-time PhD student in Political Economy Research at King's College London.

Sherliza Zaharudin

Head of Corporate Communications

Sherliza Zaharudin joined Khazanah in February 2022 and has more than 20 years of experience in marketing and corporate communications which include curated campaigns, branding, media relations, crisis communications and event management. Prior to Khazanah, she worked in Pos Malaysia Berhad, Sime Darby Property Berhad, AirAsia Group, F&N Coca-Cola (M) Sdn Bhd, Sepang International Circuit Sdn Bhd and Malaysia Airports Holdings Berhad. She holds an MBA in Marketing from Universiti Putra Malaysia and Bachelor of Science in Parks, Recreation & Tourism Management from University of Missouri-Columbia, United States.

TAXATION

The statements herein regarding taxation are based on the laws in force as at the date of this document and are subject to any changes in law occurring after such date, which changes could be made on a retroactive basis. The following summary does not purport to be a comprehensive description of all of the tax considerations that may be relevant to a decision to purchase, own or dispose of the Sukuk and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers or certain professional investors) may be subject to special rules. Investors should consult their own tax advisers regarding the tax consequences of an investment in the Sukuk.

Malaysia Taxation

Income Taxes/Withholding Taxes

Pursuant to Section 109(1) of the Malaysian Income Tax Act 1967, where any person is liable to pay interest derived from Malaysia (the “**payer**”) to any other person not known to the payer to be resident in Malaysia, other than interest attributable to a business carried on by such other person in Malaysia, the payer shall upon paying or crediting the interest (other than interest on an approved loan or interest of the kind referred to in paragraphs 33, 33A, 33B, 35 or 35A of Part I, Schedule 6) deduct therefrom tax at the rate applicable to such interest. Under paragraph 33B of Schedule 6 of the Malaysian Income Tax Act 1967, the profit paid in respect of the Sukuk is exempt from income tax, provided such profit is not paid to a company in the same group of companies as the Issuer or to a bank licensed under the Financial Services Act 2013, an Islamic bank licensed under the Islamic Financial Services Act 2013 or a development financial institution prescribed under the Development Financial Institutions Act 2002.

Capital Gains

There is no capital gains tax in Malaysia except in relation to real property gains tax chargeable on capital gains derived from the disposal of real property or shares of real property companies (“**Chargeable Assets**”). As the Sukuk are not considered Chargeable Assets for real property gains tax purposes, the issuance, disposition, redemption or transfer of the Sukuk will not be subject to real property gains tax in Malaysia.

Stamp Duty

The Stamp Duty (Exemption) (No. 23) Order 2000 provides that all instruments relating to the issue of, offer for subscription or purchase of, or invitation to subscribe for or purchase, debentures approved by the SC under Section 32 of the Securities Commission Act 1993 (now Section 212 of CMSA) and the transfer of such debentures, are exempted from stamp duty.

Foreign Account Tax Compliance Act

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, as amended (the “**Code**”), commonly known as FATCA, a “foreign financial institution” may be required to withhold on certain payments it makes (“**foreign passthru payments**”) to persons that fail to meet certain certification, reporting, or related requirements. A number of jurisdictions (including Malaysia) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (“**IGAs**”), which modify the way in which FATCA applies in their jurisdictions.

Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Sukuk, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Sukuk, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Sukuk, proposed regulations have been issued that provide that such withholding would not apply prior to the date that is two years after the date on which final regulations defining “foreign passthru payments” are published in the U.S. Federal Register. In the preamble to the proposed regulations, the U.S. Treasury Department indicated that taxpayers may rely on these proposed regulations until the issuance of final regulations. Additionally, Sukuk that are characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or before the date that is six months after the date on which final regulations defining “foreign passthru payments” are published generally would be “grandfathered” for purposes of FATCA withholding unless materially modified after such date (including by reason of a substitution of the issuer). If additional Sukuk (as described under “*Terms and Conditions of the Sukuk — Further Issues*”) that are not distinguishable from such previously issued grandfathered Sukuk are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Sukuk, including the Sukuk offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Holders should consult their own tax advisers regarding how these rules may apply to their investment in the Sukuk. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Sukuk, no person will be required to pay additional amounts as a result of the withholding.

CLEARANCE AND SETTLEMENT

The Sukuk

The Issuer may make applications to Euroclear and Clearstream for acceptance in their respective book-entry systems in respect of the Sukuk of a Series to be represented by a Global Certificate. Each Global Certificate will have an ISIN and a Common Code. Investors in Sukuk of such Series may hold their interests in a Global Certificate only through Euroclear or Clearstream.

Individual Certificates

Registration of title to the Sukuk in a name other than a depositary or its nominee for Euroclear and Clearstream will be permitted only in the circumstances set forth in “*Summary of Provisions Relating to the Sukuk while in Global Form — Exchange*”. In such circumstances, the Issuer will cause sufficient individual Certificates to be executed and delivered to the Registrar for completion, authentication and despatch to the relevant Sukukholder(s). A person having an interest in a Global Certificate must provide the Registrar with a written order containing instructions, and such other information as the Issuer and the Registrar may require, to complete, execute and deliver such individual Certificates.

Clearance and Settlement

The information set out below is subject to any change in, or reinterpretation of, the rules, regulations and procedures of Euroclear and Clearstream (together, the “**Clearing Systems**”) or any other clearing system currently in effect. The information in this section concerning the Clearing Systems has been obtained from sources that the Issuer and the Obligor believe to be reliable, but none of the Issuer, the Obligor, the Arrangers, the Trustee, any Agent or any Dealer, or any person who controls any of them, or any of their respective directors, officers, employees, agents, representatives, advisers or affiliates, takes any responsibility for the accuracy thereof. Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. None of the Issuer, the Trustee, the Agents, any other party to the Agency Agreement, the Arrangers or any Dealer, or any person who controls any of them, or any of their respective directors, officers, employees, agents, representatives, advisers or affiliates, will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Sukuk held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to, or payments made on account of, such beneficial ownership interests.

The Clearing Systems

The relevant Pricing Supplement will specify the Clearing System(s) applicable for each Series.

Euroclear and Clearstream

Euroclear and Clearstream each holds securities for its customers and facilitates the clearance and settlement of securities transactions by electronic book-entry transfer between their respective account holders. Euroclear and Clearstream provide various services including safekeeping, administration, clearance and settlement of internationally-traded securities and securities lending and borrowing. Euroclear and Clearstream also deal with domestic securities

markets in several countries through established depository and custodial relationships. Euroclear and Clearstream have established an electronic bridge between their two systems across which their respective participants may settle trades with each other. Euroclear and Clearstream customers are worldwide financial institutions, including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to Euroclear and Clearstream is also available to other institutions that clear through or maintain a custodial relationship with an account holder of either system.

Distributions of dissolution amounts with respect to book-entry interests in the Sukuk held through Euroclear or Clearstream will be credited, to the extent received by the Issuing and Paying Agent, to the cash accounts of Euroclear or Clearstream participants in accordance with the relevant Clearing System's rules and procedures.

SUBSCRIPTION AND SALE

Summary of Dealer Agreement

The Dealers under the Programme and any further Dealer appointed in accordance with the Dealer Agreement dated 22 May 2023 (as modified, supplemented and/or restated from time to time, the “**Dealer Agreement**”) have agreed with the Issuer and the Obligor a basis upon which they or any of them may from time to time agree to purchase Sukuk.

The Issuer will pay each relevant Dealer a commission as agreed between them in respect of Sukuk subscribed by it. The Issuer will reimburse the Arrangers for agreed expenses incurred in connection with the establishment of the Programme and the Dealers for certain of their activities in connection with the Programme.

The Issuer and the Obligor have agreed to indemnify the Dealers against certain liabilities in connection with the offer and sale of the Sukuk. The Dealer Agreement entitles the Dealers to terminate any agreement that they make to subscribe Sukuk in certain circumstances prior to payment for such Sukuk being made to the Issuer.

Certain Matters Relating to the Dealers

The Dealers and certain of their affiliates are full service financial institutions engaged in various activities which may include securities trading, commercial and investment banking, financial advice, investment management, principal investment, hedging, financing and brokerage activities. In connection with each Tranche of Sukuk issued under the Programme, the Dealers or certain of their affiliates may purchase Sukuk and be allocated Sukuk for asset management and/or proprietary purposes but not with a view to distribution. Further, any of the Dealers or their respective affiliates may purchase Sukuk for its or their own account and enter into transactions, including credit derivatives, such as asset swaps, repackaging and credit default swaps relating to such Sukuk and/or other securities of the Issuer, the Obligor or their respective subsidiaries or affiliates at the same time as the offer and sale of each Tranche of Sukuk or in secondary market transactions. Such transactions would be carried out as bilateral trades with selected counterparties and separately from any existing sale or resale of the Tranche of Sukuk to which a particular pricing supplement relates (notwithstanding that such selected counterparties may also be purchasers of such Tranche of Sukuk).

Each of the Dealers and its affiliates may also have performed certain investment banking and advisory services for the Issuer, the Obligor and/or their respective subsidiaries or affiliates from time to time for which they have received customary fees and expenses and may, from time to time, engage in transactions with and perform services for the Issuer, the Obligor and/or their respective subsidiaries or affiliates in the ordinary course of their business and receive fees for so acting. In addition to the transactions noted above, each Dealer and its affiliates may engage in other transactions with, and perform services for, the Issuer, the Obligor or their respective subsidiaries or affiliates in the ordinary course of their business. While each Dealer and its affiliates have policies and procedures to deal with conflicts of interests, any such transactions may cause a Dealer or its affiliates or its clients or counterparties to have economic interests and incentives which may conflict with those of an investor in the Sukuk. Each Dealer may receive returns on such transactions and has no obligation to take, refrain from taking or cease taking any action with respect to any such transactions based on the potential effect on a prospective investor in the Sukuk.

The Dealers and/or their respective affiliates which are lenders/financiers and/or agents under the financing arrangements or other existing debt instruments of the Khazanah Group routinely hedge their credit exposure to the Khazanah Group consistent with their customary risk management policies. Typically, the Dealers and their respective affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in the Khazanah Group's securities, including potentially the Sukuk. Any such credit default swaps or short positions could adversely affect future trading prices of the Sukuk. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the underwriters or any affiliate of the underwriters is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the underwriters or such affiliate on behalf of the Issuer and the Obligor in such jurisdiction.

Important Notice to CMI's (including private banks)

This notice to CMI's (including private banks) is a summary of certain obligations the SFC Code imposes on CMI's, which require the attention and cooperation of other CMI's (including private banks). Certain CMI's may also be acting as OCs for the relevant CMI Offering and are subject to additional requirements under the SFC Code. The application of these obligations will depend on the role(s) undertaken by the relevant Dealer(s) in respect of each CMI Offering.

Prospective investors who are the directors, employees or major shareholders of the Issuer, a CMI or its group companies would be considered under the SFC Code as having an Association with the Issuer, the CMI or the relevant group company. CMI's should specifically disclose whether their investor clients have any Association when submitting orders for the relevant Sukuk. In addition, private banks should take all reasonable steps to identify whether their investor clients may have any Associations with the Issuer or any CMI (including its group companies) and inform the relevant Dealers accordingly.

CMI's are informed that, unless otherwise notified, the marketing and investor targeting strategy for the relevant CMI Offering includes institutional investors, sovereign wealth funds, pension funds, hedge funds, family offices and high net worth individuals, in each case, subject to the selling restrictions and any MiFID II product governance language or any UK MiFIR product governance language set out elsewhere in this Offering Circular and/or the applicable Pricing Supplement.

CMI's should ensure that orders placed are bona fide, are not inflated and do not constitute duplicated orders (i.e. two or more corresponding or identical orders placed via two or more CMI's). CMI's should enquire with their investor clients regarding any orders which appear unusual or irregular. CMI's should disclose the identities of all investors when submitting orders for the relevant Sukuk (except for omnibus orders where underlying investor information may need to be provided to any OCs when submitting orders). Failure to provide underlying investor information for omnibus orders, where required to do so, may result in that order being rejected. CMI's should not place "X-orders" into the order book.

CMI's should segregate and clearly identify their own proprietary orders (and those of their group companies, including private banks as the case may be) in the order book and book messages.

CMI's (including private banks) should not offer any rebates to prospective investors or pass on any rebates provided by the Issuer. In addition, CMI's (including private banks) should not enter into arrangements which may result in prospective investors paying different prices for the relevant Sukuk. CMI's are informed that a private bank rebate may be payable as stated above and in the applicable Pricing Supplement, or otherwise notified to prospective investors.

The SFC Code requires that a CMI disclose complete and accurate information in a timely manner on the status of the order book and other relevant information it receives to targeted investors for them to make an informed decision. In order to do this, those Dealers in control of the order book should consider disclosing order book updates to all CMIs.

When placing an order for the relevant Sukuk, private banks should disclose, at the same time, if such order is placed other than on a “principal” basis (whereby it is deploying its own balance sheet for onward selling to investors). Private banks who do not provide such disclosure are hereby deemed to be placing their order on such a “principal” basis. Otherwise, such order may be considered to be an omnibus order pursuant to the SFC Code. Private banks should be aware that placing an order on a “principal” basis may require the relevant affiliated Dealer(s) (if any) to categorise it as a proprietary order and apply the “proprietary orders” requirements of the SFC Code to such order and will result in that private bank not being entitled to, and not being paid, any rebate.

In relation to omnibus orders, when submitting such orders, CMIs (including private banks) that are subject to the SFC Code should disclose underlying investor information in respect of each order constituting the relevant omnibus order (failure to provide such information may result in that order being rejected). Underlying investor information in relation to omnibus orders should consist of:

- The name of each underlying investor;
- A unique identification number for each investor;
- Whether an underlying investor has any “Associations” (as used in the SFC Code);
- Whether any underlying investor order is a “Proprietary Order” (as used in the SFC Code);
- Whether any underlying investor order is a duplicate order.

Underlying investor information in relation to omnibus order should be sent to the Dealers named in the relevant Pricing Supplement.

To the extent information being disclosed by CMIs and investors is personal and/or confidential in nature, CMIs (including private banks) agree and warrant: (A) to take appropriate steps to safeguard the transmission of such information to any OCs; and (B) that they have obtained the necessary consents from the underlying investors to disclose such information to any OCs. By submitting an order and providing such information to any OCs, each CMI (including private banks) further warrants that they and the underlying investors have understood and consented to the collection, disclosure, use and transfer of such information by any OCs and/or any other third parties as may be required by the SFC Code, including to the Issuer, relevant regulators and/or any other third parties as may be required by the SFC Code, for the purpose of complying with the SFC Code, during the bookbuilding process for the relevant CMI Offering. CMIs that receive such underlying investor information are reminded that such information should be used only for submitting orders in the relevant CMI Offering. The relevant Dealer may be asked to demonstrate compliance with their obligations under the SFC Code, and may request other CMIs (including private banks) to provide evidence showing compliance with the obligations above (in particular, that the necessary consents have been obtained). In such event, other CMIs (including private banks) are required to provide the relevant Dealer with such evidence within the timeline requested.

Selling Restrictions

United States

The Sukuk have not been and will not be registered under the Securities Act, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act (“**Regulation S**”).

Each Dealer has represented and agreed that, and each further Dealer appointed under the Programme will be required to agree that, except as permitted by the Dealer Agreement, it will not offer or sell the Sukuk (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the Closing Date, within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each dealer to which it sells Sukuk during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Sukuk within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S.

The Sukuk are being offered and sold outside of the United States to non-U.S. persons in reliance on Regulation S.

In addition, until 40 days after the commencement of the offering of the Sukuk, an offer or sale of Sukuk within the United States by a dealer that is not participating in the offering may violate the registration requirements of the Securities Act.

Prohibition of Sales to EEA Retail Investors

Unless the pricing supplement in respect of any Sukuk specifies the “Prohibition of Sales to EEA Retail Investors” as “Not Applicable”, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Sukuk which are the subject of the offering contemplated by this Offering Circular as completed by the pricing supplement in relation thereto to any retail investor in the EEA. For the purposes of this provision:

- (i) the expression “**retail investor**” means a person who is one (or more) of the following:
 - (a) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MiFID II**”); or
 - (b) a customer within the meaning of Directive (EU) 2016/97 (the “**Insurance Distribution Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
 - (c) not a qualified investor as defined in Regulation (EU) 2017/1129 (the “**Prospectus Regulation**”); and

- (ii) the expression an “**offer**” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Sukuk to be offered so as to enable an investor to decide to purchase or subscribe for the Sukuk.

If the pricing supplement in respect of any Sukuk specifies “Prohibition of Sales to EEA Retail Investors” as “Not Applicable”, in relation to each Member State of the EEA, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that it has not made and will not make an offer of Sukuk which are the subject of the offering contemplated by this Offering Circular as completed by the pricing supplement in relation thereto to the public in that Member State except that it may make an offer of such Sukuk to the public in that Member State:

- (a) if the pricing supplement in relation to the Sukuk specifies that an offer of those Sukuk may be made other than pursuant to Article 1(4) of the Prospectus Regulation in that Member State (a “**Non-exempt Offer**”), following the date of publication of a prospectus in relation to such Sukuk which has been approved by the competent authority in that Member State or, where appropriate, approved in another Member State and notified to the competent authority in that Member State, **provided that** any such prospectus has subsequently been completed by the pricing supplement contemplating such Non-exempt Offer, in accordance with the Prospectus Regulation, in the period beginning and ending on the dates specified in such prospectus or pricing supplement, as applicable and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;
- (b) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;
- (c) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (d) at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Sukuk referred to in (b) to (d) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression “**an offer of Sukuk to the public**” in relation to any Sukuk in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Sukuk to be offered so as to enable an investor to decide to purchase or subscribe for the Sukuk.

United Kingdom

Prohibition of Sales to UK Retail Investors

Unless the pricing supplement in respect of any Sukuk specifies the “Prohibition of Sales to UK Retail Investors” as “Not Applicable”, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Sukuk which are the subject of the offering contemplated by this Offering Circular as completed by the pricing supplement in relation thereto to any retail investor in the United Kingdom. For the purposes of this provision:

- (a) the expression “**retail investor**” means a person who is one (or more) of the following:
 - (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the “**EUWA**”); or
 - (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the “**FSMA**”) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or
 - (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA; and
- (b) the expression an “**offer**” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Sukuk to be offered so as to enable an investor to decide to purchase or subscribe for the Sukuk.

If the applicable pricing supplement in respect of any Sukuk specifies the “Prohibition of Sales to UK Retail Investors” as “Not Applicable”, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that it has not made and will not make an offer of Sukuk which are the subject of the offering contemplated by this Offering Circular as completed by the pricing supplement in relation thereto to the public in the United Kingdom, except that it may make an offer of such Sukuk to the public in the United Kingdom:

- (a) if the pricing supplement in relation to the Sukuk specifies that an offer of those Sukuk may be made other than pursuant to Section 86 of the FSMA (a “**Public Offer**”), following the date of publication of a prospectus in relation to such Sukuk which has been approved by the Financial Conduct Authority, provided that any such prospectus has subsequently been completed by the pricing supplement contemplating such Public Offer, in the period beginning and ending on the dates specified in such prospectus or pricing supplement, as applicable, and the Issuer has consented in writing to its use for the purpose of that Public Offer;
- (b) at any time to any legal entity which is a qualified investor as defined in Article 2 of the UK Prospectus Regulation;

(c) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in Article 2 of the UK Prospectus Regulation) in the United Kingdom, subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(d) at any time in any other circumstances falling within Section 86 of the FSMA,

provided that no such offer of Sukuk referred to in (b) to (d) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Section 85 of the FSMA, or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision, the expression “**an offer of Sukuk to the public**” in relation to any Sukuk means the communication in any form and by any means of sufficient information on the terms of the offer and the Sukuk to be offered so as to enable an investor to decide to purchase or subscribe for the Sukuk and the expression “**UK Prospectus Regulation**” means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA.

Other regulatory restrictions

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (i) in relation to any Sukuk which have a maturity of less than one year, (a) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (b) it has not offered or sold and will not offer or sell any Sukuk other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Sukuk would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;
- (ii) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Sukuk in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer or the Obligor; and
- (iii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Sukuk in, from or otherwise involving the United Kingdom.

Hong Kong

In relation to each tranche of Sukuk issued by the Issuer, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (i) it has not offered or sold, and will not offer or sell, in Hong Kong, by means of any document, any Sukuk (except for Sukuk which are a “structured product” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the “SFO”)) other than (i) to “professional investors” as defined in the SFO and any rules made under the SFO; or (ii) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the “C(WUMP)O”) or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and

- (ii) it has not issued, or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Sukuk, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Sukuk which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the SFO and any rules made under the SFO.

Singapore

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold any Sukuk or caused such Sukuk to be made the subject of an invitation for subscription or purchase and will not offer or sell such Sukuk or cause such Sukuk to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of such Sukuk, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the “SFA”)) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Sukuk are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries’ rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Sukuk pursuant to an offer made under Section 275 of the SFA except:

- (a) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(c)(ii) of the SFA;
- (b) where no consideration is or will be given for the transfer;
- (c) where the transfer is by operation of law;
- (d) as specified in Section 276(7) of the SFA; or
- (e) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

Japan

The Sukuk have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the “**Financial Instruments and Exchange Act**”). Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Sukuk in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and other relevant laws and regulations of Japan.

PRC

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that the Sukuk are not being offered or sold and may not be offered or sold, directly or indirectly, in the People’s Republic of China (for such purposes, not including the Hong Kong and Macau Special Administrative Regions or Taiwan), except as permitted by the applicable laws of the People’s Republic of China.

Switzerland

This Offering Circular is not intended to constitute an offer or solicitation to purchase or invest in the Sukuk. The Sukuk may not be publicly offered, sold or advertised, directly or indirectly in, into or from Switzerland nor will they be listed on the SIX Swiss Exchange or on any other exchange or regulated trading venue in Switzerland. Neither this Offering Circular nor any other offering or marketing material relating to the Sukuk constitutes a prospectus as such term is understood pursuant to article 652a or article 1156 of the Swiss Federal Code of Obligations or a listing prospectus within the meaning of the listing rules of the SIX Swiss Exchange Ltd or any other exchange or regulated trading venue in Switzerland, and neither this Offering Circular nor any other offering or marketing material relating to the Sukuk may be publicly distributed or otherwise made publicly available in Switzerland.

United Arab Emirates (excluding the Dubai International Financial Centre)

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that the Sukuk have not been and will not be offered, sold or publicly promoted or advertised by it in the United Arab Emirates other than in compliance with any laws applicable in the United Arab Emirates governing the issue, offering and sale of securities.

Dubai International Financial Centre

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered and will not offer the Sukuk to any person in the Dubai International Financial Centre unless such offer is:

- (i) an “Exempt Offer” in accordance with the Markets Rules (MKT) Module of the Dubai Financial Services Authority (the “**DFSA**”) rulebook; and

- (ii) made only to persons who meet the “Professional Client” criteria set out in Rule 2.3.3 of the DFSA Conduct of Business Module of the DFSA rulebook.

Kingdom of Saudi Arabia

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that no action has been or will be taken in the Kingdom of Saudi Arabia that would permit a public offering of the Sukuk. Any investor in the Kingdom of Saudi Arabia or who is a Saudi person (a “**Saudi Investor**”) who acquires any Sukuk pursuant to an offering should note that the offer of Sukuk is a private placement under Article 8 of the “Rules on the Offer of Securities and Continuing Obligations” as issued by the Capital Market Authority (the “**CMA**”) resolution number 3-123-2017 dated 27 December 2017, as amended by CMA resolution number 8-5-2023 dated 25/06/1444H (corresponding to 18 January 2023) (the “**KSA Regulations**”), made through a capital market institution licensed to carry out arranging activities by the CMA and following a notification to the CMA under Article 10 of the KSA Regulations.

The Sukuk may thus not be advertised, offered or sold to any person in the Kingdom of Saudi Arabia other than to “institutional and qualified clients” under Article 8(a)(1) of the KSA Regulations or by way of a limited offer under Article 9 of, or as otherwise required or permitted by, the KSA Regulations. Each Dealer has represented, warranted and undertaken and each further Dealer appointed under the Programme represents and agrees that any offer of Sukuk made by it to a Saudi Investor will be made in compliance with Article 10 and either Article 8(a)(1) or Article 9 of the KSA Regulations.

Each offer of Sukuk shall not therefore constitute a “public offer”, an “exempt offer” or a “parallel market offer” pursuant to the KSA Regulations, but is subject to the restrictions on secondary market activity under Article 14 of the KSA Regulations.

Kingdom of Bahrain

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold, and will not offer or sell, any Sukuk, except on a private placement basis, to persons in the Kingdom of Bahrain who are “accredited investors”.

For this purpose, an “accredited investor” means:

- (a) an individual holding financial assets (either singly or jointly with a spouse) of U.S.\$1,000,000 or more excluding that person’s principal place of residence;
- (b) a company, partnership, trust or other commercial undertaking which has financial assets available for investment of not less than U.S.\$1,000,000; or
- (c) a government, supranational organisation, central bank or other national monetary authority or a state organisation whose main activity is to invest in financial instruments (such as a state pension fund).

Qatar (including the Qatar Financial Centre)

This Offering Circular has (i) not been, and will not be, registered with or approved by the Qatar Financial Markets Authority, the Qatar Central Bank, the Qatar Stock Exchange or the Qatar Financial Centre Regulatory Authority and may not be publicly distributed in Qatar (including the Qatar Financial Centre); (ii) is intended for the original recipient only and must not be provided to any other person; and (iii) is not for general circulation in Qatar (including the Qatar Financial Centre) and may not be reproduced or used for any other purpose.

This Offering Circular has not been reviewed or approved by the Qatar Central Bank, the Qatar Exchange, the Qatar Financial Centre Regulatory Authority or the Qatar Financial Markets Authority and is only intended for specific recipients, in compliance with the below.

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered, delivered or sold, and will not be offer, deliver or sell at any time, directly or indirectly, any Sukuk in Qatar (including the Qatar Financial Centre), except:

- (i) in compliance with all applicable laws and regulations of Qatar (including the Qatar Financial Centre); and
- (ii) through persons or corporate entities authorised and licensed to provide investment advice and/or engage in brokerage activity and/or trade in respect of foreign securities in Qatar (including the Qatar Financial Centre).

Brunei

This Offering Circular has not been and will not be registered, delivered to, licensed or permitted by the Autoriti Monetari Brunei Darussalam with the Authority designated under the Brunei Darussalam Securities Markets Order (the “SMO”) nor has it been registered with the Registrar of Companies, Registrar of International Business Companies. As such the Sukuk may not be offered or sold or made the subject of an invitation for subscription or purchase nor may this Offering Circular or any other document or material in connection with the offer or sale or invitation for subscription or purchase of Sukuk be circulated or distributed, whether directly or indirectly, to any person in Brunei other than: (a) to an accredited investor under Section 20 of the SMO; (b) an expert investor under Section 20 of the SMO; or (c) an institutional investor under Section 20 of the SMO, and in accordance with the conditions specified in Section 117 of the SMO.

This Offering Circular is for informational purposes only and does not constitute an invitation or offer to the public. It must not be distributed or redistributed to and may not be relied upon or used by any person in Brunei other than the person to whom it is directly communicated: (i) in accordance with the conditions of section 21(3) of the International Business Companies Order 2000; or (ii) whose business or part of whose business is in the buying and selling of shares within the meaning of section 308(4) of the Companies Act (Cap. 39).

Any offers, acceptances, subscription, sales and allotments of the Sukuk shall be made outside Brunei. Nothing in this Offering Circular shall constitute legal, tax, accounting or investment advice. The recipient should independently evaluate any specific investment with consultation with professional advisers in law, tax, accounting and investments.

Malaysia

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that at issuance, the issue of, offer for subscription or purchase of, or invitation to subscribe for or purchase, the Sukuk may only be made directly or indirectly to a person to whom an offer or invitation to subscribe for the Sukuk may be made and to whom the Sukuk are issued would fall within paragraph 1(a), (b) or (d) of Part 1 of Schedule 5 of the of the CMSA; and Schedule 6 and Schedule 7 of the CMSA, read together with Schedule 9 or Section 257(3) of the CMSA, subject to any change in the applicable laws, order, regulation or official directive from time to time. Thereafter, each Dealer represents and agrees that the Sukuk may only be offered, sold, transferred or otherwise disposed directly or indirectly to a person to whom an offer or invitation to purchase the Sukuk would fall within paragraph 1(a), (b) or (d) of Part 1 of Schedule 5 of the CMSA; and Schedule 6 or Section 229(1)(b) of the CMSA, read together with Schedule 9 or Section 257(3) of the CMSA, subject to any change in the applicable laws, order, regulation or official directive from time to time. Further, as the Programme has been assigned with a rating of A3 and A- by Moody's and S&P, respectively, the issuance of, offer for subscription or purchase of, or invitation to, subscribe for the Sukuk falls within Schedule 8 or Section 257(3) of the CMSA, subject to change in the applicable laws.

General

These selling restrictions may be supplemented or modified by the agreement of the Issuer, the Obligor and any relevant Dealer following a change in a relevant law, regulation or directive. Any such modification will be set out in the pricing supplement issued in respect of the issue of Sukuk to which it relates or in a supplement to this Offering Circular.

No representation is made that any action has been or will be taken in any jurisdiction that would permit a public offering of any of the Sukuk, or possession or distribution of this Offering Circular or any other offering material or any pricing supplement, in any country or jurisdiction where action for that purpose is required.

Each relevant Dealer has agreed that it shall, to the best of its knowledge, comply with all relevant laws, regulations and directives in each jurisdiction, including but not limited to any licensing requirements in the relevant jurisdictions, in which it purchases, offers, sells or delivers Sukuk or has in its possession or distributes this Offering Circular, any other offering material, or any pricing supplement, in all cases at its own expense.

FORM OF PRICING SUPPLEMENT IN RELATION TO SUKUK

The form of Pricing Supplement that will be issued in respect of each Tranche, subject only to the deletion of non-applicable provisions, is set out below:

Pricing Supplement dated [●]

Khazanah Global Sukuk Berhad

Issue of [Aggregate Face Amount of Series] [Title of Sukuk] under the U.S.\$5,000,000,000 Multicurrency Sukuk Issuance Programme

[MiFID II product governance/Professional investors and ECPs only target market — Solely for the purposes of [the/each] manufacturer’s product approval process, the target market assessment in respect of the Sukuk has led to the conclusion that: (i) the target market for the Sukuk is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, “**MiFID II**”); and (ii) all channels for distribution of the Sukuk to eligible counterparties and professional clients are appropriate. [*Consider any negative target market.*] Any person subsequently offering, selling or recommending the Sukuk (a “**distributor**”) should take into consideration the manufacturer[’s/s’] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Sukuk (by either adopting or refining the manufacturer[’s/s’] target market assessment) and determining appropriate distribution channels.]

[UK MiFIR product governance/Professional investors and ECPs only target market — Solely for the purposes of [the/each] manufacturer’s product approval process, the target market assessment in respect of the Sukuk has led to the conclusion that: (i) the target market for the Sukuk is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook (“**COBS**”), and professional clients, as defined in the UK MiFIR; and (ii) all channels for distribution of the Sukuk to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Sukuk (a “**distributor**”) should take into consideration the manufacturer[’s/s’] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the “**UK MiFIR Product Governance Rules**”) is responsible for undertaking its own target market assessment in respect of the Sukuk (by either adopting or refining the manufacturer[’s/s’] target market assessment) and determining appropriate distribution channels.]

[PROHIBITION OF SALES TO EEA RETAIL INVESTORS — The Sukuk are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the “**EEA**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97 (the “**Insurance Distribution Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the “**Prospectus Regulation**”). Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the “**PRIIPs Regulation**”) for offering or selling the Sukuk or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Sukuk or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]

[PROHIBITION OF SALES TO UK RETAIL INVESTORS — The Sukuk are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (the “UK”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the “EUWA”); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the “FSMA”) and any rules or regulations made under the FSMA to implement IDD, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently, no key information document required by the PRIIPs Regulation as it forms part of domestic law by virtue of the EUWA (the “UK PRIIPs Regulation”) for offering or selling the Sukuk or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Sukuk or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.]

Singapore Securities and Futures Act Product Classification — Solely for the purpose of its obligations pursuant to sections 309B(1)(a) and 309B(1)(c) of the Securities and Futures Act 2001 of Singapore (the “SFA”), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Sukuk are [prescribed capital markets products]/[capital markets products other than prescribed capital markets products] (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and [Excluded Investment Products]/[Specified Investment Products] (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).¹

This document constitutes the Pricing Supplement relating to the issue of Sukuk described herein.

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Sukuk (the “Conditions”) set forth in the Offering Circular dated 22 May 2023 [(the “Offering Circular”)] [and the supplemental Offering Circular dated [●]]. This Pricing Supplement contains the final terms of the Sukuk and must be read in conjunction with such Offering Circular [as so supplemented].

[The following alternative language applies if the first tranche of an issue which is being increased was issued under an Offering Circular with an earlier date.]

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Sukuk (the “Conditions”) set forth in the Offering Circular dated [●] [(the “Offering Circular”)] [and the supplemental [Offering Circular] dated [●]]. This Pricing Supplement contains the final terms of the Sukuk and must be read in conjunction with the Offering Circular dated [current date] [and the supplemental Offering Circular dated [●]], save in respect of the Conditions which are extracted from the Offering Circular dated [●] and are attached hereto.]

¹ For any Sukuk to be offered to investors in Singapore, the Issuer to consider whether it needs to re-classify the Sukuk pursuant to Section 309B of the SFA prior to the launch of the offer.

[Include whichever of the following apply or specify as “Not Applicable” (N/A). Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs or subparagraphs. Italics denote directions for completing the Pricing Supplement.]

- | | | |
|----|-------------------------------------|---|
| 1 | Issuer: | Khazanah Global Sukuk Berhad |
| 2 | Obligor: | Khazanah Nasional Berhad |
| 3 | (i) Series Number: | [●] |
| | (ii) Tranche Number: | [●]
<i>(If fungible with an existing Series, details of that Series, including the date on which the Sukuk became fungible.)</i> |
| 4 | Specified Currency or Currencies: | [●] |
| 5 | Aggregate Face Amount of Series: | [●] |
| | (i) [Series:] | [●] |
| | (ii) [Tranche:] | [●] |
| 6 | (i) Issue Price: | 100 per cent. of the Aggregate Face Amount |
| | (ii) Net proceeds: | [[●] <i>(Required only for listed issues)</i>] |
| 7 | (i) Specified Denominations: | [●]
<i>If the specified denomination is expressed to be €100,000 or its equivalent and multiples of a lower principal amount (for example €1,000), insert the following:
€100,000 and integral multiples of [€1,000] in excess thereof up to and including [€199,000]. No Sukuk in definitive form will be issued with a denomination above [€199,000]</i> |
| | (ii) Calculation Amount: | [●] |
| 8 | (i) Issue Date: | [●] |
| | (ii) Profit Commencement Date: | [Specify/Issue Date/Not Applicable] |
| | (iii) Trade Date: | [●] |
| | (iv) Profit Period Dates: | [Each Periodic Distribution Date]/[●] |
| 9 | Scheduled Dissolution Date: | <i>[specify date/None]</i>
<i>Note that for Hong Kong dollar denominated Fixed Rate Sukuk where the Periodic Distribution Dates are subject to modification it will be necessary to specify the Periodic Distribution Date falling in or nearest to the relevant month and year.</i> |
| 10 | Periodic Distribution Amount Basis: | [[●] per cent. Fixed Periodic Distribution Amount] (further particulars specified below) |

11	Dissolution Basis:	Dissolution at par
12	Change of Periodic Distribution Basis:	[Specify details of any provision for convertibility of Sukuk into another periodic distribution basis] [Not Applicable]
13	Put/Call Options:	[Not Applicable] [Optional Dissolution Right] [(further particulars specified below)]
14	Status of the Sukuk:	Senior
15	Listing and admission to trading:	[[SGX-ST/Labuan International Financial Exchange/Bursa (Exempt Regime)/ [●](specify)/None]
16	Method of distribution:	[Syndicated/Non-syndicated]

PROVISIONS RELATING TO PERIODIC DISTRIBUTION AMOUNTS PAYABLE

17	Fixed Periodic Distribution Amounts:	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph)</i>
	(i) Profit Rate:	[●] per cent. per annum [payable [annually/semi-annually/quarterly/monthly/specify other] in arrear]
	(ii) Periodic Distribution Date(s):	[●] in each year [adjusted in accordance with [specify Business Day Convention and any applicable Business Centre(s) for the definition of "Business Day"]/not adjusted] <i>(N.B. This will need to be amended in the case of long or short return accumulation periods)</i>
	(iii) Fixed Amount[(s)]:	[●] per Calculation Amount <i>For Hong Kong dollar denominated Fixed Rate Sukuk where the Periodic Distribution Dates are subject to modification, the following alternative wording is appropriate "Each Fixed Amount shall be calculated by multiplying the product of the Profit Rate and the Calculation Amount by the Day Count Fraction and rounding the resultant figure to the nearest HK\$0.01, HK\$0.005 being rounded upwards."</i>
	(iv) Broken Amount(s):	[●] per Calculation Amount, payable on the Periodic Distribution Date falling on [●] [Not Applicable] (Insert particulars of any initial or final broken Periodic Distribution Amounts which do not correspond with the Fixed Amount(s) specified under paragraph 17(iii))

- (v) Day Count Fraction: [30/360/Actual/Actual (ICMA/ISDA Actual/365(Fixed)²)/other]
- (vi) Profit Rate Determination Dates: [●] in each year (*insert regular periodic distribution dates, ignoring issue date or scheduled dissolution date in the case of a long or short first or last return accumulation period*) *N.B. This will need to be amended in the case of regular periodic distribution dates which are not of equal duration N.B. Only relevant where Day Count Fraction is Actual/Actual (ICMA)*
- (vii) Other terms relating to the method of calculating Periodic Distribution Amounts for Fixed Rate Sukuk: [Not Applicable/give details]

PROVISIONS RELATING TO DISSOLUTION

- 18 Optional Dissolution Right: [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Optional Dissolution Date(s): [Any Periodic Distribution Date]
[specify other]
- (ii) Dissolution Distribution Amount(s) of each Sukuk and specified denomination and method, if any, of calculating such amount(s): [●] per Calculation Amount *[Note: This must be no less than par]*
- (iii) If redeemable in part:
- Minimum Optional Dissolution Amount: [●] per Calculation Amount
 - Maximum Optional Dissolution Amount: [●] per Calculation Amount
- (iv) Notice period (if other than as set out in Conditions): [●] *(N.B. If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Issuing and Paying Agent or, if applicable, or the Trustee)*
- 19 Dissolution Distribution Amount on Scheduled Dissolution Date: [●] per Calculation Amount *[Note: This must be no less than par]*

2 Applicable to Hong Kong dollar-denominated Fixed Rate Sukuk.

- 20 Dissolution Distribution Amount of each Sukuk payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in the Conditions): [●] per Calculation Amount [*Note: This must be no less than par*]

GENERAL PROVISIONS APPLICABLE TO THE SUKUK

- 21 Form of Sukuk: Global Certificate exchangeable for Sukuk in definitive registered form in the limited circumstances specified in the Global Certificate
- 22 Other terms or special conditions: [Not Applicable/*give details*]

PROVISIONS IN RESPECT OF THE TRUST ASSETS

- 23 Wakalah Venture on the Issue Date: The Tangible Assets as set out in the Supplemental Sale and Purchase Agreement specified below, a copy of which is set out in Annex 1 hereto, and a Commodity Murabahah Investment with a Deferred Sale Price of [●]
- 24 Trust Assets on the Issue Date: [Condition 5(a) applies] [*specify other*]
- 25 Other Transaction Document Information:
- (i) Supplemental Trust Deed: Supplemental Trust Deed dated [●] between (among others) the Issuer, the Obligor and the Trustee
- (ii) Supplemental Sale and Purchase Agreement: Supplemental Sale and Purchase Agreement dated [●] between the Trustee (as Purchaser) and the Obligor (as Seller), a copy of which is appended as Annex 1

DISTRIBUTION

- 26 (i) If syndicated, names of Managers: [Not Applicable/*give name*]
- (ii) Stabilising Manager (if any): [Not Applicable/*give name*]
- 27 If non-syndicated, name of Dealer: [Not Applicable/*give name*]
- 28 U.S. selling restrictions: Regulation S Category 2; The Sukuk are being offered and sold only in accordance with Regulation S.
- 29 Additional selling restrictions: [Not Applicable/*give details*]

OPERATIONAL INFORMATION

30	Legal Entity Identifier of Issuer:	213800VIN16ILYRCKD86
31	ISIN Code:	[●]
32	Common Code:	[●]
33	Any clearing system(s) other than Euroclear or Clearstream and the relevant identification number(s):	[Not Applicable/give name(s) and number(s)]
34	Delivery:	Delivery [against/free of] payment
35	Additional Paying Agent(s) and/or Calculation Agent(s) (if any):	[Not Applicable/give name and address]
36	Prohibition of Sales to EEA Retail Investors:	[Applicable/Not Applicable] <i>(If the Sukuk clearly do not constitute “packaged” products, “Not Applicable” should be specified. If the Sukuk may constitute “packaged” products and no KID will be prepared, “Applicable” should be specified.)</i>
37	Prohibition of Sales to UK Retail Investors:	[Applicable/Not Applicable] <i>(If the Sukuk clearly do not constitute “packaged” products, “Not Applicable” should be specified. If the Sukuk may constitute “packaged” products and no KID will be prepared, “Applicable” should be specified.)</i>

GENERAL

38	Use of Proceeds:	[●]
39	[Ratings:]	[The Sukuk to be issued are unrated/give details]
40	Governing Law:	English law

41 **HONG KONG SFC CODE OF CONDUCT**

- (i) Rebates: [A rebate of [●] bps is being offered by the [Issuer] to all private banks for orders they place (other than in relation to Sukuk subscribed by such private banks as principal whereby it is deploying its own balance sheet for onward selling to investors), payable upon closing of this offering based on the principal amount of the Sukuk distributed by such private banks to investors. Private banks are deemed to be placing an order on a principal basis unless they inform the CMIs otherwise. As a result, private banks placing an order on a principal basis (including those deemed as placing an order as principal) will not be entitled to, and will not be paid, the rebate.]/[Not Applicable]
- (ii) Contact email addresses of the [Overall Coordinators/Capital Market Intermediaries] where underlying investor information in relation to omnibus orders should be sent: [*Include relevant contact email addresses of the Overall Coordinators/Capital Market Intermediaries where the underlying investor information should be sent – OCs/CMIs to provide*]/[Not Applicable]
- (iii) Marketing and Investor Targeting Strategy: [*if different from the Offering Circular*]

PURPOSE OF PRICING SUPPLEMENT

This Pricing Supplement comprises the final terms required for issue and admission to trading on the Singapore Exchange Securities Trading Limited of the Sukuk described herein pursuant to the U.S.\$5,000,000,000 Multicurrency Sukuk Issuance Programme of Khazanah Global Sukuk Berhad.

[STABILISATION]

In connection with this issue, [insert name of Stabilising Manager] (the “**Stabilising Manager**”) (or persons acting on behalf of any Stabilising Manager) may over-allot the Sukuk or effect transactions with a view to supporting the market price of the Sukuk at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager (or persons acting on behalf of a Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Sukuk is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the Sukuk and 60 days after the date of the allotment of the Sukuk. Any stabilisation action or overallotment must be conducted by the relevant Stabilising Manager (or persons acting on behalf of any Stabilising Manager) in accordance with all applicable laws and rules.]

INVESTMENT CONSIDERATIONS

There are significant risks associated with the Sukuk including, but not limited to, counterparty risk, country risk, price risk and liquidity risk. Investors should contact their own financial, legal, accounting and tax advisers about the risks associated with an investment in these Sukuk, the appropriate tools to analyse that investment, and the suitability of the investment in each investor’s particular circumstances. No investor should purchase the Sukuk unless that investor understands and has sufficient financial resources to bear the price, market liquidity, structure and other risks associated with an investment in these Sukuk.

Before entering into any transaction, investors should ensure that they fully understand the potential risks and rewards of that transaction and independently determine that the transaction is appropriate given their objectives, experience, financial and operational resources and other relevant circumstances. Investors should consider consulting with such advisers as they deem necessary to assist them in making these determinations.

RESPONSIBILITY

Each of the Issuer and Khazanah Nasional Berhad accepts responsibility for the information contained in this Pricing Supplement.

[The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained in this Pricing Supplement. Approval in-principle from, the admission of the Sukuk to the Official List of, and the listing and quotation of the Sukuk on, the SGX-ST are not to be taken as indications of the merits of the Issuer, the Obligor, any of their respective associated companies, the Programme or the Sukuk.]

Bursa and the Labuan International Financial Exchange take no responsibility for the contents of this Pricing Supplement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon any of the statements made or opinions expressed or reports contained in this Pricing Supplement. The approval in-principle from, and the admission of the Sukuk to Bursa (under the Exempt Regime) and the Labuan International Financial Exchange are not to be taken as indications of the merits of the Issuer, the Obligor, the Programme or the Sukuk.

Signed on behalf of **Khazanah Global Sukuk Berhad**

By _____
Duly authorised

Signed on behalf of **Khazanah Nasional Berhad**

By _____
Duly authorised

ANNEX 1 SUPPLEMENTAL SALE AND PURCHASE AGREEMENT

[To be inserted upon completion of Pricing Supplement]

GENERAL INFORMATION

Authorisation

1. The Issuer is incorporated in Malaysia with limited liability under the Companies Act, 2016 and its registration number is 202301005908 (1499827-P). The registered office of the Issuer is at Level 22, Mercu UEM, Jalan Stesen Sentral 5, Kuala Lumpur Sentral, 50470 Kuala Lumpur, Malaysia.
2. The Obligor is incorporated in Malaysia with limited liability under the Companies Act, 1965 and its company registration number is 199301020767 (275505-K). The registered office of the Obligor is Level 22, Mercu UEM, Jalan Stesen Sentral 5, Kuala Lumpur Sentral, 50470 Kuala Lumpur, Malaysia.
3. The establishment of the Programme was duly authorised by the resolutions of the Board of Directors of the Issuer on 15 March 2023 and the resolutions of the Board of Directors of the Obligor on 13 September 2022. Each of the Issuer and the Obligor has obtained all necessary consents, approvals, and authorisations in connection with the establishment of the Programme.

Listing

4. Approval in-principle has been received from the SGX-ST in relation to the Programme and application will be made to the SGX-ST for permission to deal in and for the listing and quotation of any Sukuk which are agreed at or prior to the time of issue thereof to be so listed on the SGX-ST. Such permission will be granted when such Sukuk have been admitted to the Official List of the SGX-ST. There can be no assurance that the application to the SGX-ST will be approved. If the application to the SGX-ST to list a particular Series of Sukuk is approved, and for so long as any Sukuk are listed on the SGX-ST and the rules of the SGX-ST so require, such Sukuk will be traded on the SGX-ST in a minimum board lot size of S\$200,000 or its equivalent in other currencies. So long as any Sukuk are listed on the SGX-ST and the rules of the SGX-ST so require, the Issuer shall appoint and maintain a paying agent in Singapore, where such Sukuk may be presented or surrendered for payment or redemption, in the event that any Global Certificate representing such Sukuk is exchanged for definitive Sukuk. In addition, in the event that any of the Global Certificates is exchanged for definitive Sukuk, an announcement of such exchange will be made through the SGX-ST and such announcement will include all material information with respect to the delivery of the definitive Sukuk, including details of the paying agent in Singapore.
5. Applications have been made for the Programme to be listed under Bursa's Exempt Regime and the LFX. The Sukuk issued pursuant to the Programme may be listed under Bursa's Exempt Regime but will not be quoted for trading.

No Significant Change and No Litigation

6. Except as disclosed in this Offering Circular, there has been no significant change in the business, assets or financial condition or other conditions, prospects, properties, assets, liabilities or results of operations of the Khazanah Group since 31 December 2022 and no material adverse change in the business, assets or financial condition or other conditions, prospects, properties, assets, liabilities or results of operations of the Khazanah Group since 31 December 2022.

7. Neither the Issuer, the Obligor nor any other member of the Khazanah Group is involved in any litigation or arbitration proceedings or any regulatory investigations relating to claims or amounts which are material in the context of the issue of the Sukuk under the Programme nor, so far as the Issuer and the Obligor are aware, is any such litigation or arbitration pending or threatened.

Accounts

8. Ernst & Young PLT has audited and rendered an unqualified audit report on Khazanah's consolidated and unconsolidated financial statements as at and for the year ended 31 December 2022, 31 December 2021 and 31 December 2020 and have given and not withdrawn their consent to the issue of this Offering Circular, where relevant, of references to them and their report in the form and context in which they are included.

Clearing Systems

9. The Sukuk may be accepted for clearance through Euroclear and Clearstream. The appropriate ISIN and common code in relation to the Sukuk of each Series will be specified in the relevant Pricing Supplement. The relevant Pricing Supplement shall specify any other clearing system as shall have accepted the relevant Sukuk for clearance together with any further appropriate information.
10. The Legal Entity Identifier for the Issuer is 213800VIN16ILYRCKD86.

Documents

11. For so long as Sukuk may be issued pursuant to this Offering Circular, copies of the following documents (provided the same have been provided to the Issuing and Paying Agent by the Issuer or the Obligor) will be available for inspection by any Sukukholder at all reasonable times during usual business hours (being between 9:00 a.m. and 3:00 p.m.) on any weekday (Saturdays, Sundays and public holidays excepted) at the specified office of the Issuing and Paying Agent (being at the date of this Offering Circular at 160 Queen Victoria Street, London EC4V 4LA, United Kingdom), following prior written request and proof of holding and identity to the satisfaction of the Issuing and Paying Agent:
 - (a) the Trust Deed (which includes the form of the Global Certificate) and the other Transaction Documents;
 - (b) the constitutive documents of the Issuer and the Obligor;
 - (c) the most recently published audited unconsolidated financial statements of the Obligor;
 - (d) a copy of this Offering Circular together with any supplement to this Offering Circular or further Offering Circular; and
 - (e) each Pricing Supplement (save that a Pricing Supplement related to an unlisted Series of Sukuk will only be available for inspection by a holder of any such Sukuk and such holder must produce evidence satisfactory to the Issuer, the Obligor or the Trustee as to its holding of Sukuk and identity).

Other Relationships

12. The Arrangers and Dealers and certain of their affiliates may have performed commercial banking, investment banking, advisory and other services for Khazanah and other entities within the Khazanah Group from time to time for which they received customary fees and expenses. The Arrangers and Dealers may, from time to time engage in transactions with, and perform services for, Khazanah and other entities within the Khazanah Group, in the ordinary course of their business.
13. Save as disclosed below, after making enquiries as were reasonable in the circumstances, CIMB Investment Bank Berhad is not aware of any circumstances that would give rise to a conflict of interest in its capacity as an Arranger and a Dealer in relation to the Programme and CIMB Islamic Bank Berhad is not aware of any circumstances that would give rise to a conflict of interest in its capacity as Shariah Adviser in relation to the Programme.

As of the date of this Offering Circular, Khazanah owns 24.06% of the shares of CIMB Group Holdings Berhad (“**CIMB Holdings**”), the holding company of CIMB Investment Bank Berhad and CIMB Islamic Bank Berhad.

Notwithstanding the above, CIMB Investment Bank Berhad and CIMB Islamic Bank Berhad has each considered the factors involved and believes the objectivity and independence in carrying out its respective roles in relation to the Programme have been and/or will be maintained at all times for the following reasons:

- (a) in relation to CIMB Investment Bank Berhad:
 - (i) it is a licensed investment bank and its appointment as, amongst others, the Arranger and Dealer for the Programme is in the ordinary course of its business;
 - (ii) it is one of the major arrangers and dealers in the USD-denominated corporate bonds and Islamic securities out of Malaysia and is committed to upholding its integrity and responsibilities in relation to the Programme;
 - (iii) a due diligence review in respect of the Programme has been undertaken by professional and independent advisers; and
 - (iv) the conduct of CIMB Investment Bank Berhad is regulated by Bank Negara Malaysia and the SC and governed under, *inter alia*, the Financial Services Act 2013, the Capital Markets and Services Act 2007 and its own internal controls and checks.
- (b) in relation to CIMB Islamic Bank Berhad:
 - (i) it is a licensed Islamic bank and its appointment as the Shariah Adviser for the Programme is in the ordinary course of its business; and
 - (ii) the conduct of CIMB Islamic Bank Berhad is regulated by the Islamic Financial Services Act 2013 and its own internal controls and checks;

The Board of Directors of the Issuer has been informed and is fully aware of the above. Notwithstanding the above, the Board of Directors of the Issuer is agreeable to proceed with the implementation of the Programme based on the present arrangement and terms.

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Note:

The audited financial statements set out herein have been reproduced from Khazanah Nasional Berhad's financial statements as at and for the financial year ended 31 December 2020, 31 December 2021 and 31 December 2022.

The audited financial statements have not been prepared for the purpose of inclusion in this Offering Circular.

KHAZANAH NASIONAL BERHAD
199301020767 (275505-K)
(Incorporated in Malaysia)

Directors' Report and Audited Financial Statements
31 December 2022

199301020767 (275505-K)

**Khazanah Nasional Berhad
(Incorporated in Malaysia)**

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199301020767 (275505-K)

**Khazanah Nasional Berhad
(Incorporated in Malaysia)**

Directors' report

The Directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2022.

Principal activities

The principal activity of the Company is that of investment holding. The principal activities of the subsidiaries, associates and joint ventures of the Company and of the Group are described in Note 52 and Note 53 to the financial statements, respectively.

Results

	Group RM'000	Company RM'000
Profit for the financial year, net of tax	<u>5,354,260</u>	<u>3,356,198</u>
Profit attributable to:		
Owners of the Company	5,606,879	3,356,198
Non-controlling interests	<u>(252,619)</u>	<u>-</u>
	<u>5,354,260</u>	<u>3,356,198</u>

There were no material transfers to or from reserves or provisions during the financial year, other than as disclosed in the financial statements.

In the opinion of the Directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature, other than as disclosed in the notes to the financial statements.

Dividends

The amounts of dividends declared or paid by the Company were as follows:

In respect of the financial year ended 31 December 2021:	RM'000
Interim single-tier dividend on 5,443,953,229 ordinary shares, declared on 25 October 2021 and paid on 28 October 2021	1,500,000
Interim single-tier dividend on 5,443,953,229 ordinary shares, declared on 27 November 2021 and paid on 22 December 2021	500,000
	<u>2,000,000</u>

199301020767 (275505-K)

**Khazanah Nasional Berhad
(Incorporated in Malaysia)**

Dividends (cont'd.)

The amounts of dividends declared or paid by the Company were as follows (cont'd.):

In respect of the financial year ended 31 December 2022:	RM'000
Interim single-tier dividend on 5,443,953,229 ordinary shares, declared on 14 November 2022 and paid on 15 December 2022	<u>500,000</u>

The Directors do not recommend the payment of any final dividend for the financial year ended 31 December 2022.

Directors

The names of the Directors of the Company in office since the beginning of the financial year to the date of this report are:

Y.A.B. Dato' Seri Anwar bin Ibrahim	(Appointed on 3 January 2023)
Y. Bhg. Tan Sri Mohammed Azlan bin Hashim	
Y. Bhg. Datuk Azian binti Mohd Aziz	
Mr. Goh Ching Yin	
Mr. Lau Seng Yee	
Y. Bhg. Dato' Amirul Feisal bin Wan Zahir	
Y. Bhg. Dato' Zainal Abidin bin Putih	
Y.A.B. Dato' Sri Ismail Sabri bin Yaakob	(Resigned on 21 December 2022)
Y.B. Senator Tengku Datuk Seri Utama Zafrul bin Tengku Abdul Aziz	(Resigned on 4 November 2022)
Y.B. Dato' Seri Mohamed Azmin bin Ali	(Resigned on 26 January 2023)

The names of the directors of the Group's subsidiaries who served on the respective boards of the subsidiaries since the beginning of the current financial year to the date of this report are disclosed in Note 54 to the financial statements.

Directors benefits

Neither at the end of the financial year, nor at any time during the year, did there subsist any arrangement to which the Company was a party, whereby the Directors might acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the Directors or the fixed salary of a full time employee of the Company as shown in Note 9 to the financial statements), by reason of a contract made by the Company or a related corporation with any Director, or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

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(Incorporated in Malaysia)**

Directors' interests

According to the register of Directors' shareholdings, none of the Directors in office at the end of the financial year had any interest in shares in the Company or its related corporations during the financial year.

Indemnity and insurance costs

During the financial year, the total insurance premium paid for Directors and Officers of the Group and the Company were RM2,973,612 and RM683,710 respectively.

Holding company

The holding and ultimate holding body is the Minister of Finance Incorporated ("MoF Inc."), a body corporate, incorporated pursuant to the Minister of Finance (Incorporation) Act, 1957.

Other statutory information

- (a) Before the statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the Directors took reasonable steps:
 - (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
 - (ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

- (b) At the date of this report, the Directors are not aware of any circumstances which would render:
 - (i) the amount written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; and
 - (ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

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Other statutory information (cont'd.)

- (c) At the date of this report, the Directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (d) At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.
- (e) At the date of this report, there does not exist:
 - (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
 - (ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.
- (f) In the opinion of the Directors:
 - (i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations when they fall due; and
 - (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

Significant events during the financial year

In addition to the significant events disclosed elsewhere in this report, details of other significant events during the financial year are described in Note 50 to the financial statements.

Subsequent events after the reporting date

Details of significant subsequent events after the reporting date are as disclosed in Note 51 to the financial statements.

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**Khazanah Nasional Berhad
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Auditors

The auditors, Ernst & Young PLT, have expressed their willingness to continue in office.

Auditors' remuneration are disclosed in Note 7 to the financial statements.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 8 May 2023.

Signed

Goh Ching Yin

Signed

Dato' Amirul Feisal bin Wan Zahir

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**Khazanah Nasional Berhad
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**Statement by directors
Pursuant to Section 251(2) of the Companies Act, 2016**

We, Goh Ching Yin and Dato' Amirul Feisal bin Wan Zahir, being two of the Directors of Khazanah Nasional Berhad, do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 11 to 350 are drawn up in accordance with the applicable Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia and so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2022 and of their financial performance and cash flows for the year then ended.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 8 May 2023.

Signed
Goh Ching Yin

Signed
Dato' Amirul Feisal bin Wan Zahir

**Statutory declaration
Pursuant to Section 251(1)(b) of the Companies Act, 2016**

I, Faridah Bakar Ali, being the officer primarily responsible for the financial management of Khazanah Nasional Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 11 to 350 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the
abovenamed Faridah Bakar Ali
at Kuala Lumpur in the Federal Territory
on

Signed
Faridah Bakar Ali
MIA 20744
Chartered Accountant

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**Independent auditors' report to the members of
Khazanah Nasional Berhad
(Incorporated in Malaysia)**

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Khazanah Nasional Berhad, which comprise the statements of financial position as at 31 December 2022 of the Group and of the Company, and statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 11 to 350.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2022, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the financial statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence and other ethical responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Information other than the financial statements and auditors' report thereon

The directors of the Company are responsible for the other information. The other information comprises the Directors' Report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

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**Independent auditors' report to the members of
Khazanah Nasional Berhad (cont'd.)
(Incorporated in Malaysia)**

Information other than the financial statements and auditors' report thereon (cont'd.)

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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**Independent auditors' report to the members of
Khazanah Nasional Berhad (cont'd.)
(Incorporated in Malaysia)**

Auditors' responsibilities for the audit of the financial statements (cont'd.)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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**Independent auditors' report to the members of
Khazanah Nasional Berhad (cont'd.)
(Incorporated in Malaysia)**

Auditors' responsibilities for the audit of the financial statements (cont'd.)

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

In accordance with the requirements of the Companies Act, 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 52 and Note 53 to the financial statements.

Other matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act, 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Signed

Ernst & Young PLT
202006000003 (LLP0022760-LCA) & AF 0039
Chartered Accountants

Kuala Lumpur, Malaysia
8 May 2023

Signed

Ahmad Zahirudin bin Abdul Rahim
No. 02607/12/2024 J
Chartered Accountant

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Khazanah Nasional Berhad
(Incorporated in Malaysia)

Statements of comprehensive income
For the year ended 31 December 2022

		Group		Company	
	Note	2022	2021	2022	2021
		RM'000	RM'000	RM'000	RM'000
Continuing operations					
Revenue	6	20,224,031	12,866,885	7,262,921	4,911,220
Operating expenses		(24,193,693)	(13,753,452)	(1,951,689)	(2,663,561)
Other income		5,450,679	994,676	-	-
Operating profit	7	1,481,017	108,109	5,311,232	2,247,659
Finance costs	11	(2,663,031)	(2,814,737)	(1,936,980)	(1,813,848)
Share of results of associates and joint ventures		6,964,903	3,462,854	-	-
Profit before taxation		5,782,889	756,226	3,374,252	433,811
Taxation	12	(428,629)	(459,583)	(18,054)	(17,767)
Profit for the year, net of taxation		5,354,260	296,643	3,356,198	416,044
Other comprehensive income:					
<i>Items that may be reclassified subsequently to profit or loss:</i>					
Foreign currency translation differences		1,283,049	685,405	-	-
Net (loss)/gain on fair value of cash flow hedges		(237,894)	13,553	-	-
		1,045,155	698,958	-	-

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Khazanah Nasional Berhad
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Statements of comprehensive income
For the year ended 31 December 2022 (cont'd.)

	Note	Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Other comprehensive income (cont'd.):					
<i>Items that will not be reclassified subsequently to profit or loss:</i>					
Net (loss)/gain on fair value through other comprehensive income financial assets, net of tax		(667,394)	806,345	-	(9,704)
Actuarial gain on defined benefit plans	39	164,304	342,983	-	-
		<u>(503,090)</u>	<u>1,149,328</u>	<u>-</u>	<u>(9,704)</u>
Other comprehensive income for the year		<u>542,065</u>	<u>1,848,286</u>	<u>-</u>	<u>(9,704)</u>
Total comprehensive income for the year		<u>5,896,325</u>	<u>2,144,929</u>	<u>3,356,198</u>	<u>406,340</u>
Profit/(loss) attributable to:					
Owners of the Company		5,606,879	688,953	3,356,198	416,044
Non-controlling interests		(252,619)	(392,310)	-	-
		<u>5,354,260</u>	<u>296,643</u>	<u>3,356,198</u>	<u>416,044</u>
Total comprehensive income/ (loss) attributable to:					
Owners of the Company		6,148,944	2,537,239	3,356,198	406,340
Non-controlling interests		(252,619)	(392,310)	-	-
		<u>5,896,325</u>	<u>2,144,929</u>	<u>3,356,198</u>	<u>406,340</u>

The accompanying notes form an integral part of the financial statements.

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**Khazanah Nasional Berhad
(Incorporated in Malaysia)**

**Consolidated statement of financial position
As at 31 December 2022**

		Group	
	Note	2022 RM'000	2021 RM'000
Assets			
Non-current assets			
Property, plant and equipment	15	6,336,960	6,498,643
Land held for property development	16	5,589,664	6,088,104
Investment properties	17	3,788,224	3,420,233
Concession intangible assets	18	261,049	248,713
Goodwill on consolidation	19	1,436,628	1,415,337
Other intangible assets	20	508,553	571,247
Interest in associates	22	61,274,700	58,138,565
Interest in joint ventures	23	2,098,727	3,354,817
Other non-current financial investments	24	44,413,145	39,792,039
Other non-current assets	25	2,907,077	3,120,466
Right-of-use-assets	26	5,925,352	7,240,441
Derivative assets	27	5,353	-
Deferred tax assets	28	421,414	385,071
		<u>134,966,846</u>	<u>130,273,676</u>
Current assets			
Property development-in-progress	29	1,107,347	893,217
Inventories and work-in-progress	30	1,700,433	864,910
Trade receivables	31	2,635,229	2,138,277
Other receivables	32	5,099,474	2,406,354
Tax recoverable		162,521	60,405
Derivative assets	27	6,698	22,409
Other current financial investments	24	1,006,590	975,126
Cash and bank balances	33	12,333,855	11,966,285
		<u>24,052,147</u>	<u>19,326,983</u>
Assets held for sale and assets of disposal group classified as held for sale	14	160,605	174,722
		<u>24,212,752</u>	<u>19,501,705</u>
Total assets		<u>159,179,598</u>	<u>149,775,381</u>

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Khazanah Nasional Berhad
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Consolidated statement of financial position
As at 31 December 2022 (cont'd.)

		Group	
	Note	2022	2021
		RM'000	RM'000
Equity and liabilities			
Current liabilities			
Borrowings	35	15,973,384	10,048,680
Trade payables	36	1,820,910	1,719,521
Other current liabilities	37	11,422,920	8,616,729
Lease liabilities	41	1,216,116	738,192
Tax payable		478,846	353,008
Derivative liabilities	27	799	22
		<u>30,912,975</u>	<u>21,476,152</u>
Liabilities of disposal group classified as held for sale	14	3,170	1,228
		<u>30,916,145</u>	<u>21,477,380</u>
Non-current liabilities			
Borrowings	35	42,430,215	47,364,875
Other non-current liabilities	40	9,793,851	9,834,354
Deferred tax liabilities	28	441,263	488,937
Lease liabilities	41	6,173,016	6,862,425
Derivative liabilities	27	153	196,303
		<u>58,838,498</u>	<u>64,746,894</u>
Total liabilities		<u>89,754,643</u>	<u>86,224,274</u>
Equity attributable to Owners of the Company:			
Share capital	42	12,284,201	12,284,201
Capital contribution from shareholders		2,683,223	2,683,223
Reserves		<u>42,197,672</u>	<u>36,836,899</u>
Shareholders' funds		57,165,096	51,804,323
Non-controlling interests		<u>12,259,859</u>	<u>11,746,784</u>
Total equity		<u>69,424,955</u>	<u>63,551,107</u>
Total equity and liabilities		<u>159,179,598</u>	<u>149,775,381</u>

The accompanying notes form an integral part of the financial statements.

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**Khazanah Nasional Berhad
(Incorporated in Malaysia)**

**Statement of financial position
As at 31 December 2022**

		Company	
	Note	2022	2021
		RM'000	RM'000
Assets			
Property, plant and equipment	15	19,790	15,727
Investment properties	17	-	-
Other intangible assets	20	1,291	766
Interest in subsidiaries	21	40,060,409	41,935,344
Interest in associates	22	25,226,670	25,378,931
Other financial investments	24	5,209,729	4,241,730
Other receivables	32	1,289,262	916,281
Tax recoverable		23,836	26,223
Cash and bank balances	33	1,748,026	1,279,258
Investment in money market instruments	34	-	34,896
Total assets		73,579,013	73,829,156
Liabilities			
Derivative liabilities	27	-	166,587
Other liabilities	37	1,379,967	2,019,939
Borrowings	35	42,762,886	45,062,668
Total liabilities		44,142,853	47,249,194
Equity attributable to Owners of the Company			
Share capital	42	12,284,201	12,284,201
Capital contribution from shareholders		2,324,423	2,324,423
Retained profits		14,827,536	11,971,338
Total equity		29,436,160	26,579,962
Total equity and liabilities		73,579,013	73,829,156

The accompanying notes form an integral part of the financial statements.

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**Khazanah Nasional Berhad
(Incorporated in Malaysia)**

**Consolidated statement of changes in equity
For the year ended 31 December 2022**

<----- Attributable to owners of the Company ----->

	Share capital (Note 42) RM'000	Share contribution from shareholders ("CCS") RM'000	Other reserves (Note 39) RM'000	Distributable retained profits RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
2022							
At 1 January	12,284,201	2,683,223	1,344,057	35,492,842	51,804,323	11,746,784	63,551,107
Income/(loss) for the year	-	-	-	5,606,879	5,606,879	(252,619)	5,354,260
Other comprehensive income	-	-	-	-	-	-	-
- arising during the year	-	-	542,065	-	542,065	-	542,065
Total comprehensive income/(loss)	-	-	542,065	5,606,879	6,148,944	(252,619)	5,896,325
Transactions with owners							
Dilution of interest in subsidiaries	-	-	-	(176,765)	(176,765)	-	(176,765)
Arising on business combination activity	-	-	(8,480)	(239,880)	(248,360)	693,000	444,640
Disposal of associates	-	-	37,551	-	37,551	-	37,551
Disposal of other financial investments	-	-	(480,533)	480,533	-	(11,867)	(11,867)
Share of reserves of associates and joint ventures	-	-	157,478	(68,316)	89,162	-	89,162
Derecognition of put option	-	-	(4)	-	(4)	-	(4)
Defined benefit plan actuarial gains	-	-	-	113	113	-	113
Transfer from/(to):							
- statutory reserve	-	-	82,380	(82,380)	-	-	-
- capital reserve	-	-	12,629	(12,629)	-	-	-
- general reserve	-	-	50,177	(50,177)	-	56,231	56,231
Share based payment	-	-	10,132	-	10,132	-	10,132
Dividend paid to non-controlling interests	-	-	-	-	-	28,330	28,330
Dividends paid to owners	-	-	-	(500,000)	(500,000)	-	(500,000)
Total transactions with owners	-	-	(138,670)	(649,501)	(788,171)	765,694	(22,477)
At 31 December	12,284,201	2,683,223	1,747,452	40,450,220	57,165,096	12,259,859	69,424,955

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**Khazanah Nasional Berhad
(Incorporated in Malaysia)**

**Consolidated statement of changes in equity
For the year ended 31 December 2022 (cont'd.)**

<----- Attributable to owners of the Company ----->

2021	Capital						Total equity RM'000
	Share capital (Note 42) RM'000	Share contribution from shareholders ("CCS") RM'000	Other reserves (Note 39) RM'000	Distributable retained profits RM'000	Non- controlling interests RM'000	Total RM'000	
At 1 January	12,284,201	4,483,223	(146,108)	35,639,436	5,405,136	52,260,752	57,665,888
Income/(loss) for the year	-	-	-	688,953	(392,310)	688,953	296,643
Other comprehensive income	-	-	1,848,286	-	-	1,848,286	1,848,286
- arising during the year	-	-	1,848,286	-	-	1,848,286	1,848,286
Total comprehensive income/(loss)	-	-	1,848,286	688,953	(392,310)	2,537,239	2,144,929
Transactions with owners							
Arising on business combination activity	-	(1,800,000)	689,642	(16,745)	6,738,520	(1,127,103)	5,611,417
Disposal of associates	-	-	1,787	-	-	1,787	1,787
Disposal of other financial investments	-	-	(1,111,459)	1,111,459	-	-	-
Share of reserves of associates and joint ventures	-	-	97,597	35,051	-	132,648	132,648
Transfer to:							
- distributable retained profits	1,000	-	-	(1,000)	-	-	-
- statutory reserve	-	-	(34,783)	34,783	-	-	-
- general reserve	-	-	(905)	905	-	-	-
Redemption of preference shares	(1,000)	-	-	-	-	(1,000)	(1,000)
Issuance of shares by subsidiaries	-	-	-	-	306	-	306
Dividend paid to non-controlling interests	-	-	-	-	(4,868)	-	(4,868)
Dividends paid to owners	-	-	-	(2,000,000)	-	(2,000,000)	(2,000,000)
Total transactions with owners	-	(1,800,000)	(358,121)	(835,547)	6,733,958	(2,993,668)	3,740,290
At 31 December	12,284,201	2,683,223	1,344,057	35,492,842	11,746,784	51,804,323	63,551,107

The accompanying notes form an integral part of the financial statements.

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Khazanah Nasional Berhad
(Incorporated in Malaysia)

Statement of changes in equity
For the year ended 31 December 2022

	Share capital (Note 42) RM'000	Capital contribution from shareholders RM'000	Fair value adjustment reserve RM'000	Distributable retained profits RM'000	Total equity RM'000
At 1 January 2022	12,284,201	2,324,423	-	11,971,338	26,579,962
Total comprehensive income for the year	-	-	-	3,356,198	3,356,198
Dividends (Note 13)	-	-	-	(500,000)	(500,000)
At 31 December 2022	12,284,201	2,324,423	-	14,827,536	29,436,160
At 1 January 2021	12,284,201	2,324,423	30,000	13,535,998	28,174,622
Total comprehensive income for the year	-	-	(9,704)	416,044	406,340
Transfer from/(to) retained earnings	1,000	-	(20,296)	19,296	-
Redemption of RCCPS	(1,000)	-	-	-	(1,000)
Dividends (Note 13)	-	-	-	(2,000,000)	(2,000,000)
At 31 December 2021	12,284,201	2,324,423	-	11,971,338	26,579,962

The accompanying notes form an integral part of the financial statements.

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Khazanah Nasional Berhad
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Consolidated statement of cash flows
For the year ended 31 December 2022

	Group	
	2022	2021
	RM'000	RM'000
Cash flows from operating activities		
Profit before taxation	5,782,889	756,226
Adjustments for:		
Gain from divestments of investments and investment properties	(817,084)	(1,360,130)
Gain from restructuring of investment in a joint venture	(4,080,000)	-
Dividend income from other investments	(387,596)	(146,294)
Interest income	(433,133)	(398,755)
Unrealised loss on foreign exchange, net	314,954	250,661
Depreciation for property, plant and equipment	938,386	729,707
Depreciation for right-of-use assets	1,037,974	1,014,012
Net fair value loss on financial assets at fair value through profit or loss	1,706,686	46,635
Net fair value loss on derivatives	366,000	22,000
Allowance for impairment losses on investments and receivables, net	664,799	328,485
Allowance for impairment losses on property, plant and equipment	54,347	142,834
Allowance for impairment on investment properties	57,247	37,768
Allowance for impairment on right-of-use assets	-	110,880
Allowance for impairment on property development-in-progress	-	20,605
Net amortisation charge for concession assets	18,905	27,328
Amortisation of other intangible assets	58,618	234,265
Amortisation of government grants	(2,637)	(3,795)
Inventories written off	28,618	29,206
Property, plant and equipment written off	34,177	3,505
Loss on disposal of property, plant and equipment	268,018	543,739
Loss on disposal of investment properties	-	160,000
Interest expense	2,663,031	2,814,737
Amortisation of deferred income	(53,840)	(109,031)
Depreciation of investment properties	40,712	93,011
Provision for aircraft redelivery costs	694,322	38,445
Share of results from associates and joint ventures	(6,964,903)	(3,462,854)
Operating profit before working capital changes	<u>1,990,490</u>	<u>1,923,190</u>

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Consolidated statement of cash flows
For the year ended 31 December 2022 (cont'd.)

	Group	
	2022	2021
	RM'000	RM'000
Cash flows from operating activities (cont'd.)		
Increase in property development-in-progress	(545,052)	(449,927)
(Increase)/decrease in inventories and work-in-progress	(835,523)	294,857
Decrease in trade and other receivables	6,087,845	6,288,241
Decrease in trade and other payables	(2,240,988)	(4,368,713)
Interest paid	(2,583,713)	(2,679,706)
Interest received	431,365	398,765
Dividend received	387,596	146,294
Income tax (paid)/refund	(322,029)	304,963
Net cash generated from operating activities	<u>2,369,991</u>	<u>1,857,964</u>
Cash flows from investing activities		
Net inflow/(outflow) of investments	813,574	(28,461)
Net cash inflow from disposal of subsidiaries	441,193	331,471
Purchase of property, plant and equipment	(1,164,504)	(208,522)
Purchase of other intangible assets	(28,254)	(168,699)
Proceeds from disposal of other intangible assets	50,472	40,493
Proceeds from disposal of property, plant and equipment	5,077	63,805
Proceeds from disposal of investment properties	39,561	14,245
Proceeds from disposal of right-of-use assets	85,810	323
Addition in concession assets	(22,560)	(54,567)
Addition in land held for property development	(104,125)	(735,197)
Proceeds from disposal of land held for property development	162,415	4,543
Purchase of investment properties	(499,550)	(68,358)
Net cash used in investing activities	<u>(220,891)</u>	<u>(808,924)</u>
Cash flows from financing activities		
Drawdown of borrowings	13,508,086	15,374,573
Repayment of borrowings	(13,805,126)	(12,286,304)
Dividends paid	(544,030)	(3,202,868)
Lease payment	(934,159)	(845,980)
Net cash used in financing activities	<u>(1,775,229)</u>	<u>(960,579)</u>

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Consolidated statement of cash flows
For the year ended 31 December 2022 (cont'd.)

	Group	
	2022	2021
	RM'000	RM'000
Net changes in cash and cash equivalents	373,871	88,461
Cash and cash equivalents at the beginning of year	11,966,285	11,902,527
Exchange rate effects	(6,301)	(24,703)
Cash and cash equivalents at the end of year	<u>12,333,855</u>	<u>11,966,285</u>
Cash and cash equivalents comprise (Note 33):		
Cash and bank balances	4,993,554	5,209,433
Short term placements	7,340,301	6,756,852
	<u>12,333,855</u>	<u>11,966,285</u>

The accompanying notes form an integral part of the financial statements.

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Khazanah Nasional Berhad
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Statement of cash flows
For the year ended 31 December 2022

	Company	
	2022	2021
	RM'000	RM'000
Cash flows from operating activities		
Profit before taxation	3,374,252	433,811
Adjustments for:		
Gain from divestments	(376,253)	(801,881)
Dividend income	(6,516,337)	(3,883,924)
Interest income	(129,004)	(113,626)
Unrealised (gain)/loss on foreign exchange, net	(77,875)	142,641
Depreciation on property and equipment	2,025	1,793
Depreciation on investment property	-	6,118
Other intangible assets written off	-	85
Amortisation of other intangible assets	254	229
Allowance for impairment losses in investments and receivables, net of writebacks	542,187	2,085,792
Gain on disposal of property and equipment	-	(278)
Interest expense	1,936,980	1,813,848
Net loss/(gain) on financial assets designated as fair value through profit or loss	1,042,285	(102,023)
Net (gain)/loss on revaluation of derivatives	(166,587)	38,178
Operating loss before working capital changes	(368,073)	(379,237)
Changes in receivables	1,003,272	2,699,792
Changes in payables	(2,470,802)	(4,503,658)
Income tax paid	(15,667)	(17,355)
Net cash used in operating activities	<u>(1,851,270)</u>	<u>(2,200,458)</u>
Cash flows from investing activities		
Proceeds from disposal/(purchase) of investments, net	1,480,515	(1,333,714)
Purchase of property and equipment	(6,088)	(10,627)
Purchase of other intangible assets	(779)	(708)
Proceeds from disposal of property and equipment	-	3,610
Dividend received	6,212,926	3,883,924
Interest received	57,137	74,760
Net cash generated from investing activities	<u>7,743,711</u>	<u>2,617,245</u>

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Statement of cash flows
For the year ended 31 December 2022 (cont'd.)

	Company	
	2022	2021
	RM'000	RM'000
Cash flows from financing activities		
Repayment of borrowings	(9,020,670)	(7,473,723)
Drawdown of borrowings	5,592,000	9,328,121
Dividends paid	(500,000)	(3,000,000)
Interest paid	(1,495,003)	(1,380,256)
Net cash used in financing activities	<u>(5,423,673)</u>	<u>(2,525,858)</u>
Net changes in cash and cash equivalents	468,768	(2,109,071)
Cash and cash equivalents at the beginning of year	<u>1,279,258</u>	<u>3,388,329</u>
Cash and cash equivalents at the end of year	<u>1,748,026</u>	<u>1,279,258</u>
Cash and cash equivalents comprise (Note 33):		
Cash and bank balances	167,781	161,630
Deposits with licensed banks	1,580,245	1,117,628
	<u>1,748,026</u>	<u>1,279,258</u>

The accompanying notes form an integral part of the financial statements.

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**Khazanah Nasional Berhad
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1. Corporate information

The principal activity of the Company is that of investment holding. The principal activities of the subsidiaries, associates and joint ventures of the Company and of the Group are described in Note 52 and Note 53 to the financial statements, respectively.

There have been no significant changes in the nature of the principal activities during the financial year.

The Company is a public limited liability company, incorporated and domiciled in Malaysia. The registered office of the Company is located at Level 22, Mercu UEM, Jalan Stesen Sentral 5, Kuala Lumpur Sentral, 50470 Wilayah Persekutuan Kuala Lumpur.

The Company's holding and ultimate holding body is the Minister of Finance Incorporated ("MoF Inc."), a body corporate, incorporated pursuant to the Minister of Finance (Incorporation) Act, 1957.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 8 May 2023.

2. Summary of significant accounting policies

2.1 Basis of preparation

The financial statements of the Group and of the Company are prepared in accordance with the provisions of the Companies Act, 2016 and comply with the Malaysian Financial Reporting Standards ("MFRS"), which is in compliance with International Financial Reporting Standards issued by the International Accounting Standards Board ("IASB").

The financial statements have been prepared under the historical cost basis unless otherwise disclosed in the respective significant accounting policies below.

The financial statements are presented in Ringgit Malaysia ("RM") which is also the Company's functional currency and all values are rounded to the nearest thousand (RM'000), except when otherwise indicated.

The Company presents its statement of financial position in order of liquidity.

**Khazanah Nasional Berhad
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2. Summary of significant accounting policies (cont'd.)

2.2 Changes in accounting policies

On 1 January 2022, the Group and the Company adopted the new and amended MFRSs which are mandatory for annual financial periods beginning on or after 1 January 2022.

Effective for financial periods beginning on or after 1 January 2022

Amendment to MFRS 3	Business Combination (on Reference to the Conceptual Framework)
Amendment to MFRS 116	Property, Plant and Equipment (on Proceeds before Intended Use)
Amendments to MFRS 137	Provisions, Contingent Liabilities and Contingent Assets (on Onerous Contracts - Cost of Fulfilling a Contract)
Annual Improvement to MFRS 1	First-time Adoption of International Financial Reporting Standards (on Subsidiary as a First-Time Adopter)
Annual Improvement to MFRS 9	Financial Instruments (on Fees in the '10 per cent' Test for Derecognition of Financial Liabilities)
Annual Improvement to MFRS 141	Agriculture (on Taxation in Fair Value Measurements)

The adoption of the above amendments did not have any material impact on the financial performance or position of the Group and of the Company.

2.3 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the reporting date.

A subsidiary is an entity over which the Group has all the following:

- (i) Power over the investee (i.e existing rights that give it the current ability to direct the relevant activities of the investee);
- (ii) Exposure, or rights, to variable returns from its involvement with the investee; and
- (iii) The ability to use its power over the investee to affect its returns.

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2. Summary of significant accounting policies (cont'd.)

2.3 Basis of consolidation (cont'd.)

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (i) The contractual arrangement(s) with the other vote holders of the investee;
- (ii) Rights arising from other contractual arrangements; and
- (iii) The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income ("OCI") are attributed to the equity holders of parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets, liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interests and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

2.4 Interests in subsidiaries, associates and joint ventures

Interests in subsidiaries, associates and joint ventures at the individual company level are stated at cost less accumulated impairment losses. Policy for the recognition and measurement of impairment losses is in accordance with Note 2.28.

On disposal of such interests, the difference between net disposal proceeds and their carrying amounts is charged or credited to profit or loss.

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2. Summary of significant accounting policies (cont'd.)

2.5 Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of MFRS 9 Financial Instruments ("MFRS 9"), is measured at fair value with the changes in fair value recognised in the statements of profit or loss in accordance with MFRS 9. Other contingent consideration that is not within the scope of MFRS 9 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquirer's previously held equity interest in the acquiree is remeasured at fair value at the acquisition date through profit or loss.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

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2. Summary of significant accounting policies (cont'd.)

2.5 Business combinations and goodwill (cont'd.)

After the initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit ("CGU") and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the CGU retained.

2.6 Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Group as a joint operator recognises in relation to its interest in a joint operation:

- (i) its assets, including its share of any assets held jointly;
- (ii) its liabilities, including its share of any liabilities incurred jointly;
- (iii) its revenue from the sale of its share of the output arising from the joint operation;
- (iv) its share of the revenue from the sale of the output by the joint operation; and
- (v) its expenses, including its share of any expenses incurred jointly.

The consideration made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries.

2. Summary of significant accounting policies (cont'd.)

2.6 Investments in associates and joint ventures (cont'd.)

The Group's investments in its associate and joint venture are accounted for using the equity method.

Under the equity method, on initial recognition the investment in an associate or a joint venture is recognised at cost. The carrying amount is adjusted to recognise the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment separately.

The statements of profit or loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in other comprehensive income ("OCI") of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the statements of profit or loss outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate or joint venture.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

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2. Summary of significant accounting policies (cont'd.)

2.6 Investments in associates and joint ventures (cont'd.)

After application of the equity method, the Group applies MFRS 136 Impairment of Assets ("MFRS 136") to determine whether it is necessary to recognise any additional impairment loss with respect to its net investment in the associate or joint venture. When necessary, the entire carrying amount of the investment is tested for impairment in accordance with MFRS 136 as a single asset, by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss is recognised in profit or loss. Reversal of an impairment loss is recognised to the extent that the recoverable amount of the investment subsequently increases.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

2.7 Intangible assets

(a) Research and development costs

Research and development costs are recognised as an expense except that costs incurred on individual development projects are recognised as development asset to the extent that such expenditure is expected to generate future economic benefits. Development costs are only recognised as an asset when it is probable that future economic benefits will be realised as a result of the specific expenditure and the costs can be measured reliably.

Following the initial recognition of the development expenditure, the asset is carried at cost less any accumulated amortisation and any accumulated impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 2.28. These costs are derecognised upon disposal or when no future economic benefits are expected from its use.

Amortisation of development costs that have been capitalised begins when development is complete and the asset is available for use. It is amortised over the period of expected future economic benefits from the related project.

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2. Summary of significant accounting policies (cont'd.)

2.7 Intangible assets (cont'd.)

(b) Other intangible assets

Intangible assets acquired separately are measured initially at cost. The cost of intangible assets acquired in a business combination is their fair values as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised on a straight-line basis over the estimated economic useful lives and assessed for impairment whenever there is an indication that the intangible assets may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each reporting date.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in profit or loss.

Intangible assets with indefinite useful lives or not yet available for use are tested for impairment annually, or more frequently if the events and circumstances indicate that the carrying value may be impaired either individually or at the CGU level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether the useful life assessment continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

Other intangible assets comprise the following, and are amortised over the following useful lives:

Intangible asset	Nature	Useful life
Computer software	Computer software and licenses	3 - 15 years
Brands	Brand name	Indefinite
Intellectual property	Customer contract and relationship	5 - 15 years
Licenses	License to operate Themed parks	15 - 20 years
Value of business acquired ("VOBA")	In-force contracts for insurance and takaful businesses acquired	Indefinite
Bancassurance	Bancassurance agreement entered into with an associate company	10 years

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2. Summary of significant accounting policies (cont'd.)

2.8 Aircraft, property, plant and equipment

All items of aircraft, property, plant and equipment are initially recorded at cost. The cost of an item of aircraft, property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Subsequent to recognition, aircraft, property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

When significant parts of aircraft, property, plant and equipment are required to be replaced in intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Freehold land, which is stated at cost less impairment loss, has an unlimited useful life and therefore is not depreciated except for land held for scheduled waste treatment plant and disposal site in Port Dickson, Negeri Sembilan by a subsidiary of the Group, Kualiti Alam Sdn. Bhd. ("KASB").

Depreciation of other aircraft, property, plant and equipment is provided for on a straight-line basis to write off the cost of each asset to its residual value based on the following:

Freehold land held for scheduled waste treatment and disposal site	6.25%
Hotel properties	37 years
Buildings	5 - 50 years
Roads, bridges, renovation, restoration costs and capital improvements	3 - 50 years
Plant and machinery	2 - 25 years
Furniture and fittings, motor vehicles and other equipments	3 - 30 years
Aircraft (from the age at the time of purchase)	18 - 20 years
Aircraft modifications/retrofits and spare engines	<u>7 - 20 years</u>

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2. Summary of significant accounting policies (cont'd.)

2.8 Aircraft, property, plant and equipment (cont'd.)

Capital work-in-progress consist of, amongst others, progress payments on aircraft, simulators and properties under construction. These capital work-in-progress are stated at cost and are not depreciated until the respective assets are ready for their intended use.

The carrying values of aircraft, property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of aircraft, property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in profit or loss in the year the asset is derecognised.

2.9 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income ("OCI"), or fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's and Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company and Group have applied the practical expedient, the Company and Group initially measure a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company and Group applied the practical expedient are measured at the transaction price determined under MFRS 15. Refer to the accounting policies in Note 2.25(e) Construction contracts, contracts for sale of land and property development costs.

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2. Summary of significant accounting policies (cont'd.)

2.9 Financial instruments (cont'd.)

(i) Financial assets (cont'd.)

Initial recognition and measurement (cont'd.)

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest' ("SPPI") on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Company and Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company and Group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments);
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments);
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments); and
- Financial assets at fair value through profit or loss.

Financial assets at amortised cost (debt instruments)

The Company and Group measure financial assets at amortised cost if both of the following conditions are met:

- The financial assets is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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2. Summary of significant accounting policies (cont'd.)

2.9 Financial instruments (cont'd.)

(i) Financial assets (cont'd.)

Subsequent measurement (cont'd.)

Financial assets at amortised cost (debt instruments) (cont'd.)

Financial assets at amortised cost are subsequently measured using the effective interest ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets at fair value through OCI (debt instruments)

The Company and Group measure debt instruments at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statements of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

The Company and Group's debt instruments at fair value through OCI include investments in quoted debt instruments included under other non-current financial assets.

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2. Summary of significant accounting policies (cont'd.)

2.9 Financial instruments (cont'd.)

(i) Financial assets (cont'd.)

Subsequent measurement (cont'd.)

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Company and Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under MFRS 132: Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statements of profit or loss when the right of payment has been established, except when the Company and Group benefit from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Company and Group elected to classify irrevocably its not held for trading instruments under this category.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statements of financial position at fair value with net changes in fair value recognised in the statements of profit or loss.

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2. Summary of significant accounting policies (cont'd.)

2.9 Financial instruments (cont'd.)

(i) Financial assets (cont'd.)

Subsequent measurement (cont'd.)

Financial assets at fair value through profit or loss (cont'd.)

This category includes derivative instruments and listed equity investments which the Company and Group had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are also recognised as dividend income in the statements of profit or loss when the right of payment has been established.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's statements of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Company and Group have transferred its rights to receive cash flows from the asset or have assumed an obligation to pay the received cash flows in full to a third party under a 'pass-through' arrangement; and either (a) the Company and Group have transferred substantially all the risks and rewards of the asset, or (b) the Company and Group have neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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2. Summary of significant accounting policies (cont'd.)

2.9 Financial instruments (cont'd.)

(i) Financial assets (cont'd.)

Derecognition (cont'd.)

When the Company and Group have transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company and Group continue to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company and Group also recognise an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company and Group have retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company and Group could be required to repay.

Impairment of financial assets

Further disclosures relating to impairment of financial assets are also provided in the following notes:

- Disclosures for significant assumptions
- Debt instruments at fair value through OCI
- Trade receivables, including contract assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

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2. Summary of significant accounting policies (cont'd.)

2.9 Financial instruments (cont'd.)

(i) Financial assets (cont'd.)

Impairment of financial assets (cont'd.)

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECLs). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECLs).

For trade receivables and contract assets, the Company and Group apply a simplified approach in calculating ECLs. Therefore, the Company and Group do not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company and Group have established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For debt instruments at fair value through OCI, the Company and Group apply the low credit risk simplification. At every reporting date, the Company and Group evaluate whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Company and Group reassess the internal credit rating of the debt instrument. In addition, the Company and Group consider that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Company and Group consider a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company and Group may also consider a financial asset to be in default when internal or external information indicates that the Company and Group are unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

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2. Summary of significant accounting policies (cont'd.)

2.9 Financial instruments (cont'd.)

(ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company and Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company and Group that are not designated as hedging instruments in hedge relationships as defined by MFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in MFRS 9 are satisfied. The Company and Group have not designated any financial liability as at fair value through profit or loss.

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2. Summary of significant accounting policies (cont'd.)

2.9 Financial instruments (cont'd.)

(ii) Financial liabilities (cont'd.)

Subsequent measurement (cont'd.)

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

This category generally applies to interest-bearing loans and borrowings. For more information, refer to Note 35 to the financial statements.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

(iii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

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2. Summary of significant accounting policies (cont'd.)

2.10 Hedge accounting

The Group uses derivatives to manage its exposure to foreign currency risk, interest rate risk, liquidity risk and fuel hedging contracts. The Group applies hedge accounting for certain hedging relationships which qualify for hedge accounting.

For the purpose of hedge accounting, hedging relationships are classified as:

- Fair value hedges, when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment (except for foreign currency risk); or
- Cash flow hedges, when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probably forecast transaction or the foreign currency risk in an unrecognised firm commitment; or
- Hedges of a net investment in a foreign operation.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the hedging instrument's effectiveness in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Hedges are expected to be highly effective and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges which meet the strict criteria for hedge accounting are accounted for as follows:

(a) Fair value hedges

The changes in the fair value of a derivative hedging instrument are recognised in profit or loss, together with any gain or loss on the hedged item attributable to the hedged risk, which is adjusted to the carrying amount of the hedged item.

For fair value hedges relating to items carried at amortised cost, the adjustment to carrying value is amortised through profit or loss over the remaining term to maturity. Effective interest rate amortisation may begin as soon as an adjustment exists and shall begin no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

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2. Summary of significant accounting policies (cont'd.)

2.10 Hedge accounting (cont'd.)

(a) Fair value hedges (cont'd.)

If the hedge item is derecognised, the unamortised fair value is recognised immediately in profit or loss.

When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in profit or loss. The changes in the fair value of the hedging instrument are also recognised in profit or loss.

The Group discontinues fair value hedge accounting if the hedging instrument expires or is sold, terminated or exercised, the hedge no longer meets the criteria for hedge accounting or the Group revokes the designation.

(b) Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised directly in other comprehensive income, while any ineffective portion is recognised in profit or loss.

If a hedge of a forecast transaction subsequently results in the recognition of a financial asset or a financial liability, the associated gains or losses that were recognised directly in equity are reclassified into profit or loss in the same period or periods during which the asset acquired or liability assumed affects profit or loss.

If a hedge of a forecast transaction subsequently results in the recognition of a non-financial asset or a non-financial liability, or a forecast transaction for a non-financial asset or non-financial liability becomes a firm commitment for which fair value hedge accounting is applied, then the Group removes the associated gains and losses that were recognised directly in other comprehensive income, and includes them in the initial cost or other carrying amount of the asset or liability.

For other cash flow hedges, amounts recognised directly in other comprehensive income are recognised in profit or loss in the same period or periods during which the forecast transaction affects profit or loss.

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2. Summary of significant accounting policies (cont'd.)

2.10 Hedge accounting (cont'd.)

(b) Cash flow hedges (cont'd.)

Cash flow hedge accounting shall be discontinued prospectively if the hedging instrument is sold, terminated or exercised or the hedge no longer meets the criteria for hedge accounting. The cumulative gain or loss on the hedging instrument remains separately recognised in equity until the forecast transaction occurs at which stage it is accounted for in accordance with the guidance given above depending on whether or not the forecast transaction results in the recognition of a financial or non-financial asset or liability. If the forecast transaction is no longer expected to occur, any related cumulative gain or loss on the hedging instrument that remains in equity is recognised immediately in profit or loss.

If the Group revokes the designation for a hedge of a forecast transaction, the cumulative gain or loss recognised in equity remains separately recognised in equity until the forecast transaction occurs or is no longer expected to occur. If the transaction occurs, the cumulative gain is accounted for in accordance with the guidance given above depending on whether or not the forecast transaction results in the recognition of a financial or non-financial asset or liability. If the forecast transaction is no longer expected to occur, any related cumulative gain or loss on the hedging instrument that remains in equity is recognised immediately in profit or loss.

(c) Hedges of a net investment

Hedges of a net investment in a foreign operation, including a hedge of a monetary item that is accounted for as part of the net investment are accounted for in a way similar to cash flow hedges. Gains or losses on the hedging instrument relating to the effective portion of the hedge are recognised in other comprehensive income while any gains or losses relating to the ineffective portion are recognised in profit or loss.

On disposal of the foreign operation, the cumulative gain or loss on the hedging instrument relating to the effective portion of the hedge which was recognised in other comprehensive income is reclassified from equity to profit or loss.

2.11 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash at bank and deposits with financial institutions that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value, net of bank overdrafts.

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2. Summary of significant accounting policies (cont'd.)

2.12 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(a) As lessee

The Group applies a single recognition and measurement approach for all leases, except for short term leases and leases of low-value-assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Group recognises right-of-use at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentive received. Right-of-use assets are depreciated on a straight-line basis over the lease term of the assets. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life and the lease term.

Aircraft	1 - 41 years
Land	2 - 81 years
Building	3 - 5 years
Other office equipment	3 years
Leasehold land	15 - 99 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in Note 2.28.

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2. Summary of significant accounting policies (cont'd.)

2.12 Leases (cont'd.)

(a) As lessee (cont'd.)

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

The lease also include exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date or the interest rate implicit if it is determine in the contract. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Group's lease liabilities are included in Note 41.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e, those leases have a lease term of 12 months or less). The Group also applies the leases of low-value-assets recognition exemption to office equipments and IT equipments that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

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2. Summary of significant accounting policies (cont'd.)

2.12 Leases (cont'd.)

(b) As lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an assets are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

2.13 Concession assets

(a) Concession intangible assets

In order to fall within the scope of concession contract, a contract must satisfy the following two criteria:

- the grantor controls or regulates what services the operator must provide with the infrastructure/assets, to whom it must provide them, and at what price; and
- the grantor controls the significant residual interest in the infrastructure/assets at the end of the term of the arrangement.

Concession intangible assets comprise Expressway Development Expenditure ("EDE"), Capital Work-In-Progress, Concession rights and Other Concession Assets.

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2. Summary of significant accounting policies (cont'd.)

2.13 Concession assets (cont'd.)

(a) Concession intangible assets (cont'd.)

Such assets are not recognised by the Group as property, plant and equipment but as concession intangible assets. The intangible asset model applies where the operator is paid by the users or where the concession grantor has not provided a contractual guarantee in respect of the amount recoverable. The intangible asset corresponds to the right granted by the concession grantor to the operator to charge users of the public service. Under the intangible asset model, revenue includes revenue from the construction of the infrastructure/assets and operating revenue of the infrastructure.

(i) Expressway Development Expenditure ("EDE")

EDE comprises construction development and upgrading expenditure (including borrowing costs relating to the financing of the development) incurred in connection with the concession intangible assets.

EDE is stated at cost less accumulated amortisation and accumulated impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 2.28.

EDE is amortised over its concession period. The amortisation formula applied in the preparation of the financial statements to arrive at the annual amortisation charge for each financial year is as follows:

$$\frac{\text{Traffic volume for the year}}{(\text{Actual traffic volume for the year} + \text{Projected total traffic volume for the subsequent years to end of concession period})} \times (\text{Net carrying value of EDE at beginning of the year} + \text{Net additions for the year})$$

The projected total traffic volume is based on the latest available traffic volume projections prepared by independent traffic consultants. The traffic volume projections are independently reviewed on a periodic basis.

(ii) Capital work-in-progress

Capital work-in-progress is not amortised until the asset is fully completed and brought into use.

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2. Summary of significant accounting policies (cont'd.)

2.13 Concession assets (cont'd.)

(a) Concession intangible assets (cont'd.)

(iii) Concession rights

Concession rights relate to the rights to build, own and operate the asset for solar panel and biogas activities in accordance with the Renewable Energy Power Purchase Agreements ("REPPA") entered with Tenaga Nasional Berhad ("TNB").

These concession rights, with finite useful lives, are amortised on a straight-line basis over the estimated economic useful lives and assessed for impairment whenever there are indications that the concession rights may be impaired.

(iv) Other concession assets

Other concession assets comprise toll equipment, video surveillance equipment, telecommunication networks, centralised lighting, and toll operation computer hardware and software, and are stated at cost less accumulated amortisation and impairment losses. The policy for recognition and measurement of impairment losses is in accordance with Note 2.28. The annual amortisation in respect of these assets is computed on a straight-line basis over their estimated useful lives at the following rates:

Software and computers	12.5% to 14.3%
Others	10%

2.14 Investment properties

Investment properties consist of land, completed properties and properties under construction ("IPUC") which are held for capital appreciation or rental purpose or both, and generally are not occupied for use or in the operations of the Group. Investment properties are treated as long term investments and are measured initially at cost, including transaction costs.

Following initial recognition, investment properties are carried at cost less any accumulated depreciation and accumulated impairment losses, except for freehold land which has an unlimited useful life and therefore is not depreciated. Completed investment properties are depreciated over the estimated economic useful lives of 10 - 80 years. IPUC are not depreciated as they are not ready for their intended use. The policy for the recognition and measurement of impairment losses is in accordance with Note 2.28.

2. Summary of significant accounting policies (cont'd.)

2.14 Investment properties (cont'd.)

The assets' residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

Investment properties are derecognised when either they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. Any gain or loss on the retirement or disposal of an investment property is recognised in profit or loss in the year of retirement or disposal.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. For a transfer from owner-occupied property to investment property, the property is accounted for in accordance with the accounting policy for property, plant and equipment set out in Note 2.8 up to the date of change in use.

2.15 Land held for property development and property development costs

(a) Land held for property development

Land held for property development consists of land where no development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle. Such land is classified within non-current assets and is stated at lower of cost and net realisable value. Cost consists of land and development expenditure (including borrowing costs relating to the financing of active development).

Land held for property development is reclassified as property development costs at the point when development activities have commenced and where it can be demonstrated that the development activities can be completed within the normal operating cycle.

(b) Property development costs

Property development costs are those assets on which significant works have been undertaken and are expected to be completed within the normal operating cycle.

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2. Summary of significant accounting policies (cont'd.)

2.15 Land held for property development and property development costs (cont'd.)

(b) Property development costs (cont'd.)

Property development costs are initially stated at cost. Cost includes:

- Freehold and leasehold rights for land;
- Amounts paid or payable to contractors for construction;
- Borrowing costs, planning and design costs, costs of site preparation, professional fees for legal services, property transfer taxes, construction overheads and other related costs; and
- Non-refundable commission cost.

Property development cost is recognised as an expense when the corresponding revenue is recognised as per accounting policy in Notes 2.25(e)(iii) and 2.25(e)(iv).

Any expected loss on a development project, including costs to be incurred over the defects liability period, is recognised as an expense immediately.

Property development cost not recognised as an expense is recognised as an asset, which is measured at the lower of cost or net realisable value.

Property development cost of unsold units or units pending transfer of control is transferred to inventories held for sale or inventories under contract of sale once the development is completed.

2.16 Inventories

(a) Inventories

Inventories are stated at lower of cost and net realisable value. Cost of inventories are assigned on a weighted average cost basis, except for trading inventories which are determined on a First-In-First-Out ("FIFO") basis and are valued on the basis of lower of cost and net realisable value after making allowance for obsolete and slow-moving inventories.

The cost of raw materials comprise costs of purchase. The cost of finished goods comprise costs of direct materials, direct labour, a proportion of overhead expenses and all incidental costs incurred in bringing the inventories into store. Net realisable value is the estimated selling price in the ordinary course of business less all estimated costs of completion and the estimated costs to make the sale.

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2. Summary of significant accounting policies (cont'd.)

2.16 Inventories (cont'd.)

(a) Inventories (cont'd.)

The amount of any write down of inventories to net realisable value and subsequent reversals of any write down, if any, is recognised in profit or loss.

Developed properties held for sale are stated at the lower of cost and net realisable value. Cost is determined on the specific identification basis and includes cost of land, construction and appropriate development overheads.

(b) Work-in-progress

Work-in-progress and manufactured finished goods are stated at lower of cost and net realisable value. Cost is made up of direct materials, labour and a proportion of overhead expenses. Net realisable value represents the estimated selling price less all estimated costs to completion and costs to be incurred in marketing, selling and distribution. Allowance is made for all anticipated losses on work-in-progress.

2.17 Contract related assets and contract liabilities

(i) Contract assets and contract liabilities

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Contract assets are subject to impairment assessment based on ECL model. The amount of impairment losses is determined by comparing the contract asset's carrying amount and the present value of estimated future cash flows to be generated by the contract asset.

A contract asset becomes a receivable when the Group's and the Company's right to consideration is unconditional.

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier).

Contract liability is recognised as revenue when the Group and the Company perform the obligations under the contract.

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2. Summary of significant accounting policies (cont'd.)

2.17 Contract related assets and contract liabilities (cont'd.)

(ii) Contract cost assets

(a) Incremental cost of obtaining a contract

The incremental costs of obtaining a contract are those costs that the Group incurs to obtain a contract with a customer which would not have incurred if the contract had not been obtained.

(b) Costs to fulfil a contract

Contract costs that relate directly to a contract or to an anticipated contract are capitalised as contract cost assets when the costs generate or enhance resources of the Group that will be used in satisfying performance obligations in the future and the costs are expected to be recovered.

Contract cost assets are utilised over the expected contract period using a systematic basis that mirrors the pattern in which the Group transfers control of the goods or services to the customer. The utilisation charge is included within cost of sales. An impairment loss is recognised in profit or loss when the carrying amount of the contract cost asset exceeds the remaining amount of consideration that the Group expects to receive less the costs that relate to providing goods or services under the relevant contract.

2.18 Non-current assets or disposal groups held for sale and discontinued operations

Non-current assets or disposal groups are classified as held for sale if they meet certain conditions and their carrying amounts will be recovered principally through sale transactions rather than through continuing use. The condition is regarded as met only when the asset or disposal group is available for immediate sale in its present condition subject to terms that are usual and customary and the sale is highly probable.

Non-current assets or disposal groups held for sale are not depreciated and are measured at the lower of carrying amount and fair value less costs to sell. Any differences are recognised in profit or loss.

A component of the Group is classified as a discontinued operation when the criteria to be classified as held for sale have been met or it has been disposed of and such component represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations or is a subsidiary acquired exclusively with a view to resale.

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2. Summary of significant accounting policies (cont'd.)

2.19 Government grant

Government grants are recognised where there are reasonable assurance that the grants will be received and all attached conditions will be complied with. Government grants relate to assets shall be presented in the statement of financial position either by:

- setting up the grants as deferred income; or
- deducting the grants in arriving at the carrying amount of the assets.

Grants that are recorded as deferred income are released to profit or loss as other income on a systematic basis over the useful lives of the assets.

Grants that are recorded as deductions to the carrying amount of the assets are recognised in profit or loss over the lives of the depreciable assets, offset against depreciation expenses.

2.20 Customer loyalty programme

Award credits/points granted by certain subsidiaries of the Group are a separately identifiable component of the sales transaction and represent rights granted to the customer. The consideration allocated to the points is measured at the fair value of the points. It is recognised as a deferred revenue in the consolidated statement of financial position and recognised as revenue when the points are redeemed, have expired or are no longer expected to be redeemed.

2.21 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

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2. Summary of significant accounting policies (cont'd.)

2.22 Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due. Financial guarantee contracts are recognised initially as a liability at fair value, net of transaction costs. Subsequent to initial recognition, financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee.

If the debtor fails to make payment relating to financial guarantee contract when it is due and the Group, as the issuer, is required to reimburse the holder for the associated loss, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount initially recognised less cumulative amortisation.

2.23 Borrowing costs

Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

When the carrying amount of an asset inclusive of capitalised borrowing costs exceeds its recoverable amount, capitalisation is discontinued and such excess is written down or adjusted for an allowance for impairment, through an appropriate charge to profit or loss.

All other borrowing costs are recognised in profit or loss in the period they are incurred.

2.24 Employee benefits

(a) Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the Group. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences, and short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

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2. Summary of significant accounting policies (cont'd.)

2.24 Employee benefits (cont'd.)

(b) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities or funds and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years.

Such contributions are recognised as an expense in the profit or loss as incurred. As required by law, companies in Malaysia make contributions to the state pension scheme, the Employees Provident Fund ("EPF"). Some of the Group's foreign subsidiaries also make contributions to their respective countries' statutory pension schemes.

(c) Termination benefits

Employees of a subsidiary of the Group, Malaysia Aviation Group Berhad ("MAGB") receive termination benefits which are payable when employment is terminated by MAGB before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. MAGB recognises termination benefits at the earlier of the following dates: (a) when MAGB can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of MFRS 137: Provisions, Contingent Liabilities and Contingent Assets and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

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2. Summary of significant accounting policies (cont'd.)

2.24 Employee benefits (cont'd.)

(d) Defined benefit plans

Certain subsidiaries of the Group operate a funded and unfunded defined benefit, Retirement Benefit Scheme (“the Scheme”), for their eligible employees.

The Group’s obligations under the Scheme are determined based on actuarial valuation where the amount of benefit that employees have earned in return for their service in the current and prior years is estimated. That benefit is discounted using the Projected Unit Credit Method in order to determine its present value. The fair value of plan assets for a funded scheme is determined by discounting expected future cash flows. The discount rate is the market yield at the reporting date on high quality corporate bonds or government bonds.

Actuarial gains and losses for the defined benefit plans are recognised in full in the period in which they occur in other comprehensive income. Such actuarial gains and losses are also immediately recognised in retained earnings and are not reclassified to profit or loss in subsequent periods.

Past service cost is recognised immediately to the extent that the benefits are already vested, and otherwise is amortised on a straight-line basis over the average period until the amended benefits become vested.

The amount recognised in the statements of financial position represents the present value of the defined benefit obligations less unrecognised past service costs, reduced by the fair value of the plan assets. The value of any defined benefit asset recognised is restricted to the sum of any unrecognised past service costs and the present value of any economic benefits available in the form of refunds from the plan or reductions in the future contributions to the plan.

(e) Employee entitlements

An indirect subsidiary makes provision for retirement leave entitlements of eligible employees and relate to rights which have been vested and unvested. These have been recognised based on independent actuarial valuations. The timing of such payments depends on when vesting occurs and the subsequent retirement date of the eligible employees.

**Khazanah Nasional Berhad
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2. Summary of significant accounting policies (cont'd.)

2.25 Revenue and income recognition

Revenue and income are recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue and income can be reliably measured. Revenue and income are measured at the fair value of consideration received or receivable.

(a) Dividend income

Dividend income is recognised when the shareholders' right to receive payment is established and no significant uncertainty exist with regard to its receipts.

(b) Interest income

Interest income is recognised on an accrual basis using the effective interest method.

(c) Gain or loss on disposal of investment

Gain or loss on disposal of investment is recognised upon satisfaction of all terms of the agreement leading to sale of the investment.

(d) Sales of goods and rendering of services

Revenue from the sale of goods is recognised at the point in time when control of the goods is transferred to the customers.

Revenue from sale of services is recognised at the point in time or over time as the services are provided.

(e) Construction contracts, contracts for sale of land and property development costs

(i) Construction contracts

Revenue is recognised over time by reference to the progress towards completion, which is determined based on input method, i.e. cost incurred to date against the expected total construction costs. Revenue from construction contracts is recognised net of Liquidated Ascertained Damages ("LAD").

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2. Summary of significant accounting policies (cont'd.)

2.25 Revenue and income recognition (cont'd.)

(e) Construction contracts, contracts for sale of land and property development costs (cont'd.)

(i) Construction contracts (cont'd.)

For those construction contracts that contain significant financing component, the amount of consideration is discounted, using the rate that would be reflected in a separate financing transaction between the Group and its customer at contract inception, to take into consideration the significant financing component.

(ii) Sale of land

Revenue from sale of land is recognised as a point in time when control is transferred to the customer and it is probable that the Group will collect the consideration to which it will be entitled in exchange for the asset that will be transferred to the customer.

(iii) Sale of development properties

Revenue from sale of development properties is recognised as and when the control of the asset is transferred to the customer and it is probable that the Group will collect the consideration to which it will be entitled in exchange for the asset that will be transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the asset may transfer over time or at a point in time. Control of the asset is transferred over time if the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If control of the asset transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer in substance obtains control of the asset.

Revenue from sale of development properties is recognised net of consideration payable to the customers and variable considerations.

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2. Summary of significant accounting policies (cont'd.)

2.25 Revenue and income recognition (cont'd.)

(e) Construction contracts, contracts for sale of land and property development costs (cont'd.)

(iv) Multiple promises from sale of development properties and land

Multiple promises from sale of development properties and land are accounted for as separate performance obligations. The transaction price is allocated to each performance obligation based on the stand-alone selling prices, and if not directly observable, based on expected cost plus margin.

(f) Rental income

Rental income is recognised on a straight-line basis over the terms of the lease. The aggregate cost of incentives provided to lessees is recognised as a reduction of rental income over the lease term on a straight-line basis.

(g) Toll collection and toll compensation

Toll collection revenue is recognised based on the net collection from tolls designated under the Concession and Novation Agreement between the expressway companies and the Government.

Toll compensation for any concession year is recognised in the financial statements as revenue when receipt is probable and the amount that is receivable can be reliably measured.

(h) Airlines services

Passenger ticket and cargo space sales or airway bill sales (belly and freighter) including the related administration fees and various surcharges are recognised as revenue, net of discount, in profit or loss at the point in time upon satisfaction of the performance obligation, which generally coincides with passenger uplift. The value of unutilised tickets is included in current liabilities as sales in advance of carriage. The revenue from reissuance fees are recognised upon passenger uplift.

Passenger tickets, other service fees and surcharges that remain unutilised after 12 months subsequent to the date of issue are recognised in the profit or loss as unavailed credits on sales in advance of carriage.

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2. Summary of significant accounting policies (cont'd.)

2.25 Revenue and income recognition (cont'd.)

(h) Airlines services (cont'd.)

Revenue from other services such as charter revenue, catering, warehousing services, passenger handling services, provision of computerised reservation services, trucking and retailing of goods are recognised in profit or loss at the point in time upon satisfaction of the performance obligation, except for leases of aircraft.

(i) Airport handling and engineering services

Airport handling and engineering services are recognised based on the number of man-hours incurred and the cost of materials and spare parts supplied.

Revenue from Maintenance Repair and Overhaul ("MRO") training and consultancy services are recognised over-time as the services are rendered based on the contract value with intercompanies and third parties.

(j) Frequent flyer programme

The Group operates a frequent flyer programme where points are purchased by partners or awarded to programme members based on accumulated miles travelled.

The award points are recognised as a separate performance obligation based on the stand-alone selling price ("SSP"), by allocating the SSP adjusted by expected forfeiture (breakage) of the consideration received between the award points and the other components of sale, such that the award miles are recognised at fair value. The points sold to partners and a portion of passenger revenue attributable to the award of frequent flyer benefits is accounted as liability (contract liabilities) in the statement of financial position until they are redeemed and utilised.

Revenue from the award points is recognised at the point in time when the points are expired. Revenue from the award points which are redeemed into flight tickets is recognised over time in line with passenger revenue. The amount of revenue recognised when the points are redeemed is based on the number of points redeemed relative to the total number of points expected to be redeemed.

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2. Summary of significant accounting policies (cont'd.)

2.25 Revenue and income recognition (cont'd.)

(k) Hotel, themed parks and golf revenues

Hotel room revenue is recognised when service is rendered to the customer over their stay at the hotel. Advance deposits on hotel rooms are recorded as contract liability until services are provided to the customer.

Revenue from sale of goods or services is recognised when the food, beverage, entertainment and retail goods are delivered, rendered or control transferred to the customers. Payment of the transaction price is due immediately when the customer purchases the food and beverage or retail goods. Ticket revenue and green fees are recognised at point of entry and advance ticket sales for theme parks are recorded as contract liability until services are rendered.

Revenue from annual passes that entitle a customer to continued visits to the parks or golf courses over a period of time is deferred and then recognised evenly over the period that the pass is valid.

Revenue from sponsorship which consists of initial and annual fees from sponsors are amortised across the tenure of the contracts or accrual basis subject to the terms and conditions of individual contract.

(l) Revenue on public-private service arrangements

Revenue on public-to-private service arrangements is recognised and measured based on the services performed/provided during the period.

The consideration received/receivable shall be allocated by reference to the relative fair values of the services delivered, if more than one service (ie. construction of/or upgrade services and operation services) are performed under a single contract or arrangement.

(i) Construction or upgrade service

Revenue is recognised in accordance with Note 2.25(e)(i).

The consideration receivable shall be recognised as:

- (i) a financial asset to the extent that it has an unconditional contractual right to receive cash or another financial asset; or
- (ii) an intangible asset to the extent that it receives a right (a licence) to charge users of the public service.

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2. Summary of significant accounting policies (cont'd.)

2.25 Revenue and income recognition (cont'd.)

(l) Revenue on public-private service arrangements (cont'd.)

(ii) Operation services

Revenue is recognised in accordance with Note 2.25(d).

(m) Training income

Income from training is recognised in the year the services are provided. Advance payment received from training is recognised as deferred income under current liabilities in the statement of financial position.

2.26 Income tax

(a) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date in the countries where the Group and the Company operate and generate taxable income.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

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2. Summary of significant accounting policies (cont'd.)

2.26 Income tax (cont'd.)

(b) Deferred tax (cont'd.)

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

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2. Summary of significant accounting policies (cont'd.)

2.26 Income tax (cont'd.)

(b) Deferred tax (cont'd.)

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2.27 Foreign currencies

(a) Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency.

(b) Foreign currency transaction

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items denominated in foreign currencies measured at fair value are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

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2. Summary of significant accounting policies (cont'd.)

2.27 Foreign currencies (cont'd.)

(c) Foreign operations

The assets and liabilities of foreign operations are translated into RM at the rate of exchange ruling at the reporting date and income and expenses are translated at exchange rates at the dates of the transactions. The exchange differences arising on the translation are taken directly to other comprehensive income. On disposal of a foreign operation, the cumulative amount recognised in other comprehensive income and accumulated in equity under foreign currency translation reserve relating to that particular foreign operation is recognised in profit or loss.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the reporting date.

2.28 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units ("CGU")).

In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

Impairment losses are recognised in profit or loss.

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2. Summary of significant accounting policies (cont'd.)

2.28 Impairment of non-financial assets (cont'd.)

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss. Impairment loss on goodwill is not reversed in a subsequent period.

2.29 Share capital and share issuance expenses

An equity instrument is any contract that evidences a residual interest in the assets of the Group and the Company after deducting all of its liabilities.

(a) Ordinary shares

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity.

(b) Redeemable cumulative convertible preference shares ("RCCPS")

RCCPS are recorded at the proceeds received, net of directly attributable incremental transaction costs. RCCPS are classified as equity.

(c) Dividends

Dividends on ordinary shares and RCCPS are recognised in equity in the period in which they are declared.

(d) Capital contribution from shareholders

The capital contribution relates to contribution from the holding company, where no repayment is expected.

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2. Summary of significant accounting policies (cont'd.)

2.30 Insurance business

(a) Product classification

The insurance and takaful subsidiaries of the Group issue contracts that contain insurance/takaful risk or both insurance/takaful underwriting risk and financial risk.

Financial risk is the risk of a possible future change in one or more of a specified interest/profit rate, financial instrument price, commodity price, foreign exchange rate, index of price or rate, credit rating or credit index or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract. Insurance/takaful underwriting risk is risk other than financial risk.

Insurance/takaful contracts are those contracts that transfer significant insurance/takaful risks.

An insurance/takaful contract is a contract under which the Group (the insurer) has accepted significant insurance/takaful risk from another party (the policyholders) by agreeing to compensate the policyholders if a specified uncertain future event (the insured event) adversely affects the policyholders. As a general guideline, the insurance and takaful subsidiaries of the Group define whether significant insurance/takaful risk has been accepted by comparing benefits paid or payable on the occurrence of an insured event against benefits paid or payable if the insured event does not occur.

A takaful contract is a contract under which the takaful operator (the provider) has agreed to administer takaful risk faced by participants by agreeing to compensate the participants from the Tabarru' Fund if a specified uncertain future event (the insured event) adversely affects the participants. As a general guideline, the Group's takaful subsidiary defines significant takaful risk to be the possibility of having to pay benefits on the occurrence of a takaful event that are at least 5% more than the benefits payable if the takaful event did not occur.

Investment contracts are those contracts that do not transfer significant insurance/takaful risks.

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2. Summary of significant accounting policies (cont'd.)

2.30 Insurance business (cont'd.)

(a) Product classification (cont'd.)

Once a contract has been classified as insurance/takaful contract, it remains an insurance/takaful contract for the remainder of its life-time, even if the insurance/takaful risks reduce significantly during this period, unless all rights and obligations are extinguished or expire. Investment contracts can, however, be reclassified as insurance/takaful contracts after inception if insurance/takaful risks thereon becomes significant.

Insurance/takaful contracts are further classified as being either with or without discretionary participation features ("DPF"). DPF is a contractual right to receive, as a supplement to guaranteed benefits, additional benefits that are:

- (a) likely to be a significant portion of the total contractual benefits;
- (b) whose amount or timing is contractually at the discretion of the issuer; and
- (c) that are contractually based on the:
 - performance of a specified pool of contracts or a specified type of contract;
 - realised and/or unrealised investment returns on a specified pool of assets held by the issuer; or
 - the profit or loss of the Group, fund or other entity that issues the contract.

Surpluses in the DPF fund are distributable to policy holders/participants and shareholders/the Group's subsidiaries in accordance with the relevant terms under the insurance/takaful contracts. The Group's insurance and takaful subsidiaries however have the discretion over the amount and timing of the distribution of these surpluses to policyholders and shareholders and subject to the advice of the subsidiaries' Appointed Actuaries.

Surpluses in the non-DPF fund arising during the year are recognised in the statement of comprehensive income and the unallocated surplus where the amount of surplus allocation to shareholders has yet to be determined by the end of the financial period is held in equity.

Unallocated surpluses of the DPF funds where the amount of surplus allocation to either policyholders or shareholders has yet to be determined by the end of the financial period are held within insurance contract liabilities.

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2. Summary of significant accounting policies (cont'd.)

2.30 Insurance business (cont'd.)

(a) Product classification (cont'd.)

For financial options and guarantees which are not closely related to the host insurance/takaful contract, bifurcation is required to measure these embedded derivatives separately at fair value through profit or loss. However, bifurcation is not required if the embedded derivative is itself an insurance/takaful contract, or if the host insurance/takaful contract is measured at fair value through profit or loss.

An investment-linked insurance/takaful contract is an insurance/takaful contract with an embedded derivative linking payments on the contract to units of an internal investment fund setup by the Group's insurance/takaful subsidiary with the consideration received from the contract holders. This embedded derivative meets the definition of an insurance/takaful contract and is therefore not accounted for separately from the host insurance/takaful contract. The liability for such contracts is adjusted for all changes in the fair value of the underlying assets.

When insurance/takaful contracts contain both financial risk component and significant insurance/takaful risk component and the cash flows from the two components are distinct and can be measured reliably, the underlying amounts are unbundled. Any premium/contributions relating to the insurance/takaful risk component are accounted for on the same basis as insurance/takaful contracts and the remaining element is accounted for as a deposit through the statement of financial position similar to investment contracts.

(b) Reinsurance/Retakaful assets

The insurance and takaful subsidiaries of the Group cedes insurance/takaful risk in the normal course of business for their businesses. Reinsurance/retakaful assets represent balances due from reinsurance/retakaful operators respectively. Amounts recoverable from reinsurers/retakaful operators are estimated in a manner consistent with the outstanding claims provision or settled claims associated with the reinsurer's/retakaful's policies and are in accordance with the related reinsurance/retakaful contracts.

Reinsurance/retakaful arrangements, entered into by the insurance and takaful subsidiaries of the Group, that meet the classification requirements of insurance/takaful contracts are accounted for as above. Arrangements that do not meet these classification requirements are accounted for as financial assets.

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2. Summary of significant accounting policies (cont'd.)

2.30 Insurance business (cont'd.)

(b) Reinsurance/Retakaful assets (cont'd.)

Reinsurance/retakaful assets represent amounts recoverable from reinsurers or retakaful operators for insurance/takaful contract liabilities which have yet to be settled at the reporting date. Amounts recoverable from reinsurers and retakaful operators are measured consistently with the amounts associated with the underlying insurance/takaful contracts and the terms of the relevant reinsurance/retakaful arrangements.

At each reporting date, or more frequently, the insurance and takaful subsidiaries of the Group assess whether objective evidence exists that reinsurance/retakaful assets are impaired. Objective evidence of impairment for reinsurance/retakaful assets are similar to those noted for insurance/takaful receivables as above.

If any such evidence exists, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The impairment loss is recognised in profit or loss.

Reinsurance assets and retakaful assets or liabilities are derecognised when the contractual rights are extinguished or expire or when the contract is transferred to another party.

(c) Insurance/Takaful receivables

Insurance receivables are recognised when due and measured on initial recognition at the fair value of the consideration received or receivable. Subsequent to initial recognition, insurance receivables are measured at amortised cost, using the effective yield method.

If there is objective evidence that the insurance and takaful receivables are impaired, the Group reduces the carrying amount as described in Note 2.30(b).

Insurance/takaful receivables are derecognised when the derecognition criteria for financial assets are met.

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2. Summary of significant accounting policies (cont'd.)

2.30 Insurance business (cont'd.)

(d) Life insurance contract liabilities

The life insurance contract liabilities of the Group comprise actuarial liabilities, unallocated surplus and net asset value attributable to unit holders.

(i) Actuarial liabilities

Actuarial liabilities are recognised when contracts are entered into and premiums are charged.

These liabilities are measured by using a prospective actuarial valuation method. The liability is determined as the sum of the present value of future guaranteed benefits and, in the case of a participating life policy, appropriate level of non-guaranteed benefits, and the expected future management and distribution expenses, less the present value of future gross considerations arising from the policy discounted at the appropriate risk discount rate.

The liability is based on best estimate assumptions and with due regard to significant recent experience. An appropriate allowance for provision of risk margin for adverse deviation from expected experience is made in the valuation of non-participating life policies, the guaranteed benefits liabilities of participating life policies, and the non-unit liabilities of investment-linked policies. The valuation basis, including the determination of the appropriate risk discount rate, is in accordance with Part D of the Risk-Based Capital Framework ("RBC Framework") and Appendix VII: Valuation Basis for Life Insurance Liabilities of the RBC Framework, and any related Circulars issued by Bank Negara Malaysia ("BNM") relevant to the guidelines.

The liability in respect of policies of a participating insurance contract is taken as the higher of the guaranteed benefit liabilities or the total benefit liabilities at the contract level derived as stated above.

In the case of a life policy where a part of, or the whole of the premiums are accumulated in a fund, the accumulated amount, as declared to the policy owners, are set as the liabilities if the accumulated amount is higher than the figure as calculated using the prospective actuarial valuation method.

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2. Summary of significant accounting policies (cont'd.)

2.30 Insurance business (cont'd.)

(d) Life insurance contract liabilities (cont'd.)

(i) Actuarial liabilities (cont'd.)

Where policies or extensions of a policy are collectively treated as an asset at the fund level under the valuation method adopted, the value of such asset is eliminated through zerorisation.

In the case of a 1-year life policy or a 1-year extension to a life policy covering contingencies other than death or survival, the liability for such life insurance contracts comprises the provision for unearned premiums and unexpired risks, as well as for claims outstanding, which includes an estimate of the incurred claims that have not yet been reported to the insurance and takaful subsidiaries of the Group.

Adjustments to the liabilities at each reporting date are recorded in the Life fund. Profits originated from margins of adverse deviations on run-off contracts, are recognised in the Life fund over the life of the contract, whereas losses are fully recognised in the Life fund during the first year of run-off.

The liability is derecognised when the contract expires, is discharged or is cancelled.

As the valuation methods used to value liabilities are in accordance with the RBC Framework for insurers, the insurance and takaful subsidiaries of the Group are deemed to have complied with the requirements of a liability adequacy test under MFRS 4: Insurance Contracts.

(ii) Unallocated surplus

Surpluses of contracts under the Participating Life fund are attributable to policyholders and shareholders and the amount and timing of distribution to both the policyholders and shareholders are determined by an actuarial valuation of the long term liabilities to policyholders at the reporting date and is made in accordance with the provision of the Financial Services Act, 2013 and related regulation by the insurance and takaful subsidiaries of the Group's Appointed Actuary.

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2. Summary of significant accounting policies (cont'd.)

2.30 Insurance business (cont'd.)

(d) Life insurance contract liabilities (cont'd.)

(ii) Unallocated surplus (cont'd.)

Surpluses in the non-DPF fund arising during the year are recognised in the statement of comprehensive income and the unallocated surplus where the amount of surplus allocation to shareholders has yet to be determined by the end of the financial year is held in equity.

Unallocated surpluses of the DPF funds where the amount of surplus allocation to either policyholders or shareholders has yet to be determined by the end of the financial year are held within insurance contract liabilities.

For financial options and guarantees which are not closely related to the host insurance contract and/or investment contract with DPF, bifurcation is required to measure these embedded derivatives separately at fair value through profit or loss. However, bifurcation is not required if the embedded derivative is itself an insurance contract and/or investment contract with DPF, or if the host insurance contract and/or investment contract itself is measured at fair value through profit or loss.

(iii) Net asset value attributable to unit holders

The unit liability of investment-linked policy is equal to the net asset value of the Investment-linked funds, which represents net premium received and investment returns credited to the policy less deduction for mortality, morbidity costs and expense charges.

(e) Family takaful contract liabilities

Family takaful contract liabilities comprise liabilities attributable to the certificate holders, claims liabilities and FVOCI reserve.

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2. Summary of significant accounting policies (cont'd.)

2.30 Insurance business (cont'd.)

(e) Family takaful contract liabilities (cont'd.)

(i) Liabilities attributable to the certificate holders

Actuarial liabilities are recognised when contracts are entered into and contributions are charged as determined by the annual actuarial valuation are based on the Islamic Financial Services Act, 2013 as well as the relevant statutory requirements stated in the Guidelines on Valuation Basis for Liabilities of Family Takaful Business. The actuarial liabilities are derecognised when the takaful contract expires, is discharged or is cancelled. The liabilities are based on best estimate assumptions and with due regard to significant recent experience. An appropriate allowance for provision of risk margin for adverse deviation from expected experience is made in the valuation of these liabilities.

(ii) Claims liabilities

The amounts payable under a family takaful certificate in respect of benefits and claims, including settlement costs, are accounted for using the case-by-case method as further set out in the accounting policy for benefits and claims expenses for family takaful contracts.

(iii) Fair value adjustment on fair value through other comprehensive income ("FVOCI") financial assets

Where unrealised gains or losses arise on FVOCI financial assets of the non-surplus sharing family takaful fund, the adjustment to the takaful contract liabilities equal to the effect that the realisation of those gains or losses at the end of the reporting period would have on those liabilities is recognised directly in the other comprehensive income.

(iv) Net asset value attributable to certificate holders

The unit liability of an investment-linked certificate is equal to the net asset value of the investment-linked funds, which represents the net contributions received and investment returns credited to the certificate less deduction for mortality, morbidity costs, and expense charges.

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2. Summary of significant accounting policies (cont'd.)

2.30 Insurance business (cont'd.)

(e) Family takaful contract liabilities (cont'd.)

(v) Unallocated surpluses

Surpluses of contracts under the surplus sharing Family Takaful fund are attributable to certificate holders and shareholders, and the amount and timing of distribution to both the certificate holders and shareholders are determined by an actuarial valuation of the long-term liabilities to certificate holders as of the date of the statement of financial position and is made in accordance with the provisions of the Islamic Financial Services Act 2013 and the related regulations by the Company's Appointed Actuary.

Surpluses in the non-surplus sharing fund arising during the financial year are recognised in the statement of comprehensive income, and the unallocated surplus at the end of the financial year are held in the Takaful contract liabilities.

Unallocated surpluses of the surplus sharing funds where the amount of surplus allocation to the certificate holders has yet to be determined by the end of the financial year are held within the Takaful contract liabilities.

(f) Expense liabilities

Expense liabilities are maintained in the Shareholders' fund in accordance with the requirements stated in the Guidelines on Valuation Basis for Liabilities of General Takaful and Family Takaful Business issued by BNM. The expense liabilities with respect to General Takaful business are calculated at the higher of aggregate of the provision for unearned wakalah fee or the unexpired expense risk and for family takaful business, the expense liabilities are determined by taking the present value of projected future deficits, discounted at appropriate spot rates. Future deficits are defined as the excess of future expense stream over future income cash flows, in aggregate basis. An appropriate allowance for provision of risk margin for adverse deviation is made in the valuation of these liabilities.

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2. Summary of significant accounting policies (cont'd.)

2.30 Insurance business (cont'd.)

(g) Liability adequacy test

At each financial year end, the insurance and takaful subsidiaries of the Group review the expense liabilities of the Shareholders' fund to ensure that the carrying amount is sufficient or adequate to cover the obligations of the shareholder's fund for all managed takaful certificates. In performing this review, the insurance and takaful subsidiaries of the Group consider all contractual cash flows and compare this against the carrying value of expense liabilities. Any deficiency is recognised in profit or loss.

(h) Measurement and impairment of Qard

In the event where the assets of the takaful funds are insufficient to meet the liabilities, the shareholder is required to rectify the deficit of the takaful funds via a Qard, which is a profit free loan. The Qard shall be repaid from future surpluses of the affected takaful funds. In the Shareholders' fund, the Qard is stated at cost less impairment losses, if any, whereas in the takaful funds, the Qard is stated at cost.

At each reporting date, the Qard position and the ability of the affected fund to generate sufficient surplus to repay the shareholder is monitored and measured. The likelihood that the Qard will be repaid and the duration of time that will be required to repay the Qard is determined and ascertained via projected cash flows which take into account past experience of the affected fund. The projected cash flows are then discounted to determine the recoverable value of the Qard.

If the Qard is impaired, an amount comprising the difference between its cost and its recoverable amount, less any impairment loss previously recognised is recognised in profit or loss. Impairment losses are subsequently reversed in the income statement if objective evidence exists that the Qard is no longer impaired.

(i) Insurance/takaful payables

Insurance/takaful payables are recognised when due and measured on initial recognition at fair value of the consideration payable less directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective yield method.

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2. Summary of significant accounting policies (cont'd.)

2.30 Insurance business (cont'd.)

(j) Premium/contribution income

Premiums/contributions represent consideration paid for an insurance contract/takaful certificate and is accounted for as follows:

(i) Life insurance/family takaful business

Premium or contribution income includes premiums recognised in the life/family takaful funds and the Investment-linked funds. Premiums or contributions of the life/family takaful fund are recognised as soon as the amount of the premiums or contributions can be reliably measured. First premium or initial contribution is recognised from inception date and subsequent premium or contribution is recognised when it is due.

Premium/contribution of the Investment-linked fund is in respect of the net creation of units, which represents premiums/contributions paid by policyholders/participants as payment for a new contract or subsequent payments to increase the amount of that contract. Net creation of units are recognised on a receipt basis.

At the end of the financial year, all due premiums are accounted for to the extent that they can be reliably measured and it is still within the grace period allowed for payment or covered by the cash surrender value of the policies.

(k) Benefits and claims expenses

(i) Life insurance/family takaful business

Benefits and claims that are incurred during the financial year are recognised when a claimable event occurs and/or the insurer/takaful operator is notified.

Benefits and claims including settlement costs, are accounted for using the case-by-case method and for this purpose, the amounts payable under a life insurance policy/family takaful certificates are recognised as follows:

- maturity and other policy/certificate benefit payments due on specified dates are treated as claims payable on the due dates;

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2. Summary of significant accounting policies (cont'd.)

2.30 Insurance business (cont'd.)

(k) Benefits and claims expenses (cont'd.)

(i) Life insurance/family takaful business (cont'd.)

Benefits and claims including settlement costs, are accounted for using the case-by-case method and for this purpose, the amounts payable under a life insurance policy/family takaful certificates are recognised as follows: (cont'd.)

- death, surrender and other benefits without due dates are treated as claims payable on the date of receipt of intimation of death of the assured or occurrence of contingency covered;
- benefits payable under the Investment-linked funds are in respect of net cancellation of units and are recognised as surrender;
- bonus on DPF policy upon its declaration; and
- profit sharing of takaful certificates at maturity and in the financial year the profit arises.

(l) Commission expenses and acquisition costs

(i) Life insurance business

Gross commission and agency expenses, which are costs directly incurred in securing premiums on insurance policies, and income derived from reinsurers in the course of ceding of premiums to reinsurers, are charged/credited to profit or loss in the financial year in which they are incurred.

(ii) Family takaful business

Acquisition costs, commissions and management expenses are borne by the general/family takaful fund in the profit or loss at an agreed percentage of the gross contribution, in accordance with the principles of "Wakalah" as approved by the insurance and takaful subsidiaries of the Group's Shariah Committee and agreed between the participants and the insurance and takaful subsidiaries of the Group. These expenses are transferred to the Shareholders' fund via Wakalah fee and are recognised as incurred and properly allocated to the period in which it is probable that give rise to income.

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2. Summary of significant accounting policies (cont'd.)

2.31 Deferred liabilities

Fees received from third parties as advance payments of future maintenance expenditure, in consideration for right-of-way access were classified as deferred liabilities. Deferred liabilities were amortised over the period of the individual contracts.

2.32 Fair value measurement

The Group measures financial instruments, such as, derivatives, and financial investments, at fair value at each reporting date. Fair values of financial instruments measured at amortised cost are disclosed in Note 44 to the financial statements.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- (a) In the principal market for the asset or liability; or
- (b) In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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2. Summary of significant accounting policies (cont'd.)

2.32 Fair value measurement (cont'd.)

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting date.

2.33 Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non occurrence of uncertain future events not wholly within the control of the Group. Contingent liabilities and assets are not recognised in the statements of financial position.

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3. Standards issued but not yet effective

At the date of authorisation of the financial statements, the following were issued but not yet effective and have not been adopted by the Group and the Company.

Description	Effective for financial periods beginning on or after
MFRS 17: Insurance Contracts	1 January 2023
Amendments to MFRS 17: Insurance Contracts - Initial Application of MFRS 17 and MFRS 9 - Comparative Information	1 January 2023
Amendments to MFRS 108: Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 101 and MFRS Practice Statement 2: Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 16: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to MFRS 10: Consolidated Financial Statements (On Sale or Contribution of Assets between an Investor and its Associate or Joint Venture)	Deferred
Amendments to MFRS 128: Investments in Associates and Joint Ventures (On Sale or Contribution of Assets between an Investor and its Associate or Joint Venture)	Deferred

Adoption of the above MFRSs and Amendments to MFRSs will not have any material impact on the financial performance or position of the Group and of the Company.

(a) MFRS 17: Insurance Contracts

MFRS 17 will replace MFRS 4 Insurance Contracts. MFRS 17 applies to all types of insurance contracts, regardless of the type of entities that issue them, as well as certain guarantees and financial instruments with discretionary participation features.

The main features of the new accounting model for insurance contracts are, as follows:

- (i) The measurement of the present value of future cash flows, incorporating an explicit risk adjustment, remeasured every reporting period (the fulfilment cash flows);
- (ii) A Contractual Service Margin ("CSM") that is equal and opposite to any day one gain in the fulfilment cash flows of a group of contracts, representing the unearned profitability of the insurance contracts to be recognised in profit or loss over the service period (i.e. coverage period);

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3. Standards issued but not yet effective (cont'd.)

(a) MFRS 17: Insurance Contracts (cont'd.)

The main features of the new accounting model for insurance contracts are, as follows: (cont'd.)

- (iii) Certain changes in the expected present value of future cash flows are adjusted against the CSM and thereby recognised in profit or loss over the remaining contractual service period;
- (iv) The effect of changes in discount rates will be reported in either profit or loss or other comprehensive income, determined by an accounting policy choice;
- (v) The presentation of insurance revenue and insurance service expenses in the statements of comprehensive income based on the concept of services provided during the period;
- (vi) Amounts that the policyholder will always receive, regardless of whether an insured event happens (non-distinct investment components) are not presented in the statements of profit or loss, but are recognised directly on the statements of financial position;
- (vii) Insurance services results (earned revenue less incurred claims) are presented separately from the insurance finance income or expense; and
- (viii) Extensive disclosures to provide information on the recognised amounts from insurance contracts and the nature and extent of risks arising from these contracts.

The standard is effective for annual periods beginning on or after 1 January 2023, with comparative figures required. Early application is permitted, provided the entity also applies MFRS 9 and MFRS 15 on or before the date it first applies MFRS 17. Retrospective approach for estimating the CSM on the transition date is required. However, if full retrospective application for estimating the CSM, as defined by MFRS 108 for a group of insurance contracts, is impracticable, an entity is required to choose one of the following two alternatives:

(i) Modified retrospective approach

Based on reasonable and supportable information available without undue cost and effort to the entity, certain modifications are applied to the extent full retrospective application is not possible, but still with the objective to achieve the closest possible outcome to retrospective application.

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3. Standards issued but not yet effective (cont'd.)

(a) MFRS 17: Insurance Contracts (cont'd.)

The standard is effective for annual periods beginning on or after 1 January 2023, with comparative figures required. Early application is permitted, provided the entity also applies MFRS 9 and MFRS 15 on or before the date it first applies MFRS 17. Retrospective approach for estimating the CSM on the transition date is required. However, if full retrospective application for estimating the CSM, as defined by MFRS 108 for a group of insurance contracts, is impracticable, an entity is required to choose one of the following two alternatives: (cont'd.)

(ii) Fair value approach

The CSM is determined as the positive difference between the fair value determined in accordance with MFRS 13 Fair Value Measurement and the fulfilment cash flows (any negative difference would be recognised in retained earnings at the transition date).

Both the modified retrospective approach and the fair value approach provide transitional reliefs for determining the grouping of contracts. If an entity cannot obtain reasonable and supportable information necessary to apply the modified retrospective approach, it is required to apply the fair value approach.

(b) Amendments to MFRS 17: Insurance Contracts - Initial Application of MFRS 17 and MFRS 9 - Comparative Information

The amendments are to address the concerns raised by stakeholders and ease transition by providing the additional relief to reduce the effort required when adopting MFRS 17 for the first time. The amendments are to be applied prospectively in annual periods beginning on or after 1 January 2023. The amendment will be assessed together with other MFRS 17 requirements as mentioned above.

(c) Amendments to MFRS 108: Definition of Accounting Estimates

The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed.

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3. Standards issued but not yet effective (cont'd.)

(d) Amendments to MFRS 101 and MFRS Practice Statement 2: Disclosure of Accounting Policies

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments to MFRS 101 are applicable for annual periods beginning on or after 1 January 2023 with earlier application permitted. Since the amendments to the Practice Statement 2 provide non-mandatory guidance on the application of the definition of material to accounting policy information, an effective date for these amendments is not necessary.

(e) Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The amendment to MFRS 112 narrow the scope of the initial recognition exception so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability should also be recognised for all deductible and taxable temporary differences associated with leases and decommissioning obligations.

(f) Amendments to MFRS 16: Lease Liability in a Sale and Leaseback

The amendment to MFRS 16 specifies the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

The amendment is intended to improve the requirements for sale and leaseback transaction in MFRS16. It does not change the accounting for leases unrelated to sale and leaseback transactions.

The amendment applies retrospectively to annual reporting periods beginning on or after 1 January 2024 with earlier application is permitted.

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3. Standards issued but not yet effective (cont'd.)

(g) Amendments to MFRS 101: Classification of Liabilities as Current or Non-current

The amendments clarify the following:

- (i) What is meant by a right to defer settlement;
- (ii) That a right to defer must exist at the end of the reporting period;
- (iii) That classification is unaffected by the likelihood that an entity will exercise its deferral right; and
- (iv) That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

(h) Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The effective date for the amendment to Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to MFRS 10 and MFRS 128) has been deferred to a date to be determined by MASB.

4. Significant accounting judgements

The preparation of the Group's financial statements requires management to make judgements that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date are disclosed as below:

(a) Critical judgements made in applying accounting policies

The following are the judgements made by management in the process of applying the Group's accounting policies that have the most significant effect on the amounts recognised in the financial statements.

(i) Impairment of investments

The Group determines whether its investments are impaired following certain indications of impairment such as, amongst others, prolonged shortfall between market value and carrying amount, significant changes with adverse effects on the investment and deteriorating financial performance of the investment.

Depending on their nature and the industries in which the investments relate to, judgements are made by management to select suitable methods of valuation such as, amongst others, discounted cash flow, realisable net asset value and sector average price-earning ratio method.

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4. Significant accounting judgements (cont'd.)

(a) Critical judgements made in applying accounting policies (cont'd.)

(ii) Recognition of expected losses on construction contracts

Any expected loss on construction contract is recognised by the Group as an expense immediately when it is probable that the total contract costs will exceed the total contract revenue, even though the project had yet to be completed. In determining the expected loss, the Group takes into account the total contract costs to be incurred to the completion of the project and the probability of claims to be approved by clients for specific items of cost escalation and variation order.

(iii) Contingent liabilities

As disclosed in Note 49 to the financial statements, a contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future events not wholly within the control of the Group. Contingent liabilities are not recognised in the statements of financial position of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

(iv) Contingent liabilities - litigation

As disclosed in Note 49 to the financial statements, the Group has several pending litigations with various parties as at current financial year end. The Group, after due consultation with the Group's solicitors, assesses the merit of each case, and makes the necessary provision for liabilities in the financial statements if their crystallisation are deemed as probable.

(v) Income taxes and deferred taxation

Judgement is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the year in which such determination is made.

Deferred tax assets are recognised for unused tax losses and unabsorbed capital allowances to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine and assume the ability of each subsidiary to generate future taxable profit to utilise the relevant deferred tax assets by the respective subsidiary.

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4. Significant accounting judgements (cont'd.)

(a) Critical judgements made in applying accounting policies (cont'd.)

(vi) Significant influence over investment in associates

The Group considers that it has significant influence over certain associates of the Group even though that it holds less than 20% of the voting rights. This is evidenced by, amongst others, the Group having representation on the board, having the ability to participate in the financial and operating policy decisions of the associates and others.

5. Significant accounting estimates

(a) Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(i) Impairment on investments and receivables

(1) Impairment on investments

Once a suitable method of valuation is selected, management makes certain assumptions concerning the future to estimate the recoverable amount of the investment. Depending on the specific individual investment, assumptions made by management may include, amongst others, assumptions on expected future cash flows, revenue growth, discount rate used for purposes of discounting future cash flows which incorporates the relevant risks, and expected future outcome of certain past events.

Sensitivity to changes in assumptions

Management believes that no reasonably possible change in the key assumptions described above would cause the carrying amounts of the investments to materially exceed their recoverable amounts.

(2) Impairment on receivables

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

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5. Significant accounting estimates (cont'd.)

(a) Key sources of estimation uncertainty (cont'd.)

(i) Impairment on investments and receivables (cont'd.)

(2) Impairment on receivables (cont'd.)

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECLs). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECLs).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Impairment review

The impairment review of those investments and receivables with indications of impairment carried out by management during the year led to the recognition of impairment losses on investments and receivables of approximately RM665 million (2021: RM328 million) and RM542 million (2021: RM2,086 million) for the Group and the Company, respectively.

(ii) Impairment of goodwill

The Group determines whether goodwill is impaired at least once annually. This requires an estimation of the value-in-use of the cash-generating units to which the goodwill is allocated. Estimating the value-in-use requires the Group to make an estimate of the expected future cash flows from the cash-generating unit and also to apply a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of the Group's goodwill as at 31 December 2022 is RM1,437 million (2021: RM1,415 million). Further details are disclosed in Note 19 to the financial statements.

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5. Significant accounting estimates (cont'd.)

(a) Key sources of estimation uncertainty (cont'd.)

(iii) Impairment of aircraft included in property, plant and equipment

The Group assesses whether there are any indicators of impairment for aircraft included in property, plant and equipment at each reporting date. If any such indication exists, the asset's recoverable amount is estimated to determine the amount of impairment loss.

Management performed a review of the recoverable amounts based on a variety of estimations including the value in use of the cash-generating unit ("CGU") to which the aircraft included in property, plant and equipment is allocated and fair value less cost to sell. Value-in-use was determined by an estimate of the expected future cash flows from the CGU using a suitable discount rate in order to calculate the present value of those cash flows.

(iv) Deferred tax assets

Deferred tax assets of the Group are recognised for all unused tax losses and unabsorbed capital allowances to the extent that it is probable that taxable profit will be available against which the losses and capital allowances can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The details are as disclosed in Note 28 to the financial statements.

(v) Provision for aircraft related direct operating expenses

The operation of air transportation services inevitably involve the making of various provisions on direct expenses, such as fuel, ground handling charges, landing and parking charges, in-flight meals, computer reservation systems booking fees and information technology related expenses. The estimates and associated assumptions used are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the provisions about carrying values of liabilities as at the financial year end.

(vi) Net realisable value of completed property units held for sale classified as inventories

Properties held for sale classified as inventories are stated at the lower of cost or net realisable value. The Group estimates the net realisable value based on an assessment of expected sales prices. Properties held for sale are reviewed on a regular basis and the Group will make an allowance for impairment primarily based on historical trends and management estimates of expected and future product demand and related pricing. Demand and pricing levels could change from time to time. If such factors result in an adverse effect on the Group's products, the Group provides additional allowances for slow moving inventories.

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5. Significant accounting estimates (cont'd.)

(a) Key sources of estimation uncertainty (cont'd.)

(vii) Provision for aircraft maintenance and overhaul costs

The Group is obligated to carry out heavy duty maintenance checks on the airframe, engines, landing gears and auxiliary power units, being part of the return conditions of its leased aircraft under contract. Provision for heavy duty maintenance cost is made progressively in the financial statements based on intervals by either flight hour, cycle or passage of time. In arriving at the provision, assumptions are made on the estimated condition of the asset at the time of check, the maintenance rate to be incurred, the timing of when the check is to be carried out and the timing of the introduction of new fleet. These assumptions are formed based on past experience, and are regularly reviewed to ensure they approximate to the actual. Any revision in assumptions and estimations that causes a material effect to the provision would be adjusted prospectively in the financial statements.

(viii) Unutilised tickets

Unutilised tickets are subsequently recognised as revenue using estimates regarding the timing of recognition based on the terms and conditions of the tickets and historical trends. Changes in travel patterns, economic environment, variables and estimations used have an impact on the financial statements of the Group.

(ix) Frequent flyer programme

The consideration allocated to the mileage awards issued is measured at their fair value. In determining the fair value of the mileage awards, estimation techniques were used and reflect the weighted average of the contractual price with partners adjusted by the miles not expected to be redeemed by members.

(x) Estimates on brokerage on customers' unexercised rights

The sales in advance of carriage ("SIAC") arise from the liabilities of the unutilised tickets are initially recognised similar to the contract liabilities in accordance with MFRS 15. Depending on the terms and conditions of the selected fare basis, the contract liabilities consist of a range of possibilities for refunding services that have not yet been provided. Liabilities include both the deferred income for future flight and ancillary services that are recognised as revenue when the tickets are utilised, and the liabilities for Enrich credited to the passenger when the tickets are utilised.

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5. Significant accounting estimates (cont'd.)

(a) Key sources of estimation uncertainty (cont'd.)

(x) Estimates on brokerage on customers' unexercised rights (cont'd.)

A customer's non-refundable prepayment to an entity gives the customer a right to receive a good or service in the future (and obliges the entity to stand ready to transfer a good or service). However, customers may not exercise all of their contractual rights. Those unexercised rights are often referred to as breakage.

If the Group expects to be entitled to a breakage amount in a contract liability, the Group shall recognise the expected breakage amount as revenue in proportion to the pattern of rights exercised by the customer. If the Group does not expect to be entitled to a breakage amount, the entity shall recognise the expected breakage amount as revenue when the likelihood of the customer exercising its remaining rights becomes remote.

The expected amount of tickets that are not used is only recognised as revenue if the probability that the passengers (in accordance with the respective fare basis) exercise their remaining rights is low, and no later than when the expiry of flight documents is certain and known. Generally, passenger tickets, other service fees and surcharges are recognised in the profit or loss as unavailed credits on sales in advance of carriage if these tickets remain unutilised after 12 months subsequent to the date of issue or 12 months from the date the passengers first travelled with the ticket if the ticket consists of multiple coupons.

(xi) Construction and consultancy contracts and property development

The Group recognises construction contracts and certain property development revenue and costs in the income statement over time by reference to the progress towards completion of the performance obligation based on input method.

Significant judgement is required in determining the percentage of completion, the extent of the costs incurred and the estimated total revenue and costs, as well as recoverability of the construction, consultancy and property development projects. In making the judgement, the Group evaluates based on past experience, external economic factors and by relying on the work of specialists.

The construction, consultancy and property development revenue and costs recognised in the current and prior years are disclosed in Note 25(iii) and Note 29 to the financial statements, respectively.

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5. Significant accounting estimates (cont'd.)

(a) Key sources of estimation uncertainty (cont'd.)

(xii) Amortisation of concession intangible assets

Concession intangibles assets are amortised over the concession period by applying the formula in Note 2.13(a)(i). The denominator of the formula includes projected toll traffic volume for subsequent years to the end of the concession period that is based on the latest available traffic volume projections prepared by independent traffic consultants. The assumptions to arrive at the traffic volume projections take into consideration the growth rate based on the current assessment of market and economical conditions.

Changes in the expected traffic volume could impact future amortisation charges.

(xiii) Depreciation of aircraft, property, plant and equipment

The cost of aircraft, aircraft modifications/retrofits, spare engines, property, plant and equipment are depreciated on a straight-line basis over the assets' useful lives up to its residual value. Management reviews the residual values, useful lives and depreciation method at the end of each financial year and ensures consistency with previous estimates and patterns of consumption of the economic benefits that embodies the items in these assets. Changes in useful lives and residual values of these assets may result in a revision of future depreciation charges.

(xiv) Provision for liquidated ascertained damages ("LAD")

LAD is a possible obligation that arise from the late delivery of construction and development projects.

In assessing the probability that an outflow of resources will be required to settle the obligation, management considers the outcome of the extension of time application based on circumstances of the projects, past experiences and expert advice for construction projects; and the estimated date of completion for development projects.

(xv) Provision for construction costs

The Group recognises a provision for construction costs relating to estimated final claims by contractors which have not been finalised.

Significant judgement is required in determining the extent of the costs to be incurred and in making the judgement, the Group evaluates based on past experience, external economic factors and by relying on the work of specialists.

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5. Significant accounting estimates (cont'd.)

(a) Key sources of estimation uncertainty (cont'd.)

(xvi) Provision for foreseeable losses for affordable housing

Significant judgement is required in estimating the amount of foreseeable losses for affordable housing, as the construction of low cost housing is typically over the life of township development of spanning more than few financial years. Regulatory, technological and economics changes may result in significant changes to the provision amount which will subsequently affect the profitability of premium housing.

(xvii) Deferred consideration payable

Deferred consideration payable arose from the acquisition of investment completed by the end of reporting date with consideration payable in future periods which is contingent upon meeting certain criteria and performance target. At each reporting date, the Group assesses the fair value of the deferred consideration payable based on the projected probability of the investee company meeting the criteria and performance target after considering the current and projected market conditions.

The amount recognised as deferred consideration payable is the net present value of the assessed fair value, using a discount rate appropriate to the cash flow risks associated with the liability.

(xviii) Valuation of embedded derivatives

As the fair value of the embedded derivatives cannot be derived from active markets, fair value is determined using valuation techniques including the binomial model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The judgments include considerations of inputs such as credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

(xix) Impairment of investment properties

The Group carry its investment properties at cost. The Group engaged independent valuation specialists to assess fair value as at 31 December 2022 to determine the impairment assessment. Market comparison and income approach were used and the key assumptions used to determine the fair value of the investment properties are disclosed in Note 17 to the financial statements.

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5. Significant accounting estimates (cont'd.)

(a) Key sources of estimation uncertainty (cont'd.)

(xx) Fair value of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

For financial instruments where there is no active market, fair value is determined using valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

(xxi) Impairment of intangible assets - landing slots for air transportation

The Group determines whether the landing slots which have indefinite useful lives, are tested for impairment either annually or on a more frequent interval, depending on events or changes in circumstances that indicate the carrying value may be impaired. This requires an estimation of the "value in use" of the CGU to which the landing slots belong.

In assessing value in use, the management is required to make an estimate of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

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5. Significant accounting estimates (cont'd.)

(a) Key sources of estimation uncertainty (cont'd.)

(xxii) Insurance business

(i) Life insurance and family takaful businesses

Life insurance contract liabilities are determined in accordance with regulatory framework. All life insurance liabilities are valued using a prospective actuarial valuation based on the sum of the present value of future benefits and expenses less future gross considerations arising from the policies discounted at the appropriate risk discount rate.

The main assumptions used for life insurance/family takaful business relate to mortality, morbidity, investment returns, expenses, lapse and surrender rates and discount rates. The Group's life insurance subsidiaries base mortality and morbidity on established industry and Malaysian table which reflect historical experiences, adjusted when appropriate to reflect the Group's unique risk exposure, product characteristics, target markets and own claims severity and frequency experiences.

Estimates are also made as to future investment income arising from the assets backing the life insurance contracts. These estimates are based on current market returns as well as expectations about future economic and financial developments.

Assumptions on future expenses are based on current expense levels, adjusted for expected expense inflation adjustments, if appropriate.

Lapse and surrender rates are based on the Group's life and family takaful businesses' historical experience of lapses and surrenders.

Discount rate for non-participating policies, participating policies, and the non-unit liability of investment-linked policies accord a level of guarantee which is no less certain than that accorded by a Malaysian Government Security (MGS). The approach used to set the discount rates for participating policies are the same as for non-participating ones in line with the approval granted from BNM in April 2018.

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Notes to the consolidated and company financial statements

6. Revenue

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Investment-related revenue:				
Gain from divestments of investments and investment properties	817,084	1,360,130	376,253	801,881
Dividend income from subsidiaries	-	-	4,520,385	1,772,377
Dividend income from associates	-	-	1,957,124	2,069,257
Dividend income from fair value through other comprehensive income investments	210,959	53,491	-	1,327
Dividend income from fair value through profit or loss investments	176,637	92,803	38,828	40,963
Interest income	433,133	398,755	129,004	113,626
Director's fees (i)	-	-	544	5,054
Others	96,347	102,047	240,783	106,735
	<u>1,734,160</u>	<u>2,007,226</u>	<u>7,262,921</u>	<u>4,911,220</u>
Engineering and construction-related revenue:				
Toll collection	33,657	28,557	-	-
Construction contracts	20,964	53,525	-	-
Land and property development sales	1,364,618	1,110,423	-	-
Sale of goods	1,165,886	809,172	-	-
Others	148,459	118,922	-	-
	<u>2,733,584</u>	<u>2,120,599</u>	<u>-</u>	<u>-</u>

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6. Revenue (cont'd.)

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Services-related revenue:				
Revenue from airlines and airport operations	9,793,048	3,894,263	-	-
Rendering of services	3,895,575	2,818,028	-	-
Insurance related services	1,544,963	1,844,777	-	-
Others	522,701	181,992	-	-
	<u>15,756,287</u>	<u>8,739,060</u>	<u>-</u>	<u>-</u>
Total Revenue	20,224,031	12,866,885	7,262,921	4,911,220

- (i) Directors' fees relate to income receivable from related companies for the services rendered by the Company's employees as nominee directors of the related companies.

7. Operating profit

Operating profit is stated after charging/(crediting) the following:

	Note	Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Staff costs	8	3,561,379	2,748,829	151,978	146,354
Auditors' remuneration:					
Statutory audits					
- to member firms of Ernst & Young Global		12,816	10,996	1,227	1,062
- to other firms		3,568	2,364	-	-
Unrealised foreign exchange loss/(gain), net		314,954	250,661	(77,875)	142,641
Depreciation for property, plant and equipment	15	938,386	729,707	2,025	1,793
Allowance for impairment losses on investments and receivables, net		664,799	328,485	542,187	2,085,792
Amortisation of other intangible assets	20	58,618	234,265	254	229
Expenses arising from leases					
- low value assets	41	2,887	7,187	-	-
- short-term lease	41	23,829	23,646	13,983	14,873

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7. Operating profit (cont'd.)

Operating profit is stated after charging/(crediting) the following: (cont'd.)

		Group		Company	
	Note	2022	2021	2022	2021
		RM'000	RM'000	RM'000	RM'000
Depreciation of investment properties	17	40,712	93,011	-	6,118
Loss/(gain) on disposal of property, plant and equipment		268,018	543,739	-	(278)
Other intangible assets written off	20	-	-	-	85
Depreciation for right-of-use assets	26	1,037,974	1,014,012	-	-
Fuel costs		4,131,811	1,071,458	-	-
Handling, landing, parking, enroute charges, catering and other related costs		923,344	414,009	-	-
Aircraft maintenance and overhaul		1,786,887	396,303	-	-
Provision for aircraft redelivery costs	37	694,322	38,445	-	-
Allowance for impairment losses on property, plant and equipment	15	54,347	142,834	-	-
Allowance for impairment losses on right-of-use assets	26	-	110,880	-	-
Net amortisation charge for concession assets	18	18,905	27,328	-	-
Amortisation of deferred income		(53,840)	(109,031)	-	-
Amortisation of Government grants	40(i)	(2,637)	(3,795)	-	-
Allowance for impairment losses on investment properties	17	57,247	37,768	-	-
Allowance for impairment losses on property development-in-progress	29	-	20,605	-	-
Inventories written off		28,618	29,206	-	-
Loss on disposal of investment properties		-	160,000	-	-
Property, plant and equipment written off	15	34,177	3,505	-	-

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7. Operating profit (cont'd.)

Operating profit is stated after charging/(crediting) the following: (cont'd.)

	Note	Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Gain from restructuring of investment in a joint venture		4,080,000	-	-	-
Net fair value loss/(gain) on financial assets at fair value through profit or loss		1,706,686	46,635	1,042,285	(102,023)
Net fair value loss/(gain) on derivatives		366,000	22,000	(166,587)	38,178

8. Staff costs

	Note	Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Wages, salaries, statutory contributions to EPF and social security		3,315,842	2,580,804	148,334	142,016
Employees service entitlement and retirement benefits	38	1,534	1,466	-	-
Others		244,003	166,559	3,644	4,338
		<u>3,561,379</u>	<u>2,748,829</u>	<u>151,978</u>	<u>146,354</u>

(i) Included in the staff costs of the Group and of the Company the key management personnel's remuneration as disclosed in Note 10.

9. Directors' remuneration

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Wages and salaries	14,555	15,970	5,463	6,784
Fees and allowances	9,621	11,587	437	441
Statutory contributions to EPF	2,129	2,252	1,038	908
	<u>26,305</u>	<u>29,809</u>	<u>6,938</u>	<u>8,133</u>

Included in the Group Directors' remuneration were the subsidiaries Directors' remuneration.

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10. Key management personnel remuneration

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Wages and salaries	131,353	117,800	32,235	35,169
Statutory contributions to EPF	16,400	14,941	6,088	6,285
	147,753	132,741	38,323	41,454

Key management personnel are staff who are involved in decision making and management of the Group and the Company.

11. Finance costs

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Interest expense on term loans and borrowings	265,948	611,377	207,634	167,825
Interest expense on revolving credit facility	49,630	28,969	49,630	28,969
Interest expense on bonds, Medium Term Notes and Islamic Medium Term Notes ("MTN and IMTN")	1,498,859	1,132,184	1,237,740	1,192,837
Interest expense on lease liabilities (Note 41)	348,776	354,709	-	-
Amortisation of discount on Khazanah Bonds (Note 35)	324,154	365,213	324,154	365,213
Amortisation of discount on Exchangeable Trust Certificates (Note 35)	117,822	59,004	117,822	59,004
Others	57,842	263,281	-	-
	2,663,031	2,814,737	1,936,980	1,813,848

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12. Taxation

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Current income tax:				
Malaysian income tax	495,449	538,938	18,800	14,868
Foreign income tax	15,371	4,487	-	-
	<u>510,820</u>	<u>543,425</u>	<u>18,800</u>	<u>14,868</u>
Under/(over) provision in prior years:				
Malaysian income tax	6,540	(3,489)	(746)	2,899
	<u>517,360</u>	<u>539,936</u>	<u>18,054</u>	<u>17,767</u>
Deferred tax (Note 28):				
Relating to origination and reversal of temporary differences	(89,044)	(49,336)	-	-
Under/(over) provision in prior year	313	(31,017)	-	-
	<u>(88,731)</u>	<u>(80,353)</u>	<u>-</u>	<u>-</u>
Income tax expense recognised in profit or loss	<u>428,629</u>	<u>459,583</u>	<u>18,054</u>	<u>17,767</u>

The tax treatment of the Company has fallen under the ambit of Section 60F Investment Holding Company ("Section 60F") of the Income Tax Act, 1967 for the current and prior financial years.

Under Section 60F, Investment Holding Company is defined as a company whose activities consist mainly of the holding of investment and not less than 80% of its gross income (whether exempt or not) is derived therefrom. Income from the holding of investment is not to be treated as business income whilst income other than income from holding of investment is to be treated as other non-business gains or profits under Section 4(f) of the Income Tax Act, 1967.

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2021: 24%) of the estimated assessable profit for the year. Income tax for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

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12. Taxation (cont'd.)

The reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the years ended 31 December 2022 and 2021 are as follows:

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Profit before taxation	5,782,889	756,226	3,374,252	433,811
Taxation at Malaysian statutory tax rate of 24% (2021: 24%)	1,387,893	181,494	809,820	104,115
Effect of different tax rates in foreign jurisdiction	12,872	(2,260)	-	-
Effect of income not subject to tax	(2,432,636)	(3,411,726)	(1,283,232)	(1,318,321)
Effect of expenses not deductible for tax purposes	3,972,162	1,691,711	492,212	1,229,074
Effect of utilisation of previously unrecognised tax losses and unabsorbed capital allowances	(1,386,228)	(34,004)	-	-
Deferred tax assets not recognised	539,290	2,899,959	-	-
Tax effect on share of associates and joint ventures' profit attributable to the equity holders	(1,671,577)	(831,085)	-	-
Under/(over) provision of income tax expense in prior year	6,540	(3,489)	(746)	2,899
Under/(over) provision of deferred tax expense in prior year	313	(31,017)	-	-
Tax expense for the year	428,629	459,583	18,054	17,767

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13. Dividends

	Company	
	Dividends in respect of year/Dividends recognised in year	
	2022	2021
	RM'000	RM'000
Dividends on ordinary shares:		
Interim single-tier dividend on 5,443,953,229 ordinary shares	500,000	2,000,000

14. Assets held for sale

The major classes of assets held for sale and assets and liabilities of the disposal group classified as held for sale on the consolidated statement of financial position are as follows:

	Note	Group	
		2022	2021
		RM'000	RM'000
Assets:			
Land held for property development		24,600	24,600
Investment in joint venture		-	736
Property, plant and equipment	15	41,587	97,266
Investment properties	17	3,320	1,854
Inventories		49,493	-
Receivables		4,761	18,521
Cash and bank balances		36,844	31,745
Assets held for sale and assets of disposal group classified as held for sale		<u>160,605</u>	<u>174,722</u>
Liability:			
Payables representing the liability of disposal group classified as held for sale		<u>3,170</u>	<u>1,228</u>

(A) UEM Group Berhad ("UEM")

- (i) In 2019, the Board of Directors of UEM Builders Berhad ("UEM Builders") approved the proposed disposal of 100% equity interest in Buildcast Sdn. Bhd. ("Buildcast"). On 26 January 2022, the Board of Directors of UEM Builders approved dissolution of Buildcast via members' voluntary liquidation.
- (ii) On 20 December 2021, UEM Construction Sdn. Bhd. ("UEMC") has entered into a conditional sale and purchase agreement for the disposal of its entire 55% equity interest in PT Karabha Gryamandiri ("PTKG"). The disposal was completed on 25 January 2022.

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14. Assets held for sale (cont'd.)

(A) UEM Group Berhad ("UEM") (cont'd.)

- (iii) On 14 October 2022, the Board of Directors of UEM Sunrise Berhad ("UEM Sunrise") approved the proposed disposal of a certain plots and buildings as well as related capital work in progress held by the subsidiaries of UEM Sunrise.
- (iv) On 28 October 2022 and 23 December 2022, the Board of Directors of UEM Builders approved the proposed disposal of its wholly-owned subsidiary, Intri Bina Sdn. Bhd.'s investment properties.
- (v) On 31 May 2019, the Board of Directors of UEM approved the proposed disposal of the followings:

Certain plots of land and buildings held by UEM and its 100%-owned direct or indirect subsidiaries, namely Hydron (M) Sdn. Bhd., Suria Siena Development Sdn. Bhd. and Serayin Sdn. Bhd..

UEM and its subsidiaries continue to classify these properties as asset held for sale as the delay in the planned disposal was caused by events/circumstances beyond their control, and they remain committed to their plan to dispose the properties.

In prior year, Suria Siena Development Sdn. Bhd. recognised an impairment loss of RM1.0 million on its land held for property development based on valuation performed by a certified external valuer.

During the financial year, UEM disposed:

- A land in Sandakan, Sabah for a cash consideration of RM3.0 million, with a net gain of RM2.9 million.
 - A land in Labuan, Sabah for a cash consideration of RM3.0 million, with a net gain of RM2.9 million.
- (vi) On 28 February 2022, a wholly-owned subsidiary of Cement Industries of Malaysia Berhad's ("CIMA"), Kuari Pati Sdn. Bhd., had entered into a sales and purchase agreement with an external party to dispose a property for a cash consideration of RM210,000. The disposal was completed on July 2022 with a net gain of RM136,000.
 - (vii) During the year, the Board of Directors of UEM Edgenta Berhad ("UEM Edgenta") approved the proposed disposal of Faber Unior Sdn. Bhd., an indirect wholly-owned subsidiary of UEM Edgenta via Faber Development Holdings Sdn. Bhd.. The disposal is estimated to complete within 12 months from the reporting date.

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14. Assets held for sale (cont'd.)

(B) Iskandar Investment Berhad ("IIB")

On 5 December 2019, Iskandar Capital Sdn. Bhd. ("IskCap") entered into a Sale and Purchase Agreement with Paragon Globe Properties Sdn. Bhd. to sell part of the freehold land under Geran 507162 Lot 149989 (formerly held under HS(D) 484311 PTD 175988), PTD 175989, and Geran 507161 Lot 149991 (formerly held under HS(D) 484312 PTD 175990), in area known as Plot ED 5A and 5B of approximately 31.1 acres. Upon completion of the conditions stipulated in the agreement, IIB has recognised revenue of RM60,962,220 and cost of sales of RM18,769,805 during the year.

On 22 December 2021, IskCap entered into a Sale and Purchase Agreement with Country View Resources Sdn. Bhd. ("CVSB") in respect of freehold land under PTD 1759870 for an aggregate area of 2.009 acres. Upon completion of the conditions stipulated in the agreement, IIB has recognised revenue of RM1,750,680 and cost of sales of RM1,103,393 during the year.

On 20 December 2021, IskCap entered into a Sale and Purchase Agreement with Marquis Oil (M) Sdn. Bhd. ("MOSB") in respect of freehold land under PTD 217870 for an aggregate area of 5.38 acres.

The completion of the agreements above is pending fulfilment of certain conditions precedent. As such, the said plots of land remain as non-current assets held for sale in the current year.

(C) Penerbangan Malaysia Berhad ("PMB")

Certain aircraft and spare engines with net book value of RM17,166,795 (2021: RM107,988,128) have been classified under assets held for sale.

(D) Malaysia Aviation Group Berhad ("MAGB")

On 6 April 2021, the Board of Directors of MAGB resolved to dispose five ATR72-500 aircrafts. The sale of three aircrafts has been completed during the financial year. The remaining aircrafts has been reclassified back to property plant and equipment as the transaction has not been completed.

On 8 July 2022, the Board of Directors of MAGB resolved to dispose six A380 with nil carrying amount. On 22 December 2022, the Group entered the sales agreement and is expected to be completed in year 2023.

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15. Property, plant and equipment

Group	Plant and machinery RM'000	Aircraft and spare engines RM'000	Furniture and fittings and other equipment RM'000	Land and buildings RM'000	Renovation, capital improvements and capital work-in- progress RM'000	Total RM'000
2022						
Cost						
At 1 January	6,950,389	11,871,502	1,714,368	4,772,213	428,747	25,737,219
Additions	56,602	465,989	72,081	18,353	551,479	1,164,504
Currency translation differences	(9)	-	60	273	(231)	93
Disposals	(696,375)	(4,504,892)	(471,045)	(517,761)	(174,207)	(6,364,280)
Write-offs	(11,033)	(14,693)	(14,170)	(269)	(10,719)	(50,884)
Disposal of subsidiaries (Note 21(iv))	(15,602)	-	(2,576)	(3,875)	-	(22,053)
Transfer to investment properties (Note 17)	-	-	-	-	(8,804)	(8,804)
Transfer to assets held for sale (Note 14)	-	(2,708,820)	(1,041)	(34,991)	(2,915)	(2,747,767)
Transfer to other intangible assets (Note 20)	-	-	-	-	(7,603)	(7,603)
Transfer from right-of-use assets (Note 26)	-	111,467	-	-	-	111,467
Transfer from land held for property development (Note 16)	-	-	-	4,532	-	4,532
Reclassification	25,618	11,104	4,709	1,504	(42,935)	-
At 31 December	6,309,590	5,231,657	1,302,386	4,239,979	732,812	17,816,424

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15. Property, plant and equipment (cont'd.)

	Plant and machinery RM'000	Aircraft and spare engines RM'000	Furniture and fittings and other equipment RM'000	Land and buildings RM'000	Renovation, capital improvements and capital work-in- progress RM'000	Total RM'000
Group (cont'd.)						
2022 (cont'd.)						
Accumulated depreciation and impairment losses						
At 1 January	5,219,430	10,671,826	1,278,206	2,027,775	41,339	19,238,576
Charge for the year (Note 7)	163,923	193,214	86,699	154,709	339,841	938,386
Allowance for impairment losses (Note 7)	22,066	9,749	21,257	163	1,112	54,347
Currency translation differences	-	-	393	(273)	-	120
Disposals	(332,712)	(4,627,985)	(385,917)	(705,023)	(39,548)	(6,091,185)
Write-offs	(8,384)	234	(4,599)	(50)	(3,908)	(16,707)
Disposal of subsidiaries (Note 21(iv))	(16,140)	-	(2,336)	(3,456)	-	(21,932)
Transfer to assets held for sale (Note 14)	-	(2,691,653)	(1,033)	(13,214)	(280)	(2,706,180)
Transfer from right-of-use assets (Note 26)	-	84,039	-	-	-	84,039
Reclassification	857	-	(1,690)	-	833	-
At 31 December	5,049,040	3,639,424	990,980	1,460,631	339,389	11,479,464
Net book value						
At 31 December	1,260,550	1,592,233	311,406	2,779,348	393,423	6,336,960

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15. Property, plant and equipment (cont'd.)

Group	Plant and machinery RM'000	Aircraft and spare engines RM'000	Furniture and fittings and other equipment RM'000	Land and buildings RM'000	Renovation, capital improvements and capital work-in-progress RM'000	Total RM'000
2021						
Cost						
At 1 January	6,959,350	12,233,494	2,746,301	4,874,066	747,008	27,560,219
Additions	31,710	11,050	42,194	22,175	101,393	208,522
Currency translation differences	1	-	353	-	-	354
Disposals	(45,014)	(594,062)	(14,513)	-	(118,440)	(772,029)
Write-offs	(212)	-	(1,901)	-	(1,552)	(3,665)
Disposal of subsidiaries	-	-	(884,789)	(129,253)	(12,914)	(1,026,956)
Transfer to investment properties (Note 17)	-	-	-	-	(1,241)	(1,241)
Transfer to assets held for sale (Note 14)	-	(148,501)	(254,370)	-	-	(402,871)
Transfer to other intangible assets (Note 20)	-	-	-	-	(13,081)	(13,081)
Transfer from right-of-use assets (Note 26)	-	187,967	-	-	-	187,967
Reclassification	4,554	181,554	81,093	5,225	(272,426)	-
At 31 December	6,950,389	11,871,502	1,714,368	4,772,213	428,747	25,737,219

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15. Property, plant and equipment (cont'd.)

	Plant and machinery RM'000	Aircraft and spare engines RM'000	Furniture and fittings and other equipment RM'000	Land and buildings RM'000	Renovation, capital improvements and capital work-in- progress RM'000	Total RM'000
Group (cont'd.)						
2021 (cont'd.)						
Accumulated depreciation and impairment losses						
At 1 January	5,178,359	10,331,855	2,072,297	2,012,397	22,912	19,617,820
Charge for the year (Note 7)	51,899	357,878	153,897	147,044	18,989	729,707
Allowance for impairment losses (Note 7)	12,419	123,433	(560)	7,674	(132)	142,834
Currency translation differences	-	-	(7)	337	-	330
Disposals	(23,087)	(131,732)	(9,236)	-	(430)	(164,485)
Write-offs	(160)	-	-	-	-	(160)
Disposal of subsidiaries	-	-	(756,309)	(70,060)	-	(826,369)
Transfer to assets held for sale (Note 14)	-	(53,401)	(181,876)	(70,328)	-	(305,605)
Transfer from right-of-use assets (Note 26)	-	43,793	-	711	-	44,504
At 31 December	5,219,430	10,671,826	1,278,206	2,027,775	41,339	19,238,576
Net book value						
At 31 December	1,730,959	1,199,676	436,162	2,744,438	387,408	6,498,643

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15. Property, plant and equipment (cont'd.)

Company	Office equipment, furniture and fittings and computer equipment RM'000	Motor vehicles RM'000	Renovation and capital work-in- progress RM'000	Total RM'000
2022				
Cost				
At 1 January	26,489	-	38,859	65,348
Additions	248	-	5,840	6,088
At 31 December	<u>26,737</u>	<u>-</u>	<u>44,699</u>	<u>71,436</u>
Accumulated depreciation				
At 1 January	24,337	-	25,284	49,621
Charge for the year (Note 7)	964	-	1,061	2,025
At 31 December	<u>25,301</u>	<u>-</u>	<u>26,345</u>	<u>51,646</u>
Net carrying amount				
At 31 December	<u>1,436</u>	<u>-</u>	<u>18,354</u>	<u>19,790</u>
2021				
Cost				
At 1 January	33,456	1,463	28,411	63,330
Additions	179	-	10,448	10,627
Disposal	(7,146)	(1,463)	-	(8,609)
At 31 December	<u>26,489</u>	<u>-</u>	<u>38,859</u>	<u>65,348</u>
Accumulated depreciation				
At 1 January	26,893	1,463	24,749	53,105
Charge for the year (Note 7)	1,258	-	535	1,793
Disposal	(3,814)	(1,463)	-	(5,277)
At 31 December	<u>24,337</u>	<u>-</u>	<u>25,284</u>	<u>49,621</u>
Net carrying amount				
At 31 December	<u>2,152</u>	<u>-</u>	<u>13,575</u>	<u>15,727</u>

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16. Land held for property development

	Note	Group	
		2022 RM'000	2021 RM'000
At cost			
At 1 January		6,088,104	6,517,775
Additions		104,125	735,197
Disposals		(162,415)	(4,543)
Disposal of subsidiaries		-	(901,373)
Transfer to property, plant and equipment	15	(4,532)	-
Transfer to assets held for sale	14	-	(24,600)
Transfer to investment properties	17	(477)	(50,817)
Transfer to property development-in-progress	29	(435,141)	(183,535)
At 31 December		<u>5,589,664</u>	<u>6,088,104</u>

As at the reporting date, freehold land and related development expenditure of:

- (a) RM804.3 million (2021: RM755.8 million) are pledged as securities for the borrowing facilities granted to UEM Sunrise's subsidiaries.

Included in the current year additions are the following:

	Group	
	2022 RM'000	2021 RM'000
Staff costs	933	2,008
Interest expense	56,236	45,513

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17. Investment properties

	Note	Group	
		2022 RM'000	2021 RM'000
Land and building			
Cost			
At 1 January		3,928,443	3,956,660
Additions		499,550	68,358
Disposals/write-offs		(43,177)	(199,722)
Transfer to assets held for sale	14	(3,900)	(1,854)
Transfer from property, plant and equipment	15	8,804	1,241
Transfer from land held for property development	16	477	50,817
Transfer from right-of-use assets	26	-	52,943
At 31 December		4,390,197	3,928,443
Accumulated depreciation and impairment losses			
At 1 January		508,210	402,908
Depreciation	7	40,712	93,011
Disposals/write-offs		(3,616)	(25,477)
Allowance for impairment losses	7	57,247	37,768
Transfer to assets held for sale	14	(580)	-
At 31 December		601,973	508,210
Carrying amount at 31 December		3,788,224	3,420,233
Fair value		8,381,967	9,067,305

Investment properties comprise of commercial properties, office lots and landed properties.

The direct operating expenses arising from investment properties of the Group that generate and that do not generate rental income during the year are RM15.9 million (2021: RM17.2 million) and RM4.9 million (2021: RM6.1million) respectively.

The direct operating expenses arising from investment properties of the Group that generate rental income is RM2.5 million (2021: RM3.2 million).

The fair values of investment properties are categorised within the fair value hierarchy (Level 3), as the fair value are measured using inputs that are not based on observable market data.

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17. Investment properties (cont'd.)

The fair values of the investment properties are substantially arrived at via valuation performed by certified external valuers based on the following valuation techniques depending on the location and types of properties.

- (i) The income approach converts estimated future amounts of cash flows or income to a single present value (discounted) amount by applying an appropriate, market-derived discount rate.
- (ii) The comparison/cost method of valuation entails separate valuations of the land and buildings to arrive at the market value of the subject property. The land is valued by reference to transactions of similar lands in surrounding area with appropriate adjustments made for differences in the relevant characteristics of the land. Completed buildings are valued by reference to the current estimates on constructional costs to erect equivalent buildings, taking into consideration of similar accommodation in terms of size, construction, finishes contractors' overheads, fees and profits. Appropriate adjustments are then made for the factors of obsolescence and existing physical condition of the building.

The fair values of investment properties are categorised as Level 3 under the fair value hierarchy as disclosed in Note 44, as the fair value is measured using inputs that are not based on observable market data.

In prior year, the Company has disposed its investment properties and the purchase consideration was offset against the inter-company amount due from Malaysia Aviation Group Berhad ("MAGB") to Khazanah.

	Company	
	2022	2021
	RM'000	RM'000
Leasehold land		
Cost		
At 1 January	-	355,260
Disposal	-	(355,260)
At 31 December	-	-
Accumulated depreciation		
At 1 January	-	2,691
Charge for the year (Note 7)	-	6,118
Disposal	-	(8,809)
At 31 December	-	-
Net carrying amount	-	-
Fair value	-	-

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18. Concession intangible assets

	Note	Group	
		2022	2021
		RM'000	RM'000
Cost			
At 1 January		433,785	374,640
Additions		22,560	54,567
Exchange differences		(1,696)	4,578
At 31 December		<u>454,649</u>	<u>433,785</u>
Accumulated amortisation and impairment losses			
At 1 January		185,072	155,837
Charge for the year, net of reversal	7	18,905	27,328
Exchange differences		(10,377)	1,907
At 31 December		<u>193,600</u>	<u>185,072</u>
Net carrying amount			
At 31 December		<u>261,049</u>	<u>248,713</u>

As at the reporting date, the Group has the following concession intangible assets:

Concession intangible asset	Concession companies	Concession period
Padalur-Trichy Highway, India ("PTH")	Trichy Padalur Tollways Private Limited ("TPTPL")	up to 2031
REPPA arrangement	Kualiti Alam Sdn. Bhd. and Cenergi SEA Berhad	up to 2043

The concession intangible assets for PTH have been pledged as security for Non-Convertible Debentures issued by TPTPL in March 2013, which was acquired by PEIB Capital Sdn. Bhd. ("PEIBC") in August 2015.

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19. Goodwill on consolidation

	Group	
	2022	2021
	RM'000	RM'000
At 1 January	1,415,337	1,410,204
Exchange differences	21,291	5,133
At 31 December	<u>1,436,628</u>	<u>1,415,337</u>

(a) Impairment tests for goodwill

Allocation of goodwill

Goodwill has been allocated to the Group's cash-generating units ("CGUs") identified according to business segment as follows:

	2022	2021
	RM'000	RM'000
Goodwill - Business Segment		
Engineering, construction and expressway	1,040,178	1,018,887
Financial services	392,339	392,339
	<u>1,432,517</u>	<u>1,411,226</u>
Other business segments	4,111	4,111
	<u>1,436,628</u>	<u>1,415,337</u>

(b) Key assumptions used in recoverable amount

The recoverable amount of a CGU is determined based on the following methodology:

- (i) where investments are listed, principally the market value is used.
- (ii) where investments are not investment holding and where the underlying is unlisted, value-in-use is applied.
- (iii) where investments themselves are investment holding, the market value of the underlying value-in-use is calculated using cash flow projections or earnings and book multiples of a comparable listed company in the same market and the same industry.

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19. Goodwill on consolidation (cont'd.)

(b) Key assumptions used in recoverable amount (cont'd.)

The following describes each key assumption on which management has based its evaluation to undertake impairment testing of goodwill:

- (i) Company earnings and book multiples
Earnings and book multiples are chosen based on acknowledged market norms for that industry and that geography with due consideration to asset size, market share, profitability and target market.
- (ii) Growth rate
The average growth rate used in cash flow projections are consistent with the long term average growth rate for the industry.
- (iii) Discount rate
The discount rates used are pre-tax and reflect specific risks relating to the relevant segments.

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20. Other intangible assets

Group	Note	Development expenditure and work in progress RM'000	Software and related costs RM'000	Brand name RM'000	VOBA and banc- assurance RM'000	Intellectual property and licences RM'000	Total RM'000
2022							
At 1 January		19,714	123,605	16,098	298,303	113,527	571,247
Additions		19,378	8,863	-	-	13	28,254
Disposal		(31,307)	(19,165)	-	-	-	(50,472)
Transfer from property, plant and equipment	15	7,603	-	-	-	-	7,603
Foreign exchange difference		-	190	-	-	10,349	10,539
		15,388	113,493	16,098	298,303	123,889	567,171
Less: Amortisation	7	(85)	(4,341)	-	(28,621)	(25,571)	(58,618)
At 31 December		15,303	109,152	16,098	269,682	98,318	508,553
2021							
At 1 January		27,573	99,108	16,098	339,786	179,817	662,382
Additions		14,342	120,945	-	13	33,399	168,699
Disposal		(35,245)	(4,848)	-	-	(400)	(40,493)
Disposal of subsidiaries		-	(10)	-	-	-	(10)
Transfer from property, plant and equipment	15	13,081	-	-	-	-	13,081
Foreign exchange difference		-	1,853	-	-	-	1,853
		19,751	217,048	16,098	339,799	212,816	805,512
Amortisation	7	(37)	(93,443)	-	(41,496)	(99,289)	(234,265)
At 31 December		19,714	123,605	16,098	298,303	113,527	571,247

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20. Other intangible assets (cont'd.)

Company	Computer software	
	2022	2021
	RM'000	RM'000
Cost		
At 1 January	8,441	12,612
Additions	779	708
Write off	-	(4,879)
At 31 December	<u>9,220</u>	<u>8,441</u>
Accumulated amortisation		
At 1 January	7,675	12,240
Charge for the year (Note 7)	254	229
Write off	-	(4,794)
At 31 December	<u>7,929</u>	<u>7,675</u>
Net carrying amount		
At 31 December	<u>1,291</u>	<u>766</u>

Computer software relates to licence fees, professional fees and other directly attributable costs of preparing the asset for its intended use or for bringing the asset to its working condition.

21. Interest in subsidiaries

	Company	
	2022	2021
	RM'000	RM'000
Unquoted shares in Malaysia		
- at cost	44,552,293	45,016,278
- at FVTPL	1,272,193	1,246,143
Unquoted shares outside Malaysia	<u>2,201,272</u>	<u>2,218,698</u>
	48,025,758	48,481,119
Less: Accumulated allowance for impairment losses	<u>(26,476,168)</u>	<u>(25,997,542)</u>
	21,549,590	22,483,577
Amount due from subsidiaries *	<u>18,510,819</u>	<u>19,451,767</u>
	<u>40,060,409</u>	<u>41,935,344</u>

Market values of quoted shares in Malaysia

* As the amount due from subsidiaries is, in substance, a part of the Company's net investments in the subsidiaries, it is stated at cost less accumulated impairment losses.

Details of the subsidiaries are shown in Note 52 and Note 53.

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21. Interest in subsidiaries (cont'd.)

(i) Additional acquisition/subscription in existing subsidiaries

- (i) The Company subscribed to an additional 26,050,000 redeemable convertible cumulative secured loan stocks and 116,488,049 preference shares in Destination Resorts & Hotels Sdn. Bhd. ("DRHSB") (formerly known as Themed Attractions Resorts & Hotels Sdn. Bhd. ("TARH")), for a total cash consideration of RM142.5 million, resulting in the Company maintaining its equity interest of 100%. DRHSB, an unlisted company incorporated in Malaysia, is an investment holding company.
- (ii) The Company subscribed to an additional 293,545,338 preference shares in Pantai Morib Ventures Sdn. Bhd. ("PMVSB"), for a total consideration of RM293.5 million, resulting in a the Company maintaining its equity interest of 100%. PMVSB, an unlisted company incorporated in Malaysia, is an investment holding company.
- (iii) The Company subscribed to an additional 28,711,602 preference shares in Impeccable Vintage Properties Sdn. Bhd. ("IVP"), for a total consideration of RM28.7 million, resulting in the Company maintaining its equity interest of 100%. IVP, an unlisted company incorporated in Malaysia, is an investment holding company.
- (iv) The Company subscribed to an additional 42,017,000 ordinary shares in Mount Hatton Investment Limited ("Mount Hatton"), for a total consideration of RM185.8 million, resulting in the Company maintaining its equity interest of 100%. Mount Hatton is an unlisted company incorporated in Malaysia, is an investment holding company.
- (v) The Company subscribed to an additional 54,170,000 preference shares in Mount Gading Ventures Sdn. Bhd ("MGV"), for a total consideration of RM54.2 million, resulting in the Company maintaining its equity interest of 100%. MGV, an unlisted company incorporated in Malaysia, is an investment holding company.
- (vi) The Company subscribed to an additional 11,555,000 ordinary shares in Teluk Bahang Investment Limited ("TBIL"), for a total consideration of RM52.4 million, resulting in the Company maintaining its equity interest of 100%. TBIL, an unlisted company incorporated in Malaysia, is an investment holding company.
- (vii) The Company subscribed to an additional 8,437,801 ordinary shares in Sampadi Investment Limited ("Sampadi"), for a total consideration of RM35.0 million, resulting in the Company maintaining its equity interest of 100%. Sampadi, unlisted company incorporated in Malaysia, is an investment holding company.

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21. Interest in subsidiaries (cont'd.)

(i) Additional acquisition/subscription in existing subsidiaries (cont'd.)

- (viii) The Company subscribed to an additional 470,170,734 preference shares in Tanjung Bidara Ventures Sdn. Bhd. ("Tanjung Bidara"), for a total consideration of RM470.2 million, resulting in the Company maintaining its equity interest of 100%. Tanjung Bidara, an unlisted company incorporated in Malaysia, is an investment holding company.
- (ix) The Company subscribed to an additional 41,670,540 preference shares in Iskandar Ventures Sdn. Bhd. ("IVSB"), for a total consideration of RM41.7 million, resulting in the Company maintaining its equity interest of 100%. IVSB, an unlisted company incorporated in Malaysia, is an investment holding company.
- (x) On April 2022, Malaysia Aviation Group Berhad ("MAGB") subscribed to an additional 4,666,000 and 184,000,000 ordinary shares in Malaysia Airlines Berhad ("MAB") and Aerodarat Services Sdn. Bhd. at a price of RM1.00 per share via cash.
- (xi) On 27 May 2022, Destination Resorts & Hotels Sdn. Bhd. ("DRHSB") (formerly known as Themed Attractions Resorts & Hotels Sdn. Bhd. ("TARH")) acquired 100% equity interest in Desaru Land 3 Sdn. Bhd. ("DL3") from its indirectly 54.95% owned subsidiary, Desaru Development Corporations Sdn. Bhd. ("DDC"), for a total consideration of RM592,390,000. The purchase consideration was paid via the redemption of RCCSLS issued by DDC and setting off against the advances owed to DRHSB. As a result, DRHSB's effective interest in DL3 increased from 54.95% to 100%.
- (xii) On 27 May 2022, DRHSB acquired 100% equity interest in Desaru Corniche Sdn. Bhd. ("DCSB") from its 100% owned subsidiary, Balau Hospitality Sdn. Bhd. (formerly known as Destination Resorts and Hotels Sdn. Bhd.) and its indirectly 66.49% owned subsidiary, Desaru Development Holdings One Sdn. Bhd., for a total cash consideration of RM75,438,049. As a result, DRHSB's effective interest in DCSB increased from 82.91% to 100%.

(ii) Subscription of RCPS in subsidiary

- (i) During the financial year, MAGB subscribed for 15,000 and 4,000 RCPS of RM100,000 each in Malaysia Airlines Berhad ("MAB") and FlyFirefly Sdn. Bhd., respectively via settlement of intercompany balances.

(iii) Incorporation of subsidiaries

- (i) On 31 July 2022, Edgenta Arabia Limited was incorporated in the Kingdom of Saudi Arabia wholly-owned subsidiary of UEM Edgenta.

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21. Interest in subsidiaries (cont'd.)

(iv) Disposal, dissolution or dilution of interests in subsidiaries

Khazanah Nasional Berhad ("KNB")

- (i) On 16 December 2022, KNB has disposed 30% equity interest in Cenviro Sdn. Bhd. ("Cenviro") for a consideration of RM455.4 million via cash. This resulted in the Group's and the Company's equity interest in Cenviro being diluted from 100% to 70%.

The dilution of interest in Cenviro has resulted in an increase in non-controlling interests by RM143.0 million and an increase in equity attributable to owners of the parent by RM312.4 million.

UEM Group Berhad ("UEM")

- (i) On 22 April 2022, UEM Edgenta Berhad's equity interest in its indirect wholly-owned subsidiary Opus Consultants (Sarawak) Sdn. Bhd. was diluted to a 49%-owned joint venture following the issuance and allotment of new ordinary shares in Opus Consultants (Sarawak) Sdn. Bhd. to PPES Consults Sdn. Bhd..
- (ii) On 25 January 2022, UEM Construction Sdn. Bhd. ("UEMC") completed the disposal of its 55% equity interest in PT Karabha Gryamandiri.
- (iii) On 18 March 2022, Sunrise Berhad completed the disposal of its wholly-owned subsidiary, SCM Property Services Sdn. Bhd. for a total sale consideration of RM1.7 million.
- (iv) The following subsidiaries were dissolved via voluntary dissolution, struck off or termination:
- Pengurusan LRT Sdn. Bhd.
 - UEM Group Management Sdn. Bhd.
 - Rushil Constructions (India) Pvt Ltd
 - Pati International (India) Pvt Ltd
 - UEM Sunrise (St Kilda Road Development) Pty Ltd
 - UEM Builders Bhd - Intria Bina Sdn. Bhd. Joint Venture

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21. Interest in subsidiaries (cont'd.)

(iv) Disposal, dissolution or dilution of interests in subsidiaries (cont'd.)

UEM Group Berhad ("UEM") (cont'd.)

The financial impacts from the disposal and dissolution of subsidiaries are as follows:

	Group 2022 RM'000
Property, plant and equipment	121
Receivables	18,162
Cash, bank balances and deposits	16,020
Payables	(2,341)
Total value of net assets disposed	<u>31,962</u>
Less: Non-controlling interests	<u>(12,223)</u>
Group's share of net assets disposed	19,739
Reserves reclassified to profit or loss	(11,424)
Considerations	<u>18,397</u>
Net gain on disposal and dissolution of subsidiaries	<u>10,082</u>
Presented as:	
Gain on disposal and dissolution of subsidiaries	10,561
Loss on disposal and dissolution of subsidiaries	<u>(479)</u>
	<u>10,082</u>

The effect of the disposal and dissolution on cash flows is as follows:

	Group 2022 RM'000
Considerations	18,397
Less: Deferred considerations	(16,536)
Less: Deposits received in prior year	(51)
Consideration received, satisfied by cash	<u>1,810</u>
Less: Cash and bank balances disposed	<u>(16,020)</u>
Net cash flow from disposal and dissolution of subsidiaries	<u>(14,210)</u>

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21. Interest in subsidiaries (cont'd.)

(v) Special Purpose Vehicles ("SPVs")

Special purpose vehicles ("SPVs") are wholly-owned subsidiaries of the Company that have been set up to actively hold investments or as funding vehicles of the Company. The SPVs are disclosed in Note 52.

Certain financial statements' captions of the Company after including the assets and liabilities held through the SPVs as at 31 December are as follows:

	Extended Company	
	2022	2021
	RM'000	RM'000
Revenue #	8,016,994	5,352,857
Profit from operations*	<u>1,630,099</u>	<u>670,275</u>
Cash, bank balances and investment in money market	4,048,863	6,460,771
Other financial assets	37,059,991	32,243,346
Interest in subsidiaries	10,903,223	11,490,071
Interest in associates	31,723,838	32,446,617
Interest in joint ventures	599,467	598,805
Borrowings	49,144,488	48,478,318
Retained profits	16,092,958	15,119,471
Currency translation reserve	3,652,444	2,381,843
Fair value adjustment reserve	2,364,226	3,208,572
Capital contribution from shareholders	<u>2,324,423</u>	<u>2,324,423</u>
Total assets	86,818,737	84,821,552
Total liabilities	<u>50,100,485</u>	<u>49,504,042</u>

Revenue includes realised divestment gains from investments classified as fair value through other comprehensive income that was recycled to retained earnings upon divestment.

* Profit from operations consist of profit before tax and realised divestment gains.

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21. Interest in subsidiaries (cont'd.)

(vi) Segments with material non-controlling interests

Segments which have non-controlling interests that are material to the Group are listed below:

2022

(a) Summarised consolidated statement of comprehensive income

	Infrastructure & construction RM'mil	Property RM'mil	Total RM'mil
Revenue	3,997	64	4,061
Profit/(loss) for the year	128	(451)	(323)
Profit/(loss) attributable to:			
Owners of the Company	88	(250)	(162)
Non-controlling interests	40	(201)	(161)
	128	(451)	(323)

(b) Summarised consolidated statement of financial position

	Infrastructure & construction RM'mil	Property RM'mil	Total RM'mil
Non-current assets	10,697	2,662	13,359
Current assets	5,226	44	5,270
Total assets	15,923	2,706	18,629
Non-current liabilities	3,483	-	3,483
Current liabilities	3,982	28	4,010
Total liabilities	7,465	28	7,493
Net assets	8,458	2,678	11,136
Non-controlling interests	2,656	1,192	3,848
Non-controlling interests which are immaterial to the Group			8,412
			12,260

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21. Interest in subsidiaries (cont'd.)

(vi) Segments with material non-controlling interests (cont'd.)

Segments which have non-controlling interests that are material to the Group are listed below (cont'd.):

2022 (cont'd.)

(c) Summarised consolidated statement of cash flows

	Infrastructure & construction RM'mil	Property RM'mil	Total RM'mil
Net cash generated from/ (used in):			
Operating activities	487	30	517
Investing activities	(174)	(37)	(211)
Financing activities	(122)	-	(122)
Net changes in cash and cash equivalents	191	(7)	184
Exchange rate effects	(6)	-	(6)
Cash and cash equivalents at beginning of year	1,411	9	1,420
Cash and cash equivalents at end of year	1,596	2	1,598

2021

(a) Summarised consolidated statement of comprehensive income

	Infrastructure & construction RM'mil	Property RM'mil	Total RM'mil
Revenue	3,477	29	3,506
Loss for the year	(169)	(27)	(196)
Loss attributable to:			
Owners of the Company	(119)	(15)	(134)
Non-controlling interests	(50)	(12)	(62)
	(169)	(27)	(196)

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21. Interest in subsidiaries (cont'd.)

(vi) Segments with material non-controlling interests (cont'd.)

Segments which have non-controlling interests that are material to the Group are listed below (cont'd.):

2021 (cont'd.)

(b) Summarised consolidated statement of financial position

	Infrastructure & construction RM'mil	Property RM'mil	Total RM'mil
Non-current assets	11,035	3,168	14,203
Current assets	4,772	12	4,784
Total assets	15,807	3,180	18,987
Non-current liabilities	4,086	-	4,086
Current liabilities	3,386	51	3,437
Total liabilities	7,472	51	7,523
Net assets	8,335	3,129	11,464
Non-controlling interests	2,618	1,393	4,011
Non-controlling interests which are immaterial to the Group			7,736
			11,747

(c) Summarised consolidated statement of cash flows

	Infrastructure & construction RM'mil	Property RM'mil	Total RM'mil
Net cash (used in)/ generated from:			
Operating activities	(8)	(6)	(14)
Investing activities	(175)	14	(161)
Financing activities	(125)	(2)	(127)
Net changes in cash and cash equivalents	(308)	6	(302)
Cash and cash equivalents at beginning of year	1,719	3	1,722
Cash and cash equivalents at end of year	1,411	9	1,420

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22. Interest in associates

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Shares at cost,				
Quoted shares in Malaysia	38,605,102	38,757,363	24,438,927	24,591,188
Quoted shares outside				
Malaysia	438,383	729,023	-	-
Unquoted shares in				
Malaysia	3,057,069	2,779,777	788,076	788,076
Unquoted shares outside				
Malaysia	1,801,411	1,760,384	-	-
	<u>43,901,965</u>	<u>44,026,547</u>	<u>25,227,003</u>	<u>25,379,264</u>
Share of post acquisition				
reserves	24,248,030	20,496,950	-	-
	<u>68,149,995</u>	<u>64,523,497</u>	<u>25,227,003</u>	<u>25,379,264</u>
Less: Allowance for				
impairment losses	(6,875,295)	(6,384,932)	(333)	(333)
	<u>61,274,700</u>	<u>58,138,565</u>	<u>25,226,670</u>	<u>25,378,931</u>
Market value of quoted shares				
In Malaysia	63,064,118	68,199,875	48,153,773	50,407,529
Outside Malaysia	77,384	531,723	-	-

During the current financial year:

UEM Group Berhad ("UEM")

- (i) Aura Muhibah Sdn. Bhd. ("AMSB"), a 40% owned associate of UEM Land, redeemed its 6,400,000 Redeemable Preference Shares ("RPS") of RM1.00 each for a cash consideration of RM6.4 million.
- (ii) Edgenta Facilities Sdn. Bhd., a wholly-owned subsidiary of UEM Edgenta, completed the disposal of its entire 51% equity interest in its associate, Faber Sindoori Management Services Private Limited for a cash consideration of INR700.0 million or RM38.2 million. The disposal resulted in a loss of RM1.1 million to the UEM Group Berhad.

Khazanah Nasional Berhad ("KNB")

- (iii) The Company elected to participate in the dividend reinvestment plan of CIMB Group Holdings Berhad ("CIMB"), resulting in the Company acquiring an additional 132,498,205 ordinary shares. The Company also disposed 195,307,744 ordinary shares of CIMB, for a total cash consideration of RM1.02 billion. Pursuant to the disposal, the Company's equity interest in CIMB reduced to 24.06%. CIMB, a company incorporated in Malaysia, is listed on Bursa Malaysia Main Market and is involved in investment holding, financial services, property management, provision of consultancy services and dealing in securities.

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22. Interest in associates (cont'd.)

Khazanah Nasional Berhad ("KNB") (cont'd.)

(iv) The Company subscribed to an additional 758,725,713 ordinary shares of Telekom Malaysia Berhad ("TM"), for a total consideration of RM68.3 million. TM, a company incorporated in Malaysia, is listed on Bursa Malaysia Main Market and is involved in telecommunication and related services.

Details of the associates are shown in Note 52 and Note 53.

The summarised financial information in respect of each of the Group's aggregated material associates is set out below. The summarised financial information represents the amounts in the financial statements of the associates and not the Group's share of those amounts.

Summarised consolidated statement of comprehensive income

2022	Investment holding	Infrastructure & construction	Transportation & logistics	Total
Group	RM'mil	RM'mil	RM'mil	RM'mil
Revenue	124,466	99	135	124,700
Profit/(loss) for the year	22,160	10	(16)	22,154

Group	Investment holding	Infrastructure & construction	Transportation & logistics	Total
	RM'mil	RM'mil	RM'mil	RM'mil
Non-current assets	968,356	1,026	150	969,532
Current assets	76,971	729	68	77,768
Total assets	1,045,327	1,755	218	1,047,300
Non-current liabilities	771,013	-	2	771,015
Current liabilities	73,587	192	282	74,061
Total liabilities	844,600	192	284	845,076

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22. Interest in associates (cont'd.)

Reconciliation of the summarised financial information presented above

2022 (cont'd.)	Investment holding	Infrastructure & construction	Transportation & logistics	Total
Group	RM'mil	RM'mil	RM'mil	RM'mil
Net assets	200,727	1,563	(66)	202,224
Share of net assets	49,329	526	5	49,860
Goodwill	11,502	-	-	11,502
	<u>60,831</u>	<u>526</u>	<u>5</u>	<u>61,362</u>
Carrying amount of the Group's immaterial interest in associates				<u>6,788</u>
				<u>68,150</u>

Summarised consolidated statement of comprehensive income

2021	Investment holding	Infrastructure & construction	Transportation & logistics	Total
Group	RM'mil	RM'mil	RM'mil	RM'mil
Revenue	126,907	62	75	127,044
Profit/(loss) for the year	<u>12,439</u>	<u>44</u>	<u>(35)</u>	<u>12,448</u>

Group	Investment holding	Infrastructure & construction	Transportation & logistics	Total
	RM'mil	RM'mil	RM'mil	RM'mil
Non-current assets	921,033	1,217	47	922,297
Current assets	60,354	585	42	60,981
Total assets	<u>981,387</u>	<u>1,802</u>	<u>89</u>	<u>983,278</u>
Non-current liabilities	722,769	-	3	722,772
Current liabilities	63,442	248	144	63,834
Total liabilities	<u>786,211</u>	<u>248</u>	<u>147</u>	<u>786,606</u>

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22. Interest in associates (cont'd.)

Reconciliation of the summarised financial information presented above

2021 (cont'd.) Group	Investment holding RM'mil	Infrastructure & construction RM'mil	Transportation & logistics RM'mil	Total RM'mil
Net assets	195,176	1,554	(58)	196,672
Share of net assets	47,244	524	8	47,776
Goodwill	11,502	-	-	11,502
	<u>58,746</u>	<u>524</u>	<u>8</u>	<u>59,278</u>
Carrying amount of the Group's immaterial interest in associates				<u>5,245</u>
				<u>64,523</u>

23. Interest in joint ventures

	Note	Group 2022 RM'000	2021 RM'000
Shares at cost,			
Unquoted shares in Malaysia	(i)	2,489,129	5,226,753
Unquoted shares outside Malaysia		30,185	28,273
Investments in unincorporated entities		<u>141,146</u>	<u>141,146</u>
		2,660,460	5,396,172
Share of post-acquisition reserves and others		<u>(154,011)</u>	<u>(1,817,703)</u>
		2,506,449	3,578,469
Less: Accumulated impairment losses		<u>(591,074)</u>	<u>(408,159)</u>
		1,915,375	3,170,310
Amount due from joint ventures		<u>183,352</u>	<u>184,507</u>
		<u>2,098,727</u>	<u>3,354,817</u>

During the current financial year:

UEM Group Berhad ("UEM")

- (i) UEM Land Berhad subscribed to an additional 978,000 RPS at an issue price of RM1.00 each in FASTrack Iskandar Sdn. Bhd. for a consideration of RM900,000.

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23. Interest in joint ventures (cont'd.)

During the current financial year: (cont'd.)

UEM Group Berhad ("UEM") (cont'd.)

- (ii) UEM Sunrise Berhad subscribed to additional 978,000 RPS at an issue price of RM1.00 each in Nusajaya Lifestyle Sdn. Bhd. via conversion of advances to Nusajaya Lifestyle Sdn. Bhd. of RM978,000.
- (iii) Gerbang Leisure Park Sdn. Bhd., a 50%-owned joint venture of UEM Land Berhad was dissolved on 3 March 2022.
- (iv) PLUS Malaysia Berhad ("PLUS Malaysia") redeemed its 187,935,000 RCPS at a redemption sum of RM10.00 each via issuance of Redeemable Unsecured Murabahah Stocks ("RUMS") of the same value by PLUS Malaysia.

Details of the joint ventures are disclosed in Note 52 and Note 53.

The summarised financial information in respect of each of the Group's aggregated material joint ventures is set out below. The summarised financial information represents the amounts in the financial statements of the associates and not the Group's share of those amounts.

Summarised consolidated statement of comprehensive income

2022	Investment	Infrastructure	Property	Total
Group	holding	&	RM'mil	RM'mil
	RM'mil	construction	RM'mil	RM'mil
		RM'mil		
Revenue	1,131	109	22	1,262
Profit/(loss) for the year	771	31	(10)	792

Summarised consolidated statement of financial position

Group	Investment	Infrastructure	Property	Total
	holding	&	RM'mil	RM'mil
	RM'mil	construction	RM'mil	RM'mil
		RM'mil		
Non-current assets	18,092	729	723	19,544
Current assets	1,354	728	324	2,406
Total assets	19,446	1,457	1,047	21,950
Non-current liabilities	4,114	209	82	4,405
Current liabilities	6,720	110	164	6,994
Total liabilities	10,834	319	246	11,399

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23. Interest in joint ventures (cont'd.)**Reconciliation of the summarised financial information presented above**

Group	Investment holding RM'mil	Infrastructure & construction RM'mil	Property RM'mil	Total RM'mil
Net assets	8,612	1,138	801	10,551
Share of net assets	5,167	361	321	5,849
Carrying amount of the Group's immaterial interest in joint ventures				(3,343)
				<u>2,506</u>

Summarised consolidated statement of comprehensive income

2021				
Group	Investment holding RM'mil	Infrastructure & construction RM'mil	Property RM'mil	Total RM'mil
Revenue	1,519	182	11	1,712
Profit/(loss) for the year	1,841	36	(77)	1,800

Summarised consolidated statement of financial position

Group	Investment holding RM'mil	Infrastructure & construction RM'mil	Property RM'mil	Total RM'mil
Non-current assets	17,647	626	378	18,651
Current assets	2,140	886	44	3,070
Total assets	19,787	1,512	422	21,721
Non-current liabilities	10,374	230	2	10,606
Current liabilities	311	118	18	447
Total liabilities	10,685	348	20	11,053

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23. Interest in joint ventures (cont'd.)**Reconciliation of the summarised financial information presented above**

Group	Investment holding RM'mil	Infrastructure & construction RM'mil	Property RM'mil	Total RM'mil
Net assets	9,102	1,164	402	10,668
Share of net assets	5,159	369	201	5,729
Carrying amount of the Group's immaterial interest in joint ventures				(2,151)
				<u>3,578</u>

24. Other financial investments

Group - 2022	Current RM'000	Non-current RM'000	Total RM'000
Financial assets designated as fair value through profit or loss			
At fair value:			
Quoted shares	-	14,222,577	14,222,577
Unquoted shares	-	2,575,263	2,575,263
Quoted bonds	-	105,745	105,745
Unquoted bonds	158,923	7,694,137	7,853,060
Unquoted structured products	-	52,040	52,040
Quoted fund	21,702	-	21,702
Unquoted fund	751,474	1,051,490	1,802,964
	<u>932,099</u>	<u>25,701,252</u>	<u>26,633,351</u>

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24. Other financial investments (cont'd.)

Group - 2022 (cont'd.)	Note	Current RM'000	Non-current RM'000	Total RM'000
Financial assets designated as fair value through other comprehensive income				
Quoted shares		6	43,787	43,793
Unquoted shares		74,485	3,290,161	3,364,646
Quoted bonds		-	10,203	10,203
Unquoted bonds		-	1,923,282	1,923,282
Unquoted fund		-	12,869,977	12,869,977
At cost:				
Unquoted shares		-	53,231	53,231
Unquoted shares outside Malaysia		-	13,206	13,206
		<u>74,491</u>	<u>18,203,847</u>	<u>18,278,338</u>
Amortised cost				
Loans receivable		-	544,657	544,657
Less: Allowance for impairment losses	(iii)	-	(36,611)	(36,611)
Total		<u>1,006,590</u>	<u>44,413,145</u>	<u>45,419,735</u>

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24. Other financial investments (cont'd.)**Group - 2021**

	Note	Current RM'000	Non-current RM'000	Total RM'000
Financial assets designated as fair value through profit or loss				
At fair value:				
Quoted shares		-	13,965,919	13,965,919
Unquoted shares		-	2,199,057	2,199,057
Quoted bonds		-	159	159
Unquoted bonds		7,560	4,961,774	4,969,334
Unquoted structured products		-	51,490	51,490
Unquoted funds		937,560	1,126,645	2,064,205
		<u>945,120</u>	<u>22,305,044</u>	<u>23,250,164</u>
Financial assets designated as fair value through other comprehensive income				
At fair value:				
Quoted shares		6	2,102,955	2,102,961
Unquoted shares		-	13,259,074	13,259,074
Unquoted bonds		-	1,604,377	1,604,377
Unquoted fund		-	87,947	87,947
		<u>6</u>	<u>17,054,353</u>	<u>17,054,359</u>
Amortised cost				
Loans receivable		30,000	508,558	538,558
Less: Allowance for impairment losses	(iii)	-	(75,916)	(75,916)
Total		<u>975,126</u>	<u>39,792,039</u>	<u>40,767,165</u>

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24. Other financial investments (cont'd.)

(i) The movement of the allowance accounts used to record the impairment are as follows:

Group	2022	2021
	RM'000	RM'000
At 1 January	75,916	36,611
(Write-off)/charge for the year	(39,305)	39,305
At 31 December	<u>36,611</u>	<u>75,916</u>
	Current	Non-current
	RM'000	RM'000
Company		Total
		RM'000
2022		
Financial assets designated as fair value through profit or loss		
At fair value:		
Quoted shares outside Malaysia	1,294,150	-
Quoted equity funds outside Malaysia	1,204,650	-
Unquoted money market funds outside Malaysia	-	156,370
Unquoted bonds in Malaysia	39,749	2,512,480
	<u>2,538,549</u>	<u>2,668,850</u>
		<u>5,207,399</u>
Loans receivable		
At amortised cost:		
Loans receivable	-	2,330
	-	2,330
	<u>2,538,549</u>	<u>2,671,180</u>
		<u>5,209,729</u>
	Current	Non-current
	RM'000	RM'000
Company		Total
		RM'000
2021		
Financial assets designated as fair value through profit or loss		
At fair value:		
Quoted shares outside Malaysia	1,781,842	-
Quoted equity funds outside Malaysia	1,644,179	-
Unquoted money market funds outside Malaysia	-	217,279
Unquoted bonds in Malaysia	107,463	488,637
	<u>3,533,484</u>	<u>705,916</u>
		<u>4,239,400</u>

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24. Other financial investments (cont'd.)

Company (cont'd.)		Current RM'000	Non-current RM'000	Total RM'000
2021				
Loans receivable				
At amortised cost:				
Loans receivable	(ii)	-	2,330	2,330
Less: Allowance for impairment losses	(iii)	-	-	-
		-	2,330	2,330
		3,533,484	708,246	4,241,730

(i) The loans receivable consist of amount due from a subsidiary which is unsecured, with 5% interest rate per annum for a period until 30 September 2025.

(ii) The loans receivable consist of amount due from a subsidiary of the company which is unsecured, interest free and has no fixed terms of repayment.

(iii) A reconciliation of the allowance for impairment losses on loans receivable is as follows:

	Individually impaired	
	2022	2021
	RM'000	RM'000
At 1 January	-	718,869
Bad debt written off	-	(718,869)
At 31 December	-	-

Other than the loans receivable, the other financial assets above are neither past due nor impaired.

25. Other non-current assets

		Group	
		2022	2021
	Note	RM'000	RM'000
Receivables under finance lease	(i)	53,320	193,819
Trade receivables		339,657	512,309
Prepaid land lease payments		254	271
Staff loans		26,752	24,310
Cash and bank balances	33, (ii)	-	24,663
Contract assets	(iii)	73,656	77,694
Concession receivables	(iv)	1,165,042	1,197,871
Others		1,248,396	1,089,529
		2,907,077	3,120,466

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25. Other non-current assets (cont'd.)

- (i) Finance lease receivables comprise amounts receivable in respect to:
- (a) financing of long term lease related to investment property of the Group.
 - (b) the energy saving performance agreements entered with third parties which requires the Group to design, devise, maintain and supply an energy conservation program for third parties' operational needs.
 - (c) the solar power purchase agreements entered with third parties which requires the Group to install, operate and maintain the solar photovoltaic electric power generation system for the purpose of providing renewable energy generated from solar.

As at the reporting date, the present value of lease receivables under non-cancellable lease agreements was as follows:

	Group	
	2022	2021
	RM'000	RM'000
Minimum lease receivables:		
Within one year	9,665	7,628
Between one and five years	36,726	29,256
More than five years	51,407	36,229
Total minimum lease payments	<u>97,798</u>	<u>73,113</u>
Less: Unearned finance revenues	<u>(41,891)</u>	<u>(33,270)</u>
Present value of minimum lease receivables	<u>55,907</u>	<u>39,843</u>
Present value of receivables:		
Within one year	2,587	2,508
Between one and five years	18,010	169,248
More than five years	35,310	24,571
	<u>55,907</u>	<u>196,327</u>
Less: Amount due within one year (Note 32)	<u>(2,587)</u>	<u>(2,508)</u>
Amount due after one year	<u>53,320</u>	<u>193,819</u>

- (ii) Relates to security for banking facilities granted to UEM Group's subsidiaries.

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25. Other non-current assets (cont'd.)

(iii) Contract assets

Group	Note	2022 RM'000	2021 RM'000
Contract assets			
Current	31	734,076	738,200
Non-current		73,656	77,694
		<u>807,732</u>	<u>815,894</u>
Contract liabilities			
Current	36	(135,819)	(92,419)
Non-current	40	(239,678)	(240,635)
		<u>(375,497)</u>	<u>(333,054)</u>
Group			
Group	Note	2022 RM'000	2021 RM'000
Contract assets			
Contract assets from property development and strategic land sales	(a)	374,672	430,550
Contract assets from construction contracts	(b)	-	715
Contracts assets from rendering services	(c)	433,060	384,629
		<u>807,732</u>	<u>815,894</u>
Contract liabilities			
Contract liabilities from property development and strategic land sales	(a)	(344,720)	(302,742)
Contracts liabilities from rendering services	(c)	(30,777)	(30,312)
		<u>(375,497)</u>	<u>(333,054)</u>

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25. Other non-current assets (cont'd.)

(iii) Contract assets (cont'd.)

(a) Contract assets from property development and strategic land sales

For property development, the Group issues progress billings to purchasers when the billing milestones are attained. The Group recognises revenue when the performance obligation is satisfied.

For strategic land sales, the Group recognises revenue and issues billings to purchasers upon transfer of control. The contract assets and contract liabilities relating to the sale of properties and land sales as of each reporting period are shown as below:

Group	2022 RM'000	2021 RM'000
Contract assets	374,672	430,550
Contract liabilities	(344,720)	(302,742)
	<u>29,952</u>	<u>127,808</u>
At 1 January	127,808	(45,816)
Revenue recognised during the financial year	952,298	866,362
Progress billings during the financial year	(915,323)	(521,024)
Deferred during the financial year	(134,831)	(171,714)
At 31 December	<u>29,952</u>	<u>127,808</u>

(b) Contract assets from construction contracts

Group	2022 RM'000	2021 RM'000
Contract assets	-	715
Construction work in progress ("WIP"), at cost	134,422	134,422
Add : Attributable profit	(3,725)	(3,725)
	<u>130,697</u>	<u>130,697</u>
Less :		
- Progress billings	(130,697)	(129,982)
	<u>-</u>	<u>715</u>

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25. Other non-current assets (cont'd.)

(iii) Contract assets (cont'd.)

(c) Contract assets from rendering services

Contract assets are initially recognised for revenue earned from services transferred which receipt of the consideration is conditional on the completion and final acceptance by customers. Upon final acceptance by the customers, the amounts recognised as contract assets becomes unconditional and are reclassified to trade receivables.

Contract liabilities include billings made in advance which represent amounts where customers have been invoiced ahead of the satisfaction of the performance obligation by the Group.

Group	2022 RM'000	2021 RM'000
Contract assets	433,060	384,629
Contract liabilities	(30,777)	(30,312)
	<u>402,283</u>	<u>354,317</u>
Revenue recognised from amounts included in contract liabilities at the beginning of the year	<u>14,235</u>	<u>5,578</u>

(iv) Concession receivables

Concession receivables are in relation to:

Group	Note	2022 RM'000	2021 RM'000
Non-current		1,165,042	1,197,871
Current	31	124,214	124,214
		<u>1,289,256</u>	<u>1,322,085</u>

(a) A concession arrangement in which the Group provides retro-fitting works and upgrades of infrastructure to turn existing buildings into green buildings. This amount is to be repaid over the remaining period of the concession. This amount also pledged as security for the borrowings obtained as disclosed in Note 35.

(b) A concession arrangement to develop and construct Tunku Azizah Hospital. This amount is to be repaid over the remaining period of the concession.

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26. Right-of-use assets

	Group			
	Aircraft RM'000	Land and Building RM'000	Others RM'000	Total RM'000
2022				
At 1 January	5,524,575	1,635,553	80,313	7,240,441
Additions	34,657	85,877	20,841	141,375
Lease modification	(199,617)	(103,055)	(3,017)	(305,689)
Charge for the year (Note 7)	(762,510)	(234,071)	(41,393)	(1,037,974)
Transfer to property, plant and equipment (Note 15)	(27,428)	-	-	(27,428)
Disposal	(85,810)	-	-	(85,810)
Foreign exchange difference	-	121	316	437
At 31 December	<u>4,483,867</u>	<u>1,384,425</u>	<u>57,060</u>	<u>5,925,352</u>
2021				
At 1 January	7,965,138	2,361,827	80,295	10,407,260
Additions	279,731	34,008	15,379	329,118
Lease modification	(1,527,288)	(645,823)	(99)	(2,173,210)
Charge for the year (Note 7)	(937,952)	(60,798)	(15,262)	(1,014,012)
Transfer to property, plant and equipment (Note 15)	(144,174)	711	-	(143,463)
Transfer to investment properties (Note 17)	-	(52,943)	-	(52,943)
Disposal of subsidiaries	-	(562)	-	(562)
Disposal	-	(935)	-	(935)
Impairment (Note 7)	(110,880)	-	-	(110,880)
Foreign exchange difference	-	68	-	68
At 31 December	<u>5,524,575</u>	<u>1,635,553</u>	<u>80,313</u>	<u>7,240,441</u>

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27. Derivative financial instruments

		Group		
		Nominal amount RM'000	Assets RM'000	Liabilities RM'000
2022				
Forward exchange				
rate contracts	(i)	-	-	(388)
Interest rate derivatives	(ii)	258,614	12,051	(564)
Embedded derivatives	(iii)	1,014,749	-	-
			<u>12,051</u>	<u>(952)</u>
Analysed as:				
Current		188,793	6,698	(799)
Non-current		1,084,570	5,353	(153)
			<u>12,051</u>	<u>(952)</u>
		Group		
		Nominal amount RM'000	Assets RM'000	Liabilities RM'000
2021				
Forward exchange				
rate contracts	(i)	-	-	(22)
Interest rate derivatives	(ii)	323,993	22,409	(29,716)
Embedded derivatives	(iii)	3,283,747	-	(166,587)
			<u>22,409</u>	<u>(196,325)</u>
Analysed as:				
Current		79,744	22,409	(22)
Non-current		3,527,996	-	(196,303)
			<u>22,409</u>	<u>(196,325)</u>

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27. Derivative financial instruments (cont'd.)

		Company		
		Nominal amount RM'000	Assets RM'000	Liabilities RM'000
2022				
Embedded derivatives	(iii)	1,014,749	-	-
2021				
Embedded derivatives	(iii)	3,283,747	-	166,587

(i) Forward exchange rate contracts

Cement Industries of Malaysia Berhad's ("CIMA") outstanding forward exchange rate contracts with notional amount totalling RM8.6 million (2021: RM6.3 million) which are used to manage portion of CIMA's transaction exposure denominated in USD.

(ii) Interest rate derivatives

As at 31 December 2022, MAGB has interest rate caps and swaps at contracted interest rates varying from 2.1% to 2.2% (2021: 2.1% to 2.2%) per annum. The contracts are intended to hedge the volatility of interest rates for up to maximum 80% of the floating interest rate risk exposure of any financial year.

The amounts retained in other comprehensive income at 31 December 2022 are expected to mature and affect the profit or loss between 2022 to 2024.

There were no highly probable transactions for which hedge accounting had previously been used, which is no longer expected to occur.

The cash flow hedges of the highly probable forecast of interest rates were assessed to be highly effective and as at 31 December 2022, a net unrealised loss of RM3,180,000 (2021: net unrealised gain of RM9,079,000) was included in the profit or loss (2021: other comprehensive income) in respect of these contracts.

The movement of fair value of the derivatives have been included in profit or loss during the financial year end is a loss of RM3,180,000 (2021: removed from other comprehensive income is a loss of RM7,307,000).

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27. Derivative financial instruments (cont'd.)

(iii) Embedded derivative liabilities

The Company, via special purpose vehicles, issued Exchangeable Trust Certificates, as described in Note 35(iv). The embedded derivatives represent the fair value of:

- (i) the option provided to certificate holders to convert into ordinary shares of the underlying assets ("Exchange Property"); and
- (ii) the cash settlement option that the Company has to redeem the Exchangeable Trust Certificates.

28. Deferred taxation

		Group	
	Note	2022	2021
		RM'000	RM'000
As 1 January		(103,866)	(180,499)
Recognised in profit or loss	12	88,731	80,353
Exchange differences		(4,714)	(3,720)
At 31 December		<u>(19,849)</u>	<u>(103,866)</u>
Presented after appropriate offsetting as follows:			
Deferred tax assets		421,414	385,071
Deferred tax liabilities		(441,263)	(488,937)
		<u>(19,849)</u>	<u>(103,866)</u>

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28. Deferred taxation (cont'd.)

The components and movements of deferred tax liabilities and assets of the Group during the financial year are as follows:

Deferred tax liabilities of the Group:

	Accelerated capital allowances RM'000	Fair value adjustment of land and building RM'000	Interest capitalised RM'000	Other temporary differences RM'000	Total RM'000
At 1 January 2022	(155,765)	(225,257)	(71,620)	(36,295)	(488,937)
Recognised in profit or loss	49,464	4,011	(12,188)	7,061	48,348
Exchange differences	(674)	-	-	-	(674)
At 31 December 2022	(106,975)	(221,246)	(83,808)	(29,234)	(441,263)
At 1 January 2021	(197,453)	(227,594)	(73,254)	(15,424)	(513,725)
Recognised in profit or loss	41,688	2,337	1,634	(20,871)	24,788
At 31 December 2021	(155,765)	(225,257)	(71,620)	(36,295)	(488,937)

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28. Deferred taxation (cont'd.)

Deferred tax assets of the Group:

At 1 January 2022					
Recognised in profit or loss					
Exchange differences					
At 31 December 2022					
	Provision for liabilities RM'000	Unutilised tax losses and unabsorbed capital allowance RM'000	Other temporary differences RM'000	Total RM'000	
	239,417	140,468	5,186	385,071	
	(35,362)	37,816	37,929	40,383	
	38	(4,078)	-	(4,040)	
	204,093	174,206	43,115	421,414	
At 1 January 2021					
Recognised in profit or loss					
Exchange differences					
At 31 December 2021					
	232,004	95,954	5,268	333,226	
	7,344	48,303	(82)	55,565	
	69	(3,789)	-	(3,720)	
	239,417	140,468	5,186	385,071	

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28. Deferred taxation (cont'd.)

Deferred tax assets have not been recognised in respect of the following items:

	Group	
	2022	2021
	RM'000	RM'000
Unutilised tax losses	10,210,208	12,872,686
Unabsorbed capital allowances and investment tax allowance	5,173,971	8,287,440
Other temporary differences	7,954,140	5,707,100
	<u>23,338,319</u>	<u>26,867,226</u>

The unutilised tax losses carried forward are available for offset against future taxable profit of the subsidiaries subject to no substantial changes in the shareholdings of the subsidiaries under Section 44(5A) and (5B) of the Income Tax Act, 1967 and guidelines issued by the tax authorities. With effect from 1 January 2022, any unabsorbed business losses from the year of assessment 2019 onwards can be carried forward for a maximum period of 10 consecutive years of assessment to be utilised against income from any source. The amendment is based on Finance Bill 2021 which was gazetted on 31 December 2021.

29. Property development-in-progress

		Group	
	Note	2022	2021
		RM'000	RM'000
Cumulative property development			
At 1 January		4,063,029	3,482,968
Development costs incurred during the year		545,052	449,927
Transfers from/(to)			
- Land held for property development	16	435,141	183,535
- Inventories		(25,205)	(32,796)
Impairment for the year	7	-	(20,605)
Reversal of costs arising from completed projects		(630,103)	-
At 31 December		<u>4,387,914</u>	<u>4,063,029</u>

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29. Property development-in-progress (cont'd.)

	Group	
	2022	2021
	RM'000	RM'000
Cumulative costs recognised in statement of comprehensive income		
At 1 January	(3,169,812)	(2,464,029)
Reversal of costs arising from completed projects	629,443	-
Recognised during the year	(729,002)	(705,783)
Write-down	(11,196)	-
At 31 December	<u>(3,280,567)</u>	<u>(3,169,812)</u>
At 31 December	<u>1,107,347</u>	<u>893,217</u>

Included in costs incurred during the year are:

	Group	
	2022	2021
	RM'000	RM'000
Staff costs	13,575	12,786
Interest expense	<u>4,022</u>	<u>6,024</u>

As at the reporting date, freehold land and related development expenditure totalling RM399.5 million (2021: RM163.9 million) are pledged as security for the banking facilities granted to UEM Sunrise Group.

30. Inventories and work-in-progress

	Group	
	2022	2021
	RM'000	RM'000
At cost:		
Raw materials	21,913	18,033
Work-in-progress	42,987	33,160
Finished goods	25,898	26,878
Consumables	198,912	193,544
Catering and general stores	22,789	21,632
Property held for sale	991,031	146,584
Others	114,720	122,481
	<u>1,418,250</u>	<u>562,312</u>

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30. Inventories and work-in-progress (cont'd.)

	Group	
	2022	2021
	RM'000	RM'000
At net realisable value:		
Finished goods	109	-
Consumable aircraft spares	134,391	-
Property held for sale	119,469	273,530
Golf memberships*	28,169	28,211
Others	45	857
	<u>282,183</u>	<u>302,598</u>
	<u>1,700,433</u>	<u>864,910</u>

* In accordance with the Development Agreement dated 16 June 2005 between Horizon Hills and Nusajaya Greens Sdn. Bhd., Horizon Hills has settled part of the purchase consideration of the golf course land in the form of rights to club membership (golf and non-golf) to be issued by Horizon Hills Resort Berhad, a wholly-owned subsidiary of Horizon Hills.

The cost of inventories and WIP recognised as cost of sales during the year amounted to RM1,084.4 million (2021: RM701.7 million), excluding any impairment or write down or write-off of inventories.

31. Trade receivables

	Note	Group	
		2022	2021
		RM'000	RM'000
Trade receivables	(i)	2,349,897	1,817,995
Less: Allowance for doubtful debts		<u>(572,958)</u>	<u>(542,132)</u>
		1,776,939	1,275,863
Retention sum			
Contract assets	25(iii)	734,076	738,200
Concession receivables	25(iv)	<u>124,214</u>	<u>124,214</u>
		<u>2,635,229</u>	<u>2,138,277</u>

(i) Trade receivables

- The Group has no significant concentration of credit risk that may arise from exposures to a single debtor or to groups of debtors.

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31. Trade receivables (cont'd.)

(i) Trade receivables (cont'd.)

- Trade receivables are non-interest bearing and are generally on 30 to 90 days (2021: 30 to 90 days) terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

The ageing analysis of the trade receivables is as follows:

	2022	2021
	RM'000	RM'000
Group		
Neither past due nor impaired	659,955	776,078
1 to 30 days past due not impaired	279,778	279,476
31 to 60 days past due not impaired	79,879	44,592
More than 60 days past due not impaired	757,327	175,717
	1,116,984	499,785
Impaired	572,958	542,132
	<u>2,349,897</u>	<u>1,817,995</u>

Receivables that are neither past due nor impaired

Receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group.

Receivables that are past due but not impaired

The Group has trade receivables that are related to customers with good payment records with the Group or those with ongoing transactions, progressive payments and/or amounts owing by the Group.

Receivables that are impaired

The Group's trade receivables that are impaired are all individually impaired. There are no impairment arising from collective impairment.

The movement of the allowance account used to record impairment is as follows:

	Group	
	2022	2021
	RM'000	RM'000
At 1 January	542,132	196,830
Charge for the year	30,826	345,302
At 31 December	<u>572,958</u>	<u>542,132</u>

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32. Other receivables

	Note	Group		Company	
		2022	2021	2022	2021
Interest income receivable		2,031	263	119,836	47,969
Dividend receivable		2,230,348	-	303,411	-
Amount due from MoF Inc.	(i)	851,580	851,580	851,580	851,580
Amount due from related companies	(ii)	109,131	61,937	10,387	12,232
Other deposits and prepayments		219,543	20,254	2,760	2,760
Amount due from a former director and shareholder of a subsidiary	(iii)	2,315,979	2,315,979	-	-
Amount due from associates	(iv)	111,769	89,219	-	-
Amount due from joint ventures		206,916	12,480	-	-
Receivable under finance lease	25(i)	2,587	2,508	-	-
Accrued income		65	2,353	-	-
Others	(v)	1,669,906	1,462,813	1,288	1,740
		<u>7,719,855</u>	<u>4,819,386</u>	<u>1,289,262</u>	<u>916,281</u>
Less: Allowance for impairment losses		(2,620,381)	(2,413,032)	-	-
		<u>5,099,474</u>	<u>2,406,354</u>	<u>1,289,262</u>	<u>916,281</u>

The movement of the allowance account used to record impairment is as follows:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
At 1 January	2,413,032	2,413,032	-	-
Charge for the year	207,349	-	-	-
At 31 December	<u>2,620,381</u>	<u>2,413,032</u>	<u>-</u>	<u>-</u>

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32. Other receivables (cont'd.)

The Group and the Company have no significant concentration of credit risk that may arise from exposures to a single debtor or to groups of debtors.

- (i) The amount due from MoF Inc. is unsecured, interest free and is repayable on demand.
- (ii) The amount due from related companies is unsecured, interest free and is repayable on demand.
- (iii) On 11 December 2000, UEM exercised the Put Option granted by Tan Sri Dato' Seri Halim bin Saad ("TSHS"), a past director of UEM in 1998 in respect of UEM's investment in UEM Land. The cost of shares plus holding cost on the 720,959,000 UEM Land shares ("Put Option Shares"), representing 31.0% of the paid-up capital of UEM Land as at 11 December 2000 amounting to RM3,165.8 million became the principal amount of debt due from TSHS and accrued interest at a rate of 9.4% per annum compounded semi-annually until full repayment.

The amount of RM3,165.8 million repayable in 3 equal instalments of RM100.0 million each on 14 February 2001, 14 July 2001 and 14 December 2001 respectively and the balance including interest was to be paid on 14 May 2002. On 14 February 2001, UEM received the first instalment from TSHS and granted an Extension of Time for the second instalment to 12 September 2001.

On 12 September 2001, UEM announced that it had not received the second instalment payment from TSHS and considered TSHS to have defaulted. The Put Option agreement was terminated subsequently and a notice of termination was sent to TSHS on 21 November 2001. Resulting from the termination of the Put Option agreement, UEM retained the UEM Land shares and forfeited the RM100.0 million first instalment for its own account by way of set-off and in part satisfaction of its claim for compensation.

As TSHS had failed to repay the outstanding amount as scheduled, full provision of RM2,316.0 million had been made on the net amount due from TSHS.

- (iv) The amount due from associates is unsecured, interest free and is repayable on demand.

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32. Other receivables (cont'd.)

(v) Included in others are:

- (a) An amount of RM22.9 million (2021: RM22.9 million) representing tax penalty paid to IRB.
- (b) PLUS BKSP Toll Limited net carrying value of concession intangible assets of RM117.4 million or INR2,212.1 million (2021: 124.3 million or INR2,212.1 million) to be recovered through claim submitted to Maharashtra State Road Development Corporation ("MSRDC") for premature termination of the Concession Agreement with MSRDC. The amount had been fully impaired previously.
- (c) Advance of RM56.0 million (2021: RM56.0 million) provided to a corporate shareholder of a subsidiary which is bearing interest rate at 6% (2021: 6%) per annum.

During the year, the other receivables of the Company are neither past due nor impaired.

33. Cash and bank balances

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Cash in hand and at bank	4,993,554	5,234,096	167,781	161,630
Deposits with licensed banks	7,340,301	6,669,749	1,580,245	1,117,628
Deposit with other financial institutions	-	87,103	-	-
	<u>12,333,855</u>	<u>11,990,948</u>	<u>1,748,026</u>	<u>1,279,258</u>
Analysed as:				
Non-current (Note 25)	-	24,663	-	-
Current	12,333,855	11,966,285	1,748,026	1,279,258
	<u>12,333,855</u>	<u>11,990,948</u>	<u>1,748,026</u>	<u>1,279,258</u>

The range of interest rates and maturities of the term deposits as at 31 December 2022 is disclosed in Note 43(b).

34. Investment in money market instruments

Investment in money market instruments relates to short term commercial papers.

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35. Borrowings

Group	Note	Short term RM'000	Long term RM'000	Total RM'000
2022				
Khazanah bonds	(i)	1,934,967	3,832,315	5,767,282
Secured bonds and notes	(ii)	55,000	625,000	680,000
Unsecured bonds and notes	(iii)	4,069,113	30,085,492	34,154,605
Exchangeable Trust Certificates	(iv)	1,014,749	-	1,014,749
Other borrowings	(v)	8,899,555	7,887,408	16,786,963
		<u>15,973,384</u>	<u>42,430,215</u>	<u>58,403,599</u>
Group	Note	Short term RM'000	Long term RM'000	Total RM'000
2021				
Khazanah bonds	(i)	2,443,710	5,499,418	7,943,128
Secured bonds and notes	(ii)	50,000	680,000	730,000
Unsecured bonds and notes	(iii)	3,202,111	30,378,501	33,580,612
Exchangeable Trust Certificates	(iv)	-	3,283,747	3,283,747
Other borrowings	(v)	4,352,859	7,523,209	11,876,068
		<u>10,048,680</u>	<u>47,364,875</u>	<u>57,413,555</u>
Company	Note	Short term RM'000	Long term RM'000	Total RM'000
2022				
Khazanah bonds	(i)	1,934,967	3,832,315	5,767,282
Unsecured bonds and notes	(iii)	2,600,000	27,488,855	30,088,855
Exchangeable Trust Certificates	(iv)	1,014,749	-	1,014,749
Other borrowings	(v)	3,292,000	2,600,000	5,892,000
		<u>8,841,716</u>	<u>33,921,170</u>	<u>42,762,886</u>

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35. Borrowings (cont'd.)

Company	Note	Short term RM'000	Long term RM'000	Total RM'000
2021				
Khazanah bonds	(i)	2,443,710	5,499,418	7,943,128
Unsecured bonds and notes	(iii)	2,400,000	27,225,793	29,625,793
Exchangeable Trust Certificates	(iv)	-	3,283,747	3,283,747
Other borrowings	(v)	1,610,000	2,600,000	4,210,000
		<u>6,453,710</u>	<u>38,608,958</u>	<u>45,062,668</u>

(i) Khazanah bonds

Company	Note	Short term RM'000	Long term RM'000	Total RM'000
2022				
Khazanah Bonds	(A)	<u>1,934,967</u>	<u>3,832,315</u>	<u>5,767,282</u>
2021				
Khazanah Bonds	(A)	<u>2,443,710</u>	<u>5,499,418</u>	<u>7,943,128</u>

(A) Khazanah Bonds

	Company	
	2022 RM'000	2021 RM'000
At 1 January	7,943,128	9,877,915
Issued during the year		
Amortisation of discounts for the year (Note 11)	324,154	365,213
Less: Redeemed during the year	<u>(2,500,000)</u>	<u>(2,300,000)</u>
At 31 December	<u>5,767,282</u>	<u>7,943,128</u>

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35. Borrowings (cont'd.)

(i) Khazanah bonds (cont'd.)

(A) Khazanah Bonds

On 29 May 2006, the Company launched a Government Guaranteed Bond programme of up to a total of RM20 billion in nominal value.

The details of the Khazanah Bonds are as follows:

- Issued under the Shariah principle of Musyarakah;
- Bear no coupon and shall be redeemed by the Company in full at their face value on the maturity dates;
- Subject to any written law, the Khazanah Bonds rank pari passu among themselves and equal with all other unsecured obligations (other than subordinated obligations and priorities created by law, if any) of the Government of Malaysia; and
- Are irrevocably guaranteed by the Government of Malaysia.

Khazanah Bonds of RM2.5 billion (2021: RM2.3 billion) was fully redeemed during the year.

The maturity structure of Khazanah Bonds is as follows:

	Company	
	2022	2021
	RM'000	RM'000
Due within one year		
Zero coupon Khazanah bonds, at nominal value	2,000,000	2,500,000
Less: Unamortised discount *	(65,033)	(56,290)
	1,934,967	2,443,710
Due after one year, and within five years		
Zero coupon Khazanah bonds, at nominal value	3,500,000	4,500,000
Less: Unamortised discount *	(339,850)	(433,462)
	3,160,150	4,066,538
Due after five years		
Zero coupon Khazanah bonds, at nominal value	1,000,000	2,000,000
Less: Unamortised discount *	(327,835)	(567,120)
	672,165	1,432,880
	5,767,282	7,943,128

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35. Borrowings (cont'd.)

(i) Khazanah bonds (cont'd.)

(A) Khazanah Bonds

Company	
2022	2021
RM'000	RM'000

* The total unamortised discount is derived as follows:

Total discount upon issuance	(7,819,164)	(7,819,164)
Total amortisation to date	7,086,446	6,762,292
Total unamortised discount at 31 December	<u>(732,718)</u>	<u>(1,056,872)</u>

(ii) Secured bonds and notes

Group	Note	Short term RM'000	Long term RM'000	Total RM'000
2022				
Prohawk	(A)	<u>55,000</u>	<u>625,000</u>	<u>680,000</u>
2021				
Prohawk	(A)	<u>50,000</u>	<u>680,000</u>	<u>730,000</u>

(A) Konsortium ProHAWK Sdn. Bhd. ("Prohawk")

IMTN

On 18 June 2013, Prohawk established an IMTN Programme under the Shariah Principle of Murabahah, with a nominal amount of up to RM900.0 million.

The IMTN is secured by a first ranking charge over all of Prohawk's assets, rights, interests and titles, including granting the right to the security agent to appoint a substituted entity to take over the concession.

There are several series within the issued tranches, each with different tenure and profit rate. The details of the IMTN issuance are as follows:

Issuance date	Tenures (Years)	Profit rate (% per annum)	At	During the year	At
			1 January 2022	Repayment	31 December 2022
			RM'million		
20 June 2013	17.5 - 20.0	5.24 - 5.35	200	-	200
20 December 2013	15.0 - 17.5	5.21 - 5.34	120	-	120
26 June 2014	13.0 - 15.0	5.21 - 5.32	120	-	120
22 December 2014	7.5 - 12.0	5.00 - 5.26	290	(50)	240
			<u>730</u>	<u>(50)</u>	<u>680</u>

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35. Borrowings (cont'd.)

(iii) Unsecured bonds and notes

Group	Note	Short term RM'000	Long term RM'000	Total RM'000
2022				
Islamic CP/MTN Programme				
Khazanah				
Danga Capital Berhad	(a)	-	10,000,000	10,000,000
Danum Capital Berhad	(b)	2,600,000	7,500,000	10,100,000
Dua Capital Ltd	(c)	-	4,404,670	4,404,670
Rantau Abang Capital Berhad	(d)	-	3,000,000	3,000,000
Medium term notes	(e)	-	2,584,185	2,584,185
UEM Sunrise	(f)	1,469,113	2,346,637	3,815,750
UEM Edgenta	(g)	-	250,000	250,000
		4,069,113	30,085,492	34,154,605
2021				
Islamic CP/MTN Programme				
Khazanah				
Danga Capital Berhad	(a)	-	10,000,000	10,000,000
Danum Capital Berhad	(b)	900,000	7,500,000	8,400,000
Dua Capital Ltd	(c)	-	4,152,921	4,152,921
Rantau Abang Capital Berhad	(d)	1,500,000	3,000,000	4,500,000
Medium term notes	(e)	-	2,572,872	2,572,872
UEM Sunrise	(f)	450,000	3,152,708	3,602,708
UEM Edgenta	(g)	252,184	-	252,184
United Growth Berhad ("UGB")	(h)	99,927	-	99,927
		3,202,111	30,378,501	33,580,612

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35. Borrowings (cont'd.)

(iii) Unsecured bonds and notes (cont'd.)

(a) Danga Capital Berhad ("Danga")

		Company	
	Note	2022 RM'000	2021 RM'000
Islamic Medium Term Note 1 ("IMTN 1")	(i)	1,500,000	1,500,000
Islamic Medium Term Note 3 ("IMTN 3")	(i)	1,500,000	1,500,000
Islamic Medium Term Note 4 ("IMTN 4")	(i)	1,500,000	1,500,000
Islamic Medium Term Note 5 ("IMTN 5")	(i)	1,500,000	1,500,000
Islamic Medium Term Note 6 ("IMTN 6")	(i)	2,000,000	2,000,000
Islamic Medium Term Note 7 ("IMTN 7")	(i)	500,000	500,000
Islamic Medium Term Note 8 ("IMTN 8")	(i)	1,500,000	1,500,000
		<u>10,000,000</u>	<u>10,000,000</u>

On 19 November 2008, the Securities Commission of Malaysia ("SC") approved a RM10 billion IMTN and MIMTN programme to be issued by the Company, via a special purpose vehicle, Danga Capital Berhad. The programme has a tenure of 35 years from the date of the first drawdown.

On 12 October 2015, the SC approved for the programme to be increased to RM20 billion.

The Company uses the proceeds for financing of general investments, refinancing of borrowings and working capital requirements.

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**Khazanah Nasional Berhad
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35. Borrowings (cont'd.)

(iii) Unsecured bonds and notes (cont'd.)

(a) Danga Capital Berhad ("Danga") (cont'd.)

(i) Islamic Medium Term Notes ("IMTN")

The details of the IMTNs are as follows:

	IMTN 1	IMTN 3	IMTN 4	IMTN 5	IMTN 6	IMTN 7	IMTN 8
Issuance date	29-Jan-15	23-Feb-16	6-Sep-17	26-Jan-18	21-Mar-18	25-Jan-21	25-Jan-21
Maturity date	29-Jan-30	24-Feb-26	6-Sep-27	26-Jan-33	21-Sep-33	25-Jan-24	25-Jan-28
Tenure	15 years	10 years	10 years	15 years	15.5 years	3 years	3 years
Yield to maturity	4.88%	4.60%	4.52%	4.94%	5.02%	2.32%	2.96%
Nominal amount	RM1.5 billion	RM1.5 billion	RM1.5 billion	RM1.5 billion	RM2.0 billion	RM0.5 billion	RM1.5 billion

The IMTNs are unsecured and were issued at par.

The IMTNs will make periodic distribution at the profit rate every six months from the issuance to maturity.

The maturity structure of the IMTNs is as follows:

	Company	
	2022	2021
	RM'000	RM'000
Due after one year, and within five years	3,500,000	2,000,000
Due after five years	6,500,000	8,000,000
	<u>10,000,000</u>	<u>10,000,000</u>

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35. Borrowings (cont'd.)

(iii) Unsecured bonds and notes (cont'd.)

(b) Danum Capital Berhad ("Danum")

	Company	
	2022	2021
	RM'000	RM'000
Islamic Medium Term Note 1 ("IMTN 1")	500,000	500,000
Islamic Medium Term Note 2 ("IMTN 2")	1,000,000	1,000,000
Islamic Medium Term Note 3 ("IMTN 3")	2,000,000	2,000,000
Islamic Medium Term Note 4 ("IMTN 4")	500,000	500,000
Islamic Medium Term Note 5 ("IMTN 5")	1,500,000	1,500,000
Islamic Medium Term Note 7 ("IMTN 7")	500,000	500,000
Islamic Medium Term Note 8 ("IMTN 8")	500,000	500,000
Islamic Medium Term Note 9 ("IMTN 9")	1,000,000	1,000,000
Islamic Medium Term Note 10 ("IMTN 10")	-	400,000
Islamic Medium Term Note 11 ("IMTN 11")	-	500,000
Islamic Medium Term Note 12 ("IMTN 12")	1,200,000	-
Islamic Medium Term Note 13 ("IMTN 13")	800,000	-
Islamic Medium Term Note 14 ("IMTN 14")	600,000	-
	<u>10,100,000</u>	<u>8,400,000</u>

On 14 February 2019, the SC approved a RM10 billion Sukuk financing to be issued by the Company, via a special purpose vehicle, Danum Capital Berhad. The programme has a tenure of 15 years from the date of the first drawdown.

On 28 March 2022, the SC approved for the programme to be upsized to RM20 billion.

The Company uses the proceeds for financing of general investments, refinancing of borrowings and working capital requirements.

The details of the Sukuk financing are as follows:

	IMTN 1	IMTN 2	IMTN 3	IMTN 4	IMTN 5	IMTN 6	IMTN 7
Issuance date	14-Feb-19	14-Feb-19	9-May-19	21-Feb-20	21-Feb-20	15-Apr-20	13-May-20
Maturity date	13-Feb-26	14-Feb-34	9-May-23	21-Feb-25	21-Feb-35	16-Apr-21	13-May-25
Tenure	7 years	15 years	4 years	5 years	15 years	1 year	5 years
Yield to maturity	4.30%	4.68%	3.96%	3.07%	3.42%	2.64%	2.97%
Nominal amount	RM0.5 billion	RM1.0 billion	RM2.0 billion	RM0.5 billion	RM1.5 billion	RM0.5 billion	RM0.5 billion
	IMTN 8	IMTN 9	IMTN 10	IMTN 11	IMTN 12	IMTN 13	IMTN 14
Issuance date	13-May-20	13-May-20	9-Mar-21	21-Apr-21	30-Jun-22	30-Jun-22	29-Apr-22
Maturity date	13-May-27	13-May-30	10-Mar-22	22-Apr-22	30-Jun-25	30-Jun-29	2-May-23
Tenure	7 years	10 years	1 year	1 year	3 years	7 years	1 year
Yield to maturity	3.14%	3.29%	2.12%	2.24%	4.02%	4.68%	2.55%
Nominal amount	RM0.5 billion	RM1.0 billion	RM0.4 billion	RM0.5 billion	RM1.2 billion	RM0.8 billion	RM0.6 billion

The Sukuk financing are unsecured and were issued at par.

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35. Borrowings (cont'd.)

(iii) Unsecured bonds and notes (cont'd.)

(b) Danum Capital Berhad ("Danum") (cont'd.)

The Sukuk financing will make periodic distribution at the profit rate every six months from the issuance to maturity.

During the year, the Company issued Danum IMTN 12, IMTN 13 and IMTN 14 for investment, refinancing of borrowings and general working capital requirements.

Danum IMTN 10 of RM400 million and Danum IMTN 11 of RM500 million were fully redeemed during the financial year 2022.

The maturity structure of the IMTNs is as follows:

	Company	
	2022	2021
	RM'000	RM'000
Due within one year	2,600,000	900,000
Due after one year, and within five years	3,200,000	3,500,000
Due after five years	4,300,000	4,000,000
	<u>10,100,000</u>	<u>8,400,000</u>

(c) Dua Capital Ltd. ("Dua")

	Company	
	2022	2021
	RM'000	RM'000
Islamic Medium Term Note 1 ("IMTN 1")	1,761,866	1,661,160
Islamic Medium Term Note 2 ("IMTN 2")	2,642,804	2,491,761
	<u>4,404,670</u>	<u>4,152,921</u>

On 11 May 2021, the Company has issued a dual-tranche Sukuk comprising a 5-year USD400 million in nominal value Sukuk due 2026 and a 10-year USD600 million in nominal value Sukuk due 2031 via a special purpose vehicle, Dua Capital Ltd.

The Company will use the proceeds for financing of general investments, refinancing of borrowings and working capital requirements.

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35. Borrowings (cont'd.)

(iii) Unsecured bonds and notes (cont'd.)

(c) Dua Capital Ltd. ("Dua") (cont'd.)

The details of the Sukuk financing are as follows:

	IMTN 1	IMTN 2
Issuance date	11-May-21	11-May-21
Maturity date	11-May-26	11-May-31
Tenure	5 years	10 years
Yield to maturity	1.66%	2.78%
Nominal amount	USD0.4 billion	USD0.6 billion

The Sukuk financing are unsecured and were issued at par.

The Sukuk financing will make periodic distribution at the profit rate every six months from the issuance to maturity.

The maturity structure of the Sukuk financing is as follows:

	Company	
	2022	2021
	RM'000	RM'000
Due after one year, and within five years	1,761,866	1,661,160
Due after five years	2,642,804	2,491,761
	<u>4,404,670</u>	<u>4,152,921</u>

(d) Rantau Abang Capital Berhad ("RACB")

	Company	
	2022	2021
	RM'000	RM'000
Medium Term Note 1 ("MTN 1")	1,000,000	1,000,000
Medium Term Note 2 ("MTN 2")	1,000,000	1,000,000
Medium Term Note 4 ("MTN 4")	-	1,500,000
Medium Term Note 6 ("MTN 6")	1,000,000	1,000,000
	<u>3,000,000</u>	<u>4,500,000</u>

On 24 February 2006, the SC approved a RM7 billion Sukuk financing to be issued by the Company, via a special purpose vehicle, Rantau Abang Capital Berhad. The programme has a tenure of 35 years from the date of the first

The Company will use the proceeds for financing of general investments, refinancing of borrowings and working capital requirements.

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35. Borrowings (cont'd.)

(iii) Unsecured bonds and notes (cont'd.)

(d) Rantau Abang Capital Berhad ("RACB") (cont'd.)

The details of the Sukuk financing are as follows:

	MTN 1	MTN 2	MTN 4	MTN 6
Issuance date	12-May-11	26-Mar-14	19-Oct-15	17-Jan-17
Maturity date	12-May-31	26-Mar-29	19-Oct-22	17-Jan-32
Tenure	20 years	15 years	7 years	15 years
Yield to maturity	5.05%	5.20%	4.57%	5.00%
Nominal amount	RM1.0 billion	RM1.0 billion	RM1.5 billion	RM1.0 billion

The Sukuk financing are unsecured and were issued at par.

The Sukuk financing will make periodic distribution at the profit rate every six months from the issuance to maturity.

During the year, the MTN 4 of RM1.5 billion were fully redeemed.

The maturity structure of the Sukuk financing is as follows:

	Company	
	2022	2021
	RM'000	RM'000
Due within one year	-	1,500,000
Due after five years	3,000,000	3,000,000
	<u>3,000,000</u>	<u>4,500,000</u>

(e) Medium term notes ("MTN")

On 30 January 2020, the Company has issued a medium term notes ("MTN") with nominal value of RM 2.9 billion. The MTN has a tenure of 20 years.

The details of the MTN is as follows:

Issuance date	30-Jan-20
Maturity date	30-Jan-40
Tenure	20 years
Profit rate	4.137%
Nominal amount	RM2,901 million

The maturity structure of the MTN is as follows:

	Company	
	2022	2021
	RM'000	RM'000
Due after five years		
MTN at nominal value	2,901,000	2,901,000
Less: Unamortised discount	(316,815)	(328,128)
	<u>2,584,185</u>	<u>2,572,872</u>

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35. Borrowings (cont'd.)

(iii) Unsecured bonds and notes (cont'd.)

(f) UEM Sunrise Berhad ("UEM Sunrise")

(i) UEM Sunrise ICPN and IMTN

In 2012, UEM Sunrise established an ICP Programme and an IMTN Programme, with a combined nominal value of RM2.0 billion and a sub-limit on the ICP Programme of RM500.0 million in nominal value. The ICP and IMTN Programmes have been assigned with a rating of MARC-1s /AA-1s respectively.

The details of the IMTN issuance are as follows:

Issuance date	Tenure (Years)	Profit rate (% per annum)	1 January 2022	Repayment during the year	31 December 2022
			RM'million		
10 April 2015	7	4.80	150	(150)	-
22 March 2019	5	4.75	300	-	300
10 June 2020	3	4.00	270	-	270
12 June 2020	3	4.00	150	-	150
21 September 2020	3	3.90	350	-	350
20 May 2021	5	4.60	300	-	300
8 September 2021	5	4.40	290	-	290
21 September 2021	4	4.25	150	-	150
			1,960	(150)	1,810
Discount on issuance			(7)	-	(7)
			<u>1,953</u>	<u>(150)</u>	<u>1,803</u>

In 2016, UEM Sunrise established its second ICP Programme and IMTN Programme with a combined nominal value of RM2.0 billion and a sub-limit on the ICP Programme of RM500.0 million in nominal value. The ICP and IMTN Programmes have been assigned a rating of MARC-1s /AA-1s respectively.

The details of the IMTN and ICP issuance are as follows:

Issuance date	Tenure (Years)	Profit rate (% per annum)	1 January 2022	Repayment during the year	31 December 2022
			RM'million		
20 May 2016	7	5.00	500	-	500
11 December 2017	5	5.06	300	(300)	-
11 December 2017	7	5.32	100	-	100
31 October 2018	5	4.98	100	-	100
31 October 2018	7	5.15	250	-	250
18 February 2021	3	4.00	230	-	230
18 February 2021	5	4.30	170	-	170
			1,650	(300)	1,350
Discount on issuance			(1)	-	(1)
			<u>1,649</u>	<u>(300)</u>	<u>1,349</u>

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35. Borrowings (cont'd.)

(iii) Unsecured bonds and notes (cont'd.)

(f) UEM Sunrise Berhad ("UEM Sunrise") (cont'd.)

(i) UEM Sunrise ICPN and IMTN (cont'd.)

In 2021, UEM Sunrise established its third ICP Programme and IMTN Programme with a combined aggregate limit of up to RM4.0 billion in nominal value. MARC has assigned a rating of MARC-1s /AA-Is for the ICP and IMTN Programmes respectively.

Issuance date	Tenure (Years)	Profit rate (% per annum)	At	During the year		At
			1 January 2022	Issuance	Repayment	31 December 2022
			RM'million			
15 February 2022	3	4.60	-	40	-	40
15 February 2022	0.75	3.30	-	10	(10)	-
12 April 2022	3	4.79	-	110	-	110
12 April 2022	1	3.55	-	100	-	100
19 September 2022	5	5.37	-	145	-	145
19 September 2022	3	5.03	-	150	-	150
13 December 2022	3	5.50	-	120	-	120
			-	675	(10)	665
Discount on issuance			-	(1)	-	(1)
			-	674	(10)	664

(g) UEM Edgenta

UEM Edgenta had established an ICP Programme and an IMTN Programme under the Shariah Principle of Murabahah via a Tawarruq Arrangement, which have a combined aggregate limit of up to RM1.0 billion in nominal value and a sub-limit on the ICP Programme of RM300.0 million in nominal value. The tenure for the ICP Programme and IMTN Programme are 7 and 30 years, respectively from the date of the first issue.

The details of the IMTN and ICP issuance and repayment are as follows:

Issuance date	Tenure (Years)	Profit rate (% per annum)	At	During the year		At
			1 January 2022	Issuance	Repayment	31 December 2022
			RM'million			
26 April 2017	5	4.85	252	-	(250)	2
26 April 2022	4	4.25	-	250	-	250
			252	250	(250)	252
Reclassification			-	-	(2)	(2)
			252	250	(252)	250

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35. Borrowings (cont'd.)

(iii) Unsecured bonds and notes (cont'd.)

(h) United Growth Berhad ("UGB")

On 21 June 2012, UEM, through UGB, established an IMTN Programme under the Shariah Principle of Musharakah, with a nominal amount of up to RM2.2 billion. On the same day, UGB issued RM100.0 million IMTN at a discounted price of RM98.8 million.

The tenure of the IMTN issued is 10 years and will be maturing on 21 June 2022. The IMTN carries a fixed profit rate of 4.73% per annum.

The discount of RM1.2 million is amortised over the tenure of the IMTN at an effective interest rate of 4.88% (2021: 4.88%) per annum. As at the reporting date, the carrying value of the IMTN, taking into consideration the unamortised portion of the discount, is as follows:

	2022	2021
	RM'000	RM'000
Principal	-	100,000
Unamortised discount	-	(73)
	<u>-</u>	<u>99,927</u>

(iv) Exchangeable Trust Certificates ("ETC")

	Note	Company	
		2022	2021
		RM'000	RM'000
USD320.8 million 5-year ETC	(a)	1,014,749	1,286,777
USD500 million 5-year ETC	(b)	-	1,996,970
		<u>1,014,749</u>	<u>3,283,747</u>

The maturity structure of the ETCs is as follows:

	Company	
	2022	2021
	RM'000	RM'000
Due within one year	<u>1,014,749</u>	<u>3,283,747</u>

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35. Borrowings (cont'd.)

(iv) Exchangeable Trust Certificates ("ETC") (cont'd.)

(a) USD320.8 million 5-year Exchangeable Trust Certificates

On 8 February 2018, the Company via an independent special purpose company, Cindai Capital Limited (the "Issuer"), issued a Shariah-compliant exchangeable trust certificates (the "Certificates").

The issuance comprise USD320.8 million 5-year Certificates with a put option on Year 3 and is exchangeable into ordinary shares of RMB1.00 each of CITIC Securities Co. Ltd. ("CITIC"), the Exchange Property, currently held by a subsidiary of the Company. The Certificates were priced at 100% of the principal amount at zero periodic payments and yield to optional/scheduled dissolution. Unless previously exchanged, redeemed, purchased or cancelled, the Certificates will be redeemed at 100.00% of their nominal amount on 8 February 2023 ("the Scheduled Dissolution Date").

Exchange Right

The Certificates are exchangeable for a pro-rata share of CITIC ordinary shares with par value of RMB1.00 each during the Exchange Period. Notwithstanding the Exchange Right, at any time when the delivery of Exchange Property is required to satisfy the Exchange Right, the Company has the option to purchase the Exchange Property for an amount equal to the Cash Settlement Amount.

The Exchange Property shall initially comprise 94,494,683 CITIC shares and include all Relevant Securities and other property arising out of or derived or resulting therefrom and such other property, in each case as may be deemed or required to comprise all or part of the Exchange Property pursuant to the Conditions, but excluding any such property as may or may be deemed to have ceased to form part of the Exchange Property.

Following the dividends declared by CITIC during the Exchange Period which exceeded the reference amount as defined in the Conditions of the Certificates, further adjustments to the Exchange Property were made resulting in the Certificates holders being entitled to receive 294.5594 shares and HKD873.12 cash as capital distribution for each USD1,000 nominal value of Certificates effective 26 August 2022.

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35. Borrowings (cont'd.)

(iv) Exchangeable Trust Certificates ("ETC") (cont'd.)

(a) USD320.8 million 5-year Exchangeable Trust Certificates (cont'd.)

Each Certificateholder has the right ("Exchange Right") to exchange a Certificate at any time during the Exchange Period, beginning on and including 21 March 2018 and ending on and including the earlier to occur of:

- (a) the close of business on the date which falls 10 Business Days prior to the Scheduled Dissolution Date; or
- (b) if the Certificates shall have been called for dissolution prior to the Scheduled Dissolution Date, the close of business on the day which falls 10 Business Days prior to the date fixed for dissolution.

Purchase and Cancellation

USD88 million in nominal value of the certificates have been purchased and cancelled during the year.

This note to the financial statements should be read in conjunction with the conditions set out in the offering circular dated 5 February 2018 relating to the Certificates.

(b) USD500 million 5-year Exchangeable Trust Certificates

On 8 August 2019, the Company via an independent special purpose company, Cerah Capital Limited (the "Issuer"), issued a Shariah-compliant exchangeable trust certificates (the "Certificates").

The issuance comprise USD500 million 5-year Certificates with a put option on Year 3 and is exchangeable into ordinary shares of RM1.00 each of CIMB Group Holdings Berhad ("CIMB"), the Exchange Property, currently held by Khazanah. The Certificates were priced at 100% of the principal amount at zero periodic payments and yield to optional/scheduled dissolution. Unless previously exchanged, redeemed, purchased or cancelled, the Certificates will be redeemed at 100.00% of their nominal amount on 8 August 2024 ("the Scheduled Dissolution Date").

Exchange Right

The Certificates are exchangeable for a pro-rata share of CIMB ordinary shares with par value of RM1.00 each during the Exchange Period. Notwithstanding the Exchange Right, at any time when the delivery of Exchange Property is required to satisfy the Exchange Right, the Company has the option to purchase the Exchange Property for an amount equal to the Cash Settlement Amount.

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35. Borrowings (cont'd.)

(iv) Exchangeable Trust Certificates ("ETC") (cont'd.)

(b) USD500 million 5-year Exchangeable Trust Certificates (cont'd.)

The Exchange Property initially comprise 335,702,654 CIMB shares and include all Relevant Securities and other property arising out of or derived or resulting therefrom and such other property, in each case as may be deemed or required to comprise all or part of the Exchange Property pursuant to the Conditions, but excluding any such property as may or may be deemed to have ceased to form part of the Exchange Property.

Following the dividends declared by CIMB during the Exchange Period which exceeded the reference amount as defined in the Conditions of the Certificates, further adjustments to the Exchange Property were made resulting in the Certificates holders being entitled to receive 737.9936 shares and RM83.00 cash as capital distribution for each USD1,000 nominal value of Certificates effective 25 April 2022.

Each Certificateholder has the right ("Exchange Right") to exchange a Certificate at any time during the Exchange Period, beginning on and including 18 September 2019 and:

- (a) up to a close of business on 25 July 2024; or
- (b) if the Certificates shall have been called for redemption prior to the Scheduled Dissolution Date, the close of business on the day which falls 10 Business Days prior to the date fixed for redemption.

Redemption

USD500 million in nominal amount of the certificates have been redeemed during the year.

This note to the financial statements should be read in conjunction with the conditions set out in the offering circular dated 5 August 2019 relating to the Certificates.

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35. Borrowings (cont'd.)

(v) Other borrowings

Group		Short term RM'000	Long term RM'000	Total RM'000
2022				
Secured:				
CIMA	(A)	-	65,000	65,000
Other term loans and payables	(B)	1,175,434	6,626,894	7,802,328
Loan from Government	(C)	487,551	-	487,551
Others	(D)	6,530,262	100,000	6,630,262
		<u>8,193,247</u>	<u>6,791,894</u>	<u>14,985,141</u>
Unsecured:				
Other term loans and payables	(B)	126,045	936,535	1,062,580
Others	(D)	580,263	158,979	739,242
		<u>706,308</u>	<u>1,095,514</u>	<u>1,801,822</u>
Total		<u>8,899,555</u>	<u>7,887,408</u>	<u>16,786,963</u>
		Short term RM'000	Long term RM'000	Total RM'000
2021				
Secured:				
CIMA	(A)	-	1,967	1,967
Other term loans and payables	(B)	1,018,284	7,260,811	8,279,095
Loan from Government	(C)	497,551	-	497,551
Others	(D)	2,141,187	100,000	2,241,187
		<u>3,657,022</u>	<u>7,362,778</u>	<u>11,019,800</u>
Unsecured:				
Other term loans and payables	(B)	22,147	22,146	44,293
Others	(D)	673,690	138,285	811,975
		<u>695,837</u>	<u>160,431</u>	<u>856,268</u>
Total		<u>4,352,859</u>	<u>7,523,209</u>	<u>11,876,068</u>

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35. Borrowings (cont'd.)

(v) Other borrowings (cont'd.)

Company		Short term RM'000	Long term RM'000	Total RM'000
2022				
Unsecured:				
Others	(D)	3,292,000	2,600,000	5,892,000
2021				
Unsecured:				
Others	(D)	1,610,000	2,600,000	4,210,000

(A) Cement Industries Of Malaysia Berhad ("CIMA")

In 2020, CIMA Group obtained a term loan facility at interest rate of 4.29% (2021: 3.23%) per annum, to part finance the acquisition of a plot of freehold land. The facility is secured by way of first party legal charge over the said freehold land, corporate guarantee from CIMA and letter of undertaking from UEM.

(B) Other term loans and payables

Included in the Group's term loans and payables are secured and unsecured term loans with interest rates ranging from 1.0% to 5.30% (2021: 1.0% to 5.64%) per annum and facility terms of 1 to 5 years.

Secured term loans of the Group are secured by the followings:

- (i) property, plant and equipment
- (ii) deposit with licensed banks
- (iii) investment assets
- (iv) assignment of proceeds
- (v) corporate guarantees

(C) Loan from Government

Iskandar Investment Berhad ("IIB"), a subsidiary of the Group, was granted a term loan facility of RM550 million from Ministry of Finance ("MOF"), Malaysia, to finance the Legoland Theme Park Project. The term loan is secured by way of debenture issued by IDR Assets Sdn. Bhd. ("IDRA"), a subsidiary of LL Malaysia Attractions Holdings Sdn. Bhd. ("LLMAH"), and is subject to interest charge at 3.75% per annum. The interest for the first 48 months is to be capitalised to the principal. The term loan including the capitalised interest is repayable from 2013 to 2026.

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35. Borrowings (cont'd.)

(v) Other borrowings (cont'd.)

(C) Loan from Government (cont'd.)

In prior years, Destination Resorts & Hotels Sdn. Bhd. ("DRHSB") (formerly known as Themed Attractions Resorts & Hotels Sdn. Bhd. ("TARH")), the holding company of IDRA had undertaken to complete the novation of the term loan by 31 December 2015 and assumed the liability in relation to the said loan.

On 14 September 2020, MOF has granted the following:

- (i) Deferment of principal and interest payment for year 2020 and 2021 amounting to RM141.2mil. The repayment schedule which was originally expected to end in 2026 has been revised to 2030 (2 years of deferment and 2 years for extension of repayment);
- (ii) Transfer of IDRA assets to LL Malaysia Taman Tema Sdn. Bhd. ("LLMTT"), a subsidiary of DRHSB and restructuring of loan to IIB with revised terms and conditions; and
- (iii) Subject to Clause 19 of the agreement, item number (i) and (ii) need to be finalised in a supplemental loan agreement and amended towards all security documents related to this loan.

On 2 October 2020, DRHSB issued a letter of undertaking ("LOU") pursuant to the new terms approved by MOF to IIB Group and IIB confirming that IIB Group and IIB will remain as a party to the MOF loan and DRHSB will continue to indemnify IIB for any claims, actions in relation to the MOF Loan. IIB shall not be liable for any amount owing under the MOF loan and DRHSB will be fully responsible for the payment and settlement of all the amounts owing under the MOF loan.

On 29 August 2021, both supplemental agreement to the facility agreement between MOF and IIB as well as deed of novation agreement between IIB, IDRA and LLMTT has signed and thereby executed.

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35. Borrowings (cont'd.)

(v) Other borrowings (cont'd.)

(D) Others

Included in other borrowings are:

(i) Revolving credit facilities

The revolving credit facilities bear interest at rates ranging from 0.73% to 5.35% (2021:0.54% to 4.32%) and from 2.33% to 3.53% (2021: 2.35% to 4.64%) per annum for Group and Company respectively.

(a) Company

The Company utilised RM2.45 billion in nominal value under the existing banking facilities of RM5.25 billion during the year.

The Company used the proceeds for Khazanah's investment and general working capital requirements.

The maturity structure of the revolving credit is as follows:

	Company	
	2022	2021
	RM'000	RM'000
Due within one year	<u>3,292,000</u>	<u>700,000</u>

(ii) Bank overdrafts

The bank overdrafts carry interest rates ranging of 5.64% (2021: 5.64%) per annum.

(iii) Structured Commodity Financing-i

The Structured Commodity Financing-i Facility is obtained for projects and working capital purposes which carries an average profit rate of 4.60% to 5.04% (2021: 3.60% to 4.08%) per annum.

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35. Borrowings (cont'd.)**(v) Other borrowings (cont'd.)****(D) Others (cont'd.)****(iv) Term loans - unsecured**

	Short term	Company	Total
	RM'000	Long term	RM'000
		RM'000	RM'000
2022			
Unsecured fixed term loans	-	2,500,000	2,500,000
Unsecured floating term loans	842,000	-	842,000
	<u>842,000</u>	<u>2,500,000</u>	<u>3,342,000</u>
2021			
Unsecured fixed term loans	<u>810,000</u>	<u>2,500,000</u>	<u>3,310,000</u>

The unsecured fixed term loans bear interest rate of 4.64% (2021: 2.35% to 4.64%) per annum.

The unsecured floating term loans bear interest rate ranging from 2.44% to 3.49% (2021: -) per annum.

The maturity structure of the term loans are as follows:

	Company	
	2022	2021
	RM'000	RM'000
Due within one year	842,000	810,000
Due after one year, and within five years	<u>2,500,000</u>	<u>2,500,000</u>

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35. Borrowings (cont'd.)

(v) Other borrowings (cont'd.)

(D) Others (cont'd.)

(v) Ihsan Sukuk Berhad

	Company	
	2022	2021
	RM'000	RM'000
Medium Term Note 1 ("MTN 1")	-	100,000
Medium Term Note 2 ("MTN 2")	100,000	100,000
	<u>100,000</u>	<u>200,000</u>

On 11 March 2015, the SC approved a RM1 billion in nominal value, Sukuk Programme to be established under the Sustainable and Responsible Investment Sukuk framework ("Sukuk Programme") to be issued by the Company, via a special purpose vehicle, Ihsan Sukuk Berhad. The programme has a tenure of 25 years from the date of the first issuance under the Sukuk Programme.

The Company will use the proceeds for the purpose of funding Shariah-compliant Eligible Sustainable and Responsible Investment.

The details of the Ihsan Sukuk are as follows:

	MTN 1	MTN 2
Issuance date	18-Jun-15	8-Aug-17
Maturity date	18-Jun-22	8-Aug-24
Tenure	7 years	7 years
Profit rate	4.30%	4.60%
Nominal amount	RM100 million	RM100 million

The Ihsan Sukuk are unsecured and issued at par. The proceeds were utilised to fund Yayasan Amir Trust Schools Programme ("Yayasan Amir"). Yayasan Amir is a not-for-profit foundation established on 26 October 2010 to improve accessibility to quality education in government schools through a Public-Private-Partnership with the Ministry of Education of Malaysia.

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35. Borrowings (cont'd.)

(v) Other borrowings (cont'd.)

(D) Others (cont'd.)

(v) Ihsan Sukuk Berhad (cont'd.)

MTN 1

The Ihsan Sukuk will make annual distribution at the profit rate from the issuance to maturity. In relation to the repayment of the Principal, the Company shall reduce the amount to be repaid by 6.22% (by redeeming the Ihsan Sukuk at 93.78%) in the event Yayasan Amir meets its key performance indicators ("KPIs") pursuant to the conditions of the Ihsan Sukuk.

As the KPIs were met, the nominal value of the Ihsan Sukuk MTN 1 was adjusted to RM93,780,000 and it was fully redeemed during the financial year end 2022.

This note to the financial statements should be read in conjunction with the conditions set out in the information memorandum dated 11 June 2015 relating to the Ihsan Sukuk.

MTN 2

The Ihsan Sukuk will make annual distribution at the profit rate from the issuance to maturity. In relation to the repayment of the Principal, the Company shall reduce the amount to be repaid by 3.18% (by redeeming the Ihsan Sukuk at 96.82%) in the event Yayasan Amir meets its key performance indicators ("KPIs") pursuant to the conditions of the Ihsan Sukuk.

This note to the financial statements should be read in conjunction with the conditions set out in the prospectus dated 13 July 2017 relating to the Ihsan Sukuk.

The First and Second Sukuk Ihsan Sukukholders may exercise their option to waive the repayment of the principal and profit of the IMTNs at any time during the tenure of the First and Second Sukuk Ihsan.

The potential reduction to the dissolution distribution amount and the potential waiver above give rise to embedded derivative. The embedded derivative cannot be reliably measured thus bifurcated and carried at RMNil due to the uncertainty in determining the ability of Yayasan Amir to meet the KPIs.

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35. Borrowings (cont'd.)

(v) Other borrowings (cont'd.)

(D) Others (cont'd.)

(v) Ihsan Sukuk Berhad (cont'd.)

The maturity structure of the Ihsan Sukuk financing is as follows:

	Company	
	2022	2021
	RM'000	RM'000
Due within one year	-	100,000
Due after one year, and within five years	100,000	100,000
	<u>100,000</u>	<u>200,000</u>

The movement in the borrowings are as follows:

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
At 1 January	57,413,555	60,038,363	45,062,668	42,610,496
Drawdown	13,508,086	15,374,573	5,592,000	9,328,121
Repayment	(13,805,126)	(12,273,397)	(6,210,000)	(7,460,816)
Conversion of loan to equities	-	(7,082,947)	-	-
Redemption of Exchangeable Trust Certificates	(2,810,670)	(12,907)	(2,810,670)	(12,907)
Unrealised loss/(gain) on foreign exchange	3,655,778	945,653	686,912	173,557
Amortisation of discount on Exchangeable Trust Certificates (Note 11)	117,822	59,004	117,822	59,004
Amortisation of discounts on Khazanah Bonds (Note 11)	324,154	365,213	324,154	365,213
At 31 December	<u>58,403,599</u>	<u>57,413,555</u>	<u>42,762,886</u>	<u>45,062,668</u>

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36. Trade payables

	Note	Group 2022 RM'000	2021 RM'000
Trade payables		1,685,091	1,627,102
Contract liabilities	25(iii)	135,819	92,419
		<u>1,820,910</u>	<u>1,719,521</u>

The payables are interest free and the normal trade credit terms granted to the Group range from 30 days to 90 days (2021: 30 days to 90 days).

37. Other current liabilities

	Note	Group 2022 RM'000	2021 RM'000	Company 2022 RM'000	2021 RM'000
Interest payable	(i)	214,876	135,558	400,345	413,558
Amount due to related companies	(ii)	136,980	229,563	766,584	1,413,606
Accruals		2,643,577	2,132,227	141,535	97,673
Sales in advance of carriage	(iii)	2,261,060	904,036	-	-
Amount due to associates	(iv)	77,347	29,694	-	-
Insurance payables		35,013	-	-	-
Government grant	40(i)	2,884	247	-	-
Retirement benefit obligations and provision for employee entitlements	38	1,719	1,403	-	-
Deferred liabilities and income	40(iii)	77,886	476,658	-	-
Provision for aircraft redelivery costs	(v)	3,186,829	2,492,507	-	-
Other payables		2,784,749	2,214,836	71,503	95,102
		<u>11,422,920</u>	<u>8,616,729</u>	<u>1,379,967</u>	<u>2,019,939</u>

The terms and conditions of the above liabilities are as follows:

- (i) Interest payable is normally settled quarterly, semi-annually or annually throughout the financial year, depending on the terms of the respective borrowings of the Company.
- (ii) The amount due to related companies is unsecured, interest free and is repayable on demand.

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37. Other current liabilities (cont'd.)

The terms and conditions of the above liabilities are as follows: (cont'd.)

- (iii) Sales in advance of carriage represents the value of unutilised passenger tickets and cargo airway bills in respect of transportation services not yet rendered as at the reporting date.
- (iv) The amount due to associates is unsecured, interest free and is repayable on demand.
- (v) The Group leases majority of its aircraft and engines, whereby under the terms of the leases, these aircraft and engines are to be returned substantially in the original state when they were leased. Provisions are made based on the estimated hours flown and estimated costs of maintenance required. These estimates are based on past experiences and are regularly reviewed to ensure they approximate actual costs.

Group	2022 RM'000	2021 RM'000
At 1 January	2,492,507	2,454,062
Additional provision (Note 7)	1,074,482	305,800
Reversal of provision (Note 7)	(380,160)	(267,355)
At 31 December	<u>3,186,829</u>	<u>2,492,507</u>

All other balances of financial liabilities above are unsecured, interest free and are normally settled on 30 to 180 days (2021: 30 to 180 days) terms.

38. Retirement benefit obligations and provision for service entitlements

Group

	Note	Retirement benefit obligation RM'000	Provision for service entitlements RM'000	Total RM'000
At 1 January 2022		30,781	29,539	60,320
Exchange differences		(80)	186	106
Arising during the year	8	881	653	1,534
Payments made during the year		(1,925)	-	(1,925)
At 31 December 2022		<u>29,657</u>	<u>30,378</u>	<u>60,035</u>
Less: Current portion	37	<u>(1,719)</u>	-	<u>(1,719)</u>
Long term portion	40	<u>27,938</u>	<u>30,378</u>	<u>58,316</u>

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38. Retirement benefit obligations and provision for service entitlements (cont'd.)

Group

	Note	Retirement benefit obligation RM'000	Provision for service entitlements RM'000	Total RM'000
At 1 January 2021		33,588	28,989	62,577
Exchange differences		78	109	187
Arising during the year	8	845	621	1,466
Payments made during the year		(3,730)	(180)	(3,910)
At 31 December 2021		30,781	29,539	60,320
Less: Current portion	37	(1,403)	-	(1,403)
Long term portion	40	29,378	29,539	58,917

(a) Retirement benefit obligations

Provision for retirement benefits mainly arising from:

CIMA

The liabilities and costs relating to the benefit are provided by CIMA pursuant to the Collective Agreement entered between CIMA and Cement Industry Employees' Union. Under the scheme, eligible employees are entitled to retirement benefits upon reaching the retirement age of 60.

The retirement benefit is only payable to unionised employees who:

- (a) retire on attainment of age 60, as appropriate; or
- (b) are medically boarded out; or
- (c) die in service; or
- (d) resign voluntarily after 10 years of company service; or
- (e) promoted to executive or supervisor level

CIMA Group maintains a book reserve in respect of the liabilities based on the actuarial valuation updated by an independent actuary on 31 December 2022. The retirement plan is currently not funded and there are no physical assets set aside for the cost of the benefits. The schemes assets are invested in a Group Pension Contract insured with Clerical Medical. Other than the decision to remain invested in the Group Pension Contract, the trustees and Group do not have control over asset allocation.

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38. Retirement benefit obligations and provision for service entitlements (cont'd.)

(a) Retirement benefit obligations (cont'd.)

Edgenta UEMS Ltd

Edgenta UEMS Ltd, a subsidiary of UEMS Pte Ltd, has a retirement plan covering all its regular employees who opted for defined benefits plan. Benefits under the plan are based on the length of service and estimated base pay at the time of retirement. The pension assets and liabilities are valued on annual basis by independent actuary, taking into account gains and losses.

The plan assets, comprising cash and cash equivalents, are deposited with the Bank of Taiwan and are managed by the Government of Taiwan. The plan assets do not have quoted market prices in active market.

UEM Edgenta Berhad ("UEM Edgenta")

UEM Edgenta Group operates an unfunded, defined benefit retirement benefit scheme for its eligible employees ("Scheme"). The Scheme is closed to new employees. Under the Scheme, eligible employees are entitled to retirement benefits on attainment of the retirement age of 60, on medical incapacity or on death. The present value of defined benefit obligation is based on the actuarial valuation report by an independent actuary dated 9 January 2023.

Trichy Padalur Tollways Private Limited ("TPTPL")

TPTPL operates a defined benefit plan for its employees for gratuity. Under the gratuity plan, every employee who has completed at least five years of service gets a gratuity on departure. The present value of defined benefit plan was based on the actuarial valuation report by an actuary dated 10 January 2023.

(b) Provision for employee entitlements

Provision for employee entitlements comprises provision for retirement leave entitlements of eligible employees of a foreign subsidiary. The provisions are in respect of both vested and unvested entitlements, and are made by reference to independent actuarial valuations.

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39. Other reserves

Group	Foreign currency translation reserve RM'000 Note (a)	Fair value adjustment reserve RM'000 Note (b)	Cash flow hedge reserve RM'000 Note (c)	Share option reserve RM'000 Note (d)	Statutory reserve RM'000 Note (e)	Retirement benefit reserve RM'000 Note (f)	Others RM'000	Total RM'000
2022								
At 1 January	2,002,308	2,495,591	(562,314)	(80,908)	(362,636)	(2,084,994)	(62,990)	1,344,057
Foreign currency translation differences of foreign operations	1,283,049	-	-	-	-	-	-	1,283,049
Net loss on fair value of other comprehensive income	-	(667,394)	-	-	-	-	-	(667,394)
Net loss on fair value of cash flow hedges	-	-	(237,894)	-	-	-	-	(237,894)
Actuarial gain on retirement benefit plan	-	-	-	-	-	164,304	-	164,304
Total other comprehensive income/(loss)	1,283,049	(667,394)	(237,894)	-	-	164,304	-	542,065

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39. Other reserves (cont'd.)

Group (cont'd.)	Foreign currency translation reserve RM'000 Note (a)	Fair value adjustment reserve RM'000 Note (b)	Cash flow hedge reserve RM'000 Note (c)	Share option reserve RM'000 Note (d)	Statutory reserve RM'000 Note (e)	Retirement benefit reserve RM'000 Note (f)	Others RM'000	Total RM'000
2022 (cont'd.)								
Disposal of subsidiaries	(8,480)	-	-	-	-	-	-	(8,480)
Disposal of associates	(13,321)	15,304	26,368	(1,691)	16,077	(1,832)	(3,354)	37,551
Disposal of other financial investments	-	(480,533)	-	-	-	-	-	(480,533)
Share of reserves of associates and joint ventures	-	-	-	692	-	-	156,786	157,478
Derecognition of put option	-	-	-	-	-	-	(4)	(4)
Transfer to:								
- statutory reserve	-	-	-	-	82,380	-	-	82,380
- general reserve	-	-	-	-	-	-	50,177	50,177
- capital reserve	-	-	-	-	-	-	12,629	12,629
- distributable retained profits	-	-	-	-	-	-	-	-
Share based payments	-	-	-	10,132	-	-	-	10,132
Total transactions with owners	(21,801)	(465,229)	26,368	9,133	98,457	(1,832)	216,234	(138,670)
At 31 December	3,263,556	1,362,968	(773,840)	(71,775)	(264,179)	(1,922,522)	153,244	1,747,452

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39. Other reserves (cont'd.)

Group	Foreign currency translation reserve RM'000 Note (a)	Fair value adjustment reserve RM'000 Note (b)	Cash flow hedge reserve RM'000 Note (c)	Share option reserve RM'000 Note (d)	Statutory reserve RM'000 Note (e)	Retirement benefit reserve RM'000 Note (f)	Others RM'000	Total RM'000
2021								
At 1 January	636,492	2,807,116	(592,265)	(98,536)	(338,864)	(2,563,044)	2,993	(146,108)
Foreign currency translation differences of foreign operations	685,405	-	-	-	-	-	-	685,405
Net gain on fair value of other comprehensive income	-	806,345	-	-	-	-	-	806,345
Net gain on fair value of cash flow hedges	-	-	13,553	-	-	-	-	13,553
Actuarial gain on retirement benefit plan	-	-	-	-	-	342,983	-	342,983
Total other comprehensive income	685,405	806,345	13,553	-	-	342,983	-	1,848,286

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39. Other reserves (cont'd.)

Group (cont'd.)	Foreign currency translation reserve RM'000 Note (a)	Fair value adjustment reserve RM'000 Note (b)	Cash flow hedge reserve RM'000 Note (c)	Share option reserve RM'000 Note (d)	Statutory reserve RM'000 Note (e)	Retirement benefit reserve RM'000 Note (f)	Others RM'000	Total RM'000
2021 (cont'd.)								
Disposal of subsidiaries	689,642	-	-	-	-	-	-	689,642
Disposal of associates	(9,231)	(6,411)	16,398	(870)	11,011	-	(9,110)	1,787
Disposal of other financial investments	-	(1,111,459)	-	-	-	-	-	(1,111,459)
Shares of reserves of associates and joint ventures	-	-	-	18,498	-	135,067	(55,968)	97,597
Transfer to:								
- statutory reserve	-	-	-	-	(34,783)	-	-	(34,783)
- general reserve	-	-	-	-	-	-	(905)	(905)
-distributable retained profits	-	-	-	-	-	-	-	-
Total transactions with owners	680,411	(1,117,870)	16,398	17,628	(23,772)	135,067	(65,983)	(358,121)
At 31 December	2,002,308	2,495,591	(562,314)	(80,908)	(362,636)	(2,084,994)	(62,990)	1,344,057

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39. Other reserves (cont'd.)

- (a) The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.
- (b) Fair value adjustment reserve represents the cumulative fair value changes, net of tax, of fair value through other comprehensive income financial assets until they are disposed of or impaired.
- (c) The cash flow hedge reserve represents the cumulative effective portion of gains or losses arising on change in fair value of hedging instruments entered into for cash flow hedges. The cumulative gains or losses in fair value of cash flow hedges will be reclassified to profit or loss only when the hedged transaction affects the profit or loss.
- (d) Share option reserve represents the equity-settled share options granted to employees of the Group. The reserve is made up of the cumulative value of services received from employees recorded over the vesting period commencing from the grant date of equity-settled share options.
- (e) The statutory reserve of the Group is maintained in compliance with the requirements of Bank Negara Malaysia. This reserve is not distributable as cash dividends.
- (f) The retirement benefit reserve relates to the actuarial gain or losses for the defined benefit plans of the Group.
- (g) The capital contribution from the shareholders relates to contribution from the holding company, where no repayment is expected.

40. Other non-current liabilities

		Group	
		2022	2021
	Note	RM'000	RM'000
Retirement benefit obligation and provision for employee entitlements	38	58,316	58,917
Government grants	(i)	45,510	50,784
Insurance contract liabilities	(ii)	4,613,090	4,373,412
Deferred liabilities and income	(iii)	1,762,478	1,818,169
Contract liabilities	25(iii)	239,678	240,635
Others		3,074,779	3,292,437
		<u>9,793,851</u>	<u>9,834,354</u>

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40. Other non-current liabilities (cont'd.)

(i) Government grants

	Note	Group 2022 RM'000	2021 RM'000
At 1 January		51,031	54,826
Recognised in profit or loss	7	(2,637)	(3,795)
At 31 December		48,394	51,031
Analysed as:			
Current	37	2,884	247
Non-current		45,510	50,784
		48,394	51,031

Government grants granted to subsidiaries comprise the following:

- (i) Technology Development Cluster grant was given for the development of the University Supported Technology Incubation Centre Project under the Seventh Malaysian Plan.
- (ii) The Research and Information Database Homepage ("RAIDAH") grant is for the development of a technology database projects. The grant has been fully utilised in 2021.
- (iii) A subsidiary of Agrifood Resources Holdings Berhad, Blue Archipelago Berhad, was given a grant to fund the implementation of the Integrated Aquaculture Shrimp Park Project.
- (iv) Grant from Unit Kerjasama Awam Swasta ("UKAS") to fund Iskandar Malaysia Studios Sdn. Bhd. ("IMS") for the cost of eligible capital expenditure.
- (v) Cenergi SEA Berhad ("Cenergi") has received grants for the purchase of certain development costs of concession assets. There are no unfulfilled or contingencies attached to these grants. The grants were awarded to IRM Solar Sdn. Bhd. for the construction of the solar power plant at Titi Tinggi, Perlis.

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40. Other non-current liabilities (cont'd.)

(ii) Insurance contract liabilities

	Group	
	2022	2021
	RM'000	RM'000
Gross		
Life insurance and family takaful	<u>4,719,504</u>	<u>4,585,559</u>
Reinsurance		
Life insurance	<u>(106,414)</u>	<u>(212,147)</u>
Net		
Life insurance and family takaful	<u>4,613,090</u>	<u>4,373,412</u>

(iii) Deferred liabilities and income

Group	Deferred income RM'000
2022	
Amount recognised	2,306,829
Accumulated realisation	<u>(466,465)</u>
	<u>1,840,364</u>
Due within 12 months (Note 37)	77,886
Due after 12 months	<u>1,762,478</u>
	<u>1,840,364</u>
2021	
Amount recognised	2,707,452
Accumulated realisation	<u>(412,625)</u>
	<u>2,294,827</u>
Due within 12 months (Note 37)	476,658
Due after 12 months	<u>1,818,169</u>
	<u>2,294,827</u>

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40. Other non-current liabilities (cont'd.)

(iii) Deferred liabilities and income (cont'd.)

Included in deferred income is the following:

(a) Deferred lease rental income

Deferred lease rental income comprises lease rental income received in advance from a third party upon the assignment of the lease, with respect to long term leasehold land of a subsidiary, to the third parties. Deferred lease rental is amortised on a straight-line basis over the lease tenure period.

41. Lease liabilities

Under the terms of the finance lease, the Group has the option to buy the aircraft from the lessor at a predetermined price. In the event the lessee exercises the option to buy the aircraft at the purchase option date, the purchase price comprises total sum of the purchase option price and rent of the aircraft due and payable on the purchase option date.

The finance lease of the Group has tenure ranging between 5 to 12 years. The range of interest rate as at the reporting date ranging between 0.17% to 5.78%.

Set out below is the carrying amount of the lease liabilities and the movements during the year:

	Group	
	2022	2021
	RM'000	RM'000
At 1 January	7,600,617	9,708,092
Addition	38,750	13,890
Accretion of interest	332,621	11,160
Payment	(934,159)	(845,980)
Lease modifications	356,103	(1,209,094)
Disposal	(5,685)	(87,180)
Foreign currency translation	885	9,729
	<u>7,389,132</u>	<u>7,600,617</u>

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41. Lease liabilities (cont'd.)

Analysed as:

	Group	
	2022 RM'000	2021 RM'000
Amount due within 12 months	1,216,116	738,192
Amount due after 12 months	6,173,016	6,862,425
	<u>7,389,132</u>	<u>7,600,617</u>

The maturities of the lease liabilities as at 31 December as at below:

	Group	
	2022 RM'000	2021 RM'000
Not later than one year	1,216,116	738,192
More than 1 year and within 5 years	4,013,861	3,401,770
More than 5 years	2,159,155	3,460,655
	<u>7,389,132</u>	<u>7,600,617</u>

The following are the amounts recognised in profit or loss:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Depreciation expense of right-of-use assets	1,037,974	1,014,012	-	-
Interest expense on lease liabilities	348,776	354,709	-	-
Expenses relating to short term leases	23,829	23,646	13,983	14,873
Expenses relating to leases of low-value assets	2,887	7,187	-	-

42. Ordinary and preference shares

Issued and fully paid-up:

	Number of ordinary shares		Amount	
	2022 '000	2021 '000	2022 RM'000	2021 RM'000
At 1 January	5,443,953	5,443,953	12,284,201	12,283,201
Redeemed out of profits	-	-	-	1,000
At 31 December	<u>5,443,953</u>	<u>5,443,953</u>	<u>12,284,201</u>	<u>12,284,201</u>

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42. Ordinary and preference shares (cont'd.)

Issued and fully paid-up:

	Number of RCCPS		Amount	
	2022 '000	2021 '000	2022 RM'000	2021 RM'000
At 1 January	-	1,000	-	1,000
Redemption of RCCPS	-	(1,000)	-	(1,000)
At 31 December	-	-	-	-
Total ordinary and preference shares	5,443,953	5,443,953	12,284,201	12,284,201

(a) The Company has redeemed the RCCPS in 2021.

43. Financial risk management objectives and policies

The Group and the Company are exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include equity price, fuel price, interest rate, foreign currency, credit and liquidity risks. The Group and the Company have an approved set of guidelines and policies as well as internal controls which set out its overall business strategies to manage these risks. The Group's and the Company's overall financial risk management objective is to enhance shareholders' value through effective management of the Group's and the Company's risks. Although this guiding principle and objective is consistent throughout the Group, the Group consists of subsidiaries and subsidiaries group with their own governing Boards that will apply and determine the implementation of these policies in respect of each individual company.

The Board of Directors reviews and agrees policies and procedures for the management of these risks. The following sections provide details regarding the Group's and the Company's exposure to the abovementioned financial risks and the objectives, policies and processes for the management of these risks.

(a) Equity price risk

Equity price risk is the risk that the fair value or future cash flows of the Group's equity instruments will fluctuate because of changes in equity prices (other than interest or exchange rates).

The Group is exposed to equity price risk arising from its investment in quoted equity instruments. The quoted equity instruments are designated as fair value through profit or loss or FVOCI assets.

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43. Financial risk management objectives and policies (cont'd.)

(a) Equity price risk (cont'd.)

The Group and the Company's quoted equity securities are susceptible to market price risk arising from the uncertainties on future values of the investment securities. The Group and the Company manages the equity price risk through diversification and placing limits on individual and total equity instruments. Reports on the equity portfolio monitoring are submitted to the Group and the Company's senior management on a regular basis. The Group and the Company's Board of Directors reviews and approves all equity investment decisions.

Equity/investment risk management includes due diligence in screening the investment proposals according to the Group investment guidelines and procedures, constant communication and close monitoring of the performance of investee companies.

Sensitivity analysis for equity price risk

The following table demonstrates the sensitivity to a reasonably possible change in the equity price, with all other variables held constant, of the Group's equity (due to changes in the fair value of FVOCI investments) and profit or loss (due to changes in the fair value of equity investments designated at fair value through profit or loss).

	Effect on equity RM'000	Effect on profit or loss RM'000
Group		
2022		
Increase in 12% of equity price	2,185,428	3,196,002
Decrease in 12% of equity price	<u>(2,185,428)</u>	<u>(3,196,002)</u>
2021		
Increase in 12% of equity price	2,046,523	2,790,020
Decrease in 12% of equity price	<u>(2,046,523)</u>	<u>(2,790,020)</u>

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43. Financial risk management objectives and policies (cont'd.)

(a) Equity price risk (cont'd.)

Sensitivity analysis for equity price risk (cont'd.)

The following table demonstrates the sensitivity to a reasonably possible change in the equity price, with all other variables held constant, of the Group's equity (due to changes in the fair value of FVOCI investments) and profit or loss (due to changes in the fair value of equity investments designated at fair value through profit or loss). (cont'd.)

Company	Effect on equity RM'000	Effect on profit or loss RM'000
2022		
Increase of 10% in equity price	-	520,700
Decrease of 10% in equity price	-	(520,700)
2021		
Increase of 10% in equity price	-	407,300
Decrease of 10% in equity price	-	(407,300)

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43. Financial risk management objectives and policies (cont'd.)

(b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates.

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's loans and borrowings with floating interest rates.

The Group actively manages its interest rate risk by maintaining a portfolio of financial instruments, including derivatives guided by its investment guidelines and policies, and regular reviews of its debt portfolio, interest rates and market expectations. The Company actively manages its interest rate risk by maintaining an interest cover ratio of at least one and a half times.

Sensitivity analysis for interest rate risk

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's profit/(loss) before tax (due to changes in the interest expense on floating rate borrowings and interest rate derivatives) and equity (due to changes in the cash flow hedge). There is no impact on the Company's equity:

	Group		Company	
	Effect on equity RM'000	Effect on profit or loss RM'000	Effect on equity RM'000	Effect on profit or loss RM'000
2022				
Increase in 25 basis points	-	2,195	-	(10,335)
Decrease in 25 basis points	-	(2,195)	-	10,335
2021				
Increase in 25 basis points	810	2,851	-	(3,775)
Decrease in 25 basis points	(810)	(2,851)	-	3,775

The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

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43. Financial risk management objectives and policies (cont'd.)

(b) Interest rate risk (cont'd.)

Weighted average interest rate and average maturity

The weighted average interest/profit rates per annum and the average maturity on the financial assets and financial liabilities as at 31 December were as follows:

Financial assets

Group	2022		2021	
	Weighted average interest rates %	Average maturity days	Weighted average interest rates %	Average maturity days
Licensed banks	3.73	1 to 365	2.66	1 to 365

Company	2022		2021	
	Weighted average interest rates %	Average maturity days	Weighted average interest rates %	Average maturity days
Licensed banks	2.59	27	1.87	19

Financial liabilities

Group	2022		2021	
	Weighted average interest rates %	Average maturity days	Weighted average interest rates %	Average maturity days
Bank overdrafts	6.39	Within 1 year	5.64	Within 1 year
Revolving credit	3.66	Within 1 year	3.03	Within 1 year
Finance lease and hire purchase	3.53	1 to 12 years	3.68	1 to 12 years
Term loans	4.20	1 to 5 years	3.59	1 to 5 years

Company	2022		2021	
	Interest rates %	Years to maturity	Interest rates %	Years to maturity
Revolving credit	3.47	Within 1 year	2.44	Within 1 year
Term loans	4.51	Within 3 years	4.08	Within 4 years
Bonds and notes	4.08	Within 18 years	4.06	Within 19 years

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43. Financial risk management objectives and policies (cont'd.)

(c) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group's and the Company's exposure to foreign exchange risk arises mainly from borrowings, operating revenues and expenses which are denominated in foreign currencies mainly US Dollar ("USD"), Chinese Renminbi ("CNY") and Singapore Dollar ("SGD").

The Group maintains a natural hedge, whenever possible, by borrowings in the currency of the country in which the property or investment is located or by borrowing in currencies that match the future revenue streams to be generated from its investments. The company maintains a natural hedge strategy as the proceeds from the floating term loan, ETCs and MIMTN were used for investments in USD and SGD respectively.

Foreign exchange exposures in transactional currencies other than functional currencies of the operating entities are kept to an acceptable level and short term imbalances are addressed by buying or selling foreign currencies at spot rates.

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity to a reasonably possible change in respective foreign currency exchange rates, with all other variables held constant, of the Group's and the Company's profit/(loss) before tax (due to translation of monetary items). The Group's and Company's exposure to foreign currency changes for all other currencies is not material.

		Group		Company	
	Changes in rate	Effect on profit/(loss) before tax RM'000	Changes in rate	Effect on profit/(loss) before tax RM'000	
2022					
USD/RM	- Strengthened	+5%	325,436	+5%	-
	- Weakened	-5%	(325,436)	-5%	-
SGD/RM	- Strengthened	+5%	-	+5%	-
	- Weakened	-5%	-	-5%	-
CNY/RM	- Strengthened	+5%	139,000	+5%	139,000
	- Weakened	-5%	(139,000)	-5%	(139,000)

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43. Financial risk management objectives and policies (cont'd.)

(c) Foreign currency risk (cont'd.)

Sensitivity analysis for foreign currency risk (cont'd.)

The following table demonstrates the sensitivity to a reasonably possible change in respective foreign currency exchange rates, with all other variables held constant, of the Group's and the Company's profit/(loss) before tax (due to translation of monetary items). The Group's and Company's exposure to foreign currency changes for all other currencies is not material. (cont'd.)

		Group		Company	
	Changes in rate	Effect on profit/(loss) before tax RM'000	Changes in rate	Effect on profit/(loss) before tax RM'000	
2021					
USD/RM	- Strengthened	+5%	282,783	+5%	(380,000)
	- Weakened	-5%	(282,783)	-5%	380,000
SGD/RM	- Strengthened	+5%	-	+5%	-
	- Weakened	-5%	-	-5%	-
CNY/RM	- Strengthened	+5%	189,000	+5%	189,000
	- Weakened	-5%	(189,000)	-5%	(189,000)

(d) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including investment securities, cash and bank balances and derivatives), the Group and the Company minimises credit risk by dealing exclusively with high credit rating counterparties.

Credit risk or the risk of counter parties defaulting is monitored and controlled by the application of credit approval, limits and monitoring procedures. Credit risk is minimised and monitored via strictly limiting the funding/borrowing to subsidiaries and associates.

Credit evaluations are performed on all customers requiring credit over a certain amount and strictly limiting the Group's associations to business partners with high credit worthiness. Trade and other receivables are monitored on an ongoing basis.

Deposits with banks and other financial institutions and derivatives that are neither past due nor impaired are placed with or entered with reputable financial institutions or companies with no history of default.

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43. Financial risk management objectives and policies (cont'd.)

(d) Credit risk (cont'd.)

Exposure to credit risk

At the reporting date, the Group's and the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised on the balance sheet, including derivatives with positive fair values.

Financial assets that are neither past due nor impaired

Information regarding trade and other receivables that are neither past due nor impaired is disclosed in Note 31 and Note 32, respectively. Deposits with banks and other financial institutions, investment securities and derivatives that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

Financial assets that either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 24, Note 25, Note 31 and Note 32.

(e) Liquidity risk

Liquidity risk is the risk that the Group and the Company will encounter difficulties in meeting their financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Group and the Company actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all refinancing, repayment and funding needs are met. As part of its overall prudent liquidity management, the Group endeavours to maintain sufficient level of cash or cash convertible investments to meet its working capital requirements.

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43. Financial risk management objectives and policies (cont'd.)

(e) Liquidity risk (cont'd.)

In addition, the Group's objective is to maintain a balance of funding and flexibility through the use of credit facilities, short and long term borrowings. Short term flexibility is achieved through credit facilities and short term borrowings. As far as possible, the Group raises committed funding from both capital markets and financial institutions and prudently balances its portfolio with some short term funding so as to achieve the Group's asset and liability management strategy.

The table below summarises the maturity profile of the Group's and the Company's financial liabilities based on contractual undiscounted repayment obligations.

Group	On demand or within one year RM'000	1 to 5 years RM'000	More than 5 years RM'000	Total RM'000
2022				
Financial liabilities				
Trade payables	1,820,910	-	-	1,820,910
Other liabilities	4,080,882	7,072,183	9,785,646	20,938,711
Borrowings	11,551,804	26,482,679	20,148,038	58,182,521
Derivative liabilities	799	153	-	952
Total undiscounted financial liabilities	17,454,395	33,555,015	29,933,684	80,943,094
2021				
Financial liabilities				
Trade payables	1,719,521	-	-	1,719,521
Other liabilities	7,234,894	4,578,925	9,516,660	21,330,479
Borrowings	8,675,367	24,214,718	28,203,865	61,093,950
Derivative liabilities	22	196,303	-	196,325
Total undiscounted financial liabilities	17,629,804	28,989,946	37,720,525	84,340,275

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43. Financial risk management objectives and policies (cont'd.)

(e) Liquidity risk (cont'd.)

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted repayment obligations.

Company	On demand RM'000	Less than 3 months RM'000	3 to 12 months RM'000	1 to 5 years RM'000	More than 5 years RM'000	Total RM'000
31 December 2022						
Non-interest bearing financial liabilities						
Amount due to related companies	766,584	-	-	-	-	766,584
Other payables and accruals	-	71,503	-	-	-	71,503
Khazanah Bonds	-	-	2,000,000	3,500,000	1,000,000	6,500,000
Exchangeable Trust Certificates ("ETC") #	-	-	-	1,014,749	-	1,014,749
	766,584	71,503	2,000,000	4,514,749	1,000,000	8,352,836
Interest bearing financial liabilities *						
Islamic Medium Term Notes						
- Danga	-	-	-	2,000,000	8,000,000	10,000,000
- Danum	-	-	2,000,000	7,100,000	1,000,000	10,100,000
- Dua	-	-	-	1,761,866	2,642,804	4,404,670
- RACB	-	-	-	-	3,000,000	3,000,000
- Ihsan Sukuk	-	-	-	100,000	-	100,000
Medium Term Notes	-	-	-	1,761,866	5,226,989	6,988,855
Fixed term loans	-	-	-	2,500,000	-	2,500,000
	-	-	2,000,000	15,223,732	19,869,793	37,093,525
Total undiscounted financial liabilities	766,584	71,503	4,000,000	19,738,481	20,869,793	45,446,361

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43. Financial risk management objectives and policies (cont'd.)

(e) Liquidity risk (cont'd.)

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted repayment obligations. (cont'd.)

Company	On demand RM'000	Less than 3 months RM'000	3 to 12 months RM'000	1 to 5 years RM'000	More than 5 years RM'000	Total RM'000
31 December 2021						
Non-interest bearing financial liabilities						
Amount due to related companies	1,413,606	-	-	-	-	1,413,606
Other payables and accruals	-	95,102	-	-	-	95,102
Khazanah Bonds	-	-	2,500,000	4,500,000	2,000,000	9,000,000
Exchangeable Trust Certificates ("ETC") #	-	-	-	3,283,747	-	3,283,747
	<u>1,413,606</u>	<u>95,102</u>	<u>2,500,000</u>	<u>7,783,747</u>	<u>2,000,000</u>	<u>13,792,455</u>
Interest bearing financial liabilities *						
Islamic Medium Term Notes						
- Danga	-	221,111	219,235	3,700,638	9,576,362	13,717,346
- Danum	-	471,519	715,382	4,276,856	4,910,881	10,374,638
- Dua	-	-	96,810	2,034,590	2,803,389	4,934,789
- RACB	-	51,000	1,670,050	610,000	3,632,250	5,963,300
- Ihsan Sukuk	-	-	108,876	109,213	-	218,089
Medium Term Notes	-	60,007	60,007	420,050	4,581,201	5,121,265
Fixed term loans	-	872,865	57,536	2,790,857	-	3,721,258
	<u>-</u>	<u>1,676,502</u>	<u>2,927,896</u>	<u>13,942,204</u>	<u>25,504,083</u>	<u>44,050,685</u>
Total undiscounted financial liabilities	<u>1,413,606</u>	<u>1,771,604</u>	<u>5,427,896</u>	<u>21,725,951</u>	<u>27,504,083</u>	<u>57,843,140</u>

For the purpose of liquidity risk presentation, the embedded derivatives are not separated from the host instrument of ETC.

* For interest bearing financial liabilities, the above analysis include future interest or coupon payments, as well as repayment of the principal. The cash flows of floating interest financial liabilities are estimated based on forward rates.

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44. Fair value of financial instruments

- (a) Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value

	Group		Company	
	Carrying amount RM'000	Fair value RM'000	Carrying amount RM'000	Fair value RM'000
2022				
Financial assets				
- Unquoted shares at cost less impairment	53,231	*	-	-
Financial liabilities				
Borrowings	34,834,605	36,185,949	43,165,393	45,938,735
2021				
Financial assets				
- Unquoted shares at cost less impairment	-	*	-	-
Financial liabilities				
Borrowings	42,253,740	43,605,084	48,952,949	47,724,415

- * Fair value information has not been disclosed for the Group's investment in equity instruments that are carried at cost because fair value cannot be determined reliably. These equity instruments represent ordinary shares in companies that are not quoted on any market and does not have any comparable industry peer that is quoted. In addition, the variability in the range of reasonable fair value estimates derived from valuation technique is significant.

For the purpose of comparability, the above carrying amounts include the following:

- (i) Exchangeable Trust Certificates include carrying amount of related embedded derivative liabilities.
- (ii) For interest-bearing financial liabilities, interest payable as at reporting date is included.

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44. Fair value of financial instruments (cont'd.)

(b) Determination of fair value

(i) Cash and cash equivalents, receivables and payables

The carrying amount of these financial assets and liabilities are reasonable approximation of fair value due to either their short term nature or they are repayable on demand.

(ii) Quoted shares

The fair value of quoted shares is determined directly by reference to their published market bid price at the reporting date.

(iii) Financial assets designated as fair value through profit and loss

The fair value of unquoted bonds and structured products are based on the indicative fair values obtained from Bond Pricing Agency of Malaysia, Bondweb, Bloomberg and/or respective licensed banks.

(iv) Financial assets designated as fair value through other comprehensive income

The fair values are determined using appropriate valuation techniques, which include the use of mathematical models, such as discounted cash flow models and option pricing models, comparison to similar instruments for which market observable prices exist and other valuation techniques. The valuation techniques used incorporate assumptions regarding discount rates, interest/profit rate yield curves, estimates of future cash flows and other factors, as applicable. Changes in these assumptions could materially affect the fair values derived. The Group generally use widely recognised valuation techniques with market observable inputs, if available, for the determination of fair value, which require minimal management judgment and estimation, due to the low complexity of the financial instruments held.

(v) Investment property

The fair value of the investment property is determined by reference to the valuations provided by accredited independent valuers. As at the reporting date, the Company's investment property has a remaining lease tenure of 99 years.

(vi) Loans receivable

The fair value of loans receivable are estimated by discounting the estimated future cash flows using current interest rates for financial assets with similar risk profile.

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44. Fair value of financial instruments (cont'd.)

(b) Determination of fair value (cont'd.)

(vii) Embedded derivatives

The fair value of embedded derivatives are valued using the Binomial model with market observable inputs. The model incorporates various inputs including closing market prices of underlying shares, foreign exchange spot rates and market interest rates.

(viii) Derivatives

Forward currency contracts and interest rate swap contracts are valued using a valuation technique with market observable inputs. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates and interest rate curves.

(ix) Periodic Payment Exchangeable Trust Certificates

The fair value of Periodic Payment Exchangeable Trust Certificates is determined directly by reference to their published market ask price at the reporting date.

(x) Loans and borrowings

The carrying amount of the current portion of loans and borrowings is reasonable approximations of fair value due to the insignificant impact of discounting.

The carrying amount of certain loans and borrowings is reasonable approximations of fair value as they are floating rate instruments that are re-priced to market interest rates near the reporting date.

The fair value of non-current loans and borrowings, other than floating rate instruments, are estimated by discounting expected future cash flows at market incremental lending rate for similar types of borrowing at the reporting date.

(c) Fair value measurement hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;
or
- Level 2: other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly; or
- Level 3: techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

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44. Fair value of financial instruments (cont'd.)

(c) Fair value measurement hierarchy (cont'd.)

Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at 31 December 2022:

Assets and liabilities measured at fair value	Carrying amount RM'000	Group Fair value measurement using		
		Quoted market price Level 1 RM'000	Observable input Level 2 RM'000	Unobservable input Level 3 RM'000
Financial assets				
Financial assets designated as fair value through profit or loss				
- Shares	16,797,840	14,222,577	2,575,263	-
- Bonds	7,958,805	105,745	7,853,060	-
- Funds	1,824,666	21,702	1,802,964	-
Financial assets designated as fair value through other comprehensive income				
- Shares	3,408,439	43,793	3,364,646	-
- Bonds	1,933,485	10,203	1,923,282	-
- Funds	12,869,977	-	12,869,977	-
Derivative assets	12,051	-	12,051	-
Financial liabilities				
Derivative liabilities	952	-	952	-
Assets and liabilities for which fair values are disclosed				
Assets				
Interest in associates				
- Quoted shares	39,043,485	63,141,501	-	-
Investment properties	3,788,224	-	-	8,381,967
Liability				
Borrowings	34,834,605	-	36,185,949	-

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44. Fair value of financial instruments (cont'd.)

(c) Fair value measurement hierarchy (cont'd.)

Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at 31 December 2021:

Assets and liabilities measured at fair value	Carrying amount RM'000	Group Fair value measurement using		
		Quoted market price Level 1 RM'000	Observable input Level 2 RM'000	Unobservable input Level 3 RM'000
Financial assets				
Financial assets designated as fair value through profit or loss				
- Shares	16,164,976	13,965,919	2,199,057	-
- Bonds	4,969,493	159	4,969,334	-
- Funds	2,064,205	-	2,064,205	-
Financial assets designated as fair value through other comprehensive income				
- Shares	15,362,035	2,102,961	13,259,074	-
- Bonds	1,604,377	-	1,604,377	-
- Funds	87,947	-	87,947	-
Derivative assets	22,409	-	22,409	-
Financial liabilities				
Derivative liabilities	196,325	-	196,325	-
Assets and liabilities for which fair values are disclosed				
Assets				
Interest in associates				
- Quoted shares	39,486,386	68,731,598	-	-
Investment properties	3,420,233	-	-	9,067,305
Liability				
Borrowings	42,253,740	-	43,605,084	-

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44. Fair value of financial instruments (cont'd.)

(c) Fair value measurement hierarchy (cont'd.)

Quantitative disclosures fair value measurement hierarchy for asset and liabilities as at 31 December 2022:

Assets and liabilities measured at fair value	Carrying amount	Company		
		Fair value measurement using		
		Quoted market price	Observable input	Unobservable input
		Level 1	Level 2	Level 3
	RM'000	RM'000	RM'000	RM'000
Financial assets				
Financial assets designated as fair value through profit or loss				
- Quoted shares	1,294,150	1,294,150	-	-
- Quoted equity funds	1,204,650	1,204,650	-	-
- Unquoted money market funds	156,370	-	156,370	-
- Unquoted bonds	2,552,229	-	2,552,229	-
Assets and liabilities for which fair values are disclosed				
Investments in associates				
- Quoted shares	24,438,927	48,153,773	-	-

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44. Fair value of financial instruments (cont'd.)

(c) Fair value measurement hierarchy (cont'd.)

Quantitative disclosures fair value measurement hierarchy for asset and liabilities as at 31 December 2022: (cont'd.)

Assets and liabilities for which fair values are disclosed (cont'd.)	Carrying amount RM'000	Company Fair value measurement using		
		Quoted market price Level 1 RM'000	Observable input Level 2 RM'000	Unobservable input Level 3 RM'000
Liabilities				
Khazanah Bonds	5,767,282	-	5,852,151	-
Exchangeable Trust Certificates	1,014,749	3,201,355	-	-
Islamic Medium Term Notes				
- Danga	10,161,460	-	10,589,845	-
- Danum	10,171,989	-	10,150,942	-
- Dua	4,418,931	-	4,095,062	-
- RACB	3,043,452	-	3,044,709	-
- Ihsan Sukuk	101,827	-	97,265	-
Medium Term Notes	2,634,408	-	3,005,509	-
Term loans				
- unsecured	2,557,268	-	5,148,943	-

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44. Fair value of financial instruments (cont'd.)

(c) Fair value measurement hierarchy (cont'd.)

Quantitative disclosures fair value measurement hierarchy for asset and liabilities as at 31 December 2021:

Assets and liabilities measured at fair value	Carrying amount	Company Fair value measurement using		
		Quoted market price Level 1	Observable input Level 2	Unobservable input Level 3
	RM'000	RM'000	RM'000	RM'000
Financial assets				
Financial assets designated as fair value through profit or loss				
- Quoted shares	1,781,842	1,781,842	-	-
- Quoted equity funds	1,644,179	1,644,179	-	-
- Unquoted money comprehensive income				
- Quoted shares	-	-	-	-
Financial liability				
Embedded derivatives	166,587	-	166,587	-
Assets and liabilities for which fair values are disclosed				
Assets				
Investment property	-	-	-	-
Investments in associates				
- Quoted shares	24,591,188	50,407,529	-	-

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44. Fair value of financial instruments (cont'd.)

(c) Fair value measurement hierarchy (cont'd.)

Quantitative disclosures fair value measurement hierarchy for asset and liabilities as at 31 December 2021: (cont'd)

Assets and liabilities for which fair values are disclosed (cont'd.)	Carrying amount RM'000	Company Fair value measurement using		
		Quoted market price Level 1 RM'000	Observable input Level 2 RM'000	Unobservable input Level 3 RM'000
Liabilities				
Khazanah Bonds	7,943,128	-	8,277,853	-
Exchangeable Trust Certificates	3,450,334	3,379,220	-	-
Islamic Medium Term Notes				
- Danga	10,161,307	-	11,118,342	-
- Danum	8,473,458	-	8,720,471	-
- Dua	4,166,367	-	3,988,001	-
- RACB	4,557,199	-	4,559,021	-
- Ihsan Sukuk	204,124	-	204,286	-
Medium Term Notes	2,623,095	-	3,272,182	-
Term loans				
- unsecured	3,362,596	-	3,503,721	-

During the year, there were no transfers between Level 1 and Level 2 fair value measurements.

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45. Financial instruments by category

31 December 2022

	Group			Total RM'000
	Amortised cost RM'000	Financial assets designated as fair value through profit or loss RM'000	Financial assets designated as fair value through other comprehensive income RM'000	
Financial assets				
Cash and bank balances	12,333,855	-	-	12,333,855
Other financial assets	544,657	26,633,351	18,278,338	45,456,346
Derivative assets	-	12,051	-	12,051
Other receivables	10,641,780	-	-	10,641,780
Total	23,520,292	26,645,402	18,278,338	68,444,032
Financial liabilities				
Borrowings	-	-	-	-
Derivative liabilities	952	952	-	952
Other payables	-	-	11,030,793	11,030,793
Total	952	952	11,030,793	11,031,745

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45. Financial instruments by category (cont'd.)

31 December 2021

	Group			Total RM'000
	Amortised cost RM'000	Financial assets designated as fair value through profit or loss RM'000	Financial assets designated as fair value through other comprehensive income RM'000	
Financial assets				
Cash and bank balances	11,966,285	-	-	11,966,285
Other financial assets	538,558	23,250,164	17,054,359	40,843,081
Derivative assets	-	22,409	-	22,409
Other receivables	7,665,097	-	-	7,665,097
Total	20,169,940	23,272,573	17,054,359	60,496,872
Financial liabilities				
Borrowings	-	-	-	-
Derivative liabilities	196,325	-	-	196,325
Other payables	-	-	9,994,718	9,994,718
Total	196,325	196,325	9,994,718	10,191,043

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45. Financial instruments by category (cont'd.)

31 December 2022

	Company			Total RM'000
	Amortised cost RM'000	Financial assets designated as fair value through profit or loss RM'000	Financial assets designated as fair value through OCI RM'000	
Financial assets				
Cash and bank balances	1,748,026	-	-	1,748,026
Other financial assets	2,330	5,207,399	-	5,209,729
Other receivables	1,289,262	-	-	1,289,262
Total	<u>3,039,618</u>	<u>5,207,399</u>	<u>-</u>	<u>8,247,017</u>
		Financial liabilities designated as fair value through profit or loss RM'000	Financial liabilities at amortised cost RM'000	Total RM'000
Financial liabilities				
Borrowings		-	42,762,886	42,762,886
Other payables		-	1,379,967	1,379,967
Total		<u>-</u>	<u>44,142,853</u>	<u>44,142,853</u>

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45. Financial instruments by category (cont'd.)

31 December 2021

		Company		
	Amortised cost RM'000	Financial assets designated as fair value through profit or loss RM'000	Financial assets designated as fair value through OCI RM'000	Total RM'000
Financial assets				
Cash and bank balances	1,279,258	-	-	1,279,258
Other financial assets	2,330	4,239,400	-	4,241,730
Other receivables	916,281	-	-	916,281
Investment in money market instruments	34,896	-	-	34,896
Total	2,232,765	4,239,400	-	6,472,165
		Financial liabilities designated as fair value through profit or loss RM'000	Financial liabilities at amortised cost RM'000	Total RM'000
Financial liabilities				
Borrowings		-	45,062,668	45,062,668
Derivative liabilities		166,587	-	166,587
Other payables		-	2,019,939	2,019,939
Total		166,587	47,082,607	47,249,194

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46. Segment information

The Group is principally engaged in the following activities:

- (i) Investment holding;
- (ii) Infrastructure and construction;
- (iii) Property;
- (iv) Financial Institution Group;
- (v) Transportation & Logistics;
- (vi) Leisure & Tourism;
- (vii) Agrifood; and
- (viii) Others.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker.

The Directors are of the opinion that all inter-segment transactions have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

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46. Segment information (cont'd.)

2022

	Infrastructure & Construction		Property		Financial Institution Group		Transportation & Logistics		Leisure & Tourism		Others		Elimination	Total
	Investment Holding	Construction	Property	Group	Transportation & Logistics	Leisure & Tourism	Agrifood	Others	Elimination	Total				
	-----RM'mil-----													
REVENUE														
External sales	1,075	5,105	213	1,623	10,820	510	446	432	-	-	-	-	-	20,224
Inter-segment sales	5,777	-	-	-	-	-	-	-	-	-	-	(5,777)	-	-
Total revenue	6,852	5,105	213	1,623	10,820	510	446	432	(5,777)	-	-	(5,777)	-	20,224
RESULTS														
Operating profit/(loss)	3,090	4,330	(32)	80	211	(117)	287	(6,368)	-	-	-	-	-	1,481
Finance cost	(2)	(221)	(37)	-	(371)	(105)	(1)	(1,926)	-	-	-	-	-	(2,663)
Share of results from associates and joint venture	-	37	(30)	-	(3)	(2)	12	6,951	-	-	-	-	-	6,965
Profit/(loss) before tax	3,088	4,146	(99)	80	(163)	(224)	298	(1,343)	-	-	-	-	-	5,783
Taxation	(156)	(70)	(1)	2	(179)	(6)	(1)	(18)	-	-	-	-	-	(429)
Profit/(loss) after tax	2,932	4,076	(100)	82	(342)	(230)	297	(1,361)	-	-	-	-	-	5,354
Non controlling interests	-	(25)	204	(40)	(1)	72	-	43	-	-	-	-	-	253
Net profit/(loss) for the year	2,932	4,051	104	42	(343)	(158)	297	(1,318)	-	-	-	-	-	5,607
ASSETS AND LIABILITIES														
Segment assets	43,596	20,273	2,400	6,981	13,762	4,441	322	4,031	-	-	-	-	-	95,806
Investment in associates	59,925	917	187	-	5	-	192	48	-	-	-	-	-	61,274
Investment in joint ventures	526	922	68	-	-	51	-	533	-	-	-	-	-	2,100
Consolidated total assets	104,047	22,112	2,655	6,981	13,767	4,492	514	4,612	-	-	-	-	-	159,180
Segment liabilities	50,100	10,158	674	5,238	22,724	2,820	75	(2,034)	-	-	-	-	-	89,755
Consolidated total liabilities	50,100	10,158	674	5,238	22,724	2,820	75	(2,034)	-	-	-	-	-	89,755

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46. Segment information (cont'd.)

2021

	RM'mil							Total		
	Investment Holding	Infrastructure & Construction	Property	Financial Institution Group	Transportation & Logistics	Leisure & Tourism	Agrifood		Others	Elimination
REVENUE										
External sales	1,683	4,229	87	2,036	4,093	166	112	461	-	12,867
Inter-segment sales	2,294	-	-	-	-	-	-	-	(2,294)	-
Total revenue	3,977	4,229	87	2,036	4,093	166	112	461	(2,294)	12,867
RESULTS										
Operating (loss)/profit	1,379	33	(39)	90	(874)	(586)	38	67	-	108
Finance cost	(1,821)	(233)	(7)	-	(623)	(146)	(1)	16	-	(2,815)
Share of results from associates and joint venture	-	14	(54)	-	-	(9)	18	3,495	-	3,464
(Loss)/profit before tax	(442)	(186)	(100)	90	(1,497)	(741)	55	3,578	-	757
Taxation	(226)	(47)	(1)	(15)	(188)	26	-	(9)	-	(460)
(Loss)/profit after tax	(668)	(233)	(101)	75	(1,685)	(715)	55	3,569	-	297
Non controlling interests	-	59	(12)	(35)	279	107	-	(6)	-	392
Net (loss)/profit for the year	(668)	(174)	(113)	40	(1,406)	(608)	55	3,563	-	689
ASSETS AND LIABILITIES										
Segment assets	40,412	18,686	2,514	6,705	11,715	4,433	392	3,424	-	88,281
Investment in associates	56,800	957	223	-	8	-	113	38	-	58,139
Investment in joint ventures	749	924	68	-	-	53	87	1,474	-	3,355
Consolidated total assets	97,961	20,567	2,805	6,705	11,723	4,486	592	4,936	-	149,775
Segment liabilities	49,624	10,391	708	4,986	15,281	2,701	89	2,444	-	86,224
Consolidated total liabilities	49,624	10,391	708	4,986	15,281	2,701	89	2,444	-	86,224

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47. Capital management

The primary objective of the Group's and the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group regularly reviews and manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

No changes were made in the objectives, policies or processes in regards to the Group's management of its capital structure during the financial years ended 31 December 2022 and 31 December 2021.

Certain subsidiaries of the Group are subject to externally imposed capital requirements. This externally imposed capital requirement has been complied with by those subsidiaries for the financial years ended 31 December 2022 and 31 December 2021. The Company is not subjected to any externally imposed capital requirements.

The Group monitors capital using a gearing ratio, which is defined as net debt divided by total capital. The Group's policy is to keep the gearing ratio below two and a half times. The Group includes within net debt, loans and borrowings less cash and bank balances. Capital represents equity attributable to the owners of the Group.

The Company monitors capital after including the assets and liabilities held through the SPVs ("Extended Company") using gearing ratio. The Company includes within net debt, loans and borrowings less cash and bank balances. Capital represents equity attributable to the Owners of the Company.

Although this guiding principle and objective is consistent throughout the Group, the Group consists of subsidiaries and subsidiaries groups' with their own governing Boards and management that will apply different key measurements for its capital structure management including gearing ratio.

		Group	
	Note	2022	2021
		RM'000	RM'000
Long term borrowings	35	42,430,215	47,364,875
Short term borrowings	35	15,973,384	10,048,680
Less: Cash and bank balances	33	<u>(12,333,855)</u>	<u>(11,966,285)</u>
Net debt		<u>46,069,744</u>	<u>45,447,270</u>
Share capital	42	12,284,201	12,284,201
Capital contribution from shareholders		2,683,223	2,683,223
Reserves		42,197,672	36,836,899
Equity attributable to the owners of the Group		<u>57,165,096</u>	<u>51,804,323</u>
Gearing ratio (times)		<u>0.81</u>	<u>0.88</u>

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47. Capital management (cont'd.)

	Note	Extended Company	
		2022 RM'000	2021 RM'000
Borrowings	21(v)	49,144,488	48,478,318
Less: Cash, bank balances and investment in money market	21(v)	(4,048,863)	(6,460,771)
Net debt		<u>45,095,625</u>	<u>42,017,547</u>
Share capital	42	12,284,201	12,284,201
Capital contribution from shareholders	21(v)	2,324,423	2,324,423
Retained profits	21(v)	16,092,958	15,119,471
Fair value adjustment reserve	21(v)	2,364,226	3,208,572
Currency translation reserve	21(v)	3,652,444	2,381,843
Equity attributable to the owners of the Company		<u>36,718,252</u>	<u>35,318,510</u>
Gearing ratio (times)		<u>1.23</u>	<u>1.19</u>

48. Commitments

Capital commitment

	Group	
	2022 RM'000	2021 RM'000
Approved and contracted for	1,040,907	958,882
Approved but not contracted for	10,487,116	10,209,852
	<u>11,528,023</u>	<u>11,168,734</u>

Analysed as follows:

Property, plant and equipment and land held for property development	1,772,460	1,867,501
Investments	9,718,500	8,948,023
Others	37,063	353,210
	<u>11,528,023</u>	<u>11,168,734</u>

	Company	
	2022 RM'000	2021 RM'000
Approved but not contracted for:		
Capital injection planned for investments	12,282,500	13,785,000
Property and equipment	54,703	20,940
	<u>12,337,203</u>	<u>13,805,940</u>

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49. Contingent liabilities

Destination Resorts & Hotels Sdn. Bhd. ("DRHSB")

- (a) Desaru Estate Sdn. Bhd. ("DESB"), Desaru Peace Holdings Club Sdn. Bhd. ("DPHCSB"), Desaru Convention Centre Sdn. Bhd. ("DCCSB") and Desaru Corniche Hotel Sdn. Bhd. ("DCHSB") ("collectively known as Desaru Entities") have separately entered into construction contracts with Malaysian Resources Corporation Berhad ("MRCB") and appointed MRCB as the Main Contractor for their respective projects. Disputes and differences have arisen between the parties resulting in a claim by MRCB of RM322.9 million (or alternatively RM249.9 million being the reassessed sum by MRCB's independent assessor). Desaru Entities have denied the MRCB's claim and filed a counter claimed of RM198.8 million. The disputes will be resolved by arbitration, which is the contractually agreed dispute resolution mechanism via a Dispute Resolution Agreement. The arbitration hearings has commenced in October 2022.

Destination Resorts & Hotels Sdn. Bhd. ("DRHSB") (formerly known as Themed Attractions Resorts & Hotels Sdn. Bhd. ("TARH")) is of the view that it stands a reasonable chance of defending against the claims made by MRCB hence, no provision has been made for those claims.

- (b) In the previous financial year, Inland Revenue Board ("IRB") has subjected the profits derived from disposal of Lands by Teluk Datai Resorts Sdn. Bhd. ("TDR") to income tax pursuant to the Income Tax Act 1967 instead of Real Property Gain Tax filed by TDR in year 2013. IRB has then arbitrarily raised a Notice of Assessment for the year of assessment 2013 to impose tax payable with penalty of RM123.5 million against TDR. Subsequently, TDR has applied for Judicial Review to challenge the said notice of assessment. The Judicial Review is still on-going and an interim stay Order has been granted on the income tax assessment.

DRHSB is of the view that it stands a reasonable chance of challenging the Director General of Inland Revenue on this matter.

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49. Contingent liabilities (cont'd.)

UEM Group Berhad ("UEM")

- (a) On 3 October 2011, Bandar Nusajaya Development Sdn. Bhd. ("BND") received a notice of additional assessment from IRB for additional tax and penalty of RM50.9 million and RM22.9 million respectively in respect of year of assessment 2006.

On 4 September 2012, the High Court ruled in favour of BND and declared that IRB had no legal basis to raise the additional assessment. Following the decision held by the High Court, IRB filed an appeal to the Court of Appeal against the decision.

On 20 May 2014, the Court of Appeal agreed with the decision of the High Court which ruled in favour of BND.

On 18 October 2016, the Federal Court reversed the decisions of the Court of Appeal and the High Court, and ordered that BND appealed by way of filing a notice of appeal to the Special Commissioners of Income Tax ("SCIT"). This resulted in the additional assessment of RM73.8 million became due and the amount had been fully settled by BND on 5 December 2016 accordingly.

On 20 March 2017, BND filed the notice of appeal, of which was subsequently presented by IRB to SCIT on 14 March 2018. The hearing for the case which was initially fixed on 29 and 30 August 2022 was vacated. The SCIT has fixed the case for hearing on 12 and 30 June 2023.

BND's solicitors are of the view that BND has a strong case to argue that IRB has no legal or factual basis neither to issue the notice of additional assessment nor to impose the penalty.

- (b) On 3 May 2021, UEM Land and Symphony Hills Sdn Bhd ("SHSB") received notices of additional assessment from IRB dated 30 April 2021, for additional taxes with penalties of RM8.5 million and RM73.7 million respectively.

The notice issued to UEM Land was in relation to the removal of Bumiputra quota and low cost requirements for selected developments in Iskandar Puteri, Johor in respect of years of assessment from 2013 to 2015, whilst the notice issued to SHSB was in relation to the reversal of tax losses utilisation in respect of years of assessment from 2006 to 2017.

On 24 May 2021 and 25 May 2021, SHSB and UEM Land were both granted an interim stay of the notices by the High Court including the enforcement of the notices until the hearing of the application to intervene by IRB and disposal of the leave application.

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49. Contingent liabilities (cont'd.)

UEM Group Berhad ("UEM") (cont'd.)

(b) (cont'd.)

The hearings for the intervenor's application and leave for judicial review application for UEM Land was held on 3 January 2023 and the decision had been fixed on 31 January 2023 in which the date was vacated. The High Court fixed 13 March 2023 as the new decision date. The High Court also extended the interim stay until the new decision date. Whilst the hearing for the intervenor's application for SHSB's case was held on 16 February 2023 in which the High Court allowed IRB's intervenor application with costs in the cause. The case management for the leave for judicial review application was fixed on 28 March 2023.

The solicitors are of the view that both UEM Land and SHSB have reasonable grounds to appeal and contest the basis of the assessments.

- (c) On 30 April 2021, UEM Edgenta received a notice of additional assessment from IRB for additional tax of RM18.7 million in respect of years of assessment from 2015 to 2018. The additional income tax imposed was in relation to the dispute on the status of UEM Edgenta as a Management Service Company and shall be taxed as an Investment Holding Company under Section 60FA of the Income Tax Act, 1967.

On 25 May 2021, UEM Edgenta filed an appeal to the SCIT. Concurrently, UEM Edgenta applied for judicial review to quash the decision of IRB on 27 May 2021.

On 6 July 2021, the High Court allowed UEM Edgenta's application for leave to commence judicial review proceedings against IRB and granted a stay against any proceedings or enforcement actions to recover the taxes and penalties purportedly payable under the notice of assessment, and any other proceedings and actions, until the disposal of the judicial review.

On 20 July 2021, IRB filed a notice of appeal against the High Court's decision. Subsequently, on 18 August 2021, IRB filed an application to the High Court for stay of the substantive proceedings, pending the disposal of IRB's appeal to the Court of Appeal. The High Court denied the application on 20 October 2021 and IRB applied to the Court of Appeal for a stay. The Court of Appeal allowed IRB's application for stay on 28 January 2022.

On 8 December 2022, UEM Edgenta reached an out of court settlement with IRB on UEM Edgenta's treatment of its taxable income, which resulted in the revision of additional tax assessments and penalty from RM18.7 million to RM6.9 million and the amount has been recognised in the current financial year.

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49. Contingent liabilities (cont'd.)

UEM Group Berhad ("UEM") (cont'd.)

- (d) On 29 June 2021, Edgenta Propel Berhad ("Edgenta Propel") received a notice of additional assessment from IRB for additional tax of RM9.4 million in respect of years of assessment 2016 to 2018. The additional income taxes are consequent to IRB's view that Edgenta Propel ought to not have deducted the adjusted losses surrendered to it by UEM Edgenta, on the basis that UEM Edgenta is not a Management Services Company.

On 26 July 2021, Edgenta Propel filed in an appeal to the SCIT. Concurrently, Edgenta Propel made an application to the High Court on 23 July 2021 for leave to commence judicial review proceedings against IRB and granted a stay against any proceedings or enforcement actions to recover the taxes and penalties purportedly payable under the notice of assessment, and any other proceedings and actions, until the disposal of the judicial review. On 14 February 2022, the High Court allowed Edgenta Propel's application for leave and granted stay as applied.

On 8 December 2022, Edgenta Propel reached an out of court settlement with IRB. As the losses surrendered by UEM Edgenta are now allowed for deduction by Edgenta Propel, there is no additional tax charges imposed for the years of assessment from 2016 to 2018. Consequently, IRB discharged all the notices of additional assessments.

- (e) On 10 February 2009, a legal proceeding was filed in the Court of First Instance ("CoFI") by the Director General of the Public Works Authority ("Plaintiff") against Parsons International Ltd. ("the 1st Defendant"), UEM ("the 2nd Defendant") and Qatar Insurance Company ("the 3rd Defendant").

The legal action requested for a ruling to render the defendants jointly liable to settle in its benefit the amount of QR878.3 million or RM1,005.3 million as material and moral damage for the losses incurred as per the reasons detailed in the initiatory pleading, along with preserving the right of plaintiff to indemnity for delay in the project and any other damages. The claims were amended to QR1,171.8 million or RM1,418.2 million on 31 December 2009. An additional claim against UEM of QR11.0 million or RM13.3 million was filed on 24 February 2011.

UEM filed the short memorial of defence, together with a counterclaim of QR855.6 million or RM1,035.5 million on 15 October 2009. The counterclaim was subsequently amended to QR1,259.7 million or RM1,524.5 million.

The CoFI gave an oral judgment on 21 June 2017. The written judgment received on 13 July 2017 provided the breakdown of the amount awarded to UEM of QR208.2 million or RM252.1 million, as well as the amount awarded to Plaintiff of QR147.3 million or RM178.3 million.

The Plaintiff, the 1st Defendant and UEM had separately filed appeal against the CoFI's judgment. On 15 October 2017, the Court of Appeal decided to consolidate all the three appeals.

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49. Contingent liabilities (cont'd.)

UEM Group Berhad ("UEM") (cont'd.)

(e) (cont'd.)

On 1 July 2020, the Court of Appeal decided to appoint a panel of experts to re-study the case file and scheduled the appeals till 6 October 2020 in order for the parties to make the payment of the experts' fees. The proceedings had been adjourned several times due to various reasons.

On 30 March 2022, the experts submitted their reports and the Court again adjourned the proceedings to 13 April 2022 for the parties to submit their comments on the experts' findings.

On 21 June 2022, the Court of Appeal issued its judgement that UEM is entitled to QR178.3 million or RM215.7 million to be paid by the Plaintiff whereas the Plaintiff is entitled to QR124.7 million or RM150.9 million, of which QR39.2 million or RM47.4 million to be paid by UEM and QR85.5 million or RM103.5 million to be paid by the 1st Defendant.

The Plaintiff, the 1st Defendant and UEM filed their respective appeals against the Court of Appeal's judgement to the Court of Cassation.

On 24 January 2023, the Court of Cassation dismissed the Plaintiff and 1st Defendant's appeal against UEM. For UEM's appeal against the Plaintiff and 1st Defendant, the Court remanded the case back to the Court of Appeal to render a fresh judgement on the case by a new panel of judges.

- (f) On 25 July 2017, UEM Land, was served with a claim filed by Impresive Circuit Sdn Bhd and 1 other ("the Plaintiffs") in relation to shares held in Setia Haruman ("the 1st Defendant") ("the Claim"). UEM Land is cited as the 9th Defendant in the Claim.

The Claim seeks, amongst others, for:

- (a) a declaration that the 2nd to the 9th Defendants respectively had managed and conducted the affairs of the 1st Defendant and/or exercised their powers oppressively and/or disregarded and/or acted in a manner unfairly prejudicial to the interest of the Plaintiffs as members of Setia Haruman pursuant to Section 346 of the Companies Act 2016; and
- (b) an order that the 2nd to the 9th Defendants do jointly and/or severally purchase the 750,000 ordinary shares of Setia Haruman owned or held by Impresive Circuit Sdn. Bhd. at such price and on such terms as shall be determined by the High Court.

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49. Contingent liabilities (cont'd.)

UEM Group Berhad ("UEM") (cont'd.)

(f) (cont'd.)

On 25 April 2018, UEM Land had successfully applied to strike out Datuk Kasi A/L K.L. Palaniappan, the First Plaintiff in the suit, as a party in the Claim. The remaining Plaintiff in the suit, Impressive Circuit Sdn. Bhd., successfully added two other Defendants in the suit namely Menara Embun Sdn. Bhd. and Modern Eden Sdn. Bhd..

On 25 June 2021, the High Court dismissed the Plaintiff's claim againsts all the Defendants and ordered the Plaintiff to pay costs in the sum of RM0.1 million to each of the main parties in the suit. The Plaintiff subsequently filed an appeal against the High Court's decision on 14 July 2021. Several hearings were held from April 2022 to December 2022.

On 20 January 2023, the Court of Appeal found that there were no merits to the appeal and affirmed the High Court's decision. The Court of Appeal directed the Plaintiff to pay costs in the sum of RM50,000 to each set of solicitors in the appeal. The Plaintiff filed an application to Federal Court for leave to appeal against the Court of Appeal's decision on 20 February 2023.

UEM Land denies allegations made by the Plaintiffs and is vigorously defending the Claim. Based on the foregoing, at this juncture, the Claim has no material financial and operational impact to the Group. The solicitor is of the view that UEM Land has a reasonably good chance of success in defending the Plaintiffs' case against UEM Land.

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49. Contingent liabilities (cont'd.)

UEM Group Berhad ("UEM") (cont'd.)

- (g) On 10 November 2016, Jetpur Somnath Tollways Private Limited ("JSTPL")'s concession agreement with National Highway Authority of India ("NHAI") was terminated. Following the termination, on 27 March 2017, NHAI had released a payment in respect of the settlement of the termination payment amounting to INR225.1 Crore or RM142.7 million. JSTPL disputed the settlement amount from NHAI and had initiated arbitration proceedings thereon.

Following an order from the High Court of India, NHAI paid INR6.1 Crore or RM3.9 million to JSTPL on 1 August 2017. At the same time, the High Court also instructed NHAI to pay INR348.6 Crore or RM221.0 million to JSTPL as an interim relief upon furnishing a bank guarantee of the same amount, pending final arbitration award. The High Court order, which was subsequently challenged by NHAI, was upheld by the Supreme Court of India on 5 January 2018.

The amount, which was received by JSTPL on 29 January 2018, together with further injection from shareholders of JSTPL, were utilised to fully settle JSTPL's borrowing.

The balance of JSTPL's concession intangible assets, after taking into account the total termination payment received from NHAI above, was fully impaired.

On 24 March 2020, the Arbitral Tribunal for arbitration proceedings filed by JSTPL's lenders pronounced, inter alia, that NHAI is liable to pay 90% of debt due amount towards termination payment to JSTPL's lenders and NHAI has no valid reason for keeping the bank guarantee. The bank guarantee was returned by NHAI to Punjab National Bank on 17 March 2021.

On 31 March 2021, the Arbitral Tribunal awarded an amount of INR1,016.3 Crore or RM539.2 million, in addition to INR579.8 Crore or RM367.6 million received in 2017 and 2018. NHAI was given time period of 90 days to make the payment to JSTPL.

On 26 April 2021, JSTPL filed an application on the computation errors in the award dated 31 March 2021. Correction for the award received on 31 July 2021 with the awarded amount corrected to INR1,019.4 Crore or RM540.8 million. On 12 October 2021, JSTPL filed Execution Petition in Delhi High Court to execute the award dated 31 March 2021 and addendum award/order dated 31 July 2021, and direct NHAI to deposit the decretal amount of INR1,019.4 Crore or RM540.8 million including interest incurred thereon.

Pursuant to Section 34 of the Arbitration and Conciliation (Amendment) Act, 2015, NHAI may apply for setting aside the arbitral award within 3 months and further 30 days from the date of award. However, following the Supreme Court order dated 23 September 2021, the time period for filing Section 34 proceedings shall have a limitation period of 90 days from 3 October 2021. NHAI filed its petition for challenging the award under Section 34 on 10 December 2021, followed by the revised petition on 20 December 2021.

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49. Contingent liabilities (cont'd.)

UEM Group Berhad ("UEM") (cont'd.)

(g) (cont'd.)

Several hearings were held for NHA's appeal for challenging the award under Section 34 and Execution Petition filed by JSTPL, with the next hearing scheduled on 11 May 2023.

(h) On 3 February 2020, UEM Builders and UEM were served with a Notice of Arbitration filed by Brunei Economic Development Board ("BEDB") in relation to the dispute arising from the following:

(a) contract ("Contract") dated 5 February 2010 between UEM Builders (as the Contractor) and BEDB (as the Employer) for the design, procurement, construction, commissioning, completion and maintenance of a pilot scheme to design and build 4,000 houses together with the necessary supporting infrastructure for the National Housing Scheme Of Brunei Darussalam on a green-field site at Mengkubau, Kampong Mentiri, Bandar Seri Begawan in Brunei Darussalam; and

(b) Parent Company Guarantee ("PCG") dated 31 March 2010 provided by UEM to guarantee UEM Builders' performance of the Contract and indemnify BEDB against all losses, damages, costs and expenses which might be incurred by BEDB by reason of any default on the part of UEM Builders in performing and observing the agreements and provisions contained in the Contract.

The case is still ongoing.

In addition to the above arbitration, BEDB wrote to UEM Builders and UEM in December 2021 on their reservation of rights to commence protective arbitration and invited both UEM Builders and UEM to a standstill agreement.

UEM Builders and UEM reverted that they were not agreeable to a standstill agreement. In furtherance to that, UEM Builders and UEM considered that the protective arbitration would not be validly commenced in light of the ongoing proceedings of the above arbitration.

On 28 January 2022, BEDB issued a Notice of Arbitration to UEM Builders and UEM. BEDB also sought to stay the arbitration commenced pending a final decision on the preliminary issues.

UEM Builders and UEM filed the Responses to the Notice of Arbitration on 25 February 2022.

At this preliminary stage of arbitration, the amount of the possible obligations cannot be measured with sufficient reliability and the possibility of an outflow is uncertain. Therefore, no provision has been recognised on the potential obligations.

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49. Contingent liabilities (cont'd.)

UEM Group Berhad ("UEM") (cont'd.)

- (i) On 18 April 2019, UEM Land was served with a Notice of Arbitration dated 17 April 2019 filed by Ireka Engineering & Construction Sdn. Bhd. ("IECSB") in relation to disputes arising from the Letter of Award dated 15 June 2012 for the construction of Imperia in Puteri Harbour, Iskandar Puteri, Johor. The Asian International Arbitration Centre has appointed Mr. Wayne Martin as the arbitrator on this matter.

Based on the Statement of Claim dated 27 December 2019, IECSB is seeking inter alia, RM20.4 million for loss and expense, RM29.3 million for the amount allegedly due to IECSB pursuant to the Statement of Final Account or alternatively any other amount assessed by the Arbitral Tribunal, interest on all sums directed to be paid from such date as the Tribunal deems fit and costs.

In the Amended Statement of Defence and Amended Counterclaim dated 6 July 2020, UEM Land disputed liability on all IECSB's claims and sought counterclaims amounting to RM34.4 million, breakdown as follows:

- (a) LAD in the sum of RM27.3 million being damages for delay in completion;
- (b) Costs for defects rectification in the sum of RM 2.8 million;
- (c) Back charges and losses and expenses payable amounting to RM3.2 million;
- (d) All direct payments made by UEM Land to IECSB's sub-contractor amounting to RM1.1 million.

The list of issues to be addressed by the expert and list of non-contentious facts were filed on 18 May 2021. Witness statements were exchanged on 25 October 2021. Procedural hearing was fixed on 11 November 2021 for the purpose of, amongst others, setting timeline to exchange rebuttal witness statements and expert reports. The parties have exchanged the expert reports in reply on 14 February 2022, followed by rebuttal factual witness statements on 7 March 2022. The parties' respective experts held a without prejudice meeting on 7 March 2022, and delivered a joint expert report thereafter on 7 April 2022.

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49. Contingent liabilities (cont'd.)

UEM Group Berhad ("UEM") (cont'd.)

(i) (cont'd.)

The hearing was commenced on 23 May 2022 and concluded on 2 June 2022. The parties to file and serve written submissions within 2 months from the date of receipt of the notes of proceeding. The notes of proceeding were finalised and submitted to the Tribunal on 29 July 2022 and the deadline to file the written submissions is on 29 September 2022.

On 8 August 2022, IECSB has been placed under Judicial Management and pursuant to Section 410(c) of the Companies Act 2016, IECSB's solicitors will not be able to act for IECSB in this arbitration unless leave has been granted by the Court. The Arbitrator has temporarily suspended the arbitration proceedings until 9 December 2022. Following the order for suspension, all further steps with regard to the proceedings including the direction to file written submissions are now suspended.

On 25 January 2023, IECSB's solicitors have discharged themselves from acting for IECSB. Following the discharge, IECSB's solicitors added the Interim Judicial Manager to address the Tribunal. There is no response or update from the Interim Judicial Manager till to date. The judicial management order expired on 8 February 2023 unless an extension is obtained. UEM Land's solicitors are in the midst of conducting a file search to ascertain if any extension of the judicial management has been granted and the status of the matter.

- (j) On 15 April 2021, Edgenta Propel was served with a Writ and Statement of Claim dated 12 April 2021 filed by Ahmad Zaki Sdn Bhd ("AZSB") in relation to the dispute arising from the contract for protection and relocation of utilities (relocation of telecommunication works) for Mass Rapid Transit Sungai Buloh-Serdang-Putrajaya (SSP) project.

AZSB alleged that Edgenta Propel's delay resulted in the failure to meet the completion date. As a consequence, AZSB had to engage third parties to complete some of the works under the contract. AZSB was therefore seeking reliefs amounting to RM30.9 million from Edgenta Propel.

Edgenta Propel filed a counterclaim against AZSB for RM10.6 million on the basis that AZSB failed, neglected and/or refused to make full payment for payment certificates, under certified Edgenta Propel's claims for work done and failed to certify the progress claims that were duly submitted to AZSB.

Edgenta Propel filed its defence and counterclaim on 25 May 2021 and Reply to Defence of Counterclaim on 30 August 2021.

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49. Contingent liabilities (cont'd.)

UEM Group Berhad ("UEM") (cont'd.)

(j) (cont'd.)

On 12 July 2022, both AZSB and Edgenta Propel reached a settlement and recorded consent judgment before the Judge on 27 July 2022. The terms of the consent judgment provided, amongst others, that AZSB would pay Edgenta Propel the sum of RM10.7 million by way of ten monthly installments from 30 November 2022 to 31 August 2023 and the sum of RM400,321 on or by 30 September 2023. All of AZSB's claims against Edgenta Propel in the Civil Suit would also be withdrawn without liberty to file afresh. On 2 August 2022, a sealed copy of the Consent Judgement was issued by Court.

Following the default of the first installment payment by AZSB, the entire sum of RM11.1 million became due and payable by AZSB with interest of 5% per annum from 1 December 2022 until the date of final realisation. Edgenta Propel had on 3 January 2023 filed a winding-up petition against AZSB in the High Court. However, winding-up petition against AZSB was withdrawn on 27 January 2023 with liberty to file afresh.

Pursuant to AZSB's request, Edgenta Propel is willing to grant AZSB indulgence in respect of payment of the sums above upon amongst others, the following terms, which have been agreed by AZSB:

- (a) AZSB shall pay the sum of RM11.1 million by way of eleven monthly installments from 31 March 2023 to 31 January 2024, together with interest from the original date of payment stated in the Consent Judgment.
 - (b) in the event AZSB fails, neglects and/or defaults in making any of the installment payments together with interest, Edgenta Propel shall be entitled to take such steps as may be necessary against AZSB, to enforce or execute the Consent Judgment.
- (k) On 30 March 2021, Edgenta Mediserve Sdn Bhd ("EMS") was served with a Writ and Statement of Claim dated 25 March 2021 filed by Magna Meditech Sdn Bhd ("MMSB") in relation to the dispute arising from the contract for provision of comprehensive maintenance services for radiology, radiotherapy, imaging and ultrasound equipment at Northern Region hospitals under Ministry of Health.

MMSB alleged that EMS had breached the contract by prematurely and unlawfully terminating the contract and seeking reinstatement of the contract for a new term of 3 years with an extension of 2 years or damages amounting to RM22.0 million.

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49. Contingent liabilities (cont'd.)

UEM Group Berhad ("UEM") (cont'd.)

(k) (cont'd.)

EMS subsequently filed the defence against MMSB's claims on 3 May 2021. All parties have filed pre-trial documents based on Court's decisions and the Court fixed the trial dates to be held from 11 March 2024 to 14 March 2024.

On 29 December 2022, EMS entered into a settlement agreement with MMSB. Pursuant to the settlement agreement, EMS will pay a settlement sum of RM1.2 million and MMSB withdraw the claim against EMS without liberty to file afresh. The settlement sum, which also inclusive of claim of assets and equipment purchased by MMSB had been recorded by EMS in the financial year ended 31 December 2022.

(l) In 2010, Madhucon Projects Ltd ("MPL") had initiated arbitration proceeding against UE Development India Pvt Ltd ("UEDI"), an indirect wholly-owned subsidiary of UEM Builders, under a joint venture agreement for the construction of Tuni-Anakapalli NH 5 Project. A claim of INR707.0 million or RM37.5 million had been claimed by MPL and UEDI had counterclaimed INR390.0 million or RM20.7 million.

In addition, MPL had claimed a sum of INR823.6 million or RM43.7 million for the arbitration related to a joint venture agreement for the construction of Tambaram –Tindivanam NH 45 Road Project. UEDI had counterclaimed for a sum of INR284.0 million or RM15.1 million.

UEDI had raised several objections on the maintainability of the arbitrations and the scope of the claims that had been raised before the arbitrators.

In respect of the first claim pertaining to Tuni-Anakapalli NH-5 Project, the proceedings are completed, and the award shall be published in due course, while the date for next hearing for second claim pertaining to Tambaram – Tindivanam NH 45 Road Project has yet to be fixed.

Cenergi SEA Berhad ("Cenergi")

(a) Cenergi currently has 28 active Carbon Development Mechanism ("CDM") projects which have been registered with the United Nations Framework Convention on Climate Change ("UNFCCC"). The Group has contractual responsibilities that need to be fulfilled as the appointed consultant of the CDM projects. These include management of validation process as required by UNFCCC, implementation of the monitoring plan i.e. steps required to monitor the data of emission and marketing emission reduction credit to potential purchasers. Failure to fulfil any of the contractual responsibilities may lead to potential proceedings from the contract counterparty. However, as the Certified Emission Reductions ("CERs") market is currently unattractive, the Directors are of the opinion that it is highly unlikely that clients will request for the services to be provided as per the contract.

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49. Contingent liabilities (cont'd.)

	Company	
	2022	2021
	RM'000	RM'000
Guarantee given to certain subsidiaries for term loan facilities with licensed banks	5,395,635	3,397,634

50. Significant events

The following are the significant events of the Group during the financial year ended 31 December 2022:

(a) UEM Group Berhad ("UEM")

During the financial year, the Government of Malaysia ("GoM") approved the toll restructuring exercise for PLUS, a wholly-owned subsidiary of PLUS Malaysia. The supplemental concession agreements ("SCAs") were executed between PLUS and the GoM on 7 October 2022 and became effective on 23 December 2022 upon the first issuance of PLUS Sukuk by PLUS.

The SCAs cover inter-alia extension of concession period for all highways under PLUS for an additional 20 years to 31 December 2058 with no further increase in toll rates and settlement of outstanding toll compensation as at 31 December 2021 by GoM by way of annual cash installments up to 2027.

The GoM issued a Letter of Undertaking ("LOU") in favour of the security agent for the benefit of the sukukholder to maintain PLUS's finance service cover ratio ("FSCR") at not less than 2.0 times on the FSCR determination date.

Following the toll restructuring exercise:

- (i) PLUS issued new PLUS Sukuk amounting to RM25.2 billion in nominal value, consisting of:
 - (a) RM17.2 billion to the holders of the existing Sukuk Musharakah to facilitate the sukuk exchange to PLUS Sukuk;
 - (b) RM8.0 billion with maturity not exceeding 2038 to acquire RUMS from PMB's corporate shareholders, declare coupon payment for RCULS and partially redeem the RCULS from PMB.
- (ii) PMB fully redeemed its outstanding RCPS amounting to RM3.7 billion (RM1.9 billion held by UEM), satisfied via issuance of RUMS. PLUS then acquired the RUMS from PMB's corporate shareholders at a fair value of RM3.4 billion, satisfied via the issuance of new PLUS Sukuk. The RUMS was subsequently cancelled on 29 December 2022.

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50. Significant events (cont'd.)

The following are the significant events of the Group during the financial year ended 31 December 2022: (cont'd.)

(a) UEM Group Berhad ("UEM") (cont'd.)

Following the toll restructuring exercise: (cont'd.)

- (iii) On 23 December 2022, PMB declared the first interim dividend of RM1.0 billion, followed by second interim dividend of RM3.6 billion on 30 December 2022, with payments satisfied via PLUS Sukuk, on 23 December 2022 and 4 January 2023 respectively.

Arising from the above, the Company received a total PLUS Sukuk of RM4.1 billion, comprising consideration for the disposal of RUMS of RM1.7 billion and dividend income of RM2.4 billion.

RM2.0 billion and RM1.8 billion of PLUS Sukuk were subsequently distributed to the shareholder as dividend-in-specie on 23 December 2022 and 31 January 2023 respectively.

(b) Cenergi SEA Berhad ("Cenergi")

Cenergi has refinanced Cenergi FJP Sdn. Bhd., IRM Solar Sdn. Bhd., Digital Awan Sdn. Bhd., and Marudu Power Sdn. Bhd. borrowings on 27 January 2022 using the proceed from the Sukuk financing issued.

Cenergi has secured a Commodity Murabahah Financing-I ("Facility") of up to RM25.0 million from Standard Chartered Saadiq Berhad with a sublimit facility of up to RM25.0 million to Cenergi Sunseap Energy Solutions Sdn. Bhd. and Cenergi Solar Sdn. Bhd. via the Facility Letter and Supplemental Facility Letter dated 4 June 2021 and 21 February 2022 respectively. The Facility is secured by a corporate guarantee from Cenergi EE Holdings Sdn. Bhd..

(c) Agrifood Resources Holdings Sdn. Bhd. ("ARHSB")

The Company has a 30% stake in Farm Fresh Berhad ("Farm Fresh"). On 22 March 2022, Farm Fresh has listed on the Main Market of Bursa Malaysia Securities. In conjunction with the IPO exercise of Farm Fresh, the Company has completed its institutional offering of 248,965,000 shares and fully exercised the over-allotment options of 22,295,500 shares, totalling 271,261,400 number of shares, at the IPO price of RM1.35 per share.

This disposal has generated proceeds of RM366,202,890 and gain on disposal of RM341,185,155.

In relation thereto, the Company's shareholding in Farm Fresh has been reduced to 11.8% and reclassified as investment in associate company as at 31 December 2022.

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51. Subsequent events

The following are the significant subsequent events of the Group and the Company after the financial year ended 31 December 2022:

Khazanah Nasional Berhad

- (i) On 25 October 2022, Pantai Feringgi Ventures Sdn. Bhd. entered into a Joint Venture Agreement with Sunway International Business and Management Sdn. Bhd. ("SIBM") to subscribe 5,000,000 ordinary shares at the issue price of RM1.00 per ordinary share, for a 45% stake in an incorporated joint venture company ("JVCo") and operate the JV Company as partner of 42 Malaysia in order to operate a digital skill training provider business in Malaysia, in the fields of computer coding and digital software.

The conditions precedent of the SPA were only met and completed on 25 January 2023.

- (ii) On 20 January 2023, Ophir Ventures Sdn. Bhd. has further subscribed to 783,333 ordinary shares issued at RM1 each and 4,216,667 RCPS issued at RM1 each in ReGen Rehabilitation International Sdn. Bhd., with a total cash consideration of RM5,000,000.
- (iii) On 3 February 2023, a Certificateholder holding USD3,750,000 in nominal value of the Exchangeable Trust Certificates issued by Cindai Capital Limited exercise its Exchange Right for the relevant Cash Settlement Amount. Subsequently, on 8 February 2023, the remaining outstanding Certificates in nominal value of USD 225,942,000 were redeemed upon maturity.
- (iv) On 28 March 2023 and 18 April 2023, the Company has disposed off 19,500,000 and 34,830,000 units of shares respectively in Tenaga Nasional Berhad ("TNB"), for a total consideration of RM487mil, resulting in gain on disposal of RM390mil.
- (v) Pulau Kendi Investments Limited has divested 50,397,500 units of shares in March, April and May 2023 in CITICS Securities Co. Ltd., for a total consideration of USD111mil, resulting in gain on disposal of USD6mil.

Malaysia Aviation Group Berhad ("MAGB")

On 6 January 2023, MAGB acquired one of its subsidiary, FlyFirefly Holiday Sdn. Bhd. from Malaysia Airlines Berhad for a consideration RM 300,000.

Destination Resorts and Hotels Sdn. Bhd. ("DRHSB")

On 9 January 2023, Themed Attractions Resorts & Hotels Sdn. Bhd. ("TARH") changed its name to DRHSB.

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51. Subsequent events (cont'd.)

The following are the significant subsequent events of the Group and the Company after the financial year ended 31 December 2022: (cont'd.)

Agrifood Resources Holdings Sdn. Bhd. ("ARHSB")

On 16 February 2023, the Company completed the disposal of its entire 60% equity interest in NL Cold Chain Network (M) Sdn Bhd ("NLCCN"), for a total cash consideration of RM10,980,000.

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52. Subsidiaries and associates of the Company

(A) Subsidiaries of the Company

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2022 %	2021 %	2022 %	2021 %	
Agrifood Resources Holdings Sdn. Bhd. ("ARHSB")	Malaysia	100.0	100.0	-	-	Investment holding
Atlantic Quantum Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Investment holding and provision of management services
Aur Investments (Cayman Islands) Limited #	Cayman Islands	100.0	100.0	-	-	Investment holding
Aur Ventures Sdn. Bhd. #	Malaysia	-	100.0	-	-	Investment holding
Balok Ventures Sdn. Bhd. #	Malaysia	-	100.0	-	-	Investment holding
Batu Hill Development Ltd. #	England and Wales	-	100.0	-	-	Dormant
Beyond Flying Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Investment holding
Bombalai Hill Ventures Sdn. Bhd. #	Malaysia	-	100.0	-	-	Investment holding
Brinchang Ventures Sdn. Bhd. #	Malaysia	100.0	100.0	-	-	Investment holding
Broga Hill Investments Limited #	Malaysia	100.0	100.0	-	-	Investment holding
Bukit Bendera Investments Limited #	Malaysia	100.0	100.0	-	-	Investment holding
Bukit Chini Investments Limited #	Malaysia	100.0	100.0	-	-	Investment holding
Bukit Damar Investments Limited #	Malaysia	100.0	100.0	-	-	Investment holding

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**Khazanah Nasional Berhad
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52. Subsidiaries and associates of the Company (cont'd.)

(A) Subsidiaries of the Company (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2022 %	2021 %	2022 %	2021 %	
Bukit Frasers Ventures Sdn. Bhd. #	Malaysia	100.0	100.0	-	-	Investment holding
Bukit Galla Investments Limited #	Malaysia	100.0	100.0	-	-	Investment holding
Bukit Puteri Investments Limited #	Malaysia	100.0	100.0	-	-	Investment holding
Carey Investments (Cayman Islands) Limited #	Cayman Islands	100.0	100.0	-	-	Investment holding
Cerah Capital Ltd.	Malaysia	100.0	100.0	-	-	Fund raising on behalf of holding company
Cenviro Sdn. Bhd.	Malaysia	70.0	100.0	30.0	-	Investment holding and provision of management services
Chendering Investments Limited #	Malaysia	100.0	100.0	-	-	Investment holding
Cosmos Friendship Limited #	Hong Kong	100.0	100.0	-	-	Investment holding
Dayang Bunting Ventures Sdn. Bhd. #	Malaysia	100.0	100.0	-	-	Investment holding
Dendana Investments (Mauritius) Limited #	Mauritius	100.0	100.0	-	-	Investment holding
Feringghi Capital Limited #	Malaysia	100.0	100.0	-	-	To provide funding for the operations of Special Purpose Vehicle on behalf of its holding company

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**Khazanah Nasional Berhad
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52. Subsidiaries and associates of the Company (cont'd.)

(A) Subsidiaries of the Company (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2022 %	2021 %	2022 %	2021 %	
Gemia Investments Limited #	Cayman Islands	100.0	100.0	-	-	Investment holding
Glam Ventures Pte Limited #	Singapore	100.0	100.0	-	-	Investment holding
Granatum Ventures Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Investment holding
Gunung Korbu Investments (Cayman Islands) Limited #	Cayman Islands	100.0	100.0	-	-	Investment holding
Gunung Nuang Ventures Limited #	Malaysia	100.0	100.0	-	-	Investment holding
i2M Ventures Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Promotion, marketing and administration of business service cluster
Impeccable Vintage Properties Sdn. Bhd. ("IVP")	Malaysia	100.0	100.0	-	-	Activities of holding companies
Iskandar Investment Berhad ("IIB")	Malaysia	60.0	60.0	40.0	40.0	Investment holding, property investment, property and land development and the provision of shared services to the subsidiaries
Iskandar Ventures Sdn. Bhd. ("IVSB") #	Malaysia	100.0	100.0	-	-	Investment holding
Jerai Ventures Sdn. Bhd. #	Malaysia	100.0	100.0	-	-	Investment holding
Kelanang Ventures Sdn. Bhd. #	Malaysia	-	100.0	-	-	Investment holding

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**Khazanah Nasional Berhad
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52. Subsidiaries and associates of the Company (cont'd.)

(A) Subsidiaries of the Company (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2022 %	2021 %	2022 %	2021 %	
Khazanah Americas Incorporated #	United States	100.0	100.0	-	-	Investment advisory
Khazanah Asset Management Sdn. Bhd. #	Malaysia	100.0	100.0	-	-	Dormant
Khazanah Europe Investment Limited #	United Kingdom	-	100.0	-	-	Provision of intra-group financial, legal and investment advisory services, related services to the group
Khazanah Nasional Consulting (Hong Kong) Company Limited #	Hong Kong	100.0	100.0	-	-	Investment holding
Klebang Capital Ltd. #	Malaysia	100.0	100.0	-	-	Investment holding
Kuala Perlis Ventures Sdn. Bhd. #	Malaysia	-	100.0	-	-	Investment holding
Kuala Selangor Ventures Sdn. Bhd. #	Malaysia	100.0	100.0	-	-	Investment holding
Layang-layang Ventures Sdn. Bhd. #	Malaysia	-	100.0	-	-	To manage, disburse and monitor the allocation of grant from Ministry of Finance to Allied Healthcare Centre of Excellence ("AH CoE")
Ledang Ventures Pte Ltd. #	Singapore	100.0	100.0	-	-	Investment holding

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**Khazanah Nasional Berhad
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52. Subsidiaries and associates of the Company (cont'd.)

(A) Subsidiaries of the Company (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2022 %	2021 %	2022 %	2021 %	
Lembong Ventures Sdn Bhd. #	Malaysia	100.0	100.0	-	-	Dormant
Lido Capital Ltd. #	Malaysia	100.0	100.0	-	-	Fund raising on behalf of its holding company
Little Steps Sdn. Bhd.	Malaysia	-	100.0	-	-	Childcare operator
Malaysian Airline System Berhad ("MAS")	Malaysia	100.0	100.0	-	-	In liquidation
Malaysia Aviation Group Berhad ("MAGB") *	Malaysia	86.6	86.6	13.4	13.4	Investment holding
Malaysian Technology Development Corporation Sdn. Bhd. *	Malaysia	100.0	100.0	-	-	Venture capital services activities, management of government grants, technology incubation management and technology support services
Mantanani Ventures Sdn Bhd. #	Malaysia	100.0	100.0	-	-	Investment holding
Mataking Ventures Sdn. Bhd. #	Malaysia	100.0	100.0	-	-	Investment holding
Mount Bintang Ventures Sdn. Bhd. #	Malaysia	100.0	100.0	-	-	Investment holding
Mount Gading Ventures Sdn. Bhd. #	Malaysia	100.0	100.0	-	-	Investment holding
Mount Hatton Investments Limited #	Malaysia	100.0	100.0	-	-	Investment holding

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**Khazanah Nasional Berhad
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52. Subsidiaries and associates of the Company (cont'd.)

(A) Subsidiaries of the Company (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2022 %	2021 %	2022 %	2021 %	
Mount Irau Ventures Sdn. Bhd. #	Malaysia	-	100.0	-	-	Providing human capital services including recruitment services, secondment and redeployment of human capital
Mount Rajah Ventures Limited #	Jersey	-	100.0	-	-	Dormant
Mount Raya Investments Limited #	Malaysia	100.0	100.0	-	-	Investment holding
Mount Reskit Investments Ltd. #	Malaysia	100.0	100.0	-	-	Investment holding
Mount Suku Investments Limited	Malaysia	100.0	100.0	-	-	Investment holding
Mount Terra Investments Limited #	Malaysia	100.0	100.0	-	-	Investment holding
Noring Investments (Mauritius) Limited #	Mauritius	100.0	100.0	-	-	Investment holding
Ophir Ventures Sdn. Bhd. #	Malaysia	100.0	100.0	-	-	Investment holding
Pagon Hill Investments Limited #	Malaysia	100.0	100.0	-	-	Investment holding
Pangkor Investments (Cayman Islands) Ltd. #	Cayman Islands	-	100.0	-	-	Investment holding
Pantai Air Papan Investments Limited. #	Malaysia	100.0	100.0	-	-	Investment holding

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**Khazanah Nasional Berhad
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52. Subsidiaries and associates of the Company (cont'd.)

(A) Subsidiaries of the Company (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2022 %	2021 %	2022 %	2021 %	
Pantai Barat Investments (Cayman Islands) Ltd. #	Cayman Islands	100.0	100.0	-	-	Investment holding
Pantai Cahaya Bulan Ventures Sdn. Bhd. #	Malaysia	100.0	100.0	-	-	Investment holding
Pantai Feringgi Ventures Sdn. Bhd. #	Malaysia	100.0	-	-	-	Investment holding
Pantai Juara Investments Limited #	Malaysia	100.0	100.0	-	-	Investment holding
Pantai Melawi Ventures Sdn. Bhd. #	Malaysia	100.0	100.0	-	-	Dormant
Pantai Morib Ventures Sdn. Bhd. #	Malaysia	100.0	100.0	-	-	Dormant
Pantai Murni Ventures Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Investment holding
Pantai Remis Investments Limited #	Malaysia	100.0	100.0	-	-	Dormant
Pantai Saujana Investments Limited. #	Malaysia	100.0	100.0	-	-	Investment holding
Pantai Sura Investments Limited #	Malaysia	100.0	100.0	-	-	Investment holding
Pasir Salak Investments Limited #	Malaysia	100.0	100.0	-	-	Investment holding
Payar Investments Ltd. #	Malaysia	100.0	100.0	-	-	Investment holding

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**Khazanah Nasional Berhad
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52. Subsidiaries and associates of the Company (cont'd.)

(A) Subsidiaries of the Company (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2022 %	2021 %	2022 %	2021 %	
Penerbangan Malaysia Berhad ("PMB")	Malaysia	100.0	100.0	-	-	Carrying on business of acquiring, sale and leasing of aircraft and aircraft engines, investment holding, strategic management of the domestic airline business and other related services
Perhentian Investments (Mauritius) Ltd. #	Mauritius	-	100.0	-	-	Investment holding
Pine Tree Hill Investments Limited #	Malaysia	100.0	100.0	-	-	Investment holding
Ponorogo Investments Limited #	Malaysia	-	100.0	-	-	Investment holding
Pulau Aman Investments Limited #	Malaysia	100.0	-	-	-	Investment holding
Pulau Besar Investments Limited #	Malaysia	100.0	-	-	-	Investment holding
Pulau Dinawan Investments Limited #	Malaysia	-	100.0	-	-	Investment holding
Pulau Kaca Investments Limited #	Malaysia	100.0	100.0	-	-	Investment holding
Pulau Kendi Investments Limited #	Malaysia	100.0	100.0	-	-	Investment holding
Pulau Kukup Investments (Mauritius) Ltd. #	Mauritius	-	100.0	-	-	Investment holding

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**Khazanah Nasional Berhad
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52. Subsidiaries and associates of the Company (cont'd.)

(A) Subsidiaries of the Company (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2022 %	2021 %	2022 %	2021 %	
Pulau Labas Ventures Sdn. Bhd. #	Malaysia	-	100.0	-	-	To assist the government of Malaysia to establish the Malaysian Aviation Commission pursuant to Act 771 Malaysian Aviation Commission Act 2015
Pulau Manukan Ventures Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Investment holding
Pulau Melaka Ltd. #	Malaysia	100.0	100.0	-	-	Investment holding
Pulau Memutik Ventures Sdn. Bhd. #	Malaysia	100.0	100.0	-	-	Investment holding
Pulau Putih Ventures Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Investment holding
Pulau Segantang Ventures Sdn. Bhd. #	Malaysia	100.0	100.0	-	-	Investment holding
Pulau Selingan Investments Limited #	Malaysia	100.0	100.0	-	-	Investment holding
Pulau Sibn Ventures Sdn. Bhd. #	Malaysia	100.0	100.0	-	-	Investment holding
Pulau Tiga Ventures Sdn. Bhd. #	Malaysia	100.0	100.0	-	-	Investment holding

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**Khazanah Nasional Berhad
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52. Subsidiaries and associates of the Company (cont'd.)

(A) Subsidiaries of the Company (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2022 %	2021 %	2022 %	2021 %	
Rantau Abang Capital Berhad #	Malaysia	100.0	100.0	-	-	Fund raising on behalf of the company to issue Islamic Commercial Papers and Islamic Medium Term Notes Sukuk
Redang Investments Ltd. #	Malaysia	100.0	100.0	-	-	Investment holding
Sampadi Investments Limited #	Malaysia	100.0	100.0	-	-	Investment holding
Santubong Ventures Sdn. Bhd. #	Malaysia	-	100.0	-	-	Investment holding
Satang Investments Ltd. #	Malaysia	100.0	100.0	-	-	Investment holding
Sebatik Investments Limited #	Malaysia	-	100.0	-	-	Investment holding
Sipadan Investments (Mauritius) Ltd. #	Mauritius	100.0	100.0	-	-	Investment holding
STLR Sdn. Bhd. #	Malaysia	100.0	100.0	-	-	Selling, leasing and renting of properties
Studios Film Office Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Film production services
Suluq Investments (Mauritius) Ltd. #	Mauritius	-	100.0	-	-	Investment holding
Sungai Pulai Investments (Mauritius) Ltd. #	Mauritius	100.0	100.0	-	-	Investment holding

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**Khazanah Nasional Berhad
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52. Subsidiaries and associates of the Company (cont'd.)

(A) Subsidiaries of the Company (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2022 %	2021 %	2022 %	2021 %	
Taman Tugu Project Development Sdn. Bhd.	Malaysia	100.0	100.0	-	-	To carry out efforts of project management including but not limited to execution of projects relating to the refurbishment, rejuvenation and redevelopment of Taman Tugu in Kuala Lumpur and elsewhere in Malaysia
Tanjung Adang Investments Limited #	Malaysia	100.0	100.0	-	-	Investment holding
Tanjung Bidara Ventures Sdn. Bhd. #	Malaysia	100.0	100.0	-	-	Investment holding
Tanjung Buai Ventures Sdn. Bhd. #	Malaysia	100.0	100.0	-	-	Investment holding
Tanjung Jara Investments Ltd. #	Hong Kong	100.0	100.0	-	-	Investment holding
Tanjung Manis Investments Ltd. #	Malaysia	100.0	100.0	-	-	Dormant
Tanjung Pinang Investments Limited. #	Malaysia	100.0	100.0	-	-	Dormant
Tanjung Rhu Investments Limited #	Malaysia	100.0	100.0	-	-	Investment holding
Tanjung Sedili Investments Limited. #	Malaysia	100.0	100.0	-	-	Investment holding

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**Khazanah Nasional Berhad
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52. Subsidiaries and associates of the Company (cont'd.)

(A) Subsidiaries of the Company (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2022 %	2021 %	2022 %	2021 %	
Tanjung Tuan Investments Limited #	Malaysia	100.0	100.0	-	-	Investment holding
Tasik Pedu Investments Limited #	Malaysia	100.0	100.0	-	-	Investment holding
Teluk Bahang Investments Limited #	Malaysia	100.0	100.0	-	-	Investment holding
Teluk Belanga Investments Limited #	Malaysia	-	100.0	-	-	Investment holding
Teluk Cempedak Investments (Mauritius) Ltd. #	Mauritius	100.0	100.0	-	-	Investment holding
Teluk Dalam Investments Limited #	Malaysia	100.0	100.0	-	-	Investment holding
Teluk Gadong Investments Limited #	Malaysia	100.0	100.0	-	-	Investment holding
Teluk Intan Investments (Cayman Islands) Limited #	Cayman Islands	-	100.0	-	-	Dormant
Teluk Kalung Investments Limited. #	Malaysia	100.0	100.0	-	-	Investment holding
Teluk Kemang Investments (Mauritius) Ltd. #	Mauritius	-	100.0	-	-	Investment holding
Teluk Kumbar Ventures Sdn. Bhd. #	Malaysia	100.0	100.0	-	-	Investment holding

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**Khazanah Nasional Berhad
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52. Subsidiaries and associates of the Company (cont'd.)

(A) Subsidiaries of the Company (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2022 %	2021 %	2022 %	2021 %	
Teluk Nibong Ventures Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Provision of transition support services including outplacement support and training support services for the development of human capital
Teluk Nipah Investments (Cayman Islands) Ltd.	Cayman Islands	-	100.0	-	-	Dormant
Teluk Pauh Sdn. Bhd. #	Malaysia	-	100.0	-	-	Administration of collaboration with the Cruyff Foundation in Malaysia
Teluk Rubiah Ventures Sdn. Bhd. #	Malaysia	100.0	100.0	-	-	Investment holding
Teluk Senangin Investments Limited #	Malaysia	100.0	100.0	-	-	Investment holding
Destination Resorts & Hotels Sdn. Bhd. (formerly known as Themed Attractions Resorts & Hotels Sdn. Bhd.)	Malaysia	100.0	100.0	-	-	Investment holding and provision of management services

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**Khazanah Nasional Berhad
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52. Subsidiaries and associates of the Company (cont'd.)

(A) Subsidiaries of the Company (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2022 %	2021 %	2022 %	2021 %	
Think City Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Promoting and preserving the living culture and heritage areas including but not limited to initiating projects relating to the rejuvenation and transformation of George Town, Penang and elsewhere in Malaysia
Tioman Investments (Mauritius) Ltd. #	Mauritius	-	100.0	-	-	Investment holding
Titiwangsa Investments (Mauritius) Ltd. #	Mauritius	100.0	100.0	-	-	Investment holding
Tulai Beach Ventures Sdn. Bhd. #	Malaysia	100.0	100.0	-	-	Investment holding
UEM Group Berhad ("UEM")	Malaysia	100.0	100.0	-	-	Project design, management and contracting in the fields of civil, electrical and mechanical engineering, undertaking of turnkey projects and investment holding
Wakeel Capital Sdn Bhd #	Malaysia	100.0	-	-	-	Investment holding
Western Hill Investments Limited #	Malaysia	100.0	100.0	-	-	Investment holding

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**Khazanah Nasional Berhad
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52. Subsidiaries and associates of the Company (cont'd.)

(B) Associates of the Company (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Accounting model applied	Principal activities
		2022 %	2021 %		
Axiata Group Berhad *	Malaysia	36.7	36.8	Equity method	Telecommunication and related services
Bank Muamalat Malaysia Berhad	Malaysia	30.0	30.0	Equity method	Islamic commercial banking and finance
CIMB Group Holdings Berhad *	Malaysia	24.1	25.7	Equity method	Investment holding, management company, property management, provision of consultancy services and dealing in securities
Iskandar Capital Sdn. Bhd.	Malaysia	15.3	15.3	Equity method	Investment holding
Malaysia Airports Holdings Berhad	Malaysia	33.2	33.2	Equity method	Investment holding
Pulau Kapas Ventures Sdn. Bhd. *	Malaysia	30.0	30.0	Equity method	Investment holding
Putrajaya Holdings Sdn. Bhd.	Malaysia	15.6	15.6	Equity method	Investment holding
Telekom Malaysia Berhad *	Malaysia	20.2	20.1	Equity method	Telecommunication and related services
Tenaga Nasional Berhad *	Malaysia	25.5	25.7	Equity method	Generation, transmission and distribution and sale of electricity

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52. Subsidiaries and associates of the Company (cont'd.)

(B) Associates of the Company (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Accounting model applied	Principal activities
		2022 %	2021 %		
TIME dotCom Berhad * ^	Malaysia	10.7	10.8	Equity method	Investment holding, provision of management and marketing/ promotional services and retailing of telecommunications products
Valuecap Sdn. Bhd. *	Malaysia	33.3	-	Equity method	Investment in marketable securities listed on Bursa Malaysia Berhad and provision of services to its two wholly owned subsidiaries

* Subsidiaries and associates not audited by member firms of Ernst & Young Global.

SPV set up for investment or funding purposes, which are consolidated in the extended company financial statements as disclosed in Note 21(v).

~ Equals to proportion of voting rights held.

^ The Company has a total of 19.4% shareholding in TIME dotCom Berhad, comprising 10.7% held via the Company and 8.7% held by Pulau Kapas Ventures Sdn. Bhd..

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53. Subsidiaries, associates and joint ventures of the Group

Other than the subsidiaries, associates and joint venture of the Company as listed in Note 52, the subsidiaries and associates of the Group are as listed below:

- (i) Subsidiaries, associates and joint ventures of UEM Group Berhad ("UEM"), are disclosed in Note 53(A).
- (ii) Subsidiaries of Malaysian Airline System Berhad ("MAS"), are disclosed in Note 53(B).
- (iii) Subsidiaries and associates of Malaysia Aviation Group Berhad ("MAGB"), are disclosed in Note 53(C).
- (iv) Subsidiaries, associates and joint ventures of Iskandar Investment Berhad ("IIB"), are disclosed in Note 53(D).
- (v) Subsidiaries, associates and joint ventures of Destination Resorts & Hotels Sdn. Bhd. ("DRHSB") (formerly known as Themed Attractions Resorts & Hotels Sdn. Bhd. ("TARH")), are disclosed in Note 53(E).
- (vi) Subsidiary of Malaysian Technology Development Corporation ("MTDC"), are disclosed in Note 53(F).
- (vii) Other subsidiaries, associates and joint ventures of the Group are disclosed in Note 53(G).

(A) Subsidiaries, associates and joint ventures of UEM

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2022 %	2021 %	2022 %	2021 %	
Subsidiaries of UEM						
PLUS Expressways International Berhad ("PEIB")	Malaysia	100.0	100.0	-	-	Investment holding and provision of expressway operation services
UEM Sunrise Berhad ("UEM Sunrise")	Malaysia	69.6	69.6	30.4	30.4	Investment holding and provision of shares services for its subsidiaries
UEM Builders Berhad ("UEM Builders")	Malaysia	100.0	100.0	-	-	Investment holding and provision of management services

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53. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2022 %	2021 %	2022 %	2021 %	
Subsidiaries of UEM (cont'd.)						
Cement Industries of Malaysia Berhad ("CIMA")	Malaysia	100.0	100.0	-	-	Provision of management services and investment holding
UEM Edgenta Berhad ("UEM Edgenta")	Malaysia	69.1	69.1	30.9	30.9	Investment holding and provision of management services to its subsidiaries
Konsortium ProHAWK Sdn. Bhd.	Malaysia	65.0	65.0	35.0	35.0	Planning, design, financing, development, construction, landscaping, equipping, installation, completion, testing and commissioning of a hospital building, facilities and infrastructure at the identified project land and to carry out total asset and facilities management services at hospital or commercial or government buildings

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53. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Accounting model applied	Principal activities
		2022 %	2021 %		

Associate of UEM

UE Construction (Phil.) Inc.*<	Philippines	40.0	40.0	Equity method	Dormant
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Joint Ventures of UEM

PLUS Malaysia Berhad ("PLUS Malaysia") x	Malaysia	51.0	51.0	Equity method	Investment holding
UEM – Essar Projects Limited *x	Unincorporated	51.0	51.0	Equity method	Construction and extension of roads

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2022 %	2021 %	2022 %	2021 %	

Subsidiaries of PEIB

Ghir Investments (Mauritius) Limited	Mauritius	100.0	100.0	-	-	Investment holding
PLUS Kalyan (Mauritius) Private Limited *	Mauritius	100.0	100.0	-	-	Investment holding

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53. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2022 %	2021 %	2022 %	2021 %	

**Subsidiaries of PEIB
(cont'd.)**

PLUS Plaza (Mauritius) Private Limited *	Mauritius	100.0	100.0	-	-	Investment holding
PEIB Capital Sdn. Bhd. ("PEIBC")	Malaysia	100.0	100.0	-	-	Investment holding

Name	Country of incorporation/ principal place of business	Effective interest~		Accounting model applied	Principal activities
		2022 %	2021 %		

Joint venture of PEIB

Jetpur Somnath Tollways Private Limited ("JSTPL") *//x	India	64.4	64.4	Equity method	Ceased operations
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Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2022 %	2021 %	2022 %	2021 %	

**Subsidiary of PLUS Kalyan
(Mauritius) Private
Limited**

PLUS BKSP Toll Limited *## α	India	94.1	94.1	5.9	5.9	Ceased operations
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53. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2022 %	2021 %	2022 %	2021 %	
Subsidiary of PLUS Plaza (Mauritius) Private Limited						
Trichy Padalur Tollways Private Limited ("TPTPL") *α	India	74.0	74.0	26.0	26.0	Undertake construction, operation, maintenance and toll collection of the four laning and strengthening of Padalur-Trichy Highway section from KM285 to KM325 of NH-45 in the state of Tamil Nadu, India, on a Build, Operate and Transfer basis

Name	Country of incorporation/ principal place of business	Effective interest~		Accounting model applied	Principal activities
		2022 %	2021 %		
Joint venture of Ghir Investments (Mauritius) Limited					
Uniquet Infra Ventures Private Limited *α	India	80.1	80.1	Equity method	Developing, owning and managing road infrastructure projects in India

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53. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2022 %	2021 %	2022 %	2021 %	
Subsidiary of Uniquet Infra Ventures Private Limited						
Khalghat Sendhwa Tollways Private Limited ("KSTPL") *α	India	80.1	80.1	19.9	19.9	Undertake the design, engineering, finance, construction, operation and maintenance of Khalghat-MP/Maharashtra Border Section on NH-3 from Km84.700 to Km167.500 in the State of Madhya Pradesh under NHDP Phase IIIA through a concession on Build, Operate and Transfer basis
Subsidiaries of Plus Malaysia						
Projek Lebuhraya Usahasama Berhad	Malaysia	51.0	51.0	49.0	49.0	Undertake the operation, maintenance and toll collection of the expressways
Teras Teknologi Sdn. Bhd.	Malaysia	51.0	51.0	49.0	49.0	Investment holding and engaged in supply, installation and maintenance of toll systems and equipment for expressway projects
Expressway Lingkaran Tengah Sdn. Bhd.	Malaysia	51.0	51.0	49.0	49.0	Inactive
Linkedua (Malaysia) Berhad	Malaysia	51.0	51.0	49.0	49.0	Inactive

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53. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2022 %	2021 %	2022 %	2021 %	
Subsidiaries of Plus Malaysia (cont'd.)						
Lebuhraya Pantai Timur 2 Sdn. Bhd.	Malaysia	51.0	51.0	49.0	49.0	Undertake the operation, maintenance and toll collection of Lebuhraya Pantai Timur 2
Penang Bridge Sdn. Bhd.	Malaysia	51.0	51.0	49.0	49.0	Inactive
Projek Lebuhraya Utara-Selatan Berhad	Malaysia	51.0	51.0	49.0	49.0	Inactive
Terra Plus Sdn. Bhd.	Malaysia	51.0	51.0	49.0	49.0	Inactive
Zoom Interactive Sdn. Bhd.	Malaysia	51.0	51.0	49.0	49.0	Inactive
Subsidiaries of UEM Sunrise						
UEM Land Berhad ("UEM Land")	Malaysia	69.6	69.6	30.4	30.4	Property development, property investment, project procurement and management and strategic investment holding
Nusajaya Resort Sdn. Bhd.	Malaysia	69.6	69.6	30.4	30.4	Ceased operations
Sunrise Berhad ("Sunrise")	Malaysia	69.6	69.6	30.4	30.4	Property development and investment holding
UEM Sunrise (Australia) Sdn. Bhd.	Malaysia	69.6	69.6	30.4	30.4	Investment holding

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53. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2022 %	2021 %	2022 %	2021 %	
Subsidiaries of UEM Sunrise (cont'd.)						
UEM Sunrise (Canada) Sdn. Bhd.	Malaysia	69.6	69.6	30.4	30.4	Investment holding, property development and general trading
UEM Sunrise Management Services Sdn. Bhd.	Malaysia	69.6	69.6	30.4	30.4	Investment holding
UEM Sunrise Properties Sdn. Bhd.	Malaysia	69.6	69.6	30.4	30.4	Investment holding, property development and general trading
Nusajaya Five O Sdn. Bhd.	Malaysia	69.6	69.6	30.4	30.4	Ceased operations

Name	Country of incorporation/ principal place of business	Effective interest~		Accounting model applied	Principal activities
		2022 %	2021 %		
Associate of UEM Sunrise					
UEM Sunrise Edgenta TMS Sdn. Bhd. β	Malaysia	69.3	69.3	Equity method	Investment holding and management of real estate
Joint ventures of UEM Sunrise					
Nusajaya Lifestyle Sdn. Bhd. x	Malaysia	38.3	38.3	Equity method	Property and real estate development, management and property management

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53. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Accounting model applied	Principal activities
		2022 %	2021 %		
Joint ventures of UEM Sunrise (cont'd.)					
Nusajaya Premier Sdn. Bhd. x	Malaysia	55.7	55.7	Equity method	Property development and investment holding
Desaru South Course Residences Sdn. Bhd. ("DSCR") x	Malaysia	35.5	35.5	Equity method	Property development
Desaru North Course Residences Sdn. Bhd. ("DNCR") x	Malaysia	35.5	35.5	Equity method	Property development
Desaru South Course Land Sdn. Bhd. ("DSCL") x	Malaysia	35.5	35.5	Equity method	Property development
Malaysian Bio-Xcell Sdn. Bhd. *	Malaysia	27.8	27.8	Equity method	In receivership and liquidation

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2022 %	2021 %	2022 %	2021 %	
Subsidiaries of UEM Land						
Bandar Nusajaya Development Sdn. Bhd. ("BND")	Malaysia	69.6	69.6	30.4	30.4	Investment holding, property development, land trading and an agent for its subsidiaries
Finwares Sdn. Bhd.	Malaysia	69.6	69.6	30.4	30.4	Investment holding
Fleet Group Sdn. Bhd.	Malaysia	69.6	69.6	30.4	30.4	Investment holding

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53. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2022 %	2021 %	2022 %	2021 %	
Subsidiaries of UEM Land (cont'd.)						
Hatibudi Nominees (Tempatan) Sdn. Bhd. *	Malaysia	69.6	69.6	30.4	30.4	In members' voluntary liquidation
Marina Management Sdn. Bhd.	Malaysia	69.6	69.6	30.4	30.4	Property management
Mahisa Sdn. Bhd.	Malaysia	69.6	69.6	30.4	30.4	Property development and undertakes construction and turnkey development contracts
Marak Unggul Sdn. Bhd.	Malaysia	34.8	34.8	65.2	65.2	Dormant
Nusajaya Development Sdn. Bhd.	Malaysia	69.6	69.6	30.4	30.4	Property development
Nusajaya Medical Park Sdn. Bhd. *	Malaysia	69.6	69.6	30.4	30.4	Construct, manage and/or operate specialised buildings for long term lease and property development
UEM Sunrise Nusantara Sdn. Bhd. *	Malaysia	69.6	69.6	30.4	30.4	In members' voluntary liquidation
UEM Sunrise Overseas Corporation Sdn. Bhd.	Malaysia	69.6	69.6	30.4	30.4	Investment holding

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53. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2022 %	2021 %	2022 %	2021 %	
Associates of UEM Land						
Aura Muhibah Sdn. Bhd.	Malaysia	27.8	27.8	Equity method		Property development
Setia Haruman Sdn. Bhd. *	Malaysia	17.4	17.4	Equity method		Township development, property development, project development and sale of land
Scope Energy Sdn. Bhd.*	Malaysia	27.8	27.8	Equity method		Property development
Inneonusa Sdn. Bhd. *	Malaysia	27.1	27.1	Equity method		Provision of smart building infrastructure, smart safety and security system, smart in-building services and smart wide services including smart tenant services for building owners, operators, residents and visitors
Sarandra Malaysia Sdn. Bhd.	Malaysia	27.8	27.8	Equity method		Investment holding, constructing, managing and developing of Marina Club

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53. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Accounting model applied	Principal activities
		2022 %	2021 %		
Joint Ventures of UEM Land					
Cahaya Jauhar Sdn. Bhd. x	Malaysia	41.8	41.8	Equity method	Undertake the turnkey design and build contract for the development of the Johor State New Administrative Centre (now known as Kota Iskandar) and State Government Staff Housing in Iskandar Puteri, Johor, and provision of facilities maintenance and management services
Gerbang Leisure Park Sdn. Bhd. *	Malaysia	-	34.8	Equity method	Dissolved
Haute Property Sdn. Bhd. *	Malaysia	27.8	27.8	Equity method	Property development and property marketing
Horizon Hills Development Sdn. Bhd.	Malaysia	34.8	34.8	Equity method	Property development
Nusajaya Consolidated Sdn. Bhd. *	Malaysia	34.8	34.8	Equity method	Property development and related activities
Nusajaya Tech Park Sdn. Bhd.	Malaysia	27.8	27.8	Equity method	Property development
FASTrack Iskandar Sdn. Bhd.	Malaysia	20.9	20.9	Equity method	Property development and to develop, construct, operate and manage motorsport city with related facilities and services

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53. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2022 %	2021 %	2022 %	2021 %	
Subsidiaries of BND						
Nusajaya Industrial Park Sdn. Bhd.	Malaysia	69.6	69.6	30.4	30.4	Property development
Nusajaya Gardens Sdn. Bhd.	Malaysia	69.6	69.6	30.4	30.4	Land trading and investment holding
Nusajaya Greens Sdn. Bhd.	Malaysia	69.6	69.6	30.4	30.4	Property development, land trading and investment holding
Nusajaya Heights Sdn. Bhd.	Malaysia	69.6	69.6	30.4	30.4	Property development, land trading and investment holding
Nusajaya Rise Sdn. Bhd.	Malaysia	69.6	69.6	30.4	30.4	Property development, land trading, investment holding and licensed money lending activity
Nusajaya Seaview Sdn. Bhd.	Malaysia	69.6	69.6	30.4	30.4	Land trading and investment holding
Nusajaya Land Sdn. Bhd.	Malaysia	69.6	69.6	30.4	30.4	Property development
Symphony Hills Sdn. Bhd.	Malaysia	69.6	69.6	30.4	30.4	Property development, land trading and investment holding

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53. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2022 %	2021 %	2022 %	2021 %	
Subsidiary of UEM						
Sunrise Nusantara Sdn. Bhd.						
P.T. Bias Permata	Indonesia	69.6	69.6	30.4	30.4	Investment holding
Subsidiary of UEM						
Sunrise Overseas Corporation Sdn. Bhd.						
UEM Sunrise South Africa (Pty) Ltd. *	South Africa	69.6	69.6	30.4	30.4	Investment holding
Subsidiaries of UEM Sunrise						
South Africa (Pty) Ltd						
Roc-Union (Proprietary) Limited *	South Africa	55.9	55.9	44.1	44.1	Investment holding
Subsidiary of Roc-Union						
(Proprietary) Limited						
Rocpoint (Proprietary) Limited *	South Africa	55.9	55.9	44.1	44.1	Acquisition and development of land
Name	Country of incorporation/ principal place of business	Effective interest~		Accounting model applied	Principal activities	
		2022 %	2021 %			
Associate of Rocpoint						
(Proprietary) Limited						
Durban Point Development Company (Proprietary) Limited *	South Africa	28.0	28.0	Equity method		Property development

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53. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2022 %	2021 %	2022 %	2021 %	
Subsidiaries of Sunrise						
Arcoris Sdn. Bhd.	Malaysia	69.6	69.6	30.4	30.4	Property investment and development
Ascot Assets Sdn. Bhd.	Malaysia	69.6	69.6	30.4	30.4	Property development
Allevia Sdn. Bhd.	Malaysia	69.6	69.6	30.4	30.4	Property investment, development and construction
Aurora Tower at KLCC Sdn. Bhd.	Malaysia	69.6	69.6	30.4	30.4	Property development
Ibarat Duta Sdn. Bhd.	Malaysia	69.6	69.6	30.4	30.4	Property development
Minh Sdn Bhd (formerly known as Laser Tower Sdn. Bhd.)	Malaysia	69.6	69.6	30.4	30.4	Property development
Lembah Suria Sdn. Bhd.	Malaysia	69.6	69.6	30.4	30.4	Property development
Lucky Bright Star Sdn. Bhd.	Malaysia	69.6	69.6	30.4	30.4	Property investment and development
Mega Legacy (M) Sdn. Bhd.	Malaysia	34.8	34.8	65.2	65.2	Property development
Milik Harta Sdn. Bhd.	Malaysia	69.6	69.6	30.4	30.4	Property development
New Planet Trading Sdn. Bhd.	Malaysia	69.6	69.6	30.4	30.4	Property investment and development
Prinsip Eramaju Sdn. Bhd.	Malaysia	69.6	69.6	30.4	30.4	Property development

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53. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2022 %	2021 %	2022 %	2021 %	
Subsidiaries of Sunrise (cont'd.)						
SCM Property Services Sdn. Bhd.	Malaysia	-	69.6	-	30.4	Disposed
Solid Performance Sdn. Bhd.	Malaysia	69.6	69.6	30.4	30.4	Property development
Summer Suites Sdn. Bhd.	Malaysia	69.6	69.6	30.4	30.4	Property development
Sun Victory Sdn. Bhd.	Malaysia	69.6	69.6	30.4	30.4	Property investment and development and hotel operation
Sunrise Alliance Sdn. Bhd.	Malaysia	69.6	69.6	30.4	30.4	Property development
Sunrise Benchmark Sdn. Bhd.	Malaysia	69.6	69.6	30.4	30.4	Property development
Sunrise Century Sdn. Bhd.	Malaysia	69.6	69.6	30.4	30.4	Property development
Sunrise Innovations Sdn. Bhd.	Malaysia	69.6	69.6	30.4	30.4	Property development
Sunrise Landmark Sdn. Bhd.	Malaysia	69.6	69.6	30.4	30.4	Property development
Sunrise Mersing Sdn. Bhd.	Malaysia	69.6	69.6	30.4	30.4	Property development
Sunrise Oscar Sdn. Bhd.	Malaysia	69.6	69.6	30.4	30.4	Investment holding

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53. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2022 %	2021 %	2022 %	2021 %	
Subsidiaries of Sunrise (cont'd.)						
Sunrise Overseas Corporation Sdn. Bhd.	Malaysia	69.6	69.6	30.4	30.4	Investment holding and provision of management services
Sunrise Paradigm Sdn. Bhd.	Malaysia	69.6	69.6	30.4	30.4	Property development
Sunrise Pioneer Sdn. Bhd.	Malaysia	69.6	69.6	30.4	30.4	Property development
Sunrise Project Services Sdn. Bhd.	Malaysia	69.6	69.6	30.4	30.4	Property development and project management for property development projects
Sunrise Quality Sdn. Bhd.	Malaysia	69.6	69.6	30.4	30.4	Property development
Sunrise Region Sdn. Bhd.	Malaysia	69.6	69.6	30.4	30.4	Property development
Sunrise Sovereign Sdn. Bhd.	Malaysia	69.6	69.6	30.4	30.4	Property development and investment holding
Sunrise International Development Ltd *	The Cayman Islands	69.6	69.6	30.4	30.4	Investment holding
Sunrise Overseas (S) Pte Ltd	Singapore	69.6	69.6	30.4	30.4	Promotion and management services relating to UEM Sunrise Group's properties in Malaysia

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53. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2022 %	2021 %	2022 %	2021 %	
Sunrise MS Pte Ltd	Singapore	69.6	69.6	30.4	30.4	Provision of consultancy, advisory and technical services in relation to project development

Name	Country of incorporation/ principal place of business	Effective interest~		Accounting model applied	Principal activities
		2022 %	2021 %		

Joint Ventures of Sunrise

Sime Darby Property Sunrise Development Sdn. Bhd.	Malaysia	34.8	34.8	Equity method	Property development
Sunrise MCL Land Sdn. Bhd.	Malaysia	34.8	34.8	Equity method	Property development and property investment

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2022 %	2021 %	2022 %	2021 %	

**Subsidiaries of UEM
Sunrise (Australia)
Sdn. Bhd.**

UEM Sunrise (Land) Pty Ltd	Australia	69.6	69.6	30.4	30.4	Holding and financing company
UEM Sunrise (Developments) Pty Ltd	Australia	69.6	69.6	30.4	30.4	Holding and financing company

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53. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2022 %	2021 %	2022 %	2021 %	
Subsidiaries of UEM Sunrise (Land) Pty Ltd						
UEM Sunrise (Mackenzie Street) Pty Ltd	Australia	69.6	69.6	30.4	30.4	Trustee company
UEM Sunrise (Mackenzie Street) Unit Trust	Australia	69.6	69.6	30.4	30.4	Landowning entity
UEM Sunrise (La Trobe Street) Pty Ltd	Australia	69.6	69.6	30.4	30.4	Trustee company
UEM Sunrise (La Trobe Street) Unit Trust	Australia	69.6	69.6	30.4	30.4	Landowning entity
UEM Sunrise (Collingwood) Pty Ltd	Australia	69.6	69.6	30.4	30.4	Trustee company
UEM Sunrise (Collingwood) Unit Trust	Australia	69.6	69.6	30.4	30.4	Land holding entity

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53. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2022 %	2021 %	2022 %	2021 %	
Subsidiaries of UEM Sunrise (Developments) Pty Ltd						
UEM Sunrise (Mackenzie Street Development) Pty Ltd	Australia	69.6	69.6	30.4	30.4	Development company
UEM Sunrise (La Trobe Street Development) Pty Ltd	Australia	69.6	69.6	30.4	30.4	Development company
UEM Sunrise (St Kilda Road Development) Pty Ltd	Australia	-	69.6	-	30.4	Dissolved
UEM Sunrise (Aurora Melbourne Central Property Management) Pty Ltd	Australia	69.6	69.6	30.4	30.4	Property management services
UEM Sunrise (Collingwood Development) Pty Ltd	Australia	69.6	69.6	30.4	30.4	Project Development
UEM Sunrise (Conservatory Melbourne Property Management) Pty Ltd	Australia	69.6	69.6	30.4	30.4	Property management services

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53. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2022 %	2021 %	2022 %	2021 %	
Subsidiaries of UEM Sunrise Properties Sdn. Bhd.						
Nusajaya DCS Sdn. Bhd.	Malaysia	69.6	69.6	30.4	30.4	Provision of cooling plant facility services
Opera Retreat Sdn. Bhd.	Malaysia	69.6	69.6	30.4	30.4	Property investment
Puteri Harbour Convention Centre Sdn. Bhd.	Malaysia	69.6	69.6	30.4	30.4	Own and operate a convention centre
UEM Sunrise Nusajaya Properties Sdn. Bhd.	Malaysia	69.6	69.6	30.4	30.4	Property investment
Name	Country of incorporation/ principal place of business	Effective interest~		Accounting model applied	Principal activities	
		2022 %	2021 %			
Joint venture of UEM Sunrise Properties Sdn. Bhd.						
UEM Sunrise WOTSO Malaysia Sdn. Bhd. *	Malaysia	34.8	34.8	Equity method		Provision of flexible commercial office tenancies

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53. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2022 %	2021 %	2022 %	2021 %	
Subsidiaries of UEM Sunrise Management Services Sdn. Bhd.						
Rise Digital Sdn. Bhd.	Malaysia	69.6	69.6	30.4	30.4	Provision of digital services
UEM Sunrise Project Services Sdn. Bhd.	Malaysia	69.6	69.6	30.4	30.4	Property management for property development
Subsidiary of Sunrise Oscar Sdn. Bhd.						
Sunrise DCS Sdn. Bhd.	Malaysia	69.6	69.6	30.4	30.4	Provision of cooling plant facility services
Subsidiary of Sunrise International Development Ltd						
Sunrise Holdings S.à.r.l. *	The Grand Duchy of Luxembourg	69.6	69.6	30.4	30.4	Investment holding
Subsidiary of Sunrise Holdings S.à.r.l.						
Canada Sunrise Development Corp. *	Canada	69.6	69.6	30.4	30.4	Property investment and development

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53. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2022 %	2021 %	2022 %	2021 %	
Subsidiaries of UEM Builders						
Buildcast Sdn. Bhd.	Malaysia	100.0	100.0	-	-	In members' voluntary liquidation
Intria Bina Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Civil engineering and construction works
PATI Sdn. Bhd. ("PATI")	Malaysia	100.0	100.0	-	-	Civil engineering works and building construction
UEM Construction Sdn. Bhd. ("UEMC")	Malaysia	100.0	100.0	-	-	Contractors for the execution of construction and engineering works

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53. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2022 %	2021 %	2022 %	2021 %	
Subsidiaries of UEM Builders (cont'd.)						
UEM Construction (B) Sdn. Bhd. ++	Brunei	100.0	100.0	-	-	Civil, electrical, mechanical and industrial plant construction, general building and contracting
UEMB – MRCB JV Sdn. Bhd.	Malaysia	51.0	51.0	49.0	49.0	In members' voluntary liquidation
UEMB - Najcom JV	Unincorporated	65.0	65.0	35.0	35.0	Master contractor for the execution of engineering and construction works
UEMB-PROPEL Consortium	Unincorporated	100.0	100.0	-	-	Civil engineering works and buildings construction
UEM Builders Bhd - Intria Bina Sdn Bhd JV	Unincorporated	-	100.0	-	-	Terminated

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53. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2022 %	2021 %	2022 %	2021 %	
Subsidiaries of UEMC						
UEM (Mauritius) Co Ltd ("UEMM") *	Mauritius	100.0	100.0	-	-	Investment holding
PT Karabha Gryamandiri μ	Indonesia	-	55.0	-	45.0	Disposed
UEMC - PPES Works (Sarawak) Sdn. Bhd. JV	Unincorporated	70.0	70.0	30.0	30.0	Design and build for Hospital Lawas project

Name	Country of incorporation/ principal place of business	Effective interest~		Accounting model applied	Principal activities
		2022 %	2021 %		
Associate of UEMC					
Samsung C&T Corporation UEM Construction JV Sdn. Bhd.	Malaysia	40.0	40.0	Equity method	Main contractor for the execution of civil engineering works and and building construction

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53. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Accounting model applied	Principal activities
		2022 %	2021 %		
Joint Ventures of UEMC					
UEMC – Bina Puri JV *x	Unincorporated	60.0	60.0	Equity method	Design, construction, completion, testing, commissioning and maintenance of main terminal building, satellite building, sky bridge and piers

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2022 %	2021 %	2022 %	2021 %	
Subsidiaries of UEMM						
UE Development India Pvt Ltd ("UEDI") *	India	100.0	100.0	-	-	Construction works and maintenance of expressways
Pati International (India) Pvt. Ltd. *	India	-	100.0	-	-	Dissolved
UEM Builders – Ansalapi Contracts Pvt. Ltd. *Ω	India	60.0	60.0	40.0	40.0	Construction, execution and completion of various building and engineering works at Sushant Golf City, Lucknow

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53. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2022 %	2021 %	2022 %	2021 %	

**Subsidiary of PT Karabha
Gryamandiri**

PT Karabha Gryamandiri & PT Nusa Raya Cipta Consortium	Unincorporated	-	30.3	-	69.7	Disposed
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**Subsidiary of Pati International
(India) Pvt Ltd**

Rushil Constructions (India) Pvt. Ltd. *	India	-	100.0	-	-	Dissolved
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Name	Country of incorporation/ principal place of business	Effective interest~		Accounting model applied	Principal activities
		2022 %	2021 %		

Associate of PATI Sdn. Bhd.

Pati Philippines Inc. * <	Philippines	40.0	40.0	Equity method	Dormant
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Joint Ventures of PATI Sdn. Bhd.

Road Builder (M) Sdn. Bhd. – PATI Sdn. Bhd. JV *	Unincorporated	50.0	50.0	Equity method	Construction and extension of roads
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53. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Accounting model applied	Principal activities
		2022 %	2021 %		

Joint Ventures of PATI Sdn. Bhd. (cont'd.)

B. Seenaiah & Co – Road Builder (M) Sdn. Bhd. – PATI Sdn. Bhd. JV *	Unincorporated	25.0	25.0	Equity method	Construction and extension of roads
PATI Sdn. Bhd. - Bhagheeratha Engineering Ltd JV *	Unincorporated	50.0	50.0	Equity method	Construction and extension of roads

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2022 %	2021 %	2022 %	2021 %	

Subsidiaries of CIMA

Cimaco Readymix Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Dormant
I-Mix Concrete Industries Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Inactive
Kuari Pati Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Quarrying business and its related activities
Negeri Sembilan Cement Industries Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Manufacture and sale of cement
Pemasaran Simen Negara Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Inactive

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53. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2022 %	2021 %	2022 %	2021 %	
Subsidiaries of CIMA (cont'd.)						
Profitlite Holdings Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Quarrying business and its related activities
Unipati Concrete Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Production and sale of ready-mixed concrete

**Subsidiaries of
Kuari Pati Sdn. Bhd.**

Pati Bukit Perak Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Quarrying business and its related activities
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Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2022 %	2021 %	2022 %	2021 %	

Subsidiaries of UEM Edgenta

Opus Group Berhad ("Opus")	Malaysia	69.1	69.1	30.9	30.9	Investment holding
Edgenta Propel Berhad ("Edgenta Propel")	Malaysia	69.1	69.1	30.9	30.9	Maintenance and repair of civil, mechanical and electrical works on roads, infrastructure and expressways and industrial cleaning services

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53. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2022 %	2021 %	2022 %	2021 %	
Subsidiaries of UEM Edgenta (cont'd.)						
Edgenta Environmental & Material Testing Sdn. Bhd.	Malaysia	69.1	69.1	30.9	30.9	Geotechnical investigation, instrumentation and pavement condition assessment works, maintenance and repair of civil, mechanical and electrical works on roads, infrastructure and expressways and industrial cleaning services
Faber Development Holdings Sdn. Bhd.	Malaysia	69.1	69.1	30.9	30.9	Investment holding
Edgenta Healthcare Management Sdn. Bhd.	Malaysia	69.1	69.1	30.9	30.9	Provision of hospital support services
Edgenta Facilities Sdn. Bhd.	Malaysia	69.1	69.1	30.9	30.9	Investment holding and provision of integrated facilities management services
Edgenta Energy Services Sdn. Bhd.	Malaysia	48.4	48.4	51.6	51.6	Energy performance management services
Edgenta Energy Projects Sdn. Bhd.	Malaysia	69.1	69.1	30.9	30.9	Providing energy performance management services and renewable energy services

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53. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2022 %	2021 %	2022 %	2021 %	
Subsidiaries of UEM Edgenta (cont'd.)						
Edgenta (Singapore) Pte. Ltd.	Singapore	69.1	69.1	30.9	30.9	Investment holding
Edgenta Township Management Services Sdn. Bhd.	Malaysia	69.1	69.1	30.9	30.9	Investment holding and management services of real estate
Edgenta GreenTech Sdn. Bhd.	Malaysia	69.1	69.1	30.9	30.9	Provision of asset development and facility management services
Sate Yaki Sdn. Bhd.	Malaysia	41.5	41.5	58.5	58.5	In liquidation
Edgenta NXT Sdn Bhd	Malaysia	69.1	69.1	30.9	30.9	Provision of digital technology services
Edgenta FIRST Sdn Bhd	Malaysia	69.1	69.1	30.9	30.9	Provision of management services
Edgenta Arabia Limited	Kingdom of Saudi Arabia	69.1	-	30.9	-	Investment holding, provision of integrated facilities management services and energy performance management services
Subsidiaries of Opus						
Builders Credit & Leasing Sdn. Bhd.	Malaysia	69.1	69.1	30.9	30.9	Investment holding
Opus International (NZ) Limited	New Zealand	69.1	69.1	30.9	30.9	Investment holding

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53. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2022 %	2021 %	2022 %	2021 %	
Subsidiaries of Opus (con'td.)						
Opus International (M) Berhad ("OIM")	Malaysia	69.1	69.1	30.9	30.9	Management of the planning, design and construction of infrastructure projects and provision of facilities management services
Subsidiaries of OIM						
Opus Management Sdn. Bhd.	Malaysia	69.1	69.1	30.9	30.9	Management of the planning, design and construction of infrastructure projects and provision of facilities management services
Opus Consultants (Sarawak) Sdn. Bhd. ¥	Malaysia	-	69.1	-	30.9	Provision of project management and engineering consultancy services
Pengurusan LRT Sdn. Bhd.	Malaysia	-	69.1	-	30.9	Dissolved
Pengurusan Lantas Berhad	Malaysia	69.1	69.1	30.9	30.9	Provision of technical management support services for the planning, design and construction of projects
Opus International India Pte Ltd *	India	69.1	69.1	30.9	30.9	Provision of asset development and asset management services
Opus Al-Dauliyah LLC ε	Kingdom of Saudi Arabia	69.1	69.1	30.9	30.9	Engineering consultancy services

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53. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Accounting model applied	Principal activities
		2022 %	2021 %		
Associate of OIM					
Opus Consultants (M) Sdn. Bhd.	Malaysia	20.7	20.7	Equity method	Engineering consultancy services
Join Venture of OIM					
Opus Consultants (Sarawak) Sdn. Bhd. ¥	Malaysia	33.9	-	Equity method	Provision of project management and engineering consultancy services

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2022 %	2021 %	2022 %	2021 %	
Subsidiaries of Edgenta Propel						
Edgenta Infrastructure Services Sdn. Bhd.	Malaysia	69.1	69.1	30.9	30.9	Maintenance and repair of civil, mechanical and electrical works on roads, infrastructure expressways and industrial cleaning services
PT Edgenta PROPEL Indonesia	Indonesia	69.1	69.1	30.9	30.9	Provision of management consultancy and advisory related to management of roads

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53. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2022 %	2021 %	2022 %	2021 %	
Edgenta PROPEL (Sarawak) Sdn Bhd	Malaysia	33.9	33.9	66.1	66.1	Construction, maintenance and repair of civil, mechanical and electrical works on infrastructure, roads, expressways and sewerage, and industrial cleaning services
Name	Country of incorporation/ principal place of business	Effective interest~ 2022 %	Effective interest~ 2021 %	Accounting model applied	Principal activities	
Jointly controlled operation of Edgenta Propel						
Edgenta Propel-NRC JO	Unincorporated	38.0	38.0	Equity method	Provision of highway maintenance services	
Jointly controlled operation of PT Edgenta Propel Indonesia						
PT Edgenta PROPEL PT Astra Nusantara - Astra Infra Solutions JO	Unincorporated	34.6	34.6	Equity method	Provision of highway maintenance services	
Subsidiaries of Faber Development Holdings Sdn. Bhd.						
Country View Development Sdn. Bhd.	Malaysia	69.1	69.1	30.9	30.9	Property development and provision of facilities management services
Faber Grandview Development (Sabah) Sdn. Bhd.	Malaysia	69.1	69.1	30.9	30.9	Property development

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53. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2022 %	2021 %	2022 %	2021 %	
Subsidiaries of Faber Development Holdings Sdn. Bhd. (cont'd.)						
Faber Heights Management Sdn. Bhd.	Malaysia	69.1	69.1	30.9	30.9	Property management
Faber Union Sdn. Bhd.	Malaysia	69.1	69.1	30.9	30.9	Property development
Rimbunan Melati Sdn. Bhd.	Malaysia	38.0	38.0	62.0	62.0	Property development
Subsidiary of Edgenta Healthcare Management Sdn. Bhd.						
Edgenta Mediserve Sdn. Bhd. ("EMS") @	Malaysia	69.1	69.1	30.9	30.9	Provision of hospital support services
Subsidiaries of EMS						
Cermin Cahaya Sdn. Bhd.	Malaysia	69.1	69.1	30.9	30.9	Provision of cleansing services to hospitals
Edgenta Healthtronics Sdn. Bhd.	Malaysia	69.1	69.1	30.9	30.9	Provision of hospital support services
Edgenta Mediserve (Sarawak) Sdn. Bhd.	Malaysia	69.1	69.1	30.9	30.9	Investment holding

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53. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2022 %	2021 %	2022 %	2021 %	

Subsidiaries of EMS (cont'd.)

Edgenta Mediserve (Sabah) Sdn. Bhd.	Malaysia	69.1	69.1	30.9	30.9	Investment holding
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Name	Country of incorporation/ principal place of business	Effective interest~		Accounting model applied	Principal activities
		2022 %	2021 %		

**Associates of Edgenta
Mediserve (Sarawak)
Sdn. Bhd.**

One Medicare Sdn. Bhd.*	Malaysia	27.7	27.7	Equity method	Provision of hospital support services
Biomedix Solutions Sdn. Bhd. *	Malaysia	27.7	27.7	Equity method	Provision of biomedical engineering maintenance services

**Associate of Edgenta
Mediserve (Sabah) Sdn. Bhd.**

Sedafiat Sdn. Bhd.*	Malaysia	27.7	27.7	Equity method	Provision of hospital support services
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Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2022 %	2021 %	2022 %	2021 %	

**Subsidiaries of Edgenta
Facilities Sdn. Bhd.**

Edgenta Facilities Management Sdn. Bhd.	Malaysia	69.1	69.1	30.9	30.9	Facilities management services
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53. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2022 %	2021 %	2022 %	2021 %	
Subsidiaries of Edgenta Facilities Sdn. Bhd. (cont'd.)						
Faber Star Facilities Management Limited *	India	69.1	69.1	30.9	30.9	Facilities management services in India
Name	Country of incorporation/ principal place of business	Effective interest~ 2022 %	2021 %	Accounting model applied	Principal activities	
Associate of Edgenta Facilities Sdn. Bhd.						
Faber Sindoori Management Services Private Limited *	India	-	35.3	Equity method	Disposed	
Name	Country of incorporation/ principal place of business	Effective interest~ 2022 %	2021 %	Non-controlling interest~ 2022 %	2021 %	Principal activities
Subsidiary of Edgenta Township Management Services Sdn. Bhd.						
UEM Sunrise Edgenta TMS Sdn. Bhd. β	Malaysia	69.3	69.3	30.7	30.7	Investment holding and management of real estate

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53. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2022 %	2021 %	2022 %	2021 %	
Subsidiary of UEM Sunrise Edgenta TMS						
Edgenta TMS Sdn. Bhd.	Malaysia	48.5	48.5	51.5	51.5	In liquidation
Subsidiaries of Edgenta GreenTech Sdn. Bhd.						
KFM Projects Sdn. Bhd.	Malaysia	69.1	69.1	30.9	30.9	In members' voluntary liquidation
KFM Systems Sdn. Bhd.	Malaysia	69.1	69.1	30.9	30.9	Consultancy and contractors for building management systems for the built environment
KFM Solutions Sdn. Bhd.	Malaysia	69.1	69.1	30.9	30.9	Consultancy services in green, smart and connected urban ecology and integrated facility management services
KFM Energy Services Sdn. Bhd.	Malaysia	69.1	69.1	30.9	30.9	Provision of consultancy and other services relating to energy conservation and renewable energy
Veridis PPP One Sdn. Bhd.	Malaysia	69.1	69.1	30.9	30.9	Concession holder specialising in retrofitting works of building utilising green technology

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53. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2022 %	2021 %	2022 %	2021 %	
Subsidiaries of Edgenta GreenTech Sdn. Bhd.						
Operon Malaysia Sdn. Bhd.	Malaysia	69.1	69.1	30.9	30.9	Provision of supervising officer for activities related to green technology and other solutions for the built environment
Operon Consulting Sdn. Bhd.	Malaysia	48.4	48.4	51.6	51.6	Asset management consulting services
Operon Middle East Limited	British Virgin Islands	69.1	69.1	30.9	30.9	Facilities management and building cleaning services
KFM Middle East Limited *	British Virgin Islands	48.4	48.4	51.6	51.6	Dormant
Subsidiary of Edgenta (Singapore) Pte Ltd						
UEMS Pte Ltd	Singapore	69.1	69.1	30.9	30.9	Investment holding
Subsidiary of UEMS Pte Ltd						
UEMS Solutions Pte Ltd	Singapore	69.1	69.1	30.9	30.9	Property management, facilities engineering, facilities management, energy management, corporate real estate, environmental services, project management and technology optimisation, learning and development, and specialised services

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53. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2022 %	2021 %	2022 %	2021 %	
Subsidiary of UEMS Pte Ltd (cont'd.)						
ServiceMaster Hong Kong Limited	Hong Kong	69.1	69.1	30.9	30.9	Dormant
Edgenta UEMS Sdn. Bhd.	Malaysia	69.1	69.1	30.9	30.9	Provision of maintenance and support services for hospitals, public centres, manufacturing facilities and commercial buildings
Edgenta UEMS Ltd	Taiwan	69.1	69.1	30.9	30.9	Provision of cleaning, portering and consulting services for hospitals, medical care institutes commercial, high-tech companies, education center, transportation and shopping mall
Subsidiary of Edgenta UEMS Ltd						
Edgenta UEMS SC Ltd	Taiwan	69.1	69.1	30.9	30.9	Provision of cleaning, potering and consulting services for hospitals, medical care institutes, commercial, high-tech companies, education center, transportation and shopping mall
Other subsidiaries of UEM						
First Impact Sdn. Bhd. ("FISB")	Malaysia	100.0	100.0	-	-	Investment property holding, provision of maintenance and other related activities of its office building

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53. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2022 %	2021 %	2022 %	2021 %	
Other subsidiaries of UEM (cont'd.)						
Hydron (M) Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Ceased operations
Infrared Advanced Technologies Sdn. Bhd.	Malaysia	75.0	75.0	25.0	25.0	Research, development design, manufacture, implementation, marketing and supply of electronic toll collection system
Pantai Panorama Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Special purpose vehicle incorporated to facilitate the issuance of IMTN Programme by United Growth
Serayin Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Investment holding, trading and letting of properties
UEM Group Management Sdn. Bhd.	Malaysia	-	100.0	-	-	Dissolved
UEM International (West Asia) Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Investment holding

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53. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2022 %	2021 %	2022 %	2021 %	
Other subsidiaries of UEM (cont'd.)						
United Growth Berhad	Malaysia	100.0	100.0	-	-	A special purpose vehicle incorporated specifically for the issuance of IMTN Programme for UEM
Vistajati Holdings Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Property development
UEM Suria Berhad	Malaysia	100.0	100.0	-	-	Investment holding
Subsidiary of UEM International (West Asia) Sdn. Bhd.						
UEM Al-Dauliyah LLC *^	Kingdom of Saudi Arabia	100.0	100.0	-	-	Ceased operations
Name	Country of incorporation/ principal place of business	Effective interest~ 2022 %	Effective interest~ 2021 %	Accounting model applied	Principal activities	
Other associates of UEM						
Puncak Vista Sdn. Bhd. *	Malaysia	30.0	30.0	Equity method	Under compulsory liquidation	
Mekar Idaman Sdn. Bhd.*	Malaysia	45.0	45.0	Equity method	Liquidation by Court	
Other joint venture of UEM						
UEM MMC Joint Venture Sdn. Bhd.	Malaysia	50.0	50.0	Equity method	Investment holding	

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**Khazanah Nasional Berhad
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53. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2022 %	2021 %	2022 %	2021 %	
Subsidiaries of UEM						
Suria Berhad						
Suria Siena Development Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Property development and land trading

* Audited by firms other than Ernst & Young PLT or its affiliate

α For the purpose of applying the acquisition method and equity method of accounting for subsidiaries and joint ventures with financial year end other than 31 December, the last audited financial statements available and the management financial statements to the end of the accounting period of the subsidiaries and joint ventures have been used.

x Deemed to be joint ventures of the Group pursuant to MFRS 11: Joint Arrangements as the parties involved are undertaking economic activities that are subject to joint control.

// The Group has a total of 64.4% shareholding in JSTPL, comprising 26.0% held via PEIB and 38.4% held via Uniquist Infra Ventures Private Limited.

The Group has a total of 94.1% shareholding in PLUS BKSP comprising 0.1% held by PEIB and 94.0% held by PLUS Kalyan (Mauritius) Private Limited, a wholly-owned subsidiary of PEIB.

β The Group has a total of 69.3% shareholding in UEM Sunrise Edgenta TMS Sdn. Bhd., comprising 20.9% held by UEM Sunrise and 48.4% held by Edgenta Township Management Services Sdn. Bhd.

< Some of the shares in the company are held in trust by individuals.

++ The Group has a total of 100.0% shareholding in UEM Construction (B) Sdn. Bhd., comprising 79.0% held by UEM Builders and 21.0% held by UEMC.

μ The non-controlling shareholders assign all their rights to the dividend to UEMC.

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53. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

- Ω The Group has a total of 60.0% shareholding in UEM Builders – Ansalapi Contracts Pvt Ltd comprising 50.0% held via UEM (Mauritius) Co Ltd and 10.0% held via UE Development India Pvt Ltd.
- @ The Group has a total of 69.1% shareholdings in Edgenta Mediserve Sdn. Bhd., comprising 39.4% held by Edgenta Healthcare Management Sdn. Bhd. and 29.7% held by UEM Edgenta.
- ^ The Group holds 100.0% of the equity in UEM Al-Dauliyyah LLC, comprising 90.0% held by UEM International (West Asia) Sdn. Bhd. and 10.0% held directly by UEM.
- ε The Group holds 69.1% of the equity in Opus Al-Dauliyyah LLC, comprising 65.7% held directly by OIM, 3.4% held by Opus Management Sdn. Bhd..
- ¥ On 22 April 2022, Opus International (M) Berhad's interest in Opus Consultants (Sarawak) Sdn Bhd was diluted from 100.0%-owned subsidiary to 49.0%-owned joint venture.

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53. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(B) Subsidiaries of MAS

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2022 %	2021 %	2022 %	2021 %	
Subsidiaries						
Delima Insurance (Labuan) Limited	Malaysia	100.0	100.0	-	-	Captive insurance business. Ceased operations in prior year.
MASkargo Sdn. Bhd. ^^	Malaysia	100.0	100.0	-	-	Air cargo operations, charter freighter and all warehousing activities relating to air cargo operations. Ceased operations in 2015.
MAS Golden Boutiques Sdn. Bhd. - In Liquidation	Malaysia	100.0	100.0	-	-	Carried on the business related to travel retail and mail order. Ceased operations in 2015.
Malaysia Airlines Capital (L) Limited	Malaysia	100.0	100.0	-	-	Labuan leasing
Malaysia Airlines Capital II (L) Limited	Malaysia	100.0	100.0	-	-	Labuan leasing
Malaysia Airlines Capital III (L) Limited - In Liquidation	Malaysia	100.0	100.0	-	-	Labuan leasing
Malaysia Airlines Capital IV (L) Limited - In Liquidation	Malaysia	100.0	100.0	-	-	Labuan leasing
Kelip-Kelip Labuan Limited - In Liquidation	Malaysia	100.0	100.0	-	-	Labuan leasing
Kelip-Kelip II Labuan Limited - In Liquidation	Malaysia	100.0	100.0	-	-	Labuan leasing

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53. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(B) Subsidiaries of MAS (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2022 %	2021 %	2022 %	2021 %	
Subsidiaries (cont'd.)						
Kelip-Kelip II Cayman Limited - In Liquidation	Cayman Islands	100.0	100.0	-	-	Leasing business
Kelip-Kelip III Labuan Limited - In Liquidation	Malaysia	100.0	100.0	-	-	Labuan leasing
Kunang Kunang Labuan Limited - In Liquidation	Malaysia	100.0	100.0	-	-	Dormant
Malaysia Airlines A330 Capital Labuan Limited - In Liquidation	Malaysia	100.0	100.0	-	-	Labuan leasing
Malaysia Airlines B738 Capital Labuan Limited - In Liquidation	Malaysia	100.0	100.0	-	-	Labuan leasing
Malaysia Airlines B738 II Capital Labuan Limited - In Liquidation	Malaysia	100.0	100.0	-	-	Labuan leasing
Malaysia Airlines Capital IV Cayman Limited - In Liquidation	Cayman Islands	100.0	100.0	-	-	Leasing business
Malaysia Airlines Capital V Cayman Limited	Cayman Islands	100.0	100.0	-	-	Leasing business
MAS Academy Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Dormant
Malaysian Aerospace Engineering Sdn. Bhd. ("MAE") - In Liquidation	Malaysia	100.0	100.0	-	-	Dormant

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53. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(B) Subsidiaries of MAS (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2022 %	2021 %	2022 %	2021 %	

Subsidiaries (cont'd.)

MAS Aerotechnologies Sdn. Bhd. - In Liquidation	Malaysia	100.0	100.0	-	-	Dormant
MAS Golden Holidays Sdn. Bhd. - In Liquidation	Malaysia	100.0	100.0	-	-	Dormant
MH Loyalty Programme Sdn. Bhd. - In Liquidation	Malaysia	100.0	100.0	-	-	Dormant

^^ On 25 May 2015, MASKargo Sdn. Bhd. was placed under Administration pursuant to the MAS Act.

(C) Subsidiaries and associates of MAGB

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2022 %	2021 %	2022 %	2021 %	

Subsidiaries of MAGB

Malaysia Airlines Berhad ("MAB")	Malaysia	83.6	86.6	16.4	13.4	Business of air transportation and the provision of related services
AeroDarat Services Sdn. Bhd.	Malaysia	83.6	86.6	16.4	13.4	Ground services activities on airfields
FlyFirefly Sdn. Bhd. ("Firefly")	Malaysia	83.6	86.6	16.4	13.4	Air transportation and the provision of related services
MAB Kargo Sdn. Bhd.	Malaysia	83.6	86.6	16.4	13.4	Other cargo holding

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53. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(C) Subsidiaries and associates of MAGB (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2022 %	2021 %	2022 %	2021 %	
Subsidiaries of MAGB (cont'd.)						
MAB Leasing Limited	Malaysia	83.6	86.6	16.4	13.4	To carry on business of purchase, sale, lease, obtaining lease financing and refinancing of commercial aircraft
MAB Pesawat Sdn. Bhd.	Malaysia	83.6	86.6	16.4	13.4	To carry on business of purchase, sale, lease, obtaining lease financing and refinancing of commercial aircraft
Hijrah Biru Sdn. Bhd.	Malaysia	83.6	86.6	16.4	13.4	Air transportation and the provision of related services
MAB Academy Sdn. Bhd.	Malaysia	83.6	86.6	16.4	13.4	Other education
Malaysia Airlines Holidays Sdn. Bhd.	Malaysia	83.6	86.6	16.4	13.4	Dormant
Subsidiaries of Malaysia Airlines Berhad						
Bakawali (Labuan) Limited	Malaysia	83.6	86.6	16.4	13.4	Labuan leasing
MAB Engineering Services Sdn. Bhd.	Malaysia	83.6	86.6	16.4	13.4	Other services activities incidental to air transportation
MAS Aero Services Sdn. Bhd.	Malaysia	-	44.2	-	55.8	Provision of laundry and cleaning related services
MAS Awana Services Sdn. Bhd.	Malaysia	50.2	52.0	49.8	48.0	Provision of catering and cabin handling services

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53. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(C) Subsidiaries and associates of MAGB (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2022 %	2021 %	2022 %	2021 %	
Subsidiary of FlyFirefly Sdn. Bhd.						
FlyFirefly Holiday Sdn. Bhd.	Malaysia	83.6	86.6	16.4	13.4	Tour and travel related operation
MASwings Sdn. Bhd.	Malaysia	83.6	86.6	16.4	13.4	Air transportation and the provision of related services
Subsidiary of MAB Leasing Limited						
Malaysia Airline Capital V Cayman Limited	Cayman Islands	83.6	86.6	16.4	13.4	To carry on business of purchase, sale, lease, obtaining lease financing and refinancing of commercial aircraft
Subsidiary of MAB Kargo Sdn. Bhd.						
MASkargo Logistics Sdn. Bhd.	Malaysia	83.6	86.6	16.4	13.4	Providing trucking, clearance and warehousing services
Name	Country of incorporation/ principal place of business	Effective interest~ 2022 %	Effective interest~ 2021 %	Accounting model applied	Principal activities	
Associates of MAGB						
Brahim's SATS Food Service Sdn. Bhd.	Malaysia	25.1	26.0	Equity method	Carry on airline catering related services	
Pan Asia Pacific Aviation Services Limited ("PAPAS")	Hong Kong	20.1	20.8	Equity method	Provision of aircraft maintenance services	

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53. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(D) Subsidiaries, associates and joint ventures of IIB

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2022 %	2021 %	2022 %	2021 %	
Subsidiaries of IIB						
Iskandar Coast Sdn. Bhd. ("ICSB")	Malaysia	48.0	48.0	52.0	52.0	Investment holding and property development
Iskandar Development Management Services Sdn. Bhd. ("IDMS")	Malaysia	60.0	60.0	40.0	40.0	Project management
SJIC Bina Sdn. Bhd.	Malaysia	60.0	60.0	40.0	40.0	Civil engineering construction
Peak Alpha Express Sdn. Bhd.	Malaysia	60.0	60.0	40.0	40.0	Investment holding and real estate activity
Educity Iskandar Malaysia Sdn. Bhd. ("EIMSB")	Malaysia	60.0	60.0	40.0	40.0	Investment holding, property development and management services
Iskandar Assets Sdn. Bhd.	Malaysia	60.0	60.0	40.0	40.0	Investment holding and real estate activity
Iskandar Harta Holdings Sdn. Bhd. ("IHHSB")	Malaysia	60.0	60.0	40.0	40.0	Investment holding and real estate activity
IIB Ventures Sdn. Bhd.	Malaysia	60.0	60.0	40.0	40.0	Management and business development activities
Medini Land Sdn. Bhd.	Malaysia	60.0	60.0	40.0	40.0	Investment holding and real estate activity
Iskandar Innovations Sdn. Bhd. ("IISB")	Malaysia	60.0	60.0	40.0	40.0	Investment holdings, business initiatives management and office space rental activity

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**Khazanah Nasional Berhad
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53. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(D) Subsidiaries, associates and joint ventures of IIB

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2022 %	2021 %	2022 %	2021 %	
Subsidiaries of IIB (cont'd.)						
Wurawari Ventures Sdn. Bhd.	Malaysia	60.0	60.0	40.0	40.0	Investment holding, property development and management services
Iskandar Capital Sdn. Bhd. ("IskCap")	Malaysia	33.3	33.3	66.7	66.7	Investment holding and property development
Subsidiary of ICSB						
River Retreat Sdn. Bhd.	Malaysia	48.0	48.0	52.0	52.0	Property development and investment
Teladan Tekun Sdn. Bhd.	Malaysia	48.0	48.0	52.0	52.0	Investment holding
Iskandar Medical Education Sdn. Bhd.	Malaysia	48.0	48.0	52.0	52.0	Investment holding
Subsidiaries of IDMS						
Iskandar Management Services Sdn. Bhd.	Malaysia	60.0	60.0	40.0	40.0	Project management
Medini City Management Sdn. Bhd.	Malaysia	60.0	60.0	40.0	40.0	Project management
Subsidiary of IHHSB						
Ujung Medini Sdn. Bhd.	Malaysia	60.0	60.0	40.0	40.0	Property investment

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53. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(D) Subsidiaries, associates and joint ventures of IIB (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2022 %	2021 %	2022 %	2021 %	
Subsidiaries of EIMSB						
Iskandar Education Village Sdn. Bhd.	Malaysia	60.0	60.0	40.0	40.0	Property development and management services
Iskandar Education Enterprise Sdn. Bhd.	Malaysia	60.0	60.0	40.0	40.0	Property development, investment, management services for education sector
Subsidiaries of IISB						
Virtua Realm Sdn. Bhd.	Malaysia	30.6	30.6	69.4	69.4	Operation of virtual reality theme park
Subsidiaries of IskCap						
Iskandar British Education Sdn. Bhd.	Malaysia	60.0	60.0	40.0	40.0	Property development and management services
Name	Country of incorporation/ principal place of business	Effective interest~		Accounting model applied	Principal activities	
		2022 %	2021 %			
Associates of IIB						
Jasmine Acres Sdn. Bhd. ("JASB")	Malaysia	20.0	20.0	Equity method	Investment holding	
Joint ventures of IIB						
Nusajaya Lifestyle Sdn. Bhd.	Malaysia	27.0	27.0	Equity method	Property development	
Metrogold Assets Sdn. Bhd.	Malaysia	12.0	12.0	Equity method	Property development	

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53. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(D) Subsidiaries, associates and joint ventures of IIB (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~ 2022 2021 % %		Accounting model applied	Principal activities
Joint ventures of IIB (cont'd.)					
Raffles Iskandar Sdn. Bhd. *	Malaysia	12.0	12.0	Equity method	Property development
Sunway Iskandar Development Sdn. Bhd.*	Malaysia	24.0	24.0	Equity method	Property development
Nusajaya Premier Sdn. Bhd.	Malaysia	9.6	9.6	Equity method	Property development
Inneonusa Sdn. Bhd. *	Malaysia	6.0	6.0	Equity method	Property development
Subsidiary of JASB					
Medini Iskandar Malaysia Sdn. Bhd.	Malaysia	4.0	4.0	Equity method	Property investment holding and the provision of construction services

* Audited by a firm other than Ernst & Young PLT, Malaysia

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53. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(E) Subsidiaries, associates and joint ventures of DRHSB

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2022 %	2021 %	2022 %	2021 %	
Subsidiaries of DRHSB						
Themed Attractions and Resorts Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Investment holding
Balau Hospitality Sdn. Bhd. (formerly known as Destination Resorts and Hotels Sdn. Bhd.)	Malaysia	100.0	100.0	-	-	Investment holding
Desaru Corniche Sdn. Bhd. ("DCSB")	Malaysia	100.0	-	-	-	Investment holding
Desaru Land 3 Sdn. Bhd.	Malaysia	100.0	-	-	-	Investment holding
Subsidiaries of Themed Attractions and Resort Sdn. Bhd.						
TAR PH Holdings Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Investment holding and provision of management services
TAR Riverwalk Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Investment holding and to own and operate water park (Adventure Waterpark)
LL Malaysia Attractions Holdings Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Investment holding

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**Khazanah Nasional Berhad
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53. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(E) Subsidiaries, associates and joint ventures of DRHSB (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2022 %	2021 %	2022 %	2021 %	
Subsidiaries of Themed Attractions and Resort Sdn. Bhd. (cont'd.)						
LL Resorts Sdn. Bhd. *	Malaysia	100.0	100.0	-	-	Dormant
Subsidiaries of TAR PH Holdings Sdn. Bhd.						
TAR LBC Sdn. Bhd. *	Malaysia	100.0	100.0	-	-	Dormant
TAR KB Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Dormant
TAR PH Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Own and operate Hotel Jen
TAR PH Family Entertainment Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Dormant
TAR Kittown Sdn. Bhd. *	Malaysia	100.0	100.0	-	-	Dormant
PH Marina Boulevard Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Dormant

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53. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(E) Subsidiaries, associates and joint ventures of DRHSB (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2022 %	2021 %	2022 %	2021 %	
Subsidiaries of TAR Riverwalk Sdn. Bhd.						
Riverwalk Waterpark Sdn. Bhd. *	Malaysia	100.0	100.0	-	-	Dormant
Dolphin Attractions Sdn. Bhd. *	Malaysia	100.0	100.0	-	-	Dormant
Park Three Sdn. Bhd.	Malaysia	100.0	100.0		-	Own land for park development
Subsidiaries of LL Malaysia Attractions Holdings Sdn. Bhd.						
IDR Resorts Sdn. Bhd.	Malaysia	80.0	80.0	20.0	20.0	Investment holding and provision of management services
LL Themed Hotel Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Own and operate Legoland Hotel Malaysia
Subsidiaries of IDR Resorts Sdn. Bhd.						
IDR Assets Sdn. Bhd.	Malaysia	80.0	80.0	20.0	20.0	Own and lease assets of Legoland Malaysia Theme Park
LL Malaysia Taman Tema Sdn. Bhd.	Malaysia	80.0	80.0	20.0	20.0	Manage and operate Legoland Malaysia Theme Park, Water Park and Sealife Aquarium Edutainment facility

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**Khazanah Nasional Berhad
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53. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(E) Subsidiaries, associates and joint ventures of DRHSB (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2022 %	2021 %	2022 %	2021 %	
Subsidiaries of Balau Hospitality Sdn. Bhd. (formerly known as Destination Resorts and Hotels Sdn. Bhd.)						
Stulang Ventures Sdn. Bhd.	Malaysia	78.5	78.5	21.5	21.5	Investment holding
Elite Sun Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Investment holding
Pantai Andaman Ventures Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Investment holding
Desaru Estate Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Own and operate an international class hotel (Hard Rock Hotel Desaru Coast)
DRH Green Homes (M) Sdn. Bhd.	Malaysia	84.3	84.3	15.7	15.7	Property development
Asia Pioneer Capital Sdn. Bhd. ("APC")	Malaysia	100.0	100.0	-	-	Dormant
Datai Hotels and Resorts Sdn. Bhd. ("DHR")	Malaysia	100.0	100.0	-	-	Hotel management
Desaru Beach Parks Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Chalet owner
Subsidiary of Stulang Ventures Sdn. Bhd.						
Desaru Development Corporation Sdn. Bhd. ("DDC")	Malaysia	55.0	55.0	45.0	45.0	Investment holding and master developer of Desaru Coast

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53. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(E) Subsidiaries, associates and joint ventures of DRHSB (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2022 %	2021 %	2022 %	2021 %	
Subsidiary of Elite Sun Sdn. Bhd.						
Crustacea Enterprise Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Dormant
Subsidiaries of Pantai Andaman Ventures Sdn. Bhd.						
Teluk Datai Resorts Sdn. Bhd. ("TDR")	Malaysia	100.0	100.0	-	-	Investment holding and own and operate The Datai Langkawi
TD Langkawi Ventures Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Dormant
Subsidiaries of DDC						
DDC Resort Sdn. Bhd. ("DDCR")	Malaysia	55.0	55.0	45.0	45.0	Investment holding
DDC Peladang Sdn. Bhd.	Malaysia	55.0	55.0	45.0	45.0	Investment holding
Desaru Development Holdings One Sdn. Bhd. ("DH1")	Malaysia	66.5	66.5	33.5	33.5	Investment holding company, master developer and provides staff accommodation, destination marketing, common area maintenance and management services to its subsidiaries
Desaru Land 3 Sdn. Bhd.	Malaysia	-	55.0	-	45.0	Investment holding

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53. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(E) Subsidiaries, associates and joint ventures of DRHSB (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2022 %	2021 %	2022 %	2021 %	
Subsidiaries of DH1						
Desaru Peace Holdings Sdn. Bhd. ("DPH")	Malaysia	33.9	33.9	66.1	66.1	Investment holding
Desaru North Course Sdn. Bhd.	Malaysia	66.5	66.5	33.5	33.5	Owner and operator of golf course and management of golf membership (Els Club Valley Course)
Desaru South Course Sdn. Bhd.	Malaysia	66.5	66.5	33.5	33.5	Own and operate golf course (Els Club Ocean Course)
Desaru Riverwalk Sdn. Bhd.	Malaysia	66.5	66.5	33.5	33.5	Own and operate retail space (Desaru Coast Riverside)
Desaru Convention Centre Sdn. Bhd.	Malaysia	82.9	82.9	17.1	17.1	Own and operate convention centre (Desaru Coast Conference Centre)
Desaru Corniche Sdn. Bhd.	Malaysia	-	82.9	-	17.1	Investment holding
Desaru Land Sdn. Bhd.	Malaysia	66.5	66.5	33.5	33.5	Investment holding
Desaru Ferry Sdn. Bhd.	Malaysia	66.5	66.5	33.5	33.5	Ferry terminal operator
DC Resort Marketing Sdn. Bhd.	Malaysia	66.5	66.5	33.5	33.5	Operate e-commerce business
Desaru Beachfront 1 Sdn. Bhd.	Malaysia	66.5	66.5	33.5	33.5	Investment holding

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53. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(E) Subsidiaries, associates and joint ventures of DRHSB (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2022 %	2021 %	2022 %	2021 %	
Subsidiaries of DH1 (cont'd.)						
Desaru Beachfront 2 Sdn. Bhd.	Malaysia	66.5	66.5	33.5	33.5	Investment holding
Desaru Beachfront 3 Sdn. Bhd.	Malaysia	66.5	66.5	33.5	33.5	Investment holding
Desaru Beachfront 4 Sdn. Bhd.	Malaysia	66.5	66.5	33.5	33.5	Investment holding
Desaru Beachfront 5 Sdn. Bhd.	Malaysia	66.5	66.5	33.5	33.5	Investment holding
Desaru Land 2 Sdn. Bhd.	Malaysia	66.5	66.5	33.5	33.5	Investment holding
Desaru Boutique Hotel Sdn. Bhd.	Malaysia	66.5	66.5	33.5	33.5	Investment holding
Desaru Coast Cuisine Sdn. Bhd. **	Malaysia	-	66.5	-	33.5	Own and operate food and beverage business
Subsidiaries of DPH						
Desaru Peace Holdings Club Sdn. Bhd.	Malaysia	33.9	33.9	66.1	66.1	Own and operate branded resort (One & Only Desaru Coast)
Desaru Peace Holdings Villas Sdn. Bhd.	Malaysia	33.9	33.9	66.1	66.1	Investment holding, property development and construction
Subsidiary of Desaru Peace Holdings Villas Sdn. Bhd.						
Desaru Peace Holdings Villas Two Sdn. Bhd.	Malaysia	30.3	30.3	69.7	69.7	Property development

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53. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(E) Subsidiaries, associates and joint ventures of DRHSB (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2022 %	2021 %	2022 %	2021 %	
Subsidiaries of Desaru Corniche Sdn. Bhd.						
Desaru Corniche Hotel Sdn. Bhd.	Malaysia	82.9	82.9	17.1	17.1	Own and operate hotel (Westin Desaru Coast Resort)
Desaru Corniche Property Sdn. Bhd.	Malaysia	82.9	82.9	17.1	17.1	Property construction
Subsidiaries of DDC Resort Sdn. Bhd.						
Variasi Kesuma Sdn. Bhd.	Malaysia	55.0	55.0	45.0	45.0	Dormant
Subsidiaries of Teluk Datai Resorts Sdn. Bhd.						
TDR Villas Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Property developer
Anak Datai Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Dormant

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53. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(E) Subsidiaries, associates and joint ventures of DRHSB (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2022 %	2021 %	2022 %	2021 %	
Subsidiary of TDR Villas Sdn. Bhd.						
TDR Golf Resorts Bhd	Malaysia	100.0	100.0	-	-	Own and operate golf course (Els Club Rainforest Course)
Subsidiary of DHR						
Kasturi Pasifika Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Owner of the "Datai" brand
Name	Country of incorporation/ principal place of business	Effective interest~		Accounting model applied	Principal activities	
		2022 %	2021 %			
Joint ventures of Destination Resorts and Hotels Sdn. Bhd.						
MHG Desaru Villas Sdn. Bhd.	Malaysia	40.0	40.0	Equity method	Property development	
MHG Desaru Hotel Sdn. Bhd.	Malaysia	40.0	40.0	Equity method	Hotel owner	
Joint ventures of Desaru South Course Sdn. Bhd.						
Desaru South Course Residences Sdn. Bhd. ("DSCR") +++	Malaysia	32.6	32.6	Equity method	Property development	
Desaru South Course Land Sdn. Bhd. ("DSCL") +++	Malaysia	32.6	32.6	Equity method	Property development	

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53. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(E) Subsidiaries, associates and joint ventures of DRHSB (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Accounting model applied	Principal activities
		2022 %	2021 %		
Joint venture of Desaru North Course Sdn. Bhd.					
Desaru North Course Residences Sdn. Bhd. ("DNCR") +++	Malaysia	32.6	32.6	Equity method	Property development

* Under voluntary liquidation

** Completion of striking off and voluntary liquidation in current year

+++ The Group's effective interest is 68.1%, comprising 35.5% held by UEM Sunrise and 32.6% held by DRH Group.

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53. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(F) Subsidiary of MTDC

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2022 %	2021 %	2022 %	2021 %	
Malaysian Technology Consultants Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Provision of technical consultancy and commercialisation of research and development ventures
MTDC-BSF Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Management of start-up fund
MTDC-BGF Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Management of growth fund
MTDC HTDF Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Management of halal technology development fund

(G) Other subsidiaries, associates and joint ventures of the Group

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2022 %	2021 %	2022 %	2021 %	
Subsidiaries of ARHSB						
Agro Treasures Sdn. Bhd. ("ATSB")	Malaysia	100.0	100.0	-	-	Investment holding
Blue Archipelago Berhad ("BAB")	Malaysia	100.0	100.0	-	-	Investment holding and trading of shrimp aquaculture products
Biotropics Malaysia Berhad ("BMB")	Malaysia	100.0	100.0	-	-	Business in the research and development, marketing and sales of products based on Malaysia's biodiversity such as plants and other medicinal herbs

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53. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(G) Other subsidiaries, associates and joint ventures of the Group (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2022 %	2021 %	2022 %	2021 %	
Subsidiaries of ARHSB (cont'd.)						
Malaysian Agrifood Corporation Berhad ("MAFC")	Malaysia	100.0	100.0	-	-	Investment holding, production and trading of agriculture products and management of food supply chain
Subsidiaries of BAB						
Arca Biru Sdn. Bhd.	Malaysia	100.0	100.0	-	-	To carry on the business of shrimp aquaculture
Isharp Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Trade and produce of aquaculture products
Subsidiaries of BMB						
Phytes Biotek Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Formulation and manufacturing of herbal extracts and other herbal products

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53. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(G) Other subsidiaries, associates and joint ventures of the Group (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2022 %	2021 %	2022 %	2021 %	
Subsidiaries of Phytes Biotek Sdn. Bhd.						
Nu-Prep (M) Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Dormant
Plante Resources Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Dormant
Subsidiaries of MAFC						
Cameron Fresh Farms Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Investment in agriculture property
Lotus Logistics Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Dormant
MAFC International (M) Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Trading of agricultural produce. The entity became dormant since 31 December 2016
Subsidiary of Aur Investments (Cayman Islands) Limited						
Tuba Investments W.L.L. * +	Kingdom of Bahrain	99.5	99.5	0.5	0.5	Investment holding
Subsidiary of Bukit Damar Investments Limited						
Gobi MAVCAP Asean Superseed Fund, L.P. *	Malaysia	67.0	67.0	33.0	33.0	Micro venture capital
Subsidiary of Carey Investments Limited						
Tuba Investments W.L.L. * +	Kingdom of Bahrain	0.5	0.5	99.5	99.5	Investment holding

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53. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(G) Other subsidiaries, associates and joint ventures of the Group (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2022 %	2021 %	2022 %	2021 %	
Subsidiaries of Cenviro Sdn. Bhd.						
Abu Dhabi Kualiti Alam Environmental Services LLC ("ADKA") *	Abu Dhabi	34.3	100.0	65.7	-	Under members voluntary liquidation
Cenviro Services Sdn Bhd ("CS")	Malaysia	70.0	100.0	30.0	-	Sole agent for marketing, collecting and transporting scheduled waste
Cenviro Special Builders Sdn. Bhd. ("CSB")	Malaysia	70.0	100.0	30.0	-	Provision of project management consultant for integrated environmental solutions
Cenviro Recycling and Recovery Sdn. Bhd. ("CRR")	Malaysia	70.0	100.0	30.0	-	Provision of waste recycling and recovery services
Cenviro (Johor) Sdn. Bhd. ("CJSB")	Malaysia	70.0	100.0	30.0	-	Has not commenced business operations
Cenviro Green Energy Sdn. Bhd. ("CGE")	Malaysia	70.0	100.0	30.0	-	Investment holding
Environmental, Preservation and Innovation Centre Sdn. Bhd. ("EPIC")	Malaysia	70.0	100.0	30.0	-	Provision of training, consultancy, research and development, publication, innovation and commercialisation services
Kualiti Alam Sdn. Bhd. ("KASB")	Malaysia	70.0	100.0	30.0	-	Undertake the collection, transportation, treatment and disposal of scheduled waste

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53. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(G) Other subsidiaries, associates and joint ventures of the Group (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2022 %	2021 %	2022 %	2021 %	
Subsidiary of CRR						
Recycle for Life Sdn. Bhd. ("RFL")	Malaysia	70.0	100.0	30.0	-	Undertake the collection and handling of recyclable items
Cenviro Aura Technology Sdn. Bhd. (CENURA)	Malaysia	52.5	75.0	47.5	25.0	Undertake the development, construction, ownership, operation and maintenance of food grade bottle-to-bottle recycled polyethylene terephthalate plant in Malaysia
Subsidiary of CGE						
Cenviro Green Energy Melaka Sdn. Bhd. ("CEGM")	Malaysia	70.0	100.0	30.0	-	Has not commenced business operations
Subsidiary of Cosmos Friendship Limited						
KCS Green Energy International (Group) Investments Company Ltd. ("KCS")	Hong Kong	100.0	100.0		-	Investment holding
Subsidiaries of KCS						
KCS Jining Investments Company Limited	Hong Kong	100.0	100.0		-	Investment holding
KCS Huai'an Investments Company Limited	Hong Kong	100.0	100.0		-	Investment holding

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53. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(G) Other subsidiaries, associates and joint ventures of the Group (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2022 %	2021 %	2022 %	2021 %	
Subsidiaries of Granatum Ventures Sdn. Bhd.						
Iskandar Malaysia Studios Sdn. Bhd. ("IMS")	Malaysia	100.0	100.0	-	-	Investment holding
Subsidiary of Iskandar Malaysia Studios Sdn. Bhd.						
IMS Production Services Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Production activities
Subsidiary of Iskandar Ventures Sdn. Bhd.						
Jasmine Acres Sdn. Bhd.	Malaysia	66.7	66.7	33.3	33.3	Investment holding
Southview Hills Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Investment holding
Subsidiary of Khazanah Nasional Consulting (Hong Kong) Company Ltd						
Khazanah Nasional Consulting (Beijing) Company Ltd	China	-	100.0	-	-	Consultancy services on business, market information, project management, etc.

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53. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(G) Other subsidiaries, associates and joint ventures of the Group (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2022 %	2021 %	2022 %	2021 %	
Subsidiary of Khazanah Nasional Consulting (Hong Kong) Company Ltd (cont'd.)						
Khazanah Nasional Business Consulting (Shanghai) Co. Ltd	China	100.0	100.0	-	-	Consultancy services on business, market information, project management, etc.
Subsidiary of Mantanani Ventures Sdn. Bhd.						
Khazanah Turkey Regional Office Danismanlik Hizmetleri A.S.	Turkey	100.0	100.0	-	-	Investment holding
Subsidiary of Noring Investments (Mauritius) Limited						
Mostyn Investments (Mauritius) Limited	Mauritius	100.0	100.0	-	-	Investment holding
Subsidiary of Ophir Ventures Sdn. Bhd.						
ReGen Rehabilitation International Sdn. Bhd.	Malaysia	65.2	60.0	34.8	40.0	Provision of post-acute inpatient rehabilitation services
Subsidiaries of Payar Investments Limited						
Cenergi SEA Berhad	Malaysia	97.0	97.0	3.0	3.0	Investment holding and provision of advisory services
Subsidiaries of Cenergi SEA Berhad						
Cenergi Carbon Ltd.	Malaysia	97.0	97.0	3.0	3.0	Emission reduction project operations

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53. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(G) Other subsidiaries, associates and joint ventures of the Group (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2022 %	2021 %	2022 %	2021 %	
Subsidiaries of Cenergi SEA Berhad (cont'd.)						
Cenergi EE Holdings Sdn. Bhd. ("CEEH")	Malaysia	97.0	97.0	3.0	3.0	Renewable energy developers in solar and energy efficiency and investment holding
Cenergi RE Sdn. Bhd.	Malaysia	97.0	97.0	3.0	3.0	Investment holding and provision of operation and maintenance services
Cenergi Operations and Maintenance Sdn. Bhd.	Malaysia	97.0	97.0	3.0	3.0	To provide peration and maintenance services of renewable energy power plants
Cenergi Refuel Sdn. Bhd. (f.k.a. Cenergi Eco Power Sdn. Bhd.)	Malaysia	97.0	97.0	3.0	3.0	Intended for development and operations of biomass pellet manufacturing facilities and conducting manufacturing activities to produce biomass pellet.
Subsidiary of Cenergi EE Holdings Sdn. Bhd.						
Cenergi EE Sdn. Bhd.	Malaysia	97.0	97.0	3.0	3.0	Energy efficiency project operations
Cenergi GM Sdn. Bhd.	Malaysia	97.0	-	3.0	-	Intended to develop renewable generation and distribution

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53. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(G) Other subsidiaries, associates and joint ventures of the Group (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2022 %	2021 %	2022 %	2021 %	
Subsidiaries of Cenergi RE Sdn. Bhd.						
Cenergi Solar Sdn. Bhd. (f.k.a Cenergi Concord Sdn. Bhd.)	Malaysia	97.0	97.0	3.0	3.0	Renewable energy developer in solar
Cenergi Palong Sdn. Bhd. (f.k.a.) Biopower Climate Care Sdn. Bhd.)	Malaysia	97.0	97.0	3.0	3.0	Contracting and construction of a renewable energy plant
Cenergi Sua Betong Sdn. Bhd.	Malaysia	97.0	97.0	3.0	3.0	Contracting and construction of a renewable energy plant
Cenergi Cheekah Sdn. Bhd. (f.k.a. GLT Energy Sdn. Bhd.)	Malaysia	97.0	97.0	3.0	3.0	Contracting and construction of a renewable energy plant
Cenergi Sri Jelutung Sdn. Bhd.	Malaysia	97.0	97.0	3.0	3.0	Contracting and construction of a renewable energy plant
Cenergi Pantai Remis Sdn. Bhd.	Malaysia	97.0	97.0	3.0	3.0	Contracting and construction of a renewable energy plant
Cenergi EPC Sdn. Bhd.	Malaysia	97.0	97.0	3.0	3.0	To provide engineering, procurement and construction services for renewable energy plants
Cenergi Tennamaram Sdn. Bhd.	Malaysia	97.0	97.0	3.0	3.0	Contracting and construction of a renewable energy plants

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53. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(G) Other subsidiaries, associates and joint ventures of the Group (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2022 %	2021 %	2022 %	2021 %	
Subsidiaries of Cenergi RE Sdn. Bhd. (cont'd.)						
Cenergi Hamparan Sdn. Bhd.	Malaysia	97.0	97.0	3.0	3.0	Investment holding
Cenergi KF Sdn. Bhd. (f.k.a. Cenergi Green Utilities Sdn. Bhd.)	Malaysia	97.0	97.0	3.0	3.0	Intended to develop renewable generation and distribution
Cenergi Elphil Sdn. Bhd. (f.k.a. Cenergi Green Power Sdn. Bhd.)	Malaysia	97.0	97.0	3.0	3.0	Intended to contract and construct a renewable energy plant
Cenergi Chersonese Sdn. Bhd.	Malaysia	97.0	97.0	3.0	3.0	Contracting and construction of a renewable energy plant
Cenergi West Sdn. Bhd.	Malaysia	97.0	97.0	3.0	3.0	Contracting and construction of a renewable energy plant
Cenergi Sri Ganda Sdn. Bhd.	Malaysia	72.8	72.8	27.2	27.2	Contracting and construction of a renewable energy plant
Cenergi Langkap Sdn. Bhd.	Malaysia	67.9	67.9	32.1	32.1	Intended to contract and construct a renewable energy plant
Cenergi Lawiang Sdn. Bhd.	Malaysia	58.2	-	41.8	-	Intended to develop renewable generation and distribution
Cenergi Endah Sdn. Bhd.	Malaysia	67.9	67.9	32.1	32.1	Intended to contract and construct a renewable energy plant

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53. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(G) Other subsidiaries, associates and joint ventures of the Group (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2021 %	2020 %	2021 %	2020 %	
Subsidiaries of Cenergi RE Sdn. Bhd. (cont'd.)						
Bell Cenergi YP Sdn. Bhd.	Malaysia	48.5	48.5	51.5	51.5	Intended to contract and construct a renewable energy plant
Bell Cenergi Lingga Sdn. Bhd.	Malaysia	97.0	-	3.0	-	Intended to develop renewable generation and distribution
Bell Cenergi Linggi Sdn. Bhd. (f.k.a. Bell Cenergi BP Sdn. Bhd.)	Malaysia	97.0	97.0	3.0	3.0	Intended to contract and construct a renewable energy plant
Bell Cenergi Paloh Sdn. Bhd.	Malaysia	97.0	97.0	3.0	3.0	Intended to develop renewable generation and distribution
Cenergi Sg Dingin Sdn. Bhd. (f.k.a. Bell Cenergi LD Sdn. Bhd.)	Malaysia	97.0	97.0	3.0	3.0	Intended to contract and construct a renewable energy plant
Cenergi Classic Sdn. Bhd. (f.k.a. Cenergi Radiance Sdn. Bhd.)	Malaysia	97.0	97.0	3.0	3.0	Intended to develop renewable generation and distribution
Cenergi Classic Segamat Sdn. Bhd.	Malaysia	97.0	-	3.0	-	Intended to develop renewable generation and distribution
Subsidiary of Cenergi Hamparan Sdn. Bhd.						
PT Gree Energy Hamparan*	Indonesia	92.2	92.2	7.8	7.8	Contracting and construction of renewable energy plant

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53. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(G) Other subsidiaries, associates and joint ventures of the Group (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2022 %	2021 %	2022 %	2021 %	
Subsidiary of PMB						
Aircraft Business Malaysia Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Lease of aircraft and provision of related services
Subsidiaries of Pulau Manukan Ventures Sdn. Bhd.						
Xeraya Capital Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Investment support services
Subsidiary of Xeraya Capital Sdn. Bhd.						
Xeraya Capital Labuan Ltd.	Malaysia	100.0	100.0	-	-	Investment management services
Xeraya Americas Inc. *	State of Delaware	100.0	100.0	-	-	Investment support services
Subsidiary of Pulau Memutik Ventures Sdn. Bhd.						
Pantai Support Services Sdn. Bhd. *	Malaysia	100.0	100.0	-	-	Investment holding

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53. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(G) Other subsidiaries, associates and joint ventures of the Group (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2022 %	2021 %	2022 %	2021 %	
Subsidiary of Tanjung Bidara Ventures Sdn. Bhd.						
Tanjong Aru Capital Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Provision of sports facilities
Subsidiary of Tanjong Aru Capital Sdn. Bhd.						
Mulu Ventures Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Provision of cricket facilities
Subsidiary of Teluk Cempedak Investments (Mauritius) Limited						
Khazanah India Advisors Private Ltd. ***	India	17.1	100.0	-	-	Investment advisory
Subsidiaries of Titiwangsa Investments (Mauritius) Limited						
Panorama Investments (Mauritius) Limited	Mauritius	100.0	100.0	-	-	Investment holding
Ramunia Investments (Mauritius) Limited	Mauritius	100.0	100.0	-	-	Investment holding
Subsidiary of Tulai Beach Ventures Sdn. Bhd.						
Avicennia Capital Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Investment holding

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53. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(G) Other subsidiaries, associates and joint ventures of the Group (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2022 %	2021 %	2022 %	2021 %	
Subsidiaries of Avicennia Capital Sdn. Bhd.						
Renggis Ventures Sdn. Bhd.	Malaysia	96.0	96.0	4.0	4.0	Investment holding
Pasir Kalong Investments Limited	Malaysia	100.0	100.0	-	-	Investment holding
Bureau Ventures Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Investment holding
Subsidiaries of Renggis Ventures Sdn. Bhd.						
SunLife Malaysia Assurance Bhd. *	Malaysia	49.0	49.0	51.0	51.0	Underwriting of life insurance and investment-linked business
SunLife Malaysia Takaful Bhd. *	Malaysia	49.0	49.0	51.0	51.0	Management of family takaful, general takaful and investment-linked takaful business

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53. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(G) Other subsidiaries, associates and joint ventures of the Group (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~ 2022 2021 % %		Accounting model applied	Principal activities
Associate of ARHSB					
NL Cold Chain Network (M) Sdn. Bhd. (Formerly known as Cold Chain Network (M) Sdn. Bhd.)	Malaysia	60.0	60.0	Equity method	Business in temperature controlled logistics warehousing services
Associate of Bukit Galla Investments Limited					
WeLab Holdings Ltd *	British Virgin Islands/Hong Kong	9.7	9.7	Equity method	Online lending platform and virtual bank
Associate of CRR					
Shan Poornam Sdn. Bhd. ("SPSB")	Malaysia	40.0	40.0	Equity method	Investment holding
Associate of Cosmos Friendship Limited					
Beijing Enterprises Environment Group Ltd *	Hong Kong	23.1	23.1	Equity method	Investment holding
Associate of Gemia Investments Limited					
Fajr Capital Limited *	United Arab Emirates	22.5	22.5	Equity method	Provision in Islamic finance services

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53. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(G) Other subsidiaries, associates and joint ventures of the Group (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~ 2022 2021 % %		Accounting model applied	Principal activities
Associate of MAFC					
Monoluxury Sdn. Bhd.*	Malaysia	35.0	35.0	Equity method	Cultivation, processing and trading of vegetables and related vegetable products
Associate of Mataking Ventures Sdn. Bhd.					
General Fusion Inc.*	Canada	4.3	4.3	Equity method	Nuclear fusion
Associate of Mount Bintang Ventures Sdn. Bhd.					
edotco Group Sdn. Bhd. *	Malaysia	10.6	10.6	Equity method	Integrated telecommunications infrastructure services
Associate of Mount Reskit Investments Limited					
Shanghai Lian Ji Biotechnology Co. Ltd.	China	21.5	21.5	Equity method	Investment holding
Associate of Pantai Cahaya Bulan Ventures Sdn. Bhd.					
Astro Malaysia Holdings Berhad ("AMHB") *	Malaysia	20.7	20.7	Equity method	Media entertainment

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53. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(G) Other subsidiaries, associates and joint ventures of the Group (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~ 2022 2021 % %		Accounting model applied	Principal activities
Associates of Pantai Juara Investments Limited					
Adicon Holdings Limited	China	4.7	4.7	Equity method	Independent clinical laboratory
Associates of Pantai Support Services Sdn. Bhd.					
Unitab Medic Sdn. Bhd. *	Malaysia	30.0	30.0	Equity method	Investment holding and supervision of medical examination of foreign workers in Malaysia
Associate of Pasir Salak Investments Limited					
8990 Holdings Inc. *	Philippines	-	8.8	Equity method	Housing development
Associate of Pulau Kapas Ventures Sdn. Bhd.					
TIME dotCom Berhad *	Malaysia	8.7	8.8	Equity method	Investment holding, provision of management and marketing/promotional services and retailing of telecommunications products
Associate of Pulau Memutik Sdn. Bhd.					
IHH Healthcare Bhd. *	Malaysia	25.8	25.8	Equity method	Investment holding and healthcare service provider

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53. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(G) Other subsidiaries, associates and joint ventures of the Group (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Accounting model applied	Principal activities
		2022 %	2021 %		
Associate of Pulau Tiga Sdn. Bhd.					
Continuum Capital II Limited Partnership	Malaysia	99.0	99.0	Equity method	Venture capital fund
Fashion Valet Sdn. Bhd.*	Malaysia	9.0	9.0	Equity method	Online fashion platform
Associate of Ramunia Investments (Mauritius) Limited					
Vas Data Services Private Limited *	India	14.6	14.6	Equity method	Online retailer
Associates of Redang Investments Limited					
ACR Capital Holdings Pte. Ltd. *	Singapore	24.7	24.7	Equity method	Provision of reinsurance services
Associate of Shan Poornam Sdn. Bhd.					
Shan Poornam Metals Sdn. Bhd. ("SPM")	Malaysia	40.0	40.0	Equity method	Collection, processing and recycling of scraps
Shan Poornam Global Sdn. Bhd.	Malaysia	40.0	40.0	Equity method	Industrial waste recovery

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53. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(G) Other subsidiaries, associates and joint ventures of the Group (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Accounting model applied	Principal activities
		2022 %	2021 %		
Associate of Shan Poornam Metals Sdn. Bhd. ("SPM")					
ENS 4R Sdn. Bhd.	Malaysia	40.0	40.0	Equity method	Collection, processing and recycling of scraps
Shan Poornam Metals (Sarawak) Sdn. Bhd.	Malaysia	40.0	40.0	Equity method	Collection, processing and recycling of scraps
Shan Poornam Metals (Selangor) Sdn. Bhd.	Malaysia	40.0	40.0	Equity method	Collection, processing and recycling of scraps
Shan Poornam Metals (Johor) Sdn. Bhd.	Malaysia	40.0	40.0	Equity method	Collection, processing and recycling of scraps
Shan Poornam Green Tech Sdn. Bhd.	Malaysia	40.0	40.0	Equity method	Dormant
Associate of Tanjung Tuan Investments Limited					
Blippar.com Limited *	England and Wales	-	11.4	Equity method	Liquidated
Joint venture of ARHSB					
Commerce-KNB Agro Teroka Sdn. Bhd. ("CKAT") *	Malaysia	67.0	67.0	Equity method	Agriculture venture capital
Farm Fresh Berhad (formerly known as The Holstein Milk Company Sdn. Bhd.) *	Malaysia	11.8	30.0	Equity method	Involved in dairy farming, processing and distribution of fresh dairy produce

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53. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(G) Other subsidiaries, associates and joint ventures of the Group (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~ 2022 2021 % %		Accounting model applied	Principal activities
Joint venture of BAB					
AB Hatchery Sdn. Bhd.	Malaysia	51.0	51.0	Equity method	Post larvae farming and trading
Joint venture of Cenergi SEA					
Cenergi FJP Sdn. Bhd. ("CFJP") *	Malaysia	51.0	51.0	Equity method	Operation of green power generation facilities and plants
Cenergi Sunseap Energy Solutions Sdn. Bhd. ("CSES")	Malaysia	58.2	58.2	Equity method	Renewable energy developer in solar and energy efficiency
Subsidiaries of CSES					
CSES Rooftop Alpha Sdn. Bhd.	Malaysia	34.9	34.9	Equity method	Renewable energy developer in solar
IRM Solar Sdn. Bhd.	Malaysia	33.2	33.2	Equity method	Renewable energy developer in solar
Digital Awan Sdn. Bhd.	Malaysia	34.9	34.9	Equity method	Renewable energy developer in solar
Marudu Power Sdn. Bhd.	Malaysia	34.9	34.9	Equity method	Renewable energy developer in solar
Joint venture of Cenviro Sdn. Bhd.					
E-Idaman Sdn. Bhd. ("EISB")	Malaysia	35.0	50.0	Equity method	Investment holding, provision of project management, consultancy and contracting services in the field of solid waste management

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53. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(G) Other subsidiaries, associates and joint ventures of the Group (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Accounting model applied	Principal activities
		2022	2021		
		%	%		
Joint venture of EISB					
Environment Idaman Sdn. Bhd.	Malaysia	17.5	50.0	Equity method	Provision of integrated solid waste and public cleansing management serviced
Environment Idaman (Kedah and Perlis) Sdn. Bhd.	Malaysia	17.5	50.0	Equity method	Provision of integrated solid waste collection and public cleansing management services, including technical expert services in waste management
Green Resources Recovery Sdn. Bhd.	Malaysia	17.5	50.0	Equity method	Provision of project management, consultancy and contracting services in the field of solid waste and public cleansing management services and dealing with recyclable items and facilities
Environment Idaman (Perak) Sdn. Bhd.	Malaysia	17.5	50.0	Equity method	Provision of integrated solid waste collection and public cleansing management services, including technical expert services in waste management
Joint venture of Dayang Bunting Ventures Sdn. Bhd.					
Sunway Iskandar Sdn. Bhd. *	Malaysia	40.0	40.0	Equity method	Investment holding

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53. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(G) Other subsidiaries, associates and joint ventures of the Group (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Accounting model applied	Principal activities
		2022 %	2021 %		
Joint venture of Pantai Cahaya Bulan Ventures Sdn. Bhd.					
Astro Holdings Sdn. Bhd. *	Malaysia	29.3	29.3	Equity method	Investment holding
Joint venture of Sungai Pulai Investments (Mauritius) Limited					
M+S Pte. Ltd.	Singapore	60.0	60.0	Equity method	Property development
Joint venture of Tanjung Bidara Ventures Sdn. Bhd.					
Southern Marina Development Sdn. Bhd. *	Malaysia	30.0	30.0	Equity method	Property development
Joint venture of Teluk Rubiah Ventures Sdn. Bhd.					
Pulau Indah Ventures Sdn. Bhd. *	Malaysia	50.0	50.0	Equity method	Township development
Joint ventures of Pulau Manukan Ventures Sdn. Bhd.					
MLSCF II (DP) Ltd *	Malaysia	50.0	50.0	Equity method	Investment management holding
MLSCF Management (Labuan), LLP	Malaysia	50.0	50.0	Equity method	Investment management services
MLSCF II (GP) (Labuan), LLP	Malaysia	50.0	50.0	Equity method	General partner of MLS Capital Fund II, LP

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53. Subsidiaries, associates and joint ventures of the Group (cont'd.)

- * Audited by firms of auditors other than Ernst & Young PLT or its affiliate.

- ^^ Although the Company does not hold ordinary shares in the associates, the Company exerts significant influence by virtue of the Company's holding in the preference shares in the respective associates which gives the Company the right to appoint directors on the board of the respective associates.

- + The Group's effective interest in Tuba Investments WLL is 100%, comprising 99.5% held by Aur Investments (Cayman Islands) Limited and 0.5% held by Carey Investments (Cayman Islands) Limited.

- *** The Group's effective interest in Khazanah India Advisors Private Ltd. is 100%, comprising 17.1% held by Teluk Cempedak Investments (Mauritius) Limited and 82.9% held by Chendering Investments Ltd.

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54. Directors of subsidiaries

The names of the directors of the Company's subsidiaries in office since the beginning of the financial year to the date of this report (not including Directors of the Company who have been listed in the Directors' Report) are:

Aarti Shetty
Adi Saufi Bin Mohamad Daud
Adil Bin Othman
Afizul Aezhar Sharifuddin
Ahmad Jauhari Bin Yahya
Ahmad Luqman bin Mohd Azmi
Aina Nadia Binti Mohd Rafee
Alex Yeow Wai Siaw
Aliza Binti Sulaiman
Aminah Othman
Amirul Fares bin Wan Zahir
Amlah binti Yassin
Andrew Raj A/L Varatharaju
Angel Yogesh Vora
Anil Abraham
Anil Thadani
Annie binti Rosle
Anoop Damodar Gupta
Arnaud Arman Paul Daniel Girodon
Aubrey Lim Ying Yueh
Azahari bin Matt
Azam bin Mohamed
Azim Bin Juzer
Azri Zaharuddin
Badrul Hisham bin Dahalan
Boo Hui Yee
Brett Thomas Adolf Rubi
Bryan Foong Chee Yeong
Calvin Raqeem Jacob
Castle Directors Limited
Cham Tian Hoong
Chan Chee Yean
Chari Thandalam Veeravalli Thirumala
Cheah Jit Peng
Chen Wen Yin
Chen Yen-Yu
Cheryl Goh Ching Ling
Chew Poh Chuan
Chinta Madhav
Chong Chai Wea
Choo Ning

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**Khazanah Nasional Berhad
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54. Directors of subsidiaries (cont'd.)

Christina Foo
Chua Chin Soon
Chua Pei Sum
Chua Yong Howe
Daniel Tan Sze Hun
Datin Hayati Aman Hashim
Datin Sri Badrunnisa Mohd Yasin Khan
Datin Zainabbi Binti Abubacker
Dato Dr Nadzri Yahaya
Dato' Amirul Feisal bin Dato' Wan Zahir
Dato' George Stewart LaBrooy
Dato' Haja Najmudeen Bin K P M Abd Kader
Dato' Haji Mohd Salleh Bin Yeop Abd. Rahman
Dato' Haji Ramlee bin Haji A Rahman
Dato' Mohamed Nasri Bin Sallehuddin
Dato' Mohd Izani Bin Ghani
Dato' Mohd Khalis bin Abd Rahim
Dato' Norhalim bin Yunus
Dato' Noorazman Abd Aziz
Dato' Roslan Ibrahim
Dato' Seri Mohammed Anwar a/l Fazal Mohammed
Dato' Shahira Binti Ahmed Bazari
Dato' Sr. Hisham bin Jafrey
Dato' Sri Ghazali bin Mohd Ali
Datuk Amran Hafiz bin Affifudin
Datuk Nik Airina Binti Nik Jaffar
Datuk Zainal Abidin Abu Hassan
David Lau Nai Pek
Dinesh A/L Thinagaran
Dr. Farid Bin Mohamed Sani
Dr. Johari Jalil
Dr. Muhd Noor Muhd Yunus
Dr. Nik Fawaz bin Nik Abdul Aziz
Dumisani Blessing Mnganga
Dzulkifly Bin Hassan
Effizal Faiz Bin Zulkifly
Elaine Ong Yee Lynn
Enita Azlina binti Osman
Erika Mushtarina Mat Ariffin
Eysa Zulkifli
Faizal bin Mohd Yusof
Faridah Binti Bakar Ali
Fatweena Bibi Ameen Uteene Mahamod
Festus A Christ Dhas
Fitriolah Nadiah

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54. Directors of subsidiaries (cont'd.)

Gan Chia Siang
Gan Hsiang Lin
Goh Ah Peng
Goh Hiang Keat
Goh Keat Siang
Grace Nesam Poore A/P J. Kannuthurai
Guna Segaran A/L Alagappan
Hafriz Bin Abdul Rahman
Hairol Azizi Bin Tajudin
Halina Jael Binti Abu Bakar
Hamdan Bin Abdul Majeed
Hannah Lyana Lee Abdullah
Haris Hardi bin Zakaria
Harman Faiz Bin Habib Muhamad
Hasniza Mohamed
Hau Yean Ching
Helmuth Blasch
Idjarmizuan bin Ibrahim
Imran Bin Abdullah
Imran Bin Abdul Rahim
Ir Dr. Sanjayan A/L K.V Velautham
Izdihar binti Ibrahim
Izham bin Ismail
Jamaludin Bujang
Jenifer Thien Bit Leong
Jesudason Selvaraj
Johari Bin Jalil
JTC Directors Limited
Kamalam Pillay Rungapadiachy
Kang Kee Yen
Karina Binti Ridzuan
Karuna Ahuja
Kazrin Bin Khairul Anuar
Kenneth Anak Tuba
Khairul Anwar Bin Mohd Dewan
Khor Khai Nee
Kong Kwai Ching
Kwan Joon Hoe
Kwok Yew Hoe
Lai Wei Ming
Latifah binti Mohamed Yusof
Lau Yin May
Laurence Loh Kwong Yu
Laxman Deepak Vaidya
Lee Lin Chien

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54. Directors of subsidiaries (cont'd.)

Lee Pek Kee
Leong Kar Yung
Liew Irene
Liew Kim Choi
Liew Teen Chai
Lim Kooi June
Lim Su San
Lim Tong Hee
Lim Tsin Lin
Lim Wah Seng
Lim Wei Hsien Kenny
Lim Wei Kuan
Lim Wei Lih
Liong Kok Kit
Liu Hsiao Fan
Lock Jian Wah
Loh Tzu Anne
Lok Ngai Hey
Low Guat Peng
Mariamah binti Daud
Marilyn Teoh May Lyn
Marzuki bin Hj Madon
Maslina Binti Mansor
Mat Azman bin Ismail
Matthew Kenneth Benson
May Cheong Su Wei
Mazli bin Mohamed Ayob
Megat Shahir bin Megat Mohamed Supian
Meltem Amiot-Karakoc
Michael Robert Ashburn
Mohamad Affendi Bin Yusoff
Mohamad Hishammudin Bin Hamdan
Mohamad Rafiq Bin Mubarak Ali
Mohamad Zamani bin Razali
Mohammad Hazani bin Hassan
Mohd Azarull Ahadi bin Abdullah
Mohd Haniz bin Mohd Nazlan
Mohd Helmi bin Mohd Yusof
Mohd Nadziruddin bin Mohd Basri
Mohd Norsuradi Man
Mohd Shafie Ismail
Mohd Sofi bin Wazir
Mohd Zulkefly bin Ujang
Mok Jia Mei
Muhammed Rozani Bin Mohamed Osman

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54. Directors of subsidiaries (cont'd.)

Muhammad Haiqal Bin Mohd Ali
Muhammad Najmi bin Mansor
Muhammad Syauqi Bin Ab Samad
Muntasir bin Mohamad Zain
Naiken Veerasamy
Nasaruddin bin A.Bakar
Natasha Su A/P Sivarajah
Ng Eu Gin
Ngan Chu Chu
Nicola Romain Stirer
Nik Marien Binti Nik Ahmad Kamal
Nik Nazhah Binti Nik Abdul Aziz
Nor Azah binti Ab Aziz
Nor Azree Bin Md Daros
Nor Shafahana Shaik binti Abdul Shukkor
Norazalina Sham binti Abdullah
Norizuan bin Abu Zarim
Nur Aisyah binti Osman
Nuraida binti Ismail
Nurul Iman Binti Mohd Zaman
Ong Chee Wei
Ong King How
Ooi Theng Therk
Philip See Yew Jin
Phuan Ling Fong
Poh Ying Loo
Prof. Dr. Rofina Yasmin Binti Othman
Professor Philip Sutton Cox
Quek Pei Lynn
Raihana binti Ahmad
Rais bin Imran
Raja Ahmad Murad Bin Raja Bahrin
Rajgopal Rajkumar
Razman bin Ismail
Reagan Chan Chung Cheng
Roli Shukla
Ronnie Khoo Boo Eam
Roslina Binti Arbak
Roslina binti Zukkafli
Rowina Ghazali Seth
Ruziah Binti Abdul Latif
Saidatul Azrina Binti Dzulkifli
Samir Balkrishna Pansare
Savinilorna Payandi Pillay Ramen
Sawkut Oomarally Bundhoo

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54. Directors of subsidiaries (cont'd.)

Selvendran Katheerayson
Seow Hai Yoong
Serena Tan Mei Shwen
Shahira Binti Ahmed Bazari
Shahnaz binti Abdul Samad
Shamsuddin Bin Sulaiman
Shankar Menon a/l Krishnan @ Vasuthavan
Shariman Yusuf bin Mohamed Zain
Sharmanand Jhurreea
Sharuddin bin Omar Hashim
Shirley Goh
Siegfried Boerst
Siew Chee Seng
Sivanesan Perumal Sundreson
Sophia Lim Siew Fay
Stephanie Saw Ai Lin
Sufian Abdullah
Suhaimi bin Jamal
(Alternate Director to Afizul Aezhar Sharifuddin)
Sundhiraj Sharma
Suraya binti Mahmud
Suryani Senja Binti Alias
Suzanne Ng Bee June
Syahid Mohd Zain
Syahrnizam Samsudin
Syed Ahmad Safarudin Bin Syed Zainal Abidin
Tan Cheh Tian
Tan Sri Abd Rahman bin Mamat
Tan Sri Dato' Chen Kooi Chiew @ Cheng Ngi Chong
Tan Sri Dato' Lim Kang Hoo
Tan Sri Dato' Sri Haji Esa Bin Mohamed
Tan Sri Dato' Yap Suan Chee
Tan Sri Datuk Chen Lok Loi
Tan Sri Dr. Azmil Khalili Bin Dato' Khalid
Tan Sri Shahril Ridza bin Ridzuan
Tan Sri Tan Boon Seng @ Krishnan
Tan Sri Wan Zulkiflee bin Wan Ariffin
Tan Wan San
Tang Chee Wai
Tengku Dato' Sri Azmil Zahrudin Bin Raja Abdul Aziz
Tengku Norlinda binti Tengku Hamzah
Tinesh Thambaiya Yogarajah
Toh Tau Book
Tuan Haji Lukman Bin Abu Jari @ Abu Bakar
Victor John Zacharias

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54. Directors of subsidiaries (cont'd.)

Vijayan Balan	
Vincent Michael Gin	
Vinod Kumar Saigal	
Virginie Guillaume	
Wan Ahmad Saifuddin bin Ahmad Radzi	
William Edward Walters	
Wong Chin See	
Wong Hee Chai	
Wong Hong Yee	
Wong Koon Keng	
Wong Peck Ling	
Wong Poh 'Ee	
Wong Shu Hsien	
Wu Jueh Ming Lawrence	
Yap Pooi Choo	
Yasmin Thaseen Binti Sikkandar	
Yeo Kar Peng	
Yeoh Keat Seng	
Yong Kean Kun	
Yong Kean Seong	
Yong Toi Mee	
Yusnianti Binti Muhamed Yusoff	
Zaida Khalida Shaari	
Zainul Rahim Bin Mohd Zain	
Zanita binti Mohamed Zin	
Zul Hisham Bin Hamzah	
Abdullah bin Hashim	(Appointed On 24 February 2022)
Abdul Manan bin Mohd Najib	(Appointed On 3 January 2022)
Ainol Roznain Bin Yaacob	(Appointed On 9 February 2022)
Amirsham Bin A Aziz	(Appointed On 9 February 2022)
Azmy Mahbot	(Appointed On 13 January 2023)
Badrul Hisyam bin Abdullah	(Appointed On 24 February 2022)
Bang Jong Young	(Appointed On 14 November 2022)
Choo Boon Kwee Colin	(Appointed On 31 May 2022)
Chooi Wan Chong	
(Alternate Director to Mohd Haniz)	(Appointed On 1 September 2022)
Chia Shwu Wei	(Appointed On 30 November 2022)
Dato Dr Zaininah Mohd Zain	(Appointed On 4 April 2022)
Dato' Haji Mohammed Ridha bin Dato' Haji Abd Kadir	(Appointed On 1 February 2022)
Dato' Idzham Mohd Hashim bin Zahrain Mohd Hashim	(Appointed On 14 November 2022)
Dato' Mohammad Imran bin Ismail	(Appointed On 19 August 2022)
Effreeza binti Mohamad	(Appointed On 30 March 2022)
Foo Shiou Voon	(Appointed On 7 September 2022)
Fu Yueh Yee	(Appointed On 14 November 2022)
Hajah Rosni binti Haji Tarip	(Appointed On 1 August 2022)

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54. Directors of subsidiaries (cont'd.)

Haziah binti Hamzah	(Appointed On 15 December 2022)
Ir. Vekneswaran A/L T.Arasappan	(Appointed On 1 January 2022)
Irwin Mohd Eusoff	(Appointed On 13 January 2023)
Johan Bin Mohd Roslie	(Appointed On 3 October 2022)
Josephine Wong Foong Yin	(Appointed On 1 October 2022)
Khairudin Bin Hasan	(Appointed On 28 July 2022)
Khairul Bin Annuar (Alternate Director to Wong Su Yen)	(Appointed On 26 September 2022)
Khoo Suet Ling	(Appointed on 28 December 2022)
Lee Dae Hyuck	(Appointed On 16 December 2022)
Liaw Long Lot	(Appointed On 19 December 2022)
Lim Chen Heng (Alternate Director to Tan Sri Dato' Lim Kang Hoo)	(Appointed On 7 October 2022)
Lim Poh Ling	(Appointed On 13 January 2023)
Lim Siew Li	(Appointed On 4 October 2022)
Mark Jason Thomas	(Appointed On 1 June 2022)
Mat Sahwira bin Tamat	(Appointed On 21 January 2022)
Mohamed Omar bin Fateh Mohamed	(Appointed On 1 August 2022)
Mohd Asrul bin Ab Rahim	(Appointed On 21 January 2022)
Mohd Firdaus bin Hisham	(Appointed On 12 October 2022)
Mohd Gadaffie bin Abd Aziz	(Appointed On 1 February 2022)
Muhamad Yazid bin Che Ya	(Appointed On 24 February 2022)
Muhammad Firdaus bin Ishak	(Appointed On 24 February 2022)
Muhammad Safwan Mohd Shukri	(Appointed On 13 January 2023)
Ng Chee Chi	(Appointed on 13 January 2023)
Noorasma binti Sulaiman	(Appointed On 8 September 2022)
Norliza binti Suleiman	(Appointed On 27 January 2022)
Park Deok Seop	(Appointed On 16 December 2022)
Peter Kjaer-Pedersen (Alternate Director to Siegfried Boerst)	(Appointed On 22 June 2022)
Rachel Ng Koon Ling	(Appointed On 9 May 2022)
Rakesh Devasish Jena	(Appointed On 16 November 2022)
Saffiyah Binti Mohd Farid	(Appointed On 11 October 2022)
Saipolyazan bin Mat Yusop	(Appointed On 13 August 2022 and Resigned On 24 October 2022)
Saniman Md Apanidi	(Appointed On 19 August 2022)
Siti Naizah Binti Mohamed A'asi	(Appointed On 13 January 2023)
Siti Nor Zainab Binti Taib	(Appointed On 12 January 2023)
Siti Nurkhairiah Binti Mohd Nasir	(Appointed On 13 January 2023)
Soo Kian Sin	(Appointed On 16 November 2022)
Syed Abdul Rahman Bin Syed Zaid	(Appointed On 7 September 2022)
Tan Sri Dr. Zulhasnan bin Rafique	(Appointed On 14 July 2022)
Tengku Mohamad Azharuddin Bin Tengku Mohd Ariff	(Appointed On 1 March 2022)
Tunku Alizakri bin Raja Muhammad Alias	(Appointed On 7 March 2022)
Wolfgang Boh	(Appointed On 18 February 2022)

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54. Directors of subsidiaries (cont'd.)

Wong Su Yen Caroline	(Appointed On 26 September 2022)
Yu Byung Chul	(Appointed On 14 November 2022)
Zainal Abidin bin Zakaria	(Appointed On 27 January 2022)
Zaiviji Ismail bin Abdullah	(Appointed On 7 March 2022)
Zhi Ying Kenneth Woo	(Appointed On 8 March 2022)
Afizi Bin Azizan	(Resigned On 14 November 2022)
Ahmad Fadzli bin Zainudin	(Resigned On 19 August 2022)
Andreas Weiss	(Resigned On 31 January 2022)
Azhan Bin Yaacob @ Che Kob	(Resigned On 1 March 2022)
Azman bin Mohd Hussein	(Resigned On 14 November 2022)
Azree Wong Bin Abdul Karim	(Resigned On 1 August 2022)
Chong Yit Phin	(Resigned On 30 November 2022)
Chow Yin See	(Resigned On 1 August 2022)
Chua Siew Pei	(Resigned On 13 January 2023)
Datuk Khairil Anwar bin Ahmad	(Resigned On 30 September 2022)
Dr. Chan Tuck Leong	(Resigned On 30 September 2022)
Dr. Lydia Binti Abdul Latif	(Resigned On 4 April 2022)
Dr. Sakina Sofia binti Baharom	(Resigned On 14 November 2022)
Emilia Azyyati Abdul Rahman	(Resigned On 13 January 2023)
Ezraila Binti Mohamad Isa	(Resigned On 17 March 2022)
Fang Geok San	(Resigned On 1 June 2022)
Fardan bin Abdul Majeed	(Resigned On 15 July 2022)
Fauzidah binti Abdul Rahman	(Resigned On 14 November 2022)
Hoe Teck Wei	(Resigned On 1 June 2022)
Hoe Tian Hee	(Resigned On 1 June 2022)
Ibrahim bin Mohamed Salleh	(Resigned On 1 June 2022)
Jehanne Goh Yen Qi	(Resigned On 25 February 2022)
Ju Hong Sik	(Resigned On 14 November 2022)
Juhana Binti Hamzah	(Resigned On 1 February 2022)
Kamarudin bin Kamilin	(Resigned On 28 February 2023)
Kevin Ng Eng Tat	(Resigned On 1 April 2022)
Koay Wen Hoong	(Resigned On 15 April 2022)
Lai Sook Fun	(Resigned On 1 March 2022)
Lee Siow Woon	(Resigned On 14 November 2022)
Lim Hock Thye	(Resigned On 31 May 2022)
Lim Teck Wee	(Resigned On 14 November 2022)
Mak Pooi Teng	(Resigned On 25 August 2022)
Marcellinus Leo Bin P Linus	(Resigned On 25 May 2022)
Mohd Hasri Haron	(Resigned On 19 August 2022)
Mohd Salehoddin bin Abdul Hamid	(Resigned On 14 November 2022)
Nor Suhaila binti Abdul Latif	(Resigned On 14 November 2022)
Oh Jol Dih	(Resigned On 19 August 2022)
Park Jung Ho	(Resigned On 14 November 2022)
Paul Sandanasamy Richard	(Resigned On 18 March 2022)
Raja Norasikin Tengku Aziz	(Resigned On 13 January 2023)

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54. Directors of subsidiaries (cont'd.)

Robert Anthony Ortenzio	(Resigned On 1 Sep 2022)
Robert Tan Bun Poo	(Retired On 16 June 2022)
Sarimah Talib	(Resigned On 13 January 2023)
Shamini A/P Veerasingam	(Resigned On 14 November 2022)
Sharon Ruba A/P Krishnamurthy	(Resigned On 30 March 2022)
Siti Aidah binti Abd Rahman	(Resigned On 14 November 2022)
Siti Aishah binti A Samad	(Resigned On 28 February 2023)
Sitthambaranatha Gandhi Suppiah	(Dissolved On 17 January 2022)
Stephanie Jane Brooksbank	(Resigned On 8 April 2022)
Sugu Maran a/l Kailasan	(Resigned On 14 November 2022)
Suriana binti Abdul Hamid	(Resigned On 16 December 2022)
Tan Yi Ling	(Resigned On 24 May 2022)
Tsen Lee Yee	(Resigned On 24 May 2022)
Vinie Chong Pui Ling	(Resigned On 30 September 2022)
Wong Eugene	(Resigned On 21 March 2022)
Wong Khai Shiuan	(Resigned On 7 October 2022)
Yap Kheng Han	(Resigned On 28 October 2022)
Zulfiqar bin Zainuddin	(Resigned On 31 October 2022)

55. Comparatives

Certain comparatives have been restated to conform with current year's presentation of financial statements.



KHAZANAH
NASIONAL

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MALAYSIA



DIRECTORS' REPORT AND AUDITED FINANCIAL STATEMENTS

31 DECEMBER 2021

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**Khazanah Nasional Berhad
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**Khazanah Nasional Berhad
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Directors' report

The Directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2021.

Principal activities

The principal activity of the Company is that of investment holding. The principal activities of the subsidiaries, associates and joint ventures of the Company and of the Group are described in Note 77 and Note 78 to the financial statements, respectively.

Results

	Group RM'000	Company RM'000
Profit for the financial year, net of tax	<u>296,643</u>	<u>416,044</u>
Profit attributable to:		
Owners of the Company	688,953	416,044
Non-controlling interests	<u>(392,310)</u>	<u>-</u>
	<u>296,643</u>	<u>416,044</u>

There were no material transfers to or from reserves or provisions during the financial year, other than as disclosed in the financial statements.

In the opinion of the Directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature, other than as disclosed in the notes to the financial statements.

Dividends

The amounts of dividends declared or paid by the Company were as follows:

In respect of the financial year ended 31 December 2020:	RM'000
Interim single-tier dividend on 5,443,953,229 ordinary shares, declared on 8 December 2020 and paid on 11 December 2020	1,000,000
Special single-tier dividend on 5,443,953,229 ordinary shares, declared on 8 December 2020 and paid on 20 January 2021	1,000,000
	<u>2,000,000</u>

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Dividends (cont'd.)

The amounts of dividends declared or paid by the Company were as follows (cont'd.):

In respect of the financial year ended 31 December 2021:	RM'000
Interim single-tier dividend on 5,443,953,229 ordinary shares, declared on 25 October 2021 and paid on 28 October 2021	1,500,000
Interim single-tier dividend on 5,443,953,229 ordinary shares, declared on 27 November 2021 and paid on 22 December 2021	500,000
	<u>2,000,000</u>

The Directors do not recommend the payment of any final dividend for the financial year ended 31 December 2021.

Directors

The names of the Directors of the Company in office since the beginning of the financial year to the date of this report are:

Y.A.B. Dato' Sri Ismail Sabri bin Yaakob	(Appointed on 29 September 2021)
Y.A.B. Tan Sri Dato' Mahiaddin bin Hj Mohd Yassin	(Resigned on 20 September 2021)
Y.B. Dato' Seri Mohamed Azmin bin Ali	
Y.B. Senator Tengku Datuk Seri Utama Zafrul bin Tengku Abdul Aziz	
Y. Bhg. Tan Sri Mohammed Azlan bin Hashim	
Y. Bhg. Datuk Azian binti Mohd Aziz	
Y. Bhg. Dato' Zainal Abidin bin Putih	
Mr. Goh Ching Yin	
Mr. Lau Seng Yee	
Y. Bhg. Dato' Amirul Feisal bin Wan Zahir	(Appointed on 16 July 2021)
Y. Bhg. Tan Sri Shahril Ridza bin Ridzuan	(Resigned on 15 July 2021)

The names of the directors of the Group's subsidiaries who served on the respective boards of the subsidiaries since the beginning of the current financial year to the date of this report are disclosed in Note 79 to the financial statements.

Directors benefits

Neither at the end of the financial year, nor at any time during the year, did there subsist any arrangement to which the Company was a party, whereby the Directors might acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the Directors or the fixed salary of a full time employee of the Company as shown in Note 9 and Note 38 to the financial statements), by reason of a contract made by the Company or a related corporation with any Director, or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

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Directors' interests

According to the register of Directors' shareholdings, none of the Directors in office at the end of the financial year had any interest in shares in the Company or its related corporations during the financial year.

Indemnity and insurance costs

During the financial year, the total insurance premium paid for Directors and Officers of the Group and the Company were RM2,822,221 and RM630,043 respectively.

Holding company

The holding and ultimate holding body is the Minister of Finance Incorporated ("MoF Inc."), a body corporate, incorporated pursuant to the Minister of Finance (Incorporation) Act, 1957.

Other statutory information

- (a) Before the statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the Directors took reasonable steps:
 - (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
 - (ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

- (b) At the date of this report, the Directors are not aware of any circumstances which would render:
 - (i) the amount written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; and
 - (ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

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Other statutory information (cont'd.)

- (c) At the date of this report, the Directors are aware of the COVID-19 pandemic, which, may have an impact on certain values attributed to current assets and valuation methods adopted by the Group and the Company.
- (d) At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.
- (e) At the date of this report, there does not exist:
 - (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
 - (ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.
- (f) In the opinion of the Directors:
 - (i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations when they fall due; and
 - (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

Significant events during the financial year

In addition to the significant events disclosed elsewhere in this report, details of other significant events during the financial year are described in Note 74 to the financial statements.

Subsequent events after the reporting date

Details of significant subsequent events after the reporting date are as disclosed in Note 34 and Note 75 to the financial statements.

Redemption of redeemable cumulative convertible preference shares ("RCCPS")

During the financial year, the Company has redeemed 1,000,000 units of RCCPS of RM1 each out of profits and had been transferred to the share capital.

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**Khazanah Nasional Berhad
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Auditors

The auditors, Ernst & Young PLT, have expressed their willingness to continue in office.

Auditors' remuneration are disclosed in Note 7 and Note 36 to the financial statements.

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young PLT, as part of the terms of its audit engagement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young PLT during the financial year.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 28 April 2022.

Signed

Goh Ching Yin

Signed

Dato' Amirul Feisal bin Wan Zahir

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**Khazanah Nasional Berhad
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**Statement by directors
Pursuant to Section 251(2) of the Companies Act, 2016**

We, Goh Ching Yin and Dato' Amirul Feisal bin Wan Zahir, being two of the Directors of Khazanah Nasional Berhad, do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 11 to 364 are drawn up in accordance with the applicable Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia and so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2021 and of their financial performance and cash flows for the year then ended.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 28 April 2022.

Signed

Goh Ching Yin

Signed

Dato' Amirul Feisal bin Wan Zahir

**Statutory declaration
Pursuant to Section 251(1)(b) of the Companies Act, 2016**

I, Faridah Bakar Ali, being the officer primarily responsible for the financial management of Khazanah Nasional Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 11 to 364 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the
abovenamed Faridah Bakar Ali
at Kuala Lumpur in the Federal Territory
on

Signed

Faridah Bakar Ali
MIA 20744
Chartered Accountant

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**Independent auditors' report to the members of
Khazanah Nasional Berhad
(Incorporated in Malaysia)**

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Khazanah Nasional Berhad, which comprise the statements of financial position as at 31 December 2021 of the Group and of the Company, and statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 11 to 364.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2021, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the financial statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence and other ethical responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Information other than the financial statements and auditors' report thereon

The directors of the Company are responsible for the other information. The other information comprises the Directors' Report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

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**Independent auditors' report to the members of
Khazanah Nasional Berhad (cont'd.)
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Information other than the financial statements and auditors' report thereon (cont'd.)

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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**Independent auditors' report to the members of
Khazanah Nasional Berhad (cont'd.)
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Auditors' responsibilities for the audit of the financial statements (cont'd.)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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**Independent auditors' report to the members of
Khazanah Nasional Berhad (cont'd.)
(Incorporated in Malaysia)**

Auditors' responsibilities for the audit of the financial statements (cont'd.)

- We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

In accordance with the requirements of the Companies Act, 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 77 and Note 78 to the financial statements.

Other matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act, 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Signed

Ernst & Young PLT
202006000003 (LLP0022760-LCA) & AF 0039
Chartered Accountants

Kuala Lumpur, Malaysia
28 April 2022

Signed

Ahmad Zahirudin bin Abdul Rahim
No. 02607/12/2022 J
Chartered Accountant

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**Khazanah Nasional Berhad
(Incorporated in Malaysia)**

1. Corporate information

The principal activity of the Company is that of investment holding. The principal activities of the subsidiaries, associates and joint ventures of the Company and of the Group are described in Note 77 and Note 78 to the financial statements, respectively.

There have been no significant changes in the nature of the principal activities during the financial year.

The Company is a public limited liability company, incorporated and domiciled in Malaysia. The registered office of the Company is located at Level 22, Mercu UEM, Jalan Stesen Sentral 5, Kuala Lumpur Sentral, 50470 Wilayah Persekutuan Kuala Lumpur.

The Company's holding and ultimate holding body is the Minister of Finance Incorporated ("MoF Inc."), a body corporate, incorporated pursuant to the Minister of Finance (Incorporation) Act, 1957.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 28 April 2022.

2. Summary of significant accounting policies

2.1 Basis of preparation

The financial statements of the Group and of the Company are prepared in accordance with the provisions of the Companies Act, 2016 and comply with the Malaysian Financial Reporting Standards ("MFRS"), which is in compliance with International Financial Reporting Standards issued by the International Accounting Standards Board ("IASB").

The financial statements have been prepared under the historical cost basis unless otherwise disclosed in the respective significant accounting policies below.

The financial statements are presented in Ringgit Malaysia ("RM") which is also the Company's functional currency and all values are rounded to the nearest thousand (RM'000), except when otherwise indicated.

The Company presents its statement of financial position in order of liquidity.

**Khazanah Nasional Berhad
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2. Summary of significant accounting policies (cont'd.)

2.2 Changes in accounting policies

On 1 January 2021, the Group and the Company adopted the new and amended MFRSs which are mandatory for annual financial periods beginning on or after 1 January 2021.

Effective for financial periods beginning on or after 1 January 2021

Amendment to MFRS 4	Insurance Contracts (on Interest Rate Benchmark Reform - Phase 2)
Amendment to MFRS 7	Financial Instruments: Disclosures (on Interest Rate Benchmark Reform - Phase 2)
Amendments to MFRS 9 and MFRS 139	Financial Instruments (on Interest Rate Benchmark Reform - Phase 2)
Amendments to MFRS 16	Leases (on Interest Rate Benchmark Reform - Phase 2) (COVID-19 Related Rent Concessions)

The adoption of the above amendments did not have any material impact on the financial performance or position of the Group and of the Company.

2.3 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the reporting date.

A subsidiary is an entity over which the Group has all the following:

- (i) Power over the investee (i.e existing rights that give it the current ability to direct the relevant activities of the investee);
- (ii) Exposure, or rights, to variable returns from its involvement with the investee; and
- (iii) The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (i) The contractual arrangement(s) with the other vote holders of the investee;
- (ii) Rights arising from other contractual arrangements; and
- (iii) The Group's voting rights and potential voting rights.

**Khazanah Nasional Berhad
(Incorporated in Malaysia)**

2. Summary of significant accounting policies (cont'd.)

2.3 Basis of consolidation (cont'd.)

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income ("OCI") are attributed to the equity holders of parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets, liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interests and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

2.4 Interests in subsidiaries, associates and joint ventures

Interests in subsidiaries, associates and joint ventures at the individual company level are stated at cost less accumulated impairment losses. Policy for the recognition and measurement of impairment losses is in accordance with Note 2.28.

On disposal of such interests, the difference between net disposal proceeds and their carrying amounts is charged or credited to profit or loss.

**Khazanah Nasional Berhad
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2. Summary of significant accounting policies (cont'd.)

2.5 Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of MFRS 9 Financial Instruments ("MFRS 9"), is measured at fair value with the changes in fair value recognised in the statements of profit or loss in accordance with MFRS 9. Other contingent consideration that is not within the scope of MFRS 9 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquirer's previously held equity interest in the acquiree is remeasured at fair value at the acquisition date through profit or loss.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

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2. Summary of significant accounting policies (cont'd.)

2.5 Business combinations and goodwill (cont'd.)

After the initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit ("CGU") and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the CGU retained.

2.6 Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Group as a joint operator recognises in relation to its interest in a joint operation:

- (i) its assets, including its share of any assets held jointly;
- (ii) its liabilities, including its share of any liabilities incurred jointly;
- (iii) its revenue from the sale of its share of the output arising from the joint operation;
- (iv) its share of the revenue from the sale of the output by the joint operation; and
- (v) its expenses, including its share of any expenses incurred jointly.

The consideration made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries.

2. Summary of significant accounting policies (cont'd.)

2.6 Investments in associates and joint ventures (cont'd.)

The Group's investments in its associate and joint venture are accounted for using the equity method.

Under the equity method, on initial recognition the investment in an associate or a joint venture is recognised at cost. The carrying amount is adjusted to recognise the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment separately.

The statements of profit or loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in other comprehensive income ("OCI") of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the statements of profit or loss outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate or joint venture.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

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2. Summary of significant accounting policies (cont'd.)

2.6 Investments in associates and joint ventures (cont'd.)

After application of the equity method, the Group applies MFRS 136 Impairment of Assets ("MFRS 136") to determine whether it is necessary to recognise any additional impairment loss with respect to its net investment in the associate or joint venture. When necessary, the entire carrying amount of the investment is tested for impairment in accordance with MFRS 136 as a single asset, by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss is recognised in profit or loss. Reversal of an impairment loss is recognised to the extent that the recoverable amount of the investment subsequently increases.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

2.7 Intangible assets

(a) Research and development costs

Research and development costs are recognised as an expense except that costs incurred on individual development projects are recognised as development asset to the extent that such expenditure is expected to generate future economic benefits. Development costs are only recognised as an asset when it is probable that future economic benefits will be realised as a result of the specific expenditure and the costs can be measured reliably.

Following the initial recognition of the development expenditure, the asset is carried at cost less any accumulated amortisation and any accumulated impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 2.28. These costs are derecognised upon disposal or when no future economic benefits are expected from its use.

Development costs that have been capitalised are amortised over the period of expected future sales from the related project.

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2. Summary of significant accounting policies (cont'd.)

2.7 Intangible assets (cont'd.)

(b) Other intangible assets

Intangible assets acquired separately are measured initially at cost. The cost of intangible assets acquired in a business combination is their fair values as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised on a straight-line basis over the estimated economic useful lives and assessed for impairment whenever there is an indication that the intangible assets may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each reporting date.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in profit or loss.

Intangible assets with indefinite useful lives or not yet available for use are tested for impairment annually, or more frequently if the events and circumstances indicate that the carrying value may be impaired either individually or at the CGU level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether the useful life assessment continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

Other intangible assets comprise the following, and are amortised over the following useful lives:

Intangible asset	Nature	Useful life
Aircraft landing slots	Landing rights for aircraft	Indefinite
Computer software	Computer software and licenses	3 - 15 years
Brands	Brand name	Indefinite
Licenses	License to operate Themed parks	15 - 20 years
Value of business acquired ("VOBA")	In-force contracts for insurance and takaful businesses acquired	5 years
Bancassurance	Bancassurance agreement entered into with an associate company	20 years

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2. Summary of significant accounting policies (cont'd.)

2.8 Aircraft, property, plant and equipment

All items of aircraft, property, plant and equipment are initially recorded at cost. The cost of an item of aircraft, property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Subsequent to recognition, aircraft, property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

When significant parts of aircraft, property, plant and equipment are required to be replaced in intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Freehold land, which is stated at cost less impairment loss, has an unlimited useful life and therefore is not depreciated except for land held for scheduled waste treatment plant and disposal site in Port Dickson, Negeri Sembilan by a subsidiary of the Group, Kualiti Alam Sdn. Bhd. ("KASB").

Depreciation of other aircraft, property, plant and equipment is provided for on a straight-line basis to write off the cost of each asset to its residual value based on the following:

Freehold land held for scheduled waste treatment and disposal site	6.25%
Hotel properties	37 years
Buildings	5 - 50 years
Roads, bridges, renovation, restoration costs and capital improvements	3 - 50 years
Plant and machinery	2 - 25 years
Furniture and fittings, motor vehicles and other equipments	3 - 30 years
Aircraft (from the age at the time of purchase)	18 - 20 years
Aircraft modifications/retrofits and spare engines	<u>7 - 20 years</u>

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2. Summary of significant accounting policies (cont'd.)

2.8 Aircraft, property, plant and equipment (cont'd.)

Capital work-in-progress consist of, amongst others, progress payments on aircraft, simulators and properties under construction. These capital work-in-progress are stated at cost and are not depreciated until the respective assets are ready for their intended use.

The carrying values of aircraft, property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of aircraft, property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in profit or loss in the year the asset is derecognised.

2.9 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income ("OCI"), or fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's and Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company and Group have applied the practical expedient, the Company and Group initially measure a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company and Group applied the practical expedient are measured at the transaction price determined under MFRS 15. Refer to the accounting policies in Note 2.25(e) Construction contracts, contracts for sale of land and property development costs.

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2. Summary of significant accounting policies (cont'd.)

2.9 Financial instruments (cont'd.)

(i) Financial assets (cont'd.)

Initial recognition and measurement (cont'd.)

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest' ("SPPI") on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Company and Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company and Group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments);
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments);
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments); and
- Financial assets at fair value through profit or loss.

Financial assets at amortised cost (debt instruments)

The Company and Group measure financial assets at amortised cost if both of the following conditions are met:

- The financial assets is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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2. Summary of significant accounting policies (cont'd.)

2.9 Financial instruments (cont'd.)

(i) Financial assets (cont'd.)

Subsequent measurement (cont'd.)

Financial assets at amortised cost (debt instruments) (cont'd.)

Financial assets at amortised cost are subsequently measured using the effective interest ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets at fair value through OCI (debt instruments)

The Company and Group measure debt instruments at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statements of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

The Company and Group's debt instruments at fair value through OCI include investments in quoted debt instruments included under other non-current financial assets.

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2. Summary of significant accounting policies (cont'd.)

2.9 Financial instruments (cont'd.)

(i) Financial assets (cont'd.)

Subsequent measurement (cont'd.)

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Company and Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under MFRS 132: Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statements of profit or loss when the right of payment has been established, except when the Company and Group benefit from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Company and Group elected to classify irrevocably its not held for trading instruments under this category.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statements of financial position at fair value with net changes in fair value recognised in the statements of profit or loss.

2. Summary of significant accounting policies (cont'd.)

2.9 Financial instruments (cont'd.)

(i) Financial assets (cont'd.)

Subsequent measurement (cont'd.)

Financial assets at fair value through profit or loss (cont'd.)

This category includes derivative instruments and listed equity investments which the Company and Group had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are also recognised as dividend income in the statements of profit or loss when the right of payment has been established.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

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2. Summary of significant accounting policies (cont'd.)

2.9 Financial instruments (cont'd.)

(i) Financial assets (cont'd.)

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's statements of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Company and Group have transferred its rights to receive cash flows from the asset or have assumed an obligation to pay the received cash flows in full to a third party under a 'pass-through' arrangement; and either (a) the Company and Group have transferred substantially all the risks and rewards of the asset, or (b) the Company and Group have neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company and Group have transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company and Group continue to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company and Group also recognise an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company and Group have retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company and Group could be required to repay.

Impairment of financial assets

Further disclosures relating to impairment of financial assets are also provided in the following notes:

- Disclosures for significant assumptions
- Debt instruments at fair value through OCI
- Trade receivables, including contract assets

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2. Summary of significant accounting policies (cont'd.)

2.9 Financial instruments (cont'd.)

(i) Financial assets (cont'd.)

Impairment of financial assets (cont'd.)

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECLs). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECLs).

For trade receivables and contract assets, the Company and Group apply a simplified approach in calculating ECLs. Therefore, the Company and Group do not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company and Group have established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For debt instruments at fair value through OCI, the Company and Group apply the low credit risk simplification. At every reporting date, the Company and Group evaluate whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Company and Group reassess the internal credit rating of the debt instrument. In addition, the Company and Group consider that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Company and Group consider a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company and Group may also consider a financial asset to be in default when internal or external information indicates that the Company and Group are unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

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2. Summary of significant accounting policies (cont'd.)

2.9 Financial instruments (cont'd.)

(ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company and Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company and Group that are not designated as hedging instruments in hedge relationships as defined by MFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in MFRS 9 are satisfied. The Company and Group have not designated any financial liability as at fair value through profit or loss.

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2. Summary of significant accounting policies (cont'd.)

2.9 Financial instruments (cont'd.)

(ii) Financial liabilities (cont'd.)

Subsequent measurement (cont'd.)

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

This category generally applies to interest-bearing loans and borrowings. For more information, refer to Note 25 and Note 61 to the financial statements.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

(iii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

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2. Summary of significant accounting policies (cont'd.)

2.10 Hedge accounting

The Group uses derivatives to manage its exposure to foreign currency risk, interest rate risk, liquidity risk and fuel hedging contracts. The Group applies hedge accounting for certain hedging relationships which qualify for hedge accounting.

For the purpose of hedge accounting, hedging relationships are classified as:

- Fair value hedges, when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment (except for foreign currency risk); or
- Cash flow hedges, when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probably forecast transaction or the foreign currency risk in an unrecognised firm commitment; or
- Hedges of a net investment in a foreign operation.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the hedging instrument's effectiveness in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Hedges are expected to be highly effective and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges which meet the strict criteria for hedge accounting are accounted for as follows:

(a) Fair value hedges

The changes in the fair value of a derivative hedging instrument are recognised in profit or loss, together with any gain or loss on the hedged item attributable to the hedged risk, which is adjusted to the carrying amount of the hedged item.

For fair value hedges relating to items carried at amortised cost, the adjustment to carrying value is amortised through profit or loss over the remaining term to maturity. Effective interest rate amortisation may begin as soon as an adjustment exists and shall begin no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

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2. Summary of significant accounting policies (cont'd.)

2.10 Hedge accounting (cont'd.)

(a) Fair value hedges (cont'd.)

If the hedge item is derecognised, the unamortised fair value is recognised immediately in profit or loss.

When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in profit or loss. The changes in the fair value of the hedging instrument are also recognised in profit or loss.

The Group discontinues fair value hedge accounting if the hedging instrument expires or is sold, terminated or exercised, the hedge no longer meets the criteria for hedge accounting or the Group revokes the designation.

(b) Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised directly in other comprehensive income, while any ineffective portion is recognised in profit or loss.

If a hedge of a forecast transaction subsequently results in the recognition of a financial asset or a financial liability, the associated gains or losses that were recognised directly in equity are reclassified into profit or loss in the same period or periods during which the asset acquired or liability assumed affects profit or loss.

If a hedge of a forecast transaction subsequently results in the recognition of a non-financial asset or a non-financial liability, or a forecast transaction for a non-financial asset or non-financial liability becomes a firm commitment for which fair value hedge accounting is applied, then the Group removes the associated gains and losses that were recognised directly in other comprehensive income, and includes them in the initial cost or other carrying amount of the asset or liability.

For other cash flow hedges, amounts recognised directly in other comprehensive income are recognised in profit or loss in the same period or periods during which the forecast transaction affects profit or loss.

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2. Summary of significant accounting policies (cont'd.)

2.10 Hedge accounting (cont'd.)

(b) Cash flow hedges (cont'd.)

Cash flow hedge accounting shall be discontinued prospectively if the hedging instrument is sold, terminated or exercised or the hedge no longer meets the criteria for hedge accounting. The cumulative gain or loss on the hedging instrument remains separately recognised in equity until the forecast transaction occurs at which stage it is accounted for in accordance with the guidance given above depending on whether or not the forecast transaction results in the recognition of a financial or non-financial asset or liability. If the forecast transaction is no longer expected to occur, any related cumulative gain or loss on the hedging instrument that remains in equity is recognised immediately in profit or loss.

If the Group revokes the designation for a hedge of a forecast transaction, the cumulative gain or loss recognised in equity remains separately recognised in equity until the forecast transaction occurs or is no longer expected to occur. If the transaction occurs, the cumulative gain is accounted for in accordance with the guidance given above depending on whether or not the forecast transaction results in the recognition of a financial or non-financial asset or liability. If the forecast transaction is no longer expected to occur, any related cumulative gain or loss on the hedging instrument that remains in equity is recognised immediately in profit or loss.

(c) Hedges of a net investment

Hedges of a net investment in a foreign operation, including a hedge of a monetary item that is accounted for as part of the net investment are accounted for in a way similar to cash flow hedges. Gains or losses on the hedging instrument relating to the effective portion of the hedge are recognised in other comprehensive income while any gains or losses relating to the ineffective portion are recognised in profit or loss.

On disposal of the foreign operation, the cumulative gain or loss on the hedging instrument relating to the effective portion of the hedge which was recognised in other comprehensive income is reclassified from equity to profit or loss.

2.11 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash at bank and deposits with financial institutions that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value, net of bank overdrafts.

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2. Summary of significant accounting policies (cont'd.)

2.12 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(a) As lessee

The Group applies a single recognition and measurement approach for all leases, except for short term leases and leases of low-value-assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Group recognises right-of-use at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentive received. Right-of-use assets are depreciated on a straight-line basis over the lease term of the assets. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life and the lease term.

Aircraft	1 - 41 years
Land	2 - 81 years
Building	3 - 5 years
Other office equipment	3 years
Leasehold land	15 - 99 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in Note 2.28.

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2. Summary of significant accounting policies (cont'd.)

2.12 Leases (cont'd.)

(a) As lessee (cont'd.)

Right-of-use assets (cont'd.)

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

The lease also include exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date or the interest rate implicit if it is determine in the contract. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Group's lease liabilities are included in Note 67.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e, those leases have a lease term of 12 months or less). The Group also applies the leases of low-value-assets recognition exemption to office equipments and IT equipments that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

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2. Summary of significant accounting policies (cont'd.)

2.12 Leases (cont'd.)

(b) As lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an assets are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

2.13 Concession assets

(a) Concession intangible assets

In order to fall within the scope of concession contract, a contract must satisfy the following two criteria:

- the grantor controls or regulates what services the operator must provide with the infrastructure/assets, to whom it must provide them, and at what price; and
- the grantor controls the significant residual interest in the infrastructure/assets at the end of the term of the arrangement.

Concession intangible assets comprise Expressway Development Expenditure ("EDE"), Capital Work-In-Progress, Concession rights and Other Concession Assets.

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2. Summary of significant accounting policies (cont'd.)

2.13 Concession assets (cont'd.)

(a) Concession intangible assets (cont'd.)

Such assets are not recognised by the Group as property, plant and equipment but as concession intangible assets. The intangible asset model applies where the operator is paid by the users or where the concession grantor has not provided a contractual guarantee in respect of the amount recoverable. The intangible asset corresponds to the right granted by the concession grantor to the operator to charge users of the public service. Under the intangible asset model, revenue includes revenue from the construction of the infrastructure/assets and operating revenue of the infrastructure.

(i) Expressway Development Expenditure ("EDE")

EDE, comprises construction development and upgrading expenditure (including borrowing costs relating to the financing of the development) incurred in connection with the concession intangible assets.

EDE is stated at cost less accumulated amortisation and accumulated impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 2.28.

EDE is amortised over its concession period. The amortisation formula applied in the preparation of the financial statements to arrive at the annual amortisation charge for each financial year is as follows:

$$\frac{\text{Traffic volume for the year}}{(\text{Actual traffic volume for the year} + \text{Projected total traffic volume for the subsequent years to end of concession period})} \times (\text{Net book value of EDE brought forward} + \text{net additions for the year})$$

The projected total traffic volume is based on the latest available traffic volume projections prepared by independent traffic consultants. The traffic volume projections are independently reviewed on a periodic basis.

(ii) Capital work-in-progress

Capital work-in-progress is not depreciated until the asset is fully completed and brought into use.

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2. Summary of significant accounting policies (cont'd.)

2.13 Concession assets (cont'd.)

(a) Concession intangible assets (cont'd.)

(iii) Concession rights

Concession rights relate to the rights to build, own and operate the asset for solar panel and biogas activities in accordance with the Renewable Energy Power Purchase Agreements ("REPPA") entered with Tenaga Nasional Berhad ("TNB").

These concession rights, with finite useful lives, are amortised on a straight-line basis over the estimated economic useful lives and assessed for impairment whenever there are indications that the concession rights may be impaired.

(iv) Other concession assets

Other concession assets comprise toll equipment, video surveillance equipment, telecommunication networks, centralised lighting, and toll operation computer hardware and software, and are stated at cost less accumulated amortisation and impairment losses. The policy for recognition and measurement of impairment losses is in accordance with Note 2.28. The annual amortisation in respect of these assets is computed on a straight-line basis over their estimated useful lives at the following rates:

Software and computers	12.5% to 14.3%
Others	10%

2.14 Investment properties

Investment properties consist of land, completed properties and properties under construction ("IPUC") which are held for capital appreciation or rental purpose or both, and generally are not occupied for use or in the operations of the Group. Investment properties are treated as long term investments and are measured initially at cost, including transaction costs.

Following initial recognition, investment properties are carried at cost less any accumulated depreciation and accumulated impairment losses, except for freehold land which has an unlimited useful life and therefore is not depreciated. Other investment properties are depreciated over the estimated economic useful lives of 10 - 80 years. IPUC are not depreciated as they are not ready for their intended use. The policy for the recognition and measurement of impairment losses is in accordance with Note 2.28.

**Khazanah Nasional Berhad
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2. Summary of significant accounting policies (cont'd.)

2.14 Investment properties (cont'd.)

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

Investment properties are derecognised when either they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. Any gain or loss on the retirement or disposal of an investment property is recognised in profit or loss in the year of retirement or disposal.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. For a transfer from owner-occupied property to investment property, the property is accounted for in accordance with the accounting policy for property, plant and equipment set out in Note 2.8 up to the date of change in use.

2.15 Land held for property development and property development costs

(a) Land held for property development

Land held for property development consists of land where no development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle. Such land is classified within non-current assets and is stated at lower of cost and net realisable value. Cost consists of land and development expenditure (including borrowing costs relating to the financing of active development).

Land held for property development is reclassified as property development costs at the point when development activities have commenced and where it can be demonstrated that the development activities can be completed within the normal operating cycle.

(b) Property development costs

Property development costs are those assets on which significant works have been undertaken and are expected to be completed within the normal operating cycle.

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2. Summary of significant accounting policies (cont'd.)

2.15 Land held for property development and property development costs (cont'd.)

(b) Property development costs (cont'd.)

Property development costs are initially stated at cost. Cost includes:

- Freehold and leasehold rights for land;
- Borrowing costs, planning and design costs, costs of site preparation, professional fees for legal services, property transfer taxes, construction overheads and other related costs; and
- Non-refundable commission cost.

Property development cost is recognised as an expense when the corresponding revenue is recognised as per accounting policy in Notes 2.25(e)(iii) and 2.25(e)(iv).

Any expected loss on a development project, including costs to be incurred over the defects liability period, is recognised as an expense immediately.

Property development cost not recognised as an expense is recognised as an asset, which is measured at the lower of cost or net realisable value.

Property development cost of unsold units or units pending transfer of control is transferred to inventories held for sale or inventories under contract of sale once the development is completed.

2.16 Inventories

(a) Inventories

Inventories are stated at lower of cost and net realisable value. Cost of inventories are assigned on a weighted average cost basis, except for trading inventories which are determined on a First-In-First-Out ("FIFO") basis and are valued on the basis of lower of cost and net realisable value after making allowance for obsolete and slow-moving inventories.

The cost of raw materials comprise costs of purchase. The cost of finished goods comprise costs of direct materials, direct labour, a proportion of overhead expenses and all incidental costs incurred in bringing the inventories into store. Net realisable value is the estimated selling price in the ordinary course of business less all estimated costs of completion and the estimated costs to make the sale.

**Khazanah Nasional Berhad
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2. Summary of significant accounting policies (cont'd.)

2.16 Inventories (cont'd.)

(a) Inventories (cont'd.)

The amount of any write down of inventories to net realisable value and subsequent reversals of any write down, if any, is recognised in profit or loss.

Developed properties held for sale are stated at the lower of cost and net realisable value. Cost is determined on the specific identification basis and includes cost of land, construction and appropriate development overheads.

(b) Work-in-progress

Work-in-progress and manufactured finished goods are stated at lower of cost and net realisable value. Cost is made up of direct materials, labour and a proportion of overhead expenses. Net realisable value represents the estimated selling price less all estimated costs to completion and costs to be incurred in marketing, selling and distribution. Allowance is made for all anticipated losses on work-in-progress.

2.17 Contract assets and contract liabilities

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Contract assets are subject to impairment assessment based on ECL model. The amount of impairment losses is determined by comparing the contract asset's carrying amount and the present value of estimated future cash flows to be generated by the contract asset.

A contract asset becomes a receivable when the Group's and the Company's right to consideration is unconditional.

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

Contract liability is recognised as revenue when the Group and the Company perform the obligations under the contract.

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2. Summary of significant accounting policies (cont'd.)

2.18 Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all conditions attached will be met. Government grants relating to income shall be recognised in profit or loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate. Government grants relating to an asset are amortised to profit or loss over the expected useful life of the relevant asset by equal annual instalments or presented in the statements of financial position by deducting the grants in arriving at the carrying amount of the asset.

2.19 Customer loyalty programme

Award credits/points granted by certain subsidiaries of the Group are a separately identifiable component of the sales transaction and represent rights granted to the customer. The consideration allocated to the points is measured at the fair value of the points. It is recognised as a deferred revenue in the consolidated statement of financial position and recognised as revenue when the points are redeemed, have expired or are no longer expected to be redeemed.

2.20 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.21 Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due. Financial guarantee contracts are recognised initially as a liability at fair value, net of transaction costs. Subsequent to initial recognition, financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee.

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2. Summary of significant accounting policies (cont'd.)

2.21 Financial guarantee contracts (cont'd.)

If the debtor fails to make payment relating to financial guarantee contract when it is due and the Group, as the issuer, is required to reimburse the holder for the associated loss, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount initially recognised less cumulative amortisation.

2.22 Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

When the carrying amount of an asset inclusive of capitalised borrowing costs exceeds its recoverable amount, capitalisation is discontinued and such excess is written down or adjusted for an allowance for impairment, through an appropriate charge to profit or loss.

All other borrowing costs are recognised in profit or loss in the period they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

2.23 Employee benefits

(a) Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the Group. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences, and short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

**Khazanah Nasional Berhad
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2. Summary of significant accounting policies (cont'd.)

2.23 Employee benefits (cont'd.)

(b) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities or funds and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. Such contributions are recognised as an expense in the profit or loss as incurred. As required by law, companies in Malaysia make contributions to the state pension scheme, the Employees Provident Fund ("EPF"). Some of the Group's foreign subsidiaries also make contributions to their respective countries' statutory pension schemes.

(c) Termination benefits

Employees of a subsidiary of the Group, Malaysia Aviation Group Berhad ("MAGB") receive termination benefits which are payable when employment is terminated by MAGB before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. MAGB recognises termination benefits at the earlier of the following dates: (a) when MAGB can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of MFRS 137: Provisions, Contingent Liabilities and Contingent Assets and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

**Khazanah Nasional Berhad
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2. Summary of significant accounting policies (cont'd.)

2.23 Employee benefits (cont'd.)

(d) Defined benefit plans

Certain subsidiaries of the Group operate a funded and unfunded defined benefit, Retirement Benefit Scheme (“the Scheme”), for their eligible employees. The Group’s obligations under the Scheme are determined based on actuarial valuation where the amount of benefit that employees have earned in return for their service in the current and prior years is estimated. That benefit is discounted using the Projected Unit Credit Method in order to determine its present value. The fair value of plan assets for a funded scheme is determined by discounting expected future cash flows. The discount rate is the market yield at the reporting date on high quality corporate bonds or government bonds. Actuarial gains and losses for the defined benefit plans are recognised in full in the period in which they occur in other comprehensive income. Such actuarial gains and losses are also immediately recognised in retained earnings and are not reclassified to profit or loss in subsequent periods. Past service cost is recognised immediately to the extent that the benefits are already vested, and otherwise is amortised on a straight-line basis over the average period until the amended benefits become vested.

The amount recognised in the statements of financial position represents the present value of the defined benefit obligations less unrecognised past service costs, reduced by the fair value of the plan assets. The value of any defined benefit asset recognised is restricted to the sum of any unrecognised past service costs and the present value of any economic benefits available in the form of refunds from the plan or reductions in the future contributions to the plan.

(e) Employee entitlements

An indirect subsidiary makes provision for retirement leave entitlements of eligible employees and relate to rights which have been vested and unvested. These have been recognised based on independent actuarial valuations. The timing of such payments depends on when vesting occurs and the subsequent retirement date of the eligible employees.

**Khazanah Nasional Berhad
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2. Summary of significant accounting policies (cont'd.)

2.24 Share-based compensation

(a) Equity-settled

(i) UEM Group Berhad

Certain companies in the Group grant employee share option schemes to their employees, which allow them to acquire ordinary shares of their respective companies.

The cost of equity-settled transactions with employees is measured by reference to the fair value of the options at the date at which they are granted. This cost is recognised in profit or loss, with a corresponding increase in share option reserve in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of options that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in cumulative expense recognised at the beginning and end of that period.

No expense is recognised for options that do not ultimately vest, except for options where vesting is conditional upon a market or non-vesting condition, which is treated as vested irrespective of whether or not the market or non vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied. The employee share option reserve is transferred to retained earnings upon expiry of the share options. When the options are exercised, the employee share option reserve is transferred to share capital if new shares are issued, or to treasury shares if the options are satisfied by the reissuance of treasury shares.

**Khazanah Nasional Berhad
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2. Summary of significant accounting policies (cont'd.)

2.25 Revenue and income recognition

Revenue and income are recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue and income can be reliably measured. Revenue and income are measured at the fair value of consideration received or receivable.

(a) Dividend income

Dividend income is recognised when the shareholders' right to receive payment is established and no significant uncertainty exist with regard to its receipts.

(b) Interest income

Interest income is recognised on an accrual basis using the effective interest method.

(c) Gain or loss on disposal of investment

Gain or loss on disposal of investment is recognised upon satisfaction of all terms of the agreement leading to sale of the investment.

(d) Sales of goods and rendering of services

Revenue from the sale of goods is recognised at the point in time when control of the goods is transferred to the customers.

Revenue from sale of services is recognised at the point in time or over time as the services are provided.

(e) Construction contracts, contracts for sale of land and property development costs

(i) Construction contracts

Revenue is recognised over time by reference to the progress towards completion, which is determined based on input method, i.e. cost incurred to date against the expected total construction costs. Revenue from construction contracts is recognised net of Liquidated Ascertained Damages ("LAD").

2. Summary of significant accounting policies (cont'd.)

2.25 Revenue and income recognition (cont'd.)

(e) Construction contracts, contracts for sale of land and property development costs (cont'd.)

(i) Construction contracts (cont'd.)

For those construction contracts that contain significant financing component, the amount of consideration is discounted, using the rate that would be reflected in a separate financing transaction between the Group and its customer at contract inception, to take into consideration the significant financing component.

(ii) Sale of land

Revenue from sale of land is recognised as a point in time when control is transferred to the customer and it is probable that the Group will collect the consideration to which it will be entitled in exchange for the asset that will be transferred to the customer.

(iii) Sale of development properties

Revenue from sale of development properties is recognised as and when the control of the asset is transferred to the customer and it is probable that the Group will collect the consideration to which it will be entitled in exchange for the asset that will be transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the asset may transfer over time or at a point in time. Control of the asset is transferred over time if the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If control of the asset transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer in substance obtains control of the asset.

Revenue from sale of development properties is recognised net of consideration payable to the customers and variable considerations.

**Khazanah Nasional Berhad
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2. Summary of significant accounting policies (cont'd.)

2.25 Revenue and income recognition (cont'd.)

(e) Construction contracts, contracts for sale of land and property development costs (cont'd.)

(iv) Multiple promises from sale of development properties and land

Multiple promises from sale of development properties and land are accounted for as separate performance obligations. The transaction price is allocated to each performance obligation based on the stand-alone selling prices, and if not directly observable, based on expected cost plus margin.

(f) Rental income

Rental income is recognised on a straight-line basis over the terms of the lease. The aggregate cost of incentives provided to lessees is recognised as a reduction of rental income over the lease term on a straight-line basis.

(g) Toll collection and toll compensation

Toll collection revenue is recognised based on the net collection from tolls designated under the Concession and Novation Agreement between the expressway companies and the Government.

Toll compensation for any concession year is recognised in the financial statements as revenue when receipt is probable and the amount that is receivable can be reliably measured.

(h) Airlines services

Passenger ticket and cargo space sales or airway bill sales (belly and freighter) including the related administration fees and various surcharges are recognised as revenue, net of discount, in profit or loss at the point in time upon satisfaction of the performance obligation, which generally coincides with passenger uplift. The value of unutilised tickets is included in current liabilities as sales in advance of carriage. The revenue from reissuance fees are recognised upon passenger uplift.

Passenger tickets, other service fees and surcharges that remain unutilised after 12 months subsequent to the date of issue are recognised in the profit or loss as unavailed credits on sales in advance of carriage.

**Khazanah Nasional Berhad
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2. Summary of significant accounting policies (cont'd.)

2.25 Revenue and income recognition (cont'd.)

(h) Airlines services (cont'd.)

Revenue from other services such as charter revenue, catering, warehousing services, passenger handling services, provision of computerised reservation services, trucking and retailing of goods are recognised in profit or loss at the point in time upon satisfaction of the performance obligation, except for leases of aircraft.

(i) Airport handling and engineering services

Airport handling and engineering services are recognised based on the number of man-hours incurred and the cost of materials and spare parts supplied.

Revenue from Maintenance Repair and Overhaul ("MRO") training and consultancy services are recognised over-time as the services are rendered based on the contract value with intercompanies and third parties.

(j) Frequent flyer programme

The Group operates a frequent flyer programme where points are purchased by partners or awarded to programme members based on accumulated miles travelled.

The award points are recognised as a separate performance obligation based on the stand-alone selling price ("SSP"), by allocating the SSP adjusted by expected forfeiture (breakage) of the consideration received between the award points and the other components of sale, such that the award miles are recognised at fair value. The points sold to partners and a portion of passenger revenue attributable to the award of frequent flyer benefits is accounted as liability (contract liabilities) in the statement of financial position until they are redeemed and utilised.

Revenue from the award points is recognised at the point in time when the points are expired. Revenue from the award points which are redeemed into flight tickets is recognised over time in line with passenger revenue. The amount of revenue recognised when the points are redeemed is based on the number of points redeemed relative to the total number of points expected to be redeemed.

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2. Summary of significant accounting policies (cont'd.)

2.25 Revenue and income recognition (cont'd.)

(k) Hotel, themed parks and golf revenues

Hotel room revenue is recognised when service is rendered to the customer over their stay at the hotel. Advance deposits on hotel rooms are recorded as contract liability until services are provided to the customer.

Revenue from sale of goods or services is recognised when the food, beverage, entertainment and retail goods are delivered, rendered or control transferred to the customers. Payment of the transaction price is due immediately when the customer purchases the food and beverage or retail goods. Ticket revenue and green fees are recognised at point of entry and advance ticket sales for theme parks are recorded as contract liability until services are rendered.

Revenue from annual passes that entitle a customer to continued visits to the parks or golf courses over a period of time is deferred and then recognised evenly over the period that the pass is valid.

Revenue from sponsorship which consists of initial and annual fees from sponsors are amortised across the tenure of the contracts or accrual basis subject to the terms and conditions of individual contract.

(l) Revenue on public-private service arrangements

Revenue on public-to-private service arrangements is recognised and measured based on the services performed/provided during the period.

The consideration received/receivable shall be allocated by reference to the relative fair values of the services delivered, if more than one service (ie. construction of/or upgrade services and operation services) are performed under a single contract or arrangement.

(i) Construction or upgrade service

Revenue is recognised in accordance with Note 2.25(e)(i).

The consideration receivable shall be recognised as:

- (i) a financial asset to the extent that it has an unconditional contractual right to receive cash or another financial asset; or
- (ii) an intangible asset to the extent that it receives a right (a licence) to charge users of the public service.

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2. Summary of significant accounting policies (cont'd.)

2.25 Revenue and income recognition (cont'd.)

(l) Revenue on public-private service arrangements (cont'd.)

(ii) Operation services

Revenue is recognised in accordance with Note 2.25(d).

(m) Training income

Income from training is recognised in the year the services are provided. Advance payment received from training is recognised as deferred income under current liabilities in the statement of financial position.

2.26 Income tax

(a) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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2. Summary of significant accounting policies (cont'd.)

2.26 Income tax (cont'd.)

(b) Deferred tax (cont'd.)

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

**Khazanah Nasional Berhad
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2. Summary of significant accounting policies (cont'd.)

2.27 Foreign currencies

(a) Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency.

(b) Foreign currency transaction

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items denominated in foreign currencies measured at fair value are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

(c) Foreign operations

The assets and liabilities of foreign operations are translated into RM at the rate of exchange ruling at the reporting date and income and expenses are translated at exchange rates at the dates of the transactions. The exchange differences arising on the translation are taken directly to other comprehensive income. On disposal of a foreign operation, the cumulative amount recognised in other comprehensive income and accumulated in equity under foreign currency translation reserve relating to that particular foreign operation is recognised in profit or loss.

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2. Summary of significant accounting policies (cont'd.)

2.27 Foreign currencies (cont'd.)

(c) Foreign operations (cont'd.)

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the reporting date.

2.28 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units ("CGU")).

In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

Impairment losses are recognised in profit or loss.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss. Impairment loss on goodwill is not reversed in a subsequent period.

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2. Summary of significant accounting policies (cont'd.)

2.29 Share capital and share issuance expenses

An equity instrument is any contract that evidences a residual interest in the assets of the Group and the Company after deducting all of its liabilities.

(a) Ordinary shares

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity.

(b) Redeemable cumulative convertible preference shares ("RCCPS")

RCCPS are recorded at the proceeds received, net of directly attributable incremental transaction costs. RCCPS are classified as equity.

(c) Dividends

Dividends on ordinary shares and RCCPS are recognised in equity in the period in which they are declared.

(d) Capital contribution from shareholders

The capital contribution relates to contribution from the holding company, where no repayment is expected.

2.30 Insurance business

(a) Product classification

The insurance and takaful subsidiaries of the Group issue contracts that contain insurance/takaful risk or both insurance/takaful underwriting risk and financial risk.

Financial risk is the risk of a possible future change in one or more of a specified interest/profit rate, financial instrument price, commodity price, foreign exchange rate, index of price or rate, credit rating or credit index or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract. Insurance/takaful underwriting risk is risk other than financial risk.

Insurance/takaful contracts are those contracts that transfer significant insurance/takaful risks.

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2. Summary of significant accounting policies (cont'd.)

2.30 Insurance business (cont'd.)

(a) Product classification (cont'd.)

An insurance/takaful contract is a contract under which the Group (the insurer) has accepted significant insurance/takaful risk from another party (the policyholders) by agreeing to compensate the policyholders if a specified uncertain future event (the insured event) adversely affects the policyholders. As a general guideline, the insurance and takaful subsidiaries of the Group define whether significant insurance/takaful risk has been accepted by comparing benefits paid or payable on the occurrence of an insured event against benefits paid or payable if the insured event does not occur.

A takaful contract is a contract under which the takaful operator (the provider) has agreed to administer takaful risk faced by participants by agreeing to compensate the participants from the Tabarru' Fund if a specified uncertain future event (the insured event) adversely affects the participants. As a general guideline, the Group's takaful subsidiary defines significant takaful risk to be the possibility of having to pay benefits on the occurrence of a takaful event that are at least 5% more than the benefits payable if the takaful event did not occur.

Investment contracts are those contracts that do not transfer significant insurance/takaful risks.

Once a contract has been classified as insurance/takaful contract, it remains an insurance/takaful contract for the remainder of its life-time, even if the insurance/takaful risks reduce significantly during this period, unless all rights and obligations are extinguished or expire. Investment contracts can, however, be reclassified as insurance/takaful contracts after inception if insurance/takaful risks thereon becomes significant.

Insurance/takaful contracts are further classified as being either with or without discretionary participation features ("DPF"). DPF is a contractual right to receive, as a supplement to guaranteed benefits, additional benefits that are:

- (a) likely to be a significant portion of the total contractual benefits;
- (b) whose amount or timing is contractually at the discretion of the issuer; and
- (c) that are contractually based on the:
 - performance of a specified pool of contracts or a specified type of contract;
 - realised and/or unrealised investment returns on a specified pool of assets held by the issuer; or
 - the profit or loss of the Group, fund or other entity that issues the contract.

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2. Summary of significant accounting policies (cont'd.)

2.30 Insurance business (cont'd.)

(a) Product classification (cont'd.)

Surpluses in the DPF fund are distributable to policy holders/participants and shareholders/the Group's subsidiaries in accordance with the relevant terms under the insurance/takaful contracts. The Group's insurance and takaful subsidiaries however have the discretion over the amount and timing of the distribution of these surpluses to policyholders and shareholders and subject to the advice of the subsidiaries' Appointed Actuaries.

Surpluses in the non-DPF fund arising during the year are recognised in the statement of comprehensive income and the unallocated surplus where the amount of surplus allocation to shareholders has yet to be determined by the end of the financial period is held in equity.

Unallocated surpluses of the DPF funds where the amount of surplus allocation to either policyholders or shareholders has yet to be determined by the end of the financial period are held within insurance contract liabilities.

For financial options and guarantees which are not closely related to the host insurance/takaful contract, bifurcation is required to measure these embedded derivatives separately at fair value through profit or loss. However, bifurcation is not required if the embedded derivative is itself an insurance/takaful contract, or if the host insurance/takaful contract is measured at fair value through profit or loss.

An investment-linked insurance/takaful contract is an insurance/takaful contract with an embedded derivative linking payments on the contract to units of an internal investment fund setup by the Group's insurance/takaful subsidiary with the consideration received from the contract holders. This embedded derivative meets the definition of an insurance/takaful contract and is therefore not accounted for separately from the host insurance/takaful contract. The liability for such contracts is adjusted for all changes in the fair value of the underlying assets.

When insurance/takaful contracts contain both financial risk component and significant insurance/takaful risk component and the cash flows from the two components are distinct and can be measured reliably, the underlying amounts are unbundled. Any premium/contributions relating to the insurance/takaful risk component are accounted for on the same basis as insurance/takaful contracts and the remaining element is accounted for as a deposit through the statement of financial position similar to investment contracts.

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2. Summary of significant accounting policies (cont'd.)

2.30 Insurance business (cont'd.)

(b) Reinsurance/Retakaful assets

The insurance and takaful subsidiaries of the Group cedes insurance/takaful risk in the normal course of business for their businesses. Reinsurance/retakaful assets represent balances due from reinsurance/retakaful operators respectively. Amounts recoverable from reinsurers/retakaful operators are estimated in a manner consistent with the outstanding claims provision or settled claims associated with the reinsurer's/retakaful's policies and are in accordance with the related reinsurance/retakaful contracts.

Reinsurance/retakaful arrangements, entered into by the insurance and takaful subsidiaries of the Group, that meet the classification requirements of insurance/takaful contracts are accounted for as above. Arrangements that do not meet these classification requirements are accounted for as financial assets.

Reinsurance/retakaful assets represent amounts recoverable from reinsurers or retakaful operators for insurance/takaful contract liabilities which have yet to be settled at the reporting date. Amounts recoverable from reinsurers and retakaful operators are measured consistently with the amounts associated with the underlying insurance/takaful contracts and the terms of the relevant reinsurance/retakaful arrangements.

At each reporting date, or more frequently, the insurance and takaful subsidiaries of the Group assess whether objective evidence exists that reinsurance/retakaful assets are impaired. Objective evidence of impairment for reinsurance/retakaful assets are similar to those noted for insurance/takaful receivables as above.

If any such evidence exists, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The impairment loss is recognised in profit or loss.

Reinsurance assets and retakaful assets or liabilities are derecognised when the contractual rights are extinguished or expire or when the contract is transferred to another party.

(c) Insurance/Takaful receivables

Insurance receivables are recognised when due and measured on initial recognition at the fair value of the consideration received or receivable. Subsequent to initial recognition, insurance receivables are measured at amortised cost, using the effective yield method.

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2. Summary of significant accounting policies (cont'd.)

2.30 Insurance business (cont'd.)

(c) Insurance/Takaful receivables (cont'd.)

If there is objective evidence that the insurance and takaful receivables are impaired, the Group reduces the carrying amount as described in Note 2.30(b).

Insurance/takaful receivables are derecognised when the derecognition criteria for financial assets are met.

(d) Life insurance contract liabilities

The life insurance contract liabilities of the Group comprise actuarial liabilities, unallocated surplus and net asset value attributable to unit holders.

(i) Actuarial liabilities

Actuarial liabilities are recognised when contracts are entered into and premiums are charged.

These liabilities are measured by using a prospective actuarial valuation method. The liability is determined as the sum of the present value of future guaranteed benefits and, in the case of a participating life policy, appropriate level of non-guaranteed benefits, and the expected future management and distribution expenses, less the present value of future gross considerations arising from the policy discounted at the appropriate risk discount rate.

The liability is based on best estimate assumptions and with due regard to significant recent experience. An appropriate allowance for provision of risk margin for adverse deviation from expected experience is made in the valuation of non-participating life policies, the guaranteed benefits liabilities of participating life policies, and the non-unit liabilities of investment-linked policies. The valuation basis, including the determination of the appropriate risk discount rate, is in accordance with Part D of the Risk-Based Capital Framework ("RBC Framework") and Appendix VII: Valuation Basis for Life Insurance Liabilities of the RBC Framework, and any related Circulars issued by BNM relevant to the guidelines.

The liability in respect of policies of a participating insurance contract is taken as the higher of the guaranteed benefit liabilities or the total benefit liabilities at the contract level derived as stated above.

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2. Summary of significant accounting policies (cont'd.)

2.30 Insurance business (cont'd.)

(d) Life insurance contract liabilities (cont'd.)

(i) Actuarial liabilities (cont'd.)

In the case of a life policy where a part of, or the whole of the premiums are accumulated in a fund, the accumulated amount, as declared to the policy owners, are set as the liabilities if the accumulated amount is higher than the figure as calculated using the prospective actuarial valuation method.

Where policies or extensions of a policy are collectively treated as an asset at the fund level under the valuation method adopted, the value of such asset is eliminated through zerorisation.

In the case of a 1-year life policy or a 1-year extension to a life policy covering contingencies other than death or survival, the liability for such life insurance contracts comprises the provision for unearned premiums and unexpired risks, as well as for claims outstanding, which includes an estimate of the incurred claims that have not yet been reported to the insurance and takaful subsidiaries of the Group.

Adjustments to the liabilities at each reporting date are recorded in the Life fund. Profits originated from margins of adverse deviations on run-off contracts, are recognised in the Life fund over the life of the contract, whereas losses are fully recognised in the Life fund during the first year of run-off.

The liability is derecognised when the contract expires, is discharged or is cancelled.

As the valuation methods used to value liabilities are in accordance with the RBC Framework for insurers, the insurance and takaful subsidiaries of the Group are deemed to have complied with the requirements of a liability adequacy test under MFRS 4: Insurance Contracts.

(ii) Unallocated surplus

Surpluses of contracts under the Participating Life fund are attributable to policyholders and shareholders and the amount and timing of distribution to both the policyholders and shareholders are determined by an actuarial valuation of the long term liabilities to policyholders at the reporting date and is made in accordance with the provision of the Financial Services Act, 2013 and related regulation by the insurance and takaful subsidiaries of the Group's Appointed Actuary.

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2. Summary of significant accounting policies (cont'd.)

2.30 Insurance business (cont'd.)

(d) Life insurance contract liabilities (cont'd.)

(ii) Unallocated surplus (cont'd.)

Surpluses in the non-DPF fund arising during the year are recognised in the statement of comprehensive income and the unallocated surplus where the amount of surplus allocation to shareholders has yet to be determined by the end of the financial year is held in equity.

Unallocated surpluses of the DPF funds where the amount of surplus allocation to either policyholders or shareholders has yet to be determined by the end of the financial year are held within insurance contract liabilities.

For financial options and guarantees which are not closely related to the host insurance contract and/or investment contract with DPF, bifurcation is required to measure these embedded derivatives separately at fair value through profit or loss. However, bifurcation is not required if the embedded derivative is itself an insurance contract and/or investment contract with DPF, or if the host insurance contract and/or investment contract itself is measured at fair value through profit or loss.

(iii) Net asset value attributable to unit holders

The unit liability of investment-linked policy is equal to the net asset value of the Investment-linked funds, which represents net premium received and investment returns credited to the policy less deduction for mortality, morbidity costs and expense charges.

(e) Family takaful contract liabilities

Family takaful contract liabilities comprise liabilities attributable to the certificate holders, claims liabilities and FVOCI reserve.

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2. Summary of significant accounting policies (cont'd.)

2.30 Insurance business (cont'd.)

(e) Family takaful contract liabilities (cont'd.)

(i) Liabilities attributable to the certificate holders

Actuarial liabilities are recognised when contracts are entered into and contributions are charged as determined by the annual actuarial valuation are based on the Islamic Financial Services Act, 2013 as well as the relevant statutory requirements stated in the Guidelines on Valuation Basis for Liabilities of Family Takaful Business. The actuarial liabilities are derecognised when the takaful contract expires, is discharged or is cancelled. The liabilities are based on best estimate assumptions and with due regard to significant recent experience. An appropriate allowance for provision of risk margin for adverse deviation from expected experience is made in the valuation of these liabilities.

(ii) Claims liabilities

The amounts payable under a family takaful certificate in respect of benefits and claims, including settlement costs, are accounted for using the case-by-case method as further set out in the accounting policy for benefits and claims expenses for family takaful contracts.

(iii) Fair value adjustment on fair value through other comprehensive income ("FVOCI") financial assets

Where unrealised gains or losses arise on FVOCI financial assets of the non-surplus sharing family takaful fund, the adjustment to the takaful contract liabilities equal to the effect that the realisation of those gains or losses at the end of the reporting period would have on those liabilities is recognised directly in the other comprehensive income.

(iv) Net asset value attributable to certificate holders

The unit liability of an investment-linked certificate is equal to the net asset value of the investment-linked funds, which represents the net contributions received and investment returns credited to the certificate less deduction for mortality, morbidity costs, and expense charges.

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2. Summary of significant accounting policies (cont'd.)

2.30 Insurance business (cont'd.)

(e) Family takaful contract liabilities (cont'd.)

(v) Unallocated surpluses

Surpluses of contracts under the surplus sharing Family Takaful fund are attributable to certificate holders and shareholders, and the amount and timing of distribution to both the certificate holders and shareholders are determined by an actuarial valuation of the long-term liabilities to certificate holders as of the date of the statement of financial position and is made in accordance with the provisions of the Islamic Financial Services Act 2013 and the related regulations by the Company's Appointed Actuary.

Surpluses in the non-surplus sharing fund arising during the financial year are recognised in the statement of comprehensive income, and the unallocated surplus at the end of the financial year are held in the Takaful contract liabilities.

Unallocated surpluses of the surplus sharing funds where the amount of surplus allocation to the certificate holders has yet to be determined by the end of the financial year are held within the Takaful contract liabilities.

(f) Expense liabilities

Expense liabilities are maintained in the Shareholders' fund in accordance with the requirements stated in the Guidelines on Valuation Basis for Liabilities of General Takaful and Family Takaful Business issued by BNM. The expense liabilities with respect to General Takaful business are calculated at the higher of aggregate of the provision for unearned wakalah fee or the unexpired expense risk and for family takaful business, the expense liabilities are determined by taking the present value of projected future deficits, discounted at appropriate spot rates. Future deficits are defined as the excess of future expense stream over future income cash flows, in aggregate basis. An appropriate allowance for provision of risk margin for adverse deviation is made in the valuation of these liabilities.

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2. Summary of significant accounting policies (cont'd.)

2.30 Insurance business (cont'd.)

(g) Liability adequacy test

At each financial year end, the insurance and takaful subsidiaries of the Group review the expense liabilities of the Shareholders' fund to ensure that the carrying amount is sufficient or adequate to cover the obligations of the shareholder's fund for all managed takaful certificates. In performing this review, the insurance and takaful subsidiaries of the Group consider all contractual cash flows and compare this against the carrying value of expense liabilities. Any deficiency is recognised in profit or loss.

(h) Measurement and impairment of Qard

In the event where the assets of the takaful funds are insufficient to meet the liabilities, the shareholder is required to rectify the deficit of the takaful funds via a Qard, which is a profit free loan. The Qard shall be repaid from future surpluses of the affected takaful funds. In the Shareholders' fund, the Qard is stated at cost less impairment losses, if any, whereas in the takaful funds, the Qard is stated at cost.

At each reporting date, the Qard position and the ability of the affected fund to generate sufficient surplus to repay the shareholder is monitored and measured. The likelihood that the Qard will be repaid and the duration of time that will be required to repay the Qard is determined and ascertained via projected cash flows which take into account past experience of the affected fund. The projected cash flows are then discounted to determine the recoverable value of the Qard.

If the Qard is impaired, an amount comprising the difference between its cost and its recoverable amount, less any impairment loss previously recognised is recognised in profit or loss. Impairment losses are subsequently reversed in the income statement if objective evidence exists that the Qard is no longer impaired.

(i) Insurance/takaful payables

Insurance/takaful payables are recognised when due and measured on initial recognition at fair value of the consideration payable less directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective yield method.

**Khazanah Nasional Berhad
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2. Summary of significant accounting policies (cont'd.)

2.30 Insurance business (cont'd.)

(j) Premium/contribution income

Premiums/contributions represent consideration paid for an insurance contract/takaful certificate and is accounted for as follows:

(i) Life insurance/family takaful business

Premium or contribution income includes premiums recognised in the life/family takaful funds and the Investment-linked funds. Premiums or contributions of the life/family takaful fund are recognised as soon as the amount of the premiums or contributions can be reliably measured. First premium or initial contribution is recognised from inception date and subsequent premium or contribution is recognised when it is due.

Premium/contribution of the Investment-linked fund is in respect of the net creation of units, which represents premiums/contributions paid by policyholders/participants as payment for a new contract or subsequent payments to increase the amount of that contract. Net creation of units are recognised on a receipt basis.

At the end of the financial year, all due premiums are accounted for to the extent that they can be reliably measured and it is still within the grace period allowed for payment or covered by the cash surrender value of the policies.

(k) Benefits and claims expenses

(i) Life insurance/family takaful business

Benefits and claims that are incurred during the financial year are recognised when a claimable event occurs and/or the insurer/takaful operator is notified.

Benefits and claims including settlement costs, are accounted for using the case-by-case method and for this purpose, the amounts payable under a life insurance policy/family takaful certificates are recognised as follows:

- maturity and other policy/certificate benefit payments due on specified dates are treated as claims payable on the due dates; and

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2. Summary of significant accounting policies (cont'd.)

2.30 Insurance business (cont'd.)

(k) Benefits and claims expenses (cont'd.)

(i) Life insurance/family takaful business (cont'd.)

Benefits and claims including settlement costs, are accounted for using the case-by-case method and for this purpose, the amounts payable under a life insurance policy/family takaful certificates are recognised as follows: (cont'd.)

- death, surrender and other benefits without due dates are treated as claims payable on the date of receipt of intimation of death of the assured or occurrence of contingency covered;
- benefits payable under the Investment-linked funds are in respect of net cancellation of units and are recognised as surrender;
- bonus on DPF policy upon its declaration; and
- profit sharing of takaful certificates at maturity and in the financial year the profit arises.

(l) Commission expenses and acquisition costs

(i) Life insurance business

Gross commission and agency expenses, which are costs directly incurred in securing premiums on insurance policies, and income derived from reinsurers in the course of ceding of premiums to reinsurers, are charged/credited to profit or loss in the financial year in which they are incurred.

(ii) Family takaful business

Acquisition costs, commissions and management expenses are borne by the general/family takaful fund in the profit or loss at an agreed percentage of the gross contribution, in accordance with the principles of "Wakalah" as approved by the insurance and takaful subsidiaries of the Group's Shariah Committee and agreed between the participants and the insurance and takaful subsidiaries of the Group. These expenses are transferred to the Shareholders' fund via Wakalah fee and are recognised as incurred and properly allocated to the period in which it is probable that give rise to income.

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2. Summary of significant accounting policies (cont'd.)

2.31 Deferred liabilities

Fees received from third parties as advance payments of future maintenance expenditure, in consideration for right-of-way access were classified as deferred liabilities. Deferred liabilities were amortised over the period of the individual contracts.

2.32 Fair value measurement

The Group measures financial instruments, such as, derivatives, and financial investments, at fair value at each reporting date. Fair values of financial instruments measured at amortised cost are disclosed in Note 29 and Note 69 to the financial statements.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- (a) In the principal market for the asset or liability; or
- (b) In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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2. Summary of significant accounting policies (cont'd.)

2.32 Fair value measurement (cont'd.)

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting date.

2.33 Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non occurrence of uncertain future events not wholly within the control of the Group. Contingent liabilities and assets are not recognised in the statements of financial position.

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3. Standards issued but not yet effective

At the date of authorisation of the financial statements, the following were issued but not yet effective and have not been adopted by the Group and the Company.

Description	Effective for financial periods beginning on or after
Amendments to MFRS 3: Business Combination - Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 116: Property, Plant and Equipment - Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137: Onerous Contracts – Costs of Fulfilling a Contract	1 January 2022
MFRS 1: First-time Adoption of International Financial Reporting Standards - Subsidiary as a First-Time Adopter	1 January 2022
MFRS 9 Financial Instruments – Fees in the '10 per cent' Test for Derecognition of Financial Liabilities	1 January 2022
MFRS 41 Agriculture – Taxation in fair value measurements	1 January 2022
Amendments to MFRS 108 – Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 101 and MFRS Practice Statement 2: Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2023
MFRS 17: Insurance Contracts	1 January 2023
Amendments to MFRS 17: Insurance Contracts	1 January 2023
Amendments to MFRS 10 and MFRS 128: Sales or Contribution of Assets between and Investor and its Associates or Joint Venture	Deferred

Adoption of the above MFRSs, Amendments to MFRSs and IC Interpretation will not have any material impact on the financial performance or position of the Group and of the Company.

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3. Standards issued but not yet effective (cont'd.)

(a) Amendments to MFRS 3: Business Combination - Reference to the Conceptual Framework

The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements with reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirement.

The amendments explain the exception to the recognition principle of MFRS 3 to avoid the issue of potential gains or losses arising for liabilities and contingent liabilities that would be within the scope of MFRS 137 Provisions, Contingent Liabilities and Contingent Assets or IFRIC 21 Levies, if incurred separately.

The existing guidance in MFRS 3 for contingent assets that would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements. The amendments are to be applied prospectively in annual periods beginning on or after 1 January 2022, earlier application is permitted.

(b) Amendments to MFRS 116: Property, Plant and Equipment - Proceeds before Intended Use

The amendments prohibit entities deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

The amendments are effective for annual reporting periods beginning on or after 1 January 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment.

(c) Amendments to MFRS 137: Onerous Contracts – Costs of Fulfilling a Contract

The amendments clarify that the direct costs of fulfilling a contract include both the incremental costs of fulfilling the contract and an allocation of other costs directly related to fulfilling contracts. Before recognising a separate provision for an onerous contract, the entity recognises any impairment loss that has incurred on assets used in fulfilling the contract.

The amendments are to be applied prospectively in annual periods beginning on or after 1 January 2022, earlier application is permitted.

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3. Standards issued but not yet effective (cont'd.)

(d) MFRS 1: First-time Adoption of Malaysian Financial Reporting Standards - Subsidiary as a First-Time Adopter

The amendment permits a subsidiary that elects to apply paragraph D16(a) of MFRS 1 to measure cumulative translation differences using the amounts reported by the parent, based on the parent's date of transition to MFRS. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of MFRS 1.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted.

(e) MFRS 9 Financial Instruments – Fees in the '10 per cent' Test for Derecognition of Financial Liabilities

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted.

(f) MFRS 41 Agriculture – Taxation in fair value measurements

The amendment removes the requirement in paragraph 22 of MFRS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of MFRS 41.

An entity applies the amendment prospectively to fair value measurements on or after the beginning of the first annual reporting period beginning on or after 1 January 2022 with earlier adoption permitted.

(g) Amendments to MFRS 108 – Definition of Accounting Estimates

The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

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3. Standards issued but not yet effective (cont'd.)

(g) Amendments to MFRS 108 – Definition of Accounting Estimates (cont'd.)

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed.

(h) Amendments to MFRS 101 and MFRS Practice Statement 2: Disclosure of Accounting Policies

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments to MFRS 101 are applicable for annual periods beginning on or after 1 January 2023 with earlier application permitted. Since the amendments to the Practice Statement 2 provide non-mandatory guidance on the application of the definition of material to accounting policy information, an effective date for these amendments is not necessary.

(i) Amendments to MFRS 101: Classification of Liabilities as Current or Non-current

The amendments clarify the following:

- (i) What is meant by a right to defer settlement;
- (ii) That a right to defer must exist at the end of the reporting period;
- (iii) That classification is unaffected by the likelihood that an entity will exercise its deferral right; and
- (iv) That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

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3. Standards issued but not yet effective (cont'd.)

(j) MFRS 17: Insurance Contracts

MFRS 17 will replace MFRS 4 Insurance Contracts. MFRS 17 applies to all types of insurance contracts, regardless of the type of entities that issue them, as well as certain guarantees and financial instruments with discretionary participation features.

The main features of the new accounting model for insurance contracts are, as follows:

- (i) The measurement of the present value of future cash flows, incorporating an explicit risk adjustment, remeasured every reporting period (the fulfilment cash flows);
- (ii) A Contractual Service Margin ("CSM") that is equal and opposite to any day one gain in the fulfilment cash flows of a group of contracts, representing the unearned profitability of the insurance contracts to be recognised in profit or loss over the service period (i.e. coverage period);
- (iii) Certain changes in the expected present value of future cash flows are adjusted against the CSM and thereby recognised in profit or loss over the remaining contractual service period;
- (iv) The effect of changes in discount rates will be reported in either profit or loss or other comprehensive income, determined by an accounting policy choice;
- (v) The presentation of insurance revenue and insurance service expenses in the statements of comprehensive income based on the concept of services provided during the period;
- (vi) Amounts that the policyholder will always receive, regardless of whether an insured event happens (non-distinct investment components) are not presented in the statements of profit or loss, but are recognised directly on the statements of financial position;
- (vii) Insurance services results (earned revenue less incurred claims) are presented separately from the insurance finance income or expense; and
- (viii) Extensive disclosures to provide information on the recognised amounts from insurance contracts and the nature and extent of risks arising from these contracts.

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3. Standards issued but not yet effective (cont'd.)

(j) MFRS 17: Insurance Contracts (cont'd.)

The standard is effective for annual periods beginning on or after 1 January 2023, with comparative figures required. Early application is permitted, provided the entity also applies MFRS 9 and MFRS 15 on or before the date it first applies MFRS 17. Retrospective approach for estimating the CSM on the transition date is required. However, if full retrospective application for estimating the CSM, as defined by MFRS 108 for a group of insurance contracts, is impracticable, an entity is required to choose one of the following two alternatives:

(i) Modified retrospective approach

Based on reasonable and supportable information available without undue cost and effort to the entity, certain modifications are applied to the extent full retrospective application is not possible, but still with the objective to achieve the closest possible outcome to retrospective application.

(ii) Fair value approach

The CSM is determined as the positive difference between the fair value determined in accordance with MFRS 13 Fair Value Measurement and the fulfilment cash flows (any negative difference would be recognised in retained earnings at the transition date).

Both the modified retrospective approach and the fair value approach provide transitional reliefs for determining the grouping of contracts. If an entity cannot obtain reasonable and supportable information necessary to apply the modified retrospective approach, it is required to apply the fair value approach.

(k) Amendments to MFRS 17: Insurance Contracts

The amendments are to address the concerns raised by stakeholders and ease transition by providing the additional relief to reduce the effort required when adopting MFRS 17 for the first time. The amendments are to be applied prospectively in annual periods beginning on or after 1 January 2023. The amendment will be assessed together with other MFRS 17 requirements as mentioned above.

(l) Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The effective date for the amendment to Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to MFRS 10 and MFRS 128) has been deferred to a date to be determined by MASB.

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4. Significant accounting judgements

The preparation of the Group's financial statements requires management to make judgements that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date are disclosed as below:

(a) Critical judgements made in applying accounting policies

The following are the judgements made by management in the process of applying the Group's accounting policies that have the most significant effect on the amounts recognised in the financial statements.

(i) Impairment of investments

The Group determines whether its investments are impaired following certain indications of impairment such as, amongst others, prolonged shortfall between market value and carrying amount, significant changes with adverse effects on the investment and deteriorating financial performance of the investment.

Depending on their nature and the industries in which the investments relate to, judgements are made by management to select suitable methods of valuation such as, amongst others, discounted cash flow, realisable net asset value and sector average price-earning ratio method.

(ii) Recognition of expected losses on construction contracts

Any expected loss on construction contract is recognised by the Group as an expense immediately when it is probable that the total contract costs will exceed the total contract revenue, even though the project had yet to be completed. In determining the expected loss, the Group takes into account the total contract costs to be incurred to the completion of the project and the probability of claims to be approved by clients for specific items of cost escalation and variation order.

(iii) Contingent liabilities

As disclosed in Note 33 and Note 73 to the financial statements, a contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future events not wholly within the control of the Group. Contingent liabilities are not recognised in the statements of financial position of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

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4. Significant accounting judgements (cont'd.)

(a) Critical judgements made in applying accounting policies (cont'd.)

(iv) Contingent liabilities - litigation

As disclosed in Note 73 to the financial statements, the Group has several pending litigations with various parties as at current financial year end. The Group, after due consultation with the Group's solicitors, assesses the merit of each case, and makes the necessary provision for liabilities in the financial statements if their crystallisation are deemed as probable.

(v) Income taxes

Judgement is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the year in which such determination is made.

Deferred tax assets are recognised for unused tax losses and unabsorbed capital allowances to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine and assume the ability of each subsidiary to generate future taxable profit to utilise the relevant deferred tax assets by the respective subsidiary.

(vi) Significant influence over investment in associates

The Group considers that it has significant influence over certain associates of the Group even though that it holds less than 20% of the voting rights. This is evidenced by, amongst others, the Group having representation on the board, having the ability to participate in the financial and operating policy decisions of the associates and others.

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5. Significant accounting estimates

(a) Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(i) Impairment on investments and receivables

(1) Impairment on investments

Once a suitable method of valuation is selected, management makes certain assumptions concerning the future to estimate the recoverable amount of the investment. Depending on the specific individual investment, assumptions made by management may include, amongst others, assumptions on expected future cash flows, revenue growth, discount rate used for purposes of discounting future cash flows which incorporates the relevant risks, and expected future outcome of certain past events.

Sensitivity to changes in assumptions

Management believes that no reasonably possible change in the key assumptions described above would cause the carrying amounts of the investments to materially exceed their recoverable amounts.

(2) Impairment on receivables

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECLs). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECLs).

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5. Significant accounting estimates (cont'd.)

(a) Key sources of estimation uncertainty (cont'd.)

(i) Impairment on investments and receivables (cont'd.)

(2) Impairment on receivables (cont'd.)

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Impairment review

The impairment review of those investments and receivables with indications of impairment carried out by management during the year led to the recognition of impairment losses on investments and receivables of approximately RM328 million (2020: RM1,066 million) and RM2,086 million (2020: RM5,220 million) for the Group and the Company, respectively.

(ii) Impairment of goodwill

The Group determines whether goodwill is impaired at least once annually. This requires an estimation of the value-in-use of the cash-generating units to which the goodwill is allocated. Estimating the value-in-use requires the Group to make an estimate of the expected future cash flows from the cash-generating unit and also to apply a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of the Group's goodwill as at 31 December 2021 is RM1,415 million (2020: RM1,410 million). Further details are disclosed in Note 46 to the financial statements.

(iii) Impairment of aircraft included in property, plant and equipment

The Group assesses whether there are any indicators of impairment for aircraft included in property, plant and equipment at each reporting date. If any such indication exists, the asset's recoverable amount is estimated to determine the amount of impairment loss.

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5. Significant accounting estimates (cont'd.)

(a) Key sources of estimation uncertainty (cont'd.)

(iii) Impairment of aircraft included in property, plant and equipment (cont'd.)

Management performed a review of the recoverable amounts based on a variety of estimations including the value in use of the cash-generating unit ("CGU") to which the aircraft included in property, plant and equipment is allocated and fair value less cost to sell. Value-in-use was determined by an estimate of the expected future cash flows from the CGU using a suitable discount rate in order to calculate the present value of those cash flows.

(iv) Deferred tax assets

Deferred tax assets of the Group are recognised for all unused tax losses and unabsorbed capital allowances to the extent that it is probable that taxable profit will be available against which the losses and capital allowances can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The details are as disclosed in Note 55 to the financial statements.

(v) Provision for aircraft related direct operating expenses

The operation of air transportation services inevitably involve the making of various provisions on direct expenses, such as fuel, ground handling charges, landing and parking charges, in-flight meals, computer reservation systems booking fees and information technology related expenses. The estimates and associated assumptions used are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the provisions about carrying values of liabilities as at the financial year end.

(vi) Net realisable value of completed property units held for sale classified as inventories

Properties held for sale classified as inventories are stated at the lower of cost or net realisable value. The Group estimates the net realisable value based on an assessment of expected sales prices. Properties held for sale are reviewed on a regular basis and the Group will make an allowance for impairment primarily based on historical trends and management estimates of expected and future product demand and related pricing. Demand and pricing levels could change from time to time. If such factors result in an adverse effect on the Group's products, the Group provides additional allowances for slow moving inventories.

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5. Significant accounting estimates (cont'd.)

(a) Key sources of estimation uncertainty (cont'd.)

(vii) Provision for aircraft maintenance and overhaul costs

The Group is obligated to carry out heavy duty maintenance checks on the airframe, engines, landing gears and auxiliary power units, being part of the return conditions of its leased aircraft under contract. Provision for heavy duty maintenance cost is made progressively in the financial statements based on the number of flight hours or cycles. In arriving at the provision, assumptions are made on the estimated condition of the asset at the time of check, the material and overhead costs to be incurred, and the timing of when the check is to be carried out. These assumptions are formed based on past experience, and are regularly reviewed to ensure they approximate to the actual. Any revision in assumptions and estimations that causes a material effect to the provision would be adjusted prospectively in the financial statements.

(viii) Unutilised tickets

Unutilised tickets are subsequently recognised as revenue using estimates regarding the timing of recognition based on the terms and conditions of the tickets and historical trends. Changes in travel patterns, economic environment, variables and estimations used have an impact on the financial statements of the Group.

(ix) Frequent flyer programme

The consideration allocated to the mileage awards issued is measured at their fair value. In determining the fair value of the mileage awards, estimation techniques were used and reflect the weighted average of the contractual price with partners adjusted by the miles not expected to be redeemed by members.

(x) Estimates on brokerage on customers' unexercised rights

The sales in advance of carriage ("SIAC") arise from the liabilities of the unutilised tickets are initially recognised similar to the contract liabilities in accordance with MFRS 15. Depending on the terms and conditions of the selected fare basis, the contract liabilities consist of a range of possibilities for refunding services that have not yet been provided. Liabilities include both the deferred income for future flight and ancillary services that are recognised as revenue when the tickets are utilised, and the liabilities for Enrich credited to the passenger when the tickets are utilised.

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5. Significant accounting estimates (cont'd.)

(a) Key sources of estimation uncertainty (cont'd.)

(x) Estimates on brokerage on customers' unexercised rights (cont'd.)

A customer's non-refundable prepayment to an entity gives the customer a right to receive a good or service in the future (and obliges the entity to stand ready to transfer a good or service). However, customers may not exercise all of their contractual rights. Those unexercised rights are often referred to as breakage.

If the Group expects to be entitled to a breakage amount in a contract liability, the Group shall recognise the expected breakage amount as revenue in proportion to the pattern of rights exercised by the customer. If the Group does not expect to be entitled to a breakage amount, the entity shall recognise the expected breakage amount as revenue when the likelihood of the customer exercising its remaining rights becomes remote.

The expected amount of tickets that are not used is only recognised as revenue if the probability that the passengers (in accordance with the respective fare basis) exercise their remaining rights is low, and no later than when the expiry of flight documents is certain and known. Generally, passenger tickets, other service fees and surcharges are recognised in the profit or loss as unavailed credits on sales in advance of carriage if these tickets remain unutilised after 12 months subsequent to the date of issue or 12 months from the date the passengers first travelled with the ticket if the ticket consists of multiple coupons.

(xi) Construction and consultancy contracts and property development

The Group recognises construction contracts and certain property development revenue and costs in the income statement over time by reference to the progress towards completion of the performance obligation based on input method.

Significant judgement is required in determining the percentage of completion, the extent of the costs incurred and the estimated total revenue and costs, as well as recoverability of the construction, consultancy and property development projects. In making the judgement, the Group evaluates based on past experience, external economic factors and by relying on the work of specialists.

The construction, consultancy and property development revenue and costs recognised in the current and prior years are disclosed in Note 52(iii) and Note 56 to the financial statements, respectively.

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5. Significant accounting estimates (cont'd.)

(a) Key sources of estimation uncertainty (cont'd.)

(xii) Amortisation of concession intangible assets

Concession intangibles assets are amortised over the concession period by applying the formula in Note 2.13(a)(i). The denominator of the formula includes projected toll traffic volume for subsequent years to the end of the concession period that is based on the latest available traffic volume projections prepared by independent traffic consultants. The assumptions to arrive at the traffic volume projections take into consideration the growth rate based on the current assessment of market and economical conditions.

Changes in the expected traffic volume could impact future amortisation charges.

(xiii) Depreciation of aircraft, property, plant and equipment

The cost of aircraft, aircraft modifications/retrofits, spare engines, property, plant and equipment are depreciated on a straight-line basis over the assets' useful lives up to its residual value. Management reviews the residual values, useful lives and depreciation method at the end of each financial year and ensures consistency with previous estimates and patterns of consumption of the economic benefits that embodies the items in these assets. Changes in useful lives and residual values of these assets may result in a revision of future depreciation charges.

(xiv) Provision for liquidated ascertained damages ("LAD")

LAD is a possible obligation that arise from the late delivery of construction and development projects.

In assessing the probability that an outflow of resources will be required to settle the obligation, management considers the outcome of the extension of time application based on circumstances of the projects, past experiences and expert advice for construction projects; and the estimated date of completion for development projects.

(xv) Provision for construction costs

The Group recognises a provision for construction costs relating to estimated final claims by contractors which have not been finalised.

Significant judgement is required in determining the extent of the costs to be incurred and in making the judgement, the Group evaluates based on past experience, external economic factors and by relying on the work of specialists.

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5. Significant accounting estimates (cont'd.)

(a) Key sources of estimation uncertainty (cont'd.)

(xvi) Provision for foreseeable losses for affordable housing

Significant judgement is required in estimating the amount of foreseeable losses for affordable housing, as the construction of low cost housing is typically over the life of township development of spanning more than few financial years. Regulatory, technological and economics changes may result in significant changes to the provision amount which will subsequently affect the profitability of premium housing.

(xvii) Deferred consideration payable

Deferred consideration payable arose from the acquisition of investment completed by the end of reporting date with consideration payable in future periods which is contingent upon meeting certain criteria and performance target. At each reporting date, the Group assesses the fair value of the deferred consideration payable based on the projected probability of the investee company meeting the criteria and performance target after considering the current and projected market conditions.

The amount recognised as deferred consideration payable is the net present value of the assessed fair value, using a discount rate appropriate to the cash flow risks associated with the liability.

(xviii) Valuation of embedded derivatives

As the fair value of the embedded derivatives cannot be derived from active markets, fair value is determined using valuation techniques including the binomial model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The judgments include considerations of inputs such as credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

(xix) Impairment of investment properties

The Group carry its investment properties at cost. The Group engaged independent valuation specialists to assess fair value as at 31 December 2021 to determine the impairment assessment. Market comparison and income approach were used and the key assumptions used to determine the fair value of the investment properties are disclosed in Note 22 and Note 44 to the financial statements.

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5. Significant accounting estimates (cont'd.)

(a) Key sources of estimation uncertainty (cont'd.)

(xx) Fair value of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

For financial instruments where there is no active market, fair value is determined using valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

(xxi) Impairment of intangible assets - landing slots for air transportation

The Group determines whether the landing slots which have indefinite useful lives, are tested for impairment either annually or on a more frequent interval, depending on events or changes in circumstances that indicate the carrying value may be impaired. This requires an estimation of the "value in use" of the CGU to which the landing slots belong.

In assessing value in use, the management is required to make an estimate of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

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5. Significant accounting estimates (cont'd.)

(a) Key sources of estimation uncertainty (cont'd.)

(xxii) Insurance business

(i) Life insurance and family takaful businesses

Life insurance contract liabilities are determined in accordance with regulatory framework. All life insurance liabilities are valued using a prospective actuarial valuation based on the sum of the present value of future benefits and expenses less future gross considerations arising from the policies discounted at the appropriate risk discount rate.

The main assumptions used for life insurance/family takaful business relate to mortality, morbidity, investment returns, expenses, lapse and surrender rates and discount rates. The Group's life insurance subsidiaries base mortality and morbidity on established industry and Malaysian table which reflect historical experiences, adjusted when appropriate to reflect the Group's unique risk exposure, product characteristics, target markets and own claims severity and frequency experiences.

There may be significant reporting lags between the occurrence of an insured event and the time it is actually reported. Following the identification and notification of an insured loss, there may still be uncertainty as to the magnitude of the claim. There are many factors that will determine the level of uncertainty such as inflation, judicial interpretations, legislative changes and claims handling procedures.

Estimates are also made as to future investment income arising from the assets backing the life insurance contracts. These estimates are based on current market returns as well as expectations about future economic and financial developments.

Assumptions on future expenses are based on current expense levels, adjusted for expected expense inflation adjustments, if appropriate.

Lapse and surrender rates are based on the Group's life and family takaful businesses' historical experience of lapses and surrenders.

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Statement of comprehensive income
For the year ended 31 December 2021

		Company	
	Note	2021	2020
		RM'000	RM'000
Income	6	4,911,220	9,307,027
Dividend income		3,883,924	6,816,015
Gain from divestments		801,881	1,932,612
Other operating income		225,415	558,400
Operating expenses		(498,973)	(528,163)
Net unrealised gain on financial assets designated as fair value through profit or loss		102,023	1,114,372
Net (loss)/gain on revaluation of derivatives		(38,178)	46,510
Foreign exchange effect (loss)/gain, net		(142,641)	442,575
Allowance for impairment losses on investments and receivables, net of writebacks		(2,085,792)	(5,219,589)
Operating profit	7	2,247,659	5,162,732
Finance costs	11	(1,813,848)	(1,891,152)
Profit before taxation		433,811	3,271,580
Taxation	12	(17,767)	(21,533)
Net profit for the year		416,044	3,250,047
Other comprehensive income ("OCI")			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Net (loss)/profit on fair value through other comprehensive income			
- (Loss)/profit on fair value changes, net of tax representing other comprehensive (loss)/income for the year		(9,704)	21,000
Total comprehensive income for the year		406,340	3,271,047

The accompanying notes form an integral part of the financial statements.

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Statement of financial position
As at 31 December 2021

	Note	Company	
		2021 RM'000	2020 RM'000
Assets			
Cash and bank balances	14	1,279,258	3,388,329
Investment in money market instruments	15	34,896	64,921
Other financial assets	16	4,241,730	3,756,473
Other receivables	17	916,281	871,802
Tax recoverable	18	26,223	26,634
Interest in subsidiaries	19	41,935,344	40,273,004
Interest in associates	20	25,378,931	25,713,966
Property and equipment	21	15,727	10,225
Investment property	22	-	352,569
Computer software	23	766	372
Total assets		73,829,156	74,458,295
Liabilities			
Other payables	24	2,019,939	3,544,768
Borrowings	25	45,062,668	42,610,496
Derivative liabilities	26	166,587	128,409
Total liabilities		47,249,194	46,283,673
Equity attributable to Owners of the Company			
Share capital	27	12,284,201	12,284,201
Capital contribution from shareholders		2,324,423	2,324,423
Fair value adjustment reserve		-	30,000
Retained profits		11,971,338	13,535,998
Total equity		26,579,962	28,174,622
Total equity and liabilities		73,829,156	74,458,295

The accompanying notes form an integral part of the financial statements.

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Statement of changes in equity
For the year ended 31 December 2021

	Share capital (Note 27) RM'000	Capital contribution from shareholders RM'000	Fair value adjustment reserve RM'000	Distributable retained profits RM'000	Total equity RM'000
At 1 January 2020	12,284,201	2,324,423	9,000	12,285,951	26,903,575
Total comprehensive income for the year	-	-	21,000	3,250,047	3,271,047
Dividends (Note 13)	-	-	-	(2,000,000)	(2,000,000)
At 31 December 2020	12,284,201	2,324,423	30,000	13,535,998	28,174,622
At 1 January 2021	12,284,201	2,324,423	30,000	13,535,998	28,174,622
Total comprehensive income for the year	-	-	(9,704)	416,044	406,340
Transfer from/(to) retained earnings	1,000	-	(20,296)	19,296	-
Redemption of RCCPS	(1,000)	-	-	-	(1,000)
Dividends (Note 13)	-	-	-	(2,000,000)	(2,000,000)
At 31 December 2021	12,284,201	2,324,423	-	11,971,338	26,579,962

The accompanying notes form an integral part of the financial statements.

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Statement of cash flows
For the year ended 31 December 2021

	Company	
	2021	2020
	RM'000	RM'000
Cash flows from operating activities		
Profit before taxation	433,811	3,271,580
Adjustments for:		
Gain from divestments	(801,881)	(1,932,612)
Dividend income	(3,883,924)	(6,816,015)
Interest income	(113,626)	(127,938)
Unrealised loss/(gain) on foreign exchange, net	142,641	(442,575)
Depreciation on property and equipment	1,793	7,133
Depreciation on investment property	6,118	2,691
Computer software written off	85	-
Amortisation of computer software	229	355
Allowance for impairment losses in investments and receivables, net of writebacks	2,085,792	5,219,589
(Gain)/loss on disposal of property and equipment	(278)	48
Amortisation of discounts on Khazanah bonds	365,213	438,883
Amortisation of discounts on Exchangeable Trust Certificates	59,004	55,919
Interest expense on Term Loans, Medium Term Notes ("MTN") and others	1,389,631	1,396,350
Net gain on financial assets designated as fair value through profit or loss	(102,023)	(1,114,372)
Net loss/(gain) on revaluation of derivatives	38,178	(46,510)
Operating loss before working capital changes	(379,237)	(87,474)
Changes in receivables	2,699,792	(1,407,200)
Changes in payables	(4,503,658)	1,138,693
Income tax paid	(17,355)	(20,000)
Net cash used in operating activities	<u>(2,200,458)</u>	<u>(375,981)</u>
Cash flows from investing activities		
(Purchase)/sale of investments, net	(1,333,714)	1,528,680
Purchase of property and equipment	(10,627)	(11,462)
Purchase of computer software	(708)	(178)
Proceeds from sale of property and equipment	3,610	18,319
Dividend received	3,883,924	6,816,015
Interest received	74,760	127,938
Net cash generated from investing activities	<u>2,617,245</u>	<u>8,479,312</u>

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Statement of cash flows
For the year ended 31 December 2021 (cont'd.)

	Company	
	2021	2020
	RM'000	RM'000
Cash flows from financing activities		
Redemption of Khazanah Bonds	(2,300,000)	(1,200,000)
Repayment of Islamic MTN	(3,508,616)	(5,752,233)
Repayment of revolving credit facilities	(800,000)	(5,500,000)
Repayment of term loan	(852,200)	-
Redemption of Exchangeable Trust Certificates	(12,907)	-
Proceeds from issuance of Islamic MTN	7,018,121	4,500,000
Proceeds from issuance of MTN	-	2,551,251
Drawdown of term loan	810,000	852,200
Drawdown of revolving credit facilities	1,500,000	1,000,000
Dividends paid	(3,000,000)	(1,000,000)
Interest paid	(1,380,256)	(1,375,111)
Net cash used in financing activities	<u>(2,525,858)</u>	<u>(5,923,893)</u>
Net changes in cash and cash equivalents	(2,109,071)	2,179,438
Cash and cash equivalents at the beginning of year	<u>3,388,329</u>	<u>1,208,891</u>
Cash and cash equivalents at the end of year	<u>1,279,258</u>	<u>3,388,329</u>
Cash and cash equivalents comprise (Note 14):		
Cash and bank balances	161,630	196,564
Deposits with licensed banks	1,117,628	3,191,765
	<u>1,279,258</u>	<u>3,388,329</u>

The accompanying notes form an integral part of the financial statements.

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Notes to the Company financial statements

6. Income

	Note	Company 2021 RM'000	2020 RM'000
Dividend income:			
- from subsidiaries		1,772,377	4,557,500
- from associates		2,069,257	2,225,470
- from financial assets designated as fair value through other comprehensive income		1,327	1,810
- financial assets designated as fair value through profit or loss		40,963	31,235
Gain from divestments of subsidiaries and associates		801,881	1,932,612
Interest income on:			
- loans and receivable		42,580	-
- financial assets designated as fair value through profit or loss		71,046	127,938
Directors' fees	(i)	5,054	6,249
Others		106,735	424,213
		<u>4,911,220</u>	<u>9,307,027</u>

- (i) Directors' fees relate to income receivable from related companies for the services rendered by the Company's employees as nominee directors of the related companies.

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7. Operating profit

Included in operating profit are the following:

	Note	Company	
		2021 RM'000	2020 RM'000
Staff costs	8	154,046	174,423
Auditors' remuneration			
- statutory audit		1,062	885
- others		292	473
Expenses relating to short-term leases		14,873	22,006
Repair and maintenance		80	14,246
Depreciation of property and equipment	21	1,793	7,133
Depreciation of investment property	22	6,118	2,691
Amortisation of computer software	23	229	355
Computer software written off	23	85	-
Unrealised loss/(gain) on foreign exchange		142,641	(442,575)
(Gain)/loss on disposal of property and equipment		(278)	48
		<u>154,046</u>	<u>174,423</u>

8. Staff costs

	Company	
	2021 RM'000	2020 RM'000
Wages, salaries and statutory contributions to EPF and social security	149,708	171,639
Others	4,338	2,784
	<u>154,046</u>	<u>174,423</u>

Included in staff costs are executive directors' and key management personnel's remuneration as disclosed in Notes 9 and 10, respectively.

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9. Directors' remuneration

	Company	
	2021	2020
	RM'000	RM'000
Executive Directors of the Company:		
Wages and salaries	6,784	3,797
Statutory contribution to EPF	908	722
	<u>7,692</u>	<u>4,519</u>
Non-Executive Directors of the Company:		
Fees and allowances	441	299
	<u>8,133</u>	<u>4,818</u>

10. Key management personnel remuneration

	Company	
	2021	2020
	RM'000	RM'000
Wages and salaries	35,169	38,127
Statutory contribution to EPF	6,285	7,190
	<u>41,454</u>	<u>45,317</u>

Key management personnel are staff who are involved in decision making and management of the Company.

11. Finance costs

	Company	
	2021	2020
	RM'000	RM'000
Interest expense on term loans	167,825	136,588
Interest expense on revolving credit facility	28,969	43,080
Interest expense on Medium and Islamic Medium Term Notes ("MTN and IMTN")	1,192,837	1,216,682
Amortisation of discounts on Khazanah Bonds (Note 25(a))	365,213	438,883
Amortisation of discounts on Exchangeable Trust Certificates	59,004	55,919
	<u>1,813,848</u>	<u>1,891,152</u>

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12. Taxation

	Company	
	2021 RM'000	2020 RM'000
Malaysian income tax	14,868	20,373
Foreign income tax	-	2,734
Under/(over) provision in prior years	2,899	(1,574)
	<u>17,767</u>	<u>21,533</u>
Total income tax expense	<u>17,767</u>	<u>21,533</u>

The tax treatment of the Company has fallen under the ambit of Section 60F Investment Holding Company ("Section 60F") of the Income Tax Act, 1967 for the current and prior financial years.

Under Section 60F, Investment Holding Company is defined as a company whose activities consist mainly of the holding of investment and not less than 80% of its gross income (whether exempt or not) is derived therefrom. Income from the holding of investment is not to be treated as business income whilst income other than income from holding of investment is to be treated as other non-business gains or profits under Section 4(f) of the Income Tax Act, 1967.

The Malaysian tax rate is calculated at the statutory tax rate of 24% (2020: 24%) of the estimated assessable profit for the year.

The reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the years ended 31 December 2021 and 2020 are as follows:

	Company	
	2021 RM'000	2020 RM'000
Profit before taxation	<u>433,811</u>	<u>3,271,580</u>
Taxation at Malaysian statutory tax rate of 24% (2020: 24%)	104,115	785,179
Effect of income not subject to tax	(1,318,321)	(1,907,251)
Effect of expenses not deductible for tax purposes	1,229,074	1,145,179
Under/(over) provision in prior years	2,899	(1,574)
Tax expense for the year	<u>17,767</u>	<u>21,533</u>

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13. Dividends

	Company	
	2021	2020
	RM'000	RM'000
Dividends on ordinary shares:		
Interim single-tier dividend on 5,443,953,229 ordinary shares	2,000,000	1,000,000
Special single-tier dividend on 5,443,953,229 ordinary shares	-	1,000,000
	<u>2,000,000</u>	<u>2,000,000</u>

14. Cash and bank balances

	Company	
	2021	2020
	RM'000	RM'000
Cash on hand and at bank	161,630	196,564
Deposits with licensed banks	1,117,628	3,191,765
	<u>1,279,258</u>	<u>3,388,329</u>

15. Investment in money market instruments

Investment in money market instruments relates to short term commercial papers.

16. Other financial assets

Company	Current	Non-current	Total
	RM'000	RM'000	RM'000
2021			
Financial assets designated as fair value through profit or loss			
At fair value:			
Quoted shares outside Malaysia	1,781,842	-	1,781,842
Quoted equity funds outside Malaysia	1,644,179	-	1,644,179
Unquoted money market funds outside Malaysia	-	217,279	217,279
Unquoted bonds in Malaysia	107,463	488,637	596,100
	<u>3,533,484</u>	<u>705,916</u>	<u>4,239,400</u>

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16. Other financial assets (cont'd.)

Company (cont'd.)	Current RM'000	Non-current RM'000	Total RM'000
2021 (cont'd.)			
Loans receivable			
At amortised cost:			
Loans receivable	(i) -	2,330	2,330
	<u>-</u>	<u>2,330</u>	<u>2,330</u>
	<u>3,533,484</u>	<u>708,246</u>	<u>4,241,730</u>
2020			
Financial assets designated as fair value through profit or loss			
At fair value:			
Quoted shares outside Malaysia	1,792,203	-	1,792,203
Quoted equity funds outside Malaysia	1,550,092	-	1,550,092
Unquoted money market funds outside Malaysia	-	117,424	117,424
Unquoted bonds in Malaysia	25,231	141,523	166,754
	<u>3,367,526</u>	<u>258,947</u>	<u>3,626,473</u>
Financial assets designated as fair value through other comprehensive income			
At fair value:			
Quoted shares in Malaysia	-	130,000	130,000
Loans receivable			
At amortised cost:			
Loans receivable	(ii) -	718,869	718,869
Less: Allowance for impairment losses	(iii) -	(718,869)	(718,869)
	<u>-</u>	<u>-</u>	<u>-</u>
	<u>3,367,526</u>	<u>388,947</u>	<u>3,756,473</u>

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16. Other financial assets (cont'd.)

- (i) The loans receivable consist of amount due from a subsidiary which is unsecured, with 5% interest rate per annum for a period until 30 September 2025.
- (ii) The loans receivable consist of amount due from a subsidiary which is unsecured, interest free and has no fixed terms of repayment.
- (iii) A reconciliation of the allowance for impairment losses on loans receivable is as follows:

	Individually impaired	
	2021	2020
	RM'000	RM'000
At 1 January	718,869	1,131,445
Writeback for the year	-	(412,576)
Bad debt written off	(718,869)	-
At 31 December	<u>-</u>	<u>718,869</u>

Other than the loans receivable, the other financial assets above are neither past due nor impaired.

17. Other receivables

		Company	
	Note	2021	2020
		RM'000	RM'000
Interest income receivable		47,969	9,103
Deposits		2,760	2,759
Amount due from related companies	(i)	12,232	7,315
Amount due from MoF Inc.	(ii)	851,580	851,580
Others		1,740	1,045
		<u>916,281</u>	<u>871,802</u>

- (i) The amount due from related companies is unsecured, interest free and is repayable on demand.
- (ii) The amount due from MoF Inc. is unsecured, interest free and is repayable on demand.

During the year, the other receivables are neither past due nor impaired.

18. Tax recoverable

The tax recoverable relates to tax over-payment of tax based on the Company's tax submissions, which are still subject to Inland Revenue Board ("IRB") agreement.

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19. Interest in subsidiaries

	Company	
	2021	2020
	RM'000	RM'000
Unquoted shares in Malaysia		
- at cost	45,016,278	43,495,391
- at FVTPL	1,246,143	350,000
Unquoted shares outside Malaysia	2,218,698	2,683,610
	<u>48,481,119</u>	<u>46,529,001</u>
Less: Accumulated allowance for impairment losses	(25,997,542)	(25,730,536)
	<u>22,483,577</u>	<u>20,798,465</u>
Amount due from subsidiaries *	19,451,767	19,474,539
	<u>41,935,344</u>	<u>40,273,004</u>

* As the amount due from subsidiaries is, in substance, a part of the Company's net investments in the subsidiaries, it is stated at cost less accumulated impairment losses.

Details of the subsidiaries are shown in Note 77.

During the current financial year:

(a) Additional acquisition/subscription in existing subsidiaries

- (i) The Company subscribed to an additional 896,143,025 redeemable convertible cumulative secured loan stocks and 798,269,361 preference shares in Themed Attractions Resorts & Hotels Sdn. Bhd. ("TAR&H"), for a total cash consideration of RM1,694.41 million, resulting in the Company maintaining its equity interest of 100%. TAR&H, an unlisted company incorporated in Malaysia, is an investment holding company.
- (ii) The Company subscribed to an additional 29,720,249 ordinary shares in Malaysia Aviation Group Berhad ("MAGB"), for a total cash consideration of RM1,330.0 million. Government of Malaysia through Turus Pesawat Sdn. Bhd. ("TPSB") has converted the loan due from MAB Pesawat Sdn. Bhd. ("MABP") of RM5.3 billion into ordinary shares of MAGB, resulting in a dilution of the Company's equity interest to 86.6%. MAGB, an unlisted company incorporated in Malaysia, is an investment holding company.
- (iii) The Company subscribed to an additional 355,300,000 preference shares in Impeccable Vintage Properties Sdn. Bhd. ("IVP"), for a total consideration of RM355.3 million, resulting in the Company maintaining its equity interest of 100%. IVP, an unlisted company incorporated in Malaysia, is an investment holding company.

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19. Interest in subsidiaries (cont'd.)

(a) Additional acquisition/subscription in existing subsidiaries (cont'd.)

- (iv) The Company subscribed to an additional 1,711,599,318 preference shares in Kuala Selangor Ventures Sdn. Bhd. ("KSVSB"), for a total consideration of RM186.97 million, resulting in the Company maintaining its equity interest of 100%. KSVSB, an unlisted company incorporated in Malaysia, is an investment holding company.
- (v) The Company subscribed to an additional 158,800,000 preference shares in Teluk Rubiah Ventures Sdn. Bhd. ("TRVSB"), for a total consideration of RM158.8 million, resulting in the Company maintaining its equity interest of 100%. TRVSB, an unlisted company incorporated in Malaysia, is an investment holding company.
- (vi) The Company subscribed to an additional 102,531,728 preference shares in Khazanah Asset Management Sdn. Bhd. ("KAM"), for a total consideration of RM102.53 million, resulting in the Company maintaining its equity interest of 100%. KAM, an unlisted company incorporated in Malaysia, is an investment holding company.
- (vii) The Company subscribed to an additional 187,900,000 preference shares in Pantai Melawi Ventures Sdn. Bhd. ("Pantai Melawi"), for a total cash consideration of RM187.9 million, resulting in the Company maintaining its equity interest of 100%. Pantai Melawi, unlisted company incorporated in Malaysia, is an investment holding company.
- (viii) The Company subscribed to an additional 42,000,000 preference shares in Tanjung Bidara Ventures Sdn. Bhd. ("Tanjung Bidara"), for a total consideration of RM42.0 million, resulting in the Company maintaining its equity interest of 100%. Tanjung Bidara, an unlisted company incorporated in Malaysia, is an investment holding company.

(b) Disposal/divestment in existing subsidiary

- (i) On 26 July 2021, the Company had completed the disposal of its entire 100% equity interest in Silterra Malaysia Sdn. Bhd. ("Silterra") for a total cash consideration of RM273 million.

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19. Interest in subsidiaries (cont'd.)

(c) Special Purpose Vehicles ("SPVs")

Special purpose vehicles ("SPVs") are wholly-owned subsidiaries of the Company that have been set up to actively hold investments or as funding vehicles of the Company. The SPVs are disclosed in Note 77.

Certain financial statements' captions of the Company after including the assets and liabilities held through the SPVs as at 31 December are as follows:

	Extended Company	
	2021	2020
	RM'000	RM'000
Revenue #	5,352,857	8,364,466
Profit from operations*	670,275	2,896,651
Cash, bank balances and investment in money market	6,460,771	7,518,143
Other financial assets	32,243,346	28,923,875
Interest in subsidiaries	11,490,071	10,427,085
Interest in associates	32,446,617	32,560,607
Interest in joint ventures	598,805	440,790
Borrowings	48,478,318	43,066,017
Retained profits	15,119,471	16,675,194
Currency translation reserve	2,381,843	1,862,329
Fair value adjustment reserve	3,208,572	3,267,338
Capital contribution from shareholders	2,324,423	2,324,423
Total assets	84,821,552	81,887,709
Total liabilities	49,504,042	45,474,224

Revenue includes realised divestment gains from investments classified as fair value through other comprehensive income that was recycled to retained earnings upon divestment.

* Profit from operations consist of profit before tax and realised divestment gains.

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20. Interest in associates

	Company	
	2021	2020
	RM'000	RM'000
Shares at cost,		
Quoted shares in Malaysia	24,591,188	24,926,224
Unquoted shares in Malaysia	788,076	932,407
	<u>25,379,264</u>	<u>25,858,631</u>
Less: Accumulated allowance for impairment losses	(333)	(144,665)
	<u>25,378,931</u>	<u>25,713,966</u>
Market values of quoted shares in Malaysia	<u>50,407,529</u>	<u>48,032,400</u>

Details of the associates are shown in Note 77.

During the current financial year:

- (i) The Company elected to participate in the dividend reinvestment plan of CIMB Group Holdings Berhad ("CIMB"), resulting in the Company acquiring an additional 94,815,557 ordinary shares. The Company also disposed 170,803,776 ordinary shares of CIMB, for a total cash consideration of RM806.8 million. Pursuant to the disposal, the Company's equity interest in CIMB reduced to 25.72%. CIMB, a company incorporated in Malaysia, is listed on Bursa Malaysia Main Market and is involved in investment holding, financial services, property management, provision of consultancy services and dealing in securities.
- (ii) The Company disposed 53,800,000 ordinary shares of Telekom Malaysia Berhad ("TM"), for a total cash consideration of RM310.4 million. Pursuant to the disposal, the Company's equity interest in TM reduced to 20.11%. TM, a company incorporated in Malaysia, is listed on Bursa Malaysia Main Market and is involved in telecommunication and related services.

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21. Property and equipment

Company	Office equipment, furniture and fittings and computer equipment RM'000	Motor vehicles RM'000	Renovation and capital work-in- progress RM'000	Total RM'000
2021				
Cost				
At 1 January	33,456	1,463	28,411	63,330
Additions	179	-	10,448	10,627
Disposal	(7,146)	(1,463)	-	(8,609)
At 31 December	<u>26,489</u>	<u>-</u>	<u>38,859</u>	<u>65,348</u>
Accumulated depreciation				
At 1 January	26,893	1,463	24,749	53,105
Charge for the year	1,258	-	535	1,793
Disposal	(3,814)	(1,463)	-	(5,277)
At 31 December	<u>24,337</u>	<u>-</u>	<u>25,284</u>	<u>49,621</u>
Net carrying amount				
At 31 December	<u>2,152</u>	<u>-</u>	<u>13,575</u>	<u>15,727</u>
2020				
Cost				
At 1 January	49,578	1,463	31,977	83,018
Additions	4,120	-	7,342	11,462
Disposal	(20,242)	-	(10,908)	(31,150)
At 31 December	<u>33,456</u>	<u>1,463</u>	<u>28,411</u>	<u>63,330</u>
Accumulated depreciation				
At 1 January	25,364	1,414	31,977	58,755
Charge for the year	3,404	49	3,680	7,133
Disposal	(1,875)	-	(10,908)	(12,783)
At 31 December	<u>26,893</u>	<u>1,463</u>	<u>24,749</u>	<u>53,105</u>
Net carrying amount				
At 31 December	<u>6,563</u>	<u>-</u>	<u>3,662</u>	<u>10,225</u>

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22. Investment property

Company	2021 RM'000	2020 RM'000
Leasehold land		
Cost		
At 1 January	355,260	-
Additions	-	355,260
Disposal	(355,260)	-
At 31 December	<u>-</u>	<u>355,260</u>
Accumulated depreciation		
At 1 January	2,691	-
Charge for the year	6,118	2,691
Disposal	(8,809)	-
At 31 December	<u>-</u>	<u>2,691</u>
Net carrying amount	<u>-</u>	<u>352,569</u>
Fair value	<u>-</u>	<u>417,110</u>

The purchase consideration was offset against the inter-company amount due from Malaysia Aviation Group Berhad ("MAGB") to Khazanah.

The fair value of the investment property is determined by reference to the valuations provided by accredited independent valuers. Prior to disposal, the Company's investment property has a remaining lease tenure of 99 years.

The fair value of investment property is categorised as Level 3 under the fair value hierarchy, as the fair value is measured using inputs that are not based on observable data.

23. Computer software

Company	2021 RM'000	2020 RM'000
Cost		
At 1 January	12,612	12,434
Additions	708	178
Write off	(4,879)	-
At 31 December	<u>8,441</u>	<u>12,612</u>
Accumulated amortisation		
At 1 January	12,240	11,885
Charge for the year	229	355
Write off	(4,794)	-
At 31 December	<u>7,675</u>	<u>12,240</u>
Net carrying amount		
At 31 December	<u>766</u>	<u>372</u>

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23. Computer software (cont'd.)

Computer software relates to licence fees, professional fees and other directly attributable costs of preparing the asset for its intended use or for bringing the asset to its working condition.

24. Other payables

	Note	Company	
		2021 RM'000	2020 RM'000
Interest payable	(i)	413,558	404,183
Dividend payable		-	1,000,000
Amount due to related companies	(ii)	1,413,606	1,950,842
Other payables and accruals	(iii)	192,775	189,743
		<u>2,019,939</u>	<u>3,544,768</u>

The terms and conditions of the above liabilities are as follows:

- (i) Interest payable is normally settled quarterly, semi-annually or annually throughout the financial year, depending on the terms of the respective borrowings of the Company.
- (ii) The amount due to related companies is unsecured, interest free and is repayable on demand.
- (iii) Other payables and accruals are interest free and have an average term of 60 to 90 days (2020: average term of 60 to 90 days).

25. Borrowings

	Note	Short term RM'000	Company	
			Long term RM'000	Total RM'000
2021				
Khazanah Bonds - secured Exchangeable Trust	(a)	2,443,710	5,499,418	7,943,128
Certificates	(b)	-	3,283,747	3,283,747
Danga Capital Berhad	(c)	-	10,000,000	10,000,000
Danum Capital Berhad	(d)	900,000	7,500,000	8,400,000
Dua Capital Ltd	(e)	-	4,152,921	4,152,921
Rantau Abang Capital Berhad	(f)	1,500,000	3,000,000	4,500,000
Medium term notes	(g)	-	2,572,872	2,572,872
Term loans - unsecured	(h)	810,000	2,500,000	3,310,000
Revolving credit facilities	(i)	700,000	-	700,000
Ihsan Sukuk Berhad	(j)	100,000	100,000	200,000
		<u>6,453,710</u>	<u>38,608,958</u>	<u>45,062,668</u>

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25. Borrowings (cont'd.)

	Note	Short term RM'000	Company Long term RM'000	Total RM'000
2020				
Khazanah Bonds - secured Exchangeable Trust Certificates	(a)	2,284,364	7,593,551	9,877,915
Danga Capital Berhad	(b)	-	3,134,699	3,134,699
Danum Capital Berhad	(c)	2,983,568	8,000,000	10,983,568
Rantau Abang Capital Berhad	(d)	500,000	7,500,000	8,000,000
Medium term notes	(f)	-	4,500,000	4,500,000
Term loans - unsecured	(g)	-	2,562,114	2,562,114
Ihsan Sukuk Berhad	(h)	852,200	2,500,000	3,352,200
	(j)	-	200,000	200,000
		<u>6,620,132</u>	<u>35,990,364</u>	<u>42,610,496</u>

(a) Khazanah Bonds - secured

	Company	
	2021 RM'000	2020 RM'000
At 1 January	9,877,915	10,639,032
Amortisation of discounts for the year (Note 11)	365,213	438,883
Less: Redeemed during the year	<u>(2,300,000)</u>	<u>(1,200,000)</u>
At 31 December	<u>7,943,128</u>	<u>9,877,915</u>

On 29 May 2006, the Company launched a Government Guaranteed Bond programme of up to a total of RM20 billion in nominal value.

The details of the Khazanah Bonds are as follows:

- Issued under the Shariah principle of Musyarakah;
- Bear no coupon and shall be redeemed by the Company in full at their face value on the maturity dates;
- Subject to any written law, the Khazanah Bonds rank pari passu among themselves and equal with all other unsecured obligations (other than subordinated obligations and priorities created by law, if any) of the Government of Malaysia; and
- Are irrevocably guaranteed by the Government of Malaysia.

Khazanah Bonds of RM2.3 billion (2020: RM1.2 billion) was fully redeemed during the year.

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25. Borrowings (cont'd.)

(a) Khazanah Bonds - secured (cont'd.)

The maturity structure of Khazanah Bonds is as follows:

	Company	
	2021	2020
	RM'000	RM'000
Due within one year		
Zero coupon Khazanah bonds, at nominal value	2,500,000	2,300,000
Less: Unamortised discount *	(56,290)	(15,636)
	<u>2,443,710</u>	<u>2,284,364</u>
Due after one year, and within five years		
Zero coupon Khazanah bonds, at nominal value	4,500,000	7,000,000
Less: Unamortised discount *	(433,462)	(781,517)
	<u>4,066,538</u>	<u>6,218,483</u>
Due after five years		
Zero coupon Khazanah bonds, at nominal value	2,000,000	2,000,000
Less: Unamortised discount *	(567,120)	(624,932)
	<u>1,432,880</u>	<u>1,375,068</u>
	<u>7,943,128</u>	<u>9,877,915</u>
* The total unamortised discount is derived as follows:		
Total discount upon issuance	(7,819,164)	(7,819,164)
Total amortisation to date	6,762,292	6,397,079
Total unamortised discount at 31 December	<u>(1,056,872)</u>	<u>(1,422,085)</u>

(b) Exchangeable Trust Certificates ("ETC")

		Company	
	Note	2021	2020
		RM'000	RM'000
USD320.8 million 5-year ETC	(i)	1,286,777	1,229,987
USD500 million 5-year ETC	(ii)	1,996,970	1,904,712
		<u>3,283,747</u>	<u>3,134,699</u>

The maturity structure of the ETCs is as follows:

	Company	
	2021	2020
	RM'000	RM'000
Due after one year, and within five years	<u>3,283,747</u>	<u>3,134,699</u>

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25. Borrowings (cont'd.)

(b) Exchangeable Trust Certificates ("ETC") (cont'd.)

(i) USD320.8 million 5-year Exchangeable Trust Certificates

On 8 February 2018, the Company via an independent special purpose company, Cindai Capital Limited (the "Issuer"), issued a Shariah-compliant exchangeable trust certificates (the "Certificates").

The issuance comprise USD320.8 million 5-year Certificates with a put option on Year 3 and is exchangeable into ordinary shares of RMB1.00 each of CITIC Securities Co. Ltd. ("CITIC"), the Exchange Property, currently held by a subsidiary of the Company. The Certificates were priced at 100% of the principal amount at zero periodic payments and yield to optional/scheduled dissolution. Unless previously exchanged, redeemed, purchased or cancelled, the Certificates will be redeemed at 100.00% of their nominal amount on 8 February 2023 ("the Scheduled Dissolution Date").

Exchange Right

The Certificates are exchangeable for a pro-rata share of CITIC ordinary shares with par value of RMB1.00 each during the Exchange Period. Notwithstanding the Exchange Right, at any time when the delivery of Exchange Property is required to satisfy the Exchange Right, the Company has the option to purchase the Exchange Property for an amount equal to the Cash Settlement Amount.

The Exchange Property shall initially comprise 94,494,683 CITIC shares and include all Relevant Securities and other property arising out of or derived or resulting therefrom and such other property, in each case as may be deemed or required to comprise all or part of the Exchange Property pursuant to the Conditions, but excluding any such property as may or may be deemed to have ceased to form part of the Exchange Property.

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25. Borrowings (cont'd.)

(b) Exchangeable Trust Certificates ("ETC") (cont'd.)

(i) USD320.8 million 5-year Exchangeable Trust Certificates (cont'd.)

Exchange Right (cont'd.)

Following the dividends declared by CITIC during the Exchange Period which exceeded the reference amount as defined in the Conditions of the Certificates, further adjustments to the Exchange Property were made resulting in the Certificates holders being entitled to receive 294.5594 shares and HKD562.89 cash as capital distribution for each USD1,000 nominal value of Certificates effective 20 August 2021.

Each Certificateholder has the right ("Exchange Right") to exchange a Certificate at any time during the Exchange Period, beginning on and including 21 March 2018 and ending on and including the earlier to occur of:

- (a) the close of business on the date which falls 10 Business Days prior to the Scheduled Dissolution Date; or
- (b) if the Certificates shall have been called for dissolution prior to the Scheduled Dissolution Date, the close of business on the day which falls 10 Business Days prior to the date fixed for dissolution.

Redemption

USD3,108,000 in nominal value of the certificates have been redeemed on 8 February 2021.

This note to the financial statements should be read in conjunction with the conditions set out in the offering circular dated 5 February 2018 relating to the Certificates.

(ii) USD500 million 5-year Exchangeable Trust Certificates

On 8 August 2019, the Company via an independent special purpose company, Cerah Capital Limited (the "Issuer"), issued a Shariah-compliant exchangeable trust certificates (the "Certificates").

The issuance comprise USD500 million 5-year Certificates with a put option on Year 3 and is exchangeable into ordinary shares of RM1.00 each of CIMB Group Holdings Berhad ("CIMB"), the Exchange Property, currently held by Khazanah. The Certificates were priced at 100% of the principal amount at zero periodic payments and yield to optional/scheduled dissolution. Unless previously exchanged, redeemed, purchased or cancelled, the Certificates will be redeemed at 100.00% of their nominal amount on 8 August 2024 ("the Scheduled Dissolution Date").

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25. Borrowings (cont'd.)

(b) Exchangeable Trust Certificates ("ETC") (cont'd.)

(ii) USD500 million 5-year Exchangeable Trust Certificates (cont'd.)

Exchange Right

The Certificates are exchangeable for a pro-rata share of CIMB ordinary shares with par value of RM1.00 each during the Exchange Period. Notwithstanding the Exchange Right, at any time when the delivery of Exchange Property is required to satisfy the Exchange Right, the Company has the option to purchase the Exchange Property for an amount equal to the Cash Settlement Amount.

The Exchange Property initially comprise 335,702,654 CIMB shares and include all Relevant Securities and other property arising out of or derived or resulting therefrom and such other property, in each case as may be deemed or required to comprise all or part of the Exchange Property pursuant to the Conditions, but excluding any such property as may or may be deemed to have ceased to form part of the Exchange Property.

Following the dividends declared by CIMB during the Exchange Period which exceeded the reference amount as defined in the Conditions of the Certificates, further adjustments to the Exchange Property were made resulting in the Certificates holders being entitled to receive 717.0179 shares and RM83.00 cash as capital distribution for each USD1,000 nominal value of Certificates effective 27 October 2021.

Each Certificateholder has the right ("Exchange Right") to exchange a Certificate at any time during the Exchange Period, beginning on and including 18 September 2019 and:

- (a) up to a close of business on 25 July 2024; or
- (b) if the Certificates shall have been called for redemption prior to the Scheduled Dissolution Date, the close of business on the day which falls 10 Business Days prior to the date fixed for redemption.

Redemption

There were no redemptions made during the year.

This note to the financial statements should be read in conjunction with the conditions set out in the offering circular dated 5 August 2019 relating to the Certificates.

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25. Borrowings (cont'd.)

(c) Danga Capital Berhad ("Danga")

		Company	
	Note	2021 RM'000	2020 RM'000
Islamic Medium Term Note 1 ("IMTN 1")	(i)	1,500,000	1,500,000
Islamic Medium Term Note 3 ("IMTN 3")	(i)	1,500,000	1,500,000
Islamic Medium Term Note 4 ("IMTN 4")	(i)	1,500,000	1,500,000
Islamic Medium Term Note 5 ("IMTN 5")	(i)	1,500,000	1,500,000
Islamic Medium Term Note 6 ("IMTN 6")	(i)	2,000,000	2,000,000
Islamic Medium Term Note 7 ("IMTN 7")	(i)	500,000	-
Islamic Medium Term Note 8 ("IMTN 8")	(i)	1,500,000	-
Multicurrency Islamic Medium Term Note 2 ("MIMTN 2")	(ii)	-	2,983,568
		<u>10,000,000</u>	<u>10,983,568</u>

On 19 November 2008, the Securities Commission of Malaysia ("SC") approved a RM10 billion IMTN and MIMTN programme to be issued by the Company, via a special purpose vehicle, Danga Capital Berhad. The programme has a tenure of 35 years from the date of the first drawdown.

On 12 October 2015, the SC approved for the programme to be increased to RM20 billion.

The Company uses the proceeds for financing of general investments, refinancing of borrowings and working capital requirements.

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25. Borrowings (cont'd.)

(c) Danga Capital Berhad ("Danga") (cont'd.)

(i) Islamic Medium Term Notes ("IMTN")

The details of the IMTNs are as follows:

	IMTN 1	IMTN 3	IMTN 4	IMTN 5	IMTN 6	IMTN 7	IMTN 8
Issuance date	29-Jan-15	23-Feb-16	6-Sep-17	26-Jan-18	21-Mar-18	25-Jan-21	25-Jan-21
Maturity date	29-Jan-30	23-Feb-26	6-Sep-27	26-Jan-33	21-Sep-33	25-Jan-24	25-Jan-28
Tenure	15 years	10 years	10 years	15 years	15.5 years	3 years	3 years
Yield to maturity	4.88%	4.60%	4.52%	4.94%	5.02%	2.32%	2.96%
Nominal amount	RM1.5 billion	RM1.5 billion	RM1.5 billion	RM1.5 billion	RM2.0 billion	RM0.5 billion	RM1.5 billion

The IMTNs are unsecured and were issued at par.

The IMTNs will make periodic distribution at the profit rate every six months from the issuance to maturity.

The maturity structure of the IMTNs is as follows:

	Company	
	2021	2020
	RM'000	RM'000
Due after one year, and within five years	2,000,000	-
Due after five years	8,000,000	8,000,000
	<u>10,000,000</u>	<u>8,000,000</u>

(ii) Multicurrency Islamic Medium Term Notes ("MIMTN")

The details of the MIMTNs are as follows:

	MIMTN 1	MIMTN 2
Issuance date	11-Aug-10	1-Mar-16
Maturity date	11-Aug-20	1-Mar-21
Tenure	10 years	5 years
Profit rate	3.725%	3.035%
Nominal amount	SGD900 million	USD750 million

The MIMTNs are unsecured and were issued at par.

The MIMTNs will make periodic distribution at the profit rate every six months from the issuance to maturity.

Danga MIMTN2 of USD750 million were fully redeemed during the year.

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25. Borrowings (cont'd.)

(c) Danga Capital Berhad ("Danga") (cont'd.)

(ii) Multicurrency Islamic Medium Term Notes ("MIMTN") (cont'd.)

The maturity structure of the MIMTNs are as follows:

	Company	
	2021	2020
	RM'000	RM'000
Due within one year	-	2,983,568

(d) Danum Capital Berhad ("Danum")

	Company	
	2021	2020
	RM'000	RM'000
Islamic Medium Term Note 1 ("IMTN 1")	500,000	500,000
Islamic Medium Term Note 2 ("IMTN 2")	1,000,000	1,000,000
Islamic Medium Term Note 3 ("IMTN 3")	2,000,000	2,000,000
Islamic Medium Term Note 4 ("IMTN 4")	500,000	500,000
Islamic Medium Term Note 5 ("IMTN 5")	1,500,000	1,500,000
Islamic Medium Term Note 6 ("IMTN 6")	-	500,000
Islamic Medium Term Note 7 ("IMTN 7")	500,000	500,000
Islamic Medium Term Note 8 ("IMTN 8")	500,000	500,000
Islamic Medium Term Note 9 ("IMTN 9")	1,000,000	1,000,000
Islamic Medium Term Note 10 ("IMTN 10")	400,000	-
Islamic Medium Term Note 11 ("IMTN 11")	500,000	-
	<u>8,400,000</u>	<u>8,000,000</u>

On 14 February 2019, the SC approved a RM10 billion Sukuk financing to be issued by the Company, via a special purpose vehicle, Danum Capital Berhad. The programme has a tenure of 15 years from the date of the first drawdown.

The Company uses the proceeds for financing of general investments, refinancing of borrowings and working capital requirements.

The details of the Sukuk financing are as follows:

	IMTN 1	IMTN 2	IMTN 3	IMTN 4	IMTN 5	IMTN 6	IMTN 7	IMTN 8	IMTN 9	IMTN 10	IMTN 11
Issuance date	14-Feb-19	14-Feb-19	9-May-19	21-Feb-20	21-Feb-20	15-Apr-20	13-May-20	13-May-20	13-May-20	9-Mar-21	21-Apr-21
Maturity date	13-Feb-26	14-Feb-34	9-May-23	21-Feb-25	21-Feb-35	16-Apr-21	13-May-25	13-May-27	13-May-30	10-Mar-22	22-Apr-22
Tenure	7 years	15 years	4 years	5 years	15 years	1 year	5 years	7 years	10 years	1 year	1 year
Yield to maturity	4.30%	4.68%	3.96%	3.07%	3.42%	2.64%	2.97%	3.14%	3.29%	2.12%	2.24%
Nominal amount	RM0.5 billion	RM1.0 billion	RM2.0 billion	RM0.5 billion	RM1.5 billion	RM0.5 billion	RM0.5 billion	RM0.5 billion	RM1.0 billion	RM0.4 billion	RM0.5 billion

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25. Borrowings (cont'd.)

(d) Danum Capital Berhad ("Danum") (cont'd.)

The Sukuk financing are unsecured and were issued at par.

The Sukuk financing will make periodic distribution at the profit rate every six months from the issuance to maturity.

During the year, the Company issued IMTN 10 and IMTN 11 for investment, refinancing of borrowings and general working capital requirements.

Danum IMTN6 of RM500 million was fully redeemed during the year.

The maturity structure of the IMTNs is as follows:

	Company	
	2021	2020
	RM'000	RM'000
Due within one year	900,000	500,000
Due after one year, and within five years	3,500,000	3,000,000
Due after five years	4,000,000	4,500,000
	<u>8,400,000</u>	<u>8,000,000</u>

(e) Dua Capital Ltd. ("Dua")

	Company	
	2021	2020
	RM'000	RM'000
Islamic Medium Term Note 1 ("IMTN 1")	1,661,160	-
Islamic Medium Term Note 2 ("IMTN 2")	2,491,761	-
	<u>4,152,921</u>	<u>-</u>

On 11 May 2021, the Company has issued a dual-tranche Sukuk comprising a 5-year USD400 million in nominal value Sukuk due 2026 and a 10-year USD600 million in nominal value Sukuk due 2031 via a special purpose vehicle, Dua Capital Ltd.

The Company will use the proceeds for financing of general investments, refinancing of borrowings and working capital requirements.

The details of the Sukuk financing are as follows:

	IMTN 1	IMTN 2
Issuance date	11-May-21	11-May-21
Maturity date	11-May-26	11-May-31
Tenure	5 years	10 years
Yield to maturity	1.66%	2.78%
Nominal amount	USD0.4 billion	USD0.6 billion

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25. Borrowings (cont'd.)

(e) Dua Capital Ltd. ("Dua") (cont'd.)

The Sukuk financing are unsecured and were issued at par.

The Sukuk financing will make periodic distribution at the profit rate every six months from the issuance to maturity.

The maturity structure of the Sukuk financing is as follows:

	2021	2020
	RM'000	RM'000
Due within one year	-	-
Due after one year, and within five years	1,661,160	-
Due after five years	2,491,761	-
	<u>4,152,921</u>	<u>-</u>

(f) Rantau Abang Capital Berhad ("RACB")

	Company	
	2021	2020
	RM'000	RM'000
Medium Term Note 1 ("MTN 1")	1,000,000	1,000,000
Medium Term Note 2 ("MTN 2")	1,000,000	1,000,000
Medium Term Note 4 ("MTN 4")	1,500,000	1,500,000
Medium Term Note 6 ("MTN 6")	1,000,000	1,000,000
	<u>4,500,000</u>	<u>4,500,000</u>

On 24 February 2006, the SC approved a RM7 billion Sukuk financing to be issued by the Company, via a special purpose vehicle, Rantau Abang Capital Berhad. The programme has a tenure of 35 years from the date of the first drawdown.

The Company will use the proceeds for financing of general investments, refinancing of borrowings and working capital requirements.

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25. Borrowings (cont'd.)

(f) Rantau Abang Capital Berhad ("RACB") (cont'd.)

The details of the Sukuk financing are as follows:

	MTN 1	MTN 2	MTN 4	MTN 5	MTN 6
Issuance date	12-May-11	26-Mar-14	19-Oct-15	3-Dec-15	17-Jan-17
Maturity date	12-May-31	26-Mar-29	19-Oct-22	3-Dec-20	17-Jan-32
Tenure	20 years	15 years	7 years	5 years	15 years
Yield to maturity	5.05%	5.20%	4.57%	4.30%	5.00%
Nominal amount	RM1.0 billion	RM1.0 billion	RM1.5 billion	RM1.0 billion	RM1.0 billion

The Sukuk financing are unsecured and were issued at par.

The Sukuk financing will make periodic distribution at the profit rate every six months from the issuance to maturity.

No new issuance and redemption made during the year.

The maturity structure of the Sukuk financing is as follows:

	2021 RM'000	2020 RM'000
Due within one year	1,500,000	-
Due after one year, and within five years	-	1,500,000
Due after five years	3,000,000	3,000,000
	<u>4,500,000</u>	<u>4,500,000</u>

(g) Medium term notes ("MTN")

On 30 January 2020, the Company has issued a medium term notes ("MTN") with nominal value of RM 2.9 billion. The MTN has a tenure of 20 years.

The details of the MTN is as follows:

Issuance date	30-Jan-20
Maturity date	30-Jan-40
Tenure	20 years
Profit rate	4.137%
Nominal amount	RM2,901 million

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25. Borrowings (cont'd.)

(g) Medium term notes ("MTN") (cont'd.)

The maturity structure of the MTN is as follows:

	2021 RM'000	2020 RM'000
Due after five years		
MTN at nominal value	2,901,000	2,901,000
Less: Unamortised discount	(328,128)	(338,886)
	<u>2,572,872</u>	<u>2,562,114</u>

(h) Term loans - unsecured

	Short term RM'000	Company Long term RM'000	Total RM'000
2021			
Unsecured fixed term loans	<u>810,000</u>	<u>2,500,000</u>	<u>3,310,000</u>
2020			
Unsecured fixed term loans	<u>852,200</u>	<u>2,500,000</u>	<u>3,352,200</u>

The unsecured fixed term loans bear interest ranging between 2.35% to 4.641% (2020: 2.99% to 4.641%) per annum.

The maturity structure of the term loans are as follows:

	Company 2021 RM'000	2020 RM'000
Due within one year	810,000	852,200
Due after one year, and within five years	2,500,000	-
Due after five years	-	2,500,000
	<u>3,310,000</u>	<u>3,352,200</u>

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25. Borrowings (cont'd.)

(i) Revolving credit facility

The Company utilised RM0.7 billion in nominal value under the existing banking facilities of RM4.5 billion for a period of one month during the year.

The Company used the proceeds for Khazanah's investment and general working capital requirements.

The revolving credit bears interest ranging from 2.33% to 2.47% per annum.

The maturity structure of the revolving credit is as follows:

	Company	
	2021	2020
	RM'000	RM'000
Due within one year	700,000	-

(j) Ihsan Sukuk Berhad

	Company	
	2021	2020
	RM'000	RM'000
Medium Term Note 1 ("MTN 1")	100,000	100,000
Medium Term Note 2 ("MTN 2")	100,000	100,000
	<u>200,000</u>	<u>200,000</u>

On 11 March 2015, the SC approved a RM1 billion in nominal value, Sukuk Programme to be established under the Sustainable and Responsible Investment Sukuk framework ("Sukuk Programme") to be issued by the Company, via a special purpose vehicle, Ihsan Sukuk Berhad. The programme has a tenure of 25 years from the date of the first issuance under the Sukuk Programme.

The Company will use the proceeds for the purpose of funding Shariah-compliant Eligible Sustainable and Responsible Investment.

The details of the Ihsan Sukuk are as follows:

	MTN 1	MTN 2
Issuance date	18-Jun-15	8-Aug-17
Maturity date	18-Jun-22	8-Aug-24
Tenure	7 years	7 years
Profit rate	4.30%	4.60%
Nominal amount	RM100 million	RM100 million

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25. Borrowings (cont'd.)

(j) Ihsan Sukuk Berhad (cont'd.)

The Ihsan Sukuk are unsecured and issued at par. The proceeds were utilised to fund Yayasan Amir Trust Schools Programme ("Yayasan Amir"). Yayasan Amir is a not-for-profit foundation established on 26 October 2010 to improve accessibility to quality education in government schools through a Public-Private-Partnership with the Ministry of Education of Malaysia.

MTN 1

The Ihsan Sukuk will make annual distribution at the profit rate from the issuance to maturity. In relation to the repayment of the Principal, the Company shall reduce the amount to be repaid by 6.22% (by redeeming the Ihsan Sukuk at 93.78%) in the event Yayasan Amir meets its key performance indicators ("KPIs") pursuant to the conditions of the Ihsan Sukuk.

This note to the financial statements should be read in conjunction with the conditions set out in the information memorandum dated 11 June 2015 relating to the Ihsan Sukuk.

MTN 2

The Ihsan Sukuk will make annual distribution at the profit rate from the issuance to maturity. In relation to the repayment of the Principal, the Company shall reduce the amount to be repaid by 3.18% (by redeeming the Ihsan Sukuk at 96.82%) in the event Yayasan Amir meets its key performance indicators ("KPIs") pursuant to the conditions of the Ihsan Sukuk.

This note to the financial statements should be read in conjunction with the conditions set out in the prospectus dated 13 July 2017 relating to the Ihsan Sukuk.

The First and Second Sukuk Ihsan Sukukholders may exercise their option to waive the repayment of the principal and profit of the IMTNs at any time during the tenure of the First and Second Sukuk Ihsan.

The potential reduction to the dissolution distribution amount and the potential waiver above give rise to embedded derivative. The embedded derivative cannot be reliably measured thus bifurcated and carried at RMNil due to the uncertainty in determining the ability of Yayasan Amir to meet the KPIs.

The maturity structure of the Ihsan Sukuk financing is as follows:

	Company	
	2021 RM'000	2020 RM'000
Due within one year	100,000	-
Due after one year, and within five years	100,000	200,000
	<u>200,000</u>	<u>200,000</u>

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25. Borrowings (cont'd.)

The movement in the borrowings are as follows:

	Company	
	2021 RM'000	2020 RM'000
At 1 January	42,610,496	45,769,258
Drawdown	9,328,121	8,903,451
Repayment	(7,460,816)	(12,452,233)
Redemption of Exchangeable Trust Certificates	(12,907)	-
Unrealised loss/(gain) on foreign exchange	232,561	(48,863)
Amortisation of discounts on Khazanah Bonds (Note 25(a))	365,213	438,883
	<u>45,062,668</u>	<u>42,610,496</u>

26. Derivative financial instruments

	Company	
	Nominal RM'000	Liability RM'000
2021		
Non-hedging derivative: Embedded derivatives		
Long term	<u>3,283,748</u>	<u>166,587</u>
2020		
Non-hedging derivative: Embedded derivatives		
Long term	<u>3,134,699</u>	<u>128,409</u>

Embedded derivative liabilities

The Company, via special purpose vehicles, issued Exchangeable Trust Certificates, as described in Note 25(b). The embedded derivatives represent the fair value of:

- (i) the option provided to certificate holders to convert into ordinary shares of the underlying assets ("Exchange Property"); and
- (ii) the cash settlement option that the Company has to redeem the Exchangeable Trust Certificates.

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27. Ordinary and preference shares

Issued and fully paid-up:

	Number of ordinary shares		Amount	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
At 1 January	5,443,953	5,443,953	12,283,201	12,283,201
Redeemed out of profits	-	-	1,000	-
At 31 December	<u>5,443,953</u>	<u>5,443,953</u>	<u>12,284,201</u>	<u>12,283,201</u>

Issued and fully paid-up:

	Number of RCCPS		Amount	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
At 1 January	1,000	1,000	1,000	1,000
Redemption of RCCPS	(1,000)	-	(1,000)	-
At 31 December	<u>-</u>	<u>1,000</u>	<u>-</u>	<u>1,000</u>
Total ordinary and preference shares	<u>5,443,953</u>	<u>5,444,953</u>	<u>12,284,201</u>	<u>12,284,201</u>

The salient terms of the RCCPS are as follows:

- Under the Companies Act, 2016 in Malaysia which came into effect on 31 January 2017, the concept of authorised share capital no longer exists.
- In accordance with Section 74 of the Companies Act, 2016, the Company's RCCPS no longer have a par or nominal value with effect from 31 January 2017. Pursuant to Section 618 of the Companies Act, 2016, the amount standing to the credit of the Company's share premium became part of the Company's share capital. There is no impact on the numbers of RCCPS in issue or the relative entitlement of any of the members of the Company.
- The RCCPS shall carry a variable dividend whereby the dividend rate and the payment of which shall be payable at the option of the Company. If dividend is not paid, any part of that dividend will be accumulated until such time as the Company is in a position to declare any such dividend at its discretion;
- The RCCPS shall rank for dividend in priority to the ordinary shares;
- Redemption of the RCCPS shall be at the discretion of the Company and shall be redeemed at the par value;
- Conversion of the RCCPS shall be at the discretion of the Company at any time after the issuance of the RCCPS;

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27. Ordinary and preference shares (cont'd.)

The salient terms of the RCCPS are as follows: (cont'd.)

- (g) The RCCPS will be convertible into new ordinary shares of the Company for a value of RM1 per RCCPS where the number of new ordinary shares shall be calculated based on the last available/audited realisable asset value of the Company at the time of conversion provided that the conversion price for each unit of RCCPS shall not fall below the par value of the ordinary shares of RM1 each;
- (h) Prior to the conversion of the RCCPS, the RCCPS holder would not have the right to vote at any general meeting of the Company;
- (i) The maturity dates of the RCCPS are as follows:

	2021 RM'000	2020 RM'000
7 March 2021	-	1,000

- (j) The Company has redeemed the RCCPS during the year.

28. Financial instruments by category

31 December 2021

	Amortised cost RM'000	Financial assets designated as fair value through profit or loss RM'000	Financial assets designated as fair value through OCI RM'000	Total RM'000
Financial assets				
Cash and bank balances	1,279,258	-	-	1,279,258
Other financial assets	2,330	4,239,400	-	4,241,730
Other receivables	916,281	-	-	916,281
Investment in money market instruments	34,896	-	-	34,896
Total	2,232,765	4,239,400	-	6,472,165

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28. Financial instruments by category (cont'd.)**31 December 2021 (cont'd.)**

	Financial liabilities designated as fair value through profit or loss RM'000	Financial liabilities at amortised cost RM'000	Total RM'000
Financial liabilities			
Borrowings	-	45,062,668	45,062,668
Derivative liabilities	166,587	-	166,587
Other payables	-	2,019,939	2,019,939
Total	166,587	47,082,607	47,249,194

31 December 2020

	Amortised cost RM'000	Financial assets designated as fair value through profit or loss RM'000	Financial assets designated as fair value through OCI RM'000	Total RM'000
Financial assets				
Cash and bank balances	3,388,329	-	-	3,388,329
Other financial assets	-	3,626,473	130,000	3,756,473
Other receivables	871,802	-	-	871,802
Investment in money market instruments	64,921	-	-	64,921
Total	4,325,052	3,626,473	130,000	8,081,525

	Financial liabilities designated as fair value through profit or loss RM'000	Financial liabilities at amortised cost RM'000	Total RM'000
Financial liabilities			
Borrowings	-	42,610,496	42,610,496
Derivative liabilities	128,409	-	128,409
Other payables	-	3,544,768	3,544,768
Total	128,409	46,155,264	46,283,673

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29. Fair values

(a) Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value

	2021		2020	
	Carrying amount RM'000	Fair value RM'000	Carrying amount RM'000	Fair value RM'000
Financial liabilities				
Khazanah Bonds	7,943,128	8,277,853	9,877,915	10,536,934
Exchangeable Trust Certificates	3,450,334	3,379,220	3,263,108	3,284,108
Islamic Medium Term Notes				
- Danga	10,161,307	11,118,342	11,120,056	9,705,033
- Danum	8,473,458	8,720,471	8,072,526	8,723,605
- Dua	4,166,367	3,988,001	-	-
- RACB	4,557,199	4,559,021	4,557,199	4,559,629
- Ihsan Sukuk	204,124	204,286	204,111	204,209
Medium Term Notes	2,623,095	3,272,182	2,612,337	3,630,485
Term loans - unsecured	3,362,596	3,503,721	3,405,378	3,648,213
Revolving credit facility	701,341	701,318	-	-

For the purpose of comparability, the above carrying amounts include the following:

- (i) Exchangeable Trust Certificates include carrying amount of related embedded derivative liabilities.
- (ii) For interest-bearing financial liabilities, interest payable as at reporting date is included.

(b) Determination of fair value

(i) Cash and cash equivalents, receivables and payables

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair value due either to their short term nature or are repayable on demand.

(ii) Quoted shares

The fair value of quoted shares is determined directly by reference to their published market bid price at the reporting date.

(iii) Financial assets designated as fair value through profit and loss

The fair value of unquoted bonds, funds and structured products are based on the indicative fair values obtained from Bond Pricing Agency of Malaysia, Bloomberg and/or respective licensed banks.

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29. Fair values (cont'd.)

(b) Determination of fair value (cont'd.)

(iv) Investment property

The fair value of the investment property is determined by reference to the valuations provided by accredited independent valuers. As at the reporting date, the Company's investment property has a remaining lease tenure of 99 years.

(v) Loans receivable

The fair value of loans receivable are estimated by discounting the estimated future cash flows using current interest rates for financial assets with similar risk profile.

(vi) Embedded derivatives

The fair value of embedded derivatives are valued using the Black Scholes model with market observable inputs. The model incorporates various inputs including closing market prices of underlying shares, foreign exchange spot rates and market interest rates.

(vii) Periodic Payment Exchangeable Trust Certificates

The fair value of Periodic Payment Exchangeable Trust Certificates is determined directly by reference to their published market ask price at the reporting date.

(viii) Other loans and borrowings

The carrying amount of the current portion of other loans and borrowings are reasonable approximations of fair value due to the insignificant impact of discounting.

The carrying amount of certain other loans and borrowings are reasonable approximations of fair value as they are floating rate instruments that are re-priced to market interest rates near the reporting date.

The fair value of non-current other loans and borrowings, other than floating rate instruments, are estimated by discounting expected future cash flows at market incremental lending rate for similar types of borrowing at the reporting date.

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29. Fair values (cont'd.)

(c) Fair value measurement hierarchy

Quantitative disclosures fair value measurement hierarchy for asset and liabilities as at 31 December 2021:

Assets and liabilities measured at fair value	Carrying amount RM'000	Fair value measurement using		
		Quoted market price Level 1 RM'000	Observable input Level 2 RM'000	Unobservable input Level 3 RM'000
Financial assets				
Financial assets designated as fair value through profit or loss				
- Quoted shares	1,781,842	1,781,842	-	-
- Quoted equity funds	1,644,179	1,644,179	-	-
- Unquoted money market funds	217,279	-	217,279	-
- Unquoted bonds	596,100	-	596,100	-
Financial liability				
Embedded derivatives	166,587	-	166,587	-
Assets and liabilities for which fair values are disclosed				
Assets				
Investments in associates				
- Quoted shares	24,591,188	50,407,529	-	-

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29. Fair values (cont'd.)

(c) Fair value measurement hierarchy (cont'd.)

Quantitative disclosures fair value measurement hierarchy for asset and liabilities as at 31 December 2021: (cont'd.)

Assets and liabilities for which fair values are disclosed	Carrying amount RM'000	Fair value measurement using		
		Quoted market price Level 1 RM'000	Observable input Level 2 RM'000	Unobservable input Level 3 RM'000
Liabilities				
Khazanah Bonds	7,943,128	-	8,277,853	-
Exchangeable Trust Certificates	3,450,334	3,379,220	-	-
Islamic Medium Term Notes				
- Danga	10,161,307	-	11,118,342	-
- Danum	8,473,458	-	8,720,471	-
- Dua	4,166,367	-	3,988,001	-
- RACB	4,557,199	-	4,559,021	-
- Ihsan Sukuk	204,124	-	204,286	-
Medium Term Notes	2,623,095	-	3,272,182	-
Term loans				
- unsecured	3,362,596	-	3,503,721	-

Quantitative disclosures fair value measurement hierarchy for asset and liabilities as at 31 December 2020:

Assets and liabilities measured at fair value	Carrying amount RM'000	Fair value measurement using		
		Quoted market price Level 1 RM'000	Observable input Level 2 RM'000	Unobservable input Level 3 RM'000
Financial assets				
Financial assets designated as fair value through profit or loss				
- Quoted shares	1,792,203	1,792,203	-	-
- Quoted equity funds	1,550,092	1,550,092	-	-
- Unquoted money market funds	117,424	-	117,424	-
- Unquoted bonds	166,754	-	166,754	-

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29. Fair values (cont'd.)

(c) Fair value measurement hierarchy (cont'd.)

Quantitative disclosures fair value measurement hierarchy for asset and liabilities as at 31 December 2020: (cont'd.)

Assets and liabilities measured at fair value (cont'd.)	Carrying amount RM'000	Fair value measurement using		
		Quoted market price Level 1 RM'000	Observable input Level 2 RM'000	Unobservable input Level 3 RM'000
Financial assets designated as fair value through other comprehensive income				
- Quoted shares	130,000	130,000	-	-
Financial liability				
Embedded derivatives	128,409	-	128,409	-
Assets and liabilities for which fair values are disclosed				
Assets				
Investment property	352,569	-	-	417,110
Investments in associates				
- Quoted shares	24,926,224	48,032,400	-	-
Liabilities				
Khazanah Bonds	9,877,915	-	10,536,934	-
Exchangeable Trust Certificates	3,263,108	3,284,108	-	-
Islamic Medium Term Notes				
- Danga	11,120,056	-	9,705,033	-
- Danum	8,072,526	-	8,723,605	-
- RACB	4,557,199	-	4,559,629	-
- Ihsan Sukuk	204,111	-	204,209	-
Medium Term Notes	2,612,337		3,630,485	
Term loans -unsecured	3,405,378	-	3,648,213	-

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30. Financial risk management objectives and policies

The Company is exposed to financial risks arising from its operations and the use of the financial instruments. The key financial risks include interest rate, foreign currency, equity price, credit and liquidity risks.

The Company has an approved set of guidelines and policies as well as internal controls which set out its overall business strategies to manage these risks. The Company's overall financial risk management objective is to enhance shareholders' value through effective management of the Company's risks.

The Board of Directors reviews and agrees policies and procedures for the management of these risks. The following sections provide details regarding the Company's exposure to the abovementioned financial risks and the objectives, policies and processes for the management of these risks.

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's term loans with floating interest rates.

The Company actively manages its interest rate risk by maintaining an interest cover ratio of at least one and a half times.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of borrowings. With all other variables held constant, the table below summarises the Company's exposure to interest rate risk on floating rate borrowings. There is no impact on the Company's equity.

	Effect on profit or loss RM'000
2021	
Increase in 25 basis points	(3,775)
Decrease in 25 basis points	<u>3,775</u>
2020	
Increase in 25 basis points	(2,131)
Decrease in 25 basis points	<u>2,131</u>

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30. Financial risk management objectives and policies (cont'd.)

(a) Interest rate risk (cont'd.)

Interest rate sensitivity (cont'd.)

The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

Weighted average interest rate and average maturity

(i) Financial assets

The weighted average interest rates per annum and the average remaining maturity of deposits as at 31 December were as follows:

	2021		2020	
	Weighted average interest rates %	Average days to maturity	Weighted average interest rates %	Average days to maturity
Licensed banks	1.87	19	2.32	34

(ii) Financial liabilities

The interest rates per annum and the remaining maturity of borrowings and term loans as at 31 December were as follows:

	2021		2020	
	Interest rates %	Years to maturity	Interest rates %	Years to maturity
Term loans	2.35 to 4.64	0.21 to 3.06	2.99 to 4.64	0.21 to 4.06
Bonds and notes	1.66 to 5.20	0.19 to 18.09	2.64 to 5.33	0.15 to 19.09

(b) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company maintains a natural hedge, whenever possible, by borrowing in the currency of the country in which investments are located or by borrowing in currencies that match the future revenue stream to be generated from the investments.

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30. Financial risk management objectives and policies (cont'd.)

(b) Foreign currency risk (cont'd.)

During the year, the currencies in which the Company mainly transacted in other than its functional currency of Ringgit Malaysia ("RM") were United States Dollars ("USD"), Singapore Dollar ("SGD") and Chinese Renminbi ("CNY"). This is mainly due to the other investments, cash and bank balances and borrowings. The natural hedge strategy was maintained as the proceeds from the floating term loan, ETCs and MIMTN were used for investments in USD and SGD respectively.

Foreign currency sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in the USD, SGD and CNY exchange rates, with all other variables held constant, of the Company's profit before tax (due to changes in the fair value of monetary assets and liabilities). The Company's exposure to foreign currency changes for all other currencies is not material.

	Changes in rate	Effect on profit or loss RM'000
2021		
USD/RM - Strengthened	5%	(380,000)
USD/RM - Weakened	5%	380,000
SGD/RM - Strengthened	5%	-
SGD/RM - Weakened	5%	-
CNY/RM - Strengthened	5%	189,000
CNY/RM - Weakened	5%	(189,000)
2020		
USD/RM - Strengthened	5%	(312,000)
USD/RM - Weakened	5%	312,000
SGD/RM - Strengthened	5%	-
SGD/RM - Weakened	5%	-
CNY/RM - Strengthened	5%	181,000
CNY/RM - Weakened	5%	(181,000)

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30. Financial risk management objectives and policies (cont'd.)

(c) Equity price risk

The Company's quoted equity securities are susceptible to market price risk arising from the uncertainties on future values of the investment securities. The Company manages the equity price risk through diversification and placing limits on individual and total equity instruments. Reports on the equity portfolio monitoring are submitted to the Company's senior management on a regular basis. The Company's Board of Directors reviews and approves all equity investment decisions.

Equity price sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in the equity price, with all other variables held constant, of the Company's equity investments (due to changes in the fair value of financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss).

	Effect on equity RM'000	Effect on profit or loss RM'000
2021		
Increase of 10% in equity price	-	407,300
Decrease of 10% in equity price	-	(407,300)
	<hr/>	<hr/>
2020		
Increase of 10% in equity price	13,000	349,800
Decrease of 10% in equity price	(13,000)	(349,800)
	<hr/>	<hr/>

(d) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Company's exposure to credit risk arises primarily from loan receivables. For other financial assets (including investments in bonds, money market instruments and cash and deposits with banks) the Company minimises credit risk by dealing exclusively with high credit rating counterparties.

At the reporting date, the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position, including derivatives with positive fair value.

30. Financial risk management objectives and policies (cont'd.)

(d) Credit risk (cont'd.)

Financial assets that are neither past due nor impaired

Information regarding the financial assets that are neither past due nor impaired is disclosed in Note 16 and Note 17. Investments in money market instruments and cash and deposits with licensed banks are neither past due nor impaired as these are placed with or entered into with reputable financial institutions with high credit ratings and no history of default.

Financial assets that are either past due or impaired

Information regarding the financial assets that are either past due or impaired is disclosed in Note 16 and Note 17.

(e) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Company's exposure to liquidity risk arises from mismatches of the maturities of financial assets and liabilities.

The Company actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all refinancing, repayment and funding needs are met. As part of its overall prudent liquidity management, the Company maintains a portfolio of highly liquid assets to meet its working capital and investment requirements.

In addition, the Company maintains a balanced and flexible funding structure through the use of credit facilities, short and long term borrowings. Short term flexibility is achieved through credit facilities and short term borrowings. As far as possible, the Company raises committed funding from both capital markets and financial institutions and prudently balances its portfolio with certain short term funding so as to achieve overall cost effectiveness.

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30. Financial risk management objectives and policies (cont'd.)

(e) Liquidity risk (cont'd.)

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted repayment obligations.

	On demand RM'000	Less than 3 months RM'000	3 to 12 months RM'000	1 to 5 years RM'000	More than 5 years RM'000	Total RM'000
31 December 2021						
Non-interest bearing financial liabilities						
Amount due to related companies	1,413,606	-	-	-	-	1,413,606
Other payables and accruals	-	192,775	-	-	-	192,775
Khazanah Bonds - secured	-	-	2,500,000	4,500,000	2,000,000	9,000,000
Exchangeable Trust Certificates ("ETC") #	-	-	-	3,283,747	-	3,283,747
	<u>1,413,606</u>	<u>192,775</u>	<u>2,500,000</u>	<u>7,783,747</u>	<u>2,000,000</u>	<u>13,890,128</u>
Interest bearing financial liabilities *						
Islamic Medium Term Notes						
- Danga	-	221,111	219,235	3,700,638	9,576,362	13,717,346
- Danum	-	471,519	715,382	4,276,856	4,910,881	10,374,638
- Dua	-	-	96,810	2,034,590	2,803,389	4,934,789
- RACB	-	51,000	1,670,050	610,000	3,632,250	5,963,300
- Ihsan Sukuk	-	-	108,876	109,213	-	218,089
Medium Term Notes	-	60,007	60,007	420,050	4,581,201	5,121,265
Fixed term loans	-	872,865	57,536	2,790,857	-	3,721,258
	<u>-</u>	<u>1,676,502</u>	<u>2,927,896</u>	<u>13,942,204</u>	<u>25,504,083</u>	<u>44,050,685</u>
Total undiscounted financial liabilities	<u>1,413,606</u>	<u>1,869,277</u>	<u>5,427,896</u>	<u>21,725,951</u>	<u>27,504,083</u>	<u>57,940,813</u>

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30. Financial risk management objectives and policies (cont'd.)

(e) Liquidity risk (cont'd.)

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted repayment obligations. (cont'd.)

	On demand RM'000	Less than 3 months RM'000	3 to 12 months RM'000	1 to 5 years RM'000	More than 5 years RM'000	Total RM'000
31 December 2020						
Non-interest bearing financial liabilities						
Amount due to related companies	1,950,842	-	-	-	-	1,950,842
Other payables and accruals	-	189,743	-	-	-	189,743
Khazanah Bonds - secured	-	-	2,300,000	7,000,000	2,000,000	11,300,000
Exchangeable Trust Certificates ("ETC") #	-	-	-	3,300,232	-	3,300,232
	<u>1,950,842</u>	<u>189,743</u>	<u>2,300,000</u>	<u>10,300,232</u>	<u>2,000,000</u>	<u>16,740,817</u>
Interest bearing financial liabilities *						
Islamic Medium Term Notes						
- Danga	-	3,253,840	191,406	1,540,484	9,859,065	14,844,795
- Danum	-	68,399	716,906	4,407,212	5,057,581	10,250,098
- RACB	-	51,000	170,050	2,178,550	3,784,750	6,184,350
- Ihsan Sukuk	-	-	8,938	218,076	-	227,014
Medium Term Notes	-	60,007	60,007	480,057	4,641,208	5,241,279
Fixed term loans	-	106,972	57,536	2,906,882	-	3,071,390
	<u>-</u>	<u>3,540,218</u>	<u>1,204,843</u>	<u>11,731,261</u>	<u>23,342,604</u>	<u>39,818,926</u>
Total undiscounted financial liabilities	<u>1,950,842</u>	<u>3,729,961</u>	<u>3,504,843</u>	<u>22,031,493</u>	<u>25,342,604</u>	<u>56,559,743</u>

For the purpose of liquidity risk presentation, the embedded derivatives are not separated from the host instrument of ETC.

* For interest bearing financial liabilities, the above analysis include future interest or coupon payments, as well as repayment of the principal. The cash flows of floating interest financial liabilities are estimated based on forward rates.

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31. Capital management

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Company manages its capital structure and makes adjustments to it, in line with the changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payments to shareholders, return of capital to shareholders or issue new shares. No changes were made to the objectives, policies or processes for the years ended 31 December 2021 and 31 December 2020.

The Company is not subjected to any externally imposed capital requirements.

The Company monitors capital after including the assets and liabilities held through the SPVs ("Extended Company") using gearing ratio. The Company includes within net debt, loans and borrowings less cash and bank balances. Capital represents equity attributable to the Owners of the Company.

		Extended Company	
	Note	2021	2020
		RM'000	RM'000
Borrowings	19(b)	48,478,318	43,066,017
Less: Cash, bank balances and investment in money market	19(b)	<u>(6,460,771)</u>	<u>(7,518,143)</u>
Net debt		<u>42,017,547</u>	<u>35,547,874</u>
Share capital	27	12,284,201	12,284,201
Capital contribution from shareholders	19(b)	2,324,423	2,324,423
Retained profits	19(b)	15,119,471	16,675,194
Fair value adjustment reserve	19(b)	3,208,572	3,267,338
Currency translation reserve	19(b)	<u>2,381,843</u>	<u>1,862,329</u>
Equity attributable to the owners of the Company		<u>35,318,510</u>	<u>36,413,485</u>
Gearing ratio (times)		<u>1.19</u>	<u>0.98</u>

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32. Commitments

	Company	
	2021	2020
	RM'000	RM'000
Approved but not contracted for:		
Capital injection planned for investments	13,785,000	13,114,000
Property and equipment	<u>20,940</u>	<u>37,817</u>

33. Contingent liabilities

	Company	
	2021	2020
	RM'000	RM'000
Guarantee given to certain subsidiaries for term loan facilities with licensed banks	<u>3,397,634</u>	<u>456,210</u>

34. Subsequent events

The following are significant subsequent events of the Company after the financial year ended 31 December 2021:

- (i) Gunung Korbu Investments (Cayman Islands) Limited has disposed off 732,000 units of shares in Alibaba Group Holding Ltd. ("Alibaba") in January 2022, for a total consideration of USD98mil, resulting in a gain of disposal of USD76mil.
- (ii) On 21 January 2022, the Ophir Ventures Sdn. Bhd. has further subscribed to 1,096,667 Ordinary Shares and 5,903,333 RCPS issued at RM1 per share for a total consideration of RM7,000,000 in ReGen Rehabilitation International Sdn. Bhd. ("ReGen").
- (iii) On 1 December 2021, Pulau Kaca Investments Limited has entered into a Share Purchase Agreement ("SPA") with Medlab Asset Management Pte. Ltd. and TPG Helipad L.P to purchase the secondary ordinary shares in Pathology Asia Holdings Pte. Ltd. ("Pathology"), to invest up to USD44,497,182.

The conditions precedent of the SPA were only met and completed on 7 January 2022.

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Khazanah Nasional Berhad
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Consolidated statement of comprehensive income
For the year ended 31 December 2021

		Group	
	Note	2021 RM'000	2020 RM'000
Continuing operations			
Revenue	35	12,866,885	12,674,836
Operating expenses		(13,753,452)	(18,577,097)
Other income		994,676	4,918,678
Operating profit/(loss)	36	108,109	(983,583)
Finance costs	39	(2,814,737)	(3,058,359)
Share of results of associates and joint ventures		3,462,854	1,504,185
Profit/(loss) before taxation		756,226	(2,537,757)
Taxation	40	(459,583)	(319,167)
Profit/(loss) for the year, net of taxation		<u>296,643</u>	<u>(2,856,924)</u>
Other comprehensive income:			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Foreign currency translation differences		685,405	(1,145,335)
Net gain on fair value of cash flow hedges		13,553	17,650
		<u>698,958</u>	<u>(1,127,685)</u>

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Khazanah Nasional Berhad
(Incorporated in Malaysia)

Consolidated statement of comprehensive income
For the year ended 31 December 2021 (cont'd.)

	Note	Group	
		2021	2020
		RM'000	RM'000
Other comprehensive income (cont'd.):			
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Net gain on fair value through other comprehensive income financial assets, net of tax		806,345	945,965
Actuarial gain/(loss) on defined benefit plans	65	342,983	(114,583)
		<u>1,149,328</u>	<u>831,382</u>
Other comprehensive income/(loss) for the year		<u>1,848,286</u>	<u>(296,303)</u>
Total comprehensive income/(loss) for the year		<u>2,144,929</u>	<u>(3,153,227)</u>
Profit/(loss) attributable to:			
Owners of the Company		688,953	(2,675,399)
Non-controlling interests		<u>(392,310)</u>	<u>(181,525)</u>
		<u>296,643</u>	<u>(2,856,924)</u>
Total comprehensive income/(loss) attributable to:			
Owners of the Company		2,537,239	(3,084,357)
Non-controlling interests		<u>(392,310)</u>	<u>(68,870)</u>
		<u>2,144,929</u>	<u>(3,153,227)</u>

The accompanying notes form an integral part of the financial statements.

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Khazanah Nasional Berhad
(Incorporated in Malaysia)

Consolidated statement of financial position
As at 31 December 2021

		Group	
	Note	2021	2020
		RM'000	RM'000
Assets			
Non-current assets			
Property, plant and equipment	42	6,498,643	7,942,399
Land held for property development	43	6,088,104	6,517,775
Investment properties	44	3,420,233	3,553,752
Concession intangible assets	45	248,713	218,803
Goodwill on consolidation	46	1,415,337	1,410,204
Other intangible assets	47	571,247	662,382
Interest in associates	49	58,138,565	57,144,574
Interest in joint ventures	50	3,354,817	3,344,280
Other non-current financial investments	51	39,792,039	35,431,044
Other non-current assets	52	3,120,466	2,752,742
Right-of-use-assets	53	7,240,441	10,407,260
Derivative assets	54	-	12
Deferred tax assets	55	385,071	333,226
		<u>130,273,676</u>	<u>129,718,453</u>
Current assets			
Property development-in-progress	56	893,217	1,018,939
Inventories and work-in-progress	57	864,910	1,159,767
Trade receivables	58	2,138,277	1,740,988
Other receivables	59	2,406,354	2,415,549
Tax recoverable		60,405	66,700
Derivative assets	54	22,409	-
Other current financial investments	51	975,126	1,723,226
Cash and bank balances	60	11,966,285	11,902,527
		<u>19,326,983</u>	<u>20,027,696</u>
Assets held for sale and assets of disposal group classified as held for sale	41	<u>174,722</u>	<u>103,141</u>
		<u>19,501,705</u>	<u>20,130,837</u>
Total assets		<u>149,775,381</u>	<u>149,849,290</u>

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Khazanah Nasional Berhad
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Consolidated statement of financial position
As at 31 December 2021 (cont'd.)

		Group	
	Note	2021	2020
		RM'000	RM'000
Equity and liabilities			
Current liabilities			
Borrowings	61	10,048,680	10,615,979
Trade payables	62	1,719,521	3,904,058
Other current liabilities	63	8,616,729	8,937,598
Lease liabilities	67	738,192	1,615,450
Tax payable		353,008	154,442
Derivative liabilities	54	22	72,063
		<u>21,476,152</u>	<u>25,299,590</u>
Liabilities of disposal group classified as held for sale	41	1,228	95
		<u>21,477,380</u>	<u>25,299,685</u>
Non-current liabilities			
Borrowings	61	47,364,875	49,422,384
Other non-current liabilities	66	9,834,354	8,696,341
Deferred tax liabilities	55	488,937	513,725
Lease liabilities	67	6,862,425	8,092,642
Derivative liabilities	54	196,303	158,625
		<u>64,746,894</u>	<u>66,883,717</u>
Total liabilities		<u>86,224,274</u>	<u>92,183,402</u>
Equity attributable to owners of the Company:			
Share capital	27	12,284,201	12,284,201
Capital contribution from shareholders		2,683,223	4,483,223
Reserves		<u>36,836,899</u>	<u>35,493,328</u>
Shareholders' funds		51,804,323	52,260,752
Non-controlling interests		<u>11,746,784</u>	<u>5,405,136</u>
Total equity		<u>63,551,107</u>	<u>57,665,888</u>
Total equity and liabilities		<u>149,775,381</u>	<u>149,849,290</u>

The accompanying notes form an integral part of the financial statements.

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Khazanah Nasional Berhad
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Consolidated statement of changes in equity
For the year ended 31 December 2021

<----- Attributable to owners of the Company ----->

	Share contribution from capital (Note 27) RM'000	Share contribution from shareholders ("CCS") RM'000	Other reserves (Note 65) RM'000	Distributable retained profits RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
2021							
At 1 January	12,284,201	4,483,223	(146,108)	35,639,436	52,260,752	5,405,136	57,665,888
Loss for the year	-	-	-	688,953	688,953	(392,310)	296,643
Other comprehensive loss - arising during the year	-	-	1,848,286	-	1,848,286	-	1,848,286
Total comprehensive loss	-	-	1,848,286	688,953	2,537,239	(392,310)	2,144,929
Transactions with owners							
Acquisition of subsidiaries	-	-	-	(16,745)	(16,745)	(5,951)	(22,696)
Dilution of interest in subsidiaries	-	-	-	-	-	6,731,241	6,731,241
Disposal of subsidiaries	-	(1,800,000)	689,642	-	(1,110,358)	13,230	(1,097,128)
Disposal of associates	-	-	1,787	-	1,787	-	1,787
Disposal of other financial investments	-	-	(1,111,459)	1,111,459	-	-	-
Share of reserves of associates and joint ventures	-	-	97,597	35,051	132,648	-	132,648
Transfer from/(to):							
- distributable retained profits	1,000	-	-	(1,000)	-	-	-
- statutory reserve	-	-	(34,783)	34,783	-	-	-
- general reserve	-	-	(905)	905	-	-	-
Redemption of preference shares	(1,000)	-	-	-	(1,000)	-	(1,000)
Issuance of shares by subsidiaries	-	-	-	-	-	306	306
Dividend paid to non-controlling interests	-	-	-	-	-	(4,868)	(4,868)
Dividends paid to owners	-	-	-	(2,000,000)	(2,000,000)	-	(2,000,000)
Total transactions with owners	-	(1,800,000)	(358,121)	(835,547)	(2,993,668)	6,733,958	3,740,290
At 31 December	12,284,201	2,683,223	1,344,057	35,492,842	51,804,323	11,746,784	63,551,107

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Khazanah Nasional Berhad
(Incorporated in Malaysia)

Consolidated statement of changes in equity
For the year ended 31 December 2021 (cont'd.)

	←----- Attributable to owners of the Company ----->						
	Share contribution from capital (Note 27) RM'000	Share contribution from shareholders ("CCS") RM'000	Other reserves (Note 65) RM'000	Distributable retained profits RM'000	Total RM'000	Non- controlling interests RM'000	Total equity RM'000
2020							
At 1 January	12,284,201	4,124,423	806,860	38,895,207	56,110,691	5,650,548	61,761,239
Loss for the year	-	-	-	(2,675,399)	(2,675,399)	(181,525)	(2,856,924)
Other comprehensive loss - arising during the year	-	-	(296,303)	-	(296,303)	-	(296,303)
Total comprehensive loss	-	-	(296,303)	(2,675,399)	(2,971,702)	(181,525)	(3,153,227)
Transactions with owners							
Acquisition of subsidiaries	-	-	-	(198,003)	(198,003)	4,536	(193,467)
Dilution of interest in subsidiaries	-	-	-	37,666	37,666	19,798	57,464
Disposal of subsidiaries	-	-	(2,799)	36,835	34,036	38,371	72,407
Disposal of associates	-	-	76,412	-	76,412	-	76,412
Disposal of other financial investments	-	-	(1,097,829)	1,097,829	-	-	-
Disposal of non-controlling interests	-	-	-	-	-	(35,978)	(35,978)
Dilution of interest in associates	-	-	(11,994)	-	(11,994)	-	(11,994)
Share of reserves of associates and joint ventures	-	-	(48,032)	-	(48,032)	-	(48,032)
Derecognition of put option	-	-	872,878	-	872,878	-	872,878
Transfer to:							
- statutory reserve	-	-	(515,817)	515,817	-	-	-
- capital reserve	-	-	70,516	(70,516)	-	-	-
Contribution from Government	-	358,800	-	-	358,800	-	358,800
Issuance of shares by subsidiaries	-	-	-	-	-	784	784
Dividend paid to non-controlling interests	-	-	-	-	-	(91,398)	(91,398)
Dividends paid to owners	-	-	-	(2,000,000)	(2,000,000)	-	(2,000,000)
Total transactions with owners	-	358,800	(656,665)	(580,372)	(878,237)	(63,887)	(942,124)
At 31 December	12,284,201	4,483,223	(146,108)	35,639,436	52,260,752	5,405,136	57,665,888

The accompanying notes form an integral part of the financial statements.

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Khazanah Nasional Berhad
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Consolidated statement of cash flows
For the year ended 31 December 2021

	Group	
	2021	2020
	RM'000	RM'000
Cash flows from operating activities		
Profit/(loss) before taxation	756,226	(2,537,757)
Adjustments for:		
Gain from divestments of investments	(1,360,130)	(715,907)
Dividend income from other investments	(146,294)	(149,071)
Interest income	(398,755)	(550,615)
Unrealised loss/(gain) on foreign exchange, net	250,661	(230,835)
Depreciation for property, plant and equipment	729,707	552,035
Depreciation for right-of-use assets	1,014,012	1,653,570
Net fair value loss/(gain) on financial assets at fair value through profit or loss	46,635	(3,421,596)
Net fair value loss on derivatives	22,000	22,978
Allowance for impairment losses on investments and receivables, net	328,485	1,065,702
Allowance for impairment losses on property, plant and equipment	142,834	407,756
Allowance for impairment on investment properties	37,768	135,441
Allowance for impairment on right-of-use assets	110,880	389,565
Allowance for impairment on property development-in-progress	20,605	-
Net amortisation charge for concession assets	27,328	16,111
Amortisation of other intangible assets	234,265	84,783
Amortisation of government grants	(3,795)	(6,752)
Inventories written off	29,206	144,365
Property, plant and equipment written off	3,505	324
Loss/(gain) on disposal of property, plant and equipment	543,739	(67,718)
Loss/(gain) on disposal of investment properties	160,000	(24,417)
Interest expense	2,814,737	3,058,359
Amortisation of deferred income	(109,031)	(20,979)
Depreciation of investment properties	93,011	42,101
Reversal of provision for foreseeable losses	-	888
Provision for aircraft maintenance and overhaul	38,445	64,082
Share of results from associates and joint ventures	(3,462,854)	(1,504,185)
Operating profit/(loss) before working capital changes	<u>1,923,190</u>	<u>(1,591,772)</u>

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Khazanah Nasional Berhad
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Consolidated statement of cash flows
For the year ended 31 December 2021 (cont'd.)

	Group	
	2021	2020
	RM'000	RM'000
Cash flows from operating activities (cont'd.)		
Increase in property development-in-progress	(449,927)	(363,199)
Decrease in inventories and work-in-progress	294,857	496,048
Decrease in trade and other receivables	6,288,241	9,803,312
(Decrease)/increase in trade and other payables	(4,368,713)	10,458,180
Interest paid	(2,679,706)	(3,058,041)
Interest received	398,765	550,576
Dividend received	146,294	149,071
Income tax refund/(paid)	304,963	(253,284)
Net cash (used in)/generated from operating activities	<u>1,857,964</u>	<u>16,190,891</u>
Cash flows from investing activities		
Net outflow of investments	(28,461)	(6,703,040)
Net cash inflow from disposal of subsidiaries	331,471	935,902
Purchase of property, plant and equipment	(208,522)	(1,558,205)
Purchase of other intangible assets	(168,699)	(24,561)
Proceeds from disposal of other intangible assets	40,493	39,088
Proceeds from disposal of property, plant and equipment	63,805	95,613
Proceeds from disposal of investment properties	14,245	34,916
Proceeds from disposal of right-of-use assets	323	-
Addition in concession assets	(54,567)	(36,985)
Addition in land held for property development	(735,197)	(362,155)
Proceeds from disposal of land held for property development	4,543	4,548
Addition in investment properties	(68,358)	(393,609)
Net cash used in investing activities	<u>(808,924)</u>	<u>(7,968,488)</u>
Cash flows from financing activities		
Drawdown of borrowings	15,374,573	11,061,844
Repayment of borrowings	(12,286,304)	(15,842,628)
Dividends paid	(3,202,868)	(1,091,398)
Lease payment	(845,980)	(1,602,210)
Net cash generated from/(used in) financing activities	<u>(960,579)</u>	<u>(7,474,392)</u>

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Khazanah Nasional Berhad
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Consolidated statement of cash flows
For the year ended 31 December 2021 (cont'd.)

	Group	
	2021	2020
	RM'000	RM'000
Net changes in cash and cash equivalents	88,461	748,011
Cash and cash equivalents at the beginning of year	11,902,527	11,144,088
Exchange rate effects	(24,703)	10,428
Cash and cash equivalents at the end of year	<u>11,966,285</u>	<u>11,902,527</u>
Cash and cash equivalents comprise:		
Cash and bank balances	5,209,433	10,747,983
Short term placements	6,756,852	1,154,544
	<u>11,966,285</u>	<u>11,902,527</u>

The accompanying notes form an integral part of the financial statements.

Khazanah Nasional Berhad
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Notes to the consolidated financial statements

35. Revenue

Revenue of the Group consists of the following:

	Group	
	2021	2020
	RM'000	RM'000
Investment-related revenue:		
Gain from divestments of investments and investment properties	1,360,130	715,907
Dividend income from fair value through other comprehensive income investments	53,491	83,913
Dividend income from fair value through profit or loss investments	92,803	65,158
Interest income	398,755	550,615
Lease and rental income	43,551	53,716
Others	58,496	54,274
	<u>2,007,226</u>	<u>1,523,583</u>
Engineering and construction-related revenue:		
Toll collection	28,557	25,225
Construction contracts	53,525	36,678
Land and property development sales	1,110,423	1,040,690
Sale of goods	809,172	720,647
Others	118,922	597,170
	<u>2,120,599</u>	<u>2,420,410</u>
Services-related revenue:		
Revenue from airlines and airport operations	3,894,263	4,129,989
Rendering of services	2,818,028	3,072,191
Insurance related services	1,844,777	1,400,351
Others	181,992	128,312
	<u>8,739,060</u>	<u>8,730,843</u>
Total Revenue	<u>12,866,885</u>	<u>12,674,836</u>

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35. Revenue (cont'd.)

	Group	
	2021	2020
	RM'000	RM'000
Timing of revenue recognition:		
- At a point in time	4,074,300	3,907,315
- Over time	8,792,585	8,767,521
	<u>12,866,885</u>	<u>12,674,836</u>

36. Operating profit/(loss)

Operating profit/(loss) is stated after charging/(crediting) the following:

	Note	Group	
		2021	2020
		RM'000	RM'000
Staff costs	37	2,748,829	2,999,009
Auditors' remuneration:			
Statutory audits			
- to member firms of Ernst & Young Global		10,996	10,840
- to other firms		2,364	2,567
Unrealised foreign exchange loss/(gain), net		250,661	(230,835)
Fuel cost		1,071,458	1,564,848
Handling, landing, parking, enroute charges, catering and other related costs		414,009	526,821
Aircraft maintenance and overhaul		396,303	1,310,954
Provision for aircraft maintenance and overhaul costs	63	38,445	64,082
Depreciation for property, plant and equipment	42	729,707	552,035
Depreciation for right-of-use assets	53	1,014,012	1,653,570
Allowance for impairment losses on investments and receivables, net		328,485	1,065,702
Allowance for impairment losses on property, plant and equipment	42	142,834	407,756
Allowance for impairment losses on right-of-use assets	53	110,880	389,565
Net amortisation charge for concession assets	45	27,328	16,111
Amortisation of deferred income		(109,031)	(20,979)
Amortisation of other intangible assets	47	234,265	84,783
Amortisation of Government grants	66(i)	(3,795)	(6,752)

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36. Operating profit/(loss) (cont'd.)

Operating profit/(loss) is stated after charging/(crediting) the following: (cont'd.)

	Note	Group 2021 RM'000	2020 RM'000
Depreciation of investment properties	44	93,011	42,101
Allowance for impairment losses on investment properties	44	37,768	135,441
Allowance for impairment losses on property development-in-progress	56	20,605	-
Expenses arising from leases			
- variable lease	67	-	687
- low value assets	67	7,187	16
- short-term lease	67	23,646	25,900
- operating lease	67	-	5,018
Inventories written off		29,206	144,365
Reversal of provision for foreseeable losses		-	888
Loss/(gain) on disposal of investment properties		160,000	(24,417)
Loss/(gain) on disposal of property, plant and equipment		543,739	(67,718)
Property, plant and equipment written off	42	3,505	324
Net fair value loss/(gain) on financial assets at fair value through profit or loss		46,635	(3,421,596)
Net fair value loss on derivatives		22,000	22,978
		<u>22,000</u>	<u>22,978</u>

37. Staff costs

	Note	Group 2021 RM'000	2020 RM'000
Wages, salaries, statutory contributions to EPF and social security		2,580,804	2,781,884
Employees service entitlement and retirement benefits	64	1,466	3,436
Others		166,559	213,689
		<u>2,748,829</u>	<u>2,999,009</u>

- (i) Included in the staff costs of the Group and of the Company is Executive Directors remuneration amounting to RM7,692,000 (2020: RM4,519,000) as disclosed in Note 38.

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38. Directors' remuneration

	Group	
	2021	2020
	RM'000	RM'000
Executive Director of the Company:		
Wages and salaries	6,784	3,797
Statutory contribution to EPF	908	722
	<u>7,692</u>	<u>4,519</u>
Non-Executive Directors of the Company:		
Fees and allowances	441	299
	<u>441</u>	<u>299</u>
	<u>8,133</u>	<u>4,818</u>

39. Finance costs

	Group	
	2021	2020
	RM'000	RM'000
Interest expense on term loans and borrowings	640,346	755,428
Interest expense on bonds and Medium Term Notes	1,132,184	1,225,102
Interest expense on lease liabilities	354,709	502,326
Amortisation of discount on Khazanah Bonds	365,213	438,883
Amortisation of discount on Exchangeable Trust Certificates	59,004	55,919
Others	263,281	80,701
	<u>2,814,737</u>	<u>3,058,359</u>

40. Taxation

	Group	
	2021	2020
	RM'000	RM'000
Continuing operations		
Current income tax:		
Malaysian income tax	538,938	264,245
Foreign income tax	4,487	1,154
	<u>543,425</u>	<u>265,399</u>
Overprovision in prior year:		
Malaysian income tax	(3,489)	(3,493)
	<u>(3,489)</u>	<u>(3,493)</u>
	<u>539,936</u>	<u>261,906</u>

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40. Taxation (cont'd.)

	Group	
	2021	2020
	RM'000	RM'000
Continuing operations (cont'd.)		
Deferred tax (Note 55):		
Relating to origination and reversal of temporary differences	(49,336)	67,777
Overprovision in prior year	(31,017)	(10,516)
	<u>(80,353)</u>	<u>57,261</u>
Income tax expense recognised in profit or loss	<u>459,583</u>	<u>319,167</u>

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2020: 24%) of the estimated assessable profit/(loss) for the year. Income tax for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

The reconciliation between tax expense and the product of accounting profit/(loss) multiplied by the applicable corporate tax rate for the years ended 31 December 2021 and 2020 are as follows:

	Group	
	2021	2020
	RM'000	RM'000
Profit/(loss) before taxation	<u>756,226</u>	<u>(2,537,757)</u>
Taxation at Malaysian statutory tax rate of 24% (2020: 24%)	181,494	(609,062)
Effect of different tax rates in foreign jurisdiction	(2,260)	1,432
Effect of (non-taxable income)/expenses not deductible for tax purposes	(1,720,015)	1,620,548
Effect of utilisation of previously unrecognised tax losses	-	(161,053)
Effect of utilisation of previously unrecognised other deductible temporary differences	(34,004)	(157,685)
Deferred tax assets not recognised	2,899,959	-
Tax effect on share of associates and joint ventures' profit attributable to the equity holders	(831,085)	(361,004)
Overprovision of income tax expense in prior year	(3,489)	(3,493)
Overprovision of deferred tax expense in prior year	(31,017)	(10,516)
Income tax expense recognised in profit or loss	<u>459,583</u>	<u>319,167</u>

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41. Assets held for sale

The major classes of assets held for sale and assets and liabilities of the disposal group classified as held for sale on the consolidated statement of financial position are as follows:

	Note	Group 2021 RM'000	2020 RM'000
Assets:			
Land held for property development	43	24,600	25,615
Investment in joint venture		736	493
Property, plant and equipment	42	97,266	41,138
Investment properties	44	1,854	12,699
Right-of-use assets	53	-	11,334
Receivables		18,521	88
Cash and bank balances		31,745	11,774
Assets held for sale and assets of disposal group classified as held for sale		174,722	103,141
Liabilities:			
Payables representing the Liabilities of disposal group classified as held for sale		1,228	95

(A) UEM Group Berhad ("UEM")

- (i) In 2019, the Board of Directors of UEM Builders Berhad ("UEM Builders") approved the proposed disposal of 100% equity interest in Buildcast Sdn. Bhd. ("Buildcast"). On 26 January 2022, the Board of Directors of UEM Builders approved dissolution of Buildcast via members' voluntary liquidation.

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41. Assets held for sale (cont'd.)

(A) UEM Group Berhad ("UEM") (cont'd.)

- (ii) In prior year, the Board of Directors of UEM Builders approved the proposed disposal of 55% equity interest in PT Karabha Gryamandiri ("PTKG") upon fulfilment of specific conditions. The disposal completed in January 2022.
- (iii) In prior year, the Board of Directors of UEM Construction Sdn Bhd ("UEMC") approved the following subsidiaries to be dissolved via members' voluntary liquidation:
 - Pati International (India) Pvt Ltd
 - Rushil Constructions (India) Pvt Ltd
- (iv) In 2021, the management committee of Shimizu-Nishimatsu-UEMB-IJM JV, a joint venture of UEM Builders, proposed to dissolve the joint venture upon fulfilment of specific conditions. The conditions precedent have been fulfilled as at March 2021.
- (v) On 31 May 2019, the Board of Directors of UEM approved the proposed disposal of the followings:

Certain plots of land and buildings held by UEM and its 100%-owned direct or indirect subsidiaries, namely Hydron (M) Sdn. Bhd., Suria Siena Development Sdn. Bhd. and Serayin Sdn. Bhd.

UEM and its subsidiaries continue to classify these properties as asset held for sale as the delay in the planned disposal was caused by events/circumstances beyond their control, and they remain committed to their plan to dispose the properties.

During the year, Suria Siena Development Sdn Bhd recognised an impairment loss of RM1.0 million (2020: NIL) on its land held for property development based on valuation performed by a certified external valuer.

- (vi) On 16 October 2020, a wholly owned subsidiary of Cement Industries of Malaysia Berhad ("CIMA"), Unipati Concrete Sdn. Bhd. has entered into a Sales and Purchase Agreement with an external party to dispose a shop office for a cash consideration of RM3.5 million. The disposal was completed in February 2021 with a net gain of RM2.1 million.
- (vii) On 28 February 2022, a wholly-owned subsidiary of CIMA, Kuari Pati Sdn Bhd, had entered into a sales and purchase agreement with an external party to dispose a property for a cash consideration of RM210,000. The disposal will be completed within 1 year from the date of agreement upon the receipt of the sale proceed.

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41. Assets held for sale (cont'd.)

(B) Iskandar Investment Berhad ("IIB")

On 19 March 2019, Iskandar Capital Sdn. Bhd. ("IskCap") entered into a Sale and Purchase Agreement with Distinctive View Sdn. Bhd. ("DVSB") to sell part of the freehold land under HS(D) 446619 PTD 154087 (Plot A) of approximately 19.49 acres.

On 15 August 2019, IskCap entered into a Sale and Purchase Agreement with DVSB to sell part of the freehold land held under HS(D) 446619 PTD 154087 (Plot B) of approximately 11.92 acres. Upon completion of the conditions stipulated in the agreement, IIB has recognised revenue of RM28,201,439 and cost of sales of RM3,912,887 during the year.

On 5 December 2019, IskCap entered into a Sale and Purchase Agreement with Paragon Globe Properties Sdn. Bhd. to sell part of the freehold land under Geran 507162 Lot 149989 (formerly held under HS(D) 484311 PTD 175988), PTD 175989, and Geran 507161 Lot 149991 (formerly held under HS(D) 484312 PTD 175990), in area known as Plot ED 5A and 5B of approximately 31.1 acres.

On 20 December 2021, IskCap entered into a Sale and Purchase Agreement with Marquis Oil (M) Sdn. Bhd. ("MOSB") in respect of freehold land under PTD 217870 for an aggregate area of 5.38 acres.

On 22 December 2021, IskCap entered into a Sale and Purchase Agreement with Country View Resources Sdn. Bhd. ("CVSB") in respect of freehold land under PTD 1759870 for an aggregate area of 21.63 acres.

The completion of the agreements above is pending fulfilment of certain conditions precedent as at 31 December 2021. As such, the said plots of land remain as non-current assets held for sale in the current year.

(C) Penerbangan Malaysia Berhad ("PMB")

Certain aircraft and spare engines with net book value of RM29,730,568 (2020: RM28,700,000) have been classified under assets held for sale.

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42. Property, plant and equipment

Group	Plant and machinery RM'000	Aircraft and spare engines RM'000	Furniture and fittings and other equipment RM'000	Land and buildings RM'000	Renovation, capital improvements and capital work-in- progress RM'000	Total RM'000
2021						
Cost						
At 1 January	6,959,350	12,233,494	2,746,301	4,874,066	747,008	27,560,219
Additions	31,710	11,050	42,194	22,175	101,393	208,522
Currency translation differences	1	-	353	-	-	354
Disposals	(45,014)	(594,062)	(14,513)	-	(118,440)	(772,029)
Write-offs	(212)	-	(1,901)	-	(1,552)	(3,665)
Disposal of subsidiaries (Note 48 (v))	-	-	(884,789)	(129,253)	(12,914)	(1,026,956)
Transfer to investment properties (Note 44)	-	-	-	-	(1,241)	(1,241)
Transfer to assets held for sale (Note 41)	-	(148,501)	(254,370)	-	-	(402,871)
Transfer to other intangible assets (Note 47)	-	-	-	-	(13,081)	(13,081)
Transfer from right-of-use assets (Note 53)	-	187,967	-	-	-	187,967
Reclassification	4,554	181,554	81,093	5,225	(272,426)	-
At 31 December	6,950,389	11,871,502	1,714,368	4,772,213	428,747	25,737,219

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42. Property, plant and equipment (cont'd.)

	Plant and machinery RM'000	Aircraft and spare engines RM'000	Furniture and fittings and other equipment RM'000	Land and buildings RM'000	Renovation, capital improvements and capital work-in- progress RM'000	Total RM'000
Group (cont'd.)						
2021 (cont'd.)						
Accumulated depreciation and impairment losses						
At 1 January	5,178,359	10,331,855	2,072,297	2,012,397	22,912	19,617,820
Charge for the year (Note 36)	51,899	357,878	153,897	147,044	18,989	729,707
Allowance for impairment losses (Note 36)	12,419	123,433	(560)	7,674	(132)	142,834
Currency translation differences	-	-	(7)	337	-	330
Disposals	(23,087)	(131,732)	(9,236)	-	(430)	(164,485)
Write-offs	(160)	-	-	-	-	(160)
Disposal of subsidiaries (Note 48 (v))	-	-	(756,309)	(70,060)	-	(826,369)
Transfer to assets held for sale (Note 41)	-	(53,401)	(181,876)	(70,328)	-	(305,605)
Transfer from right-of-use assets (Note 53)	-	43,793	-	711	-	44,504
At 31 December	5,219,430	10,671,826	1,278,206	2,027,775	41,339	19,238,576
Net book value						
At 31 December	1,730,959	1,199,676	436,162	2,744,438	387,408	6,498,643

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42. Property, plant and equipment (cont'd.)

Group	Plant and machinery RM'000	Aircraft and spare engines RM'000	Furniture and fittings and other equipment RM'000	Land and buildings RM'000	Renovation, capital improvements and capital work-in-progress RM'000	Total RM'000
2020						
Cost						
At 1 January	6,954,482	11,933,396	2,658,311	4,627,651	993,482	27,167,322
Additions	203,723	393,772	180,976	411,026	368,708	1,558,205
Currency translation differences	1,223	-	(6,436)	(2,466)	1,123	(6,556)
Disposals	(33,796)	(47,373)	(10,550)	(2,379)	(16,118)	(110,216)
Write-offs	-	-	(288)	-	(324)	(612)
Disposal of subsidiaries	(166,282)	-	(79,484)	(430,655)	-	(676,421)
Transfer to investment properties (Note 44)	-	-	-	(322,488)	-	(322,488)
Transfer to property development-in-progress (Note 56)	-	-	-	-	(4,610)	(4,610)
Transfer to assets held for sale (Note 41)	-	(46,301)	-	(4,026)	-	(50,327)
Transfer from land held for property development (Note 43)	-	-	-	14	-	14
Transfer from right-of-use assets (Note 53)	-	-	3,772	2,136	-	5,908
Reclassification	-	-	-	595,253	(595,253)	-
At 31 December	6,959,350	12,233,494	2,746,301	4,874,066	747,008	27,560,219

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42. Property, plant and equipment (cont'd.)

	Plant and machinery RM'000	Aircraft and spare engines RM'000	Furniture and fittings and other equipment RM'000	Land and buildings RM'000	Renovation, capital improvements and capital work-in- progress RM'000	Total RM'000
Group (cont'd.)						
2020 (cont'd.)						
Accumulated depreciation and impairment losses						
At 1 January	5,104,392	10,196,904	1,977,423	1,711,567	8,008	18,998,294
Charge for the year (Note 36)	154,274	106,907	167,369	103,147	20,338	552,035
Allowance for impairment losses (Note 36)	92,310	48,731	1,942	256,984	7,789	407,756
Currency translation differences	1,103	-	(2,109)	(1,377)	-	(2,383)
Disposals	(27,944)	(12,169)	(10,154)	(18,831)	(13,223)	(82,321)
Write-offs	-	-	(288)	-	-	(288)
Disposal of subsidiaries	(145,776)	-	(61,886)	-	-	(207,662)
Transfer to assets held for sale (Note 41)	-	(8,518)	-	(671)	-	(9,189)
Transfer from investment properties (Note 44)	-	-	-	(38,422)	-	(38,422)
At 31 December	5,178,359	10,331,855	2,072,297	2,012,397	22,912	19,617,820
Net book value						
At 31 December	1,780,991	1,901,639	674,004	2,861,669	724,096	7,942,399

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43. Land held for property development

		Group	
	Note	2021	2020
		RM'000	RM'000
At cost			
At 1 January		6,517,775	6,335,546
Additions		735,197	362,155
Disposals		(4,543)	(4,548)
Disposal of subsidiaries	48(v)	(901,373)	-
Transfer to property, plant and equipment	42	-	(14)
Transfer to assets held for sale	41	(24,600)	(25,615)
Transfer to investment properties	44	(50,817)	-
Transfer to property development-in-progress	56	(183,535)	(149,749)
At 31 December		<u>6,088,104</u>	<u>6,517,775</u>

As at the reporting date, freehold land and related development expenditure of:

- (a) RM755.8 million (2020: RM749.4 million) are pledged as securities for the borrowing facilities granted to UEM Sunrise's subsidiaries.

Included in the current year additions are the following:

	Group	
	2021	2020
	RM'000	RM'000
Staff costs	2,008	2,345
Interest expense	45,513	41,033
	<u>47,521</u>	<u>43,378</u>

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43. Land held for property development (cont'd.)

UEM Group Berhad

Included in land held for property development of the Group are parcels of land committed through Master Agreement ("MA") entered on 23 October 2012 between UEM Land Berhad ("UEM Land") and Ascendas Land (Malaysia) Sdn. Bhd., whereby UEM Land has granted the option for Ascendas Land (Malaysia) Sdn. Bhd. to purchase 519 acres of land within 9 years commencing from the date of the MA. As at the end of the financial year, 399 acres of land remain unsold. As at the end of the financial year, 399 acres of land remain unsold and the option lapsed.

44. Investment properties

	Note	Group 2021 RM'000	2020 RM'000
Land and building			
Cost			
At 1 January		3,956,660	3,272,166
Additions		68,358	393,609
Disposals/write-offs		(199,722)	(20,697)
Transfer to assets held for sale	41	(1,854)	(13,764)
Transfer from property, plant and equipment	42	1,241	322,488
Transfer from land held for property development	43	50,817	-
Transfer from right-of-use assets	53	52,943	2,858
At 31 December		<u>3,928,443</u>	<u>3,956,660</u>
Accumulated depreciation and impairment losses			
At 1 January		402,908	198,207
Depreciation	36	93,011	42,101
Disposals/write-offs		(25,477)	(10,198)
Allowance for impairment losses	36	37,768	135,441
Transfer from property, plant and equipment	42	-	38,422
Transfer to assets held for sale	41	-	(1,065)
At 31 December		<u>508,210</u>	<u>402,908</u>
Carrying amount at 31 December		<u>3,420,233</u>	<u>3,553,752</u>
Fair value		<u>9,067,305</u>	<u>9,183,973</u>

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44. Investment properties (cont'd.)

Investment properties comprise of commercial properties, office lots and landed properties.

The direct operating expenses arising from investment properties of the Group that generate and that do not generate rental income during the year are RM17.2 million (2020: RM20.9 million) and RM6.1 million (2020: RM7.4 million) respectively.

The direct operating expenses arising from investment properties of the Group that generate rental income is RM3.2 million (2020: RM3.2 million).

The fair values of investment properties are categorised within the fair value hierarchy (Level 3), as the fair value are measured using inputs that are not based on observable market data.

The fair values of the investment properties are substantially arrived at via valuation performed by certified external valuers based on the following valuation techniques depending on the location and types of properties.

- (i) The income approach converts estimated future amounts of cash flows or income to a single present value (discounted) amount by applying an appropriate, market-derived discount rate.
- (ii) The comparison/cost method of valuation entails separate valuations of the land and buildings to arrive at the market value of the subject property. The land is valued by reference to transactions of similar lands in surrounding area with appropriate adjustments made for differences in the relevant characteristics of the land. Completed buildings are valued by reference to the current estimates on constructional costs to erect equivalent buildings, taking into consideration of similar accommodation in terms of size, construction, finishes contractors' overheads, fees and profits. Appropriate adjustments are then made for the factors of obsolescence and existing physical condition of the building.

The fair values of investment properties are categorised as Level 3 under the fair value hierarchy as disclosed in Note 69, as the fair value is measured using inputs that are not based on observable market data.

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45. Concession intangible assets

	Note	Group	
		2021 RM'000	2020 RM'000
Cost			
At 1 January		374,640	69,693
Additions		54,567	36,985
Acquisition of subsidiaries		-	68,913
Disposal		-	(7,784)
Exchange differences		4,578	(9,145)
Reclassified from asset held for sale		-	215,978
At 31 December		<u>433,785</u>	<u>374,640</u>
Accumulated amortisation and impairment losses			
At 1 January		155,837	17,443
Charge for the year, net of reversal	36	27,328	16,111
Acquisition of subsidiaries		-	8,701
Disposal		-	(2,668)
Exchange differences		1,907	(3,706)
Reclassified from asset held for sale		-	119,956
At 31 December		<u>185,072</u>	<u>155,837</u>
Net carrying amount			
At 31 December		<u>248,713</u>	<u>218,803</u>

As at the reporting date, the Group has the following concession intangible assets:

Concession intangible asset	Concession companies	Concession period
Padalur-Trichy Highway, India ("PTH")	Trichy Padalur Tollways Private Limited ("TPTPL")	up to 2031
REPPA arrangement	Kualiti Alam Sdn. Bhd. and Cenergi SEA Berhad	up to 2034

The concession intangible assets for PTH have been pledged as security for Non-Convertible Debentures issued by TPTPL in March 2013, which was acquired by PEIB Capital Sdn. Bhd. ("PEIBC") in August 2015.

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46. Goodwill on consolidation

	Group	
	2021	2020
	RM'000	RM'000
At 1 January	1,410,204	2,045,205
Disposal of subsidiary	-	(641,970)
Exchange differences	5,133	6,969
At 31 December	<u>1,415,337</u>	<u>1,410,204</u>

(a) Impairment tests for goodwill**Allocation of goodwill**

Goodwill has been allocated to the Group's cash-generating units ("CGUs") identified according to business segment as follows:

	2021	2020
	RM'000	RM'000
Goodwill - Business Segment		
Engineering, construction and expressway	1,018,887	1,013,754
Financial services	392,339	392,339
	<u>1,411,226</u>	<u>1,406,093</u>
Other business segments	4,111	4,111
	<u>1,415,337</u>	<u>1,410,204</u>

(b) Key assumptions used in recoverable amount

The recoverable amount of a CGU is determined based on the following methodology:

- (i) where investments are listed, principally the market value is used.
- (ii) where investments are not investment holding and where the underlying is unlisted, value-in-use is applied.
- (iii) where investments themselves are investment holding, the market value of the underlying value-in-use is calculated using cash flow projections or earnings and book multiples of a comparable listed company in the same market and the same industry.

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46. Goodwill on consolidation

(b) Key assumptions used in recoverable amount (cont'd.)

The following describes each key assumption on which management has based its evaluation to undertake impairment testing of goodwill:

(i) Company earnings and book multiples

Earnings and book multiples are chosen based on acknowledged market norms for that industry and that geography with due consideration to asset size, market share, profitability and target market.

(ii) Growth rate

The average growth rate used in cash flow projections are consistent with the long term average growth rate for the industry.

(iii) Discount rate

The discount rates used are pre-tax and reflect specific risks relating to the relevant segments.

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47. Other intangible assets

Group	Note	Development expenditure and work in progress RM'000	Software and related costs RM'000	Brand name RM'000	VOBA and banc- assurance RM'000	Intellectual property and licences RM'000	Total RM'000
2021							
At 1 January		27,573	99,108	16,098	339,786	179,817	662,382
Additions		14,342	120,945	-	13	33,399	168,699
Disposal		(35,245)	(4,848)	-	-	(400)	(40,493)
Disposal of subsidiaries	48(v)	-	(10)	-	-	-	(10)
Transfer from property, plant and equipment	42	13,081	-	-	-	-	13,081
Foreign exchange difference		-	1,853	-	-	-	1,853
		19,751	217,048	16,098	339,799	212,816	805,512
Less: Amortisation	36	(37)	(93,443)	-	(41,496)	(99,289)	(234,265)
At 31 December		19,714	123,605	16,098	298,303	113,527	571,247
2020							
At 1 January		35,506	135,412	16,098	376,967	199,295	763,278
Additions		13,778	8,516	-	-	2,267	24,561
Disposal		(21,117)	22	-	-	(17,993)	(39,088)
Disposal of subsidiaries		-	(55)	-	-	(1,378)	(1,433)
Foreign exchange difference		-	(152)	-	-	(1)	(153)
		28,167	143,743	16,098	376,967	182,190	747,165
Less: Amortisation	36	(594)	(44,635)	-	(37,181)	(2,373)	(84,783)
At 31 December		27,573	99,108	16,098	339,786	179,817	662,382

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48. Investment in subsidiaries

Details of the subsidiaries are shown in Note 77 and Note 78.

(i) Additional acquisition/subscription in existing subsidiaries

- (i) Khazanah Nasional Berhad subscribed to an additional 896,143,025 redeemable convertible cumulative secured loan stocks and 798,269,361 preference shares in Themed Attractions Resorts & Hotels Sdn. Bhd. ("TAR&H"), for a total cash consideration of RM1,694.41 million, resulting in the Company maintaining its equity interest of 100%. TAR&H, an unlisted company incorporated in Malaysia, is an investment holding company.
- (ii) Khazanah Nasional Berhad subscribed to an additional 29,720,249 ordinary shares in Malaysia Aviation Group Berhad ("MAGB"), for a total cash consideration of RM1,330.0 million. Government of Malaysia through Turus Pesawat Sdn. Bhd. ("TPSB") has converted the loan due from MAB Pesawat Sdn. Bhd. ("MABP") of RM5.3 billion into ordinary shares of MAGB, resulting in a dilution of the Company's equity interest to 86.6%. MAGB, an unlisted company incorporated in Malaysia, is an investment holding company.

(ii) Issuance and redemption of RCPS by subsidiaries

- (i) On 14 September 2021, UEM Construction Sdn. Bhd. ("UEMC") issued 8,600,000 Class B RCPS at an issue price of RM1.00 each, which were fully subscribed by UEM via cash of RM8.6 million.

(iii) Incorporation of subsidiaries

- (i) On 5 February 2021, Edgenta PROPEL (Sarawak) Sdn Bhd ("EPS") was incorporated as a wholly-owned subsidiary of Edgenta Propel. On 31 December 2021, Edgenta Propel's equity interest in EPS was diluted to 49% after EPS issued additional shares to non-controlling shareholder. Notwithstanding that, UEM have the substantive rights and power to direct the relevant activities of EPS and the ability to use the power to significantly affect its returns as stipulated in the shareholders' agreement.
- (ii) On 11 October 2021, Edgenta FIRST Sdn Bhd was incorporated as a wholly owned subsidiary of UEM Edgenta.

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48. Investment in subsidiaries (cont'd.)

(iv) Accretion of interests in subsidiaries

On 30 July 2021, a wholly-owned subsidiary of UEM Edgenta, Edgenta (Singapore) Pte Ltd, a wholly-owned subsidiary of UEM Edgenta, acquired the remaining 2.54% equity interest in UEMS Pte Ltd and UEMS Pte Ltd became an indirect wholly-owned subsidiary of UEM Edgenta.

(v) Disposal, dissolution or dilution of interests in subsidiaries

- (a) On 26 July 2021, Khazanah Nasional Berhad had completed the disposal of its entire 100% equity interest in Silterra Malaysia Sdn. Bhd. for a total cash consideration of RM273 million.

The value of the assets and liabilities of subsidiaries disposed at the respective dates as follows:

	2021 RM'000
Property, plant and equipment	195,266
Cash and bank balances	105,153
Other assets	177,667
Borrowings	(263,972)
Trade and other payables	(837,090)
Net liabilities	(622,976)
Inter-company balances	718,869
Transfer from reserves	(1,110,358)
Gain on disposal	1,287,250
Proceeds from disposal	272,785
Less: Cash and bank balances	(105,153)
Net cash flow from disposal of subsidiary	<u>167,632</u>

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48. Investment in subsidiaries (cont'd.)

(v) Disposal, dissolution or dilution of interests in subsidiaries (cont'd.)

- (b) On 17 June 2021, UEM Land completed the Share Sale Agreement with KLK Land Sdn Bhd ("KLKL") for the disposal of 50,000 ordinary shares and 180 million redeemable non-convertible non-cumulative preference shares in Aura Muhibah Sdn. Bhd. ("AMSB") representing UEM Land's 20% equity interest in AMSB to KLKL ("SSA") for a total purchase consideration of RM182.6 million. A new shareholders agreement between UEM Land and KLKL was entered and consequently, UEM Land's interest in AMSB was diluted from a 60%-owned subsidiary to a 40%-owned associate.

UEM Land granted KLKL call option, and KLKL granted UEM Land put option, respectively, on UEM Land's remaining 40% equity interest in AMSB. The option price will be based on AMSB's adjusted net tangible assets at the point of exercising the option.

The impact of dilution of AMSB is as follows:

	2021
	RM'000
Land held for property development	901,373
Receivables	1,138
Cash and bank balances	16,354
Payables	(1,437)
Total value of net assets deconsolidated	<u>917,428</u>
Less: Non-controlling interests	<u>(366,971)</u>
40% equity interest transferred to associate	550,457
Less: Dilution of 20% equity interest	<u>(183,486)</u>
40% equity interest transferred to associate	366,971
Fair value of 40% equity interest, including option	<u>362,442</u>
Fair value adjustment	<u>(4,529)</u>
Carrying value of 20% interest in AMSB diluted	183,486
Proceeds from dilution, satisfied in cash	182,644
Loss on dilution	<u>(842)</u>

The effect of dilution on cash flow is as follows:

Proceeds from dilution, satisfied in cash	182,644
Less: Retention sum	(5,479)
Deposit received in prior year	(12,785)
Cash and bank balances deconsolidated	<u>(16,354)</u>
Net cash flow from dilution of a subsidiary	<u>148,026</u>

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48. Investment in subsidiaries (cont'd.)

(v) Disposal, dissolution or dilution of interests in subsidiaries (cont'd.)

- (c) CIMA disposed its 80% equity interest in Matang Pagar Sdn Bhd and 70% equity interest in Kuad Sdn Bhd for cash consideration of RM500,000 and RM1.2 million respectively.
- (d) During the year, a wholly owned subsidiary of CIMA, Kuari Pati Sdn. Bhd., disposed its 70% equity interest in Pati Nilai Quarry Sdn Bhd for total cash consideration of RM1.1 million.
- (e) The following subsidiaries were dissolved via voluntary dissolution or struck off:
- Sunrise Hospitality and Leisure Sdn Bhd
 - MAVTRAC Sdn Bhd
 - IBS Iconsis Sdn Bhd
 - Total Trade Sdn Bhd
 - Pati Pave Sdn Bhd
 - Faber Hotels Holdings Sdn Bhd
 - Faber LLC
 - Forte Tech Solutions Sdn Bhd
 - Intralogic Sdn Bhd

The carrying amount of the assets and liabilities of subsidiaries disposed and dissolved are as follows:

	2021
	RM'000
Property, plant and equipment	944
Right-of-use assets	562
Inventories	1,394
Receivables	4,178
Cash, bank balances and deposits	2,513
Payables	(1,367)
Other provisions	(1,938)
Total value of net assets disposed	<u>6,286</u>
Less: Non-controlling interests	<u>(2,601)</u>
Group's share of net assets disposed	3,685
Reserves reclassified to profit or loss	3,679
Consideration received, offset against payables	152
Consideration received, satisfied in cash	2,826
Net loss on disposal and dissolution of subsidiaries	<u>(4,386)</u>

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48. Investment in subsidiaries (cont'd.)

(v) Disposal, dissolution or dilution of interests in subsidiaries (cont'd.)

- (e) The carrying amount of the assets and liabilities of subsidiaries disposed and dissolved are as follows (cont'd.):

The effect of the disposal and dissolution on cash flows is as follows:

	2021
	RM'000
Consideration received, satisfied in cash	2,826
Less: Cash and bank balances disposed	<u>(2,513)</u>
Net cash flow from disposal and dissolution of subsidiaries	<u>313</u>

(vi) Disposal of business operations

- (a) During the financial year, CIMA has completed the disposal of its quarry and premix business operations to external parties for a cash consideration of RM15.5 million.

- (i) The disposal had the following effects on the financial results:

	2021
	RM'000
Net assets derecognised	
Property, plant and equipment	4,377
Intangible assets	10
Inventories	<u>8,219</u>
Total value of assets disposed	12,606
Consideration received, satisfied in cash	<u>15,500</u>
Gain on disposal of business operations	<u>2,894</u>

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48. Investment in subsidiaries (cont'd.)

(vii) Segments with material non-controlling interests

Segments which have non-controlling interests that are material to the Group are listed below:

2021

(a) Summarised consolidated statement of comprehensive income

	Infrastructure & Construction RM'mil	Property RM'mil	Total RM'mil
Revenue	3,477	29	3,506
(Loss)/profit for the year	<u>(169)</u>	<u>(27)</u>	<u>(196)</u>
(Loss)/profit attributable to:			
Owners of the Company	(119)	(15)	(134)
Non-controlling interests	<u>(50)</u>	<u>(12)</u>	<u>(62)</u>
	<u>(169)</u>	<u>(27)</u>	<u>(196)</u>

(b) Summarised consolidated statement of financial position

	Infrastructure & Construction RM'mil	Property RM'mil	Total RM'mil
Non-current assets	11,035	3,168	14,203
Current assets	<u>4,772</u>	<u>12</u>	<u>4,784</u>
Total assets	<u>15,807</u>	<u>3,180</u>	<u>18,987</u>
Non-current liabilities	4,086	-	4,086
Current liabilities	<u>3,386</u>	<u>51</u>	<u>3,437</u>
Total liabilities	<u>7,472</u>	<u>51</u>	<u>7,523</u>
Net assets	<u>8,335</u>	<u>3,129</u>	<u>11,464</u>
Non-controlling interests	2,618	1,393	4,011
Non-controlling interests which are immaterial to the Group			<u>7,736</u>
			<u>11,747</u>

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48. Investment in subsidiaries (cont'd.)

(vii) Segments with material non-controlling interests (cont'd.)

Segments which have non-controlling interests that are material to the Group are listed below (cont'd.):

2021 (cont'd.)

(c) Summarised consolidated statement of cash flows

	Infrastructure & Construction RM'mil	Property RM'mil	Total RM'mil
Net cash (used in)/generated from:			
Operating activities	(8)	(6)	(14)
Investing activities	(175)	14	(161)
Financing activities	(125)	(2)	(127)
Net changes in cash and cash equivalents	(308)	6	(302)
Cash and cash equivalents at beginning of year	1,719	3	1,722
Cash and cash equivalents at end of year	1,411	9	1,420

2020

(a) Summarised consolidated statement of comprehensive income

	Infrastructure & Construction RM'mil	Property RM'mil	Total RM'mil
Revenue	3,166	1	3,167
Loss for the year	(252)	(280)	(532)
Loss attributable to:			
Owners of the Company	(278)	(155)	(433)
Non-controlling interests	26	(125)	(99)
	(252)	(280)	(532)

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48. Investment in subsidiaries (cont'd.)

(vii) Segments with material non-controlling interests (cont'd.)

Segments which have non-controlling interests that are material to the Group are listed below (cont'd.):

2020 (cont'd.)

(b) Summarised consolidated statement of financial position

	Infrastructure & Construction RM'mil	Property RM'mil	Total RM'mil
Non-current assets	11,084	3,126	14,210
Current assets	5,213	87	5,300
Total assets	16,297	3,213	19,510
Non-current liabilities	3,773	-	3,773
Current liabilities	3,634	57	3,691
Total liabilities	7,407	57	7,464
Net assets	8,890	3,156	12,046
Non-controlling interests	3,099	1,404	4,503
Non-controlling interests which are immaterial to the Group			902
			5,405

(c) Summarised consolidated statement of cash flows

	Infrastructure & Construction RM'mil	Property RM'mil	Total RM'mil
Net cash generated from/ (used in):			
Operating activities	131	(4)	127
Investing activities	(285)	5	(280)
Financing activities	242	2	244
Net changes in cash and cash equivalents	88	3	91
Exchange rate effects	36	-	36
Cash and cash equivalents at beginning of year	1,595	-	1,595
Cash and cash equivalents at end of year	1,719	3	1,722

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49. Interest in associates

	Group	
	2021	2020
	RM'000	RM'000
Shares at cost,		
Quoted shares in Malaysia	38,757,363	38,663,955
Quoted shares outside Malaysia	729,023	542,302
Unquoted shares in Malaysia	2,779,777	2,874,465
Unquoted shares outside Malaysia	1,760,384	1,697,394
	<u>44,026,547</u>	<u>43,778,116</u>
Share of post acquisition reserves	20,496,950	19,597,744
	<u>64,523,497</u>	<u>63,375,860</u>
Less: Allowance for impairment losses	(6,384,932)	(6,231,286)
	<u>58,138,565</u>	<u>57,144,574</u>
Market value of quoted shares		
In Malaysia	68,199,875	61,572,701
Outside Malaysia	531,723	430,056
	<u>531,723</u>	<u>430,056</u>

The summarised financial information in respect of each of the Group's aggregated material associates is set out below. The summarised financial information represents the amounts in the financial statements of the associates and not the Group's share of those amounts.

2021

Summarised consolidated statement of comprehensive income

	Investment holding RM'mil	Infrastructure & construction RM'mil	Transportation & logistics RM'mil	Total RM'mil
Revenue	126,907	62	75	127,044
Profit/(loss) for the year	<u>12,439</u>	<u>44</u>	<u>(35)</u>	<u>12,448</u>

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49. Interest in associates (cont'd.)**2021 (cont'd.)****Summarised consolidated statement of financial position**

	Investment holding RM'mil	Infrastructure & construction RM'mil	Transportation & logistics RM'mil	Total RM'mil
Non-current assets	921,033	1,217	47	922,297
Current assets	60,354	585	42	60,981
Total assets	<u>981,387</u>	<u>1,802</u>	<u>89</u>	<u>983,278</u>
Non-current liabilities	722,769	-	3	722,772
Current liabilities	63,442	248	144	63,834
Total liabilities	<u>786,211</u>	<u>248</u>	<u>147</u>	<u>786,606</u>

Reconciliation of the summarised financial information presented above

	Investment holding RM'mil	Infrastructure & construction RM'mil	Transportation & logistics RM'mil	Total RM'mil
Net assets	<u>195,176</u>	<u>1,554</u>	<u>(58)</u>	<u>196,672</u>
Share of net assets	47,244	524	8	47,776
Goodwill	11,502	-	-	11,502
	<u>58,746</u>	<u>524</u>	<u>8</u>	<u>59,278</u>
Carrying amount of the Group's immaterial interest in associates				<u>5,245</u>
				<u>64,523</u>

2020**Summarised consolidated statement of comprehensive income**

	Investment holding RM'mil	Infrastructure & construction RM'mil	Transportation & logistics RM'mil	Total RM'mil
Revenue	114,047	110	118	114,275
Profit/(loss) for the year	<u>5,991</u>	<u>(24)</u>	<u>(105)</u>	<u>5,862</u>

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49. Interest in associates (cont'd.)

2020 (cont'd.)

Summarised consolidated statement of financial position

	Investment holding RM'mil	Infrastructure & construction RM'mil	Transportation & logistics RM'mil	Total RM'mil
Non-current assets	896,749	2,007	65	898,821
Current assets	60,168	1,603	56	61,827
Total assets	956,917	3,610	121	960,648
Non-current liabilities	706,496	1,881	6	708,383
Current liabilities	60,537	218	108	60,863
Total liabilities	767,033	2,099	114	769,246

Reconciliation of the summarised financial information presented above

	Investment holding RM'mil	Infrastructure & construction RM'mil	Transportation & logistics RM'mil	Total RM'mil
Net assets	189,884	1,512	7	191,403
Share of net assets	47,107	513	8	47,628
Goodwill	11,502	-	-	11,502
	58,609	513	8	59,130
Carrying amount of the Group's immaterial interest in associates				4,246
				63,376

Details of the associates, are shown in Note 77 and Note 78.

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50. Interest in joint ventures

	Note	Group	
		2021	2020
		RM'000	RM'000
Shares at cost,			
Unquoted shares in Malaysia	(i)	5,226,753	5,136,266
Unquoted shares outside Malaysia		28,273	27,920
Investments in unincorporated entities		141,146	141,146
		<u>5,396,172</u>	<u>5,305,332</u>
Share of post-acquisition reserves and others		<u>(1,817,703)</u>	<u>(1,824,574)</u>
		3,578,469	3,480,758
Less: Accumulated impairment losses		<u>(408,159)</u>	<u>(281,001)</u>
		3,170,310	3,199,757
Amount due from joint ventures		184,507	144,523
		<u>3,354,817</u>	<u>3,344,280</u>

(i) Acquisition/accretion of interest in joint ventures by the Group

- (a) During the year, UEM Land subscribed to additional 900,000 RPS at an issue price of RM1.00 each in FASTrack for a cash consideration of RM0.9 million.

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50. Interest in joint ventures (cont'd.)

Details of the joint ventures are disclosed in Note 77 and Note 78.

The summarised financial information in respect of each of the Group's aggregated material joint ventures is set out below. The summarised financial information represents the amounts in the financial statements of the associates and not the Group's share of those amounts.

2021

Summarised consolidated statement of comprehensive income

	Investment holding RM'mil	Infrastructure & construction RM'mil	Property RM'mil	Total RM'mil
Revenue	1,519	182	11	1,712
Profit/(loss) for the year	<u>1,841</u>	<u>36</u>	<u>(77)</u>	<u>1,800</u>

Summarised consolidated statement of financial position

	Investment holding RM'mil	Infrastructure & construction RM'mil	Property RM'mil	Total RM'mil
Non-current assets	17,647	626	378	18,651
Current assets	<u>2,140</u>	<u>886</u>	<u>44</u>	<u>3,070</u>
Total assets	<u>19,787</u>	<u>1,512</u>	<u>422</u>	<u>21,721</u>
Non-current liabilities	10,374	230	2	10,606
Current liabilities	<u>311</u>	<u>118</u>	<u>18</u>	<u>447</u>
Total liabilities	<u>10,685</u>	<u>348</u>	<u>20</u>	<u>11,053</u>

Reconciliation of the summarised financial information presented above

	Investment holding RM'mil	Infrastructure & construction RM'mil	Property RM'mil	Total RM'mil
Net assets	<u>9,102</u>	<u>1,164</u>	<u>402</u>	<u>10,668</u>
Share of net assets	<u>5,159</u>	<u>369</u>	<u>201</u>	<u>5,729</u>
Carrying amount of the Group's immaterial interest in joint ventures				<u>(2,151)</u>
				<u>3,578</u>

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50. Interest in joint ventures (cont'd.)

2020

Summarised consolidated statement of comprehensive income

	Investment holding RM'mil	Infrastructure & construction RM'mil	Property RM'mil	Total RM'mil
Revenue	2,047	209	20	2,276
Profit/(loss) for the year	<u>981</u>	<u>11</u>	<u>(45)</u>	<u>947</u>

Summarised consolidated statement of financial position

	Investment holding RM'mil	Infrastructure & construction RM'mil	Property RM'mil	Total RM'mil
Non-current assets	16,423	641	800	17,864
Current assets	<u>2,919</u>	<u>911</u>	<u>294</u>	<u>4,124</u>
Total assets	<u>19,342</u>	<u>1,552</u>	<u>1,094</u>	<u>21,988</u>
Non-current liabilities	11,409	231	80	11,720
Current liabilities	<u>575</u>	<u>240</u>	<u>578</u>	<u>1,393</u>
Total liabilities	<u>11,984</u>	<u>471</u>	<u>658</u>	<u>13,113</u>

Reconciliation of the summarised financial information presented above

	Investment holding RM'mil	Infrastructure & construction RM'mil	Property RM'mil	Total RM'mil
Net assets	<u>7,358</u>	<u>1,081</u>	<u>436</u>	<u>8,875</u>
Share of net assets	<u>4,116</u>	<u>661</u>	<u>163</u>	4,940
Carrying amount of the Group's immaterial interest in joint ventures				<u>(1,459)</u>
				<u>3,481</u>

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51. Other financial investments**Group - 2021**

	Note	Current RM'000	Non-current RM'000	Total RM'000
Financial assets designated as fair value through profit or loss				
At fair value:				
Quoted shares		-	13,965,919	13,965,919
Unquoted shares		-	2,199,057	2,199,057
Quoted bonds		-	159	159
Unquoted bonds		7,560	4,961,774	4,969,334
Unquoted structured products		-	51,490	51,490
Unquoted fund		937,560	1,126,645	2,064,205
		<u>945,120</u>	<u>22,305,044</u>	<u>23,250,164</u>
Financial assets designated as fair value through other comprehensive income				
At fair value:				
Quoted shares		6	2,102,955	2,102,961
Unquoted shares		-	13,259,074	13,259,074
Unquoted bonds		-	1,604,377	1,604,377
Unquoted fund		-	87,947	87,947
		<u>6</u>	<u>17,054,353</u>	<u>17,054,359</u>
Amortised cost				
Loans receivable		30,000	508,558	538,558
Less: Allowance for impairment losses	(i)	-	(75,916)	(75,916)
Total		<u>975,126</u>	<u>39,792,039</u>	<u>40,767,165</u>

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51. Other financial investments (cont'd.)

Group - 2020

	Note	Current RM'000	Non-current RM'000	Total RM'000
Financial assets designated as fair value through profit or loss				
At fair value:				
Quoted shares		-	11,133,426	11,133,426
Unquoted shares		1,399,593	2,236,660	3,636,253
Quoted bonds		186,831	4,281,865	4,468,696
Unquoted bonds		-	1,422,620	1,422,620
Quoted fund		-	788,359	788,359
Unquoted funds		136,750	-	136,750
		<u>1,723,174</u>	<u>19,862,930</u>	<u>21,586,104</u>
Financial assets designated as fair value through other comprehensive income				
At fair value:				
Quoted shares		-	4,155,286	4,155,286
Unquoted shares		-	4,136,676	4,136,676
Unquoted bonds		-	1,455,159	1,455,159
Unquoted fund		-	4,975,624	4,975,624
At cost:				
Unquoted shares		-	322,994	322,994
		-	<u>15,045,739</u>	<u>15,045,739</u>
Amortised cost				
Loans receivable		<u>52</u>	<u>558,986</u>	<u>559,038</u>
Less: Allowance for impairment losses	(i)	-	(36,611)	(36,611)
Total		<u>1,723,226</u>	<u>35,431,044</u>	<u>37,154,270</u>

(i) The movement of the allowance accounts used to record the impairment are as follows:

	2021 RM'000	2020 RM'000
At 1 January	36,611	-
Charge for the year	<u>39,305</u>	<u>36,611</u>
At 31 December	<u>75,916</u>	<u>36,611</u>

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52. Other non-current assets

	Note	Group	
		2021 RM'000	2020 RM'000
Receivables under finance lease	(i)	193,819	172,250
Trade receivables		512,309	500,780
Prepaid land lease payments		271	-
Staff loans		24,310	25,061
Cash and bank balances	60, (ii)	24,663	-
Contract assets	(iii)	77,694	67,751
Concession receivables	(iv)	1,197,871	1,226,456
Others		1,089,529	760,444
		<u>3,120,466</u>	<u>2,752,742</u>

- (i) Leasing portfolio of a subsidiary of the Group comprises financing of long term lease related to investment properties of the Group. As at the reporting date, the present value of lease receivables under non-cancellable lease agreements was as follows:

	Group	
	2021 RM'000	2020 RM'000
Minimum lease receivables:		
Within one year	7,628	11,389
Between one and five years	29,256	32,524
More than five years	36,229	312,765
Total minimum lease payments	<u>73,113</u>	<u>356,678</u>
Less: Unearned finance revenues	<u>(33,270)</u>	<u>(181,993)</u>
Present value of minimum lease receivables	<u>39,843</u>	<u>174,685</u>
Present value of receivables:		
Within one year	2,508	7,610
Between one and five years	169,248	14,112
More than five years	24,571	158,138
	<u>196,327</u>	<u>179,860</u>
Less: Amount due within one year (Note 59)	<u>(2,508)</u>	<u>(7,610)</u>
Amount due after one year	<u>193,819</u>	<u>172,250</u>

- (ii) Relates to security for banking facilities granted to UEM Group's subsidiaries.

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52. Other non-current assets (cont'd.)

(iii) Contract assets

Group	Note	2021 RM'000	2020 RM'000
Contract assets			
Current	58	738,200	536,096
Non-current		77,694	67,751
		<u>815,894</u>	<u>603,847</u>
Contract liabilities			
Current	62	(92,419)	(100,827)
Non-current	66	(240,635)	(227,799)
		<u>(333,054)</u>	<u>(328,626)</u>

Group	Note	2021 RM'000	2020 RM'000
Contract assets			
Contract assets from property development and strategic land sales	(a)	430,550	252,147
Contract assets from construction contracts	(b)	715	-
Contracts assets from rendering services	(c)	384,629	351,700
		<u>815,894</u>	<u>603,847</u>
Contract liabilities			
Contract assets from property development and strategic land sales	(a)	(302,742)	(297,963)
Contracts liabilities from rendering services	(c)	(30,312)	(30,663)
		<u>(333,054)</u>	<u>(328,626)</u>

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52. Other non-current assets (cont'd.)

(iii) Contract assets (cont'd.)

(a) Contract assets from property development and strategic land sales

For property development, the Group issues progress billings to purchasers when the billing milestones are attained. The Group recognises revenue when the performance obligation is satisfied.

For strategic land sales, the Group recognises revenue and issues billings to purchasers upon transfer of control. The contract assets and contract liabilities relating to the sale of properties and land sales as of each reporting period are shown as below:

Group	2021 RM'000	2020 RM'000
Contract assets	430,550	252,147
Contract liabilities	(302,742)	(297,963)
	<u>127,808</u>	<u>(45,816)</u>
At 1 January	(45,816)	(143,176)
Revenue recognised during the financial year	866,362	519,903
Deferred during the financial year	(692,738)	(422,543)
At 31 December	<u>127,808</u>	<u>(45,816)</u>

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52. Other non-current assets (cont'd.)

(iii) Contract assets (cont'd.)

(b) Contract assets from construction contracts

Group	2021 RM'000	2020 RM'000
Contract assets	<u>715</u>	<u>-</u>
Construction work in progress ("WIP"), at cost	134,422	-
Add : Attributable profit	<u>(3,725)</u>	<u>-</u>
	130,697	-
Less :		
- Progress billings	<u>(129,982)</u>	<u>-</u>
	<u>715</u>	<u>-</u>

(c) Contract assets from rendering services

Contract assets are initially recognised for revenue earned from services transferred which receipt of the consideration is conditional on the completion and final acceptance by customers. Upon final acceptance by the customers, the amounts recognised as contract assets becomes unconditional and are reclassified to trade receivables.

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52. Other non-current assets (cont'd.)

(iii) Contract assets (cont'd.)

(c) Contract assets from rendering services (cont'd.)

Contract liabilities include billings made in advance which represent amounts where customers have been invoiced ahead of the satisfaction of the performance obligation by the Group.

Group	2021 RM'000	2020 RM'000
Contract assets	384,629	351,700
Contract liabilities	(30,312)	(30,663)
	<u>354,317</u>	<u>321,037</u>
Revenue recognised from amounts included in contract liabilities at the beginning of the year	<u>5,578</u>	<u>4,383</u>

(iv) Concession receivables

Concession receivables are in relation to:

	Note	2021 RM'000	2020 RM'000
Non-current		1,197,871	1,226,456
Current	58	124,214	124,214
		<u>1,322,085</u>	<u>1,350,670</u>

(a) A concession arrangement in which the Group provides retro-fitting works and upgrades of infrastructure to turn existing buildings into green buildings. This amount is to be repaid over the remaining period of the concession. This amount also pledged as security for the borrowings obtained as disclosed in Note 61.

(b) A concession arrangement to develop and construct Tunku Azizah Hospital. This amount is to be repaid over the remaining period of the concession.

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53. Right-of-use assets

Costs	Aircraft RM'000	Land and Building RM'000	Others RM'000	Total RM'000
2021				
At 1 January	11,396,064	2,573,130	129,269	14,098,463
Additions	279,731	34,008	15,379	329,118
Lease modification	(1,427,767)	(645,588)	(99)	(2,073,454)
Transfer to property, plant and equipment (Note 42)	(187,967)	-	-	(187,967)
Transfer to investment properties (Note 44)	-	(52,943)	-	(52,943)
Disposal of subsidiaries (Note 48(v))	-	(562)	-	(562)
Disposal	-	(629)	-	(629)
At 31 December	10,060,061	1,907,416	144,549	12,112,026
Accumulated depreciation				
At 1 January	3,430,926	211,303	48,974	3,691,203
Charge for the year (Note 36)	937,952	60,798	15,262	1,014,012
Foreign exchange difference	-	(68)	-	(68)
Lease modification	99,521	235	-	99,756
Impairment (Note 36)	110,880	-	-	110,880
Transfer to property, plant and equipment (Note 42)	(43,793)	(711)	-	(44,504)
Disposal	-	306	-	306
At 31 December	4,535,486	271,863	64,236	4,871,585
Net carrying amount	5,524,575	1,635,553	80,313	7,240,441

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53. Right-of-use assets (cont'd.)-

Costs	Aircraft RM'000	Land and Building RM'000	Others RM'000	Total RM'000
2020				
At 1 January	10,993,809	2,598,052	105,370	13,697,231
Additions	735,157	5,405	27,733	768,295
Lease modification	-	(4,461)	-	(4,461)
Transfer to property, plant and equipment (Note 42)	-	(5,908)	-	(5,908)
Transfer to investment properties (Note 44)	-	(2,858)	-	(2,858)
Transfer to asset held for sale (Note 41)	-	(12,687)	-	(12,687)
Disposal of subsidiaries	-	-	(3,834)	(3,834)
Disposal	-	(4,413)	-	(4,413)
Derecognition	(332,902)	-	-	(332,902)
At 31 December	11,396,064	2,573,130	129,269	14,098,463
Accumulated depreciation				
At 1 January	1,480,791	146,470	26,070	1,653,331
Charge for the year (Note 36)	1,563,120	66,724	23,726	1,653,570
Foreign exchange difference	-	72	-	72
Impairment (Note 36)	387,015	301	2,249	389,565
Transfer to asset held for sale (Note 41)	-	(1,353)	-	(1,353)
Disposal of subsidiaries	-	-	(3,071)	(3,071)
Disposal	-	(911)	-	(911)
At 31 December	3,430,926	211,303	48,974	3,691,203
Net carrying amount				
	7,965,138	2,361,827	80,295	10,407,260
	186			

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54. Derivative financial instruments

		Group		
		Nominal amount RM'000	Assets RM'000	Liabilities RM'000
2021				
Forward exchange rate contracts	(i)	-	-	(22)
Fuel hedging contracts (barrels)	(ii)	-	-	-
Foreign currency hedging contracts	(iii)	-	-	-
Interest rate derivatives	(iv)	323,993	22,409	(29,716)
Embedded derivatives		-	-	(166,587)
			<u>22,409</u>	<u>(196,325)</u>
Analysed as:				
Current		79,744	22,409	(22)
Non-current		244,249	-	(196,303)
			<u>22,409</u>	<u>(196,325)</u>
		Group		
		Nominal amount RM'000	Assets RM'000	Liabilities RM'000
2020				
Forward exchange rate contracts	(i)	-	-	-
Fuel hedging contracts (barrels)	(ii)	2,875	-	(85,393)
Foreign currency hedging contracts	(iii)	132,569	12	(500)
Interest rate derivatives	(iv)	72,987	-	(16,386)
Embedded derivatives		3,134,699	-	(128,409)
			<u>12</u>	<u>(230,688)</u>
Analysed as:				
Current			-	(72,063)
Non-current			12	(158,625)
			<u>12</u>	<u>(230,688)</u>

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54. Derivative financial instruments (cont'd.)

(i) Forward exchange rate contracts

Cement Industries of Malaysia Berhad's ("CIMA") outstanding forward exchange rate contracts with notional amount totalling RM6.3 million which are used to manage portion of CIMA's transaction exposure denominated in USD.

(ii) Fuel hedging contracts (barrels)

The Group hold swaps designated as hedge of highly probable forecast fuel purchases to reduce the volatility of cash flows. The contracts are intended to hedge the volatility of the purchase price of fuel for a period up to 12 months forward.

Due to significant capacity cuts following the Covid-19 pandemic and the expected impact on the near-term forecasted jet fuel purchases, a portion of these forecasted jet fuel purchase, for which hedge accounting had been applied previously, is no longer expected to occur. As a result, hedge accounting has been discontinued for these hedging relationships, with hedge ineffectiveness of RM85,393,000 recognised in the profit or loss in prior year. As at 31 December 2021, the Group has no outstanding balance in the reserves.

(iii) Foreign currency hedging contracts

Malaysia Aviation Group Berhad ("MAGB") has forward currency contracts outstanding as at 31 December 2021 designated as hedges of firm commitments and highly probable future payments denominated in foreign currencies.

The amount retained in other comprehensive income at 31 December 2021 are expected to mature and affect profit or loss in 2021.

The terms of the forward currency contracts have been negotiated to match the terms of the commitments. There were no highly probable transactions for which hedge accounting had previously been used, which is no longer expected to occur.

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54. Derivative financial instruments (cont'd.)

(iii) Foreign currency hedging contracts (cont'd.)

The cash flow hedges of the highly probable future payments denominated in foreign currencies were assessed to be highly effective and as at 31 December 2021, a net unrealised loss of RM118,000 (2020: net unrealised gain of RM7,016,000) was included in other comprehensive income in respect of these contracts.

The amount removed from other comprehensive income during the financial year and included in profit or loss is loss of RM121,000 (2020: gain of RM3,545,000).

(iv) Interest rate derivatives

As at 31 December 2021, MAGB has interest rate caps and swaps at contracted interest rates varying from 2.1% to 2.2% (2020: 2.1% to 2.2%) per annum. The contracts are intended to hedge the volatility of interest rates for up to maximum 80% of the floating interest rate risk exposure of any financial year.

The amounts retained in other comprehensive income at 31 December 2021 are expected to mature and affect the profit or loss between 2021 to 2024.

There were no highly probable transactions for which hedge accounting had previously been used, which is no longer expected to occur.

The cash flow hedges of the highly probable forecast of interest rates were assessed to be highly effective and as at 31 December 2021, a net unrealised gain of RM9,079,000 (2020: net unrealised loss of RM15,300,000) was included in other comprehensive income in respect of these contracts.

The amount removed from other comprehensive income during the financial year and included in profit or loss is gain of RM7,307,000 (2020: gain of RM4,411,000).

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55. Deferred taxation

	Note	Group	
		2021	2020
		RM'000	RM'000
As 1 January		(180,499)	(122,698)
Disposal of subsidiaries (net)		-	(540)
Recognised in profit or loss	40	80,353	(57,261)
Exchange differences		(3,720)	-
At 31 December		<u>(103,866)</u>	<u>(180,499)</u>

Presented after appropriate offsetting as follows:

Deferred tax assets		385,071	333,226
Deferred tax liabilities		<u>(488,937)</u>	<u>(513,725)</u>
		<u>(103,866)</u>	<u>(180,499)</u>

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55. Deferred taxation (cont'd.)

The components and movements of deferred tax liabilities and assets of the Group during the financial year are as follows:

Deferred tax liabilities of the Group:

	Accelerated capital allowances RM'000	Fair value adjustment of land and building RM'000	Interest capitalised RM'000	Other temporary differences RM'000	Total RM'000
At 1 January 2021	(197,453)	(227,594)	(73,254)	(15,424)	(513,725)
Recognised in profit or loss	41,688	2,337	1,634	(20,871)	24,788
At 31 December 2021	(155,765)	(225,257)	(71,620)	(36,295)	(488,937)
At 1 January 2020	(269,423)	(230,281)	(73,254)	(14,704)	(587,662)
Recognised in profit or loss	68,482	-	-	(720)	67,762
Disposal of subsidiaries	3,488	2,687	-	-	6,175
At 31 December 2020	(197,453)	(227,594)	(73,254)	(15,424)	(513,725)

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55. Deferred taxation (cont'd.)

Deferred tax assets of the Group:

At 1 January 2021					
Recognised in profit or loss					
Exchange differences					
At 31 December 2021					
	232,004	95,954	5,268	333,226	
	7,344	48,303	(82)	55,565	
	69	(3,789)	-	(3,720)	
	<u>239,417</u>	<u>140,468</u>	<u>5,186</u>	<u>385,071</u>	
At 1 January 2020					
Recognised in profit or loss					
Disposal of subsidiaries					
At 31 December 2020					
	345,029	105,283	14,652	464,964	
	(108,997)	(6,642)	(9,384)	(125,023)	
	(4,028)	(2,687)	-	(6,715)	
	<u>232,004</u>	<u>95,954</u>	<u>5,268</u>	<u>333,226</u>	

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55. Deferred taxation (cont'd.)

Deferred tax assets have not been recognised in respect of the following items:

	Group	
	2021	2020
	RM'000	RM'000
Unutilised tax losses	12,872,686	5,004,181
Unabsorbed capital allowances and investment tax allowance	8,287,440	8,429,122
Other temporary differences	5,707,100	1,492,442
	<u>26,867,226</u>	<u>14,925,745</u>

The unutilised tax losses carried forward are available for offset against future taxable profit of the subsidiaries subject to no substantial changes in the shareholdings of the subsidiaries under Section 44(5A) and (5B) of the Income Tax Act, 1967 and guidelines issued by the tax authorities. With effect from 1 January 2022, any unabsorbed business losses from the year of assessment 2019 onwards can be carried forward for a maximum period of 10 consecutive years of assessment to be utilised against income from any source. The amendment is based on Finance Bill 2021 which was gazetted on 31 December 2021.

56. Property development-in-progress

		Group	
	Note	2021	2020
		RM'000	RM'000
Cumulative property development			
At 1 January		3,482,968	4,685,175
Development costs incurred during the year		449,927	363,199
Transfers from/(to)			
- Land held for property development	43	183,535	149,749
- Property, plant and equipment	42	-	4,610
- Inventories		(32,796)	(24,251)
Impairment for the year	36	(20,605)	-
Reversal of costs arising from completed projects		-	(1,695,514)
At 31 December		<u>4,063,029</u>	<u>3,482,968</u>

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56. Property development-in-progress (cont'd.)

	Group	
	2021	2020
	RM'000	RM'000
Cumulative costs recognised in statement of comprehensive income		
At 1 January	(2,464,029)	(3,781,163)
Reversal of costs arising from completed projects	-	1,695,514
Recognised during the year	(705,783)	(378,380)
At 31 December	<u>(3,169,812)</u>	<u>(2,464,029)</u>
At 31 December	<u>893,217</u>	<u>1,018,939</u>

Included in costs incurred during the year are:

	Group	
	2021	2020
	RM'000	RM'000
Staff costs	12,786	6,163
Interest expense	<u>6,024</u>	<u>9,794</u>

As at the reporting date, freehold land and related development expenditure totalling RM102.7 million (2020: RM150.2 million) are pledged as security for the banking facilities granted to UEM Sunrise Group.

57. Inventories and work-in-progress

	Group	
	2021	2020
	RM'000	RM'000
At cost:		
Raw materials	18,033	19,981
Work-in-progress	33,160	39,204
Finished goods	26,878	27,326
Consumables	193,544	127,590
Catering and general stores	21,632	22,518
Trading stocks	-	672
Property held for sale	146,584	196,169
Others	122,481	413,170
	<u>562,312</u>	<u>846,630</u>

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57. Inventories and work-in-progress (cont'd.)

	Group	
	2021	2020
	RM'000	RM'000
At net realisable value:		
Work-in-progress	-	776
Consumable aircraft spares	-	179,052
Property held for sale	273,530	104,798
Golf memberships*	28,211	28,211
Others	857	300
	<u>302,598</u>	<u>313,137</u>
	<u>864,910</u>	<u>1,159,767</u>

* In accordance with the Development Agreement dated 16 June 2005 between Horizon Hills and Nusajaya Greens Sdn. Bhd., Horizon Hills has settled part of the purchase consideration of the golf course land in the form of rights to club membership (golf and non-golf) to be issued by Horizon Hills Resort Berhad, a wholly-owned subsidiary of Horizon Hills.

The cost of inventories and WIP recognised as cost of sales during the year amounted to RM701.7 million (2020: RM674.4 million), excluding any impairment or write down of inventories.

58. Trade receivables

		Group	
	Note	2021	2020
		RM'000	RM'000
Trade receivables	(i)	1,481,069	1,277,508
Less: Allowance for doubtful debts		<u>(205,206)</u>	<u>(196,830)</u>
		1,275,863	1,080,678
Contract assets	52(iii)	738,200	536,096
Concession receivables	52(iv)	124,214	124,214
		<u>2,138,277</u>	<u>1,740,988</u>

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58. Trade receivables (cont'd.)

(i) Trade receivables

- The Group has no significant concentration of credit risk that may arise from exposures to a single debtor or to groups of debtors.
- Trade receivables are non-interest bearing and are generally on 30 to 90 days (2020: 30 to 90 days) terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

The ageing analysis of the trade receivables is as follows:

	2021	2020
	RM'000	RM'000
Group		
Neither past due nor impaired	776,078	776,535
1 to 30 days past due not impaired	279,476	122,474
31 to 60 days past due not impaired	44,592	41,819
More than 60 days past due not impaired	175,717	139,850
	499,785	304,143
Impaired	205,206	196,830
	<u>1,481,069</u>	<u>1,277,508</u>

Receivables that are neither past due nor impaired

Receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group.

Receivables that are past due but not impaired

The Group has trade receivables that are related to customers with good payment records with the Group or those with ongoing transactions, progressive payments and/or amounts owing by the Group.

Receivables that are impaired

The Group's trade receivables that are impaired are all individually impaired. There are no impairment arising from collective impairment.

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58. Trade receivables (cont'd.)

(i) Trade receivables (cont'd.)

The movement of the allowance account used to record impairment is as follows:

	Group	
	2021	2020
	RM'000	RM'000
At 1 January	196,830	182,615
Charge for the year	8,376	14,215
At 31 December	<u>205,206</u>	<u>196,830</u>

59. Other receivables

	Note	Group	
		2021	2020
		RM'000	RM'000
Interest income receivable		263	273
Amount due from a former director and shareholder of a subsidiary	(i)	2,315,979	2,315,979
Amount due from MoF Inc.		851,580	851,580
Amount due from associates	(ii)	89,219	21,825
Amount due from joint ventures		12,480	45,405
Amount due from related companies		61,937	150,144
Insurance receivables	(iii)	-	24,376
Receivable under finance lease	52(i)	2,508	7,610
Other deposits and prepayments		20,254	32,501
Accrued income		2,353	3,799
Others	(iv)	<u>1,462,813</u>	<u>1,375,089</u>
		4,819,386	4,828,581
Less: Allowance for impairment losses		<u>(2,413,032)</u>	<u>(2,413,032)</u>
		<u>2,406,354</u>	<u>2,415,549</u>

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59. Other receivables (cont'd.)

The Group has no significant concentration of credit risk that may arise from exposures to a single debtor or to groups of debtors.

- (i) On 11 December 2000, UEM exercised the Put Option granted by Tan Sri Dato' Seri Halim bin Saad ("TSHS"), a past director of UEM in 1998 in respect of UEM's investment in UEM Land. The cost of shares plus holding cost on the 720,959,000 UEM Land shares ("Put Option Shares"), representing 31.0% of the paid-up capital of UEM Land as at 11 December 2000 amounting to RM3,165.8 million became the principal amount of debt due from TSHS and accrued interest at a rate of 9.4% per annum compounded semi-annually until full repayment.

The amount of RM3,165.8 million repayable in 3 equal instalments of RM100.0 million each on 14 February 2001, 14 July 2001 and 14 December 2001 respectively and the balance including interest was to be paid on 14 May 2002. On 14 February 2001, UEM received the first instalment from TSHS and granted an Extension of Time for the second instalment to 12 September 2001.

On 12 September 2001, UEM announced that it had not received the second instalment payment from TSHS and considered TSHS to have defaulted. The Put Option agreement was terminated subsequently and a notice of termination was sent to TSHS on 21 November 2001. Resulting from the termination of the Put Option agreement, UEM retained the UEM Land shares and forfeited the RM100.0 million first instalment for its own account by way of set-off and in part satisfaction of its claim for compensation.

As TSHS had failed to repay the outstanding amount as scheduled, full provision of RM2,316.0 million had been made on the net amount due from TSHS.

- (ii) The amount due from associates is unsecured, interest-free and is repayable on demand.
- (iii) Insurance receivables

	Group	
	2021	2020
	RM'000	RM'000
Net insurance receivables	-	24,376

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59. Other receivables (cont'd.)

(iv) Included in others are:

- (a) An amount of RM22.9 million (2020: RM22.9 million) representing tax penalty paid to IRB.
- (b) PLUS BKSP Toll Limited net carrying value of concession intangible assets of RM124.3 million or INR2,212.1 million (2020: RM121.6 million or INR2,212.1 million) to be recovered through claim submitted to Maharashtra State Road Development Corporation ("MSRDC") for premature termination of the Concession Agreement with MSRDC. The amount had been fully impaired previously.
- (c) Advance of RM56.0 million (2020: RM56.0 million) provided to a corporate shareholder of a subsidiary which is bearing interest rate at 6% (2020: 6%) per annum.

60. Cash and bank balances

	Group	
	2021	2020
	RM'000	RM'000
Cash in hand and at bank	5,234,096	10,747,983
Deposits with licensed banks	6,669,749	1,091,335
Deposit with other financial institutions	87,103	63,209
	<u>11,990,948</u>	<u>11,902,527</u>
Analysed as:		
Non-current (Note 52)	24,663	-
Current	11,966,285	11,902,527
	<u>11,990,948</u>	<u>11,902,527</u>

The range of interest rates and maturities of the term deposits as at 31 December 2021 is disclosed in Note 68(c).

61. Borrowings

Group	Note	Short term	Long term	Total
		RM'000	RM'000	RM'000
2021				
Secured bonds and notes	(i)	2,493,710	6,179,418	8,673,128
Unsecured bonds and notes	(ii)	3,202,111	30,378,501	33,580,612
Exchangeable Trust Certificates	25(b)	-	3,283,747	3,283,747
Other borrowings	(iii)	4,352,859	7,523,209	11,876,068
		<u>10,048,680</u>	<u>47,364,875</u>	<u>57,413,555</u>

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61. Borrowings (cont'd.)

Group	Note	Short term RM'000	Long term RM'000	Total RM'000
2020				
Secured bonds and notes	(i)	2,284,364	8,348,551	10,632,915
Unsecured bonds and notes	(ii)	3,483,568	25,381,857	28,865,425
Exchangeable Trust Certificates	25(b)	-	3,134,699	3,134,699
Other borrowings	(iii)	4,848,047	12,557,277	17,405,324
		<u>10,615,979</u>	<u>49,422,384</u>	<u>60,038,363</u>

(i) Secured bonds and notes

Group	Note	Short term RM'000	Long term RM'000	Total RM'000
2021				
Khazanah Bonds	25(a)	2,443,710	5,499,418	7,943,128
Prohawk	(A)	50,000	680,000	730,000
		<u>2,493,710</u>	<u>6,179,418</u>	<u>8,673,128</u>
2020				
Khazanah Bonds	25(a)	2,284,364	7,593,551	9,877,915
Prohawk	(A)	-	755,000	755,000
		<u>2,284,364</u>	<u>8,348,551</u>	<u>10,632,915</u>

(A) Konsortium ProHAWK Sdn. Bhd. ("Prohawk")

IMTN

On 18 June 2013, Prohawk established an IMTN Programme under the Shariah Principle of Murabahah, with a nominal amount of up to RM900.0 million.

The IMTN is secured by a first ranking charge over all of Prohawk's assets, rights, interests and titles, including granting the right to the security agent to appoint a substituted entity to take over the concession.

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61. Borrowings (cont'd.)

(i) Secured bonds and notes (cont'd.)

(A) Konsortium ProHAWK Sdn. Bhd. ("Prohawk") (cont'd.)

IMTN (cont'd.)

There are several series within the issued tranches, each with different tenure and profit rate. The details of the IMTN issuance are as follows:

Issuance date	Tenures (Years)	Profit rate (% per annum)	At	During the year	At
			1 January 2021	Repayment RM'million	31 December 2021
20 June 2013	17.5 - 20.0	5.24 - 5.35	200	-	200
20 December 2013	15.0 - 17.5	5.21 - 5.34	120	-	120
26 June 2014	13.0 - 15.0	5.21 - 5.32	120	-	120
22 December 2014	6.0 - 12.0	5.00 - 5.26	315	(25)	290
			<u>755</u>	<u>(25)</u>	<u>730</u>

(ii) Unsecured bonds and notes

Group	Note	Short term RM'000	Long term RM'000	Total RM'000
2021				
Islamic CP/MTN Programme				
Khazanah	25(c)-(g)	2,400,000	27,225,793	29,625,793
UEM Sunrise	(a)	450,000	3,152,708	3,602,708
UEM Edgenta	(b)	252,184	-	252,184
UGB	(c)	99,927	-	99,927
		<u>3,202,111</u>	<u>30,378,501</u>	<u>33,580,612</u>
2020				
Islamic CP/MTN Programme				
Khazanah	25 (c),(d),(f),(g)	3,483,568	22,562,114	26,045,682
UEM Sunrise	(a)	-	2,417,899	2,417,899
UEM Edgenta	(b)	-	302,059	302,059
UGB	(c)	-	99,785	99,785
		<u>3,483,568</u>	<u>25,381,857</u>	<u>28,865,425</u>

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61. Borrowings (cont'd.)

(ii) Unsecured bonds and notes (cont'd.)

(a) UEM Sunrise Berhad ("UEM Sunrise")

(i) UEM Sunrise ICPN and IMTN

In 2012, UEM Sunrise established an ICP Programme and an IMTN Programme, with a combined nominal value of RM2.0 billion and a sub-limit on the ICP Programme of RM500.0 million in nominal value. The ICP and IMTN Programmes have been assigned with a rating of MARC-1s /AA-is respectively.

The details of the IMTN issuance are as follows:

Issuance date	Tenure (Years)	Profit rate (% per annum)	1 January	During the year		31 December
			2021	Issuance	Repayment	2021
			RM'million			
30 June 2014	7	4.90	200	-	(200)	-
10 April 2015	7	4.80	150	-	-	150
22 March 2019	5	4.75	300	-	-	300
30 April 2020	1	3.70	130	-	(130)	-
18 May 2020	1	3.70	105	-	(105)	-
10 June 2020	3	4.00	270	-	-	270
12 June 2020	3	4.00	150	-	-	150
21 September 2020	3	3.90	350	-	-	350
20 May 2021	5	4.60	-	300	-	300
8 September 2021	5	4.40	-	290	-	290
21 September 2021	4	4.25	-	143	-	143
			1,655	733	(435)	1,953

In 2016, UEM Sunrise established its second ICP Programme and IMTN Programme with a combined nominal value of RM2.0 billion and a sub-limit on the ICP Programme of RM500.0 million in nominal value. The ICP and IMTN Programmes have been assigned a rating of MARC-1s /AA-is respectively.

The details of the IMTN and ICP issuance are as follows:

Issuance date	Tenure (Years)	Profit rate (% per annum)	At	During the year		At
			1 January 2021	Issuance	Repayment	31 December 2021
			RM'million			
20 May 2016	7	5.00	500	-	-	500
11 December 2017	5	5.06	300	-	-	300
11 December 2017	7	5.32	100	-	-	100
31 October 2018	3	4.85	350	-	(350)	-
31 October 2018	5	4.98	100	-	-	100
31 October 2018	7	5.15	250	-	-	250
18 February 2021	3	4.00	-	230	-	230
18 February 2021	5	4.30	-	170	-	170
			1,600	400	(350)	1,650

In 2021, the Company established its third programme: ICP Programme and IMTN Programme with a combined aggregate limit of up to RM4.0 billion in nominal value.

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61. Borrowings (cont'd.)

(ii) Unsecured bonds and notes (cont'd.)

(b) UEM Edgenta

UEM Edgenta had established an ICP Programme and an IMTN Programme under the Shariah Principle of Murabahah via a Tawarruq Arrangement, which have a combined aggregate limit of up to RM1.0 billion in nominal value and a sub-limit on the ICP Programme of RM300.0 million in nominal value. The tenure for the ICP Programme and IMTN Programme are 7 and 30 years, respectively from the date of the first issue.

The details of the IMTN and ICP issuance and repayment are as follows:

Issuance date	Tenure (Years)	Profit rate (% per annum)	At 1 January 2021	Repayment during the year RM'million	At 31 December 2021
26 April 2017	5	4.85	252	-	252
24 April 2020	1	3.40	50	(50)	-
			<u>302</u>	<u>(50)</u>	<u>252</u>

As at 31 December 2021, the remaining tenure of the IMTN Programme is 26 years. UEM Edgenta has implemented its plan to redeem and reissue the IMTNs to extend the tenure of the current IMTNs for another 5 years or a period deemed fit. UEM Edgenta expects to successfully complete and meet all the conditions precedent to redeem and reissue the IMTNs prior to the maturity date of 26 April 2022.

(c) United Growth Berhad ("UGB")

On 21 June 2012, UEM, through United Growth, established an IMTN Programme under the Shariah Principle of Musharakah, with a nominal amount of up to RM2.2 billion. On the same day, United Growth issued RM100.0 million IMTN at a discounted price of RM98.8 million.

The tenure of the IMTN issued is 10 years and will be maturing on 21 June 2022. The IMTN carries a fixed profit rate of 4.73% per annum.

The discount of RM1.2 million is amortised over the tenure of the IMTN at an effective interest rate of 4.88% (2020: 4.88%) per annum. As at the reporting date, the carrying value of the IMTN, taking into consideration the unamortised portion of the discount, is as follows:

	2021 RM'000	2020 RM'000
Principal	100,000	100,000
Unamortised discount	(73)	(215)
	<u>99,927</u>	<u>99,785</u>

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61. Borrowings (cont'd.)
(iii) Other borrowings

Group		Short term RM'000	Long term RM'000	Total RM'000
2021				
Secured:				
CIMA	(A)	-	1,967	1,967
Other term loans and payables	(B)	1,018,284	7,260,811	8,279,095
Loan from Government	(C)	497,551	-	497,551
Others	(D)	2,141,187	100,000	2,241,187
		<u>3,657,022</u>	<u>7,362,778</u>	<u>11,019,800</u>
Unsecured:				
Other term loans and payables	(B)	22,147	22,146	44,293
Others	(D)	673,690	138,285	811,975
		<u>695,837</u>	<u>160,431</u>	<u>856,268</u>
Total		<u>4,352,859</u>	<u>7,523,209</u>	<u>11,876,068</u>
2020				
Secured:				
CIMA	(A)	-	80,000	80,000
Other term loans and payables	(B)	531,056	7,504,269	8,035,325
Loan from Government	(C)	78,439	287,669	366,108
Others	(D)	744,350	47,674	792,024
		<u>1,353,845</u>	<u>7,919,612</u>	<u>9,273,457</u>
Unsecured:				
Other term loans and payables	(B)	852,200	3,438,284	4,290,484
Others	(D)	2,642,002	1,199,381	3,841,383
		<u>3,494,202</u>	<u>4,637,665</u>	<u>8,131,867</u>
Total		<u>4,848,047</u>	<u>12,557,277</u>	<u>17,405,324</u>

(A) Cement Industries Of Malaysia Berhad ("CIMA")

In 2020, CIMA Group obtained a term loan facility at interest rate of 3.23% (2020: 3.20%) per annum, to part finance the acquisition of a plot of freehold land. The facility is secured by way of first party legal charge over the said freehold land, corporate guarantee from CIMA and letter of undertaking from UEM.

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61. Borrowings (cont'd.)

(iii) Other borrowings (cont'd.)

(B) Other term loans and payables

Included in the Group's term loans and payables are secured and unsecured term loans with interest rates ranging from 1.0% to 5.64% (2020: 1.0% to 10.76%) per annum and facility terms of 1 to 5 years.

Secured term loans of the Group are secured by the followings:

- (i) property, plant and equipment
- (ii) deposit with licensed banks
- (iii) investment assets
- (iv) assignment of proceeds
- (v) corporate guarantees

(C) Loan from Government

Iskandar Investment Berhad ("IIB"), a subsidiary of the Group, was granted a term loan facility of RM550 million from Ministry of Finance ("MOF"), Malaysia, to finance the Legoland Theme Park Project. The term loan is secured by way of debenture issued by IDR Assets Sdn. Bhd. ("IDRA"), a subsidiary of LL Malaysia Attractions Holdings Sdn. Bhd. ("LLMAH"), and is subject to interest charge at 3.75% per annum. The interest for the first 48 months is to be capitalised to the principal. The term loan including the capitalised interest is repayable from 2013 to 2026.

In prior years, Themed Attractions And Resort Sdn. Bhd. ("TAR"), the holding company of IDRA had undertaken to complete the novation of the term loan by 31 December 2015 and assumed the liability in relation to the said loan.

On 14 September 2020, MOF has granted the following:

- (i) Deferment of principal and interest payment for year 2020 and 2021 amounting to RM141.2mil. The repayment schedule which was originally expected to end in 2026 has been revised to 2030 (2 years of deferment and 2 years for extension of repayment);
- (ii) Transfer of IDRA assets to LL Malaysia Taman Tema Sdn. Bhd. ("LLMTT"), a subsidiary of TAR and restructuring of loan to IIB with revised terms and conditions; and
- (iii) Subject to Clause 19 of the agreement, item number (i) and (ii) need to be finalised in a supplemental loan agreement and amended towards all security documents related to this loan.

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61. Borrowings (cont'd.)

(iii) Other borrowings (cont'd.)

(C) Loan from Government (cont'd.)

On 2 October 2020, TAR issued a letter of undertaking ("LOU") pursuant to the new terms approved by MOF to IIB Group and IIB confirming that IIB Group and IIB will remain as a party to the MOF loan and TAR will continue to indemnify IIB for any claims, actions in relation to the MOF Loan. IIB shall not be liable for any amount owing under the MOF loan and TAR will be fully responsible for the payment and settlement of all the amounts owing under the MOF loan.

On 29 August 2021, both supplemental agreement to the facility agreement between MOF and IIB as well as deed of novation agreement between IIB, IDRA and LLMTT has signed and thereby executed.

(D) Others

Included in other borrowings are:

(i) Revolving credit facilities

The revolving credit facilities bear interest at rates ranging from 3.01% to 4.32% (2020: 2.99% to 4.99%) per annum. Certain revolving credit facilities are guaranteed by the Group and the Government of Malaysia.

(ii) Bank overdrafts

The bank overdrafts carry interest rates ranging of 5.64% (2020: 7.74% to 7.92%) per annum.

(iii) Structured Commodity Financing-i

The Structured Commodity Financing-i Facility is obtained for projects and working capital purposes which carries an average profit rate of 4.08% (2020: 3.60%) per annum.

The movement in the borrowings are as follows:

	Note	Group	
		2021 RM'000	2020 RM'000
At 1 January		60,038,363	61,639,366
Drawdown		15,374,573	11,061,844
Repayment		(12,286,304)	(15,842,628)
Conversion of loan to equities		(7,082,947)	-
Unrealised gain on foreign exchange		945,653	2,684,979
Amortisation		424,217	494,802
At 31 December		<u>57,413,555</u>	<u>60,038,363</u>

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62. Trade payables

	Note	Group	
		2021 RM'000	2020 RM'000
Trade payables		1,627,102	3,803,231
Contract liabilities	52(iii)	92,419	100,827
		<u>1,719,521</u>	<u>3,904,058</u>

The payables are interest free and the normal trade credit terms granted to the Group range from 30 days to 90 days (2020: 30 days to 90 days).

63. Other current liabilities

Group	Note	2021 RM'000	2020 RM'000
Dividend payable		-	1,000,000
Sales in advance of carriage	(i)	904,036	1,137,858
Amount due to associates	(ii)	29,694	1,429
Amount due to related companies	(iii)	229,563	197,098
Interest payable		135,558	527
Insurance payables		-	38,162
Government grant	66(i)	247	247
Retirement benefit obligations and provision for employee entitlements	64	1,403	1,747
Deferred liabilities and income	66(iii)	476,658	74,621
Provision for aircraft maintenance and overhaul costs	(iv)	2,492,507	2,454,062
Accruals		2,132,227	1,962,547
Other payables		2,214,836	2,069,300
		<u>8,616,729</u>	<u>8,937,598</u>

(i) Sales in advance of carriage represents the value of unutilised passenger tickets and cargo airway bills in respect of transportation services not yet rendered as at the reporting date.

(ii) The amount due to associates is unsecured, interest free and is repayable on demand.

(iii) The amount due to related companies is unsecured, interest free and is repayable on demand.

(iv) The Group leases majority of its aircraft and engines, whereby under the terms of the leases, these aircraft and engines are to be returned substantially in the original state when they were leased. Provisions are made based on the estimated hours flown and estimated costs of maintenance required. These estimates are based on past experiences and are regularly reviewed to ensure they approximate actual costs.

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63. Other current liabilities (cont'd.)

(iv) (cont'd.)

Group	2021 RM'000	2020 RM'000
At 1 January	2,454,062	2,389,980
Additional provision	305,800	240,098
Reversal of provision	<u>(267,355)</u>	<u>(176,016)</u>
At 31 December	<u>2,492,507</u>	<u>2,454,062</u>

All other balances of financial liabilities above are unsecured, interest free and are normally settled on 30 to 180 days (2020: 30 to 180 days) terms.

64. Retirement benefit obligations and provision for service entitlements**Group**

	Note	Retirement benefit obligation RM'000	Provision for service entitlements RM'000	Total RM'000
At 1 January 2021		33,588	28,989	62,577
Exchange differences		78	109	187
Arising during the year	37	845	621	1,466
Payments made during the year		<u>(3,730)</u>	<u>(180)</u>	<u>(3,910)</u>
At 31 December 2021		30,781	29,539	60,320
Less: Current portion	63	<u>(1,403)</u>	-	<u>(1,403)</u>
Long term portion	66	<u>29,378</u>	<u>29,539</u>	<u>58,917</u>
At 1 January 2020		32,776	28,556	61,332
Exchange differences		33	(54)	(21)
Arising during the year	37	2,949	487	3,436
Payments made during the year		<u>(2,170)</u>	-	<u>(2,170)</u>
At 31 December 2020		33,588	28,989	62,577
Less: Current portion	63	<u>(1,747)</u>	-	<u>(1,747)</u>
Long term portion	66	<u>31,841</u>	<u>28,989</u>	<u>60,830</u>

(a) Retirement benefit obligations

Provision for retirement benefits mainly arising from:

CIMA

The liabilities and costs relating to the benefit are provided by CIMA pursuant to the Collective Agreement entered between CIMA and Cement Industry Employees' Union. Under the scheme, eligible employees are entitled to retirement benefits upon reaching the retirement age of 60.

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64. Retirement benefit obligations and provision for service entitlements (cont'd.)

(a) Retirement benefit obligations (cont'd.)

CIMA (cont'd.)

The retirement benefit is only payable to unionised employees who:

- (a) retire on attainment of age 60, as appropriate; or
- (b) are medically boarded out; or
- (c) die in service; or
- (d) resign voluntarily after 10 years of company service; or
- (e) promoted to executive or supervisor level

CIMA Group maintains a book reserve in respect of the liabilities based on the actuarial valuation updated by an independent actuary on 31 December 2021. The retirement plan is currently not funded and there are no physical assets set aside for the cost of the benefits.

Edgenta UEMS Ltd

Edgenta UEMS Ltd, a subsidiary of UEMS Pte Ltd, has a retirement plan covering all its regular employees who opted for defined benefits plan. Benefits under the plan are based on the length of service and estimated base pay at the time of retirement. The pension assets and liabilities are valued on annual basis by independent actuary, taking into account gains and losses.

The plan assets, comprising cash and cash equivalents, are deposited with the Bank of Taiwan and are managed by the Government of Taiwan. The plan assets do not have quoted market prices in active market.

UEM Edgenta Berhad ("UEM Edgenta")

UEM Edgenta Group operates an unfunded, defined benefit retirement benefit scheme for its eligible employees ("Scheme"). The Scheme is closed to new employees. Under the Scheme, eligible employees are entitled to retirement benefits on attainment of the retirement age of 60, on medical incapacity or on death. The present value of defined benefit obligation is based on the actuarial valuation report by an independent actuary dated 20 January 2019.

Trichy Padalur Tollways Private Limited ("TPTPL")

TPTPL operates a defined benefit plan for its employees for gratuity. Under the gratuity plan, every employee who has completed at least five years of service gets a gratuity on departure. The present value of defined benefit plan was based on the actuarial valuation report by an actuary dated 7 January 2022.

(b) Provision for employee entitlements

Provision for employee entitlements comprises provision for retirement leave entitlements of eligible employees of a foreign subsidiary. The provisions are in respect of both vested and unvested entitlements, and are made by reference to independent actuarial valuations.

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65. Other reserves

Group	Foreign currency translation reserve RM'000 Note (a)	Fair value adjustment reserve RM'000 Note (b)	Cash flow hedge reserve RM'000 Note (c)	Share option reserve RM'000 Note (d)	Statutory reserve RM'000 Note (e)	Retirement benefit reserve RM'000 Note (f)	Others RM'000	Total RM'000
2021								
At 1 January	636,492	2,807,116	(592,265)	(98,536)	(338,864)	(2,563,044)	2,993	(146,108)
Foreign currency translation differences of foreign operations	685,405	-	-	-	-	-	-	685,405
Net loss on fair value of other comprehensive income	-	806,345	-	-	-	-	-	806,345
Net loss on fair value of cash flow hedges	-	-	13,553	-	-	-	-	13,553
Actuarial loss on retirement benefit plan	-	-	-	-	-	342,983	-	342,983
Total other comprehensive loss	685,405	806,345	13,553	-	-	342,983	-	1,848,286

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65. Other reserves (cont'd.)

Group (cont'd.)	Foreign currency translation reserve RM'000 Note (a)	Fair value adjustment reserve RM'000 Note (b)	Cash flow hedge reserve RM'000 Note (c)	Share option reserve RM'000 Note (d)	Statutory reserve RM'000 Note (e)	Retirement benefit reserve RM'000 Note (f)	Others RM'000	Total RM'000
2021 (cont'd.)								
Disposal of subsidiaries	689,642	-	-	-	-	-	-	689,642
Disposal of associates	(9,231)	(6,411)	16,398	(870)	11,011	-	(9,110)	1,787
Disposal of other financial investments	-	(1,111,459)	-	-	-	-	-	(1,111,459)
Share of reserves of associates and joint ventures	-	-	-	18,498	-	135,067	(55,968)	97,597
Transfer to:								
- statutory reserve	-	-	-	-	(34,783)	-	-	(34,783)
- general reserve	-	-	-	-	-	-	(905)	(905)
Total transactions with owners	680,411	(1,117,870)	16,398	17,628	(23,772)	135,067	(65,983)	(358,121)
At 31 December	2,002,308	2,495,591	(562,314)	(80,908)	(362,636)	(2,084,994)	(62,990)	1,344,057

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65. Other reserves (cont'd.)

Group	Foreign currency translation reserve RM'000 Note (a)	Fair value adjustment reserve RM'000 Note (b)	Cash flow hedge reserve RM'000 Note (c)	Share option reserve RM'000 Note (d)	Statutory reserve RM'000 Note (e)	Retirement benefit reserve RM'000 Note (f)	Others RM'000	Total RM'000
2020								
At 1 January	1,810,424	2,968,978	(606,881)	(100,545)	174,387	(2,575,349)	(864,154)	806,860
Foreign currency translation differences of foreign operations	(1,145,335)	-	-	-	-	-	-	(1,145,335)
Net loss on fair value of other comprehensive income	-	945,965	-	-	-	-	-	945,965
Net loss on fair value of cash flow hedges	-	-	17,650	-	-	-	-	17,650
Actuarial loss on retirement benefit plan	-	-	-	-	-	(114,583)	-	(114,583)
Total other comprehensive loss	(1,145,335)	945,965	17,650	-	-	(114,583)	-	(296,303)

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65. Other reserves (cont'd.)

Group (cont'd.)	Foreign currency translation reserve RM'000 Note (a)	Fair value adjustment reserve RM'000 Note (b)	Cash flow hedge reserve RM'000 Note (c)	Share option reserve RM'000 Note (d)	Statutory reserve RM'000 Note (e)	Retirement benefit reserve RM'000 Note (f)	Others RM'000	Total RM'000
2020 (cont'd.)								
Disposal of subsidiaries	(2,841)	-	-	-	-	-	42	(2,799)
Disposal of associates	(25,756)	(9,998)	(3,034)	(225)	-	126,888	(11,463)	76,412
Disposal of other financial investments	-	(1,097,829)	-	-	-	-	-	(1,097,829)
Dilution of interest in associates	-	-	-	(1,173)	-	-	(10,821)	(11,994)
Shares of reserves of associates and joint ventures	-	-	-	3,407	2,566	-	(54,005)	(48,032)
Derecognition of put option	-	-	-	-	-	-	872,878	872,878
Transfer to:								
- statutory reserve	-	-	-	-	(515,817)	-	-	(515,817)
- general reserve	-	-	-	-	-	-	(26,117)	(26,117)
- distributable retained profits	-	-	-	-	-	-	96,633	96,633
Total transactions with owners	(28,597)	(1,107,827)	(3,034)	2,009	(513,251)	126,888	867,147	(656,665)
At 31 December	636,492	2,807,116	(592,265)	(98,536)	(338,864)	(2,563,044)	2,993	(146,108)

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65. Other reserves (cont'd.)

- (a) The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.
- (b) Fair value adjustment reserve represents the cumulative fair value changes, net of tax, of fair value through other comprehensive income financial assets until they are disposed of or impaired.
- (c) The cash flow hedge reserve represents the cumulative effective portion of gains or losses arising on change in fair value of hedging instruments entered into for cash flow hedges. The cumulative gains or losses in fair value of cash flow hedges will be reclassified to profit or loss only when the hedged transaction affects the profit or loss.
- (d) Share option reserve represents the equity-settled share options granted to employees of the Group. The reserve is made up of the cumulative value of services received from employees recorded over the vesting period commencing from the grant date of equity-settled share options.
- (e) The statutory reserve of the Group is maintained in compliance with the requirements of Bank Negara Malaysia. This reserve is not distributable as cash dividends.
- (f) The retirement benefit reserve relates to the actuarial gain or losses for the defined benefit plans of the Group.
- (g) The capital contribution from the shareholders relates to contribution from the holding company, where no repayment is expected.

66. Other non-current liabilities

		Group	
	Note	2021	2020
		RM'000	RM'000
Retirement benefit obligation and provision for employee entitlements	64	58,917	60,830
Government grants	(i)	50,784	54,579
Insurance contract liabilities	(ii)	4,641,477	3,904,088
Deferred liabilities and income	(iii)	1,818,169	1,875,247
Contract liabilities	52(iii)	240,635	227,799
Others		3,024,372	2,573,798
		<u>9,834,354</u>	<u>8,696,341</u>

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66. Other non-current liabilities (cont'd.)

(i) Government grants

	Note	Group 2021 RM'000	2020 RM'000
At 1 January		54,826	52,734
Received during the year		-	8,844
Recognised in profit or loss	36	(3,795)	(6,752)
At 31 December		51,031	54,826
Analysed as:			
Current	63	247	247
Non-current		50,784	54,579
		51,031	54,826

Government grants granted to subsidiaries comprise the following:

- (i) Technology Development Cluster grant was given for the development of the University Supported Technology Incubation Centre Project under the Seventh Malaysian Plan.
- (ii) The Research and Information Database Homepage ("RAIDAH") grant is for the development of a technology database projects. The grant has been fully utilised during the year.
- (iii) A subsidiary of Agrifood Resources Holdings Berhad, Blue Archipelago Berhad, was given a grant to fund the implementation of the Integrated Aquaculture Shrimp Park Project.
- (iv) Grant from Unit Kerjasama Awam Swasta ("UKAS") to fund Iskandar Malaysia Studios Sdn. Bhd. ("IMS") for the cost of eligible capital expenditure.
- (v) Cenergi SEA Berhad ("Cenergi") has received grants for the purchase of certain development costs of concession assets. There are no unfulfilled or contingencies attached to these grants. The grants were awarded to IRM Solar Sdn. Bhd. for the construction of the solar power plant at Titi Tinggi, Perlis.

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66. Other non-current liabilities (cont'd.)

(ii) Insurance contract liabilities

	Group	
	2021	2020
	RM'000	RM'000
Gross		
Life insurance and family takaful	4,641,477	3,904,088
	<u>4,641,477</u>	<u>3,904,088</u>
Reinsurance		
Life insurance	-	(227,517)
	<u>-</u>	<u>(227,517)</u>
Net		
Life insurance and family takaful	4,641,477	3,676,571
	<u>4,641,477</u>	<u>3,676,571</u>

(iii) Deferred liabilities and income

	Deferred income RM'000
2021	
Amount recognised	2,707,452
Accumulated realisation	(412,625)
	<u>2,294,827</u>
Due within 12 months (Note 63)	476,658
Due after 12 months	1,818,169
	<u>2,294,827</u>
2020	
Amount recognised	2,471,524
Accumulated realisation	(521,656)
	<u>1,949,868</u>
Due within 12 months (Note 63)	74,621
Due after 12 months	1,875,247
	<u>1,949,868</u>

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66. Other non-current liabilities (cont'd.)

(iii) Deferred liabilities and income (cont'd.)

Included in deferred income is the following:

(a) Deferred lease rental income

Deferred lease rental income comprises lease rental income received in advance from a third party upon the assignment of the lease, with respect to long term leasehold land of a subsidiary, to the third parties. Deferred lease rental is amortised on a straight-line basis over the lease tenure period.

67. Lease liabilities

Included in finance lease liabilities are leases of aircraft.

Under the terms of the finance lease, the Group has the option to buy the aircraft from the lessor at a predetermined price. In the event the lessee exercises the option to buy the aircraft at the purchase option date, the purchase price comprises total sum of the purchase option price and rent of the aircraft due and payable on the purchase option date.

The finance lease of the Group has tenure ranging between 5 to 12 years. The range of interest rate as at the reporting date ranging between 0.17% to 5.78%.

Set out below is the carrying amount of the lease liabilities and the movements during the year:

	Group	
	2021	2020
	RM'000	RM'000
At 1 January	9,708,092	11,343,475
Addition	13,890	5,724
Accretion of interest	11,160	24,043
Payment	(845,980)	(1,602,210)
Lease modifications	(1,209,094)	(4,551)
Disposal of subsidiary	-	(57,091)
Disposal	(87,180)	(325)
Foreign currency translation	9,729	(973)
	<u>7,600,617</u>	<u>9,708,092</u>

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67. Lease liabilities (cont'd.)

Analysed as:

	2021	2020
	RM'000	RM'000
Amount due within 12 months	738,192	1,615,450
Amount due after 12 months	6,862,425	8,092,642
	<u>7,600,617</u>	<u>9,708,092</u>

The maturities of the lease liabilities as at 31 December as at below:

	2021	2020
	RM'000	RM'000
Not later than one year	738,192	1,615,450
More than 1 year and within 5 years	3,401,770	8,092,642
More than 5 years	3,460,655	-
	<u>7,600,617</u>	<u>9,708,092</u>

The following are the amounts recognised in profit or loss:

	2021	2020
	RM'000	RM'000
Depreciation expense of right-of-use assets	1,014,012	1,653,570
Interest expense on lease liabilities	354,709	502,326
Expenses relating to short term leases	23,646	25,900
Expenses relating to leases of low-value assets	7,187	16
Expenses relating to variable leases	-	687
Expenses relating to operating leases	-	5,018
	<u>-</u>	<u>5,018</u>

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68. Financial risk management objectives and policies

The Group is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include equity price, fuel price, interest rate, foreign currency, credit and liquidity risks. The Group has an approved set of guidelines and policies as well as internal controls which set out its overall business strategies to manage these risks. The Group's overall financial risk management objective is to enhance shareholders' value through effective management of the Group's risks. Although this guiding principle and objective is consistent throughout the Group, the Group consists of subsidiaries and subsidiaries group with their own governing Boards that will apply and determine the implementation of these policies in respect of each individual company.

The following sections provide details regarding the Group's exposure to the abovementioned financial risks and the objectives, policies and processes for the management of these risks.

(a) Equity price risk

Equity price risk is the risk that the fair value or future cash flows of the Group's equity instruments will fluctuate because of changes in equity prices (other than interest or exchange rates).

The Group is exposed to equity price risk arising from its investment in quoted equity instruments. The quoted equity instruments are designated as fair value through profit or loss or available-for-sale financial assets.

Equity/investment risk management includes due diligence in screening the investment proposals according to the Group investment guidelines and procedures, constant communication and close monitoring of the performance of investee companies.

Sensitivity analysis for equity price risk

The following table demonstrates the sensitivity to a reasonably possible change in the equity price, with all other variables held constant, of the Group's equity (due to changes in the fair value of available-for-sale equity investments) and profit or loss (due to changes in the fair value of equity investments designated at fair value through profit or loss).

	Effect on equity RM'000	Effect on profit or loss RM'000
Group		
2021		
Increase in 12% of equity price	2,046,523	2,790,020
Decrease in 12% of equity price	<u>(2,046,523)</u>	<u>(2,790,020)</u>

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68. Financial risk management objectives and policies

(a) Equity price risk (cont'd.)

	Effect on equity RM'000	Effect on profit or loss RM'000
Group		
2020		
Increase in 12% of equity price	1,766,729	2,590,332
Decrease in 12% of equity price	<u>(1,766,729)</u>	<u>(2,590,332)</u>

(b) Fuel price risk

Fuel price risk is the risk that future cash flows of the Group's financial instruments will fluctuate because of changes in market prices of fuel.

The Group's earnings are affected by changes in the price of jet fuel, as a subsidiary of the Group operates in the air transportation business which require a continuous supply of fuel for its aircraft. The Group manages this risk by using instruments such as swaps. The Group's risk management strategy is to maintain a competitive hedge with regards to its competitors. The Group's risk management policy is to hedge up to 24 months forward with specified maximum and minimum hedge coverage. The percentage is guided by both competitive hedge policy and management's judgement.

During the current financial year, the Group temporarily ceased entering into any forward hedging transactions due to capacity recovery uncertainties in the aviation industry arising from the unprecedented COVID-19 impact and the freezing of hedging facilities by the Group's hedge counterparties.

Given the gradual increase in capacity, and high oil prices volatility with geopolitical escalation risks, any hedging activities should be based on an agile hedging approach where more regular reviews are undertaken with hedging policy duration of up to 12-months forward, rolling basis with a maximum hedging limit for up to 50% of exposure.

As at 31 December 2021, the Group has no outstanding fuel hedging transaction, (2020: 2,875,000 barrels).

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68. Financial risk management objectives and policies (cont'd.)

(b) Fuel price risk (cont'd.)

Sensitivity analysis for fuel price risk

The following table demonstrates the sensitivity of the Group's loss net of tax and equity to a reasonably possible change of USD10 per barrel in fuel price with all other variables held constant. The fuel price sensitivity analysis is based on fuel hedging contracts that are still outstanding as at the end of the financial year. At the reporting date, if fuel price increases or decreases by USD10 per barrel, the effects are as follows:

Group	Increase/(decrease)			
	2021		2020	
	Equity	Profit net	Equity	Profit net
	RM'000	of tax	RM'000	of tax
		RM'000		RM'000
Increase in USD10 per barrel	-	-	116,619	-
Decrease in USD10 per barrel	-	-	(116,619)	-
	<hr/>	<hr/>	<hr/>	<hr/>

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates.

The Group's exposure to interest rate risk arises primarily from its loans and borrowings.

The Group actively manages its interest rate risk by maintaining a portfolio of financial instruments, including derivatives guided by its investment guidelines and policies, and regular reviews of its debt portfolio, interest rates and market expectations.

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68. Financial risk management objectives and policies (cont'd.)

(c) Interest rate risk (cont'd.)

Sensitivity analysis for interest rate risk

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's profit/(loss) before tax (due to changes in the interest expense on floating rate borrowings and interest rate derivatives) and equity (due to changes in the cash flow hedge):

Group	Effect on equity RM'000	Effect on profit or loss RM'000
2021		
Increase in 25 basis points	810	2,851
Decrease in 25 basis points	(810)	(2,851)
2020		
Increase in 25 basis points	964	(2,033)
Decrease in 25 basis points	(964)	2,033

Weighted average interest rate and average maturity

The weighted average interest/profit rates per annum and the average maturity on the financial assets and financial liabilities as at 31 December were as follows:

Financial assets	2021		2020	
	Weighted average interest rates %	Average maturity days	Weighted average interest rates %	Average maturity days
Licensed banks	2.66	1 to 365	2.52	1 to 365

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68. Financial risk management objectives and policies (cont'd.)

(c) Interest rate risk (cont'd.)

Weighted average interest rate and average maturity

The weighted average interest/profit rates per annum and the average maturity on the financial assets and financial liabilities as at 31 December were as follows (cont'd.):

Financial liabilities

	2021		2020	
	Weighted Average interest rates %	Average maturity years	Weighted Average interest rates %	Average maturity years
Bank overdrafts	5.64	Within 1 year	6.32	Within 1 year
Revolving credit	3.03	Within 1 year	3.65	Within 1 year
Finance lease and hire purchase	3.68	1 to 12 years	4.14	1 to 12 years
Term loans	3.59	<u>1 to 5 years</u>	3.74	<u>1 to 5 years</u>

(d) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group's exposure to foreign exchange risk arises mainly from borrowings, operating revenues and expenses which are denominated in foreign currencies mainly US Dollar ("USD"), Chinese Renminbi ("CNY") and Singapore Dollar ("SGD").

The Group maintains a natural hedge, whenever possible, by borrowings in the currency of the country in which the property or investment is located or by borrowing in currencies that match the future revenue streams to be generated from its investments.

Foreign exchange exposures in transactional currencies other than functional currencies of the operating entities are kept to an acceptable level and short term imbalances are addressed by buying or selling foreign currencies at spot rates.

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68. Financial risk management objectives and policies (cont'd.)

(d) Foreign currency risk (cont'd.)

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity to a reasonably possible change in respective foreign currency exchange rates, with all other variables held constant, of the Group's profit/(loss) before tax (due to translation of monetary items):

Group	Changes in rate	Effect on profit/(loss) before tax RM'000
2021		
USD/RM - Strengthened	+5%	282,783
- Weakened	-5%	(282,783)
CNY/RM - Strengthened	+5%	189,000
- Weakened	-5%	(189,000)
2020		
USD/RM - Strengthened	+5%	(706,353)
- Weakened	-5%	706,353
CNY/RM - Strengthened	+5%	181,000
- Weakened	-5%	(181,000)

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68. Financial risk management objectives and policies (cont'd.)

(e) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including investment securities, cash and bank balances and derivatives), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

Credit risk or the risk of counter parties defaulting is monitored and controlled by the application of credit approval, limits and monitoring procedures. Credit risk is minimised and monitored via strictly limiting the funding/borrowing to subsidiaries and associates.

Credit evaluations are performed on all customers requiring credit over a certain amount and strictly limiting the Group's associations to business partners with high credit worthiness. Trade and other receivables are monitored on an ongoing basis.

Deposits with banks and other financial institutions and derivatives that are neither past due nor impaired are placed with or entered with reputable financial institutions or companies with no history of default.

Exposure to credit risk

At the reporting date, the Group's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised on the balance sheet, including derivatives with positive fair values.

Financial assets that are neither past due nor impaired

Information regarding trade and other receivables that are neither past due nor impaired is disclosed in Note 58 and Note 59, respectively. Deposits with banks and other financial institutions, investment securities and derivatives that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

Financial assets that either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 51, Note 52, Note 58 and Note 59.

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68. Financial risk management objectives and policies (cont'd.)

(f) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulties in meeting their financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Group actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all refinancing, repayment and funding needs are met. As part of its overall prudent liquidity management, the Group endeavours to maintain sufficient level of cash or cash convertible investments to meet its working capital requirements.

In addition, the Group's objective is to maintain a balance of funding and flexibility through the use of credit facilities, short and long term borrowings. Short term flexibility is achieved through credit facilities and short term borrowings. As far as possible, the Group raises committed funding from both capital markets and financial institutions and prudently balances its portfolio with some short term funding so as to achieve the Group's asset and liability management strategy.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted repayment obligations.

	On demand or within one year RM'000	1 to 5 years RM'000	More than 5 years RM'000	Total RM'000
2021				
Financial liabilities				
Trade payables	1,719,521	-	-	1,719,521
Other liabilities	7,234,894	4,578,925	9,516,660	21,330,479
Borrowings	8,675,367	24,214,718	28,203,865	61,093,950
Derivative liabilities	22	196,303	-	196,325
Total undiscounted financial liabilities	<u>17,629,804</u>	<u>28,989,946</u>	<u>37,720,525</u>	<u>84,340,275</u>
2020				
Financial liabilities				
Trade payables	3,904,058	-	-	3,904,058
Other liabilities	5,331,531	5,572,652	7,067,697	17,971,880
Borrowings	10,205,041	29,831,525	31,477,575	71,514,141
Derivative liabilities	72,063	158,625	-	230,688
Total undiscounted financial liabilities	<u>19,512,693</u>	<u>35,562,802</u>	<u>38,545,272</u>	<u>93,620,767</u>

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69. Fair value of financial instruments

- (a) Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value

	Group	
	Carrying	Fair value
	amount	RM'000
	RM'000	RM'000
2021		
Financial assets		
Other financial assets		
- Unquoted shares at cost less impairment	-	*
Financial liabilities		
Borrowings	42,253,740	43,605,084
2020		
Financial assets		
Other financial assets		
- Unquoted shares at cost less impairment	322,994	*
Financial liabilities		
Borrowings	39,498,340	40,849,684

- * Fair value information has not been disclosed for the Group's investment in equity instruments that are carried at cost because fair value cannot be determined reliably. These equity instruments represent ordinary shares in companies that are not quoted on any market and does not have any comparable industry peer that is quoted. In addition, the variability in the range of reasonable fair value estimates derived from valuation technique is significant.

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69. Fair value of financial instruments (cont'd.)

(b) Determination of fair value

(i) Cash and cash equivalents, receivables and payables

The carrying amount of these financial assets and liabilities are reasonable approximation of fair value due to either their short term nature or they are repayable on demand.

(ii) Quoted shares

The fair value of quoted shares is determined directly by reference to their published market bid price at the reporting date.

(iii) Financial assets designated as fair value through profit and loss

The fair value of unquoted bonds and structured products are based on the indicative fair values obtained from Bondweb, Bloomberg and/or respective licensed banks.

(iv) Loans receivable

The fair value of loans receivable are estimated by discounting the estimated future cash flows using current interest rates for financial assets with similar risk profile.

(v) Embedded derivatives

The fair value of embedded derivatives are valued using the Binomial model with market observable inputs. The model incorporates various inputs including closing market prices of underlying shares, foreign exchange spot rates and market interest rates.

(vi) Derivatives

Forward currency contracts and interest rate swap contracts are valued using a valuation technique with market observable inputs. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates and interest rate curves.

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69. Fair value of financial instruments (cont'd.)

(b) Determination of fair value (cont'd.)

(vii) Loans and borrowings

The carrying amount of the current portion of loans and borrowings is reasonable approximations of fair value due to the insignificant impact of discounting.

The carrying amount of certain loans and borrowings is reasonable approximations of fair value as they are floating rate instruments that are re-priced to market interest rates near the reporting date.

The fair value of non-current loans and borrowings, other than floating rate instruments, are estimated by discounting expected future cash flows at market incremental lending rate for similar types of borrowing at the reporting date.

(c) Fair value measurement hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;
or
- Level 2: other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly; or
- Level 3: techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

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69. Fair value of financial instruments (cont'd.)

(c) Fair value measurement hierarchy (cont'd.)

Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at 31 December 2021:

Assets and liabilities measured at fair value	Carrying amount RM'000	Fair value measurement using		
		Quoted market price Level 1 RM'000	Observable input Level 2 RM'000	Unobservable input Level 3 RM'000
Financial assets				
Financial assets designated as fair value through profit or loss				
- Shares	16,164,976	13,965,919	2,199,057	-
- Bonds	4,969,493	159	4,969,334	-
- Funds	2,064,205	-	2,064,205	-
Financial assets designated as fair value through other comprehensive income				
- Shares	15,362,035	2,102,961	13,259,074	-
- Bonds	1,604,377	-	1,604,377	-
- Funds	87,947	-	87,947	-
Derivative assets	22,409	-	22,409	-
Financial liabilities				
Derivative liabilities	196,325	-	196,325	-
Assets and liabilities for which fair values are disclosed				
Assets				
Interest in associates				
- Quoted shares	39,486,386	68,731,598	-	-
Investment properties	3,420,233	-	-	9,067,305
Liability				
Borrowings	42,253,740	-	43,605,084	-

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69. Fair value of financial instruments (cont'd.)

(c) Fair value measurement hierarchy (cont'd.)

Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at 31 December 2020:

Assets and liabilities measured at fair value	Carrying amount	Fair value measurement using		
		Quoted market price Level 1	Observable input Level 2	Unobservable input Level 3
	RM'000	RM'000	RM'000	RM'000
Financial assets				
Financial assets designated as fair value through profit or loss				
- Shares	14,769,679	11,133,426	3,636,253	-
- Bonds	5,891,316	4,468,696	1,422,620	-
- Funds	925,109	788,359	136,750	-
Financial assets designated as fair value through other comprehensive income				
- Shares	8,291,962	4,155,286	4,136,676	-
- Bonds	1,455,159	-	1,455,159	-
- Funds	4,975,624	-	4,975,624	-
Derivative assets	12	-	12	-
Financial liabilities				
Derivative liabilities	230,688	-	230,688	-
Assets and liabilities for which fair values are disclosed				
Assets				
Interest in associates				
- Quoted shares	39,206,257	62,002,758	-	-
Investment properties	3,553,752	-	-	9,183,973
Liability				
Borrowings	39,498,340	-	40,849,684	-

During the year, there were no transfers between Level 1 and Level 2 fair value measurements.

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70. Financial instruments by category

31 December 2021

	Amortised cost RM'000	Financial assets designated as fair value through profit or loss RM'000	Financial assets designated as fair value through other comprehensive income RM'000	Total RM'000
Financial assets				
Cash and bank balances	11,966,285	-	-	11,966,285
Other financial assets	538,558	23,250,164	17,054,359	40,843,081
Derivative assets	-	22,409	-	22,409
Other receivables	7,665,097	-	-	7,665,097
Total	20,169,940	23,272,573	17,054,359	60,496,872
Financial liabilities				
Borrowings	-	-	-	-
Derivative liabilities	196,325	-	-	196,325
Other payables	-	-	9,726,653	9,726,653
Total	196,325	196,325	9,726,653	9,922,978

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71. Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group regularly reviews and manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

No changes were made in the objectives, policies or processes in regards to the Group's management of its capital structure during the financial years ended 31 December 2021 and 31 December 2020.

Certain subsidiaries of the Group are subject to externally imposed capital requirements. This externally imposed capital requirement has been complied with by those subsidiaries for the financial years ended 31 December 2021 and 31 December 2020.

The Group monitors capital using a gearing ratio, which is defined as net debt divided by total capital. The Group's policy is to keep the gearing ratio below two and a half times. The Group includes within net debt, loans and borrowings less cash and bank balances. Capital represents equity attributable to the owners of the Group.

Although this guiding principle and objective is consistent throughout the Group, the Group consists of subsidiaries and subsidiaries groups' with their own governing Boards and management that will apply different key measurements for its capital structure management including gearing ratio.

		Group	
	Note	2021	2020
		RM'000	RM'000
Long term borrowings	61	47,364,875	49,422,384
Short term borrowings	61	10,048,680	10,615,979
Less: Cash and bank balances	60	<u>(11,966,285)</u>	<u>(11,902,527)</u>
Net debt		<u>45,447,270</u>	<u>48,135,836</u>
Share capital	27	12,284,201	12,284,201
Capital contribution from shareholders		2,683,223	4,483,223
Reserves		<u>36,836,899</u>	<u>35,493,328</u>
Equity attributable to the owners of the Group		<u>51,804,323</u>	<u>52,260,752</u>
Gearing ratio (times)		<u>0.88</u>	<u>0.92</u>

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72. Commitments

Capital commitment

	Group	
	2021	2020
	RM'000	RM'000
Approved and contracted for	5,910,902	5,411,015
Approved but not contracted for	1,245,801	1,314,526
	<u>7,156,703</u>	<u>6,725,541</u>
Analysed as follows:		
Property, plant and equipment and land held for property development	6,916,388	6,405,961
Investments	2,023	4,564
Others	238,292	314,926
	<u>7,156,703</u>	<u>6,725,451</u>

73. Contingent liabilities

Themed Attractions Resorts & Hotels Sdn. Bhd. ("TARH")

- (a) Desaru Estate Sdn. Bhd. ("DESB"), Desaru Peace Holdings Club Sdn. Bhd. ("DPHCSB"), Desaru Convention Centre Sdn. Bhd. ("DCCSB") and Desaru Corniche Hotel Sdn. Bhd. ("DCHSB") ("collectively known as Desaru Entities") have separately entered into construction contracts with Malaysian Resources Corporation Berhad ("MRCB") and appointed MRCB as the Main Contractor for their respective projects. Disputes and differences have arisen between the parties resulting in a claim by MRCB of RM322.9 million (or alternatively RM249.9 million being the reassessed sum by MRCB's independent assessor). Desaru Entities have denied the MRCB's claim and filed a counter claimed of RM198.8 million. The disputes will be resolved by arbitration, which is the contractually agreed dispute resolution mechanism via a Dispute Resolution Agreement. The arbitration hearings will be commencing in October 2022.

TARH is of the view that it stands a reasonable chance of defending against the claims made by MRCB hence, no provision has been made for those claims.

- (b) During the financial year, Inland Revenue Board ("IRB") has subjected the profits derived from disposal of Lands by TDR to income tax pursuant to the Income Tax Act 1967 instead of Real Property Gain Tax filed by TDR in year 2013. IRB has then arbitrarily raised a Notice of Assessment for the year of assessment 2013 to impose tax payable with penalty of RM123.5 million against TDR. Subsequently, TDR has applied for Judicial Review to challenge the said notice of assessment. The Judicial Review is still on-going and an interim stay Order has been granted on the income tax assessment.

TARH is of the view that it stands a reasonable chance of challenging the Director General of Inland Revenue on this matter.

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73. Contingent liabilities (cont'd.)

UEM Group Berhad ("UEM")

- (a) On 3 October 2011, Bandar Nusajaya Development Sdn. Bhd. ("BND") received a notice of additional assessment from IRB for additional tax and penalty of RM50.9 million and RM22.9 million respectively in respect of year of assessment 2006.

On 4 September 2012, the High Court ruled in favour of BND and declared that IRB had no legal basis to raise the additional assessment. Following the decision held by the High Court, IRB filed an appeal to the Court of Appeal against the decision.

On 20 May 2014, the Court of Appeal agreed with the decision of the High Court which ruled in favour of BND.

On 18 October 2016, the Federal Court reversed the decisions of the Court of Appeal and the High Court, and ordered that BND appealed by way of filing a notice of appeal to the Special Commissioners of Income Tax ("SCIT"). This resulted in the additional assessment of RM73.8 million became due and the amount had been fully settled by BND on 5 December 2016 accordingly.

On 20 March 2017, BND filed the notice of appeal, of which was subsequently presented by IRB to SCIT on 14 March 2018. The hearing for the case which was initially fixed on 14 and 15 September 2021 was vacated. The SCIT has fixed the case for hearing on 29 and 30 August 2022.

BND's solicitors are of the view that BND has a strong case to argue that IRB has no legal or factual basis neither to issue the notice of additional assessment nor to impose the penalty.

- (b) On 3 May 2021, UEM Land and Symphony Hills Sdn Bhd ("SHSB") received notices of additional assessment from IRB dated 30 April 2021, for additional taxes with penalties of RM8.5 million and RM73.7 million respectively.

The notice issued to UEM Land was in relation to the removal of Bumiputra quota and low cost requirements for selected developments in Iskandar Puteri, Johor in respect of years of assessment from 2013 to 2015, whilst the notice issued to SHSB was in relation to the reversal of tax losses utilisation in respect of years of assessment from 2006 to 2017.

On 24 May 2021 and 25 May 2021, SHSB and UEM Land were both granted an interim stay of the notices by the High Court including the enforcement of the notices until the hearing of the application to intervene by IRB and disposal of the leave application.

The case management for both UEM Land and SHSB have been fixed on 13 June 2022 and 1 June 2022 respectively.

The solicitors are of the view that both UEM Land and SHSB have reasonable grounds to appeal and contest the basis of the assessments.

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73. Contingent liabilities (cont'd.)

UEM Group Berhad ("UEM") (cont'd.)

- (c) On 30 April 2021, UEM Edgenta received a notice of additional assessment from IRB for additional tax of RM18.7 million in respect of years of assessment from 2015 to 2018. The additional income tax imposed was in relation to the dispute on the status of UEM Edgenta as a Management Service Company and shall be taxed as an Investment Holding Company under Section 60FA of the Income Tax Act, 1967.

On 25 May 2021, UEM Edgenta filed an appeal to the SCIT. The case mention date has been fixed on 31 March 2022. On 27 May 2021, UEM Edgenta applied for judicial review to quash the decision of IRB.

On 6 July 2021, the High Court allowed UEM Edgenta's application for leave to commence judicial review proceedings against IRB and granted a stay against any proceedings or enforcement actions to recover the taxes and penalties purportedly payable under the notice of assessment, and any other proceedings and actions, until the disposal of the judicial review.

On 20 July 2021, IRB filed a notice of appeal against the High Court's decision. Subsequently, on 18 August 2021, IRB filed an application to the High Court for stay of the substantive proceedings, pending the disposal of IRB's appeal to the Court of Appeal. The High Court denied the application on 20 October 2021 and IRB applied to the Court of Appeal for a stay. The Court of Appeal allowed IRB's application for stay on 28 January 2022.

The next case management for IRB's appeal against High Court's decision for grant of leave has been fixed on 7 April 2022, whereby the Parties will be given directions on filing dates and hearing dates.

The solicitor is of the view that UEM Edgenta has a valid legal claim to challenge the basis of assessment.

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73. Contingent liabilities (cont'd.)

UEM Group Berhad ("UEM") (cont'd.)

- (d) On 29 June 2021, Edgenta Propel received a notice of additional assessment from IRB for additional tax of RM9.4 million in respect of years of assessment 2016 to 2018. The additional income taxes are consequent to IRB's view that Edgenta Propel ought to not have deducted the adjusted losses surrendered to it by UEM Edgenta, on the basis that UEM Edgenta is not a Management Services Company.

On 26 July 2021, Edgenta Propel filed in an appeal to the SCIT. The case mention date has been fixed on 24 February 2022.

Concurrently, Edgenta Propel made an application to the High Court on 23 July 2021 for leave to commence judicial review proceedings against IRB and granted a stay against any proceedings or enforcement actions to recover the taxes and penalties purportedly payable under the notice of assessment, and any other proceedings and actions, until the disposal of the judicial review. On 14 February 2022, the High Court allowed Edgenta Propel's application for leave and granted stay as applied. The next case management has been fixed on 31 May 2022.

The solicitor is of the view that Edgenta Propel has a valid legal claim to challenge the basis of assessment.

- (e) On 10 February 2009, a legal proceeding was filed in the Court of First Instance ("CoFI") by the Director General of the Public Works Authority ("Plaintiff") against Parsons International Ltd. ("the 1st Defendant"), UEM ("the 2nd Defendant") and Qatar Insurance Company ("the 3rd Defendant").

The legal action requested for a ruling to render the defendants jointly liable to settle in its benefit the amount of QR878.3 million or RM1,005.3 million as material and moral damage for the losses incurred as per the reasons detailed in the initiatory pleading, along with preserving the right of plaintiff to indemnity for delay in the project and any other damages. The claims were amended to QR1,171.8 million or RM1,341.2 million on 31 December 2009. An additional claim against UEM of QR11.0 million or RM12.6 million was filed on 24 February 2011.

UEM filed the short memorial of defence, together with a counter claim of QR855.6 million or RM979.3 million on 15 October 2009. The counter claim was subsequently amended to QR1,259.7 million or RM1,441.8 million.

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73. Contingent liabilities (cont'd.)

UEM Group Berhad ("UEM") (cont'd.)

(e) (cont'd.)

The CoFI gave an oral judgment on 21 June 2017. The written judgment received on 13 July 2017 provided the breakdown of the amount awarded to UEM of QR208.2 million or RM238.4 million, as well as the amount awarded to Plaintiff of QR147.3 million or RM168.6 million.

The Plaintiff, the 1st Defendant and UEM had separately filed appeal against the CoFI's judgment. On 15 October 2017, the Court of Appeal decided to consolidate all the three appeals.

On 1 July 2020, the Court of Appeal decided to appoint a panel of experts to re-study the case file and scheduled the appeals till 6 October 2020 in order for the parties to make the payment of the experts' fees. On 6 October 2020, the Court adjourned the proceedings to 24 November 2020, for Parsons to make the payment of its share in relation to the experts' fees.

On 24 November 2020, all parties attended the hearing. The Court decided to adjourn the proceedings to 6 January 2021 for the Experts' Committee to appoint and to nominate the names of the experts. The proceedings were adjourned to 7 April 2021 for the experts to submit their reports.

The experts failed to submit their reports on 7 April 2021. The proceedings were further adjourned several times and on 25 January 2022, UEM and Parsons submitted proof of payment of their share for experts' fees, whilst the Plaintiff submitted its proof on 2 March 2022. On 30 March 2022, the experts submitted their report and the Court again adjourned the proceedings to 13 April 2022 for the parties to submit their comments on the experts' findings.

- (f) On 25 July 2017, UEM Land, was served with a claim filed by Impressive Circuit Sdn Bhd and 1 other ("the Plaintiffs") in relation to shares held in Setia Haruman ("the 1st Defendant") ("the Claim"). UEM Land is cited as the 9th Defendant in the Claim.

The Claim seeks, amongst others, for:

- (a) a declaration that the 2nd to the 9th Defendants respectively had managed and conducted the affairs of the 1st Defendant and/or exercised their powers oppressively and/or disregarded and/or acted in a manner unfairly prejudicial to the interest of the Plaintiffs as members of Setia Haruman pursuant to Section 346 of the Companies Act 2016; and
- (b) an order that the 2nd to the 9th Defendants do jointly and/or severally purchase the 750,000 ordinary shares of Setia Haruman owned or held by Impressive Circuit Sdn Bhd at such price and on such terms as shall be determined by the High Court.

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73. Contingent liabilities (cont'd.)

UEM Group Berhad ("UEM") (cont'd.)

(f) (cont'd.)

On 25 April 2018, UEM Land had successfully applied to strike out Datuk Kasi A/L K.L. Palaniappan, the First Plaintiff in the suit, as a party in the Claim. The remaining Plaintiff in the suit, Impressive Circuit Sdn Bhd, successfully added two other Defendants in the suit namely Menara Embun Sdn Bhd and Modern Eden Sdn Bhd.

On 25 June 2021, the High Court dismissed the Plaintiff's claim againsts all the Defendants and ordered the Plaintiff to pay costs in the sum of RM0.1 million to each of the main parties in the suit. The Plaintiff, subsequently, filed an appeal against the High Court's decision. The hearing for this appeal has been fixed on 28 April 2022.

UEM Land denies allegations made by the Plaintiffs and is vigorously defending the Claim. Based on the foregoing, at this juncture, the Claim has no material financial and operational impact to the Group. The solicitor is of the view that UEM Land has a reasonably good chance of success in defending the Plaintiffs' case against UEM Land.

(g) On 10 November 2016, Jetpur Somnath Tollways Private Limited ("JSTPL")'s concession agreement with National Highway Authority of India ("NHAI") was terminated. Following the termination, on 27 March 2017, NHAI had released a payment in respect of the settlement of the termination payment amounting to INR225.1 Crore or RM142.7 million. JSTPL disputed the settlement amount from NHAI and had initiated arbitration proceedings thereon.

Following an order from the High Court of India, NHAI paid INR6.1 Crore or RM3.9 million to JSTPL on 1 August 2017. At the same time, the High Court also instructed NHAI to pay INR348.6 Crore or RM221.0 million to JSTPL as an interim relief upon furnishing a bank guarantee of the same amount, pending final arbitration award. The High Court order, which was subsequently challenged by NHAI, was upheld by the Supreme Court of India on 5 January 2018.

The amount, which was received by JSTPL on 29 January 2018, together with further injection from shareholders of JSTPL, were utilised to fully settle JSTPL's borrowing.

The balance of JSTPL's concession intangible assets, after taking into account the total termination payment received from NHAI above, was fully impaired.

On 24 March 2020, the Arbitral Tribunal for arbitration proceedings filed by JSTPL's lenders pronounced, inter alia, that NHAI is liable to pay 90% of debt due amount towards termination payment to JSTPL's lenders and NHAI has no valid reason for keeping the bank guarantee. The bank guarantee was returned by NHAI to Punjab National Bank on 17 March 2021.

On 31 March 2021, the Arbitral Tribunal awarded an amount of INR1,016.3 Crore or RM571.2 million, in addition to INR579.8 Crore or RM367.6 million received in 2017 and 2018. NHAI was given time period of 90 days to make the payment to JSTPL.

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73. Contingent liabilities (cont'd.)

UEM Group Berhad ("UEM") (cont'd.)

(g) (cont'd.)

On 26 April 2021, JSTPL filed an application on the computation errors in the award dated 31 March 2021. Correction for the award received on 31 July 2021 with the awarded amount corrected to INR1,019.4 Crore or RM572.9 million. On 12 October 2021, JSTPL filed Execution Petition in Delhi High Court to execute the award dated 31 March 2021 and addendum award/order dated 31 July 2021, and direct NHAI to deposit the decretal amount of INR1,019.4 Crore or RM572.9 million including interest incurred thereon.

Pursuant to Section 34 of the Arbitration and Conciliation (Amendment) Act, 2015, NHAI may apply for setting aside the arbitral award within 3 months and further 30 days from the date of award. However, following the Supreme Court order dated 23 September 2021, the time period for filing Section 34 proceedings shall have a limitation period of 90 days from 3 October 2021. NHAI filed its petition for challenging the award under Section 34 on 10 December 2021, followed by the revised petition on 20 December 2021.

Several hearings were held from January 2022 to mid-March 2022 for NHAI's appeal for challenging the award under Section 34 and execution petition filed by JSTPL, with the next hearing scheduled on 26 May 2022.

(h) On 3 February 2020, UEM Builders and UEM were served with a Notice of Arbitration filed by Brunei Economic Development Board ("BEDB") in relation to the dispute arising from the following:

(a) contract ("Contract") dated 5 February 2010 between UEM Builders (as the Contractor) and BEDB (as the Employer) for the design, procurement, construction, commissioning, completion and maintenance of a pilot scheme to design and build 4,000 houses together with the necessary supporting infrastructure for the National Housing Scheme Of Brunei Darussalam on a green-field site at Mengkubau, Kampong Mentiri, Bandar Seri Begawan in Brunei Darussalam; and

(b) Parent Company Guarantee ("PCG") dated 31 March 2010 provided by UEM to guarantee UEM Builders' performance of the Contract and indemnify BEDB against all losses, damages, costs and expenses which might be incurred by BEDB by reason of any default on the part of UEM Builders in performing and observing the agreements and provisions contained in the Contract.

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73. Contingent liabilities (cont'd.)

UEM Group Berhad ("UEM") (cont'd.)

(h) (cont'd.)

BEDB alleged that UEM Builders and UEM have breached their obligations under the Contract and PCG respectively and claimed damages against both parties in the sum of BND40.4 million or RM124.6 million (as quantified in the Notice of Arbitration) as well as interest and costs.

On 15 June 2020, BEDB agreed to suspend the arbitration proceedings until 16 September 2020. UEM Builders carried out remote site inspection as part of the amicable settlement process which was completed in December 2020.

On 20 January 2022, the Tribunal issued Procedural Order for all parties to file their written submissions. BEDB filed its written submission on 24 January 2022. UEM Builders and UEM filed their written submission on 9 February 2022, followed by Preliminary Issued Rejoinder on 9 March 2022.

The solicitors have been appointed representing UEM Builders and UEM. At this preliminary stage of arbitration, the amount of the possible obligations cannot be measured with sufficient reliability and the possibility of an outflow is uncertain. Therefore, no provision has been recognised on the potential obligations.

- (i) On 18 April 2019, UEM Land was served with a Notice of Arbitration dated 17 April 2019 filed by Ireka Engineering & Construction Sdn Bhd ("IECSB") in relation to disputes arising from the Letter of Award dated 15 June 2012 for the construction of Imperia in Puteri Harbour, Iskandar Puteri, Johor. The Asian International Arbitration Centre has appointed Mr. Wayne Martin as the arbitrator on this matter.

Based on the Statement of Claim dated 27 December 2019, IECSB is seeking inter alia, RM20.4 million for loss and expense, RM29.3 million for the amount allegedly due to IECSB pursuant to the Statement of Final Account or alternatively any other amount assessed by the Arbitral Tribunal, interest on all sums directed to be paid from such date as the Tribunal deems fit and costs.

In the Amended Statement of Defence and Amended Counterclaim dated 6 July 2020, UEM Land disputed liability on all IECSB's claims and sought counterclaims amounting to RM34.4 million, breakdown as follows:

- (a) LAD in the sum of RM27.3 million being damages for delay in completion;
- (b) Costs for defects rectification in the sum of RM 2.8 million;
- (c) Back charges and losses and expenses payable amounting to RM3.2 million;
- (d) All direct payments made by UEM Land to IECSB's sub-contractor amounting to RM1.1 million.

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73. Contingent liabilities (cont'd.)

UEM Group Berhad ("UEM") (cont'd.)

(i) (cont'd.)

The list of issues to be addressed by the expert and list of non-contentious facts were filed on 18 May 2021. Witness statements were exchanged on 25 October 2021. Procedural hearing was fixed on 11 November 2021 for the purpose of, amongst others, setting timeline to exchange rebuttal witness statements and expert reports. The parties have exchanged the expert reports in reply on 14 February 2022, followed by rebuttal factual witness statements on 7 March 2022. The parties' respective experts shall hold a without prejudice meeting by 7 March 2022, and to deliver a joint expert report thereafter by 7 April 2022. The hearing dates have been fixed on 23 May 2022 to 3 June 2022.

- (j) On 15 April 2021, Edgenta Propel was served with a Writ and Statement of Claim dated 12 April 2021 filed by Ahmad Zaki Sdn Bhd ("AZSB") in relation to the dispute arising from the contract for protection and relocation of utilities (relocation of telecommunication works) for Mass Rapid Transit Sungai Buloh-Serdang-Putrajaya.

AZSB alleged that Edgenta Propel had breached the terms of the contract, mainly on the grounds that Edgenta Propel's delay resulted in the failure to meet the completion date. As a consequence, AZSB had to engage third parties to complete some of the works under the contract. AZSB is therefore seeking reliefs amounting to RM30.9 million from Edgenta Propel.

Edgenta Propel filed a counter claim against AZSB for RM10.6 million on the basis that AZSB has breached the contract by failure, neglect and/or refuse to make full payment for Payment Certificates, under certified Edgenta Propel's claims for work done and certify the Progress Claims that were duly submitted to AZSB for works done.

On 25 May 2021, Edgenta Propel filed its defence and counter claim. On 16 August 2021, the High Court granted a two week extension from 16 August 2021 for Edgenta Propel to file and serve its Reply to Defence to Counterclaim.

On 30 August 2021, Edgenta Propel filed its Reply to Defence to Counterclaim. On 1 September 2021, the High Court fixed the trial dates to be held on 9 May 2022 to 13 May 2022.

During the case management on 24 November 2021, the Judge directed for the expert reports to be filed by 24 January 2022 together with an affidavit affirmed by the expert. On 26 January 2022, the Judge directed for the List of Witnesses to be filed on 14 February 2022, along with the expert reports. The next case management has been fixed on 1 March 2022.

The solicitor is of the view that Edgenta Propel has a good defence against the claim.

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73. Contingent liabilities (cont'd.)

UEM Group Berhad ("UEM") (cont'd.)

- (k) On 30 March 2021, Edgenta Mediserve Sdn Bhd ("EMS") was served with a Writ and Statement of Claim dated 25 March 2021 filed by Magna Meditech Sdn Bhd ("MMSB") in relation to the dispute arising from the contract for provision of comprehensive maintenance services for radiology, radiotherapy, imaging and ultrasound equipment at Northern Region hospitals under Ministry of Health.

MMSB alleged that EMS had breached the contract by prematurely and unlawfully terminating the contract and seeking reinstatement of the contract for a new term of 3 years with an extension of 2 years or damages amounting to RM22.0 million.

EMS subsequently filed the defence against MMSB's claims on 3 May 2021. The next case management is fixed on 8 April 2022.

The solicitor is of the view that EMS has a good defence against the claim.

- (l) In 2010, Madhucon Projects Ltd ("MPL") has initiated arbitration proceeding against UE Development India Pvt Ltd ("UEDI"), an indirect wholly-owned subsidiary of UEM Builders, under a joint venture agreement for the construction of Tuni-Anakapalli NH-5 Project. A claim of INR707.0 million or RM39.7 million has been claimed by MPL and UEDI has counterclaimed INR390.0 million or RM21.9 million.

In addition, MPL had claimed a sum of INR823.6 million or RM46.3 million for the arbitration related to a joint venture agreement for the construction of Tambaram – Tindivanam NH 45 Road Project. UEDI had counterclaimed for a sum of INR284.0 million or RM16.0 million.

UEDI has raised several objections on the maintainability of the arbitrations and the scope of the claims that have been raised before the arbitrators.

The dates for next hearings for both claims have yet to be fixed.

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73. Contingent liabilities (cont'd.)

Cenergi SEA Berhad ("Cenergi")

- (a) Cenergi currently has 28 active Carbon Development Mechanism ("CDM") projects which have been registered with the United Nations Framework Convention on Climate Change ("UNFCCC"). The Group has contractual responsibilities that need to be fulfilled as the appointed consultant of the CDM projects. These include management of validation process as required by UNFCCC, implementation of the monitoring plan i.e. steps required to monitor the data of emission and marketing emission reduction credit to potential purchasers. Failure to fulfil any of the contractual responsibilities may lead to potential proceedings from the contract counterparty. However, as the Certified Emission Reductions ("CERs") market is currently unattractive, the Directors are of the opinion that it is highly unlikely that clients will request for the services to be provided as per the contract.

74. Significant events

The following are the significant events of the Group during the financial year ended 31 December 2021:

(a) COVID-19

COVID-19 pandemic and the containment steps rolled out by countries worldwide to stop the spreading of the virus have devastated the tourism, hospitality, and aviation sectors.

Despite gradual opening of economies globally with the introduction of vaccinations and other measures in 2021, the tourism, hospitality and aviation sectors remains affected as the lockdown and border closures continues. These translates to reduce scheduled flights and airports pass through traffic as well as much reduced occupancy in the leisure and tourism sectors.

The Group and Company have impaired assets in all these sectors where necessary to reflect its current values and continue to monitor them. All financial impacts of these COVID-19 caused downturns have been reflected in this financial statement.

(b) Malaysia Aviation Group Berhad ("MAGB")

MAGB has undertaken a comprehensive financial restructuring exercise ("Restructuring") and a review of its long term business plan for a sustainable airline. The Restructuring of MAGB Group involved bilateral agreements with a number of key stakeholders, namely operating lessors, spare engine lessors, maintenance service providers, corporate lenders, and Government of Malaysia-related entities.

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74. Significant events (cont'd.)

The following are the significant events of the Group during the financial year ended 31 December 2021:

(b) Malaysia Aviation Group Berhad ("MAGB") (cont'd.)

Critical to the Restructuring was a renegotiation of the terms of the operating lease agreements for the Group's aircraft. A Scheme of Arrangement under Part 26 of the UK Companies Act 2006 was undertaken for the aircraft operating leases ("the Scheme") on 10 February 2021. All operating lessors included in the Court process voted in favour of the Scheme and the Scheme was sanctioned by the High Court of Justice of England and Wales at the Sanction Hearing on 22 February 2021. With the Scheme having been formally sanctioned by the UK court, the Group was able to implement its turnaround plan with the committed funding of RM2.27 billion from Khazanah, its existing creditors and all stakeholders, to ensure the foreseeable future of its airline operations.

Details of the measures and impact of the Restructuring are as follows:

(a) Transactions with the Company

i) Funding commitment

The Company has committed to a new capital injection in form of issuance of ordinary shares of RM3.6 billion to fund the business throughout the restructuring period up until 2025. Out of this committed amount, RM1.33 billion had been drawn down during the financial year. The cash injection of RM1.33 billion is in form of issuance of 29,724,439 units of new ordinary shares at an issue price of RM44.74 each. The remaining RM2.27 billion will be released in the future as and when required by the MAGB Group.

ii) Conversion of RCPS to ordinary shares

RCPS of RM3.225 billion had been converted to ordinary shares via the issuance 2,715,737 units of new ordinary shares at an issue price of RM1,224.35 each on 22 March 2021.

iii) Capitalisation of shareholders' advances

Shareholders' advances of RM3 billion have been converted to ordinary shares via the issuance 2,450,289 units of new ordinary shares at an issue price of RM1,224.35 each on 22 March 2021.

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74. Significant events (cont'd.)

The following are the significant events of the Group during the financial year ended 31 December 2021:

(b) Malaysia Aviation Group Berhad ("MAGB") (cont'd.)

Details of the measures and impact of the Restructuring are as follows: (cont'd.)

(b) Transaction with Turus Pesawat Sdn Bhd, a subsidiary of the Ministry of Finance

On 22 March 2021, MAGB via MAB Pesawat Sdn Bhd, a subsidiary of the MAGB novated its entire term loan from Turus Pesawat Sdn Bhd, a subsidiary of the Ministry of Finance (including interest payable at Completion Date) of RM5.6 billion to MAGB. Thereafter, the indebtedness at MAGB level was converted into 5,583,362 units of ordinary shares at an issue price of RM1,000 each, resulting in Turus Pesawat Sdn Bhd having an equity interest in MAGB of 13.41%.

(c) Transaction with Kumpulan Wang Persaraan ("KWAP")

On 22 March 2021, the Perpetual Sukuk of RM1.5 billion previously issued by Malaysia Airlines Berhad ("MAB") was redeemed and settled by way of issuance of RCPS of MAGB to the Sukuk holder, KWAP.

(d) Transactions with revolving credit facilities' lenders and hedging counterparties

As part of the Scheme, MAGB has obtained 2 years grace period on the principal payments of the revolving credit and hedging facilities, reduction in existing margins and conversion to term loans resulting a revised repayment schedule for balances amounting to RM804 million. The impact of the financial liabilities modification is not material.

(e) Transactions with operating lease aircraft and engine lessors

Under the Scheme, MAGB had renegotiated the terms with the lessors to allow the power by hour rate mechanism for lease rental of the year, reduction in lease rentals to 'market level' from financial year 2022 onwards, contingent deferral payment and extension of lease term or rent uplift.

(f) Transactions with finance lease lessors

Under the Scheme, MAGB had a moratorium of principal repayments of 24 months with loan maturity extended for a period of 24 months and reduction of existing margin or on implied fixed rates for selected aircraft.

(g) Transactions with maintenance and service providers

Under the Scheme, MAGB had reviewed the existing terms of several maintenance and service providers to reset agreements rates to market, adjust payments and cash flow requirements based on forecast utilisation.

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74. Significant events (cont'd.)

The following are the significant events of the Group during the financial year ended 31 December 2021:

(b) Malaysia Aviation Group Berhad ("MAGB") (cont'd.)

Details of the measures and impact of the Restructuring are as follows: (cont'd.)

(h) Transactions with Asset Global Network Sdn Bhd ("AGN")

As part of the Scheme, MAGB renegotiated the terms with AGN, a government related entity for a 5 years moratorium, extend lease term for another 5 years, reduction in lease area and the lease payment.

The Restructuring was completed effectively on 22 March 2021.

75. Subsequent events

The following are the significant subsequent events of the Group after the financial year ended 31 December 2021:

Themed Attractions Resorts & Hotels Sdn. Bhd. ("TARH")

- (i) Jana DCS Sdn Bhd ("Jana") filed claims against TAR PH Sdn. Bhd. ("TPH"), TAR PH Family Entertainment Sdn. Bhd. ("TPHFE") and PH Marina Boulevard Sdn. Bhd. ("PHMB") ("collectively known as PH Companies") for an alleged unlawful termination of agreements dated 30 May 2012 between the parties. The said agreements set out terms and conditions for the supply of chilled water in the District Cooling System between Jana and the PH Companies. The dispute resolution mechanism as agreed by the parties is solely by way of arbitration. Subsequent to 31 December 2021, the tribunal has delivered its decision to award the claims of RM232.4 million to Jana.

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76. Segment information

The Group is principally engaged in the following activities:

- (i) Investment holding;
- (ii) Infrastructure and construction;
- (iii) Property;
- (iv) Financial Institution Group;
- (v) Transportation & Logistics;
- (vi) Leisure & Tourism;
- (vii) Agrifood; and
- (viii) Others.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker.

The Directors are of the opinion that all inter-segment transactions have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

No segment information by geographical area has been presented as the Group operates predominantly in Malaysia.

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76. Segment information (cont'd.)

2021

	RM'mil									
	Investment Holding	Infrastructure & Construction	Property	Financial Institution Group	Transportation & Logistics	Leisure & Tourism	Agrifood	Others	Elimination	Total
REVENUE										
External sales	1,683	4,229	87	2,036	4,093	166	112	461	-	12,867
Inter-segment sales	2,294	-	-	-	-	-	-	-	(2,294)	-
Total revenue	3,977	4,229	87	2,036	4,093	166	112	461	(2,294)	12,867
RESULTS										
Operating profit/(loss)	1,379	33	(39)	90	(874)	(586)	38	67	-	108
Finance cost	(1,821)	(233)	(7)	-	(623)	(146)	(1)	16	-	(2,815)
Share of results from associates and joint venture	-	14	(54)	-	-	(9)	18	3,495	-	3,464
Profit/(loss) before tax	(442)	(186)	(100)	90	(1,497)	(741)	55	3,578	-	757
Taxation	(226)	(47)	(1)	(15)	(188)	26	-	(9)	-	(460)
Profit/(loss) after tax	(668)	(233)	(101)	75	(1,685)	(715)	55	3,569	-	297
Non controlling interests	-	(59)	12	35	(279)	(107)	-	6	-	(392)
Net profit/(loss) for the year	(668)	(292)	(89)	110	(1,964)	(822)	55	3,575	-	(95)
ASSETS AND LIABILITIES										
Segment assets	40,412	18,686	2,514	6,705	11,715	4,433	392	3,424	-	88,281
Investment in associates	56,800	957	223	-	8	-	113	38	-	58,139
Investment in joint ventures	749	924	68	-	-	53	87	1,474	-	3,355
Consolidated total assets	97,961	20,567	2,805	6,705	11,723	4,486	592	4,936	-	149,775
Segment liabilities	49,624	10,391	708	4,986	15,281	2,701	89	2,444	-	86,224
Consolidated total liabilities	49,624	10,391	708	4,986	15,281	2,701	89	2,444	-	86,224

76. Segment information (cont'd.)

2020

	Investment Holding	Infrastructure & Construction	Property	Financial Institution Group	Transportation & Logistics	Leisure & Tourism	Agrifood	Others	Elimination	Total
	RM'mil									
REVENUE										
External sales	924	3,905	330	1,593	4,635	208	105	975	-	12,675
Inter-segment sales	5,908	-	-	-	-	-	-	-	(5,908)	-
Total revenue	6,832	3,905	330	1,593	4,635	208	105	975	(5,908)	12,675
RESULTS										
Operating (loss)/profit	3,692	21	87	33	(3,074)	(708)	(23)	(1,012)	-	(984)
Finance cost	(1,911)	(223)	(9)	-	(772)	(102)	(1)	(40)	-	(3,058)
Share of results from associates and joint venture	-	(54)	(84)	-	(28)	(12)	23	1,659	-	1,504
(Loss)/profit before tax	1,781	(256)	(6)	33	(3,874)	(822)	(1)	607	-	(2,538)
Taxation	(87)	(116)	12	(11)	(106)	2	(1)	(12)	-	(319)
(Loss)/profit after tax	1,694	(372)	6	22	(3,980)	(820)	(2)	595	-	(2,857)
Non controlling interests	-	85	(29)	(14)	6	133	(1)	2	-	182
Net (loss)/profit for the year	1,694	(287)	(23)	8	(3,974)	(687)	(3)	597	-	(2,675)
ASSETS AND LIABILITIES										
Segment assets	37,864	19,825	2,582	6,809	14,841	4,340	414	2,685	-	89,360
Investment in associates	56,125	586	294	-	8	-	103	29	-	57,145
Investment in joint ventures	678	1,029	79	-	-	62	74	1,422	-	3,344
Consolidated total assets	94,667	21,440	2,955	6,809	14,849	4,402	591	4,136	-	149,849
Segment liabilities	45,600	10,544	753	4,213	34,188	2,700	114	(5,929)	-	92,183
Consolidated total liabilities	45,600	10,544	753	4,213	34,188	2,700	114	(5,929)	-	92,183

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77. Subsidiaries and associates of the Company

(A) Subsidiaries of the Company

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2021 %	2020 %	2021 %	2020 %	
Agrifood Resources Holdings Sdn. Bhd. ("ARHSB")	Malaysia	100.0	100.0	-	-	Investment holding
Atlantic Quantum Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Investment holding and provision of management services
Aur Investments (Cayman Islands) Limited #	Cayman Islands	100.0	100.0	-	-	Investment holding
Aur Ventures Sdn. Bhd. #	Malaysia	100.0	100.0	-	-	Investment holding
Balok Ventures Sdn. Bhd. #	Malaysia	100.0	100.0	-	-	Investment holding
Banggi Ventures Sdn. Bhd. #	Malaysia	-	100.0	-	-	Investment holding
Batu Hill Development Ltd. #	England and Wales	100.0	100.0	-	-	Dormant
Beyond Flying Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Investment holding
Bombalai Hill Ventures Sdn. Bhd. #	Malaysia	100.0	100.0	-	-	Investment holding
Brinchang Ventures Sdn. Bhd. #	Malaysia	100.0	100.0	-	-	Investment holding
Broga Hill Investments Limited #	Malaysia	100.0	100.0	-	-	Investment holding
Bukit Bendera Investments Limited #	Malaysia	100.0	100.0	-	-	Investment holding
Bukit Chini Investments Limited #	Malaysia	100.0	100.0	-	-	Investment holding
Bukit Damar Investments Limited #	Malaysia	100.0	100.0	-	-	Investment holding

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77. Subsidiaries and associates of the Company (cont'd.)

(A) Subsidiaries of the Company (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2021 %	2020 %	2021 %	2020 %	
Bukit Frasers Ventures Sdn. Bhd. #	Malaysia	100.0	100.0	-	-	Investment holding
Bukit Galla Investments Limited #	Malaysia	100.0	100.0	-	-	Investment holding
Bukit Puteri Investments Limited #	Malaysia	100.0	100.0	-	-	Investment holding
Carey Investments (Cayman Islands) Limited #	Cayman Islands	100.0	100.0	-	-	Investment holding
Cerah Capital Ltd.	Malaysia	100.0	100.0	-	-	Fund raising on behalf of holding company
Cenviro Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Investment holding and provision of management services
Chendering Investments Limited #	Malaysia	100.0	100.0	-	-	Investment holding
Cosmos Friendship Limited #	Hong Kong	100.0	100.0	-	-	Investment holding
Dayang Bunting Ventures Sdn. Bhd. #	Malaysia	100.0	100.0	-	-	Investment holding
Dendana Investments (Mauritius) Limited #	Mauritius	100.0	100.0	-	-	Investment holding
Feringghi Capital Limited #	Malaysia	100.0	100.0	-	-	To provide funding for the operations of Special Purpose Vehicle on behalf of its holding company

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77. Subsidiaries and associates of the Company (cont'd.)

(A) Subsidiaries of the Company (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2021 %	2020 %	2021 %	2020 %	
Gemia Investments Limited #	Cayman Islands	100.0	100.0	-	-	Investment holding
Glam Ventures Pte Limited #	Singapore	100.0	100.0	-	-	Investment holding
Granatum Ventures Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Investment holding
Gunung Korbu Investments (Cayman Islands) Limited #	Cayman Islands	100.0	100.0	-	-	Investment holding
Gunung Nuang Ventures Limited #	Malaysia	100.0	100.0	-	-	Investment holding
i2M Ventures Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Promotion, marketing and administration of business service cluster
Impeccable Vintage Properties Sdn. Bhd. ("IVP")	Malaysia	100.0	100.0	-	-	Activities of holding companies
Iskandar Investment Berhad ("IIB")	Malaysia	60.0	60.0	40.0	40.0	Investment holding, property investment, property and land development and the provision of shared services to the subsidiaries
Iskandar Ventures Sdn. Bhd. ("IVSB") #	Malaysia	100.0	100.0	-	-	Investment holding
Jerai Ventures Sdn. Bhd. #	Malaysia	100.0	100.0	-	-	Investment holding
Kelanang Ventures Sdn. Bhd. #	Malaysia	100.0	100.0	-	-	Investment holding

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77. Subsidiaries and associates of the Company (cont'd.)

(A) Subsidiaries of the Company (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2021 %	2020 %	2021 %	2020 %	
Khazanah Americas Incorporated #	United States	100.0	100.0	-	-	Investment advisory
Khazanah Asset Management Sdn. Bhd. #	Malaysia	100.0	100.0	-	-	Dormant
Khazanah Europe Investment Limited #	United Kingdom	100.0	100.0	-	-	Provision of intra-group financial, legal and investment advisory services, related services to the group
Khazanah Nasional Consulting (Hong Kong) Company Limited #	Hong Kong	100.0	100.0	-	-	Investment holding
Klebang Capital Ltd. #	Malaysia	100.0	100.0	-	-	Investment holding
Kuala Perlis Ventures Sdn. Bhd. #	Malaysia	100.0	100.0	-	-	Investment holding
Kuala Selangor Ventures Sdn. Bhd. #	Malaysia	100.0	100.0	-	-	Investment holding
Layang-layang Ventures Sdn. Bhd. #	Malaysia	100.0	100.0	-	-	To manage, disburse and monitor the allocation of grant from Ministry of Finance to Allied Healthcare Centre of Excellence ("AH CoE")
Ledang Ventures Pte Ltd. #	Singapore	100.0	100.0	-	-	Investment holding

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77. Subsidiaries and associates of the Company (cont'd.)

(A) Subsidiaries of the Company (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2021 %	2020 %	2021 %	2020 %	
Lembong Ventures Sdn Bhd. #	Malaysia	100.0	100.0	-	-	Dormant
Lido Capital Ltd. #	Malaysia	100.0	100.0	-	-	Fund raising on behalf of its holding company
Little Steps Sdn. Bhd. #	Malaysia	100.0	100.0	-	-	Childcare operator
Malaysian Airline System Berhad ("MAS")	Malaysia	100.0	100.0	-	-	In liquidation
Malaysia Aviation Group Berhad ("MAGB") *	Malaysia	86.6	100.0	13.4	-	Investment holding
Malaysian Technology Development Corporation Sdn. Bhd. *	Malaysia	100.0	100.0	-	-	Venture capital services activities, management of government grants, technology incubation management and technology support services
Mantanani Ventures Sdn Bhd. #	Malaysia	100.0	100.0	-	-	Investment holding
Mataking Ventures Sdn. Bhd. #	Malaysia	100.0	100.0	-	-	Investment holding
Mount Bintang Ventures Sdn. Bhd. #	Malaysia	100.0	100.0	-	-	Investment holding
Mount Cecil Ventures Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Investment holding
Mount Gading Ventures Sdn. Bhd. #	Malaysia	100.0	100.0	-	-	Investment holding
Mount Hatton Investments Limited #	Malaysia	100.0	100.0	-	-	Investment holding

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77. Subsidiaries and associates of the Company (cont'd.)

(A) Subsidiaries of the Company (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2021 %	2020 %	2021 %	2020 %	
Mount Irau Ventures Sdn. Bhd. #	Malaysia	100.0	100.0	-	-	Providing human capital services including recruitment services, secondment and redeployment of human capital.
Mount Rajah Ventures Limited #	Jersey	100.0	100.0	-	-	Dormant
Mount Raya Investments Limited #	Malaysia	100.0	100.0	-	-	Investment holding
Mount Reskit Investments Ltd. #	Malaysia	100.0	100.0	-	-	Investment Holding
Mount Suku Investments Limited	Malaysia	100.0	-	-	-	Investment Holding
Mount Terra Investments Limited #	Malaysia	100.0	100.0	-	-	Investment holding
Noring Investments (Mauritius) Limited #	Mauritius	100.0	100.0	-	-	Investment holding
Ophir Ventures Sdn. Bhd. #	Malaysia	100.0	100.0	-	-	Investment holding
Pagon Hill Investments Limited #	Malaysia	100.0	100.0	-	-	Investment holding
Pangkor Investments (Cayman Islands) Ltd. #	Cayman Islands	100.0	100.0	-	-	Investment holding
Pantai Air Papan Investments Limited. #	Malaysia	100.0	100.0	-	-	Investment holding

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77. Subsidiaries and associates of the Company (cont'd.)

(A) Subsidiaries of the Company (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2021 %	2020 %	2021 %	2020 %	
Pantai Barat Investments (Cayman Islands) Ltd. #	Cayman Islands	100.0	100.0	-	-	Investment holding
Pantai Cahaya Bulan Ventures Sdn. Bhd. #	Malaysia	100.0	100.0	-	-	Investment holding
Pantai Juara Investments Limited #	Malaysia	100.0	100.0	-	-	Investment holding
Pantai Melawi Ventures Sdn. Bhd. #	Malaysia	100.0	100.0	-	-	Dormant
Pantai Morib Ventures Sdn. Bhd. #	Malaysia	100.0	100.0	-	-	Dormant
Pantai Murni Ventures Sdn. Bhd.	Malaysia	100.0	-	-	-	Investment holding
Pantai Remis Investments Limited #	Malaysia	100.0	100.0	-	-	Dormant
Pantai Saujana Investments Limited. #	Malaysia	100.0	100.0	-	-	Investment holding
Pantai Sura Investments Limited #	Malaysia	100.0	100.0	-	-	Investment holding
Pasir Salak Investments Limited #	Malaysia	100.0	100.0	-	-	Investment holding
Payar Investments Ltd. #	Malaysia	100.0	100.0	-	-	Investment holding

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77. Subsidiaries and associates of the Company (cont'd.)

(A) Subsidiaries of the Company (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2021 %	2020 %	2021 %	2020 %	
Penerbangan Malaysia Berhad ("PMB")	Malaysia	100.0	100.0	-	-	Carrying on business of acquiring, sale and leasing of aircraft and aircraft engines, investment holding, strategic management of the domestic airline business and other related services
Perhentian Investments (Mauritius) Ltd. #	Mauritius	100.0	100.0	-	-	Investment holding
Pine Tree Hill Investments Limited #	Malaysia	100.0	100.0	-	-	Investment holding
Ponorogo Investments Limited #	Malaysia	100.0	100.0	-	-	Investment holding
Pulau Dinawan Investments Limited #	Malaysia	100.0	100.0	-	-	Investment holding
Pulau Kaca Investments Limited #	Malaysia	100.0	100.0	-	-	Investment holding
Pulau Kendi Investments Limited #	Malaysia	100.0	100.0	-	-	Investment holding
Pulau Kukup Investments (Mauritius) Ltd. #	Mauritius	100.0	100.0	-	-	Investment holding

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77. Subsidiaries and associates of the Company (cont'd.)

(A) Subsidiaries of the Company (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2021 %	2020 %	2021 %	2020 %	
Pulau Labas Ventures Sdn. Bhd. #	Malaysia	100.0	100.0	-	-	To assist the government of Malaysia to establish the Malaysian Aviation Commission pursuant to Act 771 Malaysian Aviation Commission Act 2015
Pulau Manukan Ventures Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Investment holding
Pulau Melaka Ltd. #	Malaysia	100.0	100.0	-	-	Investment holding
Pulau Memutik Ventures Sdn. Bhd. #	Malaysia	100.0	100.0	-	-	Investment holding
Pulau Putih Ventures Sdn. Bhd.	Malaysia	100.0	-	-	-	Investment holding
Pulau Segantang Ventures Sdn. Bhd. #	Malaysia	100.0	100.0	-	-	Investment holding
Pulau Selingan Investments Limited #	Malaysia	100.0	100.0	-	-	Investment holding
Pulau Sibn Ventures Sdn. Bhd. #	Malaysia	100.0	100.0	-	-	Investment holding
Pulau Tiga Ventures Sdn. Bhd. #	Malaysia	100.0	100.0	-	-	Investment holding
Rantau Abang Capital Berhad #	Malaysia	100.0	100.0	-	-	Fund raising on behalf of the company to issue Islamic Commercial Papers and Islamic Medium Term Notes Sukuk Musyarakah
Redang Investments Ltd. #	Malaysia	100.0	100.0	-	-	Investment holding

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77. Subsidiaries and associates of the Company (cont'd.)

(A) Subsidiaries of the Company (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2021 %	2020 %	2021 %	2020 %	
Sampadi Investments Limited #	Malaysia	100.0	100.0	-	-	Investment holding
Santubong Ventures Sdn. Bhd. #	Malaysia	100.0	100.0	-	-	Investment holding
Satang Investments Ltd. #	Malaysia	100.0	100.0	-	-	Investment holding
Sebatik Investments Limited #	Malaysia	100.0	100.0	-	-	Investment holding
Silterra Malaysia Sdn. Bhd. ("Silterra") *	Malaysia	-	100.0	-	-	Manufacturing of semiconductor wafer
Sipadan Investments (Mauritius) Ltd. #	Mauritius	100.0	100.0	-	-	Investment holding
STLR Sdn. Bhd. #	Malaysia	100.0	100.0	-	-	Selling, leasing and renting of properties
Studios Film Office Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Film production services
Suluq Investments (Mauritius) Ltd. #	Mauritius	100.0	100.0	-	-	Investment holding
Sungai Pulai Investments (Mauritius) Ltd. #	Mauritius	100.0	100.0	-	-	Investment holding
Synapse Education Holdings Sdn. Bhd. #	Malaysia	-	-	-	-	Investment holding

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77. Subsidiaries and associates of the Company (cont'd.)

(A) Subsidiaries of the Company (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2021 %	2020 %	2021 %	2020 %	
Taman Tugu Project Development Sdn. Bhd.	Malaysia	100.0	100.0	-	-	To carry out efforts of project management including but not limited to execution of projects relating to the refurbishment, rejuvenation and redevelopment of Taman Tugu in Kuala Lumpur and elsewhere in Malaysia
Tanjung Adang Investments Limited #	Malaysia	100.0	100.0	-	-	Investment holding
Tanjung Bidara Ventures Sdn. Bhd. #	Malaysia	100.0	100.0	-	-	Investment holding
Tanjung Buai Ventures Sdn. Bhd. #	Malaysia	100.0	100.0	-	-	Investment holding
Tanjung Jara Investments Ltd. #	Hong Kong	100.0	100.0	-	-	Investment holding
Tanjung Manis Investments Ltd. #	Malaysia	100.0	100.0	-	-	Dormant
Tanjung Pinang Investments Limited. #	Malaysia	100.0	100.0	-	-	Dormant
Tanjung Rhu Investments Limited #	Malaysia	100.0	100.0	-	-	Investment holding
Tanjung Sedili Investments Limited. #	Malaysia	100.0	100.0	-	-	Investment holding

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77. Subsidiaries and associates of the Company (cont'd.)

(A) Subsidiaries of the Company (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2021 %	2020 %	2021 %	2020 %	
Tanjung Tuan Investments Limited #	Malaysia	100.0	100.0	-	-	Investment holding
Tasik Pedu Investments Limited #	Malaysia	100.0	100.0	-	-	Investment holding
Teluk Bahang Investments Limited #	Malaysia	100.0	100.0	-	-	Investment holding
Teluk Belanga Investments Limited #	Malaysia	100.0	100.0	-	-	Investment holding
Teluk Cempedak Investments (Mauritius) Ltd. #	Mauritius	100.0	100.0	-	-	Investment holding
Teluk Dalam Investments Limited #	Malaysia	100.0	100.0	-	-	Investment holding
Teluk Gadong Investments Limited #	Malaysia	100.0	100.0	-	-	Investment holding
Teluk Intan Investments (Cayman Islands) Limited #	Cayman Islands	100.0	100.0	-	-	Dormant
Teluk Kalung Investments Limited. #	Malaysia	100.0	100.0	-	-	Investment holding
Teluk Kemang Investments (Mauritius) Ltd. #	Mauritius	100.0	100.0	-	-	Investment holding
Teluk Kumbar Ventures Sdn. Bhd. #	Malaysia	100.0	100.0	-	-	Investment holding

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77. Subsidiaries and associates of the Company (cont'd.)

(A) Subsidiaries of the Company (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2021 %	2020 %	2021 %	2020 %	
Teluk Nibong Ventures Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Provision of transition support services including outplacement support and training support services for the development of human capital
Teluk Nipah Investments (Cayman Islands) Ltd.	Cayman Islands	100.0	100.0	-	-	Dormant
Teluk Pauh Sdn. Bhd. #	Malaysia	100.0	100.0	-	-	Administration of collaboration with the Cruyff Foundation in Malaysia
Teluk Rubiah Ventures Sdn. Bhd. #	Malaysia	100.0	100.0	-	-	Investment holding
Teluk Senangin Investments Limited #	Malaysia	100.0	100.0	-	-	Investment holding
Themed Attractions Resorts & Hotels Sdn. Bhd. ("TARHSB")	Malaysia	100.0	100.0	-	-	Investment holding and provision of management services
Think City Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Promoting and preserving the living culture and heritage areas including but not limited to initiating projects relating to the rejuvenation and transformation of George Town, Penang and elsewhere in Malaysia

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77. Subsidiaries and associates of the Company (cont'd.)

(A) Subsidiaries of the Company (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2021 %	2020 %	2021 %	2020 %	
Tioman Investments (Mauritius) Ltd. #	Mauritius	100.0	100.0	-	-	Investment holding
Titiwangsa Investments (Mauritius) Ltd. #	Mauritius	100.0	100.0	-	-	Investment holding
Tulai Beach Ventures Sdn. Bhd. #	Malaysia	100.0	100.0	-	-	Investment holding
UEM Group Berhad ("UEM")	Malaysia	100.0	100.0	-	-	Project design, management and contracting in the fields of civil, electrical and mechanical engineering, undertaking of turnkey projects and investment holding
Western Hill Investments Limited #	Malaysia	100.0	100.0	-	-	Investment holding

(B) Associates of the Company

Name	Country of incorporation/ principal place of business	Effective interest~		Accounting model applied	Principal activities
		2021 %	2020 %		
Axiata Group Berhad *	Malaysia	36.8	36.8	Equity method	Telecommunication and related services
Bank Muamalat Malaysia Berhad	Malaysia	30.0	30.0	Equity method	Islamic commercial banking and finance

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77. Subsidiaries and associates of the Company (cont'd.)

(B) Associates of the Company (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Accounting model applied	Principal activities
		2021 %	2020 %		
CIMB Group Holdings Berhad *	Malaysia	25.7	27.3	Equity method	Investment holding, management company, property management, provision of consultancy services and dealing in securities
Iskandar Capital Sdn. Bhd.	Malaysia	15.3	15.3	Equity method	Investment holding
Malaysia Airports Holdings Berhad	Malaysia	33.2	33.2	Equity method	Investment holding
Malaysia Electric Corporation Berhad *	Malaysia	-	30.0	Equity method	In liquidation
Pulau Kapas Ventures Sdn. Bhd. *	Malaysia	30.0	30.0	Equity method	Investment holding
Putrajaya Holdings Sdn. Bhd.	Malaysia	15.6	15.6	Equity method	Investment holding
Telekom Malaysia Berhad *	Malaysia	20.1	21.5	Equity method	Telecommunication and related services
Tenaga Nasional Berhad *	Malaysia	25.7	25.7	Equity method	Generation, transmission and distribution and sale of electricity

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77. Subsidiaries and associates of the Company (cont'd.)

(B) Associates of the Company (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Accounting model applied	Principal activities
		2021 %	2020 %		
TIME dotCom Berhad * ^	Malaysia	10.8	10.8	Equity method	Investment holding, provision of management and marketing/promotional services and retailing of telecommunications products
Valuecap Sdn. Bhd. *	Malaysia	-	33.3	Equity method	Investment in marketable securities listed on Bursa Malaysia Berhad and provision of services to its two wholly owned subsidiaries.

* Subsidiaries and associates not audited by member firms of Ernst & Young Global.

SPV set up for investment or funding purposes, which are consolidated in the extended company financial statements of the Company as disclosed in Note 19(b).

~ Equals to proportion of voting rights held.

^ The Company has a total of 19.6% shareholding in TIME dotCom Berhad, comprising 10.8% held via the Company and 8.8% held by Pulau Kapas Ventures Sdn. Bhd.

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78. Subsidiaries, associates and joint ventures of the Group

Other than the subsidiaries, associates and joint venture of the Company as listed in Note 76, the subsidiaries and associates of the Group are as listed below:

- (i) Subsidiaries, associates and joint ventures of UEM Group Berhad ("UEM"), are disclosed in Note 78(A).
- (ii) Subsidiaries of Malaysian Airline System Berhad ("MAS"), are disclosed in Note 78(B).
- (iii) Subsidiaries and associates of Malaysia Aviation Group Berhad ("MAGB"), are disclosed in Note 78(C).
- (iv) Subsidiaries, associates and joint ventures of Iskandar Investment Berhad ("IIB"), are disclosed in Note 78(D).
- (v) Subsidiaries, associates and joint ventures of Themed Attractions Resorts & Hotels Sdn. Bhd. ("TARHSB"), are disclosed in Note 78(E).
- (vi) Subsidiary of Malaysian Technology Development Corporation ("MTDC"), are disclosed in Note 78(F).
- (vii) Other subsidiaries, associates and joint ventures of the Group are disclosed in Note 78(G).

(A) Subsidiaries, associates and joint ventures of UEM

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2021 %	2020 %	2021 %	2020 %	
Subsidiaries of UEM						
PLUS Expressways International Berhad ("PEIB")	Malaysia	100.0	100.0	-	-	Investment holding and provision of expressway operation services
UEM Sunrise Berhad ("UEM Sunrise")	Malaysia	69.6	69.6	30.4	30.4	Investment holding and provision of shares services for its subsidiaries
UEM Builders Berhad ("UEM Builders")	Malaysia	100.0	100.0	-	-	Investment holding and provision of management services

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2021 %	2020 %	2021 %	2020 %	
Subsidiaries of UEM (cont'd.)						
Cement Industries of Malaysia Berhad ("CIMA")	Malaysia	100.0	100.0	-	-	Provision of management services and investment holding
UEM Edgenta Berhad ("UEM Edgenta")	Malaysia	69.1	69.1	30.9	30.9	Investment holding and provision of management services to its subsidiaries
Konsortium ProHAWK Sdn. Bhd.	Malaysia	65.0	65.0	35.0	35.0	Planning, design, financing, development, construction, landscaping, equipment, installation, completion, testing and commissioning of a hospital building, facilities and infrastructure at the identified project land and to carry out total asset and facilities management services at hospital or commercial or government buildings

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Accounting model applied	Principal activities
		2021 %	2020 %		
Associate of UEM					
UE Construction (Phil.) Inc.<	Philippines	40.0	40.0	Equity method	Dormant
Joint Ventures of UEM					
PLUS Malaysia Berhad ("PLUS Malaysia") x	Malaysia	51.0	51.0	Equity method	Investment holding
UEM – Sarawak Economic Development x	Unincorporated	-	70.0	Equity method	Terminated
UEM – Essar Projects Limited x	Unincorporated	51.0	51.0	Equity method	Construction and extension of roads

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2021 %	2020 %	2021 %	2020 %	
Subsidiaries of PEIB						
Ghir Investments (Mauritius) Limited	Mauritius	100.0	100.0	-	-	Investment holding
PLUS Kalyan (Mauritius) Private Limited	Mauritius	100.0	100.0	-	-	Investment holding

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2021 %	2020 %	2021 %	2020 %	

**Subsidiaries of PEIB
(cont'd.)**

PLUS Plaza (Mauritius) Private Limited	Mauritius	100.0	100.0	-	-	Investment holding
PEIB Capital Sdn. Bhd. ("PEIBC")	Malaysia	100.0	100.0	-	-	Investment holding

Name	Country of incorporation/ principal place of business	Effective interest~		Accounting model applied	Principal activities
		2021 %	2020 %		

Joint venture of PEIB

Jetpur Somnath Tollways Private Limited ("JSTPL") //xat	India	64.4	64.4	Equity method	Ceased operations
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Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2021 %	2020 %	2021 %	2020 %	

**Subsidiary of PLUS Kalyan
(Mauritius) Private Limited**

PLUS BKSP Toll Limited *## at	India	94.1	94.1	5.9	5.9	Ceased operations
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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2021 %	2020 %	2021 %	2020 %	
Subsidiary of PLUS Plaza (Mauritius) Private Limited						
Trichy Padalur Tollways Private Limited ("TPTPL") *at	India	74.0	74.0	26.0	26.0	Undertake construction, operation, maintenance and toll collection of the four laning and strengthening of Padalur-Trichy Highway section from KM285 to KM325 of NH-45 in the state of Tamil Nadu, India, on Build, Operate and Transfer basis
Name	Country of incorporation/ principal place of business	Effective interest~		Accounting model applied	Principal activities	
		2021 %	2020 %			
Joint venture of Ghir Investments (Mauritius) Limited						
Uniquet Infra Ventures Private Limited xat	India	80.1	80.1	Equity method	Developing, owning and managing road infrastructure projects in India	

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2021 %	2020 %	2021 %	2020 %	
Subsidiary of Uniquest Infra Ventures Private Limited						
Khalghat Sendhwa Tollways Private Limited ("KSTPL") at	India	80.1	80.1	19.9	19.9	Undertake the design, engineering, finance, construction, operation and maintenance of Khalghat-MP/Maharashtra Border Section on NH-3 from Km84.700 to Km167.500 in the State of Madhya Pradesh under NHDP Phase IIIA through a concession on Build, Operate and Transfer basis.
Subsidiaries of Plus Malaysia						
Projek Lebuhraya Usahasama Berhad	Malaysia	51.0	51.0	49.0	49.0	Provision of operation, maintenance and toll collection of the expressways
Teras Teknologi Sdn. Bhd.	Malaysia	51.0	51.0	49.0	49.0	Investment holding and engaged in supply, installation and maintenance of toll systems and equipment for expressway projects
Expressway Lingkar Tengah Sdn. Bhd.	Malaysia	51.0	51.0	49.0	49.0	Inactive
Linkedua (Malaysia) Berhad	Malaysia	51.0	51.0	49.0	49.0	Inactive

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2021 %	2020 %	2021 %	2020 %	
Subsidiaries of Plus Malaysia (cont'd.)						
Lebuhraya Pantai Timur 2 Sdn. Bhd.	Malaysia	51.0	51.0	49.0	49.0	Provision of operations, maintenance and toll collection of the East Coast Expressway Phase 2
Penang Bridge Sdn. Bhd.	Malaysia	51.0	51.0	49.0	49.0	Inactive
Projek Lebuhraya Utara-Selatan Berhad	Malaysia	51.0	51.0	49.0	49.0	Inactive
Terra Plus Sdn. Bhd.	Malaysia	51.0	51.0	49.0	49.0	Inactive
Zoom Interactive Sdn. Bhd.	Malaysia	51.0	51.0	49.0	49.0	Inactive
Subsidiaries of UEM Sunrise						
UEM Land Berhad ("UEM Land")	Malaysia	69.6	69.6	30.4	30.4	Property development, property investment, project procurement and management and strategic investment holding
Nusajaya Resort Sdn. Bhd.	Malaysia	69.6	69.6	30.4	30.4	Operator of clubhouse and restaurant
Sunrise Berhad ("Sunrise")	Malaysia	69.6	69.6	30.4	30.4	Property development and investment holding
UEM Sunrise (Australia) Sdn. Bhd.	Malaysia	69.6	69.6	30.4	30.4	Investment holding

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2021 %	2020 %	2021 %	2020 %	
Subsidiaries of UEM Sunrise (cont'd.)						
UEM Sunrise (Canada) Sdn. Bhd.	Malaysia	69.6	69.6	30.4	30.4	Investment holding, property development and general trading
UEM Sunrise Management Services Sdn. Bhd.	Malaysia	69.6	69.6	30.4	30.4	Investment holding
UEM Sunrise Properties Sdn. Bhd.	Malaysia	69.6	69.6	30.4	30.4	Investment holding, property development and general trading
Nusajaya Five O Sdn. Bhd.	Malaysia	69.6	69.6	30.4	30.4	Ceased operations
Name	Country of incorporation/ principal place of business	Effective interest~		Accounting model applied	Principal activities	
		2021 %	2020 %			
Associate of UEM Sunrise						
UEM Sunrise Edgenta TMS Sdn. Bhd. β	Malaysia	69.3	69.3	Equity method		Investment holding and management of real estate
Joint ventures of UEM Sunrise						
Nusajaya Lifestyle Sdn. Bhd. x	Malaysia	38.3	38.3	Equity method		Property and real estate development, management and property management

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Accounting model applied	Principal activities	
		2021 %	2020 %			
Joint ventures of UEM Sunrise (cont'd.)						
Nusajaya Premier Sdn. Bhd. x	Malaysia	55.7	55.7	Equity method	Property development and investment holding	
Desaru South Course Residences Sdn. Bhd. ("DSCR") x	Malaysia	35.5	35.5	Equity method	Property development	
Desaru North Course Residences Sdn. Bhd. ("DNCR") x	Malaysia	35.5	35.5	Equity method	Property development	
Desaru South Course Land Sdn. Bhd. ("DSCL") x	Malaysia	35.5	35.5	Equity method	Property development	
Malaysian Bio-Xcell Sdn. Bhd. *	Malaysia	27.8	27.8	Equity method	In receivership and liquidation	
Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2021 %	2020 %	2021 %	2020 %	
Subsidiaries of UEM Land						
Bandar Nusajaya Development Sdn. Bhd. ("BND")	Malaysia	69.6	69.6	30.4	30.4	Investment holding, property development, land trading and an agent for its subsidiaries
Finwares Sdn. Bhd.	Malaysia	69.6	69.6	30.4	30.4	Investment holding
Fleet Group Sdn. Bhd.	Malaysia	69.6	69.6	30.4	30.4	Investment holding

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2021 %	2020 %	2021 %	2020 %	
Subsidiaries of UEM Land (cont'd.)						
Hatibudi Nominees (Tempatan) Sdn. Bhd. *	Malaysia	69.6	69.6	30.4	30.4	In members' voluntary liquidation
Marina Management Sdn. Bhd.	Malaysia	69.6	69.6	30.4	30.4	Marina management and property management
Mahisa Sdn. Bhd.	Malaysia	69.6	69.6	30.4	30.4	Property developer and undertakes construction and turnkey development contracts
Marak Unggul Sdn. Bhd.	Malaysia	34.8	34.8	65.2	65.2	Dormant
Nusajaya Development Sdn. Bhd.	Malaysia	69.6	69.6	30.4	30.4	Property development
Nusajaya Medical Park Sdn. Bhd. *	Malaysia	69.6	69.6	30.4	30.4	Construct, manage and/or operate specialised buildings for long term lease and property development
UEM Sunrise Nusantara Sdn. Bhd. *	Malaysia	69.6	69.6	30.4	30.4	In members' voluntary liquidation
UEM Sunrise Overseas Corporation Sdn. Bhd.	Malaysia	69.6	69.6	30.4	30.4	Investment holding

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2021 %	2020 %	2021 %	2020 %	
Subsidiaries of UEM Land (cont'd.)						
Aura Muhibah Sdn. Bhd.	Malaysia	-	41.8	-	58.2	Property development
Name	Country of incorporation/ principal place of business	Effective interest~ 2021 %	2020 %	Accounting model applied	Principal activities	
Associates of UEM Land						
Aura Muhibah Sdn. Bhd.	Malaysia	27.8	-	Equity method	Property development	
Setia Haruman Sdn. Bhd. *	Malaysia	17.4	17.4	Equity method	Township development, property development, project development and sale of land	
Scope Energy Sdn. Bhd.*	Malaysia	27.8	27.8	Equity method	Property development	
Inneonusa Sdn. Bhd. *	Malaysia	27.1	27.1	Equity method	Provision of smart building infrastructure, smart safety and security system, smart in-building services and smart wide services including smart tenant services for building owners, operators, residents and visitors	
Sarandra Malaysia Sdn. Bhd.	Malaysia	27.8	27.8	Equity method	Investment holding, constructing, managing and developing of Marina Club	

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Accounting model applied	Principal activities
		2021 %	2020 %		
Joint Ventures of UEM Land					
Cahaya Jauhar Sdn. Bhd. x	Malaysia	41.8	41.8	Equity method	Undertake the turnkey design and build contract for the development of the Johor State New Administrative Centre (now known as Kota Iskandar) and State Government Staff Housing in Iskandar Puteri, Johor, and provision of facilities maintenance and management services
Gerbang Leisure Park Sdn. Bhd. *	Malaysia	34.8	34.8	Equity method	Striking-off
Haute Property Sdn. Bhd. *	Malaysia	27.8	27.8	Equity method	Property development and property marketing
Horizon Hills Development Sdn. Bhd.	Malaysia	34.8	34.8	Equity method	Property development
Nusajaya Consolidated Sdn. Bhd. *	Malaysia	34.8	34.8	Equity method	Property development and related activities
Nusajaya Tech Park Sdn. Bhd.	Malaysia	27.8	27.8	Equity method	Property development
FASTrack Iskandar Sdn. Bhd.	Malaysia	20.9	20.9	Equity method	Property development and to develop, construct, operate and manage motorsport city with related facilities and services

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2021 %	2020 %	2021 %	2020 %	
Subsidiaries of BND						
Nusajaya Industrial Park Sdn. Bhd.	Malaysia	69.6	69.6	30.4	30.4	Property development
Nusajaya Gardens Sdn. Bhd.	Malaysia	69.6	69.6	30.4	30.4	Land trading and investment holding
Nusajaya Greens Sdn. Bhd.	Malaysia	69.6	69.6	30.4	30.4	Property development, land trading and investment holding
Nusajaya Heights Sdn. Bhd.	Malaysia	69.6	69.6	30.4	30.4	Property development, land trading and investment holding
Nusajaya Rise Sdn. Bhd.	Malaysia	69.6	69.6	30.4	30.4	Property development, land trading, investment holding and money lending activity
Nusajaya Seaview Sdn. Bhd.	Malaysia	69.6	69.6	30.4	30.4	Land trading and investment holding
Nusajaya Land Sdn. Bhd.	Malaysia	69.6	69.6	30.4	30.4	Property development
Symphony Hills Sdn. Bhd.	Malaysia	69.6	69.6	30.4	30.4	Property development, land trading and investment holding

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2021 %	2020 %	2021 %	2020 %	
Subsidiary of UEM						
Sunrise Nusantara Sdn. Bhd.						
P.T. Bias Permata	Indonesia	69.6	69.6	30.4	30.4	Investment holding
Subsidiary of UEM						
Sunrise Overseas Corporation Sdn. Bhd.						
UEM Sunrise South Africa (Pty) Ltd. *	South Africa	69.6	69.6	30.4	30.4	Investment holding
Subsidiaries of UEM Sunrise South Africa (Pty) Ltd						
Roc-Union (Proprietary) Limited *	South Africa	55.9	55.9	44.1	44.1	Investment holding
Subsidiary of Roc-Union (Proprietary) Limited						
Rocpoint (Proprietary) Limited *	South Africa	55.9	55.9	44.1	44.1	Acquisition and development of land
Name	Country of incorporation/ principal place of business	Effective interest~		Accounting model applied	Principal activities	
		2021 %	2020 %			
Associate of Rocpoint (Proprietary) Limited						
Durban Point Development Company (Proprietary) Limited	South Africa	28.0	28.0	Equity method	Property development	

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2021 %	2020 %	2021 %	2020 %	
Subsidiaries of Sunrise						
Arcoris Sdn. Bhd.	Malaysia	69.6	69.6	30.4	30.4	Property investment and development
Ascot Assets Sdn. Bhd.	Malaysia	69.6	69.6	30.4	30.4	Property development
Allevia Sdn. Bhd. (formerly known as Aston Star Sdn. Bhd.)	Malaysia	69.6	69.6	30.4	30.4	Property investment, development and construction
Aurora Tower at KLCC Sdn. Bhd.	Malaysia	69.6	69.6	30.4	30.4	Property development
Ibarat Duta Sdn. Bhd.	Malaysia	69.6	69.6	30.4	30.4	Property development
Laser Tower Sdn. Bhd.	Malaysia	69.6	69.6	30.4	30.4	Property development
Lembah Suria Sdn. Bhd.	Malaysia	69.6	69.6	30.4	30.4	Property development
Lucky Bright Star Sdn. Bhd.	Malaysia	69.6	69.6	30.4	30.4	Property investment and development
Mega Legacy (M) Sdn. Bhd.	Malaysia	34.8	34.8	65.2	65.2	Property development
Milik Harta Sdn. Bhd.	Malaysia	69.6	69.6	30.4	30.4	Property development
New Planet Trading Sdn. Bhd.	Malaysia	69.6	69.6	30.4	30.4	Property investment and development
Prinsip Eramaju Sdn. Bhd.	Malaysia	69.6	69.6	30.4	30.4	Property development
SCM Property Services Sdn. Bhd.	Malaysia	69.6	69.6	30.4	30.4	Provision of property management services

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2021 %	2020 %	2021 %	2020 %	
Subsidiaries of Sunrise (cont'd.)						
Solid Performance Sdn. Bhd.	Malaysia	69.6	69.6	30.4	30.4	Property development
Summer Suites Sdn. Bhd.	Malaysia	69.6	69.6	30.4	30.4	Property development
Sun Victory Sdn. Bhd.	Malaysia	69.6	69.6	30.4	30.4	Property investment and development and hotel operation
Sunrise Alliance Sdn. Bhd.	Malaysia	69.6	69.6	30.4	30.4	Property development
Sunrise Benchmark Sdn. Bhd.	Malaysia	69.6	69.6	30.4	30.4	Property development
Sunrise Century Sdn. Bhd.	Malaysia	69.6	69.6	30.4	30.4	Property development
Sunrise Hospitality and Leisure Sdn. Bhd. *	Malaysia	-	69.6	-	30.4	Dissolved
Sunrise Innovations Sdn. Bhd.	Malaysia	69.6	69.6	30.4	30.4	Property development
Sunrise Landmark Sdn. Bhd.	Malaysia	69.6	69.6	30.4	30.4	Property development
Sunrise Mersing Sdn. Bhd.	Malaysia	69.6	69.6	30.4	30.4	Property development
Sunrise Oscar Sdn. Bhd.	Malaysia	69.6	69.6	30.4	30.4	Investment holding

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2021 %	2020 %	2021 %	2020 %	
Subsidiaries of Sunrise (cont'd.)						
Sunrise Overseas Corporation Sdn. Bhd.	Malaysia	69.6	69.6	30.4	30.4	Investment holding and provision of management services
Sunrise Paradigm Sdn. Bhd.	Malaysia	69.6	69.6	30.4	30.4	Property development
Sunrise Pioneer Sdn. Bhd.	Malaysia	69.6	69.6	30.4	30.4	Property development
Sunrise Project Services Sdn. Bhd.	Malaysia	69.6	69.6	30.4	30.4	Property development and project management for property development projects
Sunrise Quality Sdn. Bhd.	Malaysia	69.6	69.6	30.4	30.4	Property development
Sunrise Region Sdn. Bhd.	Malaysia	69.6	69.6	30.4	30.4	Property development
Sunrise Sovereign Sdn. Bhd.	Malaysia	69.6	69.6	30.4	30.4	Property development and investment holding
Sunrise International Development Ltd *	The Cayman Islands	69.6	69.6	30.4	30.4	Investment holding
Sunrise Overseas (S) Pte Ltd	Singapore	69.6	69.6	30.4	30.4	Promotion and management services relating to Sunrise Group's properties in Malaysia

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(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2021 %	2020 %	2021 %	2020 %	
Sunrise MS Pte Ltd	Singapore	69.6	69.6	30.4	30.4	Provision of consultancy, advisory and technical services in relation to project development
Name	Country of incorporation/ principal place of business	Effective interest~ 2021 %	Effective interest~ 2020 %	Accounting model applied		Principal activities
Joint Ventures of Sunrise						
Sime Darby Property Sunrise Development Sdn. Bhd.	Malaysia	34.8	34.8	Equity method		Property development
Sunrise MCL Land Sdn. Bhd.*	Malaysia	34.8	34.8	Equity method		Property development and property investment
Name	Country of incorporation/ principal place of business	Effective interest~ 2021 %	Effective interest~ 2020 %	Non-controlling interest~ 2021 %	Non-controlling interest~ 2020 %	Principal activities
Subsidiaries of UEM Sunrise (Australia) Sdn. Bhd.						
UEM Sunrise (Land) Pty Ltd	Australia	69.6	69.6	30.4	30.4	Holding and financing company
UEM Sunrise (Developments) Pty Ltd	Australia	69.6	69.6	30.4	30.4	Holding and financing company

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2021 %	2020 %	2021 %	2020 %	
Subsidiaries of UEM Sunrise (Land) Pty Ltd						
UEM Sunrise (Mackenzie Street) Pty Ltd *	Australia	69.6	69.6	30.4	30.4	Trustee company
UEM Sunrise (Mackenzie Street) Unit Trust	Australia	69.6	69.6	30.4	30.4	Landowning entity
UEM Sunrise (La Trobe Street) Pty Ltd *	Australia	69.6	69.6	30.4	30.4	Trustee company
UEM Sunrise (La Trobe Street) Unit Trust	Australia	69.6	69.6	30.4	30.4	Landowning entity
UEM Sunrise (St Kilda Road) Pty Ltd *	Australia	69.6	69.6	30.4	30.4	Trustee company
UEM Sunrise (St Kilda Road) Unit Trust	Australia	69.6	69.6	30.4	30.4	Landowning entity
UEM Sunrise (Collingwood) Pty Ltd *	Australia	69.6	69.6	30.4	30.4	Trustee company
UEM Sunrise (Collingwood) Unit Trust	Australia	69.6	69.6	30.4	30.4	Landowning entity

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2021 %	2020 %	2021 %	2020 %	
Subsidiaries of UEM Sunrise (Developments) Pty Ltd						
UEM Sunrise (Mackenzie Street Development) Pty Ltd	Australia	69.6	69.6	30.4	30.4	Development company
UEM Sunrise (La Trobe Street Development) Pty Ltd	Australia	69.6	69.6	30.4	30.4	Development company
UEM Sunrise (St Kilda Road Development) Pty Ltd	Australia	69.6	69.6	30.4	30.4	Development company
UEM Sunrise (Aurora Melbourne Central Property Management) Pty Ltd *	Australia	69.6	69.6	30.4	30.4	Property management services
UEM Sunrise (Collingwood Development) Pty Ltd *	Australia	69.6	69.6	30.4	30.4	Property Development
UEM Sunrise (Conservatory Melbourne Property Management) Pty Ltd	Australia	69.6	69.6	30.4	30.4	Property management services

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(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2021 %	2020 %	2021 %	2020 %	
Subsidiaries of UEM Sunrise Properties Sdn. Bhd.						
Nusajaya DCS Sdn. Bhd.	Malaysia	69.6	69.6	30.4	30.4	Provision of cooling plant facility services
Opera Retreat Sdn. Bhd.	Malaysia	69.6	69.6	30.4	30.4	Property investment
Puteri Harbour Convention Centre Sdn. Bhd.	Malaysia	69.6	69.6	30.4	30.4	Own and operate a convention centre
UEM Sunrise Nusajaya Properties Sdn. Bhd.	Malaysia	69.6	69.6	30.4	30.4	Property investment
Name	Country of incorporation/ principal place of business	Effective interest~ 2021 %	Effective interest~ 2020 %	Accounting model applied	Principal activities	
Joint venture of UEM Sunrise Properties Sdn. Bhd.						
UEM Sunrise WOTSO Malaysia Sdn. Bhd. *	Malaysia	34.8	34.8	Equity method	Provision of co-working, office and event space	

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(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2021 %	2020 %	2021 %	2020 %	
Subsidiaries of UEM Sunrise Management Services Sdn. Bhd.						
Rise Digital Sdn. Bhd.	Malaysia	69.6	69.6	30.4	30.4	Provision of digital services
UEM Sunrise Project Services Sdn. Bhd.	Malaysia	69.6	69.6	30.4	30.4	Property management for property development
Subsidiary of Sunrise Oscar Sdn. Bhd.						
Sunrise DCS Sdn. Bhd.	Malaysia	69.6	69.6	30.4	30.4	Provision of cooling plant facility services
Subsidiary of Sunrise International Development Ltd						
Sunrise Holdings S.à.r.l. *	The Grand Duchy of Luxembourg	69.6	69.6	30.4	30.4	Investment holding
Subsidiary of Sunrise Holdings S.à.r.l.						
Canada Sunrise Development Corp. *	Canada	69.6	69.6	30.4	30.4	Property investment and development

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2021 %	2020 %	2021 %	2020 %	
Subsidiaries of UEM Builders						
Buildcast Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Production of precast concrete products
IBS Iconsis Sdn. Bhd. *	Malaysia	-	100.0	-	-	Dissolved
Intria Bina Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Civil engineering and construction works
PATI Sdn. Bhd. ("PATI")	Malaysia	100.0	100.0	-	-	Civil engineering works and building construction
Total Trade Sdn. Bhd. *	Malaysia	-	100.0	-	-	Dissolved
UEM Construction Sdn. Bhd. ("UEMC")	Malaysia	100.0	100.0	-	-	Contractors for the execution of construction and engineering works

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2021 %	2020 %	2021 %	2020 %	
Subsidiaries of UEM Builders (cont'd.)						
UEM Construction (B) Sdn. Bhd. ///	Brunei	100.0	100.0	-	-	Civil, electrical, mechanical and industrial plant construction and general building and contracting
UEMB – MRCB JV Sdn. Bhd.	Malaysia	51.0	51.0	49.0	49.0	Master contractor for the execution of engineering and construction works
UEMB - Najcom JV	Unincorporated	65.0	65.0	35.0	35.0	Master contractor for the execution of engineering and construction works
UEMB-PROPEL Consortium	Unincorporated	100.0	100.0	-	-	Civil engineering works and buildings construction
Name	Country of incorporation/ principal place of business	Effective interest~		Accounting model applied	Principal activities	
		2021 %	2020 %			
Joint Venture of UEM Builders						
Shimizu – Nishimatsu - UEMB – IJM JV	Unincorporated	-	20.0	Equity method	Dissolved	

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2021 %	2020 %	2021 %	2020 %	
Subsidiaries of UEMC						
UEM (Mauritius) Co Ltd ("UEMM") *	Mauritius	100.0	100.0	-	-	Investment holding
PT Karabha Gryamandiri	Indonesia	55.0	55.0	45.0	45.0	Subcontractor of construction of Cikampek-Palimanan Toll Road (also known as Cikopo-Palimanan Toll Road), Indonesia ("CPTR") package
UEMC - PPES Works (Sarawak) Sdn. Bhd. JV	Unincorporated	70.0	70.0	30.0	30.0	Design and build for Hospital Lawas project
Name	Country of incorporation/ principal place of business	Effective interest~		Accounting model applied	Principal activities	
		2021 %	2020 %			
Associate of UEMC						
Samsung C&T Corporation UEM Construction JV Sdn. Bhd.	Malaysia	40.0	40.0	Equity method	Main contractor for the execution of civil engineering works and building construction	

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Accounting model applied	Principal activities	
		2021 %	2020 %			
Joint Ventures of UEMC						
UEMC – Bina Puri JV x*	Unincorporated	60.0	60.0	Equity method	Design, construction, completion, testing, commissioning and maintenance of main terminal building, satellite building, sky bridge and piers	
Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2021 %	2020 %	2021 %	2020 %	
Subsidiaries of UEMM						
UE Development India Pvt Ltd ("UEDI") *	India	100.0	100.0	-	-	Construction works and maintenance of expressways
Pati International (India) Pvt. Ltd. *	India	100.0	100.0	-	-	In member's voluntary liquidation
UEM Builders – Ansalapi Contracts Pvt. Ltd. Ω*	India	60.0	60.0	40.0	40.0	Construction, execution and completion of various building and engineering works at Sushant Golf City, Lucknow

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2021 %	2020 %	2021 %	2020 %	
Subsidiary of PT Karabha Gryamandiri						
PT Karabha Gryamandiri & PT Nusa Raya Cipta Consortium μ	Unincorporated	30.3	30.3	69.7	69.7	Design, development, construction, management, maintenance and operation of the CPTR package
Subsidiary of Pati International (India) Pvt Ltd						
Rushil Constructions (India) Pvt. Ltd. *	India	100.0	100.0	-	-	In members' voluntary liquidation
Subsidiary of PATI Sdn. Bhd.						
Pati Pave Sdn. Bhd. *	Malaysia	-	100.0	-	-	Dissolved
Name	Country of incorporation/ principal place of business	Effective interest~		Accounting model applied	Principal activities	
		2021 %	2020 %			
Associate of PATI Sdn. Bhd.						
Pati Philippines Inc. *	Philippines	40.0	40.0	Equity method	Dormant	
Joint Ventures of PATI Sdn. Bhd.						
Road Builder (M) Sdn. Bhd. – PATI Sdn. Bhd. JV *	Unincorporated	50.0	50.0	Equity method	Construction and extension of roads	

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Accounting model applied	Principal activities
		2021 %	2020 %		

Joint Ventures of PATI Sdn. Bhd. (cont'd.)

B. Seenaiah & Co – Road Builder (M) Sdn. Bhd. – PATI Sdn. Bhd. JV *	Unincorporated	25.0	25.0	Equity method	Construction and extension of roads
PATI Sdn. Bhd. - Bhagheeratha Engineering Ltd JV *	Unincorporated	50.0	50.0	Equity method	Construction and extension of roads

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2021 %	2020 %	2021 %	2020 %	

Subsidiaries of CIMA

Cimaco Readymix Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Dormant
I-Mix Concrete Industries Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Inactive
Kuad Sdn. Bhd.	Malaysia	-	70.0	-	30.0	Disposed
Kuari Pati Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Quarrying business and its related activities
Matang Pagar Sdn. Bhd.	Malaysia	-	80.0	-	20.0	Disposed
Negeri Sembilan Cement Industries Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Manufacture and sale of cement
Pemasaran Simen Negara Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Inactive

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2021 %	2020 %	2021 %	2020 %	
Subsidiaries of CIMA (cont'd.)						
Profitlite Holdings Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Quarrying business and its related activities
Unipati Concrete Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Production and sale of ready-mixed concrete
Subsidiaries of Kuari Pati Sdn. Bhd.						
Pati Bukit Perak Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Quarrying business and its related activities
Pati Nilai Quarry Sdn. Bhd.	Malaysia	-	70.0	-	30.0	Disposed
Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2021 %	2020 %	2021 %	2020 %	
Subsidiaries of UEM Edgenta						
Opus Group Berhad ("Opus")	Malaysia	69.1	69.1	30.9	30.9	Investment holding
Edgenta Propel Berhad ("Edgenta Propel")	Malaysia	69.1	69.1	30.9	30.9	Maintenance and repair of civil, mechanical and electrical works on roads, infrastructure and expressways and industrial cleaning services

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2021 %	2020 %	2021 %	2020 %	
Subsidiaries of UEM Edgenta (cont'd.)						
Edgenta Environmental & Material Testing Sdn. Bhd.	Malaysia	69.1	69.1	30.9	30.9	Geotechnical investigation, instrumentation and pavement condition assessment works
Faber Development Holdings Sdn. Bhd.	Malaysia	69.1	69.1	30.9	30.9	Investment holding
Edgenta Healthcare Management Sdn. Bhd.	Malaysia	69.1	69.1	30.9	30.9	Provision of hospital support services
Faber Hotels Holdings Sdn. Bhd.	Malaysia	-	69.1	-	30.9	Dissolved
Faber LLC*	Emirates of Dubai	-	51.9	-	48.1	Dissolved
Edgenta Facilities Sdn. Bhd.	Malaysia	69.1	69.1	30.9	30.9	Investment holding and provision of integrated facilities management services
Edgenta Energy Services Sdn. Bhd.	Malaysia	48.4	48.4	51.6	51.6	Energy performance management services
Edgenta Energy Projects Sdn. Bhd.	Malaysia	69.1	69.1	30.9	30.9	Provision of energy performance management services and renewable energy services

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2021 %	2020 %	2021 %	2020 %	
Subsidiaries of UEM Edgenta (cont'd.)						
Edgenta (Singapore) Pte. Ltd.	Singapore	69.1	69.1	30.9	30.9	Investment holding
Edgenta Township Management Services Sdn. Bhd.	Malaysia	69.1	69.1	30.9	30.9	Investment holding and management of real estate
Edgenta GreenTech Sdn. Bhd. (formerly known as KFM Holdings Sdn. Bhd.)	Malaysia	69.1	69.1	30.9	30.9	Provision of asset development and facility management services
Sate Yaki Sdn. Bhd.	Malaysia	41.5	41.5	58.5	58.5	In liquidation
Edgenta NXT Sdn Bhd (formerly known as General Field Sdn Bhd) €	Malaysia	69.1	-	30.9	-	Provision of digital technology services
Edgenta FIRST Sdn Bhd	Malaysia	69.1	-	30.9	-	Provision of management services
Subsidiaries of Opus						
Builders Credit & Leasing Sdn. Bhd.	Malaysia	69.1	69.1	30.9	30.9	Investment holding
Opus International (NZ) Limited	New Zealand	69.1	69.1	30.9	30.9	Investment holding
Opus International (M) Berhad ("OIM")	Malaysia	69.1	69.1	30.9	30.9	Management of the planning, design and construction of infrastructure projects and provision of facilities management services

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2021 %	2020 %	2021 %	2020 %	
Subsidiaries of OIM						
Opus Management Sdn. Bhd.	Malaysia	69.1	69.1	30.9	30.9	Management of the planning, design and construction of infrastructure projects and provision of facilities management services
Opus Consultants (Sarawak) Sdn. Bhd.	Malaysia	69.1	69.1	30.9	30.9	Provision of project management and engineering consultancy services
Pengurusan LRT Sdn. Bhd.	Malaysia	69.1	69.1	30.9	30.9	In member's voluntary liquidation
Pengurusan Lintas Berhad	Malaysia	69.1	69.1	30.9	30.9	Provision of technical management support services for the planning, design and construction of projects
Opus International India Pte Ltd *	India	69.1	69.1	30.9	30.9	Provision of asset development and asset management services
Opus Al-Dauliyyah LLC **	Kingdom of Saudi Arabia	69.1	69.1	30.9	30.9	Engineering consultancy services
Name	Country of incorporation/ principal place of business	Effective interest~		Accounting model applied	Principal activities	
		2021 %	2020 %			
Associate of OIM						
Opus Consultants (M) Sdn. Bhd.	Malaysia	20.7	20.7	Equity method		Engineering consultancy services

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2021 %	2020 %	2021 %	2020 %	
Subsidiaries of Edgenta Propel						
Edgenta Infrastructure Services Sdn. Bhd.	Malaysia	69.1	69.1	30.9	30.9	Maintenance and repair of civil mechanical and electrical works on roads, infrastructure expressways and industrial cleaning services
PT Edgenta PROPEL Indonesia	Indonesia	69.1	69.1	30.9	30.9	Provision of management consultancy and advisory related to management of roads
Edgenta PROPEL (Sarawak) Sdn Bhd	Malaysia	33.9	-	66.1	-	Construction, maintenance and repair of civil, mechanical and electrical works on infrastructure, roads, expressways and sewerage, and industrial cleaning services
Name	Country of incorporation/ principal place of business	Effective interest~		Accounting model applied	Principal activities	
		2021 %	2020 %			
Jointly controlled operation of Edgenta Propel						
Edgenta Propel-NRC JO	Unincorporated	38.0	38.0	Equity method	Provision of highway maintenance services	
Jointly controlled operation of Edgenta Propel Indonesia						
PT Edgenta PROPEL PT Astra Nusantara - Astra Infra Solutions JO	Unincorporated	34.6	34.6	Equity method	Provision of highway maintenance services	

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2021 %	2020 %	2021 %	2020 %	
Subsidiaries of Faber Development Holdings Sdn. Bhd.						
Country View Development Sdn. Bhd.	Malaysia	69.1	69.1	30.9	30.9	Property development and provision of facilities management services
Faber Grandview Development (Sabah) Sdn. Bhd.	Malaysia	69.1	69.1	30.9	30.9	Property development
Faber Heights Management Sdn. Bhd.	Malaysia	69.1	69.1	30.9	30.9	Property management
Faber Union Sdn. Bhd.	Malaysia	69.1	69.1	30.9	30.9	Property development
Rimbunan Melati Sdn. Bhd.	Malaysia	38.0	38.0	62.0	62.0	Property development
Subsidiary of Edgenta Healthcare Management Sdn. Bhd.						
Edgenta Mediserve Sdn. Bhd. @	Malaysia	69.1	69.1	30.9	30.9	Provision of hospital support services
Subsidiaries of EMS						
Cermin Cahaya Sdn. Bhd.	Malaysia	69.1	69.1	30.9	30.9	Provision of cleansing services to hospitals
Edgenta Healthtronics Sdn. Bhd.	Malaysia	69.1	69.1	30.9	30.9	Provision of biomedical electronic engineering maintenance services
Edgenta Mediserve (Sarawak) Sdn. Bhd.	Malaysia	69.1	69.1	30.9	30.9	Investment holding

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2021 %	2020 %	2021 %	2020 %	
Subsidiaries of EMS (cont'd.)						
Edgenta Mediserve (Sabah) Sdn. Bhd.	Malaysia	69.1	69.1	30.9	30.9	Investment holding
Name	Country of incorporation/ principal place of business	Effective interest~ 2021 %	Effective interest~ 2020 %	Accounting model applied		Principal activities
Associates of Edgenta Mediserve (Sarawak) Sdn. Bhd.						
One Medicare Sdn. Bhd.*	Malaysia	27.7	27.7	Equity method		Provision of hospital support services
Biomedix Solutions Sdn. Bhd.*	Malaysia	27.7	27.7	Equity method		Provision of biomedical engineering maintenance services
Associate of Edgenta Mediserve (Sabah) Sdn. Bhd.						
Sedafiat Sdn. Bhd.*	Malaysia	27.7	27.7	Equity method		Provision of hospital support services
Name	Country of incorporation/ principal place of business	Effective interest~ 2021 %	Effective interest~ 2020 %	Non-controlling interest~ 2021 %	Non-controlling interest~ 2020 %	Principal activities
Subsidiaries of Edgenta Facilities Sdn. Bhd.						
Edgenta Facilities Management Sdn. Bhd.	Malaysia	69.1	69.1	30.9	30.9	Facilities management services

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2021 %	2020 %	2021 %	2020 %	
Subsidiaries of Edgenta Facilities Sdn. Bhd. (cont'd.)						
General Field Sdn. Bhd.	Malaysia	-	69.1	-	30.9	Provision of energy performance management services
Faber Star Facilities Management Limited *	India	69.1	69.1	30.9	30.9	Facilities management services in India
Name	Country of incorporation/ principal place of business	Effective interest~		Accounting model applied	Principal activities	
		2021 %	2020 %			
Associate of Edgenta Facilities Sdn. Bhd.						
Faber Sindoori Management Services Private Limited *	India	35.3	35.3	Equity method		Facilities management in India
Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2021 %	2020 %	2021 %	2020 %	
Subsidiary of Edgenta Township Management Services Sdn. Bhd.						
UEM Sunrise Edgenta TMS Sdn. Bhd. β	Malaysia	68.2	68.2	31.8	31.8	Investment holding and management of real estate

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2021 %	2020 %	2021 %	2020 %	
Subsidiary of UEM Sunrise Edgenta TMS						
Edgenta TMS Sdn. Bhd.	Malaysia	48.5	48.5	51.5	51.5	In liquidation
Subsidiaries of Edgenta GreenTech Sdn. Bhd. (formerly known as KFM Holdings Sdn. Bhd.)						
KFM Projects Sdn. Bhd.	Malaysia	69.1	69.1	30.9	30.9	Project management consulting services
KFM Systems Sdn. Bhd.	Malaysia	69.1	69.1	30.9	30.9	Consultancy and contractors for building management systems for the built environment
KFM Solutions Sdn. Bhd.	Malaysia	69.1	69.1	30.9	30.9	Consultancy services in green, smart and connected urban ecology and integrated facility management services
KFM Energy Services Sdn. Bhd.	Malaysia	69.1	69.1	30.9	30.9	Provision of consultancy and other services relating to conservation and renewable energy
Veridis PPP One Sdn. Bhd.	Malaysia	69.1	69.1	30.9	30.9	Concession holder specialising in retrofitting works of building utilising green technology

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2021 %	2020 %	2021 %	2020 %	
Subsidiaries of Edgenta GreenTech Sdn. Bhd. (formerly known as KFM Holdings Sdn. Bhd.) (cont'd.)						
Operon Malaysia Sdn. Bhd.	Malaysia	69.1	69.1	30.9	30.9	Provision of supervising officer for activities related to green technology and other solutions for the built environment
Operon Consulting Sdn. Bhd.	Malaysia	48.4	48.4	51.6	51.6	Asset management consulting services
Operon Middle East Limited	British Virgin Islands	69.1	69.1	30.9	30.9	Facilities management and building cleaning services
KFM Middle East Limited *	British Virgin Islands	48.4	48.4	51.6	51.6	Dormant
Subsidiary of Edgenta (Singapore) Pte Ltd						
UEMS Pte Ltd	Singapore	69.1	67.4	30.9	32.6	Investment holding
Subsidiary of UEMS Pte Ltd						
UEMS Solutions Pte Ltd	Singapore	69.1	67.4	30.9	32.6	Property management, facilities engineering, facilities management, energy management, corporate real estate, environmental services, project management and technology optimisation, learning and development, and specialised services

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2021 %	2020 %	2021 %	2020 %	
Subsidiary of UEMS Pte Ltd (cont'd.)						
ServiceMaster Hong Kong Limited	Hong Kong	69.1	67.4	30.9	32.6	Dormant
Edgenta UEMS Sdn. Bhd.	Malaysia	69.1	67.4	30.9	32.6	Provision of maintenance and support services for hospitals, public centres, manufacturing facilities and commercial buildings
Edgenta UEMS Ltd	Taiwan	69.1	67.4	30.9	32.6	Provision of cleaning, portering and consulting services for hospitals, medical care institutes commercial, high-tech companies, education center, transportation and shopping mall
Subsidiary of Edgenta UEMS Ltd						
Edgenta UEMS SC Ltd	Taiwan	69.1	67.4	30.9	32.6	Provision of cleaning, potering and consulting services for hospitals, medical care institutes, commercial, high-tech companies, education center, transportation and shopping mall
Other subsidiaries of UEM						
First Impact Sdn. Bhd. ("FISB")	Malaysia	100.0	100.0	-	-	Investment property holding, provision of maintenance and other related activities of the office building owned by the company

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2021 %	2020 %	2021 %	2020 %	
Other subsidiaries of UEM (cont'd.)						
Forte Tech Solutions Sdn. Bhd.	Malaysia	-	100.0	-	-	Dissolved
Intralogue Sdn. Bhd.	Malaysia	-	100.0	-	-	Dissolved
Hydron (M) Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Ceased operations
Infrared Advanced Technologies Sdn. Bhd.	Malaysia	75.0	75.0	25.0	25.0	Research, development design, manufacture, implementation, marketing and supply of electronic toll collection system
MAVTRAC Sdn. Bhd.	Malaysia	-	100.0	-	-	Dissolved
Pantai Panorama Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Special purpose vehicle incorporated to facilitate the issuance of IMTN Programme by United Growth
Serayin Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Investment holding, trading and letting of properties
UEM Group Management Sdn. Bhd.	Malaysia	100.0	100.0	-	-	In members' voluntary liquidation
UEM International (West Asia) Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Investment holding

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2021 %	2020 %	2021 %	2020 %	
Other subsidiaries of UEM (cont'd.)						
United Growth Berhad	Malaysia	100.0	100.0	-	-	A special purpose vehicle incorporated specifically for the issuance of IMTN Programme for UEM
Vistajati Holdings Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Property development
UEM Suria Berhad	Malaysia	100.0	100.0	-	-	Investment holding
Subsidiary of UEM International (West Asia) Sdn. Bhd.						
UEM Al-Dauliyyah LLC *^	Kingdom of Saudi Arabia	100.0	100.0	-	-	Ceased operations
Name	Country of incorporation/ principal place of business	Effective interest~		Accounting model applied	Principal activities	
		2021 %	2020 %			
Other associates of UEM						
Puncak Vista Sdn. Bhd. *	Malaysia	30.0	30.0	Equity method	Under compulsory liquidation	
Mekar Idaman Sdn. Bhd.*	Malaysia	45.0	45.0	Equity method	Liquidation by Court	
Other joint venture of UEM						
UEM MMC Joint Venture Sdn. Bhd.	Malaysia	50.0	50.0	Equity method	Investment holding	

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2021 %	2020 %	2021 %	2020 %	
Subsidiaries of UEM						
Suria Berhad						
Suria Siena Development Sdn. Bhd. #	Malaysia	100.0	100.0	-	-	Property development and land trading

* Audited by firms other than Ernst & Young PLT.

α Financial year end other than 31 December.

t For the purpose of applying the acquisition method and equity method of accounting for subsidiaries and joint ventures with financial year end other than 31 December, the last audited financial statements available and the management financial statements to the end of the accounting period of the subsidiaries and joint ventures have been used.

x Deemed to be joint ventures of the Group pursuant to MFRS 11: Joint Arrangements as the parties involved are undertaking economic activities that are subject to joint control.

// The Group has a total of 64.4% shareholding in JSTPL, comprising 26.0% held via PEIB and 38.4% held via Uniquest Infra Ventures Private Limited.

The Group has a total of 94.1% shareholding in PLUS BKSP comprising 0.1% held by PEIB and 94.0% held by PLUS Kalyan (Mauritius) Private Limited, a wholly-owned subsidiary of PEIB.

β The Group has a total of 69.3% shareholding in UEM Sunrise Edgenta TMS Sdn. Bhd., comprising 20.9% held by UEM Sunrise and 48.4% held by Edgenta Township Management Services Sdn. Bhd.

< Some of the shares in the company are held in trust by individuals.

++ The Group has a total of 76.3% shareholding in Preferred Resources Sdn. Bhd. comprising 30.0% held via UEM Builders and 46.3% held via BND.

m The non-controlling shareholders assign all their rights to the dividend to UEMC.

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

- Ω The Group has a total of 60.0% shareholding in UEM Builders – Ansalapi Contracts Pvt Ltd comprising 50.0% held via UEM (Mauritius) Co Ltd and 10.0% held via UE Development India Pvt Ltd.
- @ The Group has a total of 69.1% shareholdings in Edgenta Mediserve Sdn. Bhd., comprising 39.4% held by Edgenta Healthcare Management Sdn. Bhd. and 29.7% held by UEM Edgenta.
- ^ The Group holds 100.0% of the equity in UEM Al-Dauliyyah LLC, comprising 90.0% held by UEM International (West Asia) Sdn. Bhd. and 10.0% held directly by UEM.
- ** The Group holds 69.1% of the equity in Opus Al-Dauliyyah LLC, comprising 65.7% held directly by OIM, 3.4% held by Opus Management Sdn. Bhd.
- # Suria Siena Development Sdn. Bhd. is 99% held by UEM Group Berhad and 1% by UEM Suria Berhad.
- € Edgenta NXT Sdn. Bhd. (formerly known as Green Field Sdn. Bhd.) was transferred from Edgenta Facilities Sdn Bhd to UEM Edgenta.

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(B) Subsidiaries of MAS

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2021 %	2020 %	2021 %	2020 %	
Subsidiaries						
Delima Insurance (Labuan) Limited	Malaysia	100.0	100.0	-	-	Captive insurance business. Ceased operations in prior year.
MASkargo Sdn. Bhd. ^^	Malaysia	100.0	100.0	-	-	Air cargo operations, charter freighter and all warehousing activities relating to air cargo operations. Ceased operations in 2015.
MAS Golden Boutiques Sdn. Bhd. - In Liquidation	Malaysia	100.0	100.0	-	-	Carried on the business related to travel retail and mail order. Ceased operations in 2015.
Malaysia Airlines Capital (L) Limited	Malaysia	100.0	100.0	-	-	Labuan leasing
Malaysia Airlines Capital II (L) Limited	Malaysia	100.0	100.0	-	-	Labuan leasing
Malaysia Airlines Capital III (L) Limited - In Liquidation	Malaysia	100.0	100.0	-	-	Labuan leasing
Malaysia Airlines Capital IV (L) Limited - In Liquidation	Malaysia	100.0	100.0	-	-	Labuan leasing
Kelip-Kelip Labuan Limited - In Liquidation	Malaysia	100.0	100.0	-	-	Labuan leasing
Kelip-Kelip II Labuan Limited - In Liquidation	Malaysia	100.0	100.0	-	-	Labuan leasing

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(B) Subsidiaries of MAS (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2021 %	2020 %	2021 %	2020 %	
Subsidiaries (cont'd.)						
Kelip-Kelip II Cayman Limited - In Liquidation	Cayman Islands	100.0	100.0	-	-	Leasing business
Kelip-Kelip III Labuan Limited - In Liquidation	Malaysia	100.0	100.0	-	-	Labuan leasing
Kunang Kunang Labuan Limited - In Liquidation	Malaysia	100.0	100.0	-	-	Dormant
Malaysia Airlines A330 Capital Labuan Limited - In Liquidation	Malaysia	100.0	100.0	-	-	Labuan leasing
Malaysia Airlines B738 Capital Labuan Limited - In Liquidation	Malaysia	100.0	100.0	-	-	Labuan leasing
Malaysia Airlines B738 II Capital Labuan Limited - In Liquidation	Malaysia	100.0	100.0	-	-	Labuan leasing
Malaysia Airlines Capital IV Cayman Limited - In Liquidation	Cayman Islands	100.0	100.0	-	-	Leasing business
Malaysia Airlines Capital V Cayman Limited	Cayman Islands	100.0	100.0	-	-	Leasing business
MAS Academy Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Dormant
Malaysian Aerospace Engineering Sdn. Bhd. ("MAE") - In Liquidation	Malaysia	100.0	100.0	-	-	Dormant

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(B) Subsidiaries of MAS (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2021 %	2020 %	2021 %	2020 %	
Subsidiaries (cont'd.)						
MAS Aerotechnologies Sdn. Bhd. - In Liquidation	Malaysia	100.0	100.0	-	-	Dormant
MAS Golden Holidays Sdn. Bhd. - In Liquidation	Malaysia	100.0	100.0	-	-	Dormant
MH Loyalty Programme Sdn. Bhd. - In Liquidation	Malaysia	100.0	100.0	-	-	Dormant

^^ On 25 May 2015, MASkargo Sdn. Bhd. was placed under Administration pursuant to the MAS Act.

(C) Subsidiaries and associates of MAGB

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2021 %	2020 %	2021 %	2020 %	
Subsidiaries of MAGB						
Malaysia Airlines Berhad ("MAB")	Malaysia	86.6	100.0	13.4	-	Business of air transportation and the provision of related services
AeroDarat Services Sdn. Bhd.	Malaysia	86.6	100.0	13.4	-	Ground services activities on airfields
FlyFirefly Sdn. Bhd. ("Firefly")	Malaysia	86.6	100.0	13.4	-	Air transportation and the provision of related
MAB Kargo Sdn. Bhd.	Malaysia	86.6	100.0	13.4	-	Other cargo holding

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(C) Subsidiaries and associates of MAGB (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2021 %	2020 %	2021 %	2020 %	
Subsidiaries of MAGB (cont'd.)						
MAB Leasing Limited	Malaysia	86.6	100.0	13.4	-	To carry on business of purchase, sale, lease, obtaining lease financing and refinancing of commercial aircraft
MAB Pesawat Sdn. Bhd.	Malaysia	86.6	100.0	13.4	-	To carry on business of purchase, sale, lease, obtaining lease financing and refinancing of commercial aircraft
Hijrah Biru Sdn. Bhd.	Malaysia	86.6	100.0	13.4	-	Air transportation and the provision of related services
MAB Academy Sdn. Bhd.	Malaysia	86.6	100.0	13.4	-	Other education
Malaysia Airlines Holidays Sdn. Bhd.	Malaysia	86.6	100.0	13.4	-	Dormant
Subsidiaries of Malaysia Airlines Berhad						
Bakawali (Labuan) Limited	Malaysia	86.6	100.0	13.4	-	Labuan leasing
MAB Engineering Services Sdn. Bhd.	Malaysia	86.6	100.0	13.4	-	Other services activities incidental to air
MAS Aero Services Sdn. Bhd.	Malaysia	44.2	51.0	55.8	49.0	Provision of laundry and cleaning related services
MAS Awana Services Sdn. Bhd.	Malaysia	52.0	60.0	48.0	40.0	Provision of catering and cabin handling services

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(C) Subsidiaries and associates of MAGB (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2021 %	2020 %	2021 %	2020 %	
Subsidiary of FlyFirefly Sdn. Bhd.						
FlyFirefly Holiday Sdn. Bhd.	Malaysia	86.6	100.0	13.4	-	Tour and travel related operation
MASwings Sdn. Bhd.	Malaysia	86.6	100.0	13.4	-	Air transportation and the provision of related services
Subsidiary of MAB Leasing Limited						
Malaysia Airline Capital V Cayman Limited	Cayman Islands	86.6	100.0	13.4	-	To carry on business of purchase, sale, lease, obtaining lease financing and refinancing of commercial aircraft
Subsidiary of MAB Kargo Sdn. Bhd.						
MASKargo Logistics Sdn. Bhd.	Malaysia	86.6	100.0	13.4	-	Providing trucking, clearance and warehousing services
Name	Country of incorporation/ principal place of business	Effective interest~		Accounting model applied	Principal activities	
		2021 %	2020 %			
Associates of MAGB						
Brahim's SATS Food Service Sdn. Bhd.	Malaysia	26.0	30.0	Equity method		Carry on airline catering related services
Pan Asia Pacific Aviation Services Limited ("PAPAS")	Hong Kong	20.8	24.0	Equity method		Provision of aircraft maintenance services

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(D) Subsidiaries, associates and joint ventures of IIB (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2021 %	2020 %	2021 %	2020 %	
Subsidiaries of IIB						
Iskandar Coast Sdn. Bhd. ("ICSB")	Malaysia	48.0	48.0	52.0	52.0	Investment holding and property development
Iskandar Development Management Services Sdn. Bhd. ("IDMS")	Malaysia	60.0	60.0	40.0	40.0	Project management
SJIC Bina Sdn. Bhd.	Malaysia	60.0	60.0	40.0	40.0	Civil engineering construction
Peak Alpha Express Sdn. Bhd.	Malaysia	60.0	60.0	40.0	40.0	Investment holding and real estate activity
Educity Iskandar Malaysia Sdn. Bhd. ("EIMSB")	Malaysia	60.0	60.0	40.0	40.0	Investment holding, property development and management services
Iskandar Assets Sdn. Bhd.	Malaysia	60.0	60.0	40.0	40.0	Investment holding and real estate activity
Iskandar Harta Holdings Sdn. Bhd. ("IHHSB")	Malaysia	60.0	60.0	40.0	40.0	Investment holding and real estate activity
IIB Ventures Sdn. Bhd.	Malaysia	60.0	60.0	40.0	40.0	Management and business development activities
Medini Land Sdn. Bhd.	Malaysia	60.0	60.0	40.0	40.0	Investment holding and real estate activity
Iskandar Innovations Sdn. Bhd. ("IISB")	Malaysia	60.0	60.0	40.0	40.0	Investment holdings, business initiatives management and office space rental activity

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(D) Subsidiaries, associates and joint ventures of IIB

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2021 %	2020 %	2021 %	2020 %	
Subsidiaries of IIB (cont'd.)						
Wurawari Ventures Sdn. Bhd.	Malaysia	60.0	60.0	40.0	40.0	Investment holding, property development and management services
Iskandar Capital Sdn. Bhd. ("IskCap")	Malaysia	33.3	33.3	66.7	66.7	Investment holding and property development
Subsidiary of ICSB						
River Retreat Sdn. Bhd.	Malaysia	48.0	48.0	52.0	52.0	Property development and investment
Teladan Tekun Sdn. Bhd.	Malaysia	48.0	48.0	52.0	52.0	Investment holding
Iskandar Medical Education Sdn. Bhd.	Malaysia	48.0	48.0	52.0	52.0	Investment holding
Subsidiaries of IDMS						
Iskandar Management Services Sdn. Bhd.	Malaysia	60.0	60.0	40.0	40.0	Project management
Medini City Management Sdn. Bhd.	Malaysia	60.0	60.0	40.0	40.0	Project management
Subsidiary of IHHSB						
Ujung Medini Sdn. Bhd.	Malaysia	60.0	60.0	40.0	40.0	Property investment

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(D) Subsidiaries, associates and joint ventures of IIB (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2021 %	2020 %	2021 %	2020 %	
Subsidiaries of EIMSB						
Iskandar Education Village Sdn. Bhd.	Malaysia	60.0	60.0	40.0	40.0	Property development and management services
Iskandar Education Enterprise Sdn. Bhd.	Malaysia	60.0	60.0	40.0	40.0	Property development, investment, management services for education sector
Subsidiaries of IISB						
Virtua Realm Sdn. Bhd.	Malaysia	30.6	30.6	69.4	69.4	Operation of virtual reality theme park
Subsidiaries of IskCap						
Iskandar British Education Sdn. Bhd.	Malaysia	60.0	60.0	40.0	40.0	Property development and management services
Name	Country of incorporation/ principal place of business	Effective interest~		Accounting model applied	Principal activities	
		2021 %	2020 %			
Associates of IIB						
Jasmine Acres Sdn. Bhd. ("JASB")	Malaysia	20.0	20.0	Equity method	Investment holding	
Joint ventures of IIB						
Nusajaya Lifestyle Sdn. Bhd.	Malaysia	27.0	27.0	Equity method	Property development	
Metrogold Assets Sdn. Bhd.	Malaysia	12.0	12.0	Equity method	Property development	

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(D) Subsidiaries, associates and joint ventures of IIB (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Accounting model applied	Principal activities
		2021 %	2020 %		
Joint ventures of IIB (cont'd.)					
Raffles Iskandar Sdn. Bhd. *	Malaysia	12.0	12.0	Equity method	Property development
Sunway Iskandar Development Sdn. Bhd.*	Malaysia	24.0	24.0	Equity method	Property development
Nusajaya Premier Sdn. Bhd.	Malaysia	9.6	9.6	Equity method	Property development
Inneonusa Sdn. Bhd. *	Malaysia	6.0	6.0	Equity method	Property development
Subsidiary of JASB					
Medini Iskandar Malaysia Sdn. Bhd.	Malaysia	4.0	12.0	Equity method	Property investment holding and the provision of construction services

* Audited by a firm other than Ernst & Young PLT, Malaysia

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(E) Subsidiaries, associates and joint ventures of TARHSB

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2021 %	2020 %	2021 %	2020 %	
Subsidiaries of TARHSB						
Themed Attractions and Resorts Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Investment holding
Destination Resorts and Hotels Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Investment holding
Subsidiaries of Themed Attractions and Resort Sdn. Bhd.						
Malaysia Truly Asia Centre Sdn. Bhd. **	Malaysia	-	100.0	-	-	Dormant
TAR PH Holdings Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Investment holding and provision of management services
TAR Riverwalk Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Investment holding and to own and operate water park (Adventure Waterpark)
LL Malaysia Attractions Holdings Sdn. Bhd. ("LLMAH")	Malaysia	100.0	100.0	-	-	Investment holding

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(E) Subsidiaries, associates and joint ventures of TARHSB (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2021 %	2020 %	2021 %	2020 %	
Subsidiaries of Themed Attractions and Resort Sdn. Bhd. (cont'd.)						
LL Resorts Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Dormant
Subsidiaries of TAR PH Holdings Sdn. Bhd.						
TAR LBC Sdn. Bhd. *	Malaysia	100.0	100.0	-	-	Dormant
TAR KB Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Dormant
TAR PH Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Own and operate Hotel Jen
TAR PH Family Entertainment Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Dormant
TAR Kittown Sdn. Bhd. *	Malaysia	100.0	100.0	-	-	Dormant
PH Marina Boulevard Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Dormant

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(E) Subsidiaries, associates and joint ventures of TARHSB (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2021 %	2020 %	2021 %	2020 %	
Subsidiaries of TAR Riverwalk Sdn. Bhd.						
Riverwalk Waterpark Sdn. Bhd. *	Malaysia	100.0	100.0	-	-	Dormant
Dolphin Attractions Sdn. Bhd. *	Malaysia	100.0	100.0	-	-	Dormant
Park Three Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Own Land for park development

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(E) Subsidiaries, associates and joint ventures of TARHSB (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2021 %	2020 %	2021 %	2020 %	
Subsidiaries of LL Malaysia Attractions Holdings Sdn. Bhd.						
IDR Resorts Sdn. Bhd.	Malaysia	80.0	80.0	20.0	20.0	Investment holding and provision of management services
LL Themed Hotel Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Own and operate Legoland Hotel Malaysia
Subsidiaries of IDR Resorts Sdn. Bhd.						
IDR Assets Sdn. Bhd.	Malaysia	80.0	80.0	20.0	20.0	Own and lease assets of Legoland Malaysia Theme Park
LL Malaysia Taman Tema Sdn. Bhd.	Malaysia	80.0	80.0	20.0	20.0	Manage and operate Legoland Malaysia Theme Park, Water Park and Sealife Aquarium Edutainment facility
Subsidiaries of Destination Resorts and Hotels Sdn. Bhd.						
Stulang Ventures Sdn. Bhd.	Malaysia	78.5	78.5	21.5	21.5	Investment holding
Elite Sun Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Investment holding
Pantai Andaman Ventures Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Investment holding
Desaru Estate Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Own and operate an international class hotel (Hard Rock Hotel Desaru Coast)

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(E) Subsidiaries, associates and joint ventures of TARHSB (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2021 %	2020 %	2021 %	2020 %	
Subsidiaries of Destination Resorts and Hotels Sdn. Bhd. (cont'd.)						
DRH Green Homes (M) Sdn. Bhd.	Malaysia	84.3	84.3	15.7	15.7	Property development
Asia Pioneer Capital Sdn. Bhd. ("APC")	Malaysia	100.0	100.0	-	-	Dormant
Datai Hotels and Resorts Sdn. Bhd. ("DHR")	Malaysia	100.0	100.0	-	-	Hotel management
Desaru Beach Parks Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Chalet owner
Subsidiary of Stulang Ventures Sdn. Bhd.						
Desaru Development Corporation Sdn. Bhd. ("DDC")	Malaysia	55.0	55.0	45.0	45.0	Investment holding and master developer of Desaru Coast
Subsidiary of Elite Sun Sdn. Bhd.						
Crustacea Enterprise Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Dormant

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(E) Subsidiaries, associates and joint ventures of TARHSB (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2021 %	2020 %	2021 %	2020 %	
Subsidiaries of Pantai Andaman Ventures Sdn. Bhd.						
Teluk Datai Resorts Sdn. Bhd. ("TDR")	Malaysia	100.0	100.0	-	-	Investment holding and own and operate The Datai Langkawi
TD Langkawi Ventures Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Dormant
Subsidiaries of DDC						
DDC Resort Sdn. Bhd. ("DDCR")	Malaysia	55.0	55.0	45.0	45.0	Investment holding
DDC Peladang Sdn. Bhd.	Malaysia	55.0	55.0	45.0	45.0	Investment holding
Desaru Development Holdings One Sdn. Bhd. ("DDH1")	Malaysia	66.5	66.5	33.5	33.5	Investment holding company, master developer and provides staff accommodation, destination marketing, common area maintenance and management services to its subsidiaries
Desaru Land 3 Sdn. Bhd.	Malaysia	55.0	55.0	45.0	45.0	Investment holding

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(E) Subsidiaries, associates and joint ventures of TARHSB (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2021 %	2020 %	2021 %	2020 %	
Subsidiaries of DDH1						
Desaru Peace Holdings Sdn. Bhd. ("DPH")	Malaysia	33.9	33.9	66.1	66.1	Investment holding
Desaru North Course Sdn. Bhd.	Malaysia	66.5	66.5	33.5	33.5	Owner and operator of golf course and management of golf membership (Els Club Valley Course)
Desaru South Course Sdn. Bhd.	Malaysia	66.5	66.5	33.5	33.5	Own and operate golf course (Els Club Ocean Course)
Desaru Riverwalk Sdn. Bhd.	Malaysia	66.5	66.5	33.5	33.5	Own and operate retail space (Desaru Coast Riverside)
Desaru Convention Centre Sdn. Bhd.	Malaysia	82.9	82.9	17.1	17.1	Own and operate convention centre (Desaru Coast Conference Centre)
Desaru Corniche Sdn. Bhd.	Malaysia	82.9	82.9	17.1	17.1	Investment holding
Desaru Land Sdn. Bhd.	Malaysia	66.5	66.5	33.5	33.5	Investment holding
Desaru Ferry Sdn. Bhd.	Malaysia	66.5	66.5	33.5	33.5	Ferry terminal operator
DC Resort Marketing Sdn. Bhd.	Malaysia	66.5	66.5	33.5	33.5	Operate e-commerce business
Desaru Beachfront 1 Sdn. Bhd.	Malaysia	66.5	66.5	33.5	33.5	Investment holding

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(E) Subsidiaries, associates and joint ventures of TARHSB (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2021 %	2020 %	2021 %	2020 %	
Subsidiaries of DDH1 (cont'd.)						
Desaru Beachfront 2 Sdn. Bhd.	Malaysia	66.5	66.5	33.5	33.5	Investment holding
Desaru Beachfront 3 Sdn. Bhd.	Malaysia	66.5	66.5	33.5	33.5	Investment holding
Desaru Beachfront 4 Sdn. Bhd.	Malaysia	66.5	66.5	33.5	33.5	Investment holding
Desaru Beachfront 5 Sdn. Bhd.	Malaysia	66.5	66.5	33.5	33.5	Investment holding
Desaru Land 2 Sdn. Bhd.	Malaysia	66.5	66.5	33.5	33.5	Investment holding
Desaru Boutique Hotel Sdn. Bhd.	Malaysia	66.5	66.5	33.5	33.5	Investment holding
Desaru Coast Cuisine Sdn. Bhd. *	Malaysia	66.5	66.5	33.5	33.5	Own and operate food and beverage business
Subsidiaries of DPH						
Desaru Peace Holdings Club Sdn. Bhd.	Malaysia	33.9	33.9	66.1	66.1	Own and operate luxury branded resort (One & Only Desaru Coast)
Desaru Peace Holdings Villas Sdn. Bhd.	Malaysia	33.9	33.9	66.1	66.1	Investment holding, property development and construction
Subsidiary of Desaru Peace Holdings Villas Sdn. Bhd.						
Desaru Peace Holdings Villas Two Sdn. Bhd.	Malaysia	30.3	30.3	69.7	69.7	Property development

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(E) Subsidiaries, associates and joint ventures of TARHSB (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2021 %	2020 %	2021 %	2020 %	
Subsidiaries of Desaru Corniche Sdn. Bhd.						
Desaru Corniche Hotel Sdn. Bhd.	Malaysia	82.9	82.9	17.1	17.1	Own and operate hotel (Westin Desaru Coast Resort)
Desaru Corniche Property Sdn. Bhd.	Malaysia	82.9	82.9	17.1	17.1	Property construction
Subsidiaries of DDC Resort Sdn. Bhd.						
DDC Corporate Services Sdn. Bhd. **	Malaysia	-	55.0	-	45.0	Provision of general maintenance services, parking and recreation activities
Desaru Golden Beach Hotel Sdn. Bhd. **	Malaysia	-	55.0	-	45.0	Dormant
Desaru Golf & Country Club Berhad **	Malaysia	-	55.0	-	45.0	Dormant
Desaru Golf & Country Resort Berhad **	Malaysia	-	55.0	-	45.0	Dormant
Desaru Golf (Lake One) Sdn. Bhd. **	Malaysia	-	55.0	-	45.0	Dormant
Desaru Health Spa Sdn. Bhd. **	Malaysia	-	55.0	-	45.0	Dormant
Desaru Marina Sdn. Bhd. **	Malaysia	-	55.0	-	45.0	Dormant

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(E) Subsidiaries, associates and joint ventures of TARHSB (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2021 %	2020 %	2021 %	2020 %	
Subsidiaries of DDC Resort Sdn. Bhd. (cont'd.)						
Desaru Marina Commercial Sdn. Bhd. **	Malaysia	-	55.0	-	45.0	Dormant
Desaru Marina Hotel Sdn. Bhd. **	Malaysia	-	55.0	-	45.0	Dormant
Desaru Palace Hotel Sdn. Bhd. **	Malaysia	-	55.0	-	45.0	Dormant
Desaru Resort Homes Sdn. Bhd. **	Malaysia	-	55.0	-	45.0	Dormant
Desaru Sunny Beach Hotel Sdn. Bhd. **	Malaysia	-	55.0	-	45.0	Dormant
Desaru Tennis Ranch Hotel Sdn. Bhd. **	Malaysia	-	55.0	-	45.0	Dormant
Variasi Kesuma Sdn. Bhd.	Malaysia	55.0	55.0	45.0	45.0	Dormant
Subsidiaries of Teluk Datai Resorts Sdn. Bhd.						
TDR Villas Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Property developer
Anak Datai Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Dormant

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(E) Subsidiaries, associates and joint ventures of TARHSB (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2021 %	2020 %	2021 %	2020 %	
Subsidiary of TDR Villas Sdn. Bhd.						
TDR Golf Resorts Bhd	Malaysia	100.0	100.0	-	-	Own and operate golf course (Els Club Rainforest Course)
Subsidiary of DHR						
Kasturi Pasifika Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Owner of the "Datai" brand
Name	Country of incorporation/ principal place of business	Effective interest~		Accounting model applied	Principal activities	
		2021 %	2020 %			
Joint ventures of Destination Resorts and Hotels Sdn. Bhd.						
MHG Desaru Villas Sdn. Bhd.	Malaysia	40.0	40.0	Equity method	Property development	
MHG Desaru Hotel Sdn. Bhd.	Malaysia	40.0	40.0	Equity method	Hotel owner	
Joint ventures of Desaru South Course Sdn. Bhd.						
Desaru South Course Residences Sdn. Bhd. ("DSCR") +++	Malaysia	32.6	32.6	Equity method	Property development	
Desaru South Course Land Sdn. Bhd. ("DSCL") +++	Malaysia	32.6	32.6	Equity method	Property development	

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(E) Subsidiaries, associates and joint ventures of TARHSB (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Accounting model applied	Principal activities
		2021 %	2020 %		
Joint venture of Desaru North Course Sdn. Bhd.					
Desaru North Course Residences Sdn. Bhd. ("DNCR") +++	Malaysia	32.6	32.6	Equity method	Property development

* Under voluntary liquidation

** Completion of striking off and voluntary liquidation in current year

+++ The Group's effective interest is 68.1%, comprising 35.5% held by UEM Sunrise and 32.6% held by DRH Group.

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(F) Subsidiary of MTDC

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2021 %	2020 %	2021 %	2020 %	
Malaysian Technology Consultants Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Provision of technical consultancy and commercialisation of research and development ventures
MTDC-BSF Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Management of start-up fund
MTDC-BGF Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Management of growth fund
MTDC HTDF Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Management of halal technology development fund

(G) Other subsidiaries, associates and joint ventures of the Group

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2021 %	2020 %	2021 %	2020 %	
Subsidiaries of ARHSB						
Agro Treasures Sdn. Bhd. ("ATSB")	Malaysia	100.0	100.0	-	-	Investment holding
Blue Archipelago Berhad ("BAB")	Malaysia	100.0	100.0	-	-	Investment holding and trading of shrimp aquaculture products
Biotropics Malaysia Berhad ("BMB")	Malaysia	100.0	100.0	-	-	Business in the research and development, marketing and sales of products based on Malaysia's biodiversity such as plants and other medicinal herbs

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(G) Other subsidiaries, associates and joint ventures of the Group (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2021 %	2020 %	2021 %	2020 %	
Subsidiaries of ARHSB (cont'd.)						
Malaysian Agrifood Corporation Berhad ("MAFC")	Malaysia	100.0	100.0	-	-	Investment holding, production and trading of agriculture products and management of food supply chain
Subsidiaries of BAB						
Arca Biru Sdn. Bhd.	Malaysia	100.0	100.0	-	-	To carry on the business of shrimp aquaculture
Isharp Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Trade and produce of aquaculture products
Subsidiaries of BMB						
Phytes Biotek Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Formulation and manufacturing of herbal extracts and other herbal products
Subsidiaries of Phytes Biotek Sdn. Bhd.						
Nu-Prep (M) Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Dormant
Plante Resources Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Dormant
Subsidiaries of MAFC						
Cameron Fresh Farms Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Investment in agriculture property
Lotus Logistics Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Dormant

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(G) Other subsidiaries, associates and joint ventures of the Group (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2021 %	2020 %	2021 %	2020 %	
Subsidiaries of MAFC (cont'd.)						
MAFC International (M) Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Trading of agricultural produce. The entity became dormant since 31 December 2016
Subsidiary of Aur Investments (Cayman Islands) Limited						
Tuba Investments W.L.L. * +	Kingdom of Bahrain	99.5	99.5	0.5	0.5	Investment holding
Subsidiary of Bukit Damar Investments Limited						
Gobi MAVCAP Asean Superseed Fund, L.P. *	Malaysia	66.0	67.0	34.0	33.0	Micro venture capital
Subsidiary of Bukit Frasers Ventures Sdn. Bhd.						
IDM Lab Sdn. Bhd.	Malaysia	-	100.0	-	-	Internet and digital media lab
Subsidiary of Carey Investments Limited						
Tuba Investments W.L.L. * +	Kingdom of Bahrain	0.5	0.5	99.5	99.5	Investment holding
Subsidiaries of Cenviro Sdn. Bhd.						
Abu Dhabi Kualiti Alam Environmental Services LLC ("ADKA") *	Abu Dhabi	100.0	100.0	-	-	Under members voluntary liquidation

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(G) Other subsidiaries, associates and joint ventures of the Group (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2021 %	2020 %	2021 %	2020 %	
Subsidiaries of Cenviro Sdn. Bhd. (cont'd.)						
Cenviro Services Sdn Bhd ("CS")	Malaysia	100.0	100.0	-	-	Sole agent for collecting and scheduled waste
Cenviro Special Builders Sdn. Bhd. ("CSB")	Malaysia	100.0	100.0	-	-	Provision of project management consultant for integrated environmental solutions
Cenviro Recycling and Recovery Sdn. Bhd. ("CRR")	Malaysia	100.0	100.0	-	-	Provision of waste recycling and recovery services
Cenviro (Johor) Sdn. Bhd. ("CJSB")	Malaysia	100.0	100.0	-	-	Has not commenced business operations
Cenviro Green Energy Sdn. Bhd. ("CGE")	Malaysia	100.0	100.0	-	-	Investment holding
Environmental, Preservation and Innovation Centre Sdn. Bhd. ("EPIC")	Malaysia	100.0	100.0	-	-	Provision of training, consultancy, research and development, publication, innovation and commercialisation
Kualiti Alam Sdn. Bhd. ("KASB")	Malaysia	100.0	100.0	-	-	Undertake the collection, transportation, treatment and disposal of scheduled waste

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(G) Other subsidiaries, associates and joint ventures of the Group (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2021 %	2020 %	2021 %	2020 %	
Subsidiary of CRR						
Recycle for Life Sdn. Bhd. ("RFL")	Malaysia	100.0	100.0	-	-	Undertake the collection and handling of recyclable items
Cenviro Aura Technology Sdn. Bhd. (CENURA)	Malaysia	75.0	-	25.0	-	Undertake the development, construction, ownership, operation and maintenance of food grade bottle-to-bottle recycled polyethylene terephthalate plant in Malaysia
Subsidiary of CGE						
Cenviro Green Energy Melaka Sdn. Bhd. ("CEGM")	Malaysia	100.0	100.0	-	-	Has not commenced business operations
Subsidiary of KASB						
Kualiti Alam Lahat Sdn. Bhd. ("KAL")	Malaysia	-	70.0	-	30.0	Has not commenced business operations
Subsidiary of Cosmos Friendship Limited						
KCS Green Energy International (Group) Investments Company Ltd. ("KCS")	Hong Kong	100.0	100.0	-	-	Investment holding
Subsidiaries of KCS						
KCS Jining Investments Company Limited	Hong Kong	100.0	100.0	-	-	Investment holding
KCS Huai'an Investments Company Limited	Hong Kong	100.0	100.0	-	-	Investment holding

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(G) Other subsidiaries, associates and joint ventures of the Group (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2021 %	2020 %	2021 %	2020 %	
Subsidiaries of Granatum Ventures Sdn. Bhd.						
Candelon Ventures Sdn. Bhd.	Malaysia	-	100.0	-	-	Under members voluntary liquidation
Iskandar Malaysia Studios Sdn. Bhd. ("IMS")	Malaysia	100.0	100.0	-	-	Investment holding
Rhizophora Ventures Sdn. Bhd.	Malaysia	-	100.0	-	-	Investment holding
Subsidiary of Candelon Ventures Sdn. Bhd.						
Imagica South East Asia Sdn. Bhd.	Malaysia	-	100.0	-	-	In members' voluntary liquidation
Subsidiary of Iskandar Malaysia Studios Sdn. Bhd.						
IMS Production Services Sdn. Bhd.	Malaysia	100.0	-	-	-	Production activities
Subsidiary of Iskandar Ventures Sdn. Bhd.						
Jasmine Acres Sdn. Bhd.	Malaysia	66.7	66.7	33.3	33.3	Investment holding
Southview Hills Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Investment holding
Subsidiary of Khazanah Nasional Consulting (Hong Kong) Company Ltd						
Khazanah Nasional Consulting (Beijing) Company Ltd	China	100.0	100.0	-	-	Consultancy services on business, market information, project management, etc.

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(G) Other subsidiaries, associates and joint ventures of the Group (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2021 %	2020 %	2021 %	2020 %	
Subsidiary of Khazanah Nasional Consulting (Hong Kong) Company Ltd (cont'd.)						
Khazanah Nasional Business Consulting (Shanghai) Co. Ltd	China	100.0	100.0	-	-	Consultancy services on business, market information, project management, etc.
Subsidiary of Mantanani Ventures Sdn. Bhd.						
Khazanah Turkey Regional Office Danismanlik Hizmetleri A.S.	Turkey	100.0	100.0	-	-	Investment holding
Subsidiary of Noring Investments (Mauritius) Limited						
Mostyn Investments (Mauritius) Limited	Mauritius	100.0	100.0	-	-	Investment holding
Subsidiary of Ophir Ventures Sdn. Bhd.						
ReGen Rehabilitation International Sdn. Bhd.	Malaysia	60.0	60.0	40.0	40.0	Provision of post-acute inpatient rehabilitation services
Subsidiaries of Payar Investments Limited						
Cenergi SEA Berhad	Malaysia	97.0	97.0	3.0	3.0	Investment holding and provision of advisory services
Subsidiaries of Cenergi SEA Berhad						
Cenergi Carbon Ltd.	Malaysia	97.0	97.0	3.0	3.0	Emission reduction project operations

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(G) Other subsidiaries, associates and joint ventures of the Group (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2021 %	2020 %	2021 %	2020 %	
Subsidiaries of Cenergi SEA Berhad (cont'd.)						
Cenergi EE Holdings Sdn. Bhd. ("CEEH")	Malaysia	97.0	97.0	3.0	3.0	Renewable energy developers in solar and energy efficiency and investment holding
Cenergi RE Sdn. Bhd.	Malaysia	97.0	97.0	3.0	3.0	Investment holding and provision of operation and maintenance services
Cenergi Operations and Maintenance Sdn. Bhd.	Malaysia	97.0	97.0	3.0	3.0	Operation and maintenance services of renewable energy power plants
Cenergi Refuel Sdn. Bhd. (f.k.a. Cenergi Eco Power Sdn. Bhd.)	Malaysia	97.0	97.0	3.0	3.0	Intended for development and operations of biomass pellet manufacturing facilities and conducting manufacturing activities to produce biomass pellet.
Subsidiary of Cenergi EE Holdings Sdn. Bhd.						
Cenergi EE Sdn. Bhd.	Malaysia	97.0	97.0	3.0	3.0	Energy efficiency project operations
Cenergi Solar Sdn. Bhd. (f.k.a. Cenergi Concord Sdn. Bhd.)	Malaysia	97.0	97.0	3.0	3.0	Intended to contract and construct a renewable energy plant

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(G) Other subsidiaries, associates and joint ventures of the Group (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2021 %	2020 %	2021 %	2020 %	
Subsidiaries of Cenergi RE Sdn. Bhd.						
Cenergi Palong Sdn. Bhd. (f.k.a.) Biopower Climate Care Sdn. Bhd.)	Malaysia	97.0	97.0	3.0	3.0	Contracting and construction of a renewable energy plant
Cenergi Sua Betong Sdn. Bhd.	Malaysia	97.0	97.0	3.0	3.0	Intended to contract and construct a renewable energy plant
Cenergi Cheekah Sdn. Bhd. (f.k.a. GLT Energy Sdn. Bhd.)	Malaysia	97.0	58.2	3.0	41.8	Contracting and construction of a renewable energy plant
Cenergi Sri Jelutung Sdn. Bhd. (f.k.a. Cenergi Tanah Makmur Sdn. Bhd.)	Malaysia	97.0	67.9	3.0	32.1	Contracting and construction of a renewable energy plant
Cenergi Pantai Remis Sdn. Bhd. (f.k.a Pantai Remis Cenergi Sdn. Bhd.)	Malaysia	97.0	97.0	3.0	3.0	Intended to contract and construct a renewable energy plant
Cenergi EPC Sdn. Bhd.	Malaysia	97.0	97.0	3.0	3.0	To carry on business of engineering procurement and construction
Cenergi Tennamaram Sdn. Bhd.	Malaysia	97.0	97.0	3.0	3.0	Intended to contract and construct a renewable energy plant
Cenergi Hamparan Sdn. Bhd.	Malaysia	97.0	97.0	3.0	3.0	Investment holding
Cenergi KF Sdn. Bhd. (f.k.a. Cenergi Green Utilities Sdn. Bhd.)	Malaysia	97.0	97.0	3.0	3.0	Intended to develop renewable generation distribution

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(G) Other subsidiaries, associates and joint ventures of the Group (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2021 %	2020 %	2021 %	2020 %	
Subsidiaries of Cenergi RE Sdn. Bhd. (cont'd.)						
Cenergi Elphil Sdn. Bhd. (f.k.a.Cenergi Green Power Sdn. Bhd.)	Malaysia	97.0	97.0	3.0	3.0	Dormant
Cenergi Chersonese Sdn. Bhd.	Malaysia	97.0	97.0	3.0	3.0	Intended to contract and construct a renewable energy plant
Cenergi West Sdn. Bhd.	Malaysia	97.0	97.0	3.0	3.0	Intended to contract and construct a renewable energy plant
Cenergi Sri Ganda Sdn. Bhd.	Malaysia	72.8	72.8	27.3	27.3	Intended to contract and construct a renewable energy plant
Cenergi Langkap Sdn. Bhd.	Malaysia	97.0	97.0	3.0	3.0	Intended to contract and construct a renewable energy plant
Cenergi Endah Sdn. Bhd.	Malaysia	67.9	97.0	32.1	3.0	Intended to contract and construct a renewable energy plant
Bell Cenergi YP Sdn. Bhd.	Malaysia	48.5	77.6	51.5	22.4	Intended to contract and construct a renewable energy plant
Bell Cenergi Linggi Sdn. Bhd. (f.k.a. Bell Cenergi BP Sdn. Bhd.)	Malaysia	97.0	97.0	3.0	3.0	Intended to contract and construct a renewable energy plant
Bell Cenergi Paloh Sdn. Bhd.	Malaysia	97.0	-	3.0	-	Intended to contract and construct a renewable energy plant

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(G) Other subsidiaries, associates and joint ventures of the Group (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2021 %	2020 %	2021 %	2020 %	
Subsidiaries of Cenergi RE Sdn. Bhd. (cont'd.)						
Cenergi Sg Dingin Sdn. Bhd. (f.k.a. Bell Cenergi LD Sdn. Bhd.)	Malaysia	97.0	97.0	3.0	3.0	Intended to contract and construct a renewable energy plant
Cenergi Classic Sdn. Bhd. (f.k.a. Cenergi Radiance Sdn. Bhd.)	Malaysia	97.0	97.0	3.0	3.0	Renewable energy developer in solar and energy efficiency
Subsidiary of Cenergi Hamparan Sdn. Bhd.						
PT Gree Energy Hamparan*	Indonesia	92.2	92.2	7.9	7.9	Intended to contract and construct a renewable energy plant
Subsidiary of PMB						
Aircraft Business Malaysia Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Lease of aircraft and provision of related services
Subsidiaries of Pulau Manukan Ventures Sdn. Bhd.						
Xeraya Capital Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Investment support services
Subsidiary of Xeraya Capital Sdn. Bhd.						
Xeraya Capital Labuan Ltd.	Malaysia	100.0	100.0	-	-	Investment management services
Xeraya Americas Inc. *	State of Delaware	100.0	100.0	-	-	Investment support services

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(G) Other subsidiaries, associates and joint ventures of the Group (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2021 %	2020 %	2021 %	2020 %	
Subsidiary of Pulau Memutik Ventures Sdn. Bhd.						
Pantai Support Services Sdn. Bhd. *	Malaysia	100.0	100.0	-	-	Investment holding
Subsidiaries of Rhizophora Ventures Sdn. Bhd.						
Angsana Production Services Sdn. Bhd.	Malaysia	-	100.0	-	-	Film and television productions consultancy services and production of television series
Rhizophora Capital Sdn. Bhd.	Malaysia	-	100.0	-	-	Funding assistance to film or television
Sonneratia Capital Sdn. Bhd.	Malaysia	-	100.0	-	-	Investment holding
Stylosa Production Sdn. Bhd.	Malaysia	-	100.0	-	-	Investing in and co-production of media content

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(G) Other subsidiaries, associates and joint ventures of the Group (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2021 %	2020 %	2021 %	2020 %	
Subsidiaries of Rhizophora Ventures Sdn. Bhd. (cont'd.)						
Apareiba Capital Sdn. Bhd.	Malaysia	-	100.0	-	-	Under members' voluntary liquidation
Subsidiaries of Angsana Production Services Sdn. Bhd.						
Marco Polo Productions Asia Sdn. Bhd.	Malaysia	-	100.0	-	-	Under members' voluntary liquidation
AGT Productions Sdn. Bhd.	Malaysia	-	100.0	-	-	Under members' voluntary liquidation
Subsidiaries of Sonneratia Capital Sdn. Bhd.						
Elektra One Sdn. Bhd.	Malaysia	-	100.0	-	-	Investing and co-production of media content
Elektra Two Sdn. Bhd.	Malaysia	-	100.0	-	-	Investing and co-production of media content
Elektra Three Sdn. Bhd.	Malaysia	-	100.0	-	-	Under members' voluntary liquidation

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(G) Other subsidiaries, associates and joint ventures of the Group (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2021 %	2020 %	2021 %	2020 %	
Subsidiaries of Silterra						
Pembinaan Waferfab Sdn. Bhd. *	Malaysia	-	100.0	-	-	Trading of Solid State Drive ("SSD") products
Silterra Sales and Marketing Sdn. Bhd. ("SSM") *	Malaysia	-	100.0	-	-	Sale and marketing of advanced semiconductor products
Silterra Capital Berhad ("SCB") *	Malaysia	-	100.0	-	-	Providing funding to holding company
Subsidiary of SSM						
Silterra Sales and Marketing (L) Ltd. ("SSML") *	Malaysia	-	100.0	-	-	Sale and marketing of advanced semiconductor products
Subsidiary of SSML						
Silterra USA, Inc.	United States of America	-	100.0	-	-	Dormant
Subsidiary of Tanjung Bidara Ventures Sdn. Bhd.						
Tanjong Aru Capital Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Provision of sports facilities

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(G) Other subsidiaries, associates and joint ventures of the Group (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2021 %	2020 %	2021 %	2020 %	
Subsidiary of Tanjong Aru Capital Sdn. Bhd.						
Mulu Ventures Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Provision of cricket facilities
Subsidiary of Teluk Cempedak Investments (Mauritius) Limited						
Khazanah India Advisors Private Ltd. ***	India	100.0	100.0	-	-	Investment advisory
Subsidiaries of Titiwangsa Investments (Mauritius) Limited						
Panorama Investments (Mauritius) Limited	Mauritius	100.0	100.0	-	-	Investment holding
Ramunia Investments (Mauritius) Limited	Mauritius	100.0	100.0	-	-	Investment holding
Subsidiary of Tulai Beach Ventures Sdn. Bhd.						
Avicennia Capital Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Investment holding

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(G) Other subsidiaries, associates and joint ventures of the Group (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2021 %	2020 %	2021 %	2020 %	
Subsidiaries of Avicennia Capital Sdn. Bhd.						
Renggis Ventures Sdn. Bhd.	Malaysia	96.0	96.0	4.0	4.0	Investment holding
Kuala Gula Ventures Sdn. Bhd.	Malaysia	-	100.0	-	-	Investment holding
Pasir Kalong Investments Limited	Malaysia	100.0	100.0	-	-	Investment holding
Tanjung Piai Ventures Sdn. Bhd.	Malaysia	-	100.0	-	-	Investment holding
Tasik Bera Ventures Sdn. Bhd.	Malaysia	-	100.0	-	-	Investment holding
Burau Ventures Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Investment holding
Subsidiaries of Renggis Ventures Sdn. Bhd.						
SunLife Malaysia Assurance Bhd. *	Malaysia	51.0	49.0	49.0	51.0	Underwriting of life insurance and investment-linked business
SunLife Malaysia Takaful Bhd. *	Malaysia	51.0	49.0	49.0	51.0	Management of family takaful, general takaful and investment-linked takaful business

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(G) Other subsidiaries, associates and joint ventures of the Group (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Accounting model applied	Principal activities
		2021 %	2020 %		
Associate of ARHSB					
NL Cold Chain Network (M) Sdn. Bhd. (Formerly known as Cold Chain Network (M) Sdn. Bhd.)	Malaysia	60.0	60.0	Equity method	Business in temperature controlled logistics warehousing services
Associate of Bukit Galla Investments Limited					
WeLab Holdings Ltd *	British Virgin Islands/Hong Kong	-	9.7	Equity method	Online credit analytics and lending platform
Associate of CRR					
Shan Poornam Sdn. Bhd. ("SPSB")	Malaysia	40.0	40.0	Equity method	Investment holding
Associate of Cosmos Friendship Limited					
Beijing Enterprises Environment Group Ltd *	Hong Kong	23.13	23.1	Equity method	Investment holding
Associate of Gemia Investments Limited					
Fajr Capital Limited *	Saudi Arabia	22.5	19.1	Equity method	Provision in Islamic finance services

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(G) Other subsidiaries, associates and joint ventures of the Group (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Accounting model applied	Principal activities
		2021 %	2020 %		
Associate of MAFC					
Monoluxury Sdn. Bhd.*	Malaysia	35.0	20.0	Equity method	Cultivation, processing and trading of vegetables and related vegetable products
Associate of Mataking Ventures Sdn. Bhd.					
General Fusion Inc.*	Canada	4.3	4.3	Equity method	Nuclear fusion
Associate of Mount Bintang Ventures Sdn. Bhd.					
edotco Group Sdn. Bhd. *	Malaysia	10.6	10.6	Equity method	Integrated telecommunications infrastructure services
Associate of Mount Reskit Investments Limited					
Shanghai Lian Ji Biotechnology Co. Ltd.		21.5	16.8	Equity method	Investment holding
Associate of Pantai Air Papan Ventures Sdn. Bhd.					
VTI Group *	Vietnam	15.2	16.9	Equity method	Operates leading local F&B chains and international modern retails brands
Associate of Pantai Cahaya Bulan Ventures Sdn. Bhd.					
Astro Malaysia Holdings Berhad ("AMHB") *	Malaysia	20.67	20.7	Equity method	Media entertainment

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(G) Other subsidiaries, associates and joint ventures of the Group (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Accounting model applied	Principal activities
		2021 %	2020 %		
Associates of Pantai Support Services Sdn. Bhd.					
Unitab Medic Sdn. Bhd. *	Malaysia	-	30.0	Equity method	Investment holding and supervision of medical examination of foreign workers in Malaysia
Associate of Panorama Investment (Mauritius) Ltd					
Actoserba Active Wholesale Private Limited *	India	-	-	Equity method	Online retailer of women innerwear in India.
Associate of Pasir Salak Investments Limited					
8990 Holdings Inc. *	Philippines	8.8	8.8	Equity method	Housing development
Associate of Pulau Kapas Ventures Sdn. Bhd.					
TIME dotCom Berhad *	Malaysia	8.8	8.8	Equity method	Investment holding, provision of management and marketing/promotional services and retailing of telecommunications products
Associate of Pulau Memutik Sdn. Bhd.					
IHH Healthcare Bhd. *	Malaysia	26.0	26.0	Equity method	Investment holding and healthcare service provider

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(G) Other subsidiaries, associates and joint ventures of the Group (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Accounting model applied	Principal activities
		2021 %	2020 %		
Associate of Pulau Tiga Sdn. Bhd.					
Continuum Capital II Limited Partnership	Malaysia	99.0	99.0	Equity method	Venture capital fund
Fashion Valet Sdn. Bhd.*	Malaysia	9.0	9.0	Equity method	Online fashion platform
Associate of Ramunia Investments (Mauritius) Limited					
Vas Data Services Private Limited *	India	14.6	14.6	Equity method	Online retailer
Associates of Redang Investments Limited					
ACR Capital Holdings Pte. Ltd. *	Singapore	24.65	24.7	Equity method	Provision of reinsurance services
Associate of Shan Poornam Sdn. Bhd.					
Shan Poornam Metals Sdn. Bhd. ("SPM")	Malaysia	40.0	40.0	Equity method	Collection, processing and recycling of scraps
Shan Poornam Global Sdn. Bhd.	Malaysia	40.0	40.0	Equity method	Industrial waste recovery

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(G) Other subsidiaries, associates and joint ventures of the Group (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Accounting model applied	Principal activities
		2021 %	2020 %		
Associate of Shan Poornam Metals Sdn. Bhd. ("SPM")					
ENS 4R Sdn. Bhd.	Malaysia	40.0	40.0	Equity method	Collection, processing and recycling of scraps
Shan Poornam Metals (Sarawak) Sdn. Bhd.	Malaysia	40.0	40.0	Equity method	Collection, processing and recycling of scraps
Shan Poornam Metals (Selangor) Sdn. Bhd.	Malaysia	40.0	40.0	Equity method	Collection, processing and recycling of scraps
Shan Poornam Metals (Johor) Sdn. Bhd.	Malaysia	40.0	40.0	Equity method	Collection, processing and recycling of scraps
Shan Poornam Green Tech Sdn. Bhd.	Malaysia	40.0	40.0	Equity method	Dormant
Associate of Tanjung Tuan Investments Limited					
Blippar.com Limited *	England and Wales	11.4	11.4	Equity method	Mobile visual-search app developer
Joint venture of ARHSB					
Commerce-KNB Agro Teroka Sdn. Bhd. ("CKAT") *	Malaysia	67.0	67.0	Equity method	Agriculture venture capital
The Holstein Milk Company Sdn. Bhd. *	Malaysia	30.0	30.0	Equity method	Involved in dairy farming, processing and distribution of fresh dairy produce

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(G) Other subsidiaries, associates and joint ventures of the Group (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Accounting model applied	Principal activities
		2021 %	2020 %		
Joint venture of BAB					
AB Hatchery Sdn. Bhd.	Malaysia	51.0	51.0	Equity method	Post larvae farming and trading
Joint venture of Cenergi SEA					
Cenergi FJP Sdn. Bhd. ("CFJP") *	Malaysia	51.0	51.0	Equity method	Operation of green power generation facilities and plants
Cenergi Sunseap Energy Solutions Sdn. Bhd. ("CSES")	Malaysia	60.0	60.0	Equity method	Renewable energy developer in solar and energy efficiency
Joint venture of Cenviro Sdn. Bhd.					
E-Idaman Sdn. Bhd. ("EISB")	Malaysia	50.0	50.0	Equity method	Investment holding, provision of project management, consultancy and contracting services in the field of solid waste management
Joint venture of EISB					
Environment Idaman Sdn. Bhd.	Malaysia	50.0	50.0	Equity method	Provision of integrated solid waste and public cleansing management any other related business in the Northern Region of Peninsular Malaysia

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(G) Other subsidiaries, associates and joint ventures of the Group (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Accounting model applied	Principal activities
		2021 %	2020 %		
Joint venture of EISB (cont'd.)					
Environment Idaman (Kedah and Perlis) Sdn. Bhd.	Malaysia	50.0	50.0	Equity method	Provision of integrated solid waste collection and public cleansing management services, including technical expert services in waste management
Green Resources Recovery Sdn. Bhd.	Malaysia	50.0	50.0	Equity method	Provision of project management, consultancy and contracting services in the field of solid waste and public cleansing management services and dealing with recyclable items and facilities
Environment Idaman (Perak) Sdn. Bhd.	Malaysia	50.0	50.0	Equity method	Provision of integrated solid waste collection and public cleansing management services, including technical expert services in waste management
Joint venture of Dayang Bunting Ventures Sdn. Bhd.					
Sunway Iskandar Sdn. Bhd. *	Malaysia	40.0	40.0	Equity method	Investment holding

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(G) Other subsidiaries, associates and joint ventures of the Group (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Accounting model applied	Principal activities
		2021 %	2020 %		
Joint venture of Pantai Cahaya Bulan Ventures Sdn. Bhd.					
Astro Holdings Sdn. Bhd. *	Malaysia	29.3	29.3	Equity method	Investment holding
Joint venture of Pulau Selangan Investments Limited					
DaVita Care Pte Ltd *	Singapore	-	-	Equity method	Healthcare service
Joint venture of Sungai Pulai Investments (Mauritius) Limited					
M+S Pte. Ltd.	Singapore	60.0	60.0	Equity method	Property development
Joint venture of Stylosa Productions Sdn. Bhd.					
Ideate Media Sdn. Bhd. *	Malaysia	-	50.0	Equity method	Create platforms to invest,develop, own and monetise intellectual property creative assets

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(G) Other subsidiaries, associates and joint ventures of the Group (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Accounting model applied	Principal activities
		2021 %	2020 %		
Joint venture of Tanjung Bidara Ventures Sdn. Bhd.					
Southern Marina Development Sdn. Bhd. *	Malaysia	30.0	30.0	Equity method	Property development
Joint venture of Teluk Rubiah Ventures Sdn. Bhd.					
Pulau Indah Ventures Sdn. Bhd. *	Malaysia	50.0	50.0	Equity method	Township development
Joint ventures of Pulau Manukan Ventures Sdn. Bhd.					
MLSCF II (DP) Ltd @*	Malaysia	50.0	50.0	Equity method	Investment management holding
MLSCF Management (Labuan), LLP	Malaysia	50.0	50.0	Equity method	Investment management services
MLSCF II (GP) (Labuan), LLP	Malaysia	50.0	50.0	Equity method	General partner of MLS Capital Fund II, LP

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

- * Audited by firms of auditors other than Ernst & Young.
- ^^ Although the Company does not hold ordinary shares in the associates, the Company exerts significant influence by virtue of the Company's holding in the preference shares in the respective associates which gives the Company the right to appoint directors on the board of the respective associates.
- + The Group's effective interest in Tuba Investments WLL is 100%, comprising 99.5% held by Aur Investments (Cayman Islands) Limited and 0.5% held by Carey Investments (Cayman Islands) Limited.
- *** The Group's effective interest in Khazanah India Advisors Private Ltd. is 100%, comprising 99.9% held by Teluk Cempedak Investments (Mauritius) Limited and 0.1% held by Chendering Investments Ltd.
- ^ The Group's effective interest in Invendo Medical GmbH is 21.2%, which is held by Pulau Duyung Ventures (Cayman Islands) Ltd. And ISKA Holding S.à.r.l. of 10.6% each.
- @ In accordance with the respective partnership agreements, the rights to participate in any distributions can only be exercised upon contribution of the partnership capital. As of the reporting date, the Group has yet to make any capital contribution.

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79. Directors of subsidiaries

The names of the directors of the Company's subsidiaries in office since the beginning of the financial year to the date of this report (not including Directors of the Company who have been listed in the Directors' Report) are:

Adi Saufi Bin Mohamad Daud
Ahmad Fadzli bin Zainudin
Ahmad Jauhari Bin Yahya
Ahmad Luqman bin Mohd Azmi
Amirul Fares bin Wan Zahir
Amlah binti Yassin
Anil Thadani
Arnaud Arman Paul Daniel Girodon
Aubrey Lim Ying Yueh
Azhan Bin Yaacob @ Che Kob
Azman bin Mohd Hussein
Badrul Hisham bin Dahalan
Boo Hui Yee
Brett Thomas Adolf Rubi
Bryan Foong Chee Yeong
Calvin Raqeem Jacob
Chari Thandalam Veeravalli Thirumala
Chew Poh Chuan
Chong Yit Phin
Christina Foo
Chua Chin Soon
Daniel Tan Sze Hun
Dato' George Stewart LaBrooy
Dato' Haji Mohd Salleh Bin Yeop Abd. Rahman
Dato' Mohd Izani Bin Ghani
Dato' Norhalim bin Yunus
Dato' Noorazman Abd Aziz
Dato' Seri Mohammed Anwar a/l Fazal Mohammed
Dato' Shahira Binti Ahmed Bazari
Dato' Sri Ghazali bin Mohd Ali
Dato' Mohd Khalis bin Abd Rahim
David Lau Nai Pek
Dr. Sakina Sofia binti Baharom
Dr. Farid Bin Mohamed Sani
Dr. Johari Jalil
Dr. Lydia Binti Abdul Latif
Dr. Muhd Noor Muhd Yunus
Effizal Faiz Bin Zulkifly
Elaine Ong Yee Lynn

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79. Directors of subsidiaries (cont'd.)

Eysa Zulkifli
Faizal bin Mohd Yusof
Faridah Binti Bakar Ali
Fauzidah binti Abdul Rahman
Fitriolah Nadiah
Gan Hsiang Lin
Goh Ah Peng
Goh Hiang Keat
Goh Keat Siang
Hairol Azizi Bin Tajudin
Hamdan Bin Abdul Majeed
Haris Hardi bin Zakaria
Hoe Teck Wei
Ibrahim bin Mohamed Salleh
Idjarmizuan bin Ibrahim
Jehanne Goh Yen Qi
Kamarudin bin Kamilin
Karina Binti Ridzuan
Khairil Anwar bin Ahmad
Koay Wen Hoong
Lai Wei Ming
Lau Yin May
Laurence Loh Kwong Yu
Lee Siow Woon
Liew Kim Choi
Liew Teen Chai
Lim Kooi June
Lim Teck Wee
Lim Tsin Lin
Lock Jian Wah
Loh Tzu Anne
Mak Pooi Teng
Marcellinus Leo Bin P Linus
Mariamah binti Daud
Marilyn Teoh May Lyn
Marzuki bin Hj Madon
Matthew Kenneth Benson
May Cheong Su Wei
Megat Shahir bin Megat Mohamed Supian
Michael Robert Ashburn
Mohamad Affendi Bin Yusoff

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79. Directors of subsidiaries (cont'd.)

Mohamad Hishammudin Bin Hamdan
Mohamad Rafiq Bin Mubarak Ali
Mohamed Nasri Bin Sallehuddin
Mohammad Hazani bin Hassan
Mohd Azarull Ahadi bin Abdullah
Mohd Nadziruddin bin Mohd Basri
Mohd Salehoddin bin Abdul Hamid
Mohd Zulkefly bin Ujang
Muhammed Rozani Bin Mohamed Osman
Muhammad Syauqi Bin Ab Samad
Naiken Veerasamy
Ng Eu Gin
Ngan Chu Chu
Nicola Romain Stirer
Nik Marien Binti Nik Ahmad Kamal
Nik Nazhah Binti Nik Abdul Aziz
Nor Azree Bin Md Daros
Nor Suhaila binti Abdul Latif
Norizuan bin Abu Zarim
Nurul Iman Binti Mohd Zaman
Ong King How
Philip See Yew Jin
Phuan Ling Fong
Poh Ying Loo
Rajgopal Rajkumar
Reagan Chan Chung Cheng
Robert Anthony Ortenzio
Robert Tan Bun Poo
Ronnie Khoo Boo Eam
Roslina Binti Arbak
Roslina binti Zukkafli
Rowina Ghazali Seth
Ruziah Binti Abdul Latif
Saidatul Azrina Binti Dzulkifli
Sawkut Oomarally Bundhoo
Selvendran Katheerayson
Seow Hai Yoong
Serena Tan Mei Shwen
Shamini a/p Veerasingam
Shamsuddin Bin Sulaiman
Shankar Menon a/l Krishnan @ Vasuthavan

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79. Directors of subsidiaries (cont'd.)

Siegfried Boerst
Siti Aishah binti A Samad
Stephanie Jane Brooksbank
Stephanie Saw Ai Lin
Sugu Maran a/l Kailasan
Suraya binti Mahmud
Suryani Senja Binti Alias
Suzanne Ng Bee June
Syahrudin Samsudin
Syed Ahmad Safarudin Bin Syed Zainal Abidin
Tan Sri Abd Rahman bin Mamat
Tan Sri Dato' Lim Kang Hoo
Tan Sri Dato' Sri Haji Esa Bin Mohamed
Tan Sri Dr. Azmil Khalili Bin Dato' Khalid
Tan Sri Tan Boon Seng @ Krishnan
Tan Sri Wan Zulkiflee bin Wan Ariffin
Tengku Dato' Sri Azmil Zahrudin Bin Raja Abdul Aziz
Tinesh Thambaiya Yogarajah
Toh Tau Book
Tsen Lee Yee
Vinie Chong Pui Ling
Wan Ahmad Saifuddin bin Ahmad Radzi
William Edward Walters
Wong Chin See
Wong Eugene
Wong Hee Chai
Wong Hong Yee
Wong Peck Ling
Wong Shu Hsien
Wu Jueh Ming Lawrence
Yap Kheng Han
Yap Pooi Choo
Yeo Kar Peng
Yong Kean Kun
Yong Kean Seong
Yong Toi Mee
Yusnianti Binti Muhamed Yusoff
Zaida Khalida Shaari
Zainul Rahim Bin Mohd Zain
Zulfiqar bin Zainuddin

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79. Directors of subsidiaries (cont'd.)

Abdullah bin Hashim	(Appointed On 24 February 2022)
Aina Nadia Binti Mohd Rafee	(Appointed On 20 October 2021)
Ainol Roznain Bin Yaacob	(Appointed On 9 February 2022)
Alex Yeow Wai Siaw	(Appointed On 21 June 2021)
Amirsham Bin A Aziz	(Appointed On 9 February 2022)
Annie binti Rosle	(Appointed On 19 May 2021)
Azim Bin Juzer	(Appointed On 25 November 2021)
Badrul Hisyam bin Abdullah	(Appointed On 24 February 2022)
Chen Wen Yin	(Appointed On 25 November 2021)
Cheryl Goh Ching Ling	(Appointed On 26 June 2021)
Choo Ning	(Appointed On 25 November 2021)
Datin Sri Badrunnisa Mohd Yasin Khan	(Appointed On 21 June 2021)
Dato Dr Nadzri Yahaya	(Appointed On 1 January 2021)
Dato' Haji Mohammed Ridha bin Dato' Haji Abd Kadir	(Appointed On 1 February 2022)
Dato' Amirul Feisal bin Dato' Wan Zahir	(Appointed On 3 August 2021)
Dato' Haji Ramlee bin Haji A Rahman	(Appointed On 1 September 2021)
Datuk Amran Hafiz bin Affifudin	(Appointed On 15 November 2021)
Datuk Zainal Abidin Abu Hassan	(Appointed on 8 December 2021)
Dinesh A/L Thinagaran	(Appointed On 29 January 2021)
Dzulkifly Bin Hassan	(Appointed On 1 September 2021)
Ezraila Binti Mohamad Isa	(Appointed On 20 April 2021)
Gan Chia Siang	(Appointed On 30 April 2021)
Hafriz Bin Abdul Rahman	(Appointed On 29 October 2021)
Halina Jael Binti Abu Bakar	(Appointed On 1 January 2021)
Ir Dr. Sanjayan A/L K.V Velautham	(Appointed On 13 July 2021)
Imran Bin Abdullah	(Appointed on 8 December 2021)
Izham bin Ismail	(Appointed On 1 April 2021)
Jamaludin Bujang	(Appointed on 1 April 2021)
Jenifer Thien Bit Leong	(Appointed On 1 July 2021)
Ju Hong Sik	(Appointed On 9 April 2021)
Kazrin Bin Khairul Anuar	(Appointed On 30 November 2021)
Latifah binti Mohamed Yusof	(Appointed On 10 May 2021)
Laxman Deepak Vaidya	(Appointed On 2 February 2021)
Lim Wei Lih	(Appointed On 10 December 2021)
Low Guat Peng	(Appointed On 12 November 2021)
Maslina Binti Mansor	(Appointed On 10 December 2021)
Mat Azman bin Ismail	(Appointed On 1 October 2021)
Mat Sahwira bin Tamat	(Appointed On 27 January 2022)
Mohd Asrul Bin Ab Rahim	(Appointed On 21 January 2022)
Mohd Gadaffie bin Abd Aziz	(Appointed On 1 February 2022)
Mohd Haniz bin Mohd Nazlan	(Appointed On 29 September 2021)
Mohd Norsuradi Man	(Appointed On 1 January 2021)

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79. Directors of subsidiaries (cont'd.)

Mohd Shafie Ismail	(Appointed On 10 December 2021)
Mok Jia Mei	(Appointed On 29 October 2021)
Muhamad Yazid bin Che Ya	(Appointed On 24 February 2022)
Muhammad Firdaus bin Ishak	(Appointed On 24 February 2022)
Muhammad Haiqal Bin Mohd Ali	(Appointed On 29 October 2021)
Muhammad Najmi bin Mansor	(Appointed On 1 April 2021)
Nasaruddin bin A.Bakar	(Appointed On 1 April 2021)
Natasha Su A/P Sivarajah	(Appointed On 21 October 2021)
Nor Azah binti Ab Aziz	(Appointed On 1 April 2021)
Nor Shafahana Shaik binti Abdul Shukkor	(Appointed On 21 December 2021)
Norazalina Sham binti Abdullah	(Appointed On 12 November 2021)
Norliza binti Suleiman	(Appointed On 27 January 2022)
Ooi Theng Therk	(Appointed On 12 November 2021)
Raja Ahmad Murad Bin Raja Bahrin	(Appointed On 18 June 2021)
Shahnaz binti Abdul Samad	(Appointed On 21 July 2021)
Shirley Goh	(Appointed On 1 July 2021)
Siti Aidah binti Abd Rahman	(Appointed On 13 July 2021)
Tan Yi Ling	(Appointed On 1 December 2021)
Tuan Haji Lukman Bin Abu Jari @ Abu Bakar	(Appointed On 1 September 2021)
Tunku Alizakri bin Raja Muhammad Alias	(Appointed On 7 March 2022)
Wong Poh 'Ee	(Appointed On 29 September 2021)
Yasmin Thaseen Binti Sikkandar	(Appointed On 1 July 2021)
Zainal Abidin bin Zakaria	(Appointed On 27 January 2022)
Zaiviji Ismail bin Abdullah	(Appointed On 7 March 2022)
Amir Hamzah bin Nordin	(Resigned On 1 October 2021)
Anupum Khaitan	(Resigned On 2 February 2021)
Ashraf Bin Abbas	(Resigned On 29 January 2021)
Azlan Afandi Bin Sauffee Afandi	(Resigned On 31 December 2021)
Datin Paduka Che Asmah Ibrahim	(Resigned On 28 February 2021)
Dato' Ahmad Pardas Bin Senin	(Resigned On 1 January 2021)
Dato' Hj. Mohd Noorazam bin Dato' Haji Osman	(Resigned On 21 August 2021)
Dato' Leong Kin Mun	(Resigned On 26 April 2021)
Dato' Dr Haji Badrul Hisham Bin Kassim	(Resigned On 31 December 2021)
Dato' Mohd Salleh bin Ahmad Tabrani	(Resigned On 1 April 2021)
Datuk Ir. Dr. Siti Hamisah binti Tapsir	(Resigned on 15 September 2021)
Dzulkeflie bin Ja'apar	(Resigned On 1 February 2021)
Elakumari A/P Kantilal	(Resigned On 17 June 2021)
Emily Kok	(Resigned On 17 June 2021)
Erika Mushtarina Bin Mat Ariffin	(Resigned On 12 November 2021)

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**Khazanah Nasional Berhad
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79. Directors of subsidiaries (cont'd.)

Fizulin Binti Mohamed Zin	(Resigned On 1 January 2021)
Johari Shukri bin Jamil	(Resigned On 1 November 2021)
Juhana Binti Hamzah	(Resigned On 3 January 2022)
Lim Woong Bin	(Resigned On 9 April 2021)
Lynette Yeow Su-Yin	(Resigned On 1 January 2021)
Mohd Azharuddin bin Mat Sah	(Resigned On 14 July 2021)
Norhafizah binti Sahari	(Resigned On 18 May 2021)
Rahimah binti Farjan Ali @ Pasan Ali (f)	(Resigned On 1 April 2021)
Shahin Farouque Bin Jammal Ahmad	(Resigned On 15 November 2021)
Shahrul Nizam Bin Abdul Aziz	(Resigned On 29 January 2021)
Suhaimi Bin Halim	(Resigned On 1 January 2021)
Tan Sri Shahril Ridza bin Ridzuan	(Resigned On 3 August 2021)
Teh Ija Binti Mohd Jalil	(Resigned On 21 June 2021)
Ungku Suseelawati Binti Ungku Omar	(Resigned On 21 June 2021)
Zaki Abdul Aziz M. H. Daud	(Resigned On 1 January 2021)
Zalinah binti A. Hamid	(Resigned On 18 May 2021)
Zane Qamariah Binti Ambotang	(Resigned On 30 August 2021)

KHAZANAH NASIONAL BERHAD

199301020767 (275505-K)

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KHAZANAH
NASIONAL

DIRECTORS' REPORT AND AUDITED FINANCIAL STATEMENTS



31 DECEMBER 2020

199301020767 (275505-K)

**Khazanah Nasional Berhad
(Incorporated in Malaysia)**

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**Khazanah Nasional Berhad
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Directors' report

The Directors hereby presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2020.

Principal activities

The principal activity of the Company is that of investment holding. The principal activities of the subsidiaries, associates and joint ventures of the Company and of the Group are described in Note 77 and Note 78 to the financial statements, respectively.

Results

	Group RM'000	Company RM'000
(Loss)/profit for the financial year, net of tax	<u>(2,856,924)</u>	<u>3,250,047</u>
(Loss)/profit attributable to:		
Owners of the Company	(2,675,399)	3,250,047
Non-controlling interests	<u>(181,525)</u>	<u>-</u>
	<u>(2,856,924)</u>	<u>3,250,047</u>

There were no material transfers to or from reserves or provisions during the financial year, other than as disclosed in the financial statements.

In the opinion of the Directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature, other than as disclosed in the notes to the financial statements.

Dividends

The amounts of dividends declared or paid by the Company were as follows:

In respect of the financial year ended 31 December 2019:	RM'000
Interim single-tier dividend on 5,443,953,229 ordinary shares, declared on 17 December 2019 and paid on 19 December 2019	<u>1,000,000</u>

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**Khazanah Nasional Berhad
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Dividends (cont'd.)

In respect of the financial year ended 31 December 2020:	RM'000
Interim single-tier dividend on 5,443,953,229 ordinary shares, declared on 8 December 2020 and paid on 11 December 2020	1,000,000
Special single-tier dividend on 5,443,953,229 ordinary shares, declared on 8 December 2020 and paid on 20 January 2021	1,000,000
	<u>2,000,000</u>

The Directors do not recommend the payment of any final dividend for the financial year ended 31 December 2020.

Directors

The names of the Directors of the Company in office since the beginning of the financial year to the date of this report are:

Y.A.B. Tan Sri Muhyiddin Mohd Yassin
Y.B. Dato' Seri Mohamed Azmin bin Ali
Y.B. Senator Tengku Datuk Seri Utama Zafrul bin Tengku Abdul Aziz
Y. Bhg. Dato' Mohammed Azlan bin Hashim
Y. Bhg. To' Puan Azian binti Mohd Aziz
Mr. Goh Ching Yin
Mr. Lau Seng Yee
Y. Bhg. Datuk Shahril Ridza bin Ridzuan
Y. Bhg. Dato' Zainal Abidin Putih (Appointed on 16 November 2020)

The names of the directors of the Group's subsidiaries who served on the respective boards of the subsidiaries since the beginning of the current financial year to the date of this report are disclosed in Note 79 to the financial statements.

Directors benefits

Neither at the end of the financial year, nor at any time during the year, did there subsist any arrangement to which the Company was a party, whereby the Directors might acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the Directors or the fixed salary of a full time employee of the Company as shown in Note 9 and Note 38 to the financial statements), by reason of a contract made by the Company or a related corporation with any Director, or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

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**Khazanah Nasional Berhad
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Directors' interests

According to the register of Directors' shareholdings, none of the Directors in office at the end of the financial year had any interest in shares in the Company or its related corporations during the financial year.

Indemnity and insurance costs

During the financial year, the total insurance premium paid for Directors and Officers of the Group and the Company were RM1,249,562 and RM593,600 respectively.

Holding company

The holding and ultimate holding body is the Minister of Finance Incorporated ("MoF Inc."), a body corporate, incorporated pursuant to the Minister of Finance (Incorporation) Act, 1957.

Other statutory information

- (a) Before the statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the Directors took reasonable steps:
 - (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
 - (ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.
- (b) At the date of this report, the Directors are not aware of any circumstances which would render:
 - (i) the amount written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; and
 - (ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

**Khazanah Nasional Berhad
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Other statutory information (cont'd.)

- (c) At the date of this report, the Directors are aware of the COVID-19 pandemic, which, may have an impact on certain values attributed to current assets and valuation methods adopted by the Group and the Company.
- (d) At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.
- (e) At the date of this report, there does not exist:
 - (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
 - (ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.
- (f) In the opinion of the Directors:
 - (i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations when they fall due; and
 - (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

Significant events during the financial year

In addition to the significant events disclosed elsewhere in this report, details of other significant events during the financial year are described in Note 74 to the financial statements.

Subsequent events after the reporting date

Details of significant subsequent events after the reporting date are as disclosed in Note 34 and Note 75 to the financial statements.

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**Khazanah Nasional Berhad
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Auditors

The auditors, Ernst & Young PLT, have expressed their willingness to continue in office.

Auditors' remuneration are disclosed in Note 7 and Note 36 to the financial statements.

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young PLT, as part of the terms of its audit engagement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young PLT during the financial year.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 10 April 2021.

Signed

Goh Ching Yin

Signed

Shahril Ridza bin Ridzuan

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**Khazanah Nasional Berhad
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**Statement by directors
Pursuant to Section 251(2) of the Companies Act, 2016**

We, Goh Ching Yin and Shahril Ridza bin Ridzuan, being two of the Directors of Khazanah Nasional Berhad, do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 11 to 363 are drawn up in accordance with the applicable Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia and so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2020 and of their financial performance and cash flows for the year then ended.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 10 April 2021.

Signed

Goh Ching Yin

Signed

Shahril Ridza bin Ridzuan

**Statutory declaration
Pursuant to Section 251(1)(b) of the Companies Act, 2016**

I, Faridah Bakar Ali, being the officer primarily responsible for the financial management of Khazanah Nasional Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 11 to 363 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the
abovenamed Faridah Bakar Ali
at Kuala Lumpur in the Federal Territory
on

Signed

Faridah Bakar Ali
MIA 20744
Chartered Accountant

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Independent auditors' report to the members of
Khazanah Nasional Berhad
(Incorporated in Malaysia)

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Khazanah Nasional Berhad, which comprise the statements of financial position as at 31 December 2020 of the Group and of the Company, and statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 11 to 363.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2020, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the financial statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence and other ethical responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Information other than the financial statements and auditors' report thereon

The directors of the Company are responsible for the other information. The other information comprises the Directors' Report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

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Independent auditors' report to the members of
Khazanah Nasional Berhad (cont'd.)
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Information other than the financial statements and auditors' report thereon (cont'd.)

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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Independent auditors' report to the members of
Khazanah Nasional Berhad (cont'd.)
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Auditors' responsibilities for the audit of the financial statements (cont'd.)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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Independent auditors' report to the members of
Khazanah Nasional Berhad (cont'd.)
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Auditors' responsibilities for the audit of the financial statements (cont'd.)

- We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

In accordance with the requirements of the Companies Act, 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 77 and Note 78 to the financial statements.

Other matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act, 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Signed

Ernst & Young PLT
202006000003 (LLP0022760-LCA) & AF 0039
Chartered Accountants

Kuala Lumpur, Malaysia
10 April 2021

Signed

Ahmad Zahirudin bin Abdul Rahim
No. 02607/12/2022 J
Chartered Accountant

199301020767 (275505-K)

**Khazanah Nasional Berhad
(Incorporated in Malaysia)**

1. Corporate information

The principal activity of the Company is that of investment holding. The principal activities of the subsidiaries, associates and joint ventures of the Company and of the Group are described in Note 77 and Note 78 to the financial statements, respectively.

There have been no significant changes in the nature of the principal activities during the financial year.

The Company is a public limited liability company, incorporated and domiciled in Malaysia. The registered office of the Company is located at Level 22, Mercu UEM, Jalan Stesen Sentral 5, Kuala Lumpur Sentral, 50470 Wilayah Persekutuan Kuala Lumpur.

The Company's holding and ultimate holding body is the Minister of Finance Incorporated ("MoF Inc."), a body corporate, incorporated pursuant to the Minister of Finance (Incorporation) Act, 1957.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 10 April 2021.

2. Summary of significant accounting policies

2.1 Basis of preparation

The financial statements of the Group and of the Company are prepared in accordance with the provisions of the Companies Act, 2016 and comply with the Malaysian Financial Reporting Standards ("MFRS"), which is in compliance with International Financial Reporting Standards issued by the International Accounting Standards Board ("IASB").

The financial statements have been prepared under the historical cost basis unless otherwise disclosed in the respective significant accounting policies below.

The financial statements are presented in Ringgit Malaysia ("RM") which is also the Company's functional currency and all values are rounded to the nearest thousand (RM'000), except when otherwise indicated.

The Company presents its statement of financial position in order of liquidity.

**Khazanah Nasional Berhad
(Incorporated in Malaysia)**

2. Summary of significant accounting policies (cont'd.)

2.2 Changes in accounting policies

On 1 January 2020, the Group and the Company adopted the new and amended MFRSs which are mandatory for annual financial periods beginning on or after 1 January 2020.

Effective for financial periods beginning on or after 1 January 2020

Amendments to MFRS 3	Business Combinations (on Definition of a Business)
Amendments to MFRS 9, MFRS 139 and MFRS 7	Interest Rate Benchmark Reform
Amendments to MFRS 16	Leases (COVID 19 - Related Rent Concessions)
Amendments to MFRS 101	Presentation of Financial Statements (on Definition of Material)
Amendments to MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors (on Definition of Material)
Interpretation to MFRS 123	Borrowing Cost Relating to Over Time Transfer of Constructed Goods
The Conceptual Framework	Revised Conceptual Framework for Financial Reporting

The adoption of the above amendments did not have any material impact on the financial performance or position of the Group except as disclosed below:

(a) COVID-19-Related Rent Concessions (Amendments to MFRS 16)

The amendments allow lessees not to account for rent concessions as lease modifications if they are a direct consequence of COVID-19 and meet certain conditions.

These amendments are to be applied retrospectively. As the amendments do not apply to rent concessions due on or before 1 January 2020, no adjustments were made to the opening balance of retained profits.

**Khazanah Nasional Berhad
(Incorporated in Malaysia)**

2. Summary of significant accounting policies (cont'd.)

2.2 Changes in accounting policies (cont'd.)

(a) COVID-19-Related Rent Concessions (Amendments to MFRS 16) (cont'd.)

As a practical expedient, the Group is not required to assess whether a COVID-19-related rent concession that meets all of the following conditions is a lease modification:

- (i) The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- (ii) Any reduction in lease payments affects only payments originally due on or before 30 June 2021; and
- (iii) There is no substantive change to other terms and conditions of lease.

The Group has applied practical expedient to all of its commercial leases that meet the above-mentioned conditions.

2.3 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the reporting date.

A subsidiary is an entity over which the Group has all the following:

- (i) Power over the investee (i.e existing rights that give it the current ability to direct the relevant activities of the investee);
- (ii) Exposure, or rights, to variable returns from its involvement with the investee; and
- (iii) The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (i) The contractual arrangement(s) with the other vote holders of the investee;
- (ii) Rights arising from other contractual arrangements; and
- (iii) The Group's voting rights and potential voting rights.

**Khazanah Nasional Berhad
(Incorporated in Malaysia)**

2. Summary of significant accounting policies (cont'd.)

2.3 Basis of consolidation (cont'd.)

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income ("OCI") are attributed to the equity holders of parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets, liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interests and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

2.4 Interests in Subsidiaries, Associates and Joint Ventures

Interests in subsidiaries, associates and joint ventures at the individual company level are stated at cost less accumulated impairment losses. Policy for the recognition and measurement of impairment losses is in accordance with Note 2.28.

On disposal of such interests, the difference between net disposal proceeds and their carrying amounts is charged or credited to profit or loss.

**Khazanah Nasional Berhad
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2. Summary of significant accounting policies (cont'd.)

2.5 Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of MFRS 9 Financial Instruments ("MFRS 9"), is measured at fair value with the changes in fair value recognised in the statements of profit or loss in accordance with MFRS 9. Other contingent consideration that is not within the scope of MFRS 9 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquirer's previously held equity interest in the acquiree is remeasured at fair value at the acquisition date through profit or loss.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

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2. Summary of significant accounting policies (cont'd.)

2.5 Business combinations and goodwill (cont'd.)

After the initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit ("CGU") and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the CGU retained.

2.6 Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Group as a joint operator recognises in relation to its interest in a joint operation:

- (i) its assets, including its share of any assets held jointly;
- (ii) its liabilities, including its share of any liabilities incurred jointly;
- (iii) its revenue from the sale of its share of the output arising from the joint operation;
- (iv) its share of the revenue from the sale of the output by the joint operation; and
- (v) its expenses, including its share of any expenses incurred jointly.

The consideration made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries.

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2. Summary of significant accounting policies (cont'd.)

2.6 Investments in associates and joint ventures (cont'd.)

The Group's investments in its associate and joint venture are accounted for using the equity method.

Under the equity method, on initial recognition the investment in an associate or a joint venture is recognised at cost. The carrying amount is adjusted to recognise the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment separately.

The statements of profit or loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in other comprehensive income ("OCI") of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the statements of profit or loss outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate or joint venture.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

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2. Summary of significant accounting policies (cont'd.)

2.6 Investments in associates and joint ventures (cont'd.)

After application of the equity method, the Group applies MFRS 136 Impairment of Assets ("MFRS 136") to determine whether it is necessary to recognise any additional impairment loss with respect to its net investment in the associate or joint venture. When necessary, the entire carrying amount of the investment is tested for impairment in accordance with MFRS 136 as a single asset, by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss is recognised in profit or loss. Reversal of an impairment loss is recognised to the extent that the recoverable amount of the investment subsequently increases.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

2.7 Intangible assets

(a) Research and development costs

Research and development costs are recognised as an expense except that costs incurred on individual development projects are recognised as development asset to the extent that such expenditure is expected to generate future economic benefits. Development costs are only recognised as an asset when it is probable that future economic benefits will be realised as a result of the specific expenditure and the costs can be measured reliably.

Following the initial recognition of the development expenditure, the asset is carried at cost less any accumulated amortisation and any accumulated impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 2.28. These costs are derecognised upon disposal or when no future economic benefits are expected from its use.

Development costs that have been capitalised are amortised over the period of expected future sales from the related project.

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2. Summary of significant accounting policies (cont'd.)

2.7 Intangible assets (cont'd.)

(b) Other intangible assets

Intangible assets acquired separately are measured initially at cost. The cost of intangible assets acquired in a business combination is their fair values as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised on a straight-line basis over the estimated economic useful lives and assessed for impairment whenever there is an indication that the intangible assets may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each reporting date.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in profit or loss.

Intangible assets with indefinite useful lives or not yet available for use are tested for impairment annually, or more frequently if the events and circumstances indicate that the carrying value may be impaired either individually or at the CGU level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether the useful life assessment continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

Other intangible assets comprise the following, and are amortised over the following useful lives:

Intangible asset	Nature	Useful life
Aircraft landing slots	Landing rights for aircraft	Indefinite
Computer software	Computer software and licenses	3 - 15 years
Brands	Brand name	Indefinite
Licenses	License to operate Themed parks	15 - 20 years
Value of business acquired ("VOBA")	In-force contracts for insurance and takaful businesses acquired	5 years
Bancassurance	Bancassurance agreement entered into with an associate company	20 years

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2. Summary of significant accounting policies (cont'd.)

2.8 Aircraft, property, plant and equipment

All items of aircraft, property, plant and equipment are initially recorded at cost. The cost of an item of aircraft, property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Subsequent to recognition, aircraft, property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

When significant parts of aircraft, property, plant and equipment are required to be replaced in intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Freehold land, which is stated at cost less impairment loss, has an unlimited useful life and therefore is not depreciated except for land held for scheduled waste treatment plant and disposal site in Port Dickson, Negeri Sembilan by a subsidiary of the Group, Kualiti Alam Sdn. Bhd. ("KASB").

Depreciation of other aircraft, property, plant and equipment is provided for on a straight-line basis to write off the cost of each asset to its residual value based on the following:

Freehold land held for scheduled waste treatment and disposal site	6.25%
Leasehold land	15 - 99 years
Hotel properties	37 years
Buildings	5 - 50 years
Roads, bridges, renovation, restoration costs and capital improvements	3 - 50 years
Plant and machinery	2 - 25 years
Furniture and fittings, motor vehicles and other equipments	3 - 30 years
Aircraft (from the age at the time of purchase)	18 - 20 years
Aircraft modifications/retrofits and spare engines	<u>7 - 20 years</u>

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2. Summary of significant accounting policies (cont'd.)

2.8 Aircraft, property, plant and equipment (cont'd.)

Capital work-in-progress consist of, amongst others, progress payments on aircraft, simulators and properties under construction. These capital work-in-progress are stated at cost and are not depreciated until the respective assets are ready for their intended use.

The carrying values of aircraft, property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of aircraft, property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in profit or loss in the year the asset is derecognised.

2.9 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income ("OCI"), or fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's and Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company and Group have applied the practical expedient, the Company and Group initially measure a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company and Group applied the practical expedient are measured at the transaction price determined under MFRS 15. Refer to the accounting policies in Note 2.25 (e) Construction contracts, contracts for sale of land and property development costs.

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2. Summary of significant accounting policies (cont'd.)

2.9 Financial instruments (cont'd.)

(i) Financial assets (cont'd.)

Initial recognition and measurement (cont'd.)

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest' ("SPPI") on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Company and Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company and Group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments);
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments);
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments); and
- Financial assets at fair value through profit or loss.

Financial assets at amortised cost (debt instruments)

The Company and Group measure financial assets at amortised cost if both of the following conditions are met:

- The financial assets is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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2. Summary of significant accounting policies (cont'd.)

2.9 Financial instruments (cont'd.)

(i) Financial assets (cont'd.)

Subsequent measurement (cont'd.)

Financial assets at amortised cost (debt instruments) (cont'd.)

Financial assets at amortised cost are subsequently measured using the effective interest ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets at fair value through OCI (debt instruments)

The Company and Group measure debt instruments at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statements of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

The Company and Group's debt instruments at fair value through OCI include investments in quoted debt instruments included under other non-current financial assets.

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2. Summary of significant accounting policies (cont'd.)

2.9 Financial instruments (cont'd.)

(i) Financial assets (cont'd.)

Subsequent measurement (cont'd.)

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Company and Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under MFRS 132: Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statements of profit or loss when the right of payment has been established, except when the Company and Group benefit from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Company and Group elected to classify irrevocably its not held for trading instruments under this category.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statements of financial position at fair value with net changes in fair value recognised in the statements of profit or loss.

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2. Summary of significant accounting policies (cont'd.)

2.9 Financial instruments (cont'd.)

(i) Financial assets (cont'd.)

Subsequent measurement (cont'd.)

Financial assets at fair value through profit or loss (cont'd.)

This category includes derivative instruments and listed equity investments which the Company and Group had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are also recognised as dividend income in the statements of profit or loss when the right of payment has been established.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

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2. Summary of significant accounting policies (cont'd.)

2.9 Financial instruments (cont'd.)

(i) Financial assets (cont'd.)

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's statements of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Company and Group have transferred its rights to receive cash flows from the asset or have assumed an obligation to pay the received cash flows in full to a third party under a 'pass-through' arrangement; and either (a) the Company and Group have transferred substantially all the risks and rewards of the asset, or (b) the Company and Group have neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company and Group have transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company and Group continue to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company and Group also recognise an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company and Group have retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company and Group could be required to repay.

Impairment of financial assets

Further disclosures relating to impairment of financial assets are also provided in the following notes:

- Disclosures for significant assumptions
- Debt instruments at fair value through OCI
- Trade receivables, including contract assets

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2. Summary of significant accounting policies (cont'd.)

2.9 Financial instruments (cont'd.)

(i) Financial assets (cont'd.)

Impairment of financial assets (cont'd.)

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECLs). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECLs).

For trade receivables and contract assets, the Company and Group apply a simplified approach in calculating ECLs. Therefore, the Company and Group do not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company and Group have established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For debt instruments at fair value through OCI, the Company and Group apply the low credit risk simplification. At every reporting date, the Company and Group evaluate whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Company and Group reassess the internal credit rating of the debt instrument. In addition, the Company and Group consider that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Company and Group consider a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company and Group may also consider a financial asset to be in default when internal or external information indicates that the Company and Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

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2. Summary of significant accounting policies (cont'd.)

2.9 Financial instruments (cont'd.)

(ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company and Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company and Group that are not designated as hedging instruments in hedge relationships as defined by MFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in MFRS 9 are satisfied. The Company and Group have not designated any financial liability as at fair value through profit or loss.

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2. Summary of significant accounting policies (cont'd.)

2.9 Financial instruments (cont'd.)

(ii) Financial liabilities (cont'd.)

Subsequent measurement (cont'd.)

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

This category generally applies to interest-bearing loans and borrowings. For more information, refer to Note 25 and Note 61 to the financial statements.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

(iii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

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2. Summary of significant accounting policies (cont'd.)

2.10 Hedge accounting

The Group uses derivatives to manage its exposure to foreign currency risk, interest rate risk, liquidity risk and fuel hedging contracts. The Group applies hedge accounting for certain hedging relationships which qualify for hedge accounting.

For the purpose of hedge accounting, hedging relationship are classified as:

- Fair value hedges, when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment (except for foreign currency risk); or
- Cash flow hedges, when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probably forecast transaction or the foreign currency risk in an unrecognised firm commitment; or
- Hedges of a net investment in a foreign operation.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the hedging instrument's effectiveness in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Hedges are expected to be highly effective and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges which meet the strict criteria for hedge accounting are accounted for as follows:

(a) Fair value hedges

The changes in the fair value of a derivative hedging instrument is recognised in profit or loss, together with any gain or loss on the hedged item attributable to the hedged risk, which is adjusted to the carrying amount of the hedged item.

For fair value hedges relating to items carried at amortised cost, the adjustment to carrying value is amortised through profit or loss over the remaining term to maturity. Effective interest rate amortisation may begin as soon as an adjustment exists and shall begin no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

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2. Summary of significant accounting policies (cont'd.)

2.10 Hedge accounting (cont'd.)

(a) Fair value hedges (cont'd.)

If the hedge item is derecognised, the unamortised fair value is recognised immediately in profit or loss.

When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in profit or loss. The changes in the fair value of the hedging instrument are also recognised in profit or loss.

The Group discontinues fair value hedge accounting if the hedging instrument expires or is sold, terminated or exercised, the hedge no longer meets the criteria for hedge accounting or the Group revokes the designation.

(b) Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised directly in other comprehensive income, while any ineffective portion is recognised in profit or loss.

If a hedge of a forecast transaction subsequently results in the recognition of a financial asset or a financial liability, the associated gains or losses that were recognised directly in equity are reclassified into profit or loss in the same period or periods during which the asset acquired or liability assumed affects profit or loss.

If a hedge of a forecast transaction subsequently results in the recognition of a non-financial asset or a non-financial liability, or a forecast transaction for a non-financial asset or non-financial liability becomes a firm commitment for which fair value hedge accounting is applied, then the Group removes the associated gains and losses that were recognised directly in other comprehensive income, and includes them in the initial cost or other carrying amount of the asset or liability.

For other cash flow hedges, amounts recognised directly in other comprehensive income are recognised in profit or loss in the same period or periods during which the forecast transaction affects profit or loss.

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2. Summary of significant accounting policies (cont'd.)

2.10 Hedge accounting (cont'd.)

(b) Cash flow hedges (cont'd.)

Cash flow hedge accounting shall be discontinued prospectively if the hedging instrument is sold, terminated or exercised or the hedge no longer meets the criteria for hedge accounting. The cumulative gain or loss on the hedging instrument remains separately recognised in equity until the forecast transaction occurs at which stage it is accounted for in accordance with the guidance given above depending on whether or not the forecast transaction results in the recognition of a financial or non-financial asset or liability. If the forecast transaction is no longer expected to occur, any related cumulative gain or loss on the hedging instrument that remains in equity is recognised immediately in profit or loss.

If the Group revokes the designation for a hedge of a forecast transaction, the cumulative gain or loss recognised in equity remains separately recognised in equity until the forecast transaction occurs or is no longer expected to occur. If the transaction occurs, the cumulative gain is accounted for in accordance with the guidance given above depending on whether or not the forecast transaction results in the recognition of a financial or non-financial asset or liability. If the forecast transaction is no longer expected to occur, any related cumulative gain or loss on the hedging instrument that remains in equity is recognised immediately in profit or loss.

(c) Hedges of a net investment

Hedges of a net investment in a foreign operation, including a hedge of a monetary item that is accounted for as part of the net investment are accounted for in a way similar to cash flow hedges. Gains or losses on the hedging instrument relating to the effective portion of the hedge are recognised in other comprehensive income while any gains or losses relating to the ineffective portion are recognised in profit or loss.

On disposal of the foreign operation, the cumulative gain or loss on the hedging instrument relating to the effective portion of the hedge which was recognised in other comprehensive income is reclassified from equity to profit or loss.

2.11 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash at bank and deposits with financial institutions that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value, net of bank overdrafts.

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2. Summary of significant accounting policies (cont'd.)

2.12 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(a) As lessee

The Group applies a single recognition and measurement approach for all leases, except for short term leases and leases of low-value-assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Group recognises right-of-use at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentive received. Right-of-use assets are depreciated on a straight-line basis over the lease term of the assets. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life and the lease term.

Aircraft	1 - 41 years
Land	2 - 81 years
Building	3 - 5 years
Other office equipment	3 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in Note 2.28.

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2. Summary of significant accounting policies (cont'd.)

2.12 Leases (cont'd.)

(a) As lessee (cont'd.)

Right-of-use assets (cont'd.)

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

The lease also include exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date or the interest rate implicit if it is determine in the contract. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Group's lease liabilities are included in Note 67.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e, those leases have a lease term of 12 months or less). The Group also applies the leases of low-value-assets recognition exemption to office equipments and IT equipments that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

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2. Summary of significant accounting policies (cont'd.)

2.12 Leases (cont'd.)

(b) As lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an assets are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

2.13 Concession assets

(a) Concession intangible assets

In order to fall within the scope of concession contract, a contract must satisfy the following two criteria:

- the grantor controls or regulates what services the operator must provide with the infrastructure/assets, to whom it must provide them, and at what price; and
- the grantor controls the significant residual interest in the infrastructure/assets at the end of the term of the arrangement.

Concession intangible assets comprise Expressway Development Expenditure ("EDE"), Capital Work-In-Progress, Concession rights and Other Concession Assets.

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2. Summary of significant accounting policies (cont'd.)

2.13 Concession assets (cont'd.)

(a) Concession intangible assets (cont'd.)

Such assets are not recognised by the Group as property, plant and equipment but as concession intangible assets. The intangible asset model applies where the operator is paid by the users or where the concession grantor has not provided a contractual guarantee in respect of the amount recoverable. The intangible asset corresponds to the right granted by the concession grantor to the operator to charge users of the public service. Under the intangible asset model, revenue includes revenue from the construction of the infrastructure/assets and operating revenue of the infrastructure.

(i) Expressway Development Expenditure ("EDE")

EDE, comprises construction development and upgrading expenditure (including borrowing costs relating to the financing of the development) incurred in connection with the concession intangible assets.

EDE is stated at cost less accumulated amortisation and accumulated impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 2.28.

EDE is amortised over its concession period. The amortisation formula applied in the preparation of the financial statements to arrive at the annual amortisation charge for each financial year is as follows:

$$\frac{\text{Traffic volume for the year}}{\text{(Actual traffic volume for the year + Projected total traffic volume for the subsequent years to end of concession period)}} \times \text{(Net book value of EDE brought forward + net additions for the year)}$$

The projected total traffic volume is based on the latest available traffic volume projections prepared by independent traffic consultants. The traffic volume projections are independently reviewed on a periodic basis.

(ii) Capital work-in-progress

Capital work-in-progress is not depreciated until the asset is fully completed and brought into use.

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2. Summary of significant accounting policies (cont'd.)

2.13 Concession assets (cont'd.)

(a) Concession intangible assets (cont'd.)

(iii) Concession rights

Concession rights relate to the rights to build, own and operate the asset for solar panel and biogas activities in accordance with the Renewable Energy Power Purchase Agreements ("REPPA") entered with Tenaga Nasional Berhad ("TNB").

These concession rights, with finite useful lives, are amortised on a straight-line basis over the estimated economic useful lives and assessed for impairment whenever there are indications that the concession rights may be impaired.

(iv) Other concession assets

Other concession assets comprise toll equipment, video surveillance equipment, telecommunication networks, centralised lighting, and toll operation computer hardware and software, and are stated at cost less accumulated amortisation and impairment losses. The policy for recognition and measurement of impairment losses is in accordance with Note 2.28. The annual amortisation in respect of these assets is computed on a straight-line basis over their estimated useful lives at the following rates:

Software and computers	12.5% to 14.3%
Others	10%

2.14 Investment properties

Investment properties consist of land, completed properties and properties under construction ("IPUC") which are held for capital appreciation or rental purpose or both, and generally are not occupied for use or in the operations of the Group. Investment properties are treated as long term investments and are measured initially at cost, including transaction costs.

Following initial recognition, investment properties are carried at cost less any accumulated depreciation and accumulated impairment losses, except for freehold land which has an unlimited useful life and therefore is not depreciated. Other investment properties are depreciated over the estimated economic useful lives of 10 - 80 years. IPUC are not depreciated as they are not ready for their intended use. The policy for the recognition and measurement of impairment losses is in accordance with Note 2.28.

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2. Summary of significant accounting policies (cont'd.)

2.14 Investment properties (cont'd.)

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

Investment properties are derecognised when either they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. Any gain or loss on the retirement or disposal of an investment property is recognised in profit or loss in the year of retirement or disposal.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. For a transfer from owner-occupied property to investment property, the property is accounted for in accordance with the accounting policy for property, plant and equipment set out in Note 2.8 up to the date of change in use.

2.15 Land held for property development and property development costs

(a) Land held for property development

Land held for property development consists of land where no development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle. Such land is classified within non-current assets and is stated at lower of cost and net realisable value. Cost consists of land and development expenditure (including borrowing costs relating to the financing of active development).

Land held for property development is reclassified as property development costs at the point when development activities have commenced and where it can be demonstrated that the development activities can be completed within the normal operating cycle.

(b) Property development costs

Property development costs are those assets on which significant works have been undertaken and are expected to be completed within the normal operating cycle.

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2. Summary of significant accounting policies (cont'd.)

2.15 Land held for property development and property development costs (cont'd.)

(b) Property development costs (cont'd.)

Property development costs are initially stated at cost. Cost includes:

- Freehold and leasehold rights for land;
- Borrowing costs, planning and design costs, costs of site preparation, professional fees for legal services, property transfer taxes, construction overheads and other related costs; and
- Non-refundable commission cost.

Property development cost is recognised as an expense when the corresponding revenue is recognised as per accounting policy in Notes 2.25(e)(iii) and 2.25(e)(iv).

Any expected loss on a development project, including costs to be incurred over the defects liability period, is recognised as an expense immediately.

Property development cost not recognised as an expense is recognised as an asset, which is measured at the lower of cost or net realisable value.

Property development cost of unsold units or units pending transfer of control is transferred to inventories held for sale or inventories under contract of sale once the development is completed.

2.16 Inventories

(a) Inventories

Inventories are stated at lower of cost and net realisable value. Cost of inventories are assigned on a weighted average cost basis, except for trading inventories which are determined on a First-In-First-Out ("FIFO") basis and are valued on the basis of lower of cost and net realisable value after making allowance for obsolete and slow-moving inventories.

The cost of raw materials comprise costs of purchase. The cost of finished goods comprise costs of direct materials, direct labour, a proportion of overhead expenses and all incidental costs incurred in bringing the inventories into store. Net realisable value is the estimated selling price in the ordinary course of business less all estimated costs of completion and the estimated costs to make the sale.

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2. Summary of significant accounting policies (cont'd.)

2.16 Inventories (cont'd.)

(a) Inventories (cont'd.)

The amount of any write down of inventories to net realisable value and subsequent reversals of any write down, if any, is recognised in profit or loss.

Developed properties held for sale are stated at the lower of cost and net realisable value. Cost is determined on the specific identification basis and includes cost of land, construction and appropriate development overheads.

(b) Work-in-progress

Work-in-progress and manufactured finished goods are stated at lower of cost and net realisable value. Cost is made up of direct materials, labour and a proportion of overhead expenses. Net realisable value represents the estimated selling price less all estimated costs to completion and costs to be incurred in marketing, selling and distribution. Allowance is made for all anticipated losses on work-in-progress.

2.17 Contract assets and contract liabilities

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Contract assets are subject to impairment assessment based on ECL model. The amount of impairment losses is determined by comparing the contract asset's carrying amount and the present value of estimated future cash flows to be generated by the contract asset.

A contract asset becomes a receivable when the Group's and the Company's right to consideration is unconditional.

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

Contract liability is recognised as revenue when the Group and the Company perform the obligations under the contract.

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2. Summary of significant accounting policies (cont'd.)

2.18 Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all conditions attached will be met. Government grants relating to income shall be recognised in profit or loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate. Government grants relating to an asset are amortised to profit or loss over the expected useful life of the relevant asset by equal annual instalments or presented in the statements of financial position by deducting the grants in arriving at the carrying amount of the asset.

2.19 Customer loyalty programme

Award credits/points granted by certain subsidiaries of the Group are a separately identifiable component of the sales transaction and represent rights granted to the customer. The consideration allocated to the points is measured at the fair value of the points. It is recognised as a deferred revenue in the consolidated statement of financial position and recognised as revenue when the points are redeemed, have expired or are no longer expected to be redeemed.

2.20 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.21 Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due. Financial guarantee contracts are recognised initially as a liability at fair value, net of transaction costs. Subsequent to initial recognition, financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee.

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2. Summary of significant accounting policies (cont'd.)

2.21 Financial guarantee contracts (cont'd.)

If the debtor fails to make payment relating to financial guarantee contract when it is due and the Group, as the issuer, is required to reimburse the holder for the associated loss, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount initially recognised less cumulative amortisation.

2.22 Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

When the carrying amount of an asset inclusive of capitalised borrowing costs exceeds its recoverable amount, capitalisation is discontinued and such excess is written down or adjusted for an allowance for impairment, through an appropriate charge to profit or loss.

All other borrowing costs are recognised in profit or loss in the period they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

2.23 Employee benefits

(a) Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the Group. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences, and short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

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2. Summary of significant accounting policies (cont'd.)

2.23 Employee benefits (cont'd.)

(b) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities or funds and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. Such contributions are recognised as an expense in the profit or loss as incurred. As required by law, companies in Malaysia make contributions to the state pension scheme, the Employees Provident Fund ("EPF"). Some of the Group's foreign subsidiaries also make contributions to their respective countries' statutory pension schemes.

(c) Termination benefits

Employees of a subsidiary of the Group, Malaysia Aviation Group Berhad ("MAGB") receive termination benefits which are payable when employment is terminated by MAGB before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. MAGB recognises termination benefits at the earlier of the following dates: (a) when MAGB can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of MFRS 137: Provisions, Contingent Liabilities and Contingent Assets and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

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2. Summary of significant accounting policies (cont'd.)

2.23 Employee benefits (cont'd.)

(d) Defined benefit plans

Certain subsidiaries of the Group operate a funded and unfunded defined benefit, Retirement Benefit Scheme (“the Scheme”), for their eligible employees. The Group’s obligations under the Scheme are determined based on actuarial valuation where the amount of benefit that employees have earned in return for their service in the current and prior years is estimated. That benefit is discounted using the Projected Unit Credit Method in order to determine its present value. The fair value of plan assets for a funded scheme is determined by discounting expected future cash flows. The discount rate is the market yield at the reporting date on high quality corporate bonds or government bonds. Actuarial gains and losses for the defined benefit plans are recognised in full in the period in which they occur in other comprehensive income. Such actuarial gains and losses are also immediately recognised in retained earnings and are not reclassified to profit or loss in subsequent periods. Past service cost is recognised immediately to the extent that the benefits are already vested, and otherwise is amortised on a straight-line basis over the average period until the amended benefits become vested.

The amount recognised in the statements of financial position represents the present value of the defined benefit obligations less unrecognised past service costs, reduced by the fair value of the plan assets. The value of any defined benefit asset recognised is restricted to the sum of any unrecognised past service costs and the present value of any economic benefits available in the form of refunds from the plan or reductions in the future contributions to the plan.

(e) Employee entitlements

An indirect subsidiary makes provision for retirement leave entitlements of eligible employees and relate to rights which have been vested and unvested. These have been recognised based on independent actuarial valuations. The timing of such payments depends on when vesting occurs and the subsequent retirement date of the eligible employees.

**Khazanah Nasional Berhad
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2. Summary of significant accounting policies (cont'd.)

2.24 Share-based compensation

(a) Equity-settled

(i) UEM Group Berhad

Certain companies in the Group grant employee share option schemes to their employees, which allow them to acquire ordinary shares of their respective companies.

The cost of equity-settled transactions with employees is measured by reference to the fair value of the options at the date at which they are granted. This cost is recognised in profit or loss, with a corresponding increase in share option reserve in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of options that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in cumulative expense recognised at the beginning and end of that period.

No expense is recognised for options that do not ultimately vest, except for options where vesting is conditional upon a market or non-vesting condition, which is treated as vested irrespective of whether or not the market or non vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied. The employee share option reserve is transferred to retained earnings upon expiry of the share options. When the options are exercised, the employee share option reserve is transferred to share capital if new shares are issued, or to treasury shares if the options are satisfied by the reissuance of treasury shares.

**Khazanah Nasional Berhad
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2. Summary of significant accounting policies (cont'd.)

2.25 Revenue and income recognition

Revenue and income are recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue and income can be reliably measured. Revenue and income are measured at the fair value of consideration received or receivable.

(a) Dividend income

Dividend income is recognised when the shareholders' right to receive payment is established and no significant uncertainty exist with regard to its receipts.

(b) Interest income

Interest income is recognised on an accrual basis using the effective interest method.

(c) Gain or loss on disposal of investment

Gain or loss on disposal of investment is recognised upon satisfaction of all terms of the agreement leading to sale of the investment.

(d) Sales of goods and rendering of services

Revenue from the sale of goods is recognised at the point in time when control of the goods is transferred to the customers.

Revenue from sale of services is recognised at the point in time or over time as the services are provided.

(e) Construction contracts, contracts for sale of land and property development costs

(i) Construction contracts

Revenue is recognised over time by reference to the progress towards completion, which is determined based on input method, i.e. cost incurred to date against the expected total construction costs. Revenue from construction contracts is recognised net of Liquidated Ascertained Damages ("LAD").

2. Summary of significant accounting policies (cont'd.)

2.25 Revenue and income recognition (cont'd.)

(e) Construction contracts, contracts for sale of land and property development costs (cont'd.)

(i) Construction contracts (cont'd.)

For those construction contracts that contain significant financing component, the amount of consideration is discounted, using the rate that would be reflected in a separate financing transaction between the Group and its customer at contract inception, to take into consideration the significant financing component.

(ii) Sale of land

Revenue from sale of land is recognised as a point in time when control is transferred to the customer and it is probable that the Group will collect the consideration to which it will be entitled in exchange for the asset that will be transferred to the customer.

(iii) Sale of development properties

Revenue from sale of development properties is recognised as and when the control of the asset is transferred to the customer and it is probable that the Group will collect the consideration to which it will be entitled in exchange for the asset that will be transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the asset may transfer over time or at a point in time. Control of the asset is transferred over time if the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If control of the asset transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer in substance obtains control of the asset.

Revenue from sale of development properties is recognised net of consideration payable to the customers and variable considerations.

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2. Summary of significant accounting policies (cont'd.)

2.25 Revenue and income recognition (cont'd.)

(e) Construction contracts, contracts for sale of land and property development costs (cont'd.)

(iv) Multiple promises from sale of development properties and land

Multiple promises from sale of development properties and land are accounted for as separate performance obligations. The transaction price is allocated to each performance obligation based on the stand-alone selling prices, and if not directly observable, based on expected cost plus margin.

(f) Rental income

Rental income is recognised on a straight-line basis over the terms of the lease. The aggregate cost of incentives provided to lessees is recognised as a reduction of rental income over the lease term on a straight-line basis.

(g) Toll collection and toll compensation

Toll collection revenue is recognised based on the net collection from tolls designated under the Concession and Novation Agreement between the expressway companies and the Government.

Toll compensation for any concession year is recognised in the financial statements as revenue when receipt is probable and the amount that is receivable can be reliably measured.

(h) Airlines services

Passenger ticket and cargo space sales or airway bill sales (belly and freighter) including the related administration fees and various surcharges are recognised as revenue, net of discount, in profit or loss at the point in time upon satisfaction of the performance obligation, which generally coincides with passenger uplift. The value of unutilised tickets is included in current liabilities as sales in advance of carriage. The revenue from reissuance fees are recognised upon passenger uplift.

Passenger tickets, other service fees and surcharges that remain unutilised after 12 months subsequent to the date of issue are recognised in the profit or loss as unavailed credits on sales in advance of carriage.

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2. Summary of significant accounting policies (cont'd.)

2.25 Revenue and income recognition (cont'd.)

(h) Airlines services (cont'd.)

Revenue from other services such as charter revenue, catering, warehousing services, passenger handling services, provision of computerised reservation services, trucking and retailing of goods are recognised in profit or loss at the point in time upon satisfaction of the performance obligation, except for leases of aircraft.

(i) Airport handling and engineering services

Airport handling and engineering services are recognised based on the number of man-hours incurred and the cost of materials and spare parts supplied.

Power-by-the-hour ("PBTH") revenue is recognised based on the percentage of completion of the projects. The percentage of completion of the projects is determined based on the number of man-hours incurred to-date against the estimated man-hours needed to complete the projects.

Revenue from Maintenance Repair and Overhaul ("MRO") training and consultancy services are recognised over-time as the services are rendered based on the contract value with intercompanies and third parties.

(j) Frequent flyer programme

The Group operates a frequent flyer programme where points are purchased by partners or awarded to programme members based on accumulated miles travelled.

The award points are recognised as a separately identifiable component of the initial sale transaction, by allocating the fair value of the consideration received between the award points and the other components of sale, such that the award miles are recognised at fair value. The points sold to partners and a portion of passenger revenue attributable to the award of frequent flyer benefits is accounted as a current liability ("deferred revenue") in the consolidated statement of financial position until they are utilised. Revenue from the award points is recognised when the points are redeemed or expired. The amount of revenue recognised when the points are redeemed is based on the number of points redeemed relative to the total number expected to be redeemed.

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2. Summary of significant accounting policies (cont'd.)

2.25 Revenue and income recognition (cont'd.)

(k) Hotel, themed parks and golf operations

Revenue from hotel, themed parks and golf operations are recognised in profit or loss when services are rendered.

(l) Revenue on public-private service arrangements

Revenue on public-to-private service arrangements is recognised and measured based on the services performed/provided during the period.

The consideration received/receivable shall be allocated by reference to the relative fair values of the services delivered, if more than one service (ie. construction of/or upgrade services and operation services) are performed under a single contract or arrangement.

(i) Construction or upgrade service

Revenue is recognised in accordance with Note 2.25(e)(i).

The consideration receivable shall be recognised as:

- (i) a financial asset to the extent that it has an unconditional contractual right to receive cash or another financial asset; or
- (ii) an intangible asset to the extent that it receives a right (a licence) to charge users of the public service.

(ii) Operation services

Revenue is recognised in accordance with Note 2.25(d).

2.26 Income tax

(a) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

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2. Summary of significant accounting policies (cont'd.)

2.26 Income tax (cont'd.)

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

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2. Summary of significant accounting policies (cont'd.)

2.26 Income tax (cont'd.)

(b) Deferred tax (cont'd.)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2.27 Foreign currencies

(a) Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency.

(b) Foreign currency transaction

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items denominated in foreign currencies measured at fair value are translated using the exchange rates at the date when the fair value was determined.

2. Summary of significant accounting policies (cont'd.)

2.27 Foreign currencies (cont'd.)

(b) Foreign currency transaction (cont'd.)

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

(c) Foreign operations

The assets and liabilities of foreign operations are translated into RM at the rate of exchange ruling at the reporting date and income and expenses are translated at exchange rates at the dates of the transactions. The exchange differences arising on the translation are taken directly to other comprehensive income. On disposal of a foreign operation, the cumulative amount recognised in other comprehensive income and accumulated in equity under foreign currency translation reserve relating to that particular foreign operation is recognised in profit or loss.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the reporting date.

2.28 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units ("CGU")).

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2. Summary of significant accounting policies (cont'd.)

2.28 Impairment of non-financial assets (cont'd.)

In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

Impairment losses are recognised in profit or loss.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss. Impairment loss on goodwill is not reversed in a subsequent period.

2.29 Share capital and share issuance expenses

An equity instrument is any contract that evidences a residual interest in the assets of the Group and the Company after deducting all of its liabilities.

(a) Ordinary shares

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity.

(b) Redeemable cumulative convertible preference shares ("RCCPS")

RCCPS are recorded at the proceeds received, net of directly attributable incremental transaction costs. RCCPS are classified as equity.

(c) Dividends

Dividends on ordinary shares and RCCPS are recognised in equity in the period in which they are declared.

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2. Summary of significant accounting policies (cont'd.)

2.29 Share capital and share issuance expenses (cont'd.)

(d) Capital contribution from shareholders

The capital contribution relates to contribution from the holding company, where no repayment is expected.

2.30 Insurance business

(a) Product classification

The insurance and takaful subsidiaries of the Group issue contracts that contain insurance/takaful risk or both insurance/takaful underwriting risk and financial risk.

Financial risk is the risk of a possible future change in one or more of a specified interest/profit rate, financial instrument price, commodity price, foreign exchange rate, index of price or rate, credit rating or credit index or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract. Insurance/takaful underwriting risk is risk other than financial risk.

Insurance/takaful contracts are those contracts that transfer significant insurance/takaful risks.

An insurance/takaful contract is a contract under which the Group (the insurer) has accepted significant insurance/takaful risk from another party (the policyholders) by agreeing to compensate the policyholders if a specified uncertain future event (the insured event) adversely affects the policyholders. As a general guideline, the insurance and takaful subsidiaries of the Group define whether significant insurance/takaful risk has been accepted by comparing benefits paid or payable on the occurrence of an insured event against benefits paid or payable if the insured event does not occur.

A takaful contract is a contract under which the takaful operator (the provider) has agreed to administer takaful risk faced by participants by agreeing to compensate the participants from the Tabarru' Fund if a specified uncertain future event (the insured event) adversely affects the participants. As a general guideline, the Group's takaful subsidiary defines significant takaful risk to be the possibility of having to pay benefits on the occurrence of a takaful event that are at least 5% more than the benefits payable if the takaful event did not occur.

Investment contracts are those contracts that do not transfer significant insurance/takaful risks.

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2. Summary of significant accounting policies (cont'd.)

2.30 Insurance business (cont'd.)

(a) Product classification (cont'd.)

Once a contract has been classified as insurance/takaful contract, it remains an insurance/takaful contract for the remainder of its life-time, even if the insurance/takaful risks reduce significantly during this period, unless all rights and obligations are extinguished or expire. Investment contracts can, however, be reclassified as insurance/takaful contracts after inception if insurance/takaful risks thereon becomes significant.

Insurance/takaful contracts are further classified as being either with or without discretionary participation features ("DPF"). DPF is a contractual right to receive, as a supplement to guaranteed benefits, additional benefits that are:

- (a) likely to be a significant portion of the total contractual benefits;
- (b) whose amount or timing is contractually at the discretion of the issuer; and
- (c) that are contractually based on the:
 - performance of a specified pool of contracts or a specified type of contract;
 - realised and/or unrealised investment returns on a specified pool of assets held by the issuer; or
 - the profit or loss of the Group, fund or other entity that issues the contract.

Surpluses in the DPF fund are distributable to policy holders/participants and shareholders/the Group's subsidiaries in accordance with the relevant terms under the insurance/takaful contracts. The Group's insurance and takaful subsidiaries however have the discretion over the amount and timing of the distribution of these surpluses to policyholders and shareholders and subject to the advice of the subsidiaries' Appointed Actuaries.

Surpluses in the non-DPF fund arising during the year are recognised in the statement of comprehensive income and the unallocated surplus where the amount of surplus allocation to shareholders has yet to be determined by the end of the financial period is held in equity.

Unallocated surpluses of the DPF funds where the amount of surplus allocation to either policyholders or shareholders has yet to be determined by the end of the financial period are held within insurance contract liabilities.

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2. Summary of significant accounting policies (cont'd.)

2.30 Insurance business (cont'd.)

(a) Product classification (cont'd.)

For financial options and guarantees which are not closely related to the host insurance/takaful contract, bifurcation is required to measure these embedded derivatives separately at fair value through profit or loss. However, bifurcation is not required if the embedded derivative is itself an insurance/takaful contract, or if the host insurance/takaful contract is measured at fair value through profit or loss.

An investment-linked insurance/takaful contract is an insurance/takaful contract with an embedded derivative linking payments on the contract to units of an internal investment fund setup by the Group's insurance/takaful subsidiary with the consideration received from the contract holders. This embedded derivative meets the definition of an insurance/takaful contract and is therefore not accounted for separately from the host insurance/takaful contract. The liability for such contracts is adjusted for all changes in the fair value of the underlying assets.

When insurance/takaful contracts contain both financial risk component and significant insurance/takaful risk component and the cash flows from the two components are distinct and can be measured reliably, the underlying amounts are unbundled. Any premium/contributions relating to the insurance/takaful risk component are accounted for on the same basis as insurance/takaful contracts and the remaining element is accounted for as a deposit through the statement of financial position similar to investment contracts.

(b) Reinsurance/Retakaful assets

The insurance and takaful subsidiaries of the Group cedes insurance/takaful risk in the normal course of business for their businesses. Reinsurance/retakaful assets represent balances due from reinsurance/retakaful operators respectively. Amounts recoverable from reinsurers/retakaful operators are estimated in a manner consistent with the outstanding claims provision or settled claims associated with the reinsurer's/retakaful's policies and are in accordance with the related reinsurance/retakaful contracts.

Reinsurance/retakaful arrangements, entered into by the insurance and takaful subsidiaries of the Group, that meet the classification requirements of insurance/takaful contracts are accounted for as above. Arrangements that do not meet these classification requirements are accounted for as financial assets.

2. Summary of significant accounting policies (cont'd.)

2.30 Insurance business (cont'd.)

(b) Reinsurance/Retakaful assets (cont'd.)

Reinsurance/retakaful assets represent amounts recoverable from reinsurers or retakaful operators for insurance/takaful contract liabilities which have yet to be settled at the reporting date. Amounts recoverable from reinsurers and retakaful operators are measured consistently with the amounts associated with the underlying insurance/takaful contracts and the terms of the relevant reinsurance/retakaful arrangements.

At each reporting date, or more frequently, the insurance and takaful subsidiaries of the Group assess whether objective evidence exists that reinsurance/retakaful assets are impaired. Objective evidence of impairment for reinsurance/retakaful assets are similar to those noted for insurance/takaful receivables as above.

If any such evidence exists, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The impairment loss is recognised in profit or loss.

Reinsurance assets and retakaful assets or liabilities are derecognised when the contractual rights are extinguished or expire or when the contract is transferred to another party.

(c) Insurance/Takaful receivables

Insurance receivables are recognised when due and measured on initial recognition at the fair value of the consideration received or receivable. Subsequent to initial recognition, insurance receivables are measured at amortised cost, using the effective yield method.

If there is objective evidence that the insurance and takaful receivables are impaired, the Group reduces the carrying amount as described in Note 2.30(b).

Insurance/takaful receivables are derecognised when the derecognition criteria for financial assets are met.

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2. Summary of significant accounting policies (cont'd.)

2.30 Insurance business (cont'd.)

(d) Life insurance contract liabilities

The life insurance contract liabilities of the Group comprise actuarial liabilities, unallocated surplus and net asset value attributable to unit holders.

(i) Actuarial liabilities

Actuarial liabilities are recognised when contracts are entered into and premiums are charged.

These liabilities are measured by using a prospective actuarial valuation method. The liability is determined as the sum of the present value of future guaranteed benefits and, in the case of a participating life policy, appropriate level of non-guaranteed benefits, and the expected future management and distribution expenses, less the present value of future gross considerations arising from the policy discounted at the appropriate risk discount rate.

The liability is based on best estimate assumptions and with due regard to significant recent experience. An appropriate allowance for provision of risk margin for adverse deviation from expected experience is made in the valuation of non-participating life policies, the guaranteed benefits liabilities of participating life policies, and the non-unit liabilities of investment-linked policies. The valuation basis, including the determination of the appropriate risk discount rate, is in accordance with Part D of the Risk-Based Capital Framework ("RBC Framework") and Appendix VII: Valuation Basis for Life Insurance Liabilities of the RBC Framework, and any related Circulars issued by BNM relevant to the guidelines.

The liability in respect of policies of a participating insurance contract is taken as the higher of the guaranteed benefit liabilities or the total benefit liabilities at the contract level derived as stated above.

In the case of a life policy where a part of, or the whole of the premiums are accumulated in a fund, the accumulated amount, as declared to the policy owners, are set as the liabilities if the accumulated amount is higher than the figure as calculated using the prospective actuarial valuation method.

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2. Summary of significant accounting policies (cont'd.)

2.30 Insurance business (cont'd.)

(d) Life insurance contract liabilities (cont'd.)

(i) Actuarial liabilities (cont'd.)

Where policies or extensions of a policy are collectively treated as an asset at the fund level under the valuation method adopted, the value of such asset is eliminated through zeroisation.

In the case of a 1-year life policy or a 1-year extension to a life policy covering contingencies other than death or survival, the liability for such life insurance contracts comprises the provision for unearned premiums and unexpired risks, as well as for claims outstanding, which includes an estimate of the incurred claims that have not yet been reported to the insurance and takaful subsidiaries of the Group.

Adjustments to the liabilities at each reporting date are recorded in the Life fund. Profits originated from margins of adverse deviations on run-off contracts, are recognised in the Life fund over the life of the contract, whereas losses are fully recognised in the Life fund during the first year of run-off.

The liability is derecognised when the contract expires, is discharged or is cancelled.

As the valuation methods used to value liabilities are in accordance with the RBC Framework for insurers, the insurance and takaful subsidiaries of the Group is deemed to have complied with the requirements of a liability adequacy test under MFRS 4: Insurance Contracts.

(ii) Unallocated surplus

Surpluses of contracts under the Participating Life fund are attributable to policyholders and shareholders and the amount and timing of distribution to both the policyholders and shareholders are determined by an actuarial valuation of the long term liabilities to policyholders at the reporting date and is made in accordance with the provision of the Financial Services Act, 2013 and related regulation by the insurance and takaful subsidiaries of the Group's Appointed Actuary.

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2. Summary of significant accounting policies (cont'd.)

2.30 Insurance business (cont'd.)

(d) Life insurance contract liabilities (cont'd.)

(ii) Unallocated surplus (cont'd.)

Surpluses in the non-DPF fund arising during the year are recognised in the statement of comprehensive income and the unallocated surplus where the amount of surplus allocation to shareholders has yet to be determined by the end of the financial year is held in equity.

Unallocated surpluses of the DPF funds where the amount of surplus allocation to either policyholders or shareholders has yet to be determined by the end of the financial year are held within insurance contract liabilities.

For financial options and guarantees which are not closely related to the host insurance contract and/or investment contract with DPF, bifurcation is required to measure these embedded derivatives separately at fair value through profit or loss. However, bifurcation is not required if the embedded derivative is itself an insurance contract and/or investment contract with DPF, or if the host insurance contract and/or investment contract itself is measured at fair value through profit or loss.

(iii) Net asset value attributable to unit holders

The unit liability of investment-linked policy is equal to the net asset value of the Investment-linked funds, which represents net premium received and investment returns credited to the policy less deduction for mortality, morbidity costs and expense charges.

(e) Family takaful contract liabilities

Family takaful contract liabilities comprise liabilities attributable to the certificate holders, claims liabilities and FVOCI reserve.

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2. Summary of significant accounting policies (cont'd.)

2.30 Insurance business (cont'd.)

(e) Family takaful contract liabilities (cont'd.)

(i) Liabilities attributable to the certificate holders

Actuarial liabilities are recognised when contracts are entered into and contributions are charged as determined by the annual actuarial valuation are based on the Islamic Financial Services Act, 2013 as well as the relevant statutory requirements stated in the Guidelines on Valuation Basis for Liabilities of Family Takaful Business. The actuarial liabilities are derecognised when the takaful contract expires, is discharged or is cancelled. The liabilities are based on best estimate assumptions and with due regard to significant recent experience. An appropriate allowance for provision of risk margin for adverse deviation from expected experience is made in the valuation of these liabilities.

(ii) Claims liabilities

The amounts payable under a family takaful certificate in respect of benefits and claims, including settlement costs, are accounted for using the case-by-case method as further set out in the accounting policy for benefits and claims expenses for family takaful contracts.

(iii) Fair value adjustment on fair value through other comprehensive income ("FVOCI") financial assets

Where unrealised gains or losses arise on FVOCI financial assets of the non-surplus sharing family takaful fund, the adjustment to the takaful contract liabilities equal to the effect that the realisation of those gains or losses at the end of the reporting period would have on those liabilities is recognised directly in the other comprehensive income.

(iv) Net asset value attributable to certificate holders

The unit liability of an investment-linked certificate is equal to the net asset value of the investment-linked funds, which represents the net contributions received and investment returns credited to the certificate less deduction for mortality, morbidity costs, and expense charges.

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2. Summary of significant accounting policies (cont'd.)

2.30 Insurance business (cont'd.)

(e) Family takaful contract liabilities (cont'd.)

(v) Unallocated surpluses

Surpluses of contracts under the surplus sharing Family Takaful fund are attributable to certificate holders and shareholders, and the amount and timing of distribution to both the certificate holders and shareholders are determined by an actuarial valuation of the long-term liabilities to certificate holders as of the date of the statement of financial position and is made in accordance with the provisions of the Islamic Financial Services Act 2013 and the related regulations by the Company's Appointed Actuary.

Surpluses in the non-surplus sharing fund arising during the financial year are recognised in the statement of comprehensive income, and the unallocated surplus at the end of the financial year are held in the Takaful contract liabilities.

Unallocated surpluses of the surplus sharing funds where the amount of surplus allocation to the certificate holders has yet to be determined by the end of the financial year are held within the Takaful contract liabilities.

(f) Expense liabilities

Expense liabilities are maintained in the Shareholders' fund in accordance with the requirements stated in the Guidelines on Valuation Basis for Liabilities of General Takaful and Family Takaful Business issued by BNM. The expense liabilities with respect to General Takaful business are calculated at the higher of aggregate of the provision for unearned wakalah fee or the unexpired expense risk and for family takaful business, the expense liabilities are determined by taking the present value of projected future deficits, discounted at appropriate spot rates. Future deficits are defined as the excess of future expense stream over future income cash flows, in aggregate basis. An appropriate allowance for provision of risk margin for adverse deviation is made in the valuation of these liabilities.

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2. Summary of significant accounting policies (cont'd.)

2.30 Insurance business (cont'd.)

(g) Liability adequacy test

At each financial year end, the insurance and takaful subsidiaries of the Group reviews the expense liabilities of the Shareholders' fund to ensure that the carrying amount is sufficient or adequate to cover the obligations of the shareholder's fund for all managed takaful certificates. In performing this review, the insurance and takaful subsidiaries of the Group considers all contractual cash flows and compares this against the carrying value of expense liabilities. Any deficiency is recognised in profit or loss.

(h) Measurement and impairment of Qard

In the event where the assets of the takaful funds are insufficient to meet the liabilities, the shareholder is required to rectify the deficit of the takaful funds via a Qard, which is a profit free loan. The Qard shall be repaid from future surpluses of the affected takaful funds. In the Shareholders' fund, the Qard is stated at cost less impairment losses, if any, whereas in the takaful funds, the Qard is stated at cost.

At each reporting date, the Qard position and the ability of the affected fund to generate sufficient surplus to repay the shareholder is monitored and measured. The likelihood that the Qard will be repaid and the duration of time that will be required to repay the Qard is determined and ascertained via projected cash flows which take into account past experience of the affected fund. The projected cash flows are then discounted to determine the recoverable value of the Qard.

If the Qard is impaired, an amount comprising the difference between its cost and its recoverable amount, less any impairment loss previously recognised is recognised in profit or loss. Impairment losses are subsequently reversed in the income statement if objective evidence exists that the Qard is no longer impaired.

(i) Insurance/takaful payables

Insurance/takaful payables are recognised when due and measured on initial recognition at fair value of the consideration payable less directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective yield method.

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2. Summary of significant accounting policies (cont'd.)

2.30 Insurance business (cont'd.)

(j) Premium/contribution income

Premiums/contributions represent consideration paid for an insurance contract/takaful certificate and is accounted for as follows:

(i) Life insurance/family takaful business

Premium or contribution income includes premiums recognised in the life/family takaful funds and the Investment-linked funds. Premiums or contributions of the life/family takaful fund are recognised as soon as the amount of the premiums or contributions can be reliably measured. First premium or initial contribution is recognised from inception date and subsequent premium or contribution is recognised when it is due.

Premium/contribution of the Investment-linked fund is in respect of the net creation of units, which represents premiums/contributions paid by policyholders/participants as payment for a new contract or subsequent payments to increase the amount of that contract. Net creation of units is recognised on a receipt basis.

At the end of the financial year, all due premiums are accounted for to the extent that they can be reliably measured and it is still within the grace period allowed for payment or covered by the cash surrender value of the policies.

(k) Benefits and claims expenses

(i) Life insurance/family takaful business

Benefits and claims that are incurred during the financial year are recognised when a claimable event occurs and/or the insurer/takaful operator is notified.

Benefits and claims including settlement costs, are accounted for using the case-by-case method and for this purpose, the amounts payable under a life insurance policy/family takaful certificates are recognised as follows:

- maturity and other policy/certificate benefit payments due on specified dates are treated as claims payable on the due dates; and

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2. Summary of significant accounting policies (cont'd.)

2.30 Insurance business (cont'd.)

(k) Benefits and claims expenses (cont'd.)

(i) Life insurance/family takaful business (cont'd.)

Benefits and claims including settlement costs, are accounted for using the case-by-case method and for this purpose, the amounts payable under a life insurance policy/family takaful certificates are recognised as follows: (cont'd.)

- death, surrender and other benefits without due dates are treated as claims payable on the date of receipt of intimation of death of the assured or occurrence of contingency covered;
- benefits payable under the Investment-linked funds are in respect of net cancellation of units and are recognised as surrender;
- bonus on DPF policy upon its declaration; and
- profit sharing of takaful certificates at maturity and in the financial year the profit arises.

(l) Commission expenses and acquisition costs

(i) Life insurance business

Gross commission and agency expenses, which are costs directly incurred in securing premiums on insurance policies, and income derived from reinsurers in the course of ceding of premiums to reinsurers, are charged/credited to profit or loss in the financial year in which they are incurred.

(ii) Family takaful business

Acquisition costs, commissions and management expenses are borne by the general/family takaful fund in the profit or loss at an agreed percentage of the gross contribution, in accordance with the principles of "Wakalah" as approved by the insurance and takaful subsidiaries of the Group's Shariah Committee and agreed between the participants and the insurance and takaful subsidiaries of the Group. These expenses are transferred to the Shareholders' fund via Wakalah fee and are recognised as incurred and properly allocated to the period in which it is probable that give rise to income.

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2. Summary of significant accounting policies (cont'd.)

2.31 Deferred liabilities

Fees received from third parties as advance payments of future maintenance expenditure, in consideration for right-of-way access were classified as deferred liabilities. Deferred liabilities were amortised over the period of the individual contracts.

2.32 Fair value measurement

The Group measures financial instruments, such as, derivatives, and financial investments, at fair value at each reporting date. Fair values of financial instruments measured at amortised cost are disclosed in Note 29 and Note 69 to the financial statements.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- (a) In the principal market for the asset or liability; or
- (b) In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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2. Summary of significant accounting policies (cont'd.)

2.32 Fair value measurement (cont'd.)

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting date.

2.33 Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non occurrence of uncertain future events not wholly within the control of the Group. Contingent liabilities and assets are not recognised in the statements of financial position.

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3. Standards issued but not yet effective

At the date of authorisation of the financial statements, the following were issued but not yet effective and have not been adopted by the Group and the Company.

Description	Effective for financial periods beginning on or after
Amendments to MFRS 4, MFRS 7, MFRS 9, MFRS 16 and MFRS 139: Interest Rate Benchmark Reform – Phase 2	1 January 2021
Amendments to MFRS 3: Business Combination - Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 116: Property, Plant and Equipment - Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137: Onerous Contracts – Costs of Fulfilling a Contract	1 January 2022
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2023
MFRS 17: Insurance Contracts	1 January 2023
Amendments to MFRS 17: Insurance Contracts	1 January 2023
Amendments to MFRS 10 and MFRS 128: Sales or Contribution of Assets between and Investor and its Associates or Joint Venture	Deferred

Adoption of the above MFRSs, Amendments to MFRSs and IC Interpretation will not have any material impact on the financial performance or position of the Company.

(a) **Amendments to MFRS 4, MFRS 7, MFRS 9, MFRS 16 and MFRS 139: Interest Rate Benchmark Reform – Phase 2**

The amendments provide a practical expedient whereby an entity would not derecognise or adjust the carrying amount of financial instruments for modifications required by interest/profit rate benchmark reform, but would instead update the effective interest/profit rate to reflect the change in the interest/profit rate benchmark. On hedging relationship, entities would be required to amend the formal designation of a hedging relationship to reflect the modifications and/or changes made to the hedged item and/or hedging instruments as a result of the reform. However, the modification does not constitute discontinuation of the hedging relationship nor the designation of a new hedging relationship.

The amendments are effective for annual reporting periods beginning on or after 1 January 2021, retrospectively in accordance with MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors, without the need to restate comparative information. Restatement of prior periods is permitted if, and only if, it is possible without the use of hindsight. Earlier application is permitted.

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3. Standards issued but not yet effective (cont'd.)

(b) Amendments to MFRS 3: Business Combination - Reference to the Conceptual Framework

The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements with reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirement.

The amendments explain the exception to the recognition principle of MFRS 3 to avoid the issue of potential gains or losses arising for liabilities and contingent liabilities that would be within the scope of MFRS 137 Provisions, Contingent Liabilities and Contingent Assets or IFRIC 21 Levies, if incurred separately.

The existing guidance in MFRS 3 for contingent assets that would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements. The amendments are to be applied prospectively in annual periods beginning on or after 1 January 2022, earlier application is permitted.

(c) Amendments to MFRS 116: Property, Plant and Equipment - Proceeds before Intended Use

The amendments prohibit entities deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

The amendments are effective for annual reporting periods beginning on or after 1 January 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment.

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3. Standards issued but not yet effective (cont'd.)

(d) Amendments to MFRS 137: Onerous Contracts – Costs of Fulfilling a Contract

The amendments clarify that the direct costs of fulfilling a contract include both the incremental costs of fulfilling the contract and an allocation of other costs directly related to fulfilling contracts. Before recognising a separate provision for an onerous contract, the entity recognises any impairment loss that has incurred on assets used in fulfilling the contract.

The amendments are to be applied prospectively in annual periods beginning on or after 1 January 2022, earlier application is permitted.

(e) Amendments to MFRS 101: Classification of Liabilities as Current or Non-

The amendments clarify the following:

- (i) What is meant by a right to defer settlement;
- (ii) That a right to defer must exist at the end of the reporting period;
- (iii) That classification is unaffected by the likelihood that an entity will exercise its deferral right; and
- (iv) That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

(f) MFRS 17: Insurance Contracts

MFRS 17 will replace MFRS 4 Insurance Contracts. MFRS 17 applies to all types of insurance contracts, regardless of the type of entities that issue them, as well as certain guarantees and financial instruments with discretionary participation features.

The main features of the new accounting model for insurance contracts are, as follows:

- (i) The measurement of the present value of future cash flows, incorporating an explicit risk adjustment, remeasured every reporting period (the fulfilment cash flows);
- (ii) A Contractual Service Margin ("CSM") that is equal and opposite to any day one gain in the fulfilment cash flows of a group of contracts, representing the unearned profitability of the insurance contracts to be recognised in profit or loss over the service period (i.e. coverage period);

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3. Standards issued but not yet effective (cont'd.)

(f) MFRS 17: Insurance Contracts (cont'd.)

The main features of the new accounting model for insurance contracts are, as follows: (cont'd.)

- (iii) Certain changes in the expected present value of future cash flows are adjusted against the CSM and thereby recognised in profit or loss over the remaining contractual service period;
- (iv) The effect of changes in discount rates will be reported in either profit or loss or other comprehensive income, determined by an accounting policy choice;
- (v) The presentation of insurance revenue and insurance service expenses in the statements of comprehensive income based on the concept of services provided during the period;
- (vi) Amounts that the policyholder will always receive, regardless of whether an insured event happens (non-distinct investment components) are not presented in the statements of profit or loss, but are recognised directly on the statements of financial position;
- (vii) Insurance services results (earned revenue less incurred claims) are presented separately from the insurance finance income or expense; and
- (viii) Extensive disclosures to provide information on the recognised amounts from insurance contracts and the nature and extent of risks arising from these contracts.

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3. Standards issued but not yet effective (cont'd.)

(f) MFRS 17: Insurance Contracts (cont'd.)

The standard is effective for annual periods beginning on or after 1 January 2023, with comparative figures required. Early application is permitted, provided the entity also applies MFRS 9 and MFRS 15 on or before the date it first applies MFRS 17. Retrospective approach for estimating the CSM on the transition date is required. However, if full retrospective application for estimating the CSM, as defined by MFRS 108 for a group of insurance contracts, is impracticable, an entity is required to choose one of the following two alternatives:

(i) Modified retrospective approach

Based on reasonable and supportable information available without undue cost and effort to the entity, certain modifications are applied to the extent full retrospective application is not possible, but still with the objective to achieve the closest possible outcome to retrospective application.

(ii) Fair value approach

The CSM is determined as the positive difference between the fair value determined in accordance with MFRS 13 Fair Value Measurement and the fulfilment cash flows (any negative difference would be recognised in retained earnings at the transition date).

Both the modified retrospective approach and the fair value approach provide transitional reliefs for determining the grouping of contracts. If an entity cannot obtain reasonable and supportable information necessary to apply the modified retrospective approach, it is required to apply the fair value approach.

(g) Amendments to MFRS 17: Insurance Contracts

The amendments are to address the concerns raised by stakeholders and ease transition by providing the additional relief to reduce the effort required when adopting MFRS 17 for the first time. The amendments are to be applied prospectively in annual periods beginning on or after 1 January 2023. The amendment will be assessed together with other MFRS 17 requirements as mentioned above.

(h) Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The effective date for the amendment to Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to MFRS 10 and MFRS 128) has been deferred to a date to be determined by MASB.

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4. Significant accounting judgements

The preparation of the Group's financial statements requires management to make judgements that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date are disclosed as below:

(a) Critical judgements made in applying accounting policies

The following are the judgements made by management in the process of applying the Group's accounting policies that have the most significant effect on the amounts recognised in the financial statements.

(i) Impairment of investments

The Group determines whether its investments are impaired following certain indications of impairment such as, amongst others, prolonged shortfall between market value and carrying amount, significant changes with adverse effects on the investment and deteriorating financial performance of the investment.

Depending on their nature and the industries in which the investments relate to, judgements are made by management to select suitable methods of valuation such as, amongst others, discounted cash flow, realisable net asset value and sector average price-earning ratio method.

(ii) Recognition of expected losses on construction contracts

Any expected loss on construction contract is recognised by the Group as an expense immediately when it is probable that the total contract costs will exceed the total contract revenue, even though the project had yet to be completed. In determining the expected loss, the Group takes into account the total contract costs to be incurred to the completion of the project and the probability of claims to be approved by clients for specific items of cost escalation and variation order.

(iii) Contingent liabilities

As disclosed in Note 33 and Note 73 to the financial statements, a contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future events not wholly within the control of the Group. Contingent liabilities are not recognised in the statements of financial position of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

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4. Significant accounting judgements (cont'd.)

(a) Critical judgements made in applying accounting policies (cont'd.)

(iv) Contingent liabilities - litigation

As disclosed in Note 73 to the financial statements, the Group has several pending litigations with various parties as at current financial year end. The Group, after due consultation with the Group's solicitors, assesses the merit of each case, and makes the necessary provision for liabilities in the financial statements if their crystallisation are deemed as probable.

(v) Income taxes

Judgement is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the year in which such determination is made.

Deferred tax assets are recognised for unused tax losses and unabsorbed capital allowances to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine and assume the ability of each subsidiary to generate future taxable profit to utilise the relevant deferred tax assets by the respective subsidiary.

(vi) Significant influence over investment in associates

The Group considers that it has significant influence over certain associates of the Group even though that it holds less than 20% of the voting rights. This is evidenced by, amongst others, the Group having representation on the board, having the ability to participate in the financial and operating policy decisions of the associates and others.

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5. Significant accounting estimates

(a) Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below;

(i) Impairment on investments and receivables

(1) Impairment on investments

Once a suitable method of valuation is selected, management makes certain assumptions concerning the future to estimate the recoverable amount of the investment. Depending on the specific individual investment, assumptions made by management may include, amongst others, assumptions on expected future cash flows, revenue growth, discount rate used for purposes of discounting future cash flows which incorporates the relevant risks, and expected future outcome of certain past events.

Sensitivity to changes in assumptions

Management believes that no reasonably possible change in the key assumptions described above would cause the carrying amounts of the investments to materially exceed their recoverable amounts.

(2) Impairment on receivables

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECLs). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECLs).

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5. Significant accounting estimates (cont'd.)

(a) Key sources of estimation uncertainty (cont'd.)

(i) Impairment on investments and receivables (cont'd.)

(2) Impairment on receivables (cont'd.)

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Impairment review

The impairment review of those investments and receivables with indications of impairment carried out by management during the year led to the recognition of impairment losses on investments and receivables of approximately RM1,066 million (2019: RM5,255 million) and RM5,220 million (2019: RM4,030 million) for the Group and the Company, respectively.

(ii) Impairment of goodwill

The Group determines whether goodwill is impaired at least once annually. This requires an estimation of the value-in-use of the cash-generating units to which the goodwill is allocated. Estimating the value-in-use requires the Group to make an estimate of the expected future cash flows from the cash-generating unit and also to apply a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of the Group's goodwill as at 31 December 2020 is RM1,410 million (2019: RM2,045 million). Further details are disclosed in Note 46 to the financial statements.

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5. Significant accounting estimates (cont'd.)

(a) Key sources of estimation uncertainty (cont'd.)

(iii) Impairment of aircraft included in property, plant and equipment

The Group assesses whether there are any indicators of impairment for aircraft included in property, plant and equipment at each reporting date. If any such indication exists, the asset's recoverable amount is estimated to determine the amount of impairment loss.

Management performed a review of the recoverable amounts based on a variety of estimations including the value in use of the cash-generating unit ("CGU") to which the aircraft included in property, plant and equipment is allocated and fair value less cost to sell. Value-in-use was determined by an estimate of the expected future cash flows from the CGU using a suitable discount rate in order to calculate the present value of those cash flows.

(iv) Deferred tax assets

Deferred tax assets of the Group are recognised for all unused tax losses and unabsorbed capital allowances to the extent that it is probable that taxable profit will be available against which the losses and capital allowances can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The details are as disclosed in Note 55 to the financial statements.

(v) Provision for aircraft related direct operating expenses

The operation of air transportation services inevitably involve the making of various provisions on direct expenses, such as fuel, ground handling charges, landing and parking charges, in-flight meals, computer reservation systems booking fees and information technology related expenses. The estimates and associated assumptions used are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the provisions about carrying values of liabilities as at the financial year end.

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5. Significant accounting estimates (cont'd.)

(a) Key sources of estimation uncertainty (cont'd.)

(vi) Provision for aircraft maintenance and overhaul costs

The Group is obligated to carry out heavy duty maintenance checks on the airframe, engines, landing gears and auxiliary power units, being part of the return conditions of its leased aircraft under contract. Provision for heavy duty maintenance cost is made progressively in the financial statements based on the number of flight hours or cycles. In arriving at the provision, assumptions are made on the estimated condition of the asset at the time of check, the material and overhead costs to be incurred, and the timing of when the check is to be carried out. These assumptions are formed based on past experience, and are regularly reviewed to ensure they approximate to the actual. Any revision in assumptions and estimations that causes a material effect to the provision would be adjusted prospectively in the financial statements.

(vii) Unutilised tickets

Unutilised tickets are subsequently recognised as revenue using estimates regarding the timing of recognition based on the terms and conditions of the tickets and historical trends. Changes in travel patterns, economic environment, variables and estimations used have an impact on the financial statements of the Group.

(viii) Frequent flyer programme

The consideration allocated to the mileage awards issued is measured at their fair value. In determining the fair value of the mileage awards, estimation techniques were used and reflect the weighted average of the contractual price with partners adjusted by the miles not expected to be redeemed by members.

(ix) Estimates on brokerage on customers' unexercised rights

The sales in advance of carriage ("SIAC") arise from the liabilities of the unutilised tickets are initially recognised similar to the contract liabilities in accordance with MFRS 15. Depending on the terms and conditions of the selected fare basis, the contract liabilities consist of a range of possibilities for refunding services that have not yet been provided. Liabilities include both the deferred income for future flight and ancillary services that are recognised as revenue when the tickets are utilised, and the liabilities for Enrich credited to the passenger when the tickets are utilised.

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5. Significant accounting estimates (cont'd.)

(a) Key sources of estimation uncertainty (cont'd.)

(ix) Estimates on brokerage on customers' unexercised rights (cont'd.)

A customer's non-refundable prepayment to an entity gives the customer a right to receive a good or service in the future (and obliges the entity to stand ready to transfer a good or service). However, customers may not exercise all of their contractual rights. Those unexercised rights are often referred to as breakage.

If the Group expects to be entitled to a breakage amount in a contract liability, the Group shall recognise the expected breakage amount as revenue in proportion to the pattern of rights exercised by the customer. If the Group does not expect to be entitled to a breakage amount, the entity shall recognise the expected breakage amount as revenue when the likelihood of the customer exercising its remaining rights becomes remote.

The expected amount of tickets that are not used is only recognised as revenue if the probability that the passengers (in accordance with the respective fare basis) exercise their remaining rights is low, and no later than when the expiry of flight documents is certain and known. Generally, passenger tickets, other service fees and surcharges are recognised in the profit or loss as unavailed credits on sales in advance of carriage if these tickets remain unutilised after 12 months subsequent to the date of issue or 12 months from the date the passengers first travelled with the ticket if the ticket consists of multiple coupons.

(x) Construction and consultancy contracts and property development

The Group recognises construction contracts and certain property development revenue and costs in the income statement over time by reference to the progress towards completion of the performance obligation based on input method.

Significant judgement is required in determining the percentage of completion, the extent of the costs incurred and the estimated total revenue and costs, as well as recoverability of the construction, consultancy and property development projects. In making the judgement, the Group evaluates based on past experience, external economic factors and by relying on the work of specialists.

The construction, consultancy and property development revenue and costs recognised in the current and prior years are disclosed in Note 52(iii) and Note 56 to the financial statements, respectively.

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5. Significant accounting estimates (cont'd.)

(a) Key sources of estimation uncertainty (cont'd.)

(xi) Amortisation of concession intangible assets

Concession intangibles assets is amortised over the concession period by applying the formula in Note 2.13 (a)(i). The denominator of the formula includes projected toll traffic volume for subsequent years to the end of the concession period that is based on the latest available traffic volume projections prepared by independent traffic consultants. The assumptions to arrive at the traffic volume projections take into consideration the growth rate based on the current assessment of market and economical conditions.

Changes in the expected traffic volume could impact future amortisation charges.

(xii) Depreciation of aircraft, property, plant and equipment

The cost of aircraft, aircraft modifications/retrofits, spare engines, property, plant and equipment are depreciated on a straight-line basis over the assets' useful lives up to its residual value. Management reviews the residual values, useful lives and depreciation method at the end of each financial year and ensures consistency with previous estimates and patterns of consumption of the economic benefits that embodies the items in these assets. Changes in useful lives and residual values of these assets may result in a revision of future depreciation charges.

(xiii) Provision for liquidated ascertained damages ("LAD")

LAD is a possible obligation that arise from the late delivery of construction and development projects.

In assessing the probability that an outflow of resources will be required to settle the obligation, management considers the outcome of the extension of time application based on circumstances of the projects, past experiences and expert advice for construction projects; and the estimated date of completion for development projects.

(xiv) Provision for construction costs

The Group recognises a provision for construction costs relating to estimated final claims by contractors which have not been finalised.

Significant judgement is required in determining the extent of the costs to be incurred and in making the judgement, the Group evaluates based on past experience, external economic factors and by relying on the work of specialists.

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5. Significant accounting estimates (cont'd.)

(a) Key sources of estimation uncertainty (cont'd.)

(xv) Provision for foreseeable losses for affordable housing

Significant judgement is required in estimating the amount of foreseeable losses for affordable housing, as the construction of low cost housing is typically over the life of township development of spanning more than few financial years. Regulatory, technological and economics changes may result in significant changes to the provision amount which will subsequently affect the profitability of premium housing.

(xvi) Deferred consideration payable

Deferred consideration payable arose from the acquisition of investment completed by the end of reporting date with consideration payable in future periods which is contingent upon meeting certain criteria and performance target. At each reporting date, the Group assesses the fair value of the deferred consideration payable based on the projected probability of the investee company meeting the criteria and performance target after considering the current and projected market conditions.

The amount recognised as deferred consideration payable is the net present value of the assessed fair value, using a discount rate appropriate to the cash flow risks associated with the liability.

(xvii) Valuation of embedded derivatives

As the fair value of the embedded derivatives cannot be derived from active markets, fair value is determined using valuation techniques including the binomial model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The judgments include considerations of inputs such as credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

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5. Significant accounting estimates (cont'd.)

(a) Key sources of estimation uncertainty (cont'd.)

(xviii) Fair value of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

For financial instruments where there is no active market, fair value is determined using valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

(xix) Impairment of intangible assets - landing slots for air transportation

The Group determines whether the landing slots which have indefinite useful lives, are tested for impairment either annually or on a more frequent interval, depending on events or changes in circumstances that indicate the carrying value may be impaired. This requires an estimation of the "value in use" of the CGU to which the landing slots belong.

In assessing value in use, the management is required to make an estimate of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

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5. Significant accounting estimates (cont'd.)

(a) Key sources of estimation uncertainty (cont'd.)

(xx) Insurance business

(i) Life insurance and family takaful businesses

Life insurance contract liabilities are determined in accordance with regulatory framework. All life insurance liabilities are valued using a prospective actuarial valuation based on the sum of the present value of future benefits and expenses less future gross considerations arising from the policies discounted at the appropriate risk discount rate.

The main assumptions used for life insurance/family takaful business relate to mortality, morbidity, investment returns, expenses, lapse and surrender rates and discount rates. The Group's life insurance subsidiaries base mortality and morbidity on established industry and Malaysian table which reflect historical experiences, adjusted when appropriate to reflect the Group's unique risk exposure, product characteristics, target markets and own claims severity and frequency experiences.

There may be significant reporting lags between the occurrence of an insured event and the time it is actually reported. Following the identification and notification of an insured loss, there may still be uncertainty as to the magnitude of the claim. There are many factors that will determine the level of uncertainty such as inflation, judicial interpretations, legislative changes and claims handling procedures.

Estimates are also made as to future investment income arising from the assets backing the life insurance contracts. These estimates are based on current market returns as well as expectations about future economic and financial developments.

Assumptions on future expenses are based on current expense levels, adjusted for expected expense inflation adjustments, if appropriate.

Lapse and surrender rates are based on the Group's life and family takaful businesses' historical experience of lapses and surrenders.

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Statement of comprehensive income
For the year ended 31 December 2020

	Note	Company	
		2020 RM'000	2019 RM'000
Income	6	9,307,027	14,856,383
Dividend income		6,816,015	13,554,009
Gain from divestments		1,932,612	1,182,409
Other operating income		558,400	119,965
Operating expenses		(528,163)	(483,346)
Net unrealised gain on financial assets designated as fair value through profit or loss		1,114,372	561,753
Net gain/(loss) on revaluation of derivatives		46,510	(3,363)
Foreign exchange effect gain, net		442,575	282,788
Allowance for impairment losses on investments and receivables, net of writebacks		<u>(5,219,589)</u>	<u>(4,029,712)</u>
Operating profit	7	5,162,732	11,184,503
Finance costs	11	<u>(1,891,152)</u>	<u>(2,201,914)</u>
Profit before taxation		3,271,580	8,982,589
Taxation	12	<u>(21,533)</u>	<u>(10,212)</u>
Net profit for the year		<u>3,250,047</u>	<u>8,972,377</u>
Other comprehensive income ("OCI") <i>Items that will not be reclassified subsequently to profit or loss</i>			
Net profit/(loss) on fair value through other comprehensive income			
- Profit/(loss) on fair value changes, net of tax representing other comprehensive income/(loss) for the year		<u>21,000</u>	<u>(1,500)</u>
Total comprehensive income for the year		<u>3,271,047</u>	<u>8,970,877</u>

The accompanying notes form an integral part of the financial statements.

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Khazanah Nasional Berhad
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Statement of financial position
As at 31 December 2020

		Company	
	Note	2020	2019
		RM'000	RM'000
Assets			
Cash and bank balances	14	3,388,329	1,208,891
Investment in money market instruments	15	64,921	-
Other financial assets	16	3,756,473	4,632,211
Other receivables	17	871,802	868,932
Tax recoverable	18	26,634	25,097
Interest in subsidiaries	19	40,273,004	43,747,396
Interest in associates	20	25,713,966	25,928,295
Property and equipment	21	10,225	24,263
Investment property	22	352,569	-
Computer software	23	372	549
Total assets		74,458,295	76,435,634
Liabilities			
Other payables	24	3,544,768	3,587,882
Borrowings	25	42,610,496	45,769,258
Derivative liabilities	26	128,409	174,919
Total liabilities		46,283,673	49,532,059
Equity attributable to Owners of the Company			
Share capital	27	12,284,201	12,284,201
Capital contribution from shareholders		2,324,423	2,324,423
Fair value adjustment reserve		30,000	9,000
Retained profits		13,535,998	12,285,951
Total equity		28,174,622	26,903,575
Total equity and liabilities		74,458,295	76,435,634

The accompanying notes form an integral part of the financial statements.

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Statement of changes in equity
For the year ended 31 December 2020

	Share capital (Note 27) RM'000	Capital contribution from shareholders RM'000	Fair value adjustment reserve RM'000	Distributable retained profits RM'000	Total equity RM'000
At 1 January 2019	12,284,201	2,324,423	10,500	4,313,574	18,932,698
Total comprehensive income for the year	-	-	(1,500)	8,972,377	8,970,877
Dividends (Note 13)	-	-	-	(1,000,000)	(1,000,000)
At 31 December 2019	12,284,201	2,324,423	9,000	12,285,951	26,903,575
At 1 January 2020	12,284,201	2,324,423	9,000	12,285,951	26,903,575
Total comprehensive income for the year	-	-	21,000	3,250,047	3,271,047
Dividends (Note 13)	-	-	-	(2,000,000)	(2,000,000)
At 31 December 2020	12,284,201	2,324,423	30,000	13,535,998	28,174,622

The accompanying notes form an integral part of the financial statements.

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Khazanah Nasional Berhad
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Statement of cash flows
For the year ended 31 December 2020

	Company	
	2020	2019
	RM'000	RM'000
Cash flows from operating activities		
Profit before taxation	3,271,580	8,982,589
Adjustments for:		
Gain from divestments	(1,932,612)	(1,182,409)
Dividend income	(6,816,015)	(13,554,009)
Interest income	(127,938)	(90,530)
Unrealised gain on foreign exchange, net	(442,575)	(282,788)
Depreciation on property and equipment	7,133	4,920
Depreciation on investment property	2,691	-
Amortisation of computer software	355	1,162
Allowance for impairment losses in investments and receivables, net of writebacks	5,219,589	4,029,712
Loss/(gain) on disposal of property and equipment	48	(285)
Amortisation of discounts on Khazanah bonds	438,883	513,244
Amortisation of discounts on Exchangeable Trust Certificates	55,919	203,246
Interest expense on Term Loans, Medium Term Notes ("MTN") and others	1,396,350	1,485,424
Net gain on financial assets designated as fair value through profit or loss	(1,114,372)	(561,753)
Net (gain)/loss on revaluation of derivatives	(46,510)	3,363
Operating loss before working capital changes	(87,474)	(448,114)
Changes in receivables	(1,407,200)	(1,231,004)
Changes in payables	1,138,693	1,278,959
Income tax paid	(20,000)	(29,820)
Net cash used in operating activities	<u>(375,981)</u>	<u>(429,979)</u>
Cash flows from investing activities		
Proceeds from sale/(purchase) of investments, net	1,528,680	(10,237,299)
Purchase of property and equipment	(11,462)	(19,361)
Purchase of computer software	(178)	(132)
Proceeds from sale of property and equipment	18,319	408
Dividend received	6,816,015	13,554,009
Interest received	127,938	90,530
Net cash generated from investing activities	<u>8,479,312</u>	<u>3,388,155</u>

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Khazanah Nasional Berhad
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Statement of cash flows
For the year ended 31 December 2020 (cont'd.)

	Company	
	2020	2019
	RM'000	RM'000
Cash flows from financing activities		
Redemption of Exchangeable Trust Certificates	-	(1,874,695)
Redemption of Khazanah Bonds	(1,200,000)	(2,500,000)
Repayment of Islamic MTN	(5,752,233)	(1,500,000)
Repayment of revolving credit facilities	(5,500,000)	(3,725,074)
Proceeds from issuance of Exchangeable Trust Certificates	-	2,068,365
Proceeds from issuance of Islamic MTN	4,500,000	3,500,000
Drawdown of MTN	2,551,251	-
Drawdown of term loan	852,200	-
Drawdown of revolving credit facilities	1,000,000	3,900,000
Dividends paid	(1,000,000)	(1,000,000)
Interest paid	(1,375,111)	(1,485,425)
Net cash used in financing activities	<u>(5,923,893)</u>	<u>(2,616,829)</u>
Net changes in cash and cash equivalents	2,179,438	341,347
Cash and cash equivalents at the beginning of year	<u>1,208,891</u>	<u>867,544</u>
Cash and cash equivalents at the end of year	<u><u>3,388,329</u></u>	<u><u>1,208,891</u></u>
Cash and cash equivalents comprise (Note 14):		
Cash and bank balances	196,564	155,169
Deposits with licensed banks	3,191,765	1,053,722
	<u><u>3,388,329</u></u>	<u><u>1,208,891</u></u>

The accompanying notes form an integral part of the financial statements.

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Notes to the Company financial statements

6. Income

	Note	Company	
		2020 RM'000	2019 RM'000
Dividend income:			
- from subsidiaries		4,557,500	11,483,224
- from associates		2,225,470	1,957,975
- from financial assets designated as fair value through other comprehensive income		1,810	43,600
- financial assets designated as fair value through profit or loss		31,235	69,210
Gain from divestments:			
- gain from divestments of subsidiaries and associates		1,932,612	1,155,808
- net fair value gain on financial assets designated as fair value through profit or loss		-	26,601
Interest income on:			
- loans and receivable		-	32,043
- financial assets designated as fair value through profit or loss		127,938	58,487
Directors' fees	(i)	6,249	7,955
Others		424,213	21,480
		<u>9,307,027</u>	<u>14,856,383</u>

- (i) Directors' fees relate to income receivable from related companies for the services rendered by the Company's employees as nominee directors of the related companies.

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7. Operating profit

Included in operating profit are the following:

	Note	Company	
		2020 RM'000	2019 RM'000
Staff costs	8	174,423	145,504
Auditors' remuneration			
- statutory audit		380	380
- other assurance services		666	724
- others		64	94
Expenses relating to short-term leases		22,006	32,288
Repair and maintenance		14,246	13,023
Depreciation of property and equipment	21	7,133	4,920
Depreciation of investment property	22	2,691	-
Amortisation of computer software	23	355	1,162
Unrealised gain on foreign exchange		(442,575)	(282,788)
Loss/(gain) on disposal of property and equipment		48	(285)

8. Staff costs

	Company	
	2020 RM'000	2019 RM'000
Wages and salaries	147,317	120,995
Statutory contributions to EPF and social security	24,322	21,644
Others	2,784	2,865
	<u>174,423</u>	<u>145,504</u>

Included in staff costs are executive directors' and key management personnel's remuneration as disclosed in Notes 9 and 10, respectively.

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9. Directors' remuneration

	Company	
	2020	2019
	RM'000	RM'000
Executive Directors of the Company:		
Wages and salaries	3,797	1,860
Statutory contribution to EPF	722	353
	<u>4,519</u>	<u>2,213</u>
Non-Executive Directors of the Company:		
Fees and allowances	299	355
	<u>4,818</u>	<u>2,568</u>

10. Key management personnel remuneration

	Company	
	2020	2019
	RM'000	RM'000
Wages and salaries	38,127	21,727
Statutory contribution to EPF	7,190	3,890
	<u>45,317</u>	<u>25,617</u>

Key management personnel are staff who are involved in decision making and management of the Company.

11. Finance costs

	Company	
	2020	2019
	RM'000	RM'000
Interest expense on term loans	136,588	133,960
Interest expense on revolving credit facility	43,080	250,414
Interest expense on Medium and Islamic Medium Term Notes ("MTN and IMTN")	1,216,682	1,101,050
Amortisation of discounts on Khazanah Bonds (Note 25(a))	438,883	513,244
Amortisation of discounts on Exchangeable Trust Certificates	55,919	203,246
	<u>1,891,152</u>	<u>2,201,914</u>

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12. Taxation

	Company	
	2020	2019
	RM'000	RM'000
Malaysian income tax	20,373	8,230
Foreign income tax	2,734	3,726
Overprovision in prior years	(1,574)	(1,744)
Total income tax expense	<u>21,533</u>	<u>10,212</u>

The tax treatment of the Company has fallen under the ambit of Section 60F Investment Holding Company ("Section 60F") of the Income Tax Act, 1967 for the current and prior financial years.

Under Section 60F, Investment Holding Company is defined as a company whose activities consist mainly of the holding of investment and not less than 80% of its gross income (whether exempt or not) is derived therefrom. Income from the holding of investment is not to be treated as business income whilst income other than income from holding of investment is to be treated as other non-business gains or profits under Section 4(f) of the Income Tax Act, 1967.

The Malaysian tax rate is calculated at the statutory tax rate of 24% (2019: 24%) of the estimated assessable profit for the year.

The reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the years ended 31 December 2020 and 2019 are as follows:

	Company	
	2020	2019
	RM'000	RM'000
Profit before taxation	<u>3,271,580</u>	<u>8,982,589</u>
Taxation at Malaysian statutory tax rate of 24% (2019: 24%)	785,179	2,155,821
Effect of income not subject to tax	(1,907,251)	(3,471,928)
Effect of expenses not deductible for tax purposes	1,145,179	1,328,063
Overprovision in prior years	(1,574)	(1,744)
Tax expense for the year	<u>21,533</u>	<u>10,212</u>

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13. Dividends

	Company	
	Dividends in respect of year/ Dividends recognised in year	
	2020	2019
	RM'000	RM'000
Dividends on ordinary shares:		
Interim single-tier dividend on 5,443,953,229 ordinary shares	1,000,000	1,000,000
Special single-tier dividend on 5,443,953,229 ordinary shares	1,000,000	-
	<u>2,000,000</u>	<u>1,000,000</u>

14. Cash and bank balances

	Company	
	2020	2019
	RM'000	RM'000
Cash on hand and at bank	196,564	155,169
Deposits with licensed banks	3,191,765	1,053,722
	<u>3,388,329</u>	<u>1,208,891</u>

15. Investment in money market instruments

Investment in money market instruments relates to short term commercial papers.

16. Other financial assets

Company	Current RM'000	Non-current RM'000	Total RM'000
2020			
Financial assets designated as fair value through profit or loss			
At fair value:			
Quoted shares outside Malaysia	1,792,203	-	1,792,203
Quoted equity funds outside Malaysia	1,550,092	-	1,550,092
Unquoted money market funds outside Malaysia	-	117,424	117,424
Unquoted bonds in Malaysia	25,231	141,523	166,754
	<u>3,367,526</u>	<u>258,947</u>	<u>3,626,473</u>

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16. Other financial assets (cont'd.)

Company (cont'd.)	Current RM'000	Non-current RM'000	Total RM'000
2020 (cont'd.)			
Financial assets designated as fair value through other comprehensive income			
At fair value:			
Quoted shares in Malaysia	-	130,000	130,000
Loans receivable			
At amortised cost:			
Loans receivable	-	718,869	718,869
Less: Allowance for impairment losses (ii)	-	(718,869)	(718,869)
	<u>-</u>	<u>-</u>	<u>-</u>
	<u>3,367,526</u>	<u>388,947</u>	<u>3,756,473</u>
2019			
Financial assets designated as fair value through profit or loss			
At fair value:			
Quoted shares outside Malaysia	1,507,714	-	1,507,714
Quoted equity funds outside Malaysia	1,033,452	-	1,033,452
Unquoted money market funds outside Malaysia	-	428,492	428,492
Unquoted bonds in Malaysia	30,065	80,842	110,907
	<u>2,571,231</u>	<u>509,334</u>	<u>3,080,565</u>
Financial assets designated as fair value through other comprehensive income			
At fair value:			
Quoted shares in Malaysia	-	112,000	112,000
Loans receivable			
At amortised cost:			
Loans receivable (i)	-	2,571,091	2,571,091
Less: Allowance for impairment losses (ii)	-	(1,131,445)	(1,131,445)
	<u>-</u>	<u>1,439,646</u>	<u>1,439,646</u>
	<u>2,571,231</u>	<u>2,060,980</u>	<u>4,632,211</u>

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16. Other financial assets (cont'd.)

- (i) The loans receivable consist of amount due from an associate which is unsecured, interest free and has no fixed terms of repayment.
- (ii) A reconciliation of the allowance for impairment losses on loans receivable is as follows:

	Individually impaired	
	2020	2019
	RM'000	RM'000
At 1 January	1,131,445	1,031,445
(Writeback)/charge for the year	(412,576)	100,000
At 31 December	<u>718,869</u>	<u>1,131,445</u>

Other than the loans receivable, the other financial assets above are neither past due nor impaired.

17. Other receivables

		Company	
	Note	2020	2019
		RM'000	RM'000
Interest income receivable		9,103	2,961
Deposits		2,759	3,971
Amount due from related companies	(i)	7,315	2,422
Amount due from MoF Inc.	(ii)	851,580	851,580
Others		1,045	7,998
		<u>871,802</u>	<u>868,932</u>

- (i) The amount due from related companies is unsecured, bears interest ranging between 4% to 5% (2019: ranging between 4% to 5%) per annum and is repayable on demand.
- (ii) The amount due from MoF Inc. is unsecured, interest free and is repayable on demand.

During the year, the other receivables are neither past due nor impaired.

18. Tax recoverable

The tax recoverable relates to tax over-payment of tax based on the Company's tax submissions, which are still subject to Inland Revenue ("IRB") agreement.

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19. Interest in subsidiaries

	Company	
	2020	2019
	RM'000	RM'000
Unquoted shares in Malaysia		
- at cost	43,495,391	43,482,728
- at FVTPL	350,000	-
Unquoted shares outside Malaysia	2,683,610	5,831,889
	<u>46,529,001</u>	<u>49,314,617</u>
Less: Accumulated allowance for impairment losses	<u>(25,730,536)</u>	<u>(23,151,063)</u>
	20,798,465	26,163,554
Amount due from subsidiaries *	<u>19,474,539</u>	<u>17,583,842</u>
	<u>40,273,004</u>	<u>43,747,396</u>

* As the amount due from subsidiaries is, in substance, a part of the Company's net investments in the subsidiaries, it is stated at cost less accumulated impairment losses.

Details of the subsidiaries are shown in Note 77.

During the current financial year:

(a) Additional acquisition/subscription in existing subsidiaries

- (i) The Company subscribed to 700,000,000 ordinary shares in Beyond Flying Sdn. Bhd. ("BFSB"), for a total consideration of RM700.0 million, resulting in the Company acquiring equity interest of 100%. BFSB, an unlisted company incorporated in Malaysia, is an investment holding company.
- (ii) The Company subscribed to an additional 350,000,000 redeemable convertible cumulative secured loan stocks in Themed Attractions Resorts & Hotels Sdn. Bhd. ("TAR&H"), for a total cash consideration of RM350.0 million, resulting in the Company maintaining its equity interest of 100%. TAR&H, an unlisted company incorporated in Malaysia, is an investment holding company.
- (iii) The Company subscribed to 199,768,752 ordinary shares in Impeccable Vintage Properties Sdn. Bhd. ("IVP"), for a total consideration of RM310.8 million, resulting in the Company acquiring equity interest of 100%. IVP, an unlisted company incorporated in Malaysia, is an investment holding company.
- (iv) The Company subscribed to an additional 197,500,000 preference shares in Tanjung Bidara Ventures Sdn. Bhd. ("Tanjung Bidara"), for a total consideration of RM197.5 million, resulting in the Company maintaining its equity interest of 100%. Tanjung Bidara, an unlisted company incorporated in Malaysia, is an investment holding company.

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19. Interest in subsidiaries (cont'd.)

(a) Additional acquisition/subscription in existing subsidiaries (cont'd.)

- (v) The Company subscribed to an additional 40,280,839 preference shares in Pulau Manukan Ventures Sdn. Bhd. ("PMVSB"), for a total consideration of RM40.3 million, resulting in the Company maintaining its equity interest of 100%. PMVSB, an unlisted company incorporated in Malaysia, is an investment holding company.
- (vi) The Company subscribed to an additional 22,000,000 preference shares in Mount Gading Ventures Sdn. Bhd. ("Mount Gading"), for a total cash consideration of RM22.0 million, resulting in the Company maintaining its equity interest of 100%. Mount Gading, an unlisted company incorporated in Malaysia, is an investment holding company.
- (vii) The Company subscribed to an additional 3,801,364 ordinary shares in Payar Investment Limited ("Payar"), for a total cash consideration of RM15.6 million, resulting in the Company maintaining its equity interest of 100%. Payar, an unlisted company incorporated in Malaysia, is an investment holding company.
- (viii) The Company subscribed to an additional 14,200,000 preference shares in Pulau Sibul Ventures Sdn. Bhd. ("Pulau Sibul"), for a total consideration of RM14.2 million, resulting in the Company maintaining its equity interest of 100%. Pulau Sibul, an unlisted company incorporated in Malaysia, is an investment holding company.
- (ix) The Company subscribed to an additional 12,548,800 preference shares in Iskandar Ventures Sdn. Bhd. ("IVSB"), for a total consideration of RM12.5 million, resulting in the Company maintaining its equity interest of 100%. IVSB, an unlisted company incorporated in Malaysia, is an investment holding company.
- (x) The Company subscribed to an additional 10,300,000 preference shares in Teluk Rubiah Ventures Sdn. Bhd. ("TRVSB"), for a total consideration of RM10.3 million, resulting in the Company maintaining its equity interest of 100%. TRVSB, an unlisted company incorporated in Malaysia, is an investment holding company.

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19. Interest in subsidiaries (cont'd.)

(b) Special Purpose Vehicles ("SPVs")

Special purpose vehicles ("SPVs") are wholly-owned subsidiaries of the Company that have been set up to actively hold investments or as funding vehicles of the Company. The SPVs are disclosed in Note 77.

Certain financial statements' captions of the Company after including the assets and liabilities held through the SPVs as at 31 December are as follows:

	Extended Company	
	2020	2019
	RM'000	RM'000
Revenue #	8,364,466	14,289,630
Profit from operations*	2,896,651	7,360,011
	<u>8,364,466</u>	<u>14,289,630</u>
Cash, bank balances and investment in money market	7,518,143	7,192,765
Other financial assets	28,923,875	25,896,897
Interest in subsidiaries	10,427,085	13,348,459
Interest in associates	32,560,607	34,322,992
Interest in joint ventures	440,790	427,313
Borrowings	43,066,017	45,769,258
Retained profits	16,675,194	15,866,009
Currency translation reserve	1,862,329	2,570,865
Fair value adjustment reserve	3,267,338	3,436,769
Capital contribution from shareholders	2,324,423	2,324,423
	<u>81,887,709</u>	<u>83,066,350</u>
Total assets	81,887,709	83,066,350
Total liabilities	45,474,224	46,584,084
	<u>45,474,224</u>	<u>46,584,084</u>

Revenue includes realised divestment gains from investments classified as fair value through other comprehensive income that was recycled to retained earnings upon divestment.

* Profit from operations consist of profit before tax, realised divestment gains and permanent reduction in value of assets classified as fair value through other comprehensive income that was recycled to retained earnings.

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20. Interest in associates

	Company	
	2020	2019
	RM'000	RM'000
Shares at cost,		
Quoted shares in Malaysia	24,926,224	25,140,553
Unquoted shares in Malaysia	932,407	932,407
	<u>25,858,631</u>	<u>26,072,960</u>
Less: Accumulated allowance for impairment losses	<u>(144,665)</u>	<u>(144,665)</u>
	<u>25,713,966</u>	<u>25,928,295</u>
 Market values of quoted shares in Malaysia	 <u>48,032,400</u>	 <u>56,997,058</u>

Details of the associates are shown in Note 77.

During the current financial year:

- (i) The Company disposed 172,300,000 ordinary shares of Telekom Malaysia Berhad ("TM"), for a total cash consideration of RM734.7 million. Pursuant to the disposal, the Company's equity interest in TM reduced to 21.53%. TM, a company incorporated in Malaysia, is listed on Bursa Malaysia Main Market and is involved in telecommunication and related services.
- (ii) The Company disposed 85,000,000 ordinary shares of Tenaga Nasional Berhad ("TNB"), for a total cash consideration of RM1.0 billion. Pursuant to the disposal, the Company's equity interest in TNB reduced to 25.69%. TNB, a company incorporated in Malaysia, is listed on Bursa Malaysia Main Market and is involved in generation, transmission, distribution and sale of electricity.

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21. Property and equipment

Company	Office equipment, furniture and fittings and computer equipment RM'000	Motor vehicles RM'000	Renovation RM'000	Total RM'000
2020				
Cost				
At 1 January	49,578	1,463	31,977	83,018
Additions	4,120	-	7,342	11,462
Disposal	(20,242)	-	(10,908)	(31,150)
At 31 December	<u>33,456</u>	<u>1,463</u>	<u>28,411</u>	<u>63,330</u>
Accumulated depreciation				
At 1 January	25,364	1,414	31,977	58,755
Charge for the year	3,404	49	3,680	7,133
Disposal	(1,875)	-	(10,908)	(12,783)
At 31 December	<u>26,893</u>	<u>1,463</u>	<u>24,749</u>	<u>53,105</u>
Net carrying amount				
At 31 December	<u>6,563</u>	<u>-</u>	<u>3,662</u>	<u>10,225</u>
2019				
Cost				
At 1 January	30,621	2,720	31,977	65,318
Additions	19,361	-	-	19,361
Disposal	(404)	(1,257)	-	(1,661)
At 31 December	<u>49,578</u>	<u>1,463</u>	<u>31,977</u>	<u>83,018</u>
Accumulated depreciation				
At 1 January	21,404	2,112	31,857	55,373
Charge for the year	4,364	436	120	4,920
Disposal	(404)	(1,134)	-	(1,538)
At 31 December	<u>25,364</u>	<u>1,414</u>	<u>31,977</u>	<u>58,755</u>
Net carrying amount				
At 31 December	<u>24,214</u>	<u>49</u>	<u>-</u>	<u>24,263</u>

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22. Investment property

Company	2020 RM'000	2019 RM'000
Leasehold land		
Cost		
At 1 January	-	-
Additions	355,260	-
At 31 December	<u>355,260</u>	<u>-</u>
Accumulated depreciation		
At 1 January	-	-
Charge for the year	2,691	-
At 31 December	<u>2,691</u>	<u>-</u>
Net carrying amount	<u>352,569</u>	<u>-</u>
Fair value	<u>417,110</u>	<u>-</u>

The purchase consideration was offset against the inter-company amount due from Malaysia Aviation Group Berhad ("MAGB") to Khazanah.

The fair value of the investment property is determined by reference to the valuations provided by accredited independent valuers. As at the reporting date, the Company's investment property has a remaining lease tenure of 99 years.

The fair value of investment property is categorised as Level 3 under the fair value hierarchy, as the fair value is measured using inputs that are not based on observable data.

23. Computer software

Company	2020 RM'000	2019 RM'000
Cost		
At 1 January	12,434	12,302
Additions	178	132
At 31 December	<u>12,612</u>	<u>12,434</u>
Accumulated amortisation		
At 1 January	11,885	10,723
Charge for the year	355	1,162
At 31 December	<u>12,240</u>	<u>11,885</u>
Net carrying amount		
At 31 December	<u>372</u>	<u>549</u>

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23. Computer software (cont'd.)

Computer software relates to licence fees, professional fees and other directly attributable costs of preparing the asset for its intended use or for bringing the asset to its working condition.

24. Other payables

	Note	Company	
		2020 RM'000	2019 RM'000
Interest payable	(i)	404,183	382,944
Dividend payable		1,000,000	-
Amount due to related companies	(ii)	1,950,842	3,037,589
Other payables and accruals	(iii)	189,743	167,349
		<u>3,544,768</u>	<u>3,587,882</u>

The terms and conditions of the above liabilities are as follows:

- (i) Interest payable is normally settled quarterly, semi-annually or annually throughout the financial year, depending on the terms of the respective borrowings of the Company.
- (ii) The amount due to related companies is unsecured, interest free and is repayable on demand.
- (iii) Other payables and accruals are interest free and have an average term of 60 to 90 days (2019: average term of 60 to 90 days).

25. Borrowings

	Note	Company		Total RM'000
		Short term RM'000	Long term RM'000	
2020				
Khazanah Bonds - secured Exchangeable Trust Certificates	(a)	2,284,364	7,593,551	9,877,915
Danga Capital Berhad	(b)	-	3,134,699	3,134,699
Danum Capital Berhad	(c)	2,983,568	8,000,000	10,983,568
Rantau Abang Capital Berhad	(d)	500,000	7,500,000	8,000,000
Medium term notes	(e)	-	4,500,000	4,500,000
Term loans - unsecured	(f)	-	2,562,114	2,562,114
Ihsan Sukuk Berhad	(g)	852,200	2,500,000	3,352,200
	(i)	-	200,000	200,000
		<u>6,620,132</u>	<u>35,990,364</u>	<u>42,610,496</u>

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25. Borrowings (cont'd.)

	Note	Short term RM'000	Company Long term RM'000	Total RM'000
2019				
Khazanah Bonds - secured Exchangeable Trust Certificates	(a)	1,187,252	9,451,780	10,639,032
Danga Capital Berhad	(b)	-	3,132,955	3,132,955
Danum Capital Berhad	(c)	4,735,830	11,061,441	15,797,271
Rantau Abang Capital Berhad	(d)	-	3,500,000	3,500,000
Term loans - unsecured	(e)	1,000,000	4,500,000	5,500,000
Revolving credit facilities	(g)	-	2,500,000	2,500,000
Ihsan Sukuk Berhad	(h)	4,500,000	-	4,500,000
	(i)	-	200,000	200,000
		<u>11,423,082</u>	<u>34,346,176</u>	<u>45,769,258</u>

(a) Khazanah Bonds - secured

	Company	
	2020 RM'000	2019 RM'000
At 1 January	10,639,032	12,625,788
Amortisation of discounts for the year (Note 11)	438,883	513,244
Less: Redeemed during the year	<u>(1,200,000)</u>	<u>(2,500,000)</u>
At 31 December	<u>9,877,915</u>	<u>10,639,032</u>

On 29 May 2006, the Company launched a Government Guaranteed Bond programme of up to a total of RM20 billion in nominal value.

The details of the Khazanah Bonds are as follows:

- Issued under the Shariah principle of Musyarakah;
- Bear no coupon and shall be redeemed by the Company in full at their face value on the maturity dates;
- Subject to any written law, the Khazanah Bonds rank pari passu among themselves and equal with all other unsecured obligations (other than subordinated obligations and priorities created by law, if any) of the Company; and
- Are irrevocably guaranteed by the Government of Malaysia.

Khazanah Bonds of RM1.2 billion (2019: RM2.5 billion) was fully redeemed during the year.

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25. Borrowings (cont'd.)**(a) Khazanah Bonds - secured (cont'd.)**

The maturity structure of Khazanah Bonds is as follows:

	Company	
	2020	2019
	RM'000	RM'000
Due within one year		
Zero coupon Khazanah bonds, at nominal value	2,300,000	1,200,000
Less: Unamortised discount *	(15,636)	(12,748)
	<u>2,284,364</u>	<u>1,187,252</u>
Due after one year, and within five years		
Zero coupon Khazanah bonds, at nominal value	7,000,000	9,300,000
Less: Unamortised discount *	(781,517)	(1,167,728)
	<u>6,218,483</u>	<u>8,132,272</u>
Due after five years		
Zero coupon Khazanah bonds, at nominal value	2,000,000	2,000,000
Less: Unamortised discount *	(624,932)	(680,492)
	<u>1,375,068</u>	<u>1,319,508</u>
	<u>9,877,915</u>	<u>10,639,032</u>
* The total unamortised discount is derived as follows:		
Total discount upon issuance	(7,819,164)	(7,819,164)
Total amortisation to date	6,397,079	5,958,196
Total unamortised discount at 31 December	<u>(1,422,085)</u>	<u>(1,860,968)</u>

(b) Exchangeable Trust Certificates ("ETC")

		Company	
	Note	2020	2019
		RM'000	RM'000
USD320.8 million 5-year ETC	(i)	1,229,987	1,223,635
USD500 million 5-year ETC	(ii)	1,904,712	1,909,320
		<u>3,134,699</u>	<u>3,132,955</u>

The maturity structure of the ETCs is as follows:

	Company	
	2020	2019
	RM'000	RM'000
Due after one year, and within five years	<u>3,134,699</u>	<u>3,132,955</u>

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25. Borrowings (cont'd.)

(b) Exchangeable Trust Certificates ("ETC") (cont'd.)

(i) USD320.8 million 5-year Exchangeable Trust Certificates

On 8 February 2018, the Company via an independent special purpose company, Cindai Capital Limited (the "Issuer"), issued a Shariah-compliant exchangeable trust certificates (the "Certificates").

The issuance comprise USD320.8 million 5-year Certificates with a put option on Year 3 and is exchangeable into ordinary shares of RMB1.00 each of CITIC Securities Co. Ltd. ("CITIC"), the Exchange Property, currently held by a subsidiary of the Company. The Certificates were priced at 100% of the principal amount at zero periodic payments and yield to optional/scheduled dissolution. Unless previously exchanged, redeemed, purchased or cancelled, the Certificates will be redeemed at 100.00% of their nominal amount on 8 February 2023 ("the Scheduled Dissolution Date").

Exchange Right

The Certificates are exchangeable for a pro-rata share of CITIC ordinary shares with par value of RMB1.00 each during the Exchange Period. Notwithstanding the Exchange Right, at any time when the delivery of Exchange Property is required to satisfy the Exchange Right, the Company has the option to purchase the Exchange Property for an amount equal to the Cash Settlement Amount.

The Exchange Property shall initially comprise 94,494,683 CITIC shares and include all Relevant Securities and other property arising out of or derived or resulting therefrom and such other property, in each case as may be deemed or required to comprise all or part of the Exchange Property pursuant to the Conditions, but excluding any such property as may or may be deemed to have ceased to form part of the Exchange Property.

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25. Borrowings (cont'd.)

(b) Exchangeable Trust Certificates ("ETC") (cont'd.)

(i) USD320.8 million 5-year Exchangeable Trust Certificates (cont'd.)

Exchange Right (cont'd.)

Following the dividends declared by CITIC during the Exchange Period which exceeded the reference amount as defined in the Conditions of the Certificates, further adjustments to the Exchange Property were made resulting in the Certificates holders being entitled to receive 294.5594 shares and HKD421.45 cash as capital distribution for each USD1,000 nominal value of Certificates effective 21 August 2020.

Each Certificateholder has the right ("Exchange Right") to exchange a Certificate at any time during the Exchange Period, beginning on and including 21 March 2018 and ending on and including the earlier to occur of:

- (a) the close of business on the date which falls 10 Business Days prior to the Scheduled Dissolution Date; or
- (b) if the Certificates shall have been called for dissolution prior to the Scheduled Dissolution Date, the close of business on the day which falls 10 Business Days prior to the date fixed for dissolution.

Redemption

There were no redemptions made during the year.

This note to the financial statements should be read in conjunction with the conditions set out in the offering circular dated 5 February 2018 relating to the Certificates.

(ii) USD500 million 5-year Exchangeable Trust Certificates

On 8 August 2019, the Company via an independent special purpose company, Cerah Capital Limited (the "Issuer"), issued a Shariah-compliant exchangeable trust certificates (the "Certificates").

The issuance comprise USD500 million 5-year Certificates with a put option on Year 3 and is exchangeable into ordinary shares of RM1.00 each of CIMB Group Holdings Berhad ("CIMB"), the Exchange Property, currently held by Khazanah. The Certificates were priced at 100% of the principal amount at zero periodic payments and yield to optional/scheduled dissolution. Unless previously exchanged, redeemed, purchased or cancelled, the Certificates will be redeemed at 100.00% of their nominal amount on 8 August 2024 ("the Scheduled Dissolution Date").

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25. Borrowings (cont'd.)

(b) Exchangeable Trust Certificates ("ETC") (cont'd.)

(ii) USD500 million 5-year Exchangeable Trust Certificates (cont'd.)

Exchange Right

The Certificates are exchangeable for a pro-rata share of CIMB ordinary shares with par value of RM1.00 each during the Exchange Period. Notwithstanding the Exchange Right, at any time when the delivery of Exchange Property is required to satisfy the Exchange Right, the Company has the option to purchase the Exchange Property for an amount equal to the Cash Settlement Amount.

The Exchange Property initially comprise 335,702,654 CIMB shares and include all Relevant Securities and other property arising out of or derived or resulting therefrom and such other property, in each case as may be deemed or required to comprise all or part of the Exchange Property pursuant to the Conditions, but excluding any such property as may or may be deemed to have ceased to form part of the Exchange Property.

Following the dividends declared by CIMB during the Exchange Period which exceeded the reference amount as defined in the Conditions of the Certificates, further adjustments to the Exchange Property were made resulting in the Certificates holders being entitled to receive 691.7070 shares and RM83.00 cash as capital distribution for each USD1,000 nominal value of Certificates effective 13 April 2020.

Each Certificateholder has the right ("Exchange Right") to exchange a Certificate at any time during the Exchange Period, beginning on and including 18 September 2019 and:

- (a) up to a close of business on 25 July 2024; or
- (b) if the Certificates shall have been called for redemption prior to the Scheduled Dissolution Date, the close of business on the day which falls 10 Business Days prior to the date fixed for redemption.

Redemption

There were no redemptions made during the year.

This note to the financial statements should be read in conjunction with the conditions set out in the offering circular dated 5 August 2019 relating to the Certificates.

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25. Borrowings (cont'd.)

(c) Danga Capital Berhad ("Danga")

	Note	Company	
		2020 RM'000	2019 RM'000
Islamic Medium Term Note 1 ("IMTN 1")	(i)	1,500,000	1,500,000
Islamic Medium Term Note 2 ("IMTN 2")	(i)	-	2,000,000
Islamic Medium Term Note 3 ("IMTN 3")	(i)	1,500,000	1,500,000
Islamic Medium Term Note 4 ("IMTN 4")	(i)	1,500,000	1,500,000
Islamic Medium Term Note 5 ("IMTN 5")	(i)	1,500,000	1,500,000
Islamic Medium Term Note 6 ("IMTN 6")	(i)	2,000,000	2,000,000
Multicurrency Islamic Medium Term Note 1 ("MIMTN 1")	(ii)	-	2,735,830
Multicurrency Islamic Medium Term Note 2 ("MIMTN 2")	(ii)	<u>2,983,568</u>	<u>3,061,441</u>
		<u>10,983,568</u>	<u>15,797,271</u>

On 19 November 2008, the Securities Commission of Malaysia ("SC") approved a RM10 billion IMTN and MIMTN programme to be issued by the Company, via a special purpose vehicle, Danga Capital Berhad. The programme has a tenure of 35 years from the date of the first drawdown.

On 12 October 2015, the SC approved for the programme to be increased to RM20 billion.

The Company uses the proceeds for financing of general investments, refinancing of borrowings and working capital requirements.

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25. Borrowings (cont'd.)

(c) Danga Capital Berhad ("Danga") (cont'd.)

(i) Islamic Medium Term Notes ("IMTN")

The details of the IMTNs are as follows:

	IMTN 1	IMTN 2	IMTN 3	IMTN 4	IMTN 5	IMTN 6
Issuance date	29-Jan-15	9-Apr-15	23-Feb-16	6-Sep-17	26-Jan-18	21-Mar-18
Maturity date	29-Jan-30	9-Apr-20	23-Feb-26	6-Sep-27	26-Jan-33	21-Sep-33
Tenure	15 years	5 years	10 years	10 years	15 years	15.5 years
Yield to maturity	4.88%	4.10%	4.60%	4.52%	4.94%	5.02%
Nominal amount	RM1.5 billion	RM2.0 billion	RM1.5 billion	RM1.5 billion	RM1.5 billion	RM2.0 billion

The IMTNs are unsecured and were issued at par.

The IMTNs will make periodic distribution at the profit rate every six months from the issuance to maturity.

The maturity structure of the IMTNs is as follows:

	Company	
	2020	2019
	RM'000	RM'000
Due within one year	-	2,000,000
Due after five years	8,000,000	8,000,000
	<u>8,000,000</u>	<u>10,000,000</u>

(ii) Multicurrency Islamic Medium Term Notes ("MIMTN")

The details of the MIMTNs are as follows:

	MIMTN 1	MIMTN 2
Issuance date	11-Aug-10	1-Mar-16
Maturity date	11-Aug-20	1-Mar-21
Tenure	10 years	5 years
Profit rate	3.725%	3.035%
Nominal amount	SGD900 million	USD750 million

The MIMTNs are unsecured and were issued at par.

The MIMTNs will make periodic distribution at the profit rate every six months from the issuance to maturity.

No new issuance during the year.

Danga IMTN2 and MIMTN1 of RM2 billion and SGD900 million respectively were fully redeemed during the year.

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25. Borrowings (cont'd.)

(c) Danga Capital Berhad ("Danga") (cont'd.)

(ii) Multicurrency Islamic Medium Term Notes ("MIMTN") (cont'd.)

The maturity structure of the MIMTNs are as follows:

	Company	
	2020	2019
	RM'000	RM'000
Due within one year	2,983,568	2,735,830
Due after one year, and within five years	-	3,061,441
	<u>2,983,568</u>	<u>5,797,271</u>

(d) Danum Capital Berhad ("Danum")

	Company	
	2020	2019
	RM'000	RM'000
Islamic Medium Term Note 1 ("IMTN 1")	500,000	500,000
Islamic Medium Term Note 2 ("IMTN 2")	1,000,000	1,000,000
Islamic Medium Term Note 3 ("IMTN 3")	2,000,000	2,000,000
Islamic Medium Term Note 4 ("IMTN 4")	500,000	-
Islamic Medium Term Note 5 ("IMTN 5")	1,500,000	-
Islamic Medium Term Note 6 ("IMTN 6")	500,000	-
Islamic Medium Term Note 7 ("IMTN 7")	500,000	-
Islamic Medium Term Note 8 ("IMTN 8")	500,000	-
Islamic Medium Term Note 9 ("IMTN 9")	1,000,000	-
	<u>8,000,000</u>	<u>3,500,000</u>

On 14 February 2019, the SC approved a RM10 billion Sukuk financing to be issued by the Company, via a special purpose vehicle, Danum Capital Berhad. The programme has a tenure of 15 years from the date of the first drawdown.

The Company uses the proceeds for financing of general investments, refinancing of borrowings and working capital requirements.

The details of the Sukuk financing are as follows:

	IMTN 1	IMTN 2	IMTN 3	IMTN 4	IMTN 5	IMTN 6	IMTN 7	IMTN 8	IMTN 9
Issuance date	14-Feb-19	14-Feb-19	9-May-19	21-Feb-20	21-Feb-20	15-Apr-20	13-May-20	13-May-20	13-May-20
Maturity date	13-Feb-26	14-Feb-34	9-May-23	21-Feb-25	21-Feb-35	16-Apr-21	13-May-25	13-May-27	13-May-30
Tenure	7 years	15 years	4 years	5 years	15 years	1 year	5 years	7 years	10 years
Yield to maturity	4.30%	4.68%	3.96%	3.07%	3.42%	2.64%	2.97%	3.14%	3.29%
Nominal amount	RM0.5 billion	RM1.0 billion	RM2.0 billion	RM0.5 billion	RM1.5 billion	RM0.5 billion	RM0.5 billion	RM0.5 billion	RM1.0 billion

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25. Borrowings (cont'd.)

(d) Danum Capital Berhad ("Danum") (cont'd.)

The Sukuk financing are unsecured and were issued at par.

The Sukuk financing will make periodic distribution at the profit rate every six months from the issuance to maturity.

During the year, the Company issued IMTN 4, IMTN 5, IMTN 6, IMTN 7, IMTN 8 and IMTN 9 for investment, refinancing of borrowings and general working capital requirements.

The maturity structure of the IMTNs is as follows:

	Company	
	2020	2019
	RM'000	RM'000
Due within one year	500,000	-
Due after one year, and within five years	3,000,000	2,000,000
Due after five years	4,500,000	1,500,000
	<u>8,000,000</u>	<u>3,500,000</u>

(e) Rantau Abang Capital Berhad ("RACB")

	Company	
	2020	2019
	RM'000	RM'000
Medium Term Note 1 ("MTN 1")	1,000,000	1,000,000
Medium Term Note 2 ("MTN 2")	1,000,000	1,000,000
Medium Term Note 4 ("MTN 4")	1,500,000	1,500,000
Medium Term Note 5 ("MTN 5")	-	1,000,000
Medium Term Note 6 ("MTN 6")	1,000,000	1,000,000
	<u>4,500,000</u>	<u>5,500,000</u>

On 24 February 2006, the SC approved a RM7 billion Sukuk financing to be issued by the Company, via a special purpose vehicle, Rantau Abang Capital Berhad. The programme has a tenure of 35 years from the date of the first drawdown.

The Company will use the proceeds for financing of general investments, refinancing of borrowings and working capital requirements.

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25. Borrowings (cont'd.)

(e) Rantau Abang Capital Berhad ("RACB") (cont'd.)

The details of the Sukuk financing are as follows:

	MTN 1	MTN 2	MTN 4	MTN 5	MTN 6
Issuance date	12-May-11	26-Mar-14	19-Oct-15	3-Dec-15	17-Jan-17
Maturity date	12-May-31	26-Mar-29	19-Oct-22	3-Dec-20	17-Jan-32
Tenure	20 years	15 years	7 years	5 years	15 years
Yield to maturity	5.05%	5.20%	4.57%	4.30%	5.00%
Nominal amount	RM1.0 billion	RM1.0 billion	RM1.5 billion	RM1.0 billion	RM1.0 billion

The Sukuk financing are unsecured and were issued at par.

The Sukuk financing will make periodic distribution at the profit rate every six months from the issuance to maturity.

No new issuance during the year.

During the year, MTN 5 amounting to RM1.0 billion was redeemed in full at maturity on 3 December 2020.

The maturity structure of the Sukuk financing is as follows:

	2020 RM'000	2019 RM'000
Due within one year	-	1,000,000
Due after one year, and within five years	1,500,000	1,500,000
Due after five years	3,000,000	3,000,000
	<u>4,500,000</u>	<u>5,500,000</u>

(f) Medium term notes ("MTN")

On 30 January 2020, the Company has issued a medium term notes ("MTN") with nominal value of RM 2.9 billion. The MTN has a tenure of 20 years.

The details of the MTN is as follows:

Issuance date	30-Jan-20
Maturity date	30-Jan-40
Tenure	20 years
Profit rate	4.137%
Nominal amount	RM2,901 million

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25. Borrowings (cont'd.)

(f) Medium term notes ("MTN") (cont'd.)

The maturity structure of the MTN is as follows:

	2020 RM'000
Due after five years	
MTN at nominal value	2,901,000
Less: Unamortised discount	(338,886)
	<u>2,562,114</u>

(g) Term loans - unsecured

	Short term RM'000	Company Long term RM'000	Total RM'000
2020			
Unsecured fixed term loans	<u>852,200</u>	<u>2,500,000</u>	<u>3,352,200</u>
2019			
Unsecured fixed term loans	<u>-</u>	<u>2,500,000</u>	<u>2,500,000</u>

The unsecured fixed term loans bear interest ranging between 2.99% to 4.641% (2019: 3.0171% to 3.2650%) per annum.

The maturity structure of the term loans are as follows:

	Company	
	2020 RM'000	2019 RM'000
Due within one year	852,200	-
Due after five years	<u>2,500,000</u>	<u>2,500,000</u>
	<u>3,352,200</u>	<u>2,500,000</u>

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25. Borrowings (cont'd.)

(h) Revolving credit facility

The Company utilised RM1.0 billion in nominal value under the existing banking facilities of RM4.5 billion for a period of one month during the year.

The Company used the proceeds for Khazanah's investment and general working capital requirements.

In 2019, the revolving credit bears interest ranging from 3.73% to 4.21% per annum.

The maturity structure of the revolving credit is as follows:

	Company	
	2020	2019
	RM'000	RM'000
Due within one year	-	4,500,000

(i) Ihsan Sukuk Berhad

	Company	
	2020	2019
	RM'000	RM'000
Medium Term Note 1 ("MTN 1")	100,000	100,000
Medium Term Note 2 ("MTN 2")	100,000	100,000
	<u>200,000</u>	<u>200,000</u>

On 11 March 2015, the SC approved a RM1 billion in nominal value, Sukuk Programme to be established under the Sustainable and Responsible Investment Sukuk framework ("Sukuk Programme") to be issued by the Company, via a special purpose vehicle, Ihsan Sukuk Berhad. The programme has a tenure of 25 years from the date of the first issuance under the Sukuk Programme.

The Company will use the proceeds for the purpose of funding Shariah-compliant Eligible Sustainable and Responsible Investment.

The details of the Ihsan Sukuk are as follows:

	MTN 1	MTN 2
Issuance date	18-Jun-15	8-Aug-17
Maturity date	18-Jun-22	8-Aug-24
Tenure	7 years	7 years
Profit rate	4.30%	4.60%
Nominal amount	RM100 million	RM100 million

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25. Borrowings (cont'd.)

(i) Ihsan Sukuk Berhad (cont'd.)

The Ihsan Sukuk are unsecured and issued at par. The proceeds were utilised to fund Yayasan Amir Trust Schools Programme ("Yayasan Amir"). Yayasan Amir is a not-for-profit foundation established on 26 October 2010 to improve accessibility to quality education in government schools through a Public-Private-Partnership with the Ministry of Education of Malaysia.

MTN 1

The Ihsan Sukuk will make annual distribution at the profit rate from the issuance to maturity. In relation to the repayment of the Principal, the Company shall reduce the amount to be repaid by 6.22% (by redeeming the Ihsan Sukuk at 93.78%) in the event Yayasan Amir meets its key performance indicators ("KPIs") pursuant to the conditions of the Ihsan Sukuk.

This note to the financial statements should be read in conjunction with the conditions set out in the information memorandum dated 11 June 2015 relating to the Ihsan Sukuk.

MTN 2

The Ihsan Sukuk will make annual distribution at the profit rate from the issuance to maturity. In relation to the repayment of the Principal, the Company shall reduce the amount to be repaid by 3.18% (by redeeming the Ihsan Sukuk at 96.82%) in the event Yayasan Amir meets its key performance indicators ("KPIs") pursuant to the conditions of the Ihsan Sukuk.

This note to the financial statements should be read in conjunction with the conditions set out in the prospectus dated 13 July 2017 relating to the Ihsan Sukuk.

The First and Second Sukuk Ihsan Sukukholders may exercise their option to waive the repayment of the principal and profit of the IMTNs at any time during the tenure of the First and Second Sukuk Ihsan.

The potential reduction to the dissolution distribution amount and the potential waiver above give rise to embedded derivative. The embedded derivative cannot be reliably measured thus bifurcated and carried at RMNil due to the uncertainty in determining the ability of Yayasan Amir to meet the KPIs.

The maturity structure of the Ihsan Sukuk financing is as follows:

	Company	
	2020	2019
	RM'000	RM'000
Due after one year, and within five years	<u>200,000</u>	<u>200,000</u>

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25. Borrowings (cont'd.)

The movement in the borrowings are as follows:

	Company	
	2020 RM'000	2019 RM'000
At 1 January	45,769,258	45,353,588
Drawdown	8,903,451	9,468,365
Repayment	(12,452,233)	(9,599,769)
Unrealised (gain)/ loss on foreign exchange	(48,863)	33,830
Amortisation of discounts on Khazanah Bonds (Note 25(a))	438,883	513,244
	<u>42,610,496</u>	<u>45,769,258</u>

26. Derivative financial instruments

	Company	
	Nominal RM'000	Liability RM'000
2020		
Non-hedging derivative: Embedded derivatives		
Long term	<u>3,134,699</u>	<u>128,409</u>
2019		
Non-hedging derivative: Embedded derivatives		
Long term	<u>3,132,955</u>	<u>174,919</u>

Embedded derivative liabilities

The Company, via special purpose vehicles, issued Exchangeable Trust Certificates, as described in Note 25(b). The embedded derivatives represent the fair value of:

- (i) the option provided to certificate holders to convert into ordinary shares of the underlying assets ("Exchange Property"); and
- (ii) the cash settlement option that the Company has to redeem the Exchangeable Trust Certificates.

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27. Ordinary and preference shares

Issued and fully paid-up:

	Number of ordinary shares		Amount	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
At 1 January/31 December	5,443,953	5,443,953	12,283,201	12,283,201

Issued and fully paid-up:

	Number of RCCPS		Amount	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
At 1 January/31 December	1,000	1,000	1,000	1,000

**Total ordinary and
preference shares**

	5,444,953	5,444,953	12,284,201	12,284,201
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The salient terms of the RCCPS are as follows:

- (a) Under the Companies Act, 2016 in Malaysia which came into effect on 31 January 2017, the concept of authorised share capital no longer exists.
- (b) In accordance with Section 74 of the Companies Act, 2016, the Company's RCCPS no longer have a par or nominal value with effect from 31 January 2017. Pursuant to Section 618 of the Companies Act, 2016, the amount standing to the credit of the Company's share premium became part of the Company's share capital. There is no impact on the numbers of RCCPS in issue or the relative entitlement of any of the members of the Company.
- (c) The RCCPS shall carry a variable dividend whereby the dividend rate and the payment of which shall be payable at the option of the Company. If dividend is not paid, any part of that dividend will be accumulated until such time as the Company is in a position to declare any such dividend at its discretion;
- (d) The RCCPS shall rank for dividend in priority to the ordinary shares;
- (e) Redemption of the RCCPS shall be at the discretion of the Company and shall be redeemed at the par value;
- (f) Conversion of the RCCPS shall be at the discretion of the Company at any time after the issuance of the RCCPS;

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27. Ordinary and preference shares (cont'd.)

The salient terms of the RCCPS are as follows: (cont'd.)

- (g) The RCCPS will be convertible into new ordinary shares of the Company for a value of RM1 per RCCPS where the number of new ordinary shares shall be calculated based on the last available/audited realisable asset value of the Company at the time of conversion provided that the conversion price for each unit of RCCPS shall not fall below the par value of the ordinary shares of RM1 each;
- (h) Prior to the conversion of the RCCPS, the RCCPS holder would not have the right to vote at any general meeting of the Company;
- (i) The maturity dates of the RCCPS are as follows:

	2020	2019
	RM'000	RM'000
7 March 2021	<u>1,000</u>	<u>1,000</u>

- (j) The Company has the discretion to extend the tenure of the RCCPS.

28. Financial instruments by category

31 December 2020

	Amortised cost RM'000	Financial assets designated as fair value through profit or loss RM'000	Financial assets designated as fair value through OCI RM'000	Total RM'000
Financial assets				
Cash and bank balances	3,388,329	-	-	3,388,329
Other financial assets	-	3,626,473	130,000	3,756,473
Other receivables	871,802	-	-	871,802
Investment in money market instruments	64,921	-	-	64,921
Total	<u>4,325,052</u>	<u>3,626,473</u>	<u>130,000</u>	<u>8,081,525</u>

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28. Financial instruments by category (cont'd.)**31 December 2020 (cont'd.)**

	Financial liabilities designated as fair value through profit or loss RM'000	Financial liabilities at amortised cost RM'000	Total RM'000
Financial liabilities			
Borrowings	-	42,610,496	42,610,496
Derivative liabilities	128,409	-	128,409
Other payables	-	3,544,768	3,544,768
Total	128,409	46,155,264	46,283,673

31 December 2019

	Amortised cost RM'000	Financial assets designated as fair value through profit or loss RM'000	Financial assets designated as fair value through OCI RM'000	Total RM'000
Financial assets				
Cash and bank balances	1,208,891	-	-	1,208,891
Other financial assets	1,439,646	3,080,565	112,000	4,632,211
Other receivables	868,932	-	-	868,932
Total	3,517,469	3,080,565	112,000	6,710,034

	Financial liabilities designated as fair value through profit or loss RM'000	Financial liabilities at amortised cost RM'000	Total RM'000
Financial liabilities			
Borrowings	-	45,769,258	45,769,258
Derivative liabilities	174,919	-	174,919
Other payables	-	3,587,882	3,587,882
Total	174,919	49,357,140	49,532,059

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29. Fair values

(a) Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value

	2020		2019	
	Carrying amount RM'000	Fair value RM'000	Carrying amount RM'000	Fair value RM'000
Financial liabilities				
Exchangeable Trust				
Certificates	3,263,108	3,284,108	3,307,874	3,331,530
Islamic Medium Term				
Notes				
- Danga	11,120,056	9,705,033	16,023,052	17,143,977
- Danum	8,072,526	8,723,605	3,536,859	3,755,477
- RACB	4,557,199	4,559,629	5,560,301	5,561,745
- Ihsan Sukuk	204,111	204,209	204,136	204,185
Medium Term Note	2,612,337	3,630,485	-	-
Fixed term loans	3,405,378	3,648,213	2,551,496	2,707,347

For the purpose of comparability, the above carrying amounts include the following:

- (i) Exchangeable Trust Certificates include carrying amount of related embedded derivative liabilities.
- (ii) For interest-bearing financial liabilities, interest payable as at reporting date is included.

(b) Determination of fair value

(i) Cash and cash equivalents, receivables and payables

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair value due either to their short term nature or are repayable on demand.

(ii) Quoted shares

The fair value of quoted shares is determined directly by reference to their published market bid price at the reporting date.

(iii) Financial assets designated as fair value through profit and loss

The fair value of unquoted bonds, funds and structured products are based on the indicative fair values obtained from Bond Pricing Agency of Malaysia, Bloomberg and/or respective licensed banks.

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29. Fair values (cont'd.)

(b) Determination of fair value (cont'd.)

(iv) Investment property

The fair value of the investment property is determined by reference to the valuations provided by accredited independent valuers. As at the reporting date, the Company's investment property has a remaining lease tenure of 99 years.

(v) Loans receivable

The fair value of loans receivable are estimated by discounting the estimated future cash flows using current interest rates for financial assets with similar risk profile.

(vi) Embedded derivatives

The fair value of embedded derivatives are valued using the Black Scholes model with market observable inputs. The model incorporates various inputs including closing market prices of underlying shares, foreign exchange spot rates and market interest rates.

(vii) Periodic Payment Exchangeable Trust Certificates

The fair value of Periodic Payment Exchangeable Trust Certificates is determined directly by reference to their published market ask price at the reporting date.

(viii) Other loans and borrowings

The carrying amount of the current portion of other loans and borrowings are reasonable approximations of fair value due to the insignificant impact of discounting.

The carrying amount of certain other loans and borrowings are reasonable approximations of fair value as they are floating rate instruments that are re-priced to market interest rates near the reporting date.

The fair value of non-current other loans and borrowings, other than floating rate instruments, are estimated by discounting expected future cash flows at market incremental lending rate for similar types of borrowing at the reporting date.

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29. Fair values (cont'd.)

(c) Fair value measurement hierarchy

Quantitative disclosures fair value measurement hierarchy for asset and liabilities as at 31 December 2020:

Assets and liabilities measured at fair value	Carrying amount RM'000	Fair value measurement using		
		Quoted market price Level 1 RM'000	Observable input Level 2 RM'000	Unobservable input Level 3 RM'000
Financial assets				
Financial assets designated as fair value through profit or loss				
- Quoted shares	1,792,203	1,792,203	-	-
- Quoted equity funds	1,550,092	1,550,092	-	-
- Unquoted money market funds	117,424	-	117,424	-
- Unquoted bonds	166,754	-	166,754	-
Financial assets designated as fair value through other comprehensive income				
- Quoted shares	130,000	130,000	-	-
Financial liability				
Embedded derivatives	128,409	-	128,409	-
Assets and liabilities for which fair values are disclosed				
Assets				
Investment Property	352,569	-	-	417,110
Investments in associates				
- Quoted shares	24,926,224	48,032,400	-	-

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29. Fair values (cont'd.)

(c) Fair value measurement hierarchy (cont'd.)

Quantitative disclosures fair value measurement hierarchy for asset and liabilities as at 31 December 2020: (cont'd.)

Assets and liabilities for which fair values are disclosed	Carrying amount RM'000	Fair value measurement using		
		Quoted market price Level 1 RM'000	Observable input Level 2 RM'000	Unobservable input Level 3 RM'000
Liabilities				
Exchangeable Trust				
Certificates	3,263,108	3,284,108	-	-
Islamic Medium Term Notes				
- Danga	11,120,056	-	9,705,033	-
- Danum	8,072,526	-	8,723,605	-
- RACB	4,557,199	-	4,559,629	-
- Ihsan Sukuk	204,111	-	204,209	-
Medium Term Note	2,612,337	-	3,630,485	-
Term loans				
- unsecured	3,405,378	-	3,648,213	-

Quantitative disclosures fair value measurement hierarchy for asset and liabilities as at 31 December 2019:

Assets and liabilities measured at fair value	Carrying amount RM'000	Fair value measurement using		
		Quoted market price Level 1 RM'000	Observable input Level 2 RM'000	Unobservable input Level 3 RM'000
Financial assets				
Financial assets designated as fair value through profit or loss				
- Quoted shares	1,507,714	1,507,714	-	-
- Quoted equity funds	1,033,452	1,033,452	-	-
- Unquoted money market funds	428,492	-	428,492	-
- Unquoted bonds	110,907	-	110,907	-

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29. Fair values (cont'd.)

(c) Fair value measurement hierarchy (cont'd.)

Quantitative disclosures fair value measurement hierarchy for asset and liabilities
as at 31 December 2019: (cont'd.)

Assets and liabilities measured at fair value (cont'd.)	Carrying amount RM'000	Fair value measurement using		
		Quoted market price Level 1 RM'000	Observable input Level 2 RM'000	Unobservable input Level 3 RM'000
Financial assets designated as fair value through other comprehensive income				
- Quoted shares	112,000	112,000	-	-
Financial liability				
Embedded derivatives	174,919	-	174,919	-
Assets and liabilities for which fair values are disclosed				
Assets				
Investments in associates				
- Quoted shares	25,140,553	56,997,058	-	-
Liabilities				
Exchangeable Trust Certificates	3,307,874	3,331,530	-	-
Islamic Medium Term Notes				
- Danga	16,023,052	-	17,143,977	-
- Danum	3,536,859	-	3,755,477	-
- RACB	5,560,301	-	5,561,745	-
- Ihsan Sukuk	204,136	-	204,185	-
Term loans - unsecured	2,551,496	-	2,707,347	-

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30. Financial risk management objectives and policies

The Company is exposed to financial risks arising from its operations and the use of the financial instruments. The key financial risks include interest rate, foreign currency, equity price, credit and liquidity risks.

The Company has an approved set of guidelines and policies as well as internal controls which set out its overall business strategies to manage these risks. The Company's overall financial risk management objective is to enhance shareholders' value through effective management of the Company's risks.

The Board of Directors reviews and agrees policies and procedures for the management of these risks. The following sections provide details regarding the Company's exposure to the abovementioned financial risks and the objectives, policies and processes for the management of these risks.

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's term loans with floating interest rates.

The Company actively manages its interest rate risk by maintaining an interest cover ratio of at least one and a half times.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of borrowings. With all other variables held constant, the table below summarises the Company's exposure to interest rate risk on floating rate borrowings. There is no impact on the Company's equity.

	Effect on profit or loss RM'000
2020	
Increase in 25 basis points	(2,131)
Decrease in 25 basis points	<u>2,131</u>
2019	
Increase in 25 basis points	(11,250)
Decrease in 25 basis points	<u>11,250</u>

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30. Financial risk management objectives and policies (cont'd.)

(a) Interest rate risk (cont'd.)

Interest rate sensitivity (cont'd.)

The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

Weighted average interest rate and average maturity

(i) Financial assets

The weighted average interest rates per annum and the average remaining maturity of deposits as at 31 December were as follows:

	2020		2019	
	Weighted average interest rates %	Average days to maturity	Weighted average interest rates %	Average days to maturity
Licensed banks	2.32	34	3.25	15

(ii) Financial liabilities

The interest rates per annum and the remaining maturity of borrowings and term loans as at 31 December were as follows:

	2020		2019	
	Interest rates %	Years to maturity	Interest rates %	Years to maturity
Term loans	2.99 to 4.64	0.21 to 4.06	4.64	5.06
Bonds and notes	2.64 to 5.33	0.15 to 19.09	3.04 to 5.33	0.23 to 14.13

(b) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company maintains a natural hedge, whenever possible, by borrowing in the currency of the country in which investments are located or by borrowing in currencies that match the future revenue stream to be generated from the investments.

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30. Financial risk management objectives and policies (cont'd.)

(b) Foreign currency risk (cont'd.)

During the year, the currencies in which the Company mainly transacted in other than its functional currency of Ringgit Malaysia ("RM") were United States Dollars ("USD"), Singapore Dollar ("SGD") and Chinese Renminbi ("CNY"). This is mainly due to the other investments, cash and bank balances and borrowings. The natural hedge strategy was maintained as the proceeds from the floating term loan, ETCs and MIMTN were used for investments in USD and SGD respectively.

Foreign currency sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in the USD, SGD and CNY exchange rates, with all other variables held constant, of the Company's profit before tax (due to changes in the fair value of monetary assets and liabilities). The Company's exposure to foreign currency changes for all other currencies is not material.

	Changes in rate	Effect on profit or loss RM'000
2020		
USD/RM - Strengthened	5%	(312,000)
USD/RM - Weakened	5%	312,000
SGD/RM - Strengthened	5%	-
SGD/RM - Weakened	5%	-
CNY/RM - Strengthened	5%	181,000
CNY/RM - Weakened	5%	(181,000)
2019		
USD/RM - Strengthened	5%	(318,000)
USD/RM - Weakened	5%	318,000
SGD/RM - Strengthened	5%	(137,000)
SGD/RM - Weakened	5%	137,000
CNY/RM - Strengthened	5%	155,000
CNY/RM - Weakened	5%	(155,000)

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30. Financial risk management objectives and policies (cont'd.)

(c) Equity price risk

The Company's quoted equity securities are susceptible to market price risk arising from the uncertainties on future values of the investment securities. The Company manages the equity price risk through diversification and placing limits on individual and total equity instruments. Reports on the equity portfolio monitoring are submitted to the Company's senior management on a regular basis. The Company's Board of Directors reviews and approves all equity investment decisions.

Equity price sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in the equity price, with all other variables held constant, of the Company's equity investments (due to changes in the fair value of financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss).

	Effect on equity RM'000	Effect on profit or loss RM'000
2020		
Increase of 10% in equity price	13,000	349,800
Decrease of 10% in equity price	<u>(13,000)</u>	<u>(349,800)</u>
2019		
Increase of 10% in equity price	11,200	290,600
Decrease of 10% in equity price	<u>(11,200)</u>	<u>(290,600)</u>

(d) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Company's exposure to credit risk arises primarily from loan receivables. For other financial assets (including investments in bonds, money market instruments and cash and deposits with banks) the Company minimises credit risk by dealing exclusively with high credit rating counterparties.

At the reporting date, the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position, including derivatives with positive fair value.

30. Financial risk management objectives and policies (cont'd.)

(d) Credit risk (cont'd.)

Financial assets that are neither past due nor impaired

Information regarding the financial assets that are neither past due nor impaired is disclosed in Note 16 and Note 17. Investments in money market instruments and cash and deposits with licensed banks are neither past due nor impaired as these are placed with or entered into with reputable financial institutions with high credit ratings and no history of default.

Financial assets that are either past due or impaired

Information regarding the financial assets that are either past due or impaired is disclosed in Note 16 and Note 17.

(e) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Company's exposure to liquidity risk arises from mismatches of the maturities of financial assets and liabilities.

The Company actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all refinancing, repayment and funding needs are met. As part of its overall prudent liquidity management, the Company maintains a portfolio of highly liquid assets to meet its working capital and investment requirements.

In addition, the Company maintains a balanced and flexible funding structure through the use of credit facilities, short and long term borrowings. Short term flexibility is achieved through credit facilities and short term borrowings. As far as possible, the Company raises committed funding from both capital markets and financial institutions and prudently balances its portfolio with certain short term funding so as to achieve overall cost effectiveness.

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30. Financial risk management objectives and policies (cont'd.)

(e) Liquidity risk (cont'd.)

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted repayment obligations.

	On demand RM'000	Less than 3 months RM'000	3 to 12 months RM'000	1 to 5 years RM'000	More than 5 years RM'000	Total RM'000
31 December 2020						
Non-interest bearing financial liabilities						
Amount due to related companies	1,950,842	-	-	-	-	1,950,842
Other payables and accruals	-	189,743	-	-	-	189,743
Khazanah Bonds - secured	-	-	2,300,000	7,000,000	2,000,000	11,300,000
Exchangeable Trust Certificates ("ETC") #	-	-	-	3,300,232	-	3,300,232
	<u>1,950,842</u>	<u>189,743</u>	<u>2,300,000</u>	<u>10,300,232</u>	<u>2,000,000</u>	<u>16,740,817</u>
Interest bearing financial liabilities *						
Islamic Medium Term Notes						
- Danga	-	3,253,840	191,406	1,540,484	9,859,065	14,844,795
- Danum	-	68,399	716,906	4,407,212	5,057,581	10,250,098
- RACB	-	51,000	170,050	2,178,550	3,784,750	6,184,350
- Ihsan Sukuk	-	-	8,938	218,076	-	227,014
Medium Term Notes	-	60,007	60,007	480,057	4,641,208	5,241,279
Fixed term loans	-	106,972	57,536	2,906,882	-	3,071,390
	-	<u>3,540,218</u>	<u>1,204,843</u>	<u>11,731,261</u>	<u>23,342,604</u>	<u>39,818,926</u>
Total undiscounted financial liabilities	<u>1,950,842</u>	<u>3,729,961</u>	<u>3,504,843</u>	<u>22,031,493</u>	<u>25,342,604</u>	<u>56,559,743</u>

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30. Financial risk management objectives and policies (cont'd.)

(e) Liquidity risk (cont'd.)

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted repayment obligations. (cont'd.)

	On demand RM'000	Less than 3 months RM'000	3 to 12 months RM'000	1 to 5 years RM'000	More than 5 years RM'000	Total RM'000
31 December 2019						
Non-interest bearing financial liabilities						
Amount due to related companies	3,037,589	-	-	-	-	3,037,589
Other payables and accruals	-	167,349	-	-	-	167,349
Khazanah Bonds - secured	-	-	1,200,000	9,300,000	2,000,000	12,500,000
Exchangeable Trust Certificates ("ETC") #	-	-	-	3,358,303	-	3,358,303
	<u>3,037,589</u>	<u>167,349</u>	<u>1,200,000</u>	<u>12,658,303</u>	<u>2,000,000</u>	<u>19,063,241</u>
Interest bearing financial liabilities *						
Islamic Medium Term Notes						
- Danga	-	184,884	4,997,963	2,300,407	10,244,445	17,727,699
- Danum	-	34,431	113,039	2,471,062	1,977,328	4,595,860
- RACB	-	51,000	1,213,050	2,247,100	3,937,250	7,448,400
- Insan Sukuk	-	-	8,912	227,013	-	235,925
Fixed term loans	-	57,854	57,854	465,054	2,557,854	3,138,616
Revolving credit facility	-	4,514,435	-	-	-	4,514,435
	<u>-</u>	<u>4,842,604</u>	<u>6,390,818</u>	<u>7,710,636</u>	<u>18,716,877</u>	<u>37,660,935</u>
Total undiscounted financial liabilities	<u>3,037,589</u>	<u>5,009,953</u>	<u>7,590,818</u>	<u>20,368,939</u>	<u>20,716,877</u>	<u>56,724,176</u>

For the purpose of liquidity risk presentation, the embedded derivatives are not separated from the host instrument of ETC.

* For interest bearing financial liabilities, the above analysis include future interest or coupon payments, as well as repayment of the principal. The cash flows of floating interest financial liabilities are estimated based on forward rates.

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31. Capital management

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Company manages its capital structure and makes adjustments to it, in line with the changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payments to shareholders, return of capital to shareholders or issue new shares. No changes were made to the objectives, policies or processes for the years ended 31 December 2020 and 31 December 2019.

The Company is not subjected to any externally imposed capital requirements.

The Company monitors capital after including the assets and liabilities held through the SPVs ("Extended Company") using gearing ratio. The Company includes within net debt, loans and borrowings less cash and bank balances. Capital represents equity attributable to the owners of the Company.

	Note	Extended Company	
		2020	2019
		RM'000	RM'000
Borrowings	19(b)	43,066,017	45,769,258
Less: Cash, bank balances and investment in money market	19(b)	(7,518,143)	(7,192,765)
Net debt		<u>35,547,874</u>	<u>38,576,493</u>
Share capital	27	12,284,201	12,284,201
Capital contribution from shareholders	19(b)	2,324,423	2,324,423
Retained profits	19(b)	16,675,194	15,866,009
Fair value adjustment reserve	19(b)	3,267,338	3,436,769
Currency translation reserve	19(b)	1,862,329	2,570,865
Equity attributable to the owners of the Company		<u>36,413,485</u>	<u>36,482,267</u>
Gearing ratio (times)		<u>0.98</u>	<u>1.06</u>

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32. Commitments

	Company	
	2020	2019
	RM'000	RM'000
Approved but not contracted for:		
Capital injection committed for a subsidiary	6,665,000	2,127,000
Capital injection committed for investments	6,449,000	7,425,000
Property and equipment	37,817	35,844
	<u>37,817</u>	<u>35,844</u>

33. Contingent liabilities

	Company	
	2020	2019
	RM'000	RM'000
Guarantee given to certain subsidiaries for term loan facilities with licensed banks	456,210	-
	<u>456,210</u>	<u>-</u>

34. Subsequent events

The following are significant subsequent events of the Company after the financial year ended 31 December 2020:

- (i) Up to 7 January 2021, Sipadan Investments (Mauritius) Limited has disposed its entire stake in IDFC Limited for a total consideration of USD49,363,519.
- (ii) Up to 1 February 2021, Mount Raya Investments Limited has disposed its entire stake in Phunware for a total consideration of USD5,445,674.
- (iii) On 4 February 2021, Auto1 GMBH has gone public with the share price trading at EUR38.00 as the Initial Public Offering ("IPO") price on the Frankfurt Stock Exchange.
- (iv) Up to 8 February 2021, Tanjung Buai Ventures Sdn. Bhd. has partially divested 1,201,281 units of shares in Auto1 GMBH for total consideration of RM219,496,365.
- (v) Up to 23 February 2021, Bukit Chini Investments Limited has disposed its entire stake in Palantir Technologies for a total consideration of USD130,781,574.
- (vi) On 8 March 2021, Khazanah Nasional Berhad has subscribed to Tranche 2 Medium Term Notes ("Tranche 2 MTNs") of RM200 million issued by Sunway Parkview Sdn. Bhd., for a tenure of up to 3 years from the date of issuance.
- (vii) On 16 March 2021, the Company entered into a subscription agreement for 473,270,818 redeemable convertible cumulative secured loan stocks of RM1 each to be issued by Themed Attractions Resorts & Hotels Sdn. Bhd. ("TAR&H") for a total subscription price of RM473.27 million.

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34. Subsequent events (cont'd.)

The following are significant subsequent events of the Company after the financial year ended 31 December 2020: (cont'd.)

- (viii) On 26 March 2021, Directors of Themed Attractions Resorts & Hotels Sdn. Bhd. ("TAR&H") approved the proposed Capital Rebalancing Scheme where Themed Attractions Resorts & Hotels Sdn. Bhd. ("TAR&H") is to issue redeemable convertible preference shares ("RCPS") to the Company.
- (ix) Up to 30 March 2021, Mount Reskit Investments Limited has partially divested 111,086,000 units of shares in Beijing Enterprise Water Group ("BEWG") for total consideration of HKD353,731,223.
- (x) Up to 31 March 2021, the Company has fully redeemed its investment in MYETF of 100,000,000 units for total consideration of RM120,265,905.
- (xi) On 31 March 2021, the Company has entered into a conditional share sale and purchase agreement with the Dagang NeXchange Bhd ("DNeX") consortium for the divestment of SilTerra Malaysia Sdn. Bhd.

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Consolidated statement of comprehensive income
For the year ended 31 December 2020

		Group	
	Note	2020	2019
		RM'000	RM'000
Continuing operations			
Revenue	35	12,674,836	27,982,162
Operating expenses		(18,577,097)	(25,781,624)
Other income		4,918,678	2,309,519
Operating (loss)/profit	36	(983,583)	4,510,057
Finance costs	39	(3,058,359)	(3,719,902)
Share of results of associates and joint ventures		1,504,185	4,745,136
(Loss)/profit before taxation		(2,537,757)	5,535,291
Taxation	40	(319,167)	(215,123)
(Loss)/profit for the year, net of taxation		<u>(2,856,924)</u>	<u>5,320,168</u>
Other comprehensive income:			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Foreign currency translation differences		(1,145,335)	(1,029,581)
Net gain on fair value of cash flow hedges		17,650	402,732
Share of other comprehensive loss of associates and joint ventures		-	(1,173)
		<u>(1,127,685)</u>	<u>(628,022)</u>

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Consolidated statement of comprehensive income
For the year ended 31 December 2020 (cont'd.)

		Group	
	Note	2020	2019
		RM'000	RM'000
Other comprehensive income (cont'd.):			
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Net gain/(loss) on fair value through other comprehensive income financial assets, net of tax		945,965	(456,079)
Actuarial loss on defined benefit plans	65	<u>(114,583)</u>	<u>(352,739)</u>
		<u>831,382</u>	<u>(808,818)</u>
Other comprehensive loss for the year		<u>(296,303)</u>	<u>(1,436,840)</u>
Total comprehensive (loss)/income for the year		<u>(3,153,227)</u>	<u>3,883,328</u>
(Loss)/profit attributable to:			
Owners of the Company		(2,675,399)	5,372,017
Non-controlling interests		<u>(181,525)</u>	<u>(51,849)</u>
		<u>(2,856,924)</u>	<u>5,320,168</u>
Total comprehensive (loss)/income attributable to:			
Owners of the Company		(3,084,357)	3,897,879
Non-controlling interests		<u>(68,870)</u>	<u>(14,551)</u>
		<u>(3,153,227)</u>	<u>3,883,328</u>

The accompanying notes form an integral part of the financial statements.

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Khazanah Nasional Berhad
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Consolidated statement of financial position
As at 31 December 2020

		Group	
	Note	2020	2019
		RM'000	RM'000
Assets			
Non-current assets			
Property, plant and equipment	42	7,942,399	8,169,028
Land held for property development	43	6,517,775	6,335,546
Investment properties	44	3,553,752	3,073,959
Concession intangible assets	45	218,803	52,250
Goodwill on consolidation	46	1,410,204	2,045,205
Other intangible assets	47	662,382	763,278
Interest in associates	49	57,144,574	60,588,806
Interest in joint ventures	50	3,344,280	4,061,817
Other non-current financial investments	51	35,431,044	32,149,602
Other non-current assets	52	2,752,742	2,260,313
Right-of-use-assets	53	10,407,260	12,043,900
Derivative assets	54	12	-
Deferred tax assets	55	333,226	464,964
		<u>129,718,453</u>	<u>132,008,668</u>
Current assets			
Property development-in-progress	56	1,018,939	904,012
Inventories and work-in-progress	57	1,159,767	1,655,815
Trade receivables	58	1,740,988	2,759,078
Other receivables	59	2,415,549	2,559,520
Tax recoverable		66,700	52,948
Derivative assets	54	-	1
Other current financial investments	51	1,723,226	3,047,857
Cash and bank balances	60	11,902,527	11,144,088
		<u>20,027,696</u>	<u>22,123,319</u>
Assets held for sale and assets of disposal group classified as held for sale	41	103,141	1,077,695
		<u>20,130,837</u>	<u>23,201,014</u>
Total assets		<u>149,849,290</u>	<u>155,209,682</u>

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Consolidated statement of financial position
As at 31 December 2020 (cont'd.)

		Group	
	Note	2020	2019
		RM'000	RM'000
Equity and liabilities			
Current liabilities			
Borrowings	61	10,615,979	14,549,068
Trade payables	62	3,904,058	3,341,591
Other current liabilities	63	8,937,598	8,369,631
Lease liabilities	67	1,615,450	1,641,980
Tax payable		154,442	149,312
Derivative liabilities	54	72,063	25,454
		<u>25,299,590</u>	<u>28,077,036</u>
Liabilities of disposal group classified as held for sale	41	95	110,560
		<u>25,299,685</u>	<u>28,187,596</u>
Non-current liabilities			
Borrowings	61	49,422,384	47,090,298
Other non-current liabilities	66	8,696,341	7,699,147
Deferred tax liabilities	55	513,725	587,662
Lease liabilities	67	8,092,642	9,701,495
Derivative liabilities	54	158,625	182,245
		<u>66,883,717</u>	<u>65,260,847</u>
Total liabilities		<u>92,183,402</u>	<u>93,448,443</u>
Equity attributable to owners of the Company:			
Share capital	27	12,284,201	12,284,201
Capital contribution from shareholders		4,483,223	4,124,423
Reserves		<u>35,493,328</u>	<u>39,702,067</u>
Shareholders' funds		<u>52,260,752</u>	<u>56,110,691</u>
Non-controlling interests		<u>5,405,136</u>	<u>5,650,548</u>
Total equity		<u>57,665,888</u>	<u>61,761,239</u>
Total equity and liabilities		<u>149,849,290</u>	<u>155,209,682</u>

The accompanying notes form an integral part of the financial statements.

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Consolidated statement of changes in equity
For the year ended 31 December 2020

<----- Attributable to owners of the Company ----->

	Share capital (Note 27) RM'000	Capital contribution from shareholders ("CCS") RM'000	Other reserves (Note 65) RM'000	Distributable retained profits RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
2020							
At 1 January	12,284,201	4,124,423	806,860	38,895,207	56,110,691	5,650,548	61,761,239
Loss for the year	-	-	-	(2,675,399)	(2,675,399)	(181,525)	(2,856,924)
Other comprehensive loss - arising during the year	-	-	(296,303)	-	(296,303)	-	(296,303)
Total comprehensive loss	-	-	(296,303)	(2,675,399)	(2,971,702)	(181,525)	(3,153,227)
Transactions with owners							
Acquisition of subsidiaries	-	-	-	(198,003)	(198,003)	4,536	(193,467)
Dilution of interest in subsidiaries	-	-	-	37,666	37,666	19,798	57,464
Disposal of subsidiaries	-	-	(2,799)	36,835	34,036	38,371	72,407
Disposal of associates	-	-	76,412	-	76,412	-	76,412
Disposal of other financial investments	-	-	(1,097,829)	1,097,829	-	-	-
Disposal of non-controlling interests	-	-	-	-	-	(35,978)	(35,978)
Dilution of interest in associates and joint ventures	-	-	(11,994)	-	(11,994)	-	(11,994)
Share of reserves of associates	-	-	(48,032)	-	(48,032)	-	(48,032)
Derecognition of put option	-	-	872,878	-	872,878	-	872,878
Transfer to:							
- statutory reserve	-	-	(515,817)	515,817	-	-	-
- capital reserve	-	-	70,516	(70,516)	-	-	-
Contribution from Government	-	358,800	-	-	358,800	-	358,800
Issuance of shares by subsidiaries	-	-	-	-	-	784	784
Dividend paid to non-controlling interests	-	-	-	-	-	-	-
Dividends paid to owners	-	-	-	-	-	(91,398)	(91,398)
Total transactions with owners	-	358,800	(656,665)	(580,372)	(878,237)	(63,887)	(942,124)
At 31 December	12,284,201	4,483,223	(146,108)	35,639,436	52,260,752	5,405,136	57,665,888

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Consolidated statement of changes in equity
For the year ended 31 December 2020 (cont'd.)

	←----- Attributable to owners of the Company ----->						
	Share capital (Note 26) RM'000	contribution from shareholders ("CCS") RM'000	Other reserves (Note 65) RM'000	Distributable retained profits RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
2019							
At 1 January	12,284,201	4,124,423	1,658,666	32,228,838	50,296,128	6,050,919	56,347,047
Profit/(loss) for the year	-	-	-	5,372,017	5,372,017	(51,849)	5,320,168
Other comprehensive (loss)/income - arising during the year	-	-	(1,474,138)	-	(1,474,138)	37,298	(1,436,840)
Total comprehensive income	-	-	(1,474,138)	5,372,017	3,897,879	(14,551)	3,883,328
Transactions with owners							
Dilution of interest in subsidiaries	-	-	-	(30,596)	(30,596)	-	(30,596)
Disposal of subsidiaries	-	-	2,046	(56,025)	(53,979)	(327,785)	(381,764)
Disposal of associates	-	-	666,656	-	666,656	-	666,656
Dilution of interest in associates	-	-	(6,270)	-	(6,270)	4,000	(2,270)
Share of reserves of associates and joint ventures	-	-	33,684	-	33,684	-	33,684
Transfer to:							
- disposal group held for sale	-	-	90,875	-	90,875	-	90,875
- statutory reserve	-	-	142,072	(105,423)	36,649	-	36,649
- capital reserve	-	-	-	(50,851)	(50,851)	314	(50,537)
- general reserve	-	-	(290,221)	-	(290,221)	-	(290,221)
Permanent reduction in value	-	-	-	2,517,320	2,517,320	-	2,517,320
Redemption of preference shares	-	-	18,116	-	18,116	-	18,116
Expiry of share options	-	-	(22,240)	22,240	-	(1,654)	(1,654)
Share based payment	-	-	(12,386)	(1,428)	(13,814)	-	(13,814)
Dividend paid to non-controlling interests	-	-	-	(885)	(885)	(60,695)	(61,580)
Dividends paid to owners	-	-	-	(1,000,000)	(1,000,000)	-	(1,000,000)
Total transactions with owners	-	-	622,332	1,294,352	1,916,684	(385,820)	1,530,864
At 31 December	12,284,201	4,124,423	806,860	38,895,207	56,110,691	5,650,548	61,761,239

The accompanying notes form an integral part of the financial statements.

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Consolidated statement of cash flows
For the year ended 31 December 2020

	Group	
	2020	2019
	RM'000	RM'000
Cash flows from operating activities		
(Loss)/profit before taxation	(2,537,757)	5,535,291
Adjustments for:		
Gain from divestments of investments	(765,907)	(6,555,092)
Dividend income from other investments	(149,071)	(410,269)
Interest income	(550,615)	(449,057)
Unrealised gain on foreign exchange, net	(230,835)	(44,293)
Depreciation for property, plant and equipment	552,035	1,074,636
Depreciation for right-of-use assets	1,653,570	1,352,325
Net fair value (gain)/loss on financial assets at fair value through profit or loss	(3,421,596)	887,355
Net fair value loss/(gain) on derivatives	22,978	(329,597)
Allowance for impairment losses on investments and receivables, net	1,065,702	5,255,317
Allowance for impairment losses on property, plant and equipment	407,756	192,368
Allowance for impairment on investment properties	135,441	21,488
Allowance for impairment on right-of-use assets	389,565	82,746
Net amortisation charge for concession assets	16,111	95,097
Amortisation of other intangible assets	84,783	59,134
Amortisation of government grants	(6,752)	(29,026)
Impairment of goodwill on consolidation	-	6,269
Impairment of concession assets	-	41,047
Bad debts written off/(back)	14,215	(405,396)
Inventories written off	144,365	62,189
Property, plant and equipment written off	324	41,481
(Gain)/loss on disposal of property, plant and equipment	(67,718)	75,671
(Gain)/loss on disposal of investment properties	(24,417)	2,048
Interest expense	3,058,359	3,719,902
Amortisation of deferred income	(20,979)	(10,847)
Depreciation of investment properties	42,101	20,594
Reversal of provision for foreseeable losses	888	-
Provision for/(writeback of) aircraft maintenance and overhaul	64,082	(240,284)
Share of results from associates and joint ventures	(1,504,185)	(4,745,136)
Operating (loss)/profit before working capital changes	(1,627,557)	5,305,961

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Consolidated statement of cash flows
For the year ended 31 December 2020 (cont'd.)

	Group	
	2020 RM'000	2019 RM'000
Cash flows from operating activities (cont'd.)		
Increase in property development-in-progress	(363,199)	(1,308,055)
Decrease in inventories and work-in-progress	496,048	438,716
Decrease/(increase) in trade and other receivables	9,839,097	(3,195,948)
Increase in trade and other payables	10,458,180	10,215,297
Interest paid	(3,058,041)	(2,813,032)
Interest received	550,576	449,444
Dividend received	149,071	411,255
Income tax (paid)/refund	(253,284)	267,987
Net cash generated from operating activities	<u>16,190,891</u>	<u>9,771,625</u>
Cash flows from investing activities		
Net (outflow)/inflow of investments	(6,703,040)	10,691,060
Net cash inflow from disposal of subsidiaries	935,902	1,917,701
Purchase of property, plant and equipment	(1,558,205)	(718,472)
Purchase of other intangible assets	(24,561)	(370,622)
Proceeds from disposal of other intangible assets	39,088	374,033
Proceeds from disposal of property, plant and equipment	95,613	37,552
Proceeds from disposal of investment properties	34,916	116,480
Addition in concession assets	(36,985)	(27,170)
Addition in land held for property development	(362,155)	(283,529)
Proceeds from disposal of land held for property development	4,548	71,661
Addition in investment properties	(393,609)	(190,237)
Net cash (used in)/generated from investing activities	<u>(7,968,488)</u>	<u>11,618,457</u>
Cash flows from financing activities		
Drawdown of borrowings	11,061,844	11,968,672
Repayment of borrowings	(15,842,628)	(24,806,193)
Dividends paid	(1,091,398)	(1,061,580)
Lease payment	(1,602,210)	(2,087,005)
Net cash used in from financing activities	<u>(7,474,392)</u>	<u>(15,986,106)</u>

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Consolidated statement of cash flows
For the year ended 31 December 2020 (cont'd.)

	Group	
	2020	2019
	RM'000	RM'000
Net changes in cash and cash equivalents	748,011	5,403,976
Cash and cash equivalents at the beginning of year	11,144,088	5,730,632
Exchange rate effects	10,428	9,480
Cash and cash equivalents at the end of year	<u>11,902,527</u>	<u>11,144,088</u>
Cash and cash equivalents comprise:		
Cash and bank balances	10,747,983	4,128,526
Short term placements	<u>1,154,544</u>	<u>7,015,562</u>
	<u>11,902,527</u>	<u>11,144,088</u>

The accompanying notes form an integral part of the financial statements.

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Notes to the consolidated financial statements

35. Revenue

Revenue of the Group consists of the following:

	Group	
	2020	2019
	RM'000	RM'000
Investment-related revenue:		
Gain from divestments of investments and investment properties	765,907	6,555,092
Dividend income from fair value through other comprehensive income investments	83,913	313,989
Dividend income from fair value through profit or loss investments	65,158	96,280
Interest income	550,615	449,057
Lease and rental income	53,716	68,757
Others	4,274	29,304
	<u>1,523,583</u>	<u>7,512,479</u>
Engineering and construction-related revenue:		
Toll collection	317,049	460,722
Construction contracts	36,678	21,180
Land and property development sales	1,811,711	2,894,989
Sale of goods	228,823	841,839
Others	597,170	473,723
	<u>2,991,431</u>	<u>4,692,453</u>
Services-related revenue:		
Revenue from airlines and airport operations	3,429,989	9,771,748
Rendering of services	2,401,170	4,289,733
Insurance related services	1,400,351	1,260,046
Others	928,312	455,703
	<u>8,159,822</u>	<u>15,777,230</u>
Total Revenue	<u>12,674,836</u>	<u>27,982,162</u>

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35. Revenue (cont'd.)

	Group	
	2020	2019
	RM'000	RM'000
Timing of revenue recognition:		
- At a point in time	4,478,336	12,183,752
- Over time	8,196,500	15,798,410
	<u>12,674,836</u>	<u>27,982,162</u>

36. Operating (loss)/profit

Operating (loss)/profit is stated after charging/(crediting) the following:

		Group	
	Note	2020	2019
		RM'000	RM'000
Staff costs	37	2,999,009	3,601,347
Auditors' remuneration:			
Statutory audits			
- to member firms of Ernst & Young Global		10,840	10,510
- to other firms		2,567	1,750
Other services		6,870	5,026
Unrealised foreign exchange gain, net		(230,835)	(44,293)
Fuel cost		1,564,848	3,678,889
Handling, landing, parking, enroute charges, catering and other related costs		526,821	1,507,106
Aircraft maintenance and overhaul		1,310,954	1,074,739
Provision for/(write back of) aircraft maintenance and overhaul costs	63	64,082	(240,284)
Depreciation for property, plant and equipment	42	552,035	1,074,636
Depreciation for right-of-use assets	53	1,653,570	1,352,325
Allowance for impairment losses on investments and receivables, net		1,065,702	5,255,317
Allowance for impairment losses on property, plant and equipment	42	407,756	192,368
Allowance for impairment losses on right-of-use assets	53	389,565	82,746
Net amortisation charge for concession assets	45	16,111	95,097
Amortisation of deferred income		(20,979)	(10,847)
Amortisation of other intangible assets	47	84,783	59,134
Amortisation of Government grants	66(i)	(6,752)	(29,026)

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36. Operating (loss)/profit (cont'd.)

Operating (loss)/profit is stated after charging/(crediting) the following: (cont'd.)

		Group	
	Note	2020	2019
		RM'000	RM'000
Depreciation of investment properties	44	42,101	20,594
Allowance for impairment losses on investment properties	44	135,441	21,488
Expenses arising from leases			
- variable lease	67	687	824
- low value assets	67	16	3,725
- short-term lease	67	25,900	82,473
- operating lease	67	5,018	700
Impairment of goodwill on consolidation	46	-	6,269
Impairment of concession assets	45	-	41,047
Bad debts written off/(back)	58	14,215	(405,396)
Inventories written off		144,365	62,189
Reversal of provision for foreseeable losses		888	-
(Gain)/loss on disposal of investment properties		(24,417)	2,048
(Gain)/loss on disposal of property, plant and equipment		(67,718)	75,671
Property, plant and equipment written off	42	324	41,481
Net fair value (gain)/loss on financial assets at fair value through profit or loss		(3,421,596)	887,355
Net fair value loss/(gain) on derivatives		22,978	(329,597)
		<u>2,999,009</u>	<u>3,601,347</u>

37. Staff costs

		Group	
	Note	2020	2019
		RM'000	RM'000
Wages and salaries		2,500,703	3,068,604
Statutory contributions to EPF and social security		281,181	303,544
Employees service entitlement and retirement benefits	64	3,436	3,843
Others		213,689	225,356
		<u>2,999,009</u>	<u>3,601,347</u>

- (i) Included in the staff costs of the Group and of the Company is Executive Directors' remuneration amounting to RM4,519,000 (2019: RM2,213,000) as disclosed in Note 38.

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38. Directors' remuneration

	Group	
	2020	2019
	RM'000	RM'000
Executive Director of the Company:		
Wages and salaries	3,797	1,860
Statutory contribution to EPF	722	353
	<u>4,519</u>	<u>2,213</u>
Non-Executive Directors of the Company:		
Fees and allowances	<u>299</u>	<u>355</u>
	<u>4,818</u>	<u>2,568</u>

39. Finance costs

	Group	
	2020	2019
	RM'000	RM'000
Interest expense on term loans and borrowings	755,428	980,421
Interest expense on bonds and Medium Term Notes	1,225,102	1,183,625
Interest expense on lease liabilities	502,326	600,470
Amortisation of discount on Khazanah Bonds	438,883	513,244
Amortisation of discount on Exchangeable Trust Certificates	55,919	203,246
Others	80,701	238,896
	<u>3,058,359</u>	<u>3,719,902</u>

40. Taxation

	Group	
	2020	2019
	RM'000	RM'000
Continuing operations		
Current income tax:		
Malaysian income tax	264,245	228,633
Foreign income tax	1,154	62,027
	<u>265,399</u>	<u>290,660</u>
Overprovision in prior year:		
Malaysian income tax	(3,493)	(1,344)
	<u>261,906</u>	<u>289,316</u>

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40. Taxation (cont'd.)

	Group	
	2020	2019
	RM'000	RM'000
Continuing operations (cont'd.)		
Deferred tax (Note 55):		
Relating to origination and reversal of temporary differences	67,777	(74,662)
(Over)/under provision in prior year	(10,516)	469
	<u>57,261</u>	<u>(74,193)</u>
Income tax expense recognised in profit or loss	<u>319,167</u>	<u>215,123</u>

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2019: 24%) of the estimated assessable (loss)/profit for the year. Income tax for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

The reconciliation between tax expense and the product of accounting (loss)/profit multiplied by the applicable corporate tax rate for the years ended 31 December 2020 and 2019 are as follows:

	Group	
	2020	2019
	RM'000	RM'000
(Loss)/profit before taxation	<u>(2,537,757)</u>	<u>5,535,291</u>
Taxation at Malaysian statutory tax rate of 24% (2019: 24%)	(609,062)	1,328,470
Effect of different tax rates in foreign jurisdiction	1,432	17,612
Effect of income not subject to tax	(219,595)	(1,671,687)
Effect of expenses not deductible for tax purposes	1,840,143	2,310,808
Effect of utilisation of previously unrecognised tax losses	(161,053)	(913,874)
Effect of utilisation of previously unrecognised other deductible temporary differences	(157,685)	-
Deferred tax benefits not recognised	-	283,502
Tax effect on share of associates and joint ventures' profit attributable to the equity holders	(361,004)	(1,138,833)
Overprovision of income tax expense in prior year	(3,493)	(1,344)
(Over)/under provision of deferred tax expense in prior year	<u>(10,516)</u>	<u>469</u>
Income tax expense recognised in profit or loss	<u>319,167</u>	<u>215,123</u>

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40. Taxation (cont'd.)

- (i) In 2011, the Ministry of Finance ("MOF") granted Iskandar Management Services Sdn. Bhd. ("IMSSB") a tax exemption on statutory income arising from services rendered for the "Legoland" project from 2011 until 2020.

41. Assets held for sale

The major classes of assets held for sale and assets and liabilities of the disposal group classified as held for sale on the consolidated statement of financial position are as follows:

	Note	Group 2020 RM'000	2019 RM'000
Assets:			
Concession intangible assets		-	96,022
Land held for property development	43	25,615	139,716
Investment in joint venture		493	-
Financial assets		-	475,801
Property, plant and equipment	42	41,138	177,152
Investment properties	44	12,699	16,283
Right-of-use assets	53	11,334	12,337
Other investments		-	124
Inventories		-	19,380
Receivables		88	55,460
Cash and bank balances		11,774	85,420
Assets held for sale and assets of disposal group classified as held for sale		103,141	1,077,695
Liabilities:			
Provision for heavy repairs		-	2,057
Provision for retirement benefit		-	503
Payables		95	85,444
Borrowings		-	22,556
Liabilities of disposal group classified as held for sale		95	110,560

(A) UEM Group Berhad ("UEM")

- (i) In prior year, the Board of Directors of UEM Builders Berhad ("UEM Builders") approved the proposed disposal of 100% equity interest in Buildcast Sdn. Bhd. ("Buildcast"). The proposed disposal has been delayed until the property market recovers.

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41. Assets held for sale (cont'd.)

(A) UEM Group Berhad ("UEM") (cont'd.)

(ii) In prior year, UEM Builders had entered into a conditional share purchase agreement with an external party, Excel Metal Industries Sdn. Bhd. for the disposal of its entire equity interest of 100% in Pati Technologies Sdn. Bhd. ("PTSB") and 97.86% in Hoto Stainless Steel Industries Sdn. Bhd. ("HOTO"), for cash consideration of RM6.3 million and RM1 respectively. The disposals of PTSB and HOTO were completed on 8 April 2020 and 1 June 2020 respectively.

(iii) On 31 May 2019, the Board of Directors of UEM approved the proposed disposal of the followings:

Certain plots of land and buildings held by UEM and its 100%-owned direct or indirect subsidiaries, namely Hydron (M) Sdn. Bhd., Suria Siena Development Sdn. Bhd. and Serayin Sdn. Bhd.

UEM and its subsidiaries continue to classify these properties as asset held for sale as the delay in the planned disposal was caused by events/circumstances beyond their control, and they remain committed to their plan to dispose the properties.

Investment in club membership held by UEM Group Management Sdn. Bhd., a 100% owned subsidiary of UEM. The disposal was completed in the current year for a cash consideration of RM100,000 and resulted in a loss of RM23,000.

(iv) On 14 January 2020, the Board of Directors of UEM Construction Sdn. Bhd. ("UEMC") approved the proposed disposal of UEMC's marine assets. The disposal was completed in September 2020 for a cash consideration of RM3.5 million and resulted in a gain of RM1.1 million.

(v) On 16 October 2020, a wholly owned subsidiary of the CIMA, Unipati Concrete Sdn. Bhd. has entered into a Sales and Purchase Agreement with an external party to dispose a shop office for a cash consideration of RM3.6 million. The disposal will be completed within 1 year from the date of agreement upon the receipt of the sales proceed.

(B) Iskandar Investment Berhad ("IIB")

On 19 March 2019, Iskandar Capital Sdn. Bhd. ("IskCap") entered into a Sale and Purchase Agreement with Distinctive View Sdn. Bhd. ("DVSB") in respect of part of the freehold land held under HS(D) 446619 PTD 154087 (Plot A) of approximately 19.49 acres for a total consideration of RM17,500,000. IskCap has received 10% deposit of RM1,750,000 in prior year. The completion of the agreement is pending fulfilment of certain conditions precedent. As such, the said plots of land remain as non-current assets held for sale in the current year.

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41. Assets held for sale (cont'd.)

(B) Iskandar Investment Berhad ("IIB") (cont'd.)

On 15 August 2019, IskCap entered into a Sale and Purchase Agreement with DVSB in respect of part of the freehold land held under HS(D) 446619 PTD 154087 (Plot B) of approximately 11.92 acres for a total consideration of RM10,701,438. IskCap has received 10% deposit of RM1,070,144 in prior year. The completion of the agreement is pending fulfilment of certain conditions precedent. As such, the said plots of land remain as non-current assets held for sale in the current year.

On 5 December 2019, IskCap entered into a Sale and Purchase Agreement with Paragon Globe Properties Sdn. Bhd. in respect of part of the freehold land held under Geran 507162 Lot 149989 (formerly held under HS(D) 484311 PTD 175988), PTD 175989, and Geran 507161 Lot 149991 (formerly held under HS(D) 484312 PTD 175990), in area known as Plot ED 5A and 5B of approximately 31.1 acres for a total consideration of RM60,962,220. IskCap has received 20% deposit of RM12,192,444 in prior year. The completion of the agreement is pending fulfilment of certain conditions precedent. As such, the said plots of land remain as non-current assets held for sale in the current year.

On 15 December 2019, River Retreat Sdn. Bhd. ("RRSB") entered into a Sale and Purchase Agreement with Melia Spring Sdn. Bhd. ("MSSB") in respect of freehold land under PTD 71076, PTD 71077 and PTD 71078 of approximately 132.09 acres, 107.145 acres and 66.31 acres, respectively for a total consideration of RM343,047,196.80 which consist of base price of RM304,920,000 and interest cost of RM38,127,196.80. RRSB has received 1% earnest deposit of RM3,049,200 in prior year. Within the completion period, MSSB shall pay 1% of the base price of RM3,049,200 and the balance by instalments, the first of which shall commence on the first anniversary of the launch date. The completion of the agreement is pending fulfilment of certain conditions precedent. As such, the said plots of land remain as non-current assets held for sale in the current year.

(C) Penerbangan Malaysia Berhad ("PMB")

Certain aircraft and spare engines with net book value of RM37,783,000 (2019: RM46,301,000) have been classified under assets held for sale.

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42. Property, plant and equipment

Group	Plant and machinery RM'000	Aircraft and spare engines RM'000	Furniture and fittings and other equipment RM'000	Land and buildings RM'000	Renovation, capital improvements and capital work-in- progress RM'000	Total RM'000
2020						
Cost						
At 1 January	6,954,482	11,933,396	2,658,311	4,627,651	993,482	27,167,322
Additions	203,723	393,772	180,976	411,026	368,708	1,558,205
Currency translation differences	1,223	-	(6,436)	(2,466)	1,123	(6,556)
Disposals	(33,796)	(47,373)	(10,550)	(2,379)	(16,118)	(110,216)
Write-offs	-	-	(288)	-	(324)	(612)
Disposal of subsidiaries (Note 48 (iv))	(166,282)	-	(79,484)	(430,655)	-	(676,421)
Transfer to investment properties (Note 44)	-	-	-	(322,488)	-	(322,488)
Transfer to property development-in-progress (Note 56)	-	-	-	-	(4,610)	(4,610)
Transfer to assets held for sale (Note 41)	-	(46,301)	-	(4,026)	-	(50,327)
Transfer from land held for property development (Note 43)	-	-	-	14	-	14
Transfer from right-of-use assets (Note 53)	-	-	3,772	2,136	-	5,908
Reclassification	-	-	-	595,253	(595,253)	-
At 31 December	6,959,350	12,233,494	2,746,301	4,874,066	747,008	27,560,219

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42. Property, plant and equipment (cont'd.)

Group (cont'd.)	Plant and machinery RM'000	Aircraft and spare engines RM'000	Furniture and fittings and other equipment RM'000	Land and buildings RM'000	Renovation, capital improvements and capital work-in- progress RM'000	Total RM'000
2020 (cont'd.)						
Accumulated depreciation and impairment losses						
At 1 January	5,104,392	10,196,904	1,977,423	1,711,567	8,008	18,998,294
Charge for the year (Note 36)	154,274	106,907	167,369	103,147	20,338	552,035
Allowance for impairment losses (Note 36)	92,310	48,731	1,942	256,984	7,789	407,756
Currency translation differences	1,103	-	(2,109)	(1,377)	-	(2,383)
Disposals	(27,944)	(12,169)	(10,154)	(18,831)	(13,223)	(82,321)
Write-offs	-	-	(288)	-	-	(288)
Disposal of subsidiaries (Note 48 (iv))	(145,776)	-	(61,886)	-	-	(207,662)
Transfer to assets held for sale (Note 41)	-	(8,518)	-	(671)	-	(9,189)
Transfer to investment properties (Note 44)	-	-	-	(38,422)	-	(38,422)
At 31 December	5,178,359	10,331,855	2,072,297	2,012,397	22,912	19,617,820
Net book value						
At 31 December	1,780,991	1,901,639	674,004	2,861,669	724,096	7,942,399

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42. Property, plant and equipment (cont'd.)

Group	Plant and machinery RM'000	Aircraft and spare engines RM'000	Furniture and fittings and other equipment RM'000	Land and buildings RM'000	Renovation, capital improvements and capital work-in- progress RM'000	Total RM'000
2019						
Cost						
At 1 January	7,002,809	11,854,510	2,572,421	4,403,313	1,167,905	27,000,958
Additions	33,897	228,003	139,451	29,127	287,994	718,472
Currency translation differences	9	-	(6,328)	(1,574)	(4,619)	(12,512)
Disposals	(1,414)	10,871	(9,244)	(54,323)	(117,347)	(171,457)
Write-offs	(7,306)	(16,132)	(2,654)	(1,435)	(65,010)	(92,537)
Disposal of subsidiaries	-	-	(35,234)	-	-	(35,234)
Transfer to investment properties (Note 44)	-	-	-	-	(5,854)	(5,854)
Transfer to property development-in-progress (Note 56)	-	-	-	-	(10,158)	(10,158)
Transfer to assets held for sale (Note 41)	(73,513)	(143,856)	(101)	(4,830)	-	(222,300)
Transfer to land held for property development (Note 43)	-	-	-	(2,056)	-	(2,056)
Reclassification	-	-	-	259,429	(259,429)	-
At 31 December	6,954,482	11,933,396	2,658,311	4,627,651	993,482	27,167,322

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42. Property, plant and equipment (cont'd.)

	Plant and machinery RM'000	Aircraft and spare engines RM'000	Furniture and fittings and other equipment RM'000	Land and buildings RM'000	Renovation, capital improvements and capital work-in- progress RM'000	Total RM'000
Group (cont'd.)						
2019 (cont'd.)						
Accumulated depreciation and impairment losses						
At 1 January	5,083,207	10,046,484	1,710,875	1,077,135	777	17,918,478
Charge for the year (Note 36)	40,109	151,787	286,995	567,318	28,427	1,074,636
Allowance for impairment losses (Note 36)	893	59,563	18,047	91,137	22,728	192,368
Currency translation differences	8	-	(7,729)	(631)	228	(8,124)
Disposals	(1,244)	(27,654)	(6,264)	(22,937)	(135)	(58,234)
Write-offs	(6,012)	(712)	140	(455)	(44,017)	(51,056)
Disposal of subsidiaries	-	-	(24,626)	-	-	(24,626)
Transfer to assets held for sale (Note 41)	(12,569)	(32,564)	(15)	-	-	(45,148)
At 31 December	5,104,392	10,196,904	1,977,423	1,711,567	8,008	18,998,294
Net book value						
At 31 December	1,850,090	1,736,492	680,888	2,916,084	985,474	8,169,028

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43. Land held for property development

		Group	
	Note	2020	2019
		RM'000	RM'000
At cost			
At 1 January		6,335,546	5,593,236
Acquisition of subsidiary		-	807,502
Additions		362,155	283,529
Disposals		(4,548)	(71,661)
Transfer (to)/from property, plant and equipment	42	(14)	2,056
Transfer to assets held for sale	41	(25,615)	(139,716)
Transfer to investment properties	44	-	(5,841)
Transfer to property development-in-progress	56	(149,749)	(133,559)
At 31 December		<u>6,517,775</u>	<u>6,335,546</u>

As at the reporting date, freehold land and related development expenditure of:

- (a) RM54.7 million had been deposited in 2019 by UEM Land to UEM as security for the borrowing granted to the subsidiary; and
- (b) RM740 million (2019: RM623 million) are pledged as securities for the borrowing facilities granted to UEM Sunrise's subsidiaries.

Included in the current year additions are the following:

	Group	
	2020	2019
	RM'000	RM'000
Staff costs	2,345	4,210
Interest expense	<u>41,033</u>	<u>37,759</u>

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43. Land held for property development (cont'd.)

UEM Group Berhad

Included in land held for property development of the Group are parcels of land committed through Master Agreement ("MA") entered on 23 October 2012 between UEM Land Berhad ("UEM Land") and Ascendas Land (Malaysia) Sdn. Bhd., whereby UEM Land has granted the option for Ascendas Land (Malaysia) Sdn. Bhd. to purchase 519 acres of land within 9 years commencing from the date of the MA. As at the end of the financial year, 399 acres of land remain unsold. The options shall automatically lapse if not exercised within the option period.

44. Investment properties

	Note	Group 2020 RM'000	2019 RM'000
Land and building			
Cost			
At 1 January		3,272,166	3,225,570
Additions		393,609	190,237
Disposals/write-offs		(20,697)	(142,159)
Transfer to assets held for sale	41	(13,764)	(17,648)
Transfer from property, plant and equipment	42	322,488	5,854
Transfer from land held for property development	43	-	5,841
Transfer from right-of-use assets	53	2,858	-
Transfer from property development-in-progress	56	-	4,471
At 31 December		<u>3,956,660</u>	<u>3,272,166</u>
Accumulated depreciation and impairment losses			
At 1 January		198,207	181,121
Depreciation	36	42,101	20,594
Disposals/write-offs		(10,198)	(23,631)
Allowance for impairment losses	36	135,441	21,488
Transfer from property, plant and equipment	42	38,422	-
Transfer to assets held for sale	41	(1,065)	(1,365)
At 31 December		<u>402,908</u>	<u>198,207</u>
Carrying amount at 31 December		<u>3,553,752</u>	<u>3,073,959</u>
Fair value		<u>9,183,973</u>	<u>8,722,295</u>

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44. Investment properties (cont'd.)

Investment properties comprise of commercial properties, office lots and landed properties.

The direct operating expenses arising from investment properties of the Group that generate and that do not generate rental income during the year are RM20.9 million (2019: RM21.2 million) and RM7.4 million (2019: RM2.6 million) respectively.

The direct operating expenses arising from investment properties of the Group that generate rental income is RM3.2 million (2019: RM3.1 million).

The fair values of investment properties are categorised within the fair value hierarchy (Level 3), as the fair value are measured using inputs that are not based on observable market

The fair values of the investment properties are substantially arrived at via valuation performed by certified external valuers based on the following valuation techniques depending on the location and types of properties.

- (i) The income approach converts estimated future amounts of cash flows or income to a single present value (discounted) amount by applying an appropriate, market-derived discount rate.
- (ii) The comparison/cost method of valuation entails separate valuations of the land and buildings to arrive at the market value of the subject property. The land is valued by reference to transactions of similar lands in surrounding area with appropriate adjustments made for differences in the relevant characteristics of the land. Completed buildings are valued by reference to the current estimates on constructional costs to erect equivalent buildings, taking into consideration of similar accommodation in terms of size, construction, finishes contractors' overheads, fees and profits. Appropriate adjustments are then made for the factors of obsolescence and existing physical condition of the building.

The fair values of investment properties are categorised as Level 3 under the fair value hierarchy as disclosed in Note 69, as the fair value is measured using inputs that are not based on observable market data.

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45. Concession intangible assets

	Note	Group	
		2020 RM'000	2019 RM'000
Cost			
At 1 January		69,693	4,025,150
Additions		36,985	27,170
Acquisition of subsidiaries		68,913	-
Disposal		(7,784)	-
Disposal of subsidiaries		-	(3,862,910)
Exchange differences		(9,145)	96,261
Reclassified from/(to) asset held for sale		215,978	(215,978)
At 31 December		<u>374,640</u>	<u>69,693</u>
Accumulated amortisation and impairment losses			
At 1 January		17,443	377,297
Charge for the year, net of reversal	36	16,111	95,097
Acquisition of subsidiaries		8,701	-
Disposal		(2,668)	-
Disposal of subsidiaries		-	(382,366)
Impairment loss	36	-	41,047
Transfer to asset held for sale		-	-
Exchange differences		(3,706)	6,324
Reclassified from/(to) asset held for sale		119,956	(119,956)
At 31 December		<u>155,837</u>	<u>17,443</u>
Net carrying amount			
At 31 December		<u>218,803</u>	<u>52,250</u>

As at the reporting date, the Group has the following concession intangible assets:

Concession intangible asset	Concession companies	Concession period
Padalur-Trichy Highway, India ("PTH")	Trichy Padalur Tollways Private Limited ("TPTPL")	up to 2031
REPPA arrangement	Kualiti Alam Sdn. Bhd. and Cenergi SEA Sdn. Bhd.	up to 2034

The concession intangible assets for PTH have been pledged as security for Non-Convertible Debentures issued by TPTPL in March 2013, which was acquired by PEIBC in August 2015.

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46. Goodwill on consolidation

	Note	Group	
		2020	2019
		RM'000	RM'000
At 1 January		2,045,205	2,047,588
Disposal of subsidiary	48(iv)	(641,970)	-
Exchange differences		6,969	3,886
Less: Impairment of goodwill on consolidation	36	-	(6,269)
At 31 December		<u>1,410,204</u>	<u>2,045,205</u>

(a) Impairment tests for goodwill**Allocation of goodwill**

Goodwill has been allocated to the Group's cash-generating units ("CGUs") identified according to business segment as follows:

	2020	2019
	RM'000	RM'000
Goodwill - Business Segment		
Engineering, construction and expressway	1,013,754	1,006,805
Financial services	392,339	392,339
Healthcare	-	641,950
	<u>1,406,093</u>	<u>2,041,094</u>
Other business segments	4,111	4,111
	<u>1,410,204</u>	<u>2,045,205</u>

(b) Key assumptions used in recoverable amount

The recoverable amount of a CGU is determined based on the following methodology:

- (i) where investments are listed, principally the market value is used.
- (ii) where investments are not investment holding and where the underlying is unlisted, value-in-use is applied.
- (iii) where investments themselves are investment holding, the market value of the underlying value-in-use is calculated using cash flow projections or earnings and book multiples of a comparable listed company in the same market and the same industry.

46. Goodwill on consolidation

(b) Key assumptions used in recoverable amount (cont'd.)

The following describes each key assumption on which management has based its evaluation to undertake impairment testing of goodwill:

- (i) Company earnings and book multiples
Earnings and book multiples are chosen based on acknowledged market norms for that industry and that geography with due consideration to asset size, market share, profitability and target market.
- (ii) Growth rate
The average growth rate used in cash flow projections are consistent with the long term average growth rate for the industry.
- (iii) Discount rate
The discount rates used are pre-tax and reflect specific risks relating to the relevant segments.

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47. Other intangible assets

Group	Note	Development expenditure and work in progress RM'000	Software and related costs RM'000	Brand name RM'000	VOBA and banc-assurance RM'000	Intellectual property and licences RM'000	Total RM'000
2020							
At 1 January		35,506	135,412	16,098	376,967	199,295	763,278
Additions		13,778	8,516	-	-	2,267	24,561
Disposal		(21,117)	22	-	-	(17,993)	(39,088)
Disposal of subsidiaries	48(iv)	-	(55)	-	-	(1,378)	(1,433)
Foreign exchange difference		-	(152)	-	-	(1)	(153)
		28,167	143,743	16,098	376,967	182,190	747,165
Less: Amortisation	36	(594)	(44,635)	-	(37,181)	(2,373)	(84,783)
At 31 December		27,573	99,108	16,098	339,786	179,817	662,382
2019							
At 1 January		25,377	170,463	16,098	387,845	226,037	825,820
Additions		23,513	55,471	-	291,415	223	370,622
Disposal		(12,763)	(32,295)	-	(302,293)	(26,682)	(374,033)
Foreign exchange difference		-	1	-	-	2	3
		36,127	193,640	16,098	376,967	199,580	822,412
Less: Amortisation	36	(621)	(58,228)	-	-	(285)	(59,134)
At 31 December		35,506	135,412	16,098	376,967	199,295	763,278

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48. Investment in subsidiaries

Details of the subsidiaries are shown in Note 77 and Note 78.

(i) Issuance and redemption of RCPS by subsidiaries

- (i) On 3 February 2020, Suria Siena Development Sdn. Bhd. ("SSD") issued 1,700,000 RCPS at an issue price of RM1.00 each, which were fully subscribed by UEM for a purchase consideration of RM1.7 million.
- (ii) On 28 February 2020, UEM Builders issued 205,150,000 RCPS at an issue price of RM1.00 each, which were fully subscribed by UEM through capitalisation of amount due from UEM Builders of RM178.3 million and cash injection of RM26.9 million.
- (iii) On 24 April 2020, UEM Sunrise Berhad ("UEM Sunrise") redeemed its 123,340,418 RCPS for a redemption sum of RM150.0 million at RM1.22 each. On 29 October 2020, the remaining balance outstanding 669,175,335 UEM Sunrise RCPS with value of RM833,664,295 matured and were automatically converted into 521,040,184 new UEM Sunrise ordinary shares at the conversion price of RM1.60 per RCPS for one ordinary share. Following this, UEM's equity interest in UEM Sunrise accreted from 66.1% to 69.6%.
- (iv) On 31 December 2020, Vistajati Holdings Sdn. Bhd. ("VHSB") issued 1,910,000 RCPS at an issue price of RM1.00 each, which were fully subscribed by UEM through the capitalisation of amount due from VHSB of RM1.7 million.
- (v) On 31 December 2020, UEMC issued 10,000,000 Class B RCPS at an issue price of RM1.00 each, which were fully subscribed by UEM through the capitalisation of amount due from UEMC of RM10.0 million.

(ii) Incorporation of subsidiaries

- (i) On 2 April 2020, UEM Sunrise (Collingwood) Pty Ltd and UEM Sunrise (Collingwood Development) Pty Ltd were incorporated and registered in Victoria, Australia as indirect wholly-owned subsidiaries of UEM Sunrise, each with paid-up share capital of AUD 4.
- (ii) On 16 April 2020, UEM Sunrise (Collingwood) Unit Trust was established with UEM Sunrise (Collingwood) Pty Ltd as the trustee of the unit holder, with paid-up share capital of AUD 100.

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48. Investment in subsidiaries (cont'd.)

(iii) Accretion of interests in subsidiaries

On 16 December 2015, UEM Edgenta Berhad ("UEM Edgenta") had entered into a put option agreement with the non-controlling shareholder of Edgenta GreenTech Sdn. Bhd. ("Edgenta GreenTech") to purchase the remaining 20% equity interest in Edgenta GreenTech. The non-controlling shareholder exercised the put option for a total cash consideration of RM28.2 million and the acquisition of the 20% equity interest in Edgenta GreenTech was completed on 25 June 2020 with Edgenta GreenTech becoming a wholly-owned subsidiary of UEM Edgenta.

(iv) Disposal, dissolution or dilution of interests in subsidiaries

- (a) On 1 September 2020, Khazanah Nasional Berhad had completed the disposal of its entire 100% equity interest in Prince Court Medical Centre Sdn. Bhd. for a total cash consideration of RM1.02 billion.

The value of the assets and liabilities of subsidiaries disposed at the respective dates as follows:

	2020
	RM'000
Assets:	
Land	430,655
Inventories	9,991
Receivables	103,714
Cash and bank balances	78,763
	<u>623,123</u>
Liabilities:	
Trade & other payables	63,235
Borrowings	18,071
	<u>81,306</u>
Net assets upon disposal	541,817
Less : Goodwill recognised (Note 46)	641,970
	<u>1,183,787</u>
Consideration received, satisfied in cash	1,020,663
Net loss on disposal of subsidiaries	<u>(163,124)</u>

The effect of the disposal on cash flows is as follows:

	2020
	RM'000
Consideration received, satisfied in cash	1,020,663
Less: Cash and bank balances disposed	(78,763)
Net cash flow from disposal of subsidiaries	<u>941,900</u>

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48. Investment in subsidiaries (cont'd.)

(iv) Disposal, dissolution or dilution of interests in subsidiaries (cont'd.)

- (b) During the year, UEM Builders completed the disposal of its entire equity interest of 100% in Pati Technologies Sdn. Bhd. ("PTSB") and 97.86% in Hoto Stainless Steel Industries Sdn. Bhd. ("HOTO"), for cash consideration of RM6.3 million and RM1.00 respectively.
- (c) During the year, the following subsidiaries were dissolved via members' voluntary liquidation, deregistered, struck off, or wind up:
- UEM Sunrise (Canada) Development Ltd
 - Canada Sunrise Developments (Richmond) Ltd
 - Suria Legenda Development Sdn. Bhd.

The carrying amount of the assets and liabilities of subsidiaries disposed and dissolved are as follows:

	2020
	RM'000
Property, plant and equipment	3,081
Right-of-use assets	763
Other intangible assets	3
Inventories	8,909
Receivables	7,523
Cash, bank balances and deposits	102
Borrowings	(1,311)
Bank overdraft	(1,777)
Payables	(14,974)
Total value of net assets disposed	<u>2,319</u>
Less: Non-controlling interests	(163)
Group's share of net assets disposed	<u>2,156</u>
Consideration received, satisfied in cash	6,300
Net gain on disposal and dissolution of subsidiaries	<u>4,144</u>

The carrying amount of the assets and liabilities of subsidiaries disposed and dissolved are as follows:

The effect of the disposal and dissolution on cash flows is as follows:

	2020
	RM'000
Consideration received, satisfied in cash	6,300
Less: Deposits received in prior year	(630)
Less: Cash and bank balances disposed	(1,675)
Net cash flow from disposal and dissolution of subsidiaries	<u>3,995</u>

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48. Investment in subsidiaries (cont'd.)

(iv) Disposal, dissolution or dilution of interests in subsidiaries (cont'd.)

(d) On 4 November 2020, Themed Attractions and Resorts Sdn. Bhd. ("TAR") has entered into a Sale of Shares Agreement to dispose a 80% equity interest in Rakan Riang Sdn. Bhd. ("RRSB"). The disposal was completed on 7 December 2020, resulting in a loss of disposal of RM15,851,000 to TAR, recognised in the statements of comprehensive income.

(i) The value of the assets and liabilities of subsidiaries disposed at the respective dates as as follows:

	2020
	RM'000
Net assets derecognised	
Property, plant and equipment	35,013
Intangible assets	1,382
Deferred tax asset	540
Inventories	1,400
Receivables	2,471
Cash and cash equivalents	957
Payables and other liabilities	<u>(34,662)</u>
Net assets derecognised	<u>7,101</u>
Proceeds from disposal	3,901
Net assets of RRSB prior to disposal	(7,101)
Non-controlling interest derecognised	1,420
Intra-group balances written off	<u>(14,071)</u>
Loss on disposal of a subsidiary	<u>(15,851)</u>
Proceeds from disposal	3,901
Less: Cash and cash equivalents	(957)
Less: Deferred consideration receivables	<u>(1,003)</u>
Net cash inflow from disposal of a subsidiary	<u>1,941</u>

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48. Investment in subsidiaries (cont'd.)

(iv) Disposal, dissolution or dilution of interests in subsidiaries (cont'd.)

e) Rakan Riang Pte. Ltd ("RRPL), a 80% owned subsidiary of TAR has been placed under Creditors' Voluntary Winding up pursuant to a resolution passed on 4 September 2020 and the appointment of the Liquidators were affirmed by the creditors of RRPL in a meeting of creditors held on the same day, resulting in a gain on deconsolidation of RM 8,411,000 to TAR, recognised in the statements of comprehensive income.

(i) The value of the assets and liabilities of subsidiaries deconsolidated at the respective dates as follows:

	2020
	RM'000
Net liabilities derecognised	
Property, plant and equipment	10
Intangible assets	48
Inventories	58
Receivables	4,304
Cash and cash equivalents	11,934
Payables and other liabilities	<u>(216,132)</u>
Net liability derecognised	<u>(199,778)</u>
Net liability of RRPL prior to deconsolidation	199,778
Non-controlling interest derecognised	(40,679)
Realisation of foreign currency translation reserve	3,566
Intra-group balances deemed unrecoverable	<u>(154,254)</u>
Gain on deconsolidation	<u>8,411</u>
Net cash outflow from deconsolidation of RPPL	<u>(11,934)</u>

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48. Investment in subsidiaries (cont'd.)

(v) Segments with material non-controlling interests

Segments which have non-controlling interests that are material to the Group are listed below:

2020

(a) Summarised consolidated statement of comprehensive income

	Infrastructure & Construction RM'mil	Property RM'mil	Total RM'mil
Revenue	3,166	1	3,167
Loss for the year	<u>(252)</u>	<u>(280)</u>	<u>(532)</u>
Loss attributable to:			
Owners of the Company	(278)	(155)	(433)
Non-controlling interests	26	(125)	(99)
	<u>(252)</u>	<u>(280)</u>	<u>(532)</u>

(b) Summarised consolidated statement of financial position

	Infrastructure & Construction RM'mil	Property RM'mil	Total RM'mil
Non-current assets	11,084	3,126	14,210
Current assets	5,213	87	5,300
Total assets	<u>16,297</u>	<u>3,213</u>	<u>19,510</u>
Non-current liabilities	3,773	-	3,773
Current liabilities	3,634	57	3,691
Total liabilities	<u>7,407</u>	<u>57</u>	<u>7,464</u>
Net assets	<u>8,890</u>	<u>3,156</u>	<u>12,046</u>
Non-controlling interests	3,099	1,404	4,503
Non-controlling interests which are immaterial to the Group			<u>902</u>
			<u>5,405</u>

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48. Investment in subsidiaries (cont'd.)

(v) Segments with material non-controlling interests (cont'd.)

Segments which have non-controlling interests that are material to the Group are listed below (cont'd.):

2020 (cont'd.)

(c) Summarised consolidated statement of cash flows

	Infrastructure & Construction RM'mil	Property RM'mil	Total RM'mil
Net cash generated from/ (used in):			
Operating activities	131	(4)	127
Investing activities	(285)	5	(280)
Financing activities	242	2	244
Net changes in cash and cash equivalents	88	3	91
Exchange rate effects	36	-	36
Cash and cash equivalents at beginning of year	1,595	-	1,595
Cash and cash equivalents at end of year	1,719	3	1,722

2019

(a) Summarised consolidated statement of comprehensive income

	Infrastructure & Construction RM'mil	Property RM'mil	Total RM'mil
Revenue	5,321	-	5,321
Profit/(loss) for the year	409	(8)	401
Profit/(loss) attributable to:			
Owners of the Company	273	(4)	269
Non-controlling interests	136	(4)	132
	409	(8)	401

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48. Investment in subsidiaries (cont'd.)

(v) Segments with material non-controlling interests (cont'd.)

Segments which have non-controlling interests that are material to the Group are listed below (cont'd.):

2019 (cont'd.)

(b) Summarised consolidated statement of financial position

	Infrastructure & Construction RM'mil	Property RM'mil	Total RM'mil
Non-current assets	10,929	3,459	14,388
Current assets	5,433	26	5,459
Total assets	<u>16,362</u>	<u>3,485</u>	<u>19,847</u>
Non-current liabilities	3,701	-	3,701
Current liabilities	3,344	50	3,394
Total liabilities	<u>7,045</u>	<u>50</u>	<u>7,095</u>
Net assets	<u>9,317</u>	<u>3,435</u>	<u>12,752</u>
Non-controlling interests	3,162	1,532	4,694
Non-controlling interests which are immaterial to the Group			<u>957</u>
			<u>5,651</u>

(c) Summarised consolidated statement of cash flows

	Infrastructure & Construction RM'mil	Property RM'mil	Total RM'mil
Net cash generated from/ (used in):			
Operating activities	1,891	7	1,898
Investing activities	(247)	(16)	(263)
Financing activities	<u>(1,590)</u>	<u>9</u>	<u>(1,581)</u>
Net changes in cash and cash equivalents	54	-	54
Exchange rate effects	1	-	1
Cash and cash equivalents at beginning of year	<u>1,540</u>	<u>-</u>	<u>1,540</u>
Cash and cash equivalents at end of year	<u>1,595</u>	<u>-</u>	<u>1,595</u>

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49. Interest in associates

	Group	
	2020	2019
	RM'000	RM'000
Shares at cost,		
Quoted shares in Malaysia	38,663,955	38,878,283
Quoted shares outside Malaysia	542,302	1,110,647
Unquoted shares in Malaysia	2,874,465	2,880,986
Unquoted shares outside Malaysia	1,697,394	1,918,814
	<u>43,778,116</u>	<u>44,788,730</u>
Share of post acquisition reserves	19,597,744	21,174,539
	<u>63,375,860</u>	<u>65,963,269</u>
Less: Allowance for impairment losses	(6,231,286)	(5,374,463)
	<u>57,144,574</u>	<u>60,588,806</u>
Market value of quoted shares		
In Malaysia	61,572,701	70,862,196
Outside Malaysia	430,056	565,692

The summarised financial information in respect of each of the Group's aggregated material associates is set out below. The summarised financial information represents the amounts in the financial statements of the associates and not the Group's share of those amounts.

2020

Summarised consolidated statement of comprehensive income

	Investment holding RM'mil	Infrastructure & construction RM'mil	Transportation & logistics RM'mil	Total RM'mil
Revenue	114,047	110	118	114,275
Profit/(loss) for the year	<u>5,991</u>	<u>(24)</u>	<u>(105)</u>	<u>5,862</u>

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49. Interest in associates (cont'd.)

2020 (cont'd.)

Summarised consolidated statement of financial position

	Investment holding RM'mil	Infrastructure & construction RM'mil	Transportation & logistics RM'mil	Total RM'mil
Non-current assets	896,749	2,007	65	898,821
Current assets	60,168	1,603	56	61,827
Total assets	956,917	3,610	121	960,648
Non-current liabilities	706,496	1,881	6	708,383
Current liabilities	60,537	218	108	60,863
Total liabilities	767,033	2,099	114	769,246

Reconciliation of the summarised financial information presented above

	Investment holding RM'mil	Infrastructure & construction RM'mil	Transportation & logistics RM'mil	Total RM'mil
Net assets	189,884	1,512	7	191,403
Share of net assets	47,107	513	8	47,628
Goodwill	11,502	-	-	11,502
	58,609	513	8	59,130
Carrying amount of the Group's immaterial interest in associates				4,246
				63,376

2019

Summarised consolidated statement of comprehensive income

	Investment holding RM'mil	Infrastructure & construction RM'mil	Transportation & logistics RM'mil	Total RM'mil
Revenue	5,336,415	177	414	5,337,006
Profit for the year	549,543	16	10	549,569

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49. Interest in associates (cont'd.)

2019 (cont'd.)

Summarised consolidated statement of financial position

	Investment holding RM'mil	Infrastructure & construction RM'mil	Transportation & logistics RM'mil	Total RM'mil
Non-current assets	18,632,944	1,950	106	18,635,000
Current assets	4,455,477	1,631	165	4,457,273
Total assets	<u>23,088,421</u>	<u>3,581</u>	<u>271</u>	<u>23,092,273</u>
Non-current liabilities	10,229,828	1,770	14	10,231,612
Current liabilities	3,350,649	261	111	3,351,021
Total liabilities	<u>13,580,477</u>	<u>2,031</u>	<u>125</u>	<u>13,582,633</u>

Reconciliation of the summarised financial information presented above

	Investment holding RM'mil	Infrastructure & construction RM'mil	Transportation & logistics RM'mil	Total RM'mil
Net assets	<u>9,507,944</u>	<u>1,550</u>	<u>146</u>	<u>9,509,640</u>
Share of net assets	48,873	523	36	49,432
Goodwill	11,502	-	-	11,502
	<u>60,375</u>	<u>523</u>	<u>36</u>	<u>60,934</u>
Carrying amount of the Group's immaterial interest in associates				<u>5,029</u>
				<u>65,963</u>

Details of the associates, are shown in Note 77 and Note 78.

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50. Interest in joint ventures

	Note	Group	
		2020 RM'000	2019 RM'000
Shares at cost,			
Unquoted shares in Malaysia	(i)	5,136,266	4,915,270
Unquoted shares outside Malaysia		27,920	442,495
Investments in unincorporated entities		141,146	141,146
		<u>5,305,332</u>	<u>5,498,911</u>
Share of post-acquisition reserves and others		(1,824,574)	(573,413)
		<u>3,480,758</u>	<u>4,925,498</u>
Less: Accumulated impairment losses		(281,001)	(699,792)
		<u>3,199,757</u>	<u>4,225,706</u>
Amount due from/(to) joint ventures		144,523	(163,889)
		<u>3,344,280</u>	<u>4,061,817</u>

(i) Acquisition/accretion of interest in joint ventures by the Group

- (a) During the year, UEM subscribed to additional 17,085,000 RCPS at an issue price of RM10 each in PMB for a cash consideration of RM170.9 million.
- (b) During the year, PEIB subscribed to:
- (i) additional 650,000 CCPS at an issue price of INR10 each in JSTPL for a cash consideration of INR6.5 million or RM0.4 million; and
 - (ii) additional 1,352,500 CCPS at an issue price of INR10 each in Uniquet through Ghir Investments (Mauritius) Limited for a total cash consideration of INR13.5 million or RM0.8 million.

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50. Interest in joint ventures (cont'd.)

Details of the joint ventures are disclosed in Note 77 and Note 78.

The summarised financial information in respect of each of the Group's aggregated material joint ventures is set out below. The summarised financial information represents the amounts in the financial statements of the associates and not the Group's share of those amounts.

2020

Summarised consolidated statement of comprehensive income

	Investment holding RM'mil	Infrastructure & construction RM'mil	Property RM'mil	Total RM'mil
Revenue	2,047	209	20	2,276
Profit/(loss) for the year	981	11	(45)	947

Summarised consolidated statement of financial position

	Investment holding RM'mil	Infrastructure & construction RM'mil	Property RM'mil	Total RM'mil
Non-current assets	16,423	641	800	17,864
Current assets	2,919	911	294	4,124
Total assets	19,342	1,552	1,094	21,988
Non-current liabilities	11,409	231	80	11,720
Current liabilities	575	240	578	1,393
Total liabilities	11,984	471	658	13,113

Reconciliation of the summarised financial information presented above

	Investment holding RM'mil	Infrastructure & construction RM'mil	Property RM'mil	Total RM'mil
Net assets	7,358	1,081	436	8,875
Share of net assets	4,116	661	163	4,940
Carrying amount of the Group's immaterial interest in joint ventures				(1,459)
				3,481

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50. Interest in joint ventures (cont'd.)

2019

Summarised consolidated statement of comprehensive income

	Investment holding RM'mil	Infrastructure & construction RM'mil	Property RM'mil	Total RM'mil
Revenue	2,171	295	224	2,690
Profit/(loss) for the year	<u>1,864</u>	<u>27</u>	<u>(33)</u>	<u>1,858</u>

Summarised consolidated statement of financial position

	Investment holding RM'mil	Infrastructure & construction RM'mil	Property RM'mil	Total RM'mil
Non-current assets	16,280	695	1,912	18,887
Current assets	<u>5,304</u>	<u>1,019</u>	<u>1,049</u>	<u>7,372</u>
Total assets	<u>21,584</u>	<u>1,714</u>	<u>2,961</u>	<u>26,259</u>
Non-current liabilities	10,126	346	1,234	11,706
Current liabilities	<u>3,857</u>	<u>289</u>	<u>689</u>	<u>4,835</u>
Total liabilities	<u>13,983</u>	<u>635</u>	<u>1,923</u>	<u>16,541</u>

Reconciliation of the summarised financial information presented above

	Investment holding RM'mil	Infrastructure & construction RM'mil	Property RM'mil	Total RM'mil
Net assets	<u>7,601</u>	<u>1,079</u>	<u>1,038</u>	<u>9,718</u>
Share of net assets	<u>4,197</u>	<u>561</u>	<u>412</u>	5,170
Carrying amount of the Group's immaterial interest in joint ventures				<u>(245)</u>
				<u>4,925</u>

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51. Other financial investments**Group - 2020**

	Current RM'000	Non-current RM'000	Total RM'000
Financial assets designated as fair value through profit or loss			
At fair value:			
Quoted shares	-	11,133,426	11,133,426
Unquoted shares	1,399,593	2,236,660	3,636,253
Quoted bonds	186,831	4,281,865	4,468,696
Unquoted bonds	-	1,422,620	1,422,620
Quoted fund	-	788,359	788,359
Unquoted fund	136,750	-	136,750
	<u>1,723,174</u>	<u>19,862,930</u>	<u>21,586,104</u>
Financial assets designated as fair value through other comprehensive income			
At fair value:			
Quoted shares	-	4,155,286	4,155,286
Unquoted shares	-	4,136,676	4,136,676
Unquoted bonds	-	1,455,159	1,455,159
Unquoted fund	-	4,975,624	4,975,624
At cost:			
Unquoted shares	-	322,994	322,994
	<u>-</u>	<u>15,045,739</u>	<u>15,045,739</u>
Amortised cost			
Loans receivable	<u>52</u>	<u>558,986</u>	<u>559,038</u>
Less: Allowance for impairment losses	-	(36,611)	(36,611)
Total	<u>1,723,226</u>	<u>35,431,044</u>	<u>37,154,270</u>

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51. Other financial investments (cont'd.)**Group - 2019**

	Current RM'000	Non-current RM'000	Total RM'000
Financial assets designated as fair value through profit or loss			
At fair value:			
Quoted shares	140,772	13,006,496	13,147,268
Unquoted shares	2,809,188	1,158,356	3,967,544
Quoted bonds	-	448,278	448,278
Unquoted bonds	-	2,471,866	2,471,866
Quoted fund	-	407,927	407,927
	<u>2,949,960</u>	<u>17,492,923</u>	<u>20,442,883</u>
Financial assets designated as fair value through other comprehensive income			
At fair value:			
Quoted shares	7	12,649,194	12,649,201
Unquoted shares	97,890	193,538	291,428
Quoted bonds	-	328,558	328,558
Unquoted bonds in Malaysia	-	817,678	817,678
Unquoted fund	-	8,097	8,097
At cost:			
Unquoted shares	-	66,437	66,437
	<u>97,897</u>	<u>14,063,502</u>	<u>14,161,399</u>
Amortised cost			
Loans receivable	-	593,177	593,177
Total	<u>3,047,857</u>	<u>32,149,602</u>	<u>35,197,459</u>

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52. Other non-current assets

		Group	
	Note	2020	2019
		RM'000	RM'000
Receivables under finance lease	(i)	172,250	32,595
Trade receivables		500,780	319,359
Reinsurance assets		-	261,533
Prepaid land lease payments		-	6,165
Staff loans		25,061	25,061
Cash and bank balances	60, (ii)	-	6,580
Contract assets	(iii)	67,751	37,964
Concession receivables	(iv)	1,226,456	1,254,744
Others		760,444	316,312
		<u>2,752,742</u>	<u>2,260,313</u>

- (i) Leasing portfolio of a subsidiary of the Group comprises financing of long term lease related to investment properties of the Group. As at the reporting date, the present value of lease receivables under non-cancellable lease agreements was as follows:

	Group	
	2020	2019
	RM'000	RM'000
Minimum lease receivables:		
Within one year	11,389	7,387
Between one and five years	32,524	36,289
More than five years	312,765	32,033
Total minimum lease payments	<u>356,678</u>	<u>75,709</u>
Less: Unearned finance revenues	<u>(181,993)</u>	<u>(38,204)</u>
Present value of minimum lease receivables	<u>174,685</u>	<u>37,505</u>
Present value of receivables:		
Within one year	7,610	4,910
Between one and five years	14,112	19,947
More than five years	158,138	12,648
	<u>179,860</u>	<u>37,505</u>
Less: Amount due within one year (Note 59)	<u>(7,610)</u>	<u>(4,910)</u>
Amount due after one year	<u>172,250</u>	<u>32,595</u>

- (ii) Relates to security for banking facilities granted to UEM Group's subsidiaries.

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52. Other non-current assets (cont'd.)

(iii) Contract assets

Group	Note	2020 RM'000	2019 RM'000
Contract assets			
Current	58	536,096	522,495
Non-current		67,751	37,964
		<u>603,847</u>	<u>560,459</u>
Contract liabilities			
Current	62	(100,827)	(87,371)
Non-current	66	(227,799)	(258,646)
		<u>(328,626)</u>	<u>(346,017)</u>

Group	Note	2020 RM'000	2019 RM'000
Contract assets			
Contract assets from property development and strategic land sales	(a)	252,147	181,710
Contract assets from construction contracts	(b)	-	1,772
Contracts assets from rendering services	(c)	351,700	376,977
		<u>603,847</u>	<u>560,459</u>
Contract liabilities			
Contract assets from property development and strategic land sales	(a)	(297,963)	(324,886)
Contracts liabilities from rendering services	(c)	(30,663)	(21,131)
		<u>(328,626)</u>	<u>(346,017)</u>

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52. Other non-current assets (cont'd.)

(iii) Contract assets (cont'd.)

(a) Contract assets from property development and strategic land sales

For property development, the Group issues progress billings to purchasers when the billing milestones are attained. The Group recognises revenue when the performance obligation is satisfied.

For strategic land sales, the Group recognises revenue and issues billings to purchasers upon transfer of control. The contract assets and contract liabilities relating to the sale of properties and land sales as of each reporting period are shown as below:

Group	2020 RM'000	2019 RM'000
Contract assets	252,147	181,710
Contract liabilities	(297,963)	(324,886)
	<u>(45,816)</u>	<u>(143,176)</u>
At 1 January	(143,176)	(213,744)
Revenue recognised during the financial year	519,903	530,308
Deferred during the financial year	(422,543)	(459,740)
At 31 December	<u>(45,816)</u>	<u>(143,176)</u>

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52. Other non-current assets (cont'd.)

(iii) Contract assets (cont'd.)

(b) Contract assets from construction contracts

Group	2020 RM'000	2019 RM'000
Contract assets	-	1,772
	<u>-</u>	<u>1,772</u>
Construction work in progress ("WIP"), at cost	-	134,422
Add : Attributable profit	-	(3,725)
	<u>-</u>	<u>130,697</u>
Less :		
- Progress billings	-	(128,925)
	<u>-</u>	<u>1,772</u>

Included in current year additions in construction WIP of the Group are:

	Group	
	2020 RM'000	2019 RM'000
- staff costs	-	3,865
- depreciation charge	-	35
- amortisation charge	-	1
	<u>-</u>	<u>1</u>

(c) Contract assets from rendering services

Contract assets are initially recognised for revenue earned from services transferred which receipt of the consideration is conditional on the completion and final acceptance by customers. Upon final acceptance by the customers, the amounts recognised as contract assets becomes unconditional and are reclassified to trade receivables.

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52. Other non-current assets (cont'd.)

(iii) Contract assets (cont'd.)

(c) Contract assets from rendering services (cont'd.)

Contract liabilities include billings made in advance which represent amounts where customers have been invoiced ahead of the satisfaction of the performance obligation by the Group.

Group	2020 RM'000	2019 RM'000
Contract assets	351,700	376,977
Contract liabilities	(30,663)	(21,131)
	<u>321,037</u>	<u>355,846</u>
Revenue recognised from amounts included in contract liabilities at the beginning of the year	<u>4,383</u>	<u>2,713</u>

(iv) Concession receivables

Concession receivables are in relation to :

	Note	2020 RM'000	2019 RM'000
Non-current		1,226,456	1,254,744
Current	58	124,214	124,214
		<u>1,350,670</u>	<u>1,378,958</u>

- (a) A concession arrangement in which the Group provides retro-fitting works and upgrades of infrastructure to turn existing buildings into green buildings. This amount is to be repaid over the remaining period of the concession. This amount also pledged as security for the borrowings obtained as disclosed in Note 61.
- (b) A concession arrangement to develop and construct Tunku Azizah Hospital (formerly known as Women and Children Hospital). This amount is to be repaid over the concession period ending October 2043.

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53. Right-of-use assets

Costs

2020

	Aircraft RM'000	Land RM'000	Building RM'000	Others RM'000	Total RM'000
At 1 January	10,993,809	2,435,706	162,346	105,370	13,697,231
Additions	735,157	4,128	1,277	27,733	768,295
Lease modification	-	-	(4,461)	-	(4,461)
Transfer to property, plant and equipment (Note 42)	-	(5,908)	-	-	(5,908)
Transfer to investment properties (Note 44)	-	(2,858)	-	-	(2,858)
Transfer to asset held for sale (Note 41)	-	-	(12,687)	-	(12,687)
Disposal of subsidiaries (Note 48(iv))	-	-	-	(3,834)	(3,834)
Disposal	-	-	(4,413)	-	(4,413)
Derecognition	(332,902)	-	-	-	(332,902)
At 31 December	11,396,064	2,431,068	142,062	129,269	14,098,463

Accumulated depreciation

At 1 January	1,480,791	83,863	62,607	26,070	1,653,331
Charge for the year (Note 36)	1,563,120	59,087	7,637	23,726	1,653,570
Foreign exchange difference	-	65	7	-	72
Impairment (Note 36)	387,015	-	301	2,249	389,565
Transfer to asset held for sale (Note 41)	-	-	(1,353)	-	(1,353)
Disposal of subsidiaries (Note 48(iv))	-	-	-	(3,071)	(3,071)
Disposal	-	-	(911)	-	(911)
At 31 December	3,430,926	143,015	68,288	48,974	3,691,203

Net carrying amount

At 31 December	7,965,138	2,288,053	73,774	80,295	10,407,260
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53. Right-of-use assets (cont'd.)

	Aircraft RM'000	Land RM'000	Building RM'000	Others RM'000	Total RM'000
Costs					
2019					
At 1 January	10,992,669	2,448,635	136,570	85,777	13,663,651
Additions	193,156	250	26,086	19,593	239,085
Transfer to held for sale (Note 41)	-	(12,337)	-	-	(12,337)
Disposal of subsidiaries (Note 48(iv))	-	(842)	-	-	(842)
Disposal	(192,016)	-	(310)	-	(192,326)
At 31 December	10,993,809	2,435,706	162,346	105,370	13,697,231
Accumulated depreciation					
At 1 January	181,466	40,640	1,348	3,845	227,299
Charge for the year (Note 36)	1,267,164	43,223	19,713	22,225	1,352,325
Impairment (Note 36)	40,890	-	41,856	-	82,746
Disposal	(8,729)	-	(310)	-	(9,039)
At 31 December	1,480,791	83,863	62,607	26,070	1,653,331
Net carrying amount	9,513,018	2,351,843	99,739	79,300	12,043,900

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54. Derivative financial instruments

2020		Nominal amount RM'000	Group	
			Assets RM'000	Liabilities RM'000
Forward exchange rate contracts	(i)	-	-	-
Fuel hedging contracts (barrels)	(ii)	2,875	-	(85,393)
Foreign currency hedging contracts	(iii)	132,569	12	(500)
Interest rate derivatives	(iv)	72,987	-	(16,386)
Embedded derivatives		3,134,699	-	(128,409)
			<u>12</u>	<u>(230,688)</u>
Analysed as:				
Current			-	(72,063)
Non-current			12	(158,625)
			<u>12</u>	<u>(230,688)</u>

2019		Nominal amount RM'000	Group	
			Assets RM'000	Liabilities RM'000
Forward exchange rate contracts	(i)	7,800	-	(102)
Fuel hedging contracts (barrels)	(ii)	7,325	1	(23,220)
Foreign currency hedging contracts	(iii)	280,716	-	(3,961)
Interest rate derivatives	(iv)	460,626	-	(5,497)
Embedded derivatives		3,132,955	-	(174,919)
			<u>1</u>	<u>(207,699)</u>
Analysed as:				
Current			1	(25,454)
Non-current			-	(182,245)
			<u>1</u>	<u>(207,699)</u>

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54. Derivative financial instruments (cont'd.)

(i) Forward exchange rate contracts

Cement Industries of Malaysia Berhad's ("CIMA") outstanding forward exchange rate contracts in 2019 with notional amount totalling RM7.8 million which were used to manage portion of CIMA's transaction exposure denominated in USD.

(ii) Fuel hedging contracts (barrels)

Due to significant capacity cuts following the COVID-19 pandemic and the expected impact on the near-term forecasted jet fuel purchases, a portion of these forecasted jet fuel purchase, for which hedge accounting had been applied previously, is no longer expected to occur. As a result, hedge accounting has been discontinued for these hedging relationships, with hedge ineffectiveness of RM85,392,845 recognised in the profit or loss. As at 31 December 2020, the Group has RMNil remaining in the fair value reserve for which hedge accounting is no longer applied.

(iii) Foreign currency hedging contracts

Malaysia Aviation Group Berhad ("MAGB") has forward currency contracts outstanding as at 31 December 2020 designated as hedges of firm commitments and highly probable future payments denominated in foreign currencies.

The amount retained in other comprehensive income at 31 December 2020 are expected to mature and affect profit or loss in 2021.

The terms of the forward currency contracts have been negotiated to match the terms of the commitments. There were no highly probable transactions for which hedge accounting had previously been used, which is no longer expected to occur.

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54. Derivative financial instruments (cont'd.)

(iii) Foreign currency hedging contracts (cont'd.)

The cash flow hedges of the highly probable future payments denominated in foreign currencies were assessed to be highly effective and as at 31 December 2020, a net unrealised gain of RM7,016,000 (2019: net unrealised loss of RM4,278,000) was included in other comprehensive income in respect of these contracts.

The amount removed from other comprehensive income during the financial year and included in profit or loss is gain of RM3,545,000 (2019: loss of RM827,000).

(iv) Interest rate derivatives

As at 31 December 2020, MAGB has interest rate caps and swaps at contracted interest rates varying from 2.1% to 2.2% (2019: 2.1% to 2.2%) per annum. The contracts are intended to hedge the volatility of interest rates for up to maximum 80% of the floating interest rate risk exposure of any financial year.

The amounts retained in other comprehensive income at 31 December 2020 are expected to mature and affect the profit or loss between 2021 to 2024.

There were no highly probable transactions for which hedge accounting had previously been used, which is no longer expected to occur.

The cash flow hedges of the highly probable forecast of interest rates were assessed to be highly effective and as at 31 December 2020, a net unrealised loss of RM15,300,000 (2019: net unrealised loss of RM12,478,000) was included in other comprehensive income in respect of these contracts.

The amount removed from other comprehensive income during the financial year and included in profit or loss is loss of RM4,411,000 (2019: gain of RM1,988,000).

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55. Deferred taxation

	Note	Group	
		2020	2019
		RM'000	RM'000
As 1 January		(122,698)	(306,207)
Disposal of subsidiaries (net)	48(iv)	(540)	113,195
Recognised in profit or loss	40	(57,261)	74,193
Exchange differences		-	(3,879)
At 31 December		<u>(180,499)</u>	<u>(122,698)</u>

Presented after appropriate offsetting as follows:

Deferred tax assets		333,226	464,964
Deferred tax liabilities		<u>(513,725)</u>	<u>(587,662)</u>
		<u>(180,499)</u>	<u>(122,698)</u>

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55. Deferred taxation (cont'd.)

The components and movements of deferred tax liabilities and assets of the Group during the financial year are as follows:

Deferred tax liabilities of the Group:

	Accelerated capital allowances RM'000	Fair value adjustment of land and building RM'000	Interest capitalised RM'000	Other temporary differences RM'000	Total RM'000
At 1 January 2020	(269,423)	(230,281)	(73,254)	(14,704)	(587,662)
Recognised in profit or loss	68,482	-	-	(720)	67,762
Disposal of subsidiaries	3,488	2,687	-	-	6,175
At 31 December 2020	(197,453)	(227,594)	(73,254)	(15,424)	(513,725)
At 1 January 2019	(326,417)	(232,439)	(74,385)	(13,571)	(646,812)
Recognised in profit or loss	(61,727)	2,158	1,131	(1,138)	(59,576)
Disposal of subsidiaries	121,699	-	-	5	121,704
Exchange differences	(2,978)	-	-	-	(2,978)
At 31 December 2019	(269,423)	(230,281)	(73,254)	(14,704)	(587,662)

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55. Deferred taxation (cont'd.)

Deferred tax assets of the Group:

At 1 January 2020					
Recognised in profit or loss					
Disposal of subsidiaries					
At 31 December 2020					
	Provision for liabilities RM'000	Unutilised tax losses and unabsorbed capital allowance RM'000	Other temporary differences RM'000	Total RM'000	
	345,029	105,283	14,652	464,964	
	(108,997)	(6,642)	(9,384)	(125,023)	
	(4,028)	(2,687)	-	(6,715)	
	232,004	95,954	5,268	333,226	
At 1 January 2019					
Recognised in profit or loss					
Disposal of subsidiaries					
Exchange differences					
At 31 December 2019					
	214,258	117,550	8,797	340,605	
	130,840	(2,926)	5,855	133,769	
	(73)	(8,436)	-	(8,509)	
	4	(905)	-	(901)	
	345,029	105,283	14,652	464,964	

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55. Deferred taxation (cont'd.)

Deferred tax assets have not been recognised in respect of the following items:

	Group	
	2020	2019
	RM'000	RM'000
Unutilised tax losses	5,004,181	5,675,234
Unabsorbed capital allowances and investment tax allowance	8,429,122	8,630,150
Other temporary differences	1,492,442	1,948,434
	<u>14,925,745</u>	<u>16,253,818</u>

Business entities are allowed to carry forward unabsorbed losses in a year of assessment for a maximum period of seven years of assessment i.e. from year of assessment ("YA") 2019 to YA2025 and any amount remains unutilised by YA2025 shall be disregarded from YA2026. Deferred tax assets have not been recognised due to the history of losses in the Group's subsidiaries. The unabsorbed capital allowances of the entities are available for offsetting against future taxable profits of the entity, subject to no substantial change in shareholding under the Income Tax Act, 1967 and guidelines issued by tax authority.

56. Property development-in-progress

	Note	Group	
		2020	2019
		RM'000	RM'000
Cumulative property development			
At 1 January		4,685,175	4,448,387
Development costs incurred during the year		363,199	1,308,055
Transfers from/(to)			
- Land held for property development	43	149,749	133,559
- Property, plant and equipment	42	4,610	10,158
- Investment properties	44	-	(4,471)
- Inventories		(24,251)	(389,377)
Acquisition of subsidiaries			
Foreign currency translation		-	(26,241)
Reversal of costs arising from completed projects		(1,695,514)	(794,895)
At 31 December		<u>3,482,968</u>	<u>4,685,175</u>

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56. Property development-in-progress (cont'd.)

	Group	
	2020	2019
	RM'000	RM'000
Cumulative costs recognised in statement of comprehensive income		
At 1 January	(3,781,163)	(2,617,164)
Reversal of costs arising from completed projects	1,695,514	794,895
Recognised during the year	(378,380)	(1,955,609)
Foreign currency translation	-	(3,285)
At 31 December	<u>(2,464,029)</u>	<u>(3,781,163)</u>
At 31 December	<u>1,018,939</u>	<u>904,012</u>

Included in costs incurred during the year are:

	Group	
	2020	2019
	RM'000	RM'000
Staff costs	6,163	8,946
Interest expense	<u>9,794</u>	<u>42,376</u>

As at the reporting date, freehold land and related development expenditure totalling RM150.2 million (2019: RM151 million) are pledged as security for the banking facilities granted to a subsidiary of the Group.

57. Inventories and work-in-progress

	Group	
	2020	2019
	RM'000	RM'000
At cost:		
Raw materials	19,981	40,771
Work-in-progress	39,204	46,957
Finished goods	27,326	39,325
Consumables	127,590	133,363
Catering and general stores	22,518	23,103
Trading stocks	672	-
Property held for sale	196,169	486,901
Others	413,170	436,521
	<u>846,630</u>	<u>1,206,941</u>

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57. Inventories and work-in-progress (cont'd.)

	Group	
	2020	2019
	RM'000	RM'000
At net realisable value:		
Work-in-progress	776	5,144
Consumable aircraft spares	179,052	264,057
Property held for sale	104,798	151,205
Golf memberships*	28,211	28,201
Others	300	267
	<u>313,137</u>	<u>448,874</u>
	<u>1,159,767</u>	<u>1,655,815</u>

* In accordance with the Development Agreement dated 16 June 2005 between Horizon Hills and Nusajaya Greens Sdn. Bhd., Horizon Hills has settled part of the purchase consideration of the golf course land in the form of rights to club membership (golf and non-golf) to be issued by Horizon Hills Resort Berhad, a wholly-owned subsidiary of Horizon Hills.

The cost of inventories and work-in-progress ("WIP") recognised as cost of sales during the year amounted to RM674.4 million (2019: RM891.9 million), excluding any impairment or write down of inventories.

58. Trade receivables

		Group	
	Note	2020	2019
		RM'000	RM'000
Trade receivables	(i)	1,277,508	2,294,984
Less: Allowance for doubtful debts		<u>(196,830)</u>	<u>(182,615)</u>
		1,080,678	2,112,369
Retention sum			
Contract assets	52(iii)	536,096	522,495
Concession receivables	52(iv)	124,214	124,214
		<u>1,740,988</u>	<u>2,759,078</u>

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58. Trade receivables (cont'd.)

(i) Trade receivables

- The Group has no significant concentration of credit risk that may arise from exposures to a single debtor or to groups of debtors.
- Trade receivables are non-interest bearing and are generally on 30 to 90 days (2019: 30 to 90 days) terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

The ageing analysis of the trade receivables is as follows:

	2020	2019
	RM'000	RM'000
Group		
Neither past due nor impaired	776,535	1,404,702
1 to 30 days past due not impaired	122,474	241,556
31 to 60 days past due not impaired	41,819	96,645
More than 60 days past due not impaired	139,850	369,466
	304,143	707,667
Impaired	196,830	182,615
	<u>1,277,508</u>	<u>2,294,984</u>

Receivables that are neither past due nor impaired

Receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group.

Receivables that are past due but not impaired

The Group has trade receivables that are related to customers with good payment records with the Group or those with ongoing transactions, progressive payments and/or amounts owing by the Group.

Receivables that are impaired

The Group's trade receivables that are impaired are all individually impaired. There are no impairment arising from collective impairment.

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58. Trade receivables (cont'd.)

- (i) Trade receivables (cont'd.)

The movement of the allowance account used to record impairment is as follows:

	Group	
	2020	2019
	RM'000	RM'000
At 1 January	182,615	588,011
Written off/(write back)	14,215	(405,396)
At 31 December	<u>196,830</u>	<u>182,615</u>

59. Other receivables

	Note	Group	
		2020	2019
		RM'000	RM'000
Interest income receivable		273	234
Amount due from a former director and shareholder of a subsidiary	(i)	2,315,980	2,315,995
Amount due from MoF Inc.		851,580	851,580
Amount due from associates	(ii)	21,825	54,524
Amount due from joint ventures		45,405	10,744
Amount due from related companies		150,144	247,363
Insurance receivables	(iii)	24,376	29,419
Receivable under finance lease	52(i)	7,610	4,910
Other deposits and prepayments		32,501	65,933
Accrued income		3,799	9,318
Others	(iv)	<u>1,375,088</u>	<u>1,382,532</u>
		4,828,581	4,972,552
Less: Allowance for impairment losses		<u>(2,413,032)</u>	<u>(2,413,032)</u>
		<u>2,415,549</u>	<u>2,559,520</u>

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59. Other receivables (cont'd.)

The Group has no significant concentration of credit risk that may arise from exposures to a single debtor or to groups of debtors.

- (i) On 11 December 2000, UEM exercised the Put Option granted by Tan Sri Dato' Seri Halim bin Saad ("TSHS"), a past director of UEM in 1998 in respect of UEM's investment in UEM Land. The cost of shares plus holding cost on the 720,959,000 UEM Land shares ("Put Option Shares"), representing 31.0% of the paid-up capital of UEM Land as at 11 December 2000 amounting to RM3,165.8 million became the principal amount of debt due from TSHS and accrued interest at a rate of 9.4% per annum compounded semi-annually until full repayment.

The amount of RM3,165.8 million repayable in 3 equal instalments of RM100.0 million each on 14 February 2001, 14 July 2001 and 14 December 2001 respectively and the balance including interest was to be paid on 14 May 2002. On 14 February 2001, UEM received the first instalment from TSHS and granted an Extension of Time for the second instalment to 12 September 2001.

On 12 September 2001, UEM announced that it had not received the second instalment payment from TSHS and considered TSHS to have defaulted. The Put Option agreement was terminated subsequently and a notice of termination was sent to TSHS on 21 November 2001. Resulting from the termination of the Put Option agreement, UEM retained the UEM Land shares and forfeited the RM100.0 million first instalment for its own account by way of set-off and in part satisfaction of its claim for compensation.

As TSHS had failed to repay the outstanding amount as scheduled, full provision of RM2,316.0 million had been made on the net amount due from TSHS.

- (ii) The amount due from associates is unsecured, interest-free and is repayable on demand.
- (iii) Insurance receivables

	Group	
	2020	2019
	RM'000	RM'000
Net insurance receivables	24,376	29,419

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59. Other receivables (cont'd.)

(iv) Included in others are:

- (a) An amount of RM22.9 million (2019: RM22.9 million) representing tax penalty paid to IRB.
- (b) PLUS BKSP Toll Limited net carrying value of concession intangible assets of RM121.6 million or INR2,212.1 million (2019: RM127.0 million or INR2,212.1 million) to be recovered through claim submitted to Maharashtra State Road Development Corporation ("MSRDC") for premature termination of the Concession Agreement with MSRDC. The amount had been fully impaired previously.
- (c) Reimbursable costs of RM0.9 million (2019: RM0.9 million) in relation to the implementation of concession agreement for Tunku Azizah Hospital (formerly known as Women and Children Hospital) project, which is reimbursable by the Government of Malaysia within one year after the commencement of asset management services.
- (d) GST claimable from the Australian Taxation Office amounting to RM0.4 million (2019: RM4.0 million).
- (e) Advance of RM56.0 million (2019: RM49.0 million) provided to a corporate shareholder of a subsidiary which is bearing interest rate at 6% (2019: 6%) per annum.

60. Cash and bank balances

	Group	
	2020	2019
	RM'000	RM'000
Cash in hand and at bank	10,747,983	4,135,106
Deposits with licensed banks	1,091,335	7,012,125
Deposit with other financial institutions	63,209	3,437
	<u>11,902,527</u>	<u>11,150,668</u>
Analysed as:		
Non-current (Note 52)	-	6,580
Current	11,902,527	11,144,088
	<u>11,902,527</u>	<u>11,150,668</u>

The range of interest rates and maturities of the term deposits as at 31 December 2020 is disclosed in Note 68(c).

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61. Borrowings

Group	Note	Short term RM'000	Long term RM'000	Total RM'000
2020				
Secured bonds and notes	(i)	2,284,364	8,348,551	10,632,915
Unsecured bonds and notes	(ii)	3,483,568	25,381,857	28,865,425
Exchangeable Trust Certificates	25(b)	-	3,134,699	3,134,699
Other borrowings	(iii)	4,848,047	12,557,277	17,405,324
		<u>10,615,979</u>	<u>49,422,384</u>	<u>60,038,363</u>

2019				
Secured bonds and notes	(i)	1,187,252	10,256,780	11,444,032
Unsecured bonds and notes	(ii)	5,735,830	22,162,659	27,898,489
Exchangeable Trust Certificates	25(b)	-	3,132,955	3,132,955
Other borrowings	(iii)	7,625,986	11,537,904	19,163,890
		<u>14,549,068</u>	<u>47,090,298</u>	<u>61,639,366</u>

(i) Secured bonds and notes

Group	Note	Short term RM'000	Long term RM'000	Total RM'000
2020				
Khazanah Bonds	25(a)	2,284,364	7,593,551	9,877,915
Prohawk	(A)	-	755,000	755,000
		<u>2,284,364</u>	<u>8,348,551</u>	<u>10,632,915</u>
2019				
Khazanah Bonds	25(a)	1,187,252	9,451,780	10,639,032
Prohawk	(A)	-	805,000	805,000
		<u>1,187,252</u>	<u>10,256,780</u>	<u>11,444,032</u>

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61. Borrowings (cont'd.)

(i) Secured bonds and notes (cont'd.)

(A) Konsortium ProHAWK Sdn. Bhd. ("Prohawk")

IMTN

On 18 June 2013, Prohawk established an IMTN Programme under the Shariah Principle of Murabahah, with a nominal amount of up to RM900.0 million.

The IMTN is secured by a first ranking charge over all of Prohawk's assets, rights, interests and titles, including granting the right to the security agent to appoint a substituted entity to take over the concession.

There are several series within the issued tranches, each with different tenure and profit rate. The details of the IMTN issuance are as follows:

Issuance date	Tenures (Years)	Profit rate (% per annum)	At	During the year	At
			1 January 2020	Repayment RM'million	31 December 2020
20 June 2013	17.5 - 20.0	5.24 - 5.35	200	-	200
20 December 2013	15.0 - 17.5	5.21 - 5.34	120	-	120
26 June 2014	13.0 - 15.0	5.21 - 5.32	120	-	120
22 December 2014	4.5 - 12.0	4.99 - 5.26	365	(50)	315
			<u>805</u>	<u>(50)</u>	<u>755</u>

(ii) Unsecured bonds and notes

Group	Note	Short term RM'000	Long term RM'000	Total RM'000
2020				
Islamic CP/MTN Programme				
Khazanah	25(c)-(f)	3,483,568	22,562,114	26,045,682
UEM Sunrise	(a)	-	2,417,899	2,417,899
UEM Edgenta	(b)	-	302,059	302,059
UGB	(c)	-	99,785	99,785
		<u>3,483,568</u>	<u>25,381,857</u>	<u>28,865,425</u>

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61. Borrowings (cont'd.)

(ii) Unsecured bonds and notes (cont'd.)

Group	Note	Short term RM'000	Long term RM'000	Total RM'000
2019				
Islamic CP/MTN Programme				
Khazanah	25 (c),(d),(e)	5,735,830	19,061,441	24,797,271
UEM Sunrise	(a)	-	2,699,727	2,699,727
UEM Edgenta	(b)	-	301,840	301,840
UGB	(c)	-	99,651	99,651
		<u>5,735,830</u>	<u>22,162,659</u>	<u>27,898,489</u>

(a) UEM Sunrise Berhad ("UEM Sunrise")

(i) UEM Sunrise ICPN and IMTN

In 2012, UEM Sunrise established an ICP Programme and an IMTN Programme, with a combined nominal value of RM2.0 billion and a sub-limit on the ICP Programme of RM500.0 million in nominal value. The ICP and IMTN Programmes have been assigned with a rating of MARC-11S /AA-IS respectively.

The details of the IMTN issuance are as follows:

Issuance date	Tenure (Years)	Profit rate (% per annum)	At	During the year		At
			1 January 2020	Issuance	Repayment	31 December 2020
			RM'million			
30 June 2014	7	4.90	200	-	-	200
10 April 2015	5	4.58	150	-	(150)	-
10 April 2015	7	4.80	150	-	-	150
22 March 2019	5	4.75	300	-	-	300
30 April 2020	1	3.70	-	130	-	130
18 May 2020	1	3.70	-	105	-	105
10 June 2020	3	4.00	-	270	-	270
12 June 2020	3	4.00	-	150	-	150
21 September 2020	3	3.90	-	350	-	350
			<u>800</u>	<u>1,005</u>	<u>(150)</u>	<u>1,655</u>

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61. Borrowings (cont'd.)

(ii) Unsecured bonds and notes (cont'd.)

(a) UEM Sunrise Berhad ("UEM Sunrise") (cont'd.)

(ii) UEM Sunrise ICPN and IMTN (cont'd.)

In 2016, UEM Sunrise established its second ICP Programme and IMTN Programme with a combined nominal value of RM2.0 billion and a sub-limit on the ICP Programme of RM500.0 million in nominal value. The ICP and IMTN Programmes have been assigned a rating of MARC-1IS /AA-IS respectively.

The details of the IMTN and ICP issuance are as follows:

Issuance date	Tenure (Years)	Profit rate (% per annum)	At	During the year		At
			1 January 2020	Issuance	Repayment	31 December 2020
			RM'million			
20 May 2016	7	5.00	500	-	-	500
11 December 2017	3	4.80	200	-	(200)	-
11 December 2017	5	5.06	300	-	-	300
11 December 2017	7	5.32	100	-	-	100
31 October 2018	3	4.85	350	-	-	350
31 October 2018	5	4.98	100	-	-	100
31 October 2018	7	5.15	250	-	-	250
10 April 2020	0.5	3.50	-	200	(200)	-
			<u>1,800</u>	<u>200</u>	<u>(400)</u>	<u>1,600</u>

(b) UEM Edgenta

UEM Edgenta had established an ICP Programme and an IMTN Programme under the Shariah Principle of Murabahah via a Tawarruq Arrangement, which have a combined aggregate limit of up to RM1,000.0 million in nominal value and a sub-limit on the ICP Programme of RM300.0 million in nominal value.

The details of the IMTN and ICP issuance and repayment are as follows:

Issuance date	Tenure (Years)	Profit rate (% per annum)	At	During the year		At
			1 January 2020	Issuance	Repayment	31 December 2020
			RM'million			
26 April 2017	5	4.85	252	-	-	252
26 April 2019	1	4.05	50	-	(50)	-
24 April 2020	1	3.40	-	50	-	50
			<u>302</u>	<u>50</u>	<u>(50)</u>	<u>302</u>

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61. Borrowings (cont'd.)**(ii) Unsecured bonds and notes (cont'd.)****(c) United Growth Berhad ("UGB")**

On 21 June 2012, UEM, through United Growth, established an IMTN Programme under the Shariah Principle of Musharakah, with a nominal amount of up to RM2.2 billion. On the same day, United Growth issued RM100.0 million IMTN at a discounted price of RM98.8 million.

The tenure of the IMTN issued is 10 years and will be maturing on 21 June 2022. The IMTN carries a fixed profit rate of 4.73% per annum.

The discount of RM1.2 million is amortised over the tenure of the IMTN at an effective interest rate of 4.88% (2019: 4.88%) per annum. As at the reporting date, the carrying value of the IMTN, taking into consideration the unamortised portion of the discount, is as follows:

	2020	2019
	RM'000	RM'000
Principal	100,000	100,000
Unamortised discount	(215)	(349)
	<u>99,785</u>	<u>99,651</u>

(iii) Other borrowings

Group		Short term	Long term	Total
		RM'000	RM'000	RM'000
2020				
Secured:				
CIMA	(A)	-	80,000	80,000
Other term loans and payables	(B)	531,056	7,504,269	8,035,325
Loan from Government	(C)	78,439	287,669	366,108
Others	(D)	744,350	47,674	792,024
		<u>1,353,845</u>	<u>7,919,612</u>	<u>9,273,457</u>
Unsecured:				
Other term loans and payables	(B)	852,200	3,438,284	4,290,484
Others	(D)	2,642,002	1,199,381	3,841,383
		<u>3,494,202</u>	<u>4,637,665</u>	<u>8,131,867</u>
Total		<u>4,848,047</u>	<u>12,557,277</u>	<u>17,405,324</u>

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61. Borrowings (cont'd.)

(iii) Other borrowings (cont'd.)

Group		Short term RM'000	Long term RM'000	Total RM'000
2019				
Secured:				
Other term loans and payables	(B)	322,896	10,023,376	10,346,272
Loan from Government	(C)	29,669	329,938	359,607
Others	(D)	1,819,960	1,417,893	3,237,853
		<u>2,172,525</u>	<u>11,771,207</u>	<u>13,943,732</u>
Unsecured:				
Other term loans and payables	(B)	4,532,493	-	4,532,493
Others	(D)	920,968	(233,303)	687,665
		<u>5,453,461</u>	<u>(233,303)</u>	<u>5,220,158</u>
Total		<u>7,625,986</u>	<u>11,537,904</u>	<u>19,163,890</u>

(A) Cement Industries Of Malaysia Berhad ("CIMA")

In 2020, CIMA Group obtained a term loan facility at interest rate of 3.2% per annum, to part finance the acquisition of a plot of freehold land. The facility is secured by way of first party legal charge over the said freehold land, corporate guarantee from CIMA and letter of undertaking from UEM.

(B) Other term loans and payables

Included in the Group's term loans and payables are secured and unsecured term loans with interest rates ranging from 1.0% to 10.76% (2019: 1.3% to 10.76%) per annum and facility terms of 1 to 5 years.

Secured term loans of the Group are secured by the followings:

- (i) property, plant and equipment
- (ii) deposit with licensed banks
- (iii) investment assets
- (iv) assignment of proceeds
- (v) corporate guarantees

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61. Borrowings (cont'd.)

(iii) Other borrowings (cont'd.)

(C) Loan from Government

Iskandar Investment Berhad ("IIB"), a subsidiary of the Group, was granted a term loan facility of RM550 million from Ministry of Finance ("MOF"), Malaysia, to finance the Legoland Theme Park Project. The term loan is secured by way of debenture issued by IDR Assets Sdn. Bhd. ("IDRA"), a subsidiary of LLMAH, and is subject to interest charge at 3.75% per annum. The interest for the first 48 months is to be capitalised to the principal. The term loan including the capitalised interest is repayable from 2013 to 2026.

In prior years, Themed Attractions And Resort Sdn. Bhd. ("TAR"), the holding company of IDRA had undertaken to complete the novation of the term loan by 31 December 2015 and assumed the liability in relation to the said loan.

On 14 September 2020, MOF has granted the following:

- (i) Deferment of principal and interest payment for year 2020 and 2021 amounting to RM141.2mil. The repayment schedule which was originally expected to end in 2026 has been revised to 2030 (2 years of deferment and 2 years for extension of repayment);
- (ii) Transfer of IDRA assets to LL Malaysia Taman Tema Sdn. Bhd. ("LLMTT"), a subsidiary of TAR and restructuring of loan to IIB with revised terms and conditions; and
- (iii) Subject to Clause 19 of the agreement, item number (i) and (ii) need to be finalised in a supplemental loan agreement and amended towards all security documents related to this loan.

On 2 October 2020, TAR issued a letter of undertaking ("LOU") pursuant to the new terms approved by MOF to IIB Group and IIB confirming that IIB Group and IIB will remain as a party to the MOF loan and TAR will continue to indemnify IIB for any claims, actions in relation to the MOF Loan. IIB shall not be liable for any amount owing under the MOF loan and TAR will be fully responsible for the payment and settlement of all the amounts owing under the MOF loan.

On 24 December 2020, 29 January 2021 and 30 March 2021, MOF has approved the application for extension on submission of supplemental loan agreement from 31 December 2020 to 31 January 2021, 31 March 2021 and further extension to 30 June 2021, accordingly.

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61. Borrowings (cont'd.)

(iii) Other borrowings (cont'd.)

(D) Others

Included in other borrowings are:

(i) Revolving credit facilities

The revolving credit facilities bear interest at rates ranging from 2.99% to 4.99% (2019: 2.08% to 5.59%) per annum. Certain revolving credit facilities are guaranteed by the Group and the Government of Malaysia.

(ii) Bank overdrafts

The bank overdrafts carry interest rates ranging from 7.74% to 7.92% (2019: 7.71% to 7.92%) per annum.

(iii) Structured Commodity Financing-i

The Structured Commodity Financing-i Facility is obtained for projects and working capital purposes which carries an average profit rate of 3.60% (2019: 4.40% to 5.10%) per annum.

The movement in the borrowings are as follows:

		Group	
	Note	2020	2019
		RM'000	RM'000
At 1 January		61,639,366	77,391,447
Transfer to lease liabilities	67	-	(606,970)
Drawdown		11,061,844	11,968,672
Repayment		(15,842,628)	(24,806,193)
Unrealised gain/(loss) on foreign exchange		2,684,979	(2,827,996)
Amortisation		494,802	520,406
At 31 December		60,038,363	61,639,366

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62. Trade payables

		Group	
	Note	2020	2019
		RM'000	RM'000
Trade payables		3,803,231	3,254,220
Contract liabilities	52(iii)	100,827	87,371
		<u>3,904,058</u>	<u>3,341,591</u>

The payables are interest free and the normal trade credit terms granted to the Group range from 30 days to 90 days (2019: 30 days to 90 days).

63. Other current liabilities

Group	Note	2020	2019
		RM'000	RM'000
Dividend payable		1,000,000	-
Sales in advance of carriage	(i)	1,137,858	1,273,329
Amount due to associates	(ii)	1,429	21,670
Amount due to related companies	(iii)	197,098	205,047
Interest payable		527	209
Insurance payables		38,162	29,802
Government grant	66(i)	247	-
Retirement benefit obligations and provision for employee entitlements	64	1,747	1,156
Deferred liabilities and income	66(iii)	74,621	84,105
Provision for aircraft maintenance and overhaul costs	(iv)	2,454,062	2,389,980
Accruals		1,962,547	2,419,452
Other payables		2,069,300	1,944,881
		<u>8,937,598</u>	<u>8,369,631</u>

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63. Other current liabilities (cont'd.)

- (i) Sales in advance of carriage represents the value of unutilised passenger tickets and cargo airway bills in respect of transportation services not yet rendered as at the reporting date.
- (ii) The amount due to associates is unsecured, interest free and is repayable on demand.
- (iii) The amount due to related companies is unsecured, interest free and is repayable on demand.
- (iv) The Group leases majority of its aircraft and engines, whereby under the terms of the leases, these aircraft and engines are to be returned substantially in the original state when they were leased. Provisions are made based on the estimated hours flown and estimated costs of maintenance required. These estimates are based on past experiences and are regularly reviewed to ensure they approximate actual costs.

Group	2020 RM'000	2019 RM'000
At 1 January	2,389,980	2,630,264
Additional provision	240,098	251,792
Reversal of provision	(176,016)	(492,076)
At 31 December	<u>2,454,062</u>	<u>2,389,980</u>

All other balances of financial liabilities above are unsecured, interest free and are normally settled on 30 to 180 days (2019: 30 to 180 days) terms.

64. Retirement benefit obligations and provision for service entitlements

Group

	Note	Retirement benefit obligation RM'000	Provision for service entitlements RM'000	Total RM'000
At 1 January 2020		32,776	28,556	61,332
Exchange differences		33	(54)	(21)
Arising during the year	37	2,949	487	3,436
Payments made during the year		<u>(2,170)</u>	-	<u>(2,170)</u>
At 31 December 2020		33,588	28,989	62,577
Less: Current portion	63	<u>(1,747)</u>	-	<u>(1,747)</u>
Long term portion	66	<u>31,841</u>	<u>28,989</u>	<u>60,830</u>

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64. Retirement benefit obligations and provision for service entitlements (cont'd.)

Group (cont'd.)

	Note	Retirement benefit obligation RM'000	Provision for service entitlements RM'000	Total RM'000
At 1 January 2019		31,142	28,046	59,188
Exchange differences		25	(20)	5
Arising during the year	37	3,313	530	3,843
Payments made during the year		(1,704)	-	(1,704)
At 31 December 2019		32,776	28,556	61,332
Less: Current portion	63	(1,156)	-	(1,156)
Long term portion	66	31,620	28,556	60,176

(a) Retirement benefit obligations

Provision for retirement benefits mainly arising from:

CIMA

The liabilities and costs relating to the benefit are provided by CIMA pursuant to the Collective Agreement entered between CIMA and Cement Industry Employees' Union. Under the scheme, eligible employees are entitled to retirement benefits upon reaching the retirement age of 60.

The retirement benefit is only payable to unionised employees who:

- (a) retire on attainment of age 60; or
- (b) are medically boarded out; or
- (c) die in service; or
- (d) resign voluntarily after 10 years of company service; or
- (e) promoted to executive or supervisor level

CIMA Group maintains a book reserve in respect of the liabilities based on the actuarial valuation updated by an independent actuary on 31 December 2020. The retirement plan is currently not funded and there are no physical assets set aside for the cost of the benefits.

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64. Retirement benefit obligations and provision for service entitlements (cont'd.)

(a) Retirement benefit obligations (cont'd.)

Edgenta UEMS Ltd

Edgenta UEMS Ltd, a subsidiary of UEMS Pte Ltd, has a retirement plan covering all its regular employees who opted for defined benefits plan. Benefits under the plan are based on the length of service and estimated base pay at the time of retirement. The pension assets and liabilities are valued on annual basis by independent actuary, taking into account gains and losses.

The plan assets, comprising cash and cash equivalents, are deposited with the Bank of Taiwan and are managed by the Government of Taiwan. The plan assets do not have quoted market prices in active market.

UEM Edgenta Berhad ("UEM Edgenta")

UEM Edgenta Group operates an unfunded, defined benefit retirement benefit scheme for its eligible employees ("Scheme"). The Scheme is closed to new employees. Under the Scheme, eligible employees are entitled to retirement benefits on attainment of the retirement age of 60, on medical incapacity or on death. The present value of defined benefit obligation is based on the actuarial valuation report by an independent actuary dated 20 January 2019.

Trichy Padalur Tollways Private Limited ("TPTPL")

TPTPL operates a defined benefit plan for its employees for gratuity. Under the gratuity plan, every employee who has completed at least five years of service gets a gratuity on departure. The present value of defined benefit plan was based on the actuarial valuation report by an actuary dated 19 February 2021.

(b) Provision for employee entitlements

Provision for employee entitlements comprises provision for retirement leave entitlements of eligible employees of a foreign subsidiary. The provisions are in respect of both vested and unvested entitlements, and are made by reference to independent actuarial valuations.

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65. Other reserves

Group	Foreign currency translation reserve		Fair value adjustment reserve		Cash flow hedge reserve		Share option reserve		Capital reserve		Statutory reserve		Retirement benefit reserve		Total
	RM'000	Note (a)	RM'000	Note (b)	RM'000	Note (c)	RM'000	Note (d)	RM'000	Note (e)	RM'000	Note (f)	RM'000	RM'000	
2020															
At 1 January	1,810,424	2,968,978	(606,881)	(100,545)	(31,163)	174,387	(2,575,349)	(832,991)	806,860						
Foreign currency translation differences of foreign operations	(1,145,335)	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,145,335)
Net loss on fair value of other comprehensive income	-	945,965	-	-	-	-	-	-	-	-	-	-	-	-	945,965
Net loss on fair value of cash flow hedges	-	-	17,650	-	-	-	-	-	-	-	-	-	-	-	17,650
Actuarial loss on retirement benefit plan	-	-	-	-	-	-	-	-	-	-	(114,583)	-	-	-	(114,583)
Total other comprehensive loss	(1,145,335)	945,965	17,650	-	-	-	-	-	-	-	(114,583)	-	-	-	(296,303)

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65. Other reserves (cont'd.)

Group (cont'd.)	Foreign	Fair value	Cash flow	Share	Capital	Statutory	Retirement	Total
	currency	translation	adjustment	reserve	reserve	reserve	benefit	
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Note (a)	Note (b)	Note (c)	Note (d)	Note (e)	Note (f)			
(2,841)	-	-	-	-	-	-	-	42
(25,756)	(9,998)	(3,034)	(225)	(8,075)	-	126,888	-	(3,388)
-	(1,097,829)	-	-	-	-	-	-	-
-	-	-	(1,173)	-	-	-	-	(10,821)
-	-	-	3,407	(54,005)	2,566	-	-	-
-	-	-	-	-	-	-	-	872,878
-	-	-	-	-	-	-	-	-
-	-	-	-	-	(515,817)	-	-	-
-	-	-	-	-	-	-	-	(26,117)
-	-	-	-	96,633	-	-	-	-
(28,597)	(1,107,827)	(3,034)	2,009	34,553	(513,251)	126,888	832,594	(656,665)
636,492	2,807,116	(592,265)	(98,536)	3,390	(338,864)	(2,563,044)	(397)	(146,108)
At 31 December								

2020 (cont'd.)

Disposal of subsidiaries	(2,841)								(2,799)
Disposal of associates	(25,756)	(9,998)	(3,034)	(225)	(8,075)	-	126,888	(3,388)	76,412
Disposal of other financial investments	-	(1,097,829)	-	-	-	-	-	-	(1,097,829)
Dilution of interest in associates	-	-	-	(1,173)	-	-	-	(10,821)	(11,994)
Share of reserves of associates and joint ventures	-	-	-	3,407	(54,005)	2,566	-	-	(48,032)
Derecognition of put option	-	-	-	-	-	-	-	872,878	872,878
Transfer to:									-
- statutory reserve	-	-	-	-	-	(515,817)	-	-	(515,817)
- general reserve	-	-	-	-	-	-	-	(26,117)	(26,117)
- distributable retained profits	-	-	-	-	96,633	-	-	-	96,633
Total transactions with owners	(28,597)	(1,107,827)	(3,034)	2,009	34,553	(513,251)	126,888	832,594	(656,665)
At 31 December	636,492	2,807,116	(592,265)	(98,536)	3,390	(338,864)	(2,563,044)	(397)	(146,108)

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65. Other reserves (cont'd.)

Group	2019							Total RM'000	
	Foreign currency translation reserve RM'000 Note (a)	Fair value adjustment reserve RM'000 Note (b)	Cash flow hedge reserve RM'000 Note (c)	Share option reserve RM'000 Note (d)	Capital reserve RM'000 Note (e)	Statutory reserve RM'000 Note (e)	Retirement benefit reserve RM'000 Note (f)		Others RM'000
At 1 January	2,815,397	3,458,372	(1,009,612)	(39,110)	(730,377)	38,585	(2,222,610)	(651,979)	1,658,666
Foreign currency translation differences of foreign operations	(1,029,581)	-	-	-	-	-	-	-	(1,029,581)
Net loss on fair value of other comprehensive income	-	(456,079)	-	-	-	-	-	-	(456,079)
Net loss on fair value of cash flow hedges	-	-	402,866	-	-	-	-	-	402,866
Share of other comprehensive (loss)/income of associates and joint ventures	(6,868)	(31,695)	-	-	-	-	-	(42)	(38,605)
Actuarial loss on retirement benefit plan	-	-	-	-	-	-	(352,739)	-	(352,739)
Total other comprehensive loss	(1,036,449)	(487,774)	402,866	-	-	-	(352,739)	(42)	(1,474,138)

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65. Other reserves (cont'd.)

Group (cont'd.)	Foreign currency translation reserve RM'000 Note (a)	Fair value adjustment reserve RM'000 Note (b)	Cash flow hedge reserve RM'000 Note (c)	Share option reserve RM'000 Note (d)	Capital reserve RM'000 Note (e)	Statutory reserve RM'000 Note (e)	Retirement benefit reserve RM'000 Note (g)	Others RM'000	Total RM'000
2019 (cont'd.)									
Disposal of subsidiaries	-	-	-	1,654	-	-	-	392	2,046
Disposal of associates	31,476	(1,620)	(135)	(5,506)	642,573	-	-	(132)	666,656
Dilution of interest in associates	-	-	-	-	-	(6,270)	-	-	(6,270)
Share of reserves of associates and joint ventures	-	-	-	(22,957)	56,641	-	-	-	33,684
Transfer to:									
- disposal group held for sale	-	-	-	-	-	-	-	90,875	90,875
- statutory reserve	-	-	-	-	-	142,072	-	-	142,072
- general reserve	-	-	-	-	-	-	-	(290,221)	(290,221)
Redemption of preference shares	-	-	-	-	-	-	-	18,116	18,116
Expiry of share options	-	-	-	(22,240)	-	-	-	-	(22,240)
Share based payments	-	-	-	(12,386)	-	-	-	-	(12,386)
Total transactions with owners	31,476	(1,620)	(135)	(61,435)	699,214	135,802	-	(180,970)	622,332
At 31 December	1,810,424	2,968,978	(606,881)	(100,545)	(31,163)	174,387	(2,575,349)	(832,991)	806,860

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65. Other reserves (cont'd.)

- (a) The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.
- (b) Fair value adjustment reserve represents the cumulative fair value changes, net of tax, of fair value through other comprehensive income financial assets until they are disposed of or impaired.
- (c) The cash flow hedge reserve represents the cumulative effective portion of gains or losses arising on change in fair value of hedging instruments entered into for cash flow hedges. The cumulative gains or losses in fair value of cash flow hedges will be reclassified to profit or loss only when the hedged transaction affects the profit or loss.
- (d) Share option reserve represents the equity-settled share options granted to employees of the Group. The reserve is made up of the cumulative value of services received from employees recorded over the vesting period commencing from the grant date of equity-settled share options.
- (e) The statutory reserve of the Group is maintained in compliance with the requirements of Bank Negara Malaysia. This reserve is not distributable as cash dividends.
- (f) The retirement benefit reserve relates to the actuarial gain or losses for the defined benefit plans of the Group.
- (g) The capital contribution from the shareholders relates to contribution from the holding company, where no repayment is expected.

66. Other non-current liabilities

		Group	
	Note	2020	2019
		RM'000	RM'000
Retirement benefit obligation and provision for employee entitlements	64	60,830	60,176
Government grants	(i)	54,579	52,734
Insurance contract liabilities	(ii)	3,904,088	3,179,453
Deferred liabilities and income	(iii)	1,875,247	1,944,179
Contract liabilities	52(iii)	227,799	258,646
Others		2,573,798	2,203,959
		<u>8,696,341</u>	<u>7,699,147</u>

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66. Other non-current liabilities (cont'd.)

(i) Government grants

		Group	
	Note	2020	2019
		RM'000	RM'000
At 1 January		52,734	61,727
Received during the year		8,844	20,033
Recognised in profit or loss	36	<u>(6,752)</u>	<u>(29,026)</u>
At 31 December		<u>54,826</u>	<u>52,734</u>
Analysed as:			
Current	63	247	-
Non-current		<u>54,579</u>	<u>52,734</u>
		<u>54,826</u>	<u>52,734</u>

Government grants granted to subsidiaries comprise the following:

- (i) Technology Development Cluster grant was given for the development of the University Supported Technology Incubation Centre Project under the Seventh Malaysian Plan.
- (ii) The Research and Information Database Homepage ("RAIDAH") grant is for the development of a technology database projects. The grant has been fully utilised during the year.
- (iii) A subsidiary of Agrifood Resources Holdings Berhad, Blue Archipelago Berhad, was given a grant to fund the implementation of the Integrated Aquaculture Shrimp Park Project.
- (iv) Grant from Unit Kerjasama Awam Swasta ("UKAS") to fund Iskandar Malaysia Studios Sdn. Bhd. ("IMS") for the cost of eligible capital expenditure.
- (v) Silterra Malaysia Sdn. Bhd. ("Silterra") received funding for its purchase of machinery and equipment which will be used to implement its Entry Point Project. Silterra has commenced the acquisition of such machinery and equipment during 2013. In addition, Silterra obtained a grant approved by Malaysian Investment Development Authority in relation to the capital expenditure incurred for plant expansion.

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66. Other non-current liabilities (cont'd.)**(ii) Insurance contract liabilities**

	Group	
	2020	2019
	RM'000	RM'000
Gross		
Life insurance and family takaful	3,904,088	3,177,537
General insurance and takaful	-	1,916
	<u>3,904,088</u>	<u>3,179,453</u>
Reinsurance		
Life insurance	(227,517)	(260,988)
General insurance	-	(545)
	<u>(227,517)</u>	<u>(261,533)</u>
Net		
Life insurance and family takaful	3,676,571	2,916,549
General insurance and takaful	-	1,371
	<u>3,676,571</u>	<u>2,917,920</u>

(iii) Deferred liabilities and income

	Deferred income RM'000
2020	
Amount recognised	2,471,524
Accumulated realisation	<u>(521,656)</u>
	<u>1,949,868</u>
Due within 12 months (Note 63)	74,621
Due after 12 months	<u>1,875,247</u>
	<u>1,949,868</u>
2019	
Amount recognised	2,570,919
Accumulated realisation	<u>(542,635)</u>
	<u>2,028,284</u>
Due within 12 months (Note 63)	84,105
Due after 12 months	<u>1,944,179</u>
	<u>2,028,284</u>

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66. Other non-current liabilities (cont'd.)

(iii) Deferred liabilities and income (cont'd.)

Included in deferred income is the following:

(a) Deferred lease rental income

Deferred lease rental income comprises lease rental income received in advance from a third party upon the assignment of the lease, with respect to long term leasehold land of a subsidiary, to the third parties. Deferred lease rental is amortised on a straight-line basis over the lease tenure period.

67. Lease liabilities

Included in finance lease liabilities are leases of aircraft.

Under the terms of the finance lease, the Group has the option to buy the aircraft from the lessor at a predetermined price. In the event the lessee exercises the option to buy the aircraft at the purchase option date, the purchase price comprises total sum of the purchase option price and rent of the aircraft due and payable on the purchase option date.

The finance lease of the Group has tenure ranging between 5 to 12 years. The range of interest rate as at the reporting date ranging between 1.45% to 6%.

Set out below is the carrying amount of the lease liabilities and the movements during the year:

	Note	Group	
		2020 RM'000	2019 RM'000
At 1 January		11,343,475	12,129,068
Transfer from borrowings	61	-	606,970
Addition		5,724	182,883
Accretion of interest		24,043	600,730
Payment		(1,602,210)	(2,087,005)
Lease modifications		(4,551)	-
Disposal of subsidiary		(57,091)	-
Disposal		(325)	-
Foreign currency translation		(973)	(89,171)
		<u>9,708,092</u>	<u>11,343,475</u>

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67. Lease liabilities (cont'd.)

Analysed as:

	2020	2019
	RM'000	RM'000
Amount due within 12 months	1,615,450	1,641,980
Amount due after 12 months	8,092,642	9,701,495
	<u>9,708,092</u>	<u>11,343,475</u>

The maturities of the lease liabilities as at 31 December as at below:

	2020	2019
	RM'000	RM'000
Not later than one year	1,615,450	1,641,980
More than 1 year and within 5 years	8,092,642	5,149,029
More than 5 years	-	4,552,466
	<u>9,708,092</u>	<u>11,343,475</u>

The following are the amounts recognised in profit or loss:

	2020	2019
	RM'000	RM'000
Depreciation expense of right-of-use assets	1,653,570	1,352,325
Interest expense on lease liabilities	502,326	600,470
Expenses relating to short term leases	25,900	82,473
Expenses relating to leases of low-value assets	16	3,725
Expenses relating to variable leases	687	824
Expenses relating to operating leases	<u>5,018</u>	<u>700</u>

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68. Financial risk management objectives and policies

The Group is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include equity price, fuel price, interest rate, foreign currency, credit and liquidity risks. The Group has an approved set of guidelines and policies as well as internal controls which set out its overall business strategies to manage these risks. The Group's overall financial risk management objective is to enhance shareholders' value through effective management of the Group's risks. Although this guiding principle and objective is consistent throughout the Group, the Group consists of subsidiaries and subsidiaries group with their own governing Boards that will apply and determine the implementation of these policies in respect of each individual company.

The following sections provide details regarding the Group's exposure to the abovementioned financial risks and the objectives, policies and processes for the management of these risks.

(a) Equity price risk

Equity price risk the risk that the fair value or future cash flows of the Group's equity instruments will fluctuate because of changes in equity prices (other than interest or exchange rates).

The Group is exposed to equity price risk arising from its investment in quoted equity instruments. The quoted equity instruments are designated as fair value through profit or loss or available-for-sale financial assets.

Equity/investment risk management includes due diligence in screening the investment proposals according to the Group investment guidelines and procedures, constant communication and close monitoring of the performance of investee companies.

Sensitivity analysis for equity price risk

The following table demonstrates the sensitivity to a reasonably possible change in the equity price, with all other variables held constant, of the Group's equity (due to changes in the fair value of available-for-sale equity investments) and profit or loss (due to changes in the fair value of equity investments designated at fair value through profit or loss).

	Effect on equity RM'000	Effect on profit or loss RM'000
Group		
2020		
Increase in 12% of equity price	1,766,729	2,590,332
Decrease in 12% of equity price	<u>(1,766,729)</u>	<u>(2,590,332)</u>

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68. Financial risk management objectives and policies

(a) Equity price risk (cont'd.)

	Effect on equity RM'000	Effect on profit or loss RM'000
Group		
2019		
Increase in 12% of equity price	1,691,395	2,453,146
Decrease in 12% of equity price	<u>(1,691,395)</u>	<u>(2,453,146)</u>

(b) Fuel price risk

Fuel price risk is the risk that future cash flows of the Group's financial instruments will fluctuate because of changes in market prices of fuel.

The Group's earnings are affected by changes in the price of jet fuel, as a subsidiary of the Group operates in the air transportation business which require a continuous supply of fuel for its aircraft. The Group manages this risk by using instruments such as swaps and options designated as hedge of highly probable forecast fuel purchases to reduce the volatility of cash flows. The Group's risk management strategy is to maintain a competitive hedge with regards to its competitors. The Group's risk management policy is to hedge up to 36 months forward with specified maximum and minimum hedge coverage. The percentage is guided by both competitive hedge policy and management's judgement.

As at 31 December 2020, the Group has entered into various fuel hedging transactions for years up to 31 December 2020 in lots totalling 7,325,000 barrels (2019: 8,800,000 barrels).

Sensitivity analysis for fuel price risk

The fuel price sensitivity analysis is based on fuel hedging contracts that are still outstanding as at the end of the financial year and unhedged fuel contracts. At the reporting date, if fuel price increases or decreases, each by USD10 per barrel, the effects are as follows:

	Increase/(decrease)			
	2020			2019
Group	Equity RM'000	Profit net of tax RM'000	Equity RM'000	Profit net of tax RM'000
Increase in USD10 per barrel	116,619	-	299,095	-
Decrease in USD10 per barrel	<u>(116,619)</u>	<u>-</u>	<u>(299,095)</u>	<u>-</u>

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68. Financial risk management objectives and policies (cont'd.)

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates.

The Group's exposure to interest rate risk arises primarily from its loans and borrowings.

The Group actively manages its interest rate risk by maintaining a portfolio of financial instruments, including derivatives guided by its investment guidelines and policies, and regular reviews of its debt portfolio, interest rates and market expectations.

Sensitivity analysis for interest rate risk

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's profit/(loss) before tax (due to changes in the interest expense on floating rate borrowings and interest rate derivatives) and equity (due to changes in the cash flow hedge):

Group	Effect on equity RM'000	Effect on profit or loss RM'000
2020		
Increase in 25 basis points	964	(2,033)
Decrease in 25 basis points	(964)	2,033
	<hr/>	<hr/>
2019		
Increase in 25 basis points	771	(3,604)
Decrease in 25 basis points	(771)	3,604
	<hr/>	<hr/>

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68. Financial risk management objectives and policies (cont'd.)

(c) Interest rate risk (cont'd.)

Weighted average interest rate and average maturity

The weighted average interest/profit rates per annum and the average maturity on the financial assets and financial liabilities as at 31 December were as follows:

Financial assets

	2020		2019	
	Weighted average interest rates %	Average maturity days	Weighted average interest rates %	Average maturity days
Licensed banks	2.52	1 to 365	3.25	1 to 365

Financial liabilities

	2020		2019	
	Weighted Average interest rates %	Average maturity years	Weighted Average interest rates %	Average maturity years
Bank overdrafts	6.32	Within 1 year	7.73	Within 1 year
Revolving credit	3.65	Within 1 year	4.03	Within 1 year
Finance lease and hire purchase	4.14	1 to 12 years	1.93	1 to 12 years
Term loans	3.74	1 to 5 years	4.82	1 to 5 years

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68. Financial risk management objectives and policies (cont'd.)

(d) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group's exposure to foreign exchange risk arises mainly from borrowings, operating revenues and expenses which are denominated in foreign currencies mainly US Dollar ("USD"), Chinese Renminbi ("CNY") and Singapore Dollar ("SGD").

The Group maintains a natural hedge, whenever possible, by borrowings in the currency of the country in which the property or investment is located or by borrowing in currencies that match the future revenue streams to be generated from its investments.

Foreign exchange exposures in transactional currencies other than functional currencies of the operating entities are kept to an acceptable level and short term imbalances are addressed by buying or selling foreign currencies at spot rates.

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity to a reasonably possible change in respective foreign currency exchange rates, with all other variables held constant, of the Group's profit/(loss) before tax (due to translation of monetary items):

Group	Changes in rate	Effect on profit/(loss) before tax RM'000
2020		
USD/RM - Strengthened	+5%	(706,353)
- Weakened	-5%	706,353
CNY/RM - Strengthened	+5%	181,000
- Weakened	-5%	(181,000)
2019		
USD/RM - Strengthened	+5%	(421,262)
- Weakened	-5%	421,262
SGD/RM - Strengthened	+5%	(137,000)
- Weakened	-5%	137,000
CNY/RM - Strengthened	+5%	155,000
- Weakened	-5%	(155,000)

68. Financial risk management objectives and policies (cont'd.)

(e) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including investment securities, cash and bank balances and derivatives), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

Credit risk or the risk of counter parties defaulting is monitored and controlled by the application of credit approval, limits and monitoring procedures. Credit risk is minimised and monitored via strictly limiting the funding/borrowing to subsidiaries and

Credit evaluations are performed on all customers requiring credit over a certain amount and strictly limiting the Group's associations to business partners with high credit worthiness. Trade and other receivables are monitored on an ongoing basis.

Deposits with banks and other financial institutions and derivatives that are neither past due nor impaired are placed with or entered with reputable financial institutions or companies with no history of default.

Exposure to credit risk

At the reporting date, the Group's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised on the balance sheet, including derivatives with positive fair values.

Financial assets that are neither past due nor impaired

Information regarding trade and other receivables that are neither past due nor impaired is disclosed in Note 58 and Note 59, respectively. Deposits with banks and other financial institutions, investment securities and derivatives that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

Financial assets that either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 51, Note 52, Note 58 and Note 59.

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68. Financial risk management objectives and policies (cont'd.)

(f) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulties in meeting their financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Group actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all refinancing, repayment and funding needs are met. As part of its overall prudent liquidity management, the Group endeavours to maintain sufficient level of cash or cash convertible investments to meet its working capital requirements.

In addition, the Group's objective is to maintain a balance of funding and flexibility through the use of credit facilities, short and long term borrowings. Short term flexibility is achieved through credit facilities and short term borrowings. As far as possible, the Group raises committed funding from both capital markets and financial institutions and prudently balances its portfolio with some short term funding so as to achieve the Group's asset and liability management strategy.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted repayment obligations.

	On demand or within one year RM'000	1 to 5 years RM'000	More than 5 years RM'000	Total RM'000
2020				
Financial liabilities				
Trade payables	3,904,058	-	-	3,904,058
Other liabilities	5,331,531	5,572,652	7,067,697	17,971,880
Borrowings	10,205,041	29,831,525	31,477,575	71,514,141
Derivative liabilities	12	-	-	12
Total undiscounted financial liabilities	<u>19,440,642</u>	<u>35,404,177</u>	<u>38,545,272</u>	<u>93,390,091</u>
2019				
Financial liabilities				
Trade payables	3,341,591	-	-	3,341,591
Other liabilities	3,060,152	750,547	471,196	4,281,895
Borrowings	7,462,660	19,717,272	7,327,877	34,507,809
Derivative liabilities	-	1	-	1
Total undiscounted financial liabilities	<u>13,864,403</u>	<u>20,467,820</u>	<u>7,799,073</u>	<u>42,131,296</u>

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69. Fair value of financial instruments

- (a) **Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value**

	Group	
	Carrying	Fair value
	amount	RM'000
	RM'000	RM'000
2020		
Financial assets		
Other financial assets		
- Unquoted shares at cost less impairment	<u>322,994</u>	<u>*</u>
Financial liabilities		
Borrowings	<u>39,498,340</u>	<u>40,849,684</u>
2019		
Financial assets		
Other financial assets		
- Unquoted shares at cost less impairment	<u>66,437</u>	<u>*</u>
Financial liabilities		
Borrowings	<u>40,208,734</u>	<u>41,927,572</u>

- * Fair value information has not been disclosed for the Group's investment in equity instruments that are carried at cost because fair value cannot be determined reliably. These equity instruments represent ordinary shares in companies that are not quoted on any market and does not have any comparable industry peer that is quoted. In addition, the variability in the range of reasonable fair value estimates derived from valuation technique is significant.

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69. Fair value of financial instruments (cont'd.)

(b) Determination of fair value

(i) Cash and cash equivalents, receivables and payables

The carrying amount of these financial assets and liabilities are reasonable approximation of fair value due to either their short term nature or they are repayable on demand.

(ii) Quoted shares

The fair value of quoted shares is determined directly by reference to their published market bid price at the reporting date.

(iii) Financial assets designated as fair value through profit and loss

The fair value of unquoted bonds and structured products are based on the indicative fair values obtained from Bondweb, Bloomberg and/or respective licensed banks.

(iv) Loans receivable

The fair value of loans receivable are estimated by discounting the estimated future cash flows using current interest rates for financial assets with similar risk

(v) Embedded derivatives

The fair value of embedded derivatives are valued using the Binomial model with market observable inputs. The model incorporates various inputs including closing market prices of underlying shares, foreign exchange spot rates and market interest rates.

(vi) Derivatives

Forward currency contracts and interest rate swap contracts are valued using a valuation technique with market observable inputs. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates and interest rate curves.

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69. Fair value of financial instruments (cont'd.)

(b) Determination of fair value (cont'd.)

(vii) Loans and borrowings

The carrying amount of the current portion of loans and borrowings is reasonable approximations of fair value due to the insignificant impact of discounting.

The carrying amount of certain loans and borrowings is reasonable approximations of fair value as they are floating rate instruments that are re-priced to market interest rates near the reporting date.

The fair value of non-current loans and borrowings, other than floating rate instruments, are estimated by discounting expected future cash flows at market incremental lending rate for similar types of borrowing at the reporting date.

(c) Fair value measurement hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;
or
- Level 2: other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly; or
- Level 3: techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

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69. Fair value of financial instruments (cont'd.)

(c) Fair value measurement hierarchy (cont'd.)

Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at 31 December 2020:

Assets and liabilities measured at fair value	Carrying amount RM'000	Fair value measurement using		
		Quoted market price Level 1 RM'000	Observable input Level 2 RM'000	Unobservable input Level 3 RM'000
Financial assets				
Financial assets designated as fair value through profit or loss				
- Shares	14,769,679	11,133,426	3,636,253	-
- Bonds	5,891,316	4,468,696	1,422,620	-
- Funds	925,109	788,359	136,750	-
Financial assets designated as fair value through other comprehensive income				
- Shares	8,291,962	4,155,286	4,136,676	-
- Bonds	1,455,159	-	1,455,159	-
- Funds	4,975,624	-	4,975,624	-
Derivative assets	12	-	12	-
Financial liabilities				
Derivative liabilities	230,688	-	230,688	-
Assets and liabilities for which fair values are disclosed				
Assets				
Interest in associates				
- Quoted shares	39,206,257	62,002,758	-	-
Investment properties	3,553,752	-	-	9,183,973
Liability				
Borrowings	39,498,340	-	40,849,684	-

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69. Fair value of financial instruments (cont'd.)

(c) Fair value measurement hierarchy (cont'd.)

Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at 31 December 2019:

Assets and liabilities measured at fair value	Carrying amount	Fair value measurement using		
		Quoted market price Level 1	Observable input Level 2	Unobservable input Level 3
	RM'000	RM'000	RM'000	RM'000
Financial assets				
Financial assets designated as fair value through profit or loss				
- Shares	17,114,812	13,147,268	3,967,544	-
- Bonds	2,920,144	448,278	2,471,866	-
- Funds	407,927	407,927	-	-
Financial assets designated as fair value through other comprehensive income				
- Shares	12,940,629	12,649,201	291,428	-
- Bonds	1,146,236	328,558	817,678	-
- Funds	8,097	-	8,097	-
Derivative assets	1	-	1	-
Financial liabilities				
Derivative liabilities	207,699	-	207,699	-
Assets and liabilities for which fair values are disclosed				
Assets				
Interest in associates				
- Quoted shares	39,988,930	71,427,888	-	-
Investment properties	3,073,959	-	-	8,722,295
Liability				
Borrowings	40,208,734	-	41,927,572	-

During the year, there were no transfers between Level 1 and Level 2 fair value measurements.

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70. Financial instruments by category

31 December 2020

	Amortised cost RM'000	Financial assets designated as fair value through profit or loss RM'000	Financial assets designated as fair value through other comprehensive income RM'000	Total RM'000
Financial assets				
Cash and bank balances	11,902,527	-	-	11,902,527
Other financial assets	559,038	21,586,104	15,045,739	37,190,881
Derivative assets	-	12	-	12
Other receivables	6,909,279	-	-	6,909,279
Total	19,370,844	21,586,116	15,045,739	56,002,699

	Financial liabilities designated as fair value through profit or loss RM'000	Financial liabilities at amortised cost RM'000	Total RM'000
Financial liabilities			
Borrowings	-	61,639,366	61,639,366
Derivative liabilities	230,688	-	230,688
Other payables	-	11,974,965	11,974,965
Total	230,688	73,614,331	73,845,019

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70. Financial instruments by category (cont'd.)

31 December 2019

	Amortised cost RM'000	Financial assets designated as fair value through profit or loss RM'000	Financial assets designated as fair value through other comprehensive income RM'000	Total RM'000
Financial assets				
Cash and bank balances	11,144,088	-	-	11,144,088
Other financial assets	593,177	20,442,883	14,161,399	35,197,459
Derivative assets	-	1	-	1
Other receivables	7,578,911	-	-	7,578,911
Total	19,316,176	20,442,884	14,161,399	53,920,459

	Financial liabilities designated as fair value through profit or loss RM'000	Financial liabilities at amortised cost RM'000	Total RM'000
Financial liabilities			
Borrowings	-	61,639,366	61,639,366
Derivative liabilities	207,699	-	207,699
Other payables	-	10,425,257	10,425,257
Total	207,699	72,064,623	72,272,322

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71. Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group regularly reviews and manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

No changes were made in the objectives, policies or processes in regards to the Group's management of its capital structure during the financial years ended 31 December 2020 and 31 December 2019.

Certain subsidiaries of the Group are subject to externally imposed capital requirements. This externally imposed capital requirement has been complied with by those subsidiaries for the financial years ended 31 December 2020 and 31 December 2019.

The Group monitors capital using a gearing ratio, which is defined as net debt divided by total capital. The Group's policy is to keep the gearing ratio below two and a half times. The Group includes within net debt, loans and borrowings less cash and bank balances. Capital represents equity attributable to the owners of the Group.

Although this guiding principle and objective is consistent throughout the Group, the Group consists of subsidiaries and subsidiaries groups' with their own governing Boards and management that will apply different key measurements for its capital structure management including gearing ratio.

		Group	
	Note	2020	2019
		RM'000	RM'000
Long term borrowings	61	49,422,384	47,090,298
Short term borrowings	61	10,615,979	14,549,068
Less: Cash and bank balances	60	<u>(11,902,527)</u>	<u>(11,144,088)</u>
Net debt		<u>48,135,836</u>	<u>50,495,278</u>
Share capital	27	12,284,201	12,284,201
Capital contribution from shareholders		4,483,223	4,124,423
Reserves		<u>35,493,328</u>	<u>39,702,067</u>
Equity attributable to the owners of the Group		<u>52,260,752</u>	<u>56,110,691</u>
Gearing ratio (times)		<u>0.92</u>	<u>0.90</u>

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72. Commitments

Capital commitment

	Group	
	2020	2019
	RM'000	RM'000
Approved and contracted for	5,411,015	5,411,076
Approved but not contracted for	1,314,526	7,977
	<u>6,725,541</u>	<u>5,419,053</u>
Analysed as follows:		
Property, plant and equipment and land held for property development	6,405,961	5,390,915
Investment properties		
Investments	4,564	-
Others	314,926	28,138
	<u>6,725,451</u>	<u>5,419,053</u>

73. Contingent liabilities

Themed Attractions Resorts & Hotels Sdn. Bhd. ("TARH")

- (a) In the previous financial year, Jana DCS Sdn. Bhd. ("Jana") filed claims totalling RM248.3 million against TAR PH Sdn. Bhd., TAR PH Family Entertainment Sdn. Bhd. and PH Marina Boulevard Sdn. Bhd. ("PH Companies") for the alleged unlawful termination of agreements for the implementation of a District Cooling System dated 30 May 2012 between Jana and the PH Companies. The dispute resolution mechanism as agreed to by the parties is solely by arbitration and the arbitration hearings are scheduled for 20-29 April 2021 at the Asian International Arbitration Centre in Kuala Lumpur.

TARH is of the view that it has good chance of defence against the claims made by Jana. Hence, no provision has been made for the claims.

- (b) Desaru Estate Sdn. Bhd. ("DESB"), Desaru Peace Holdings Club Sdn. Bhd. ("DPHCSB"), Desaru Convention Centre Sdn. Bhd. ("DCCSB") and Desaru Corniche Hotel Sdn. Bhd. ("DCHSB") had separately entered into construction contracts with Malaysian Resources Corporation Berhad ("MRCB") and appointed MRCB as the Main Contractor for their respective projects. Disputes and differences have arisen between the parties resulting in an unsubstantiated payment claim by MRCB of RM332.4 million. Currently, all parties are in the midst of negotiating a settlement. In the event parties are unable to reach a settlement position, the disputes will be resolved by arbitration, which is the contractually agreed dispute resolution mechanism in the said agreements.

TARH is of the view that it stands a good chance of defending against the claims made by MRCB hence, no provision has been made for those claims.

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73. Contingent liabilities (cont'd.)

UEM Group Berhad ("UEM")

- (a) On 3 October 2011, Bandar Nusajaya Development Sdn. Bhd. ("BND") received a notice of additional assessment from IRB for additional tax and penalty of RM50.9 million and RM22.9 million respectively in respect of year of assessment 2006.

On 4 September 2012, the High Court ruled in favour of BND and declared that IRB had no legal basis to raise the additional assessment. Following the decision held by the High Court, IRB filed an appeal to the Court of Appeal against the decision.

The Court of Appeal, having heard and considered the submissions by both parties on 19 and 20 May 2014, unanimously decided that there are no merits in the appeal by the IRB and thus agreed with the decision of the High Court which ruled in favour of BND. IRB had on 18 June 2014 filed an application for leave to the Federal Court to appeal against the decision of the Court of Appeal.

On 18 October 2016, the Federal Court reversed the decisions of the Court of Appeal and the High Court, and ordered that BND appealed by way of filing a notice of appeal to the Special Commissioners of Income Tax ("SCIT"). This resulted in the additional assessment of RM73.8 million became due and the amount had been fully settled by BND on 5 December 2016 accordingly.

On 25 October 2016 and 26 October 2016, BND filed a notice of appeal, but it was rejected by IRB on even date. Subsequently on 10 November 2016, BND filed a notice for extension of time to make an appeal to the SCIT, and it was rejected by IRB on 8 February 2017. On 17 January 2017, BND filed a judicial review application against the rejection of the notice of appeal.

In addition, BND filed a written representation directly to the SCIT requesting for approval to file the notice of appeal, and the approval was obtained on 3 March 2017. Subsequently on 20 March 2017, BND filed the notice of appeal. The notice of appeal was presented by IRB to SCIT on 14 March 2018. Accordingly, the judicial review (which was lodged at the High Court concurrently) had been withdrawn. The hearing for the case has been fixed on 14 and 15 September 2021.

BND's solicitors are of the view that BND has a strong case to argue that IRB has no legal or factual basis neither to issue the notice of additional assessment nor to impose the penalty.

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73. Contingent liabilities (cont'd.)

UEM Group Berhad ("UEM") (cont'd.)

- (b) On 10 February 2009, a legal proceeding was filed in the Court of First Instance ("CoFI") by the Director General of the Public Works Authority ("Plaintiff") against Parsons International Ltd. ("the 1st Defendant"), UEM ("the 2nd Defendant") and Qatar Insurance Company ("the 3rd Defendant").

The legal action requested for a ruling to render the defendants jointly liable to settle in its benefit the amount of QR878.3 million or RM987.9 million as material and moral damage for the losses incurred as per the reasons detailed in the initiatory pleading, along with preserving the right of plaintiff to indemnity for delay in the project and any other damages. The claims were amended to QR1,171.8 million or RM1,318.0 million on 31 December 2009. An additional claim against UEM of QR11.0 million or RM12.4 million was filed on 24 February 2011.

UEM filed the short memorial of defence, together with a counter claim of QR855.6 million or RM962.3 million on 15 October 2009. The counter claim was subsequently amended to QR1,259.7 million or RM1,416.8 million.

On 9 January 2014, the CoFI passed a preliminary decision deputing a panel of experts to examine the matter, which was subsequently formed. On 17 March 2015, the CoFI granted UEM's request to replace one of the accounting experts with a quantity survey expert.

Subsequent to the submission of the report and exhibits by the experts in November and December 2016, the Plaintiff and the defendants filed memorial with comments on the expert's findings. At the 14 March 2017 hearing, the experts submitted their supplementary report. All parties submitted their comments on the supplementary report on 30 March 2017. Further comments on the supplementary report were submitted on 11 April 2017.

At the 27 April 2017 hearing, the CoFI decided that the case requires essential documents, which had not been submitted by the parties in order for the Court to reach a verdict. Accordingly, the CoFI decided to re-open the case for further deliberation.

Following the submission of documents by the Plaintiff, 1st Defendant and UEM in May and June 2017, the CoFI gave an oral judgment on 21 June 2017. The written judgement received on 13 July 2017 provided the breakdown of the amount awarded to UEM of QR208.2 million or RM234.3 million, as well as the amount awarded to Plaintiff of QR147.3 million or RM165.7 million.

The Plaintiff, the 1st Defendant and UEM had separately filed appeal against the CoFI's judgment. On 15 October 2017, the Court of Appeal decided to consolidate all the three appeals. On 7 January 2018, the Plaintiff, UEM and the 3rd Defendant submitted their respective memorandum while the 2nd Defendant filed its memorandum on 19 January 2018.

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73. Contingent liabilities (cont'd.)

UEM Group Berhad ("UEM") (cont'd.)

(b) (cont'd.)

On 7 April 2019, the Court of Appeal announced that the case file of the CoFI has been consolidated to the case file of the ongoing appeals. On 25 February 2020, all parties requested the Court of Appeal to put the three appeals for judgment. The matter was fixed for judgment on 28 April 2020. The hearing is further adjourned until further notice in light of the on-going containment measures implemented by Qatar in relation to COVID-19 pandemic.

On 1 July 2020, the Appeal Court decided to appoint a panel of experts to re-study the case file and scheduled the appeals till 6 October 2020 in order for the parties to make the payment of the experts' fees. On 6 October 2020, the Court adjourned the proceedings to 24 November 2020, for Parsons to make the payment of its share in relation to the experts' fees.

On 24 November 2020, all parties attended the hearing. The Court decided to adjourn the proceedings to 6 January 2021 for the Experts' Committee to appoint and to nominate the names of the experts. The proceedings was further adjourned to 10 April 2021 for the experts to submit their report.

- (c) On 25 July 2017, UEM Land, was served with a claim filed by Impressive Circuit Sdn. Bhd. and 1 other ("the Plaintiffs") in relation to shares held in Setia Haruman Sdn. Bhd. ("Setia Haruman") ("the 1st Defendant") ("the Claim"). UEM Land is cited as the 9th Defendant in the Claim.

The Claim seeks, amongst others, for:

- (i) a declaration that the 2nd to the 9th Defendants respectively had managed and conducted the affairs of the 1st Defendant and/or exercised their powers oppressively and/or disregarded and/or acted in a manner unfairly prejudicial to the interest of the Plaintiffs as members of Setia Haruman pursuant to Section 346 of the Companies Act 2016; and
- (ii) an order that the 2nd to the 9th Defendants do jointly and/or severally purchase the 750,000 ordinary shares of Setia Haruman owned or held by Impressive Circuit Sdn. Bhd. at such price and on such terms as shall be determined by the High Court.

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73. Contingent liabilities (cont'd.)

UEM Group Berhad ("UEM") (cont'd.)

(c) (cont'd.)

On 25 April 2018, UEM Land had successfully applied to strike out Datuk Kasi A/L K.L. Palaniappan ("Datuk Kasi"), the First Plaintiff in the suit, as a party in the Claim. The remaining Plaintiff in the suit, Impressive Circuit Sdn. Bhd., successfully added two other Defendants in the suit namely Menara Embun Sdn. Bhd. and Modern Eden Sdn. Bhd.

On 23 May 2018, Datuk Kasi and the 2nd to the 6th Defendants had respectively filed their appeal to the Court of Appeal against the High Court's decision on 25 April 2018. Datuk Kasi appealed against the High Court's decision in allowing the 7th to the 9th Defendants Striking Out and Misjoinder application, striking Datuk Kasi out as a party. The 2nd to the 6th Defendants appealed against the dismissal of their application to strike themselves out as parties to the action by the High Court. On 18 September 2019, Datuk Kasi's appeals were withdrawn, whereas the 2nd to the 6th Defendants' appeals were dismissed by the Court of Appeal.

On 28 May 2019, the Plaintiff had filed a motion in the Court of Appeal, seeking for an extension of time to serve a notice of appeal against the 7th to the 12th Defendants. The motion had been withdrawn on 12 October 2020. Further, on 3 December 2019, the Court allowed the Plaintiff's application to cross-examine deponents of various affidavits filed by the Defendants. The matter is fixed for hearing (cross-examination of deponents) from 17 March 2021 to 19 March 2021.

UEM Land denies allegations made by the Plaintiffs and is vigorously defending the Claim. Based on the foregoing, at this juncture, the Claim has no material financial and operational impact to UEM. The solicitor is of the view that UEM Land has a reasonably good chance of success in defending the Plaintiffs' case against UEM Land.

- (d) On 10 November 2016, Jetpur Somnath Tollways Private Limited ("JSTPL")'s concession agreement with National Highways Authority of India ("NHAI") was terminated. Following the termination, on 27 March 2017, NHAI had released a payment in respect of the settlement of the termination payment amounting to INR225.1 Crore or RM142.7 million. JSTPL disputed the settlement amount from NHAI and had initiated arbitration proceedings thereon.

Following an order from the High Court of India, NHAI paid INR6.1 Crore or RM3.9 million to JSTPL on 1 August 2017. At the same time, the High Court also instructed NHAI to pay INR348.6 Crore or RM221.0 million to JSTPL as an interim relief upon furnishing a bank guarantee of the same amount, pending final arbitration award. The High Court order, which was subsequently challenged by NHAI, was upheld by the Supreme Court of India on 5 January 2018.

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73. Contingent liabilities (cont'd.)

UEM Group Berhad ("UEM") (cont'd.)

(d) (cont'd.)

The amount, which was received by JSTPL on 29 January 2018, together with further injection from shareholders of JSTPL, were utilised to fully settle JSTPL's borrowing.

The balance of JSTPL's concession intangible assets, after taking into account the total termination payment received from NHAJ above, was fully impaired.

On 24 March 2020, the Arbitral Tribunal for arbitration proceedings filed by JSTPL's lenders pronounced, inter alia, that NHAJ is liable to pay 90% of debt due amount towards termination payment to JSTPL's lenders and NHAJ has no valid reason for keeping the bank guarantee. Hence, application would be made by JSTPL to NHAJ to release the bank guarantee.

On 27 April 2020, the High Court of India granted an extension up to 31 December 2020 to conclude the arbitration proceedings and grant award. The High Court of India in its order dated 2 December 2020 granted extension of time till 31 March 2021 to pronounce the award.

In view of the above, the solicitors of JSTPL are of the opinion that JSTPL has a good chance to recover termination payment in addition to INR348.6 Crore or RM221.0 million received in January 2018 and will not be required to pay back the said amount to NHAJ under the final arbitration process.

(e) On 3 February 2020, UEM Builders and UEM were served with a Notice of Arbitration filed by Brunei Economic Development Board ("BEDB") in relation to the dispute arising from the following:

(i) contract ("Contract") dated 5 February 2010 between UEM Builders (as the Contractor) and BEDB (as the Employer) for the design, procurement, construction, commissioning, completion and maintenance of a pilot scheme to design and build 4,000 houses together with the necessary supporting infrastructure for the National Housing Scheme Of Brunei Darussalam on a green-field site at Mengkubau, Kampong Mentiri, Bandar Seri Begawan in Brunei Darussalam; and

(ii) Parent Company Guarantee ("PCG") dated 31 March 2010 provided by UEM to guarantee UEM Builders' performance of the Contract and indemnify BEDB against all losses, damages, costs and expenses which may be incurred by BEDB by reason of any default on the part of UEM Builders in performing and observing the agreements and provisions contained in the Contract.

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73. Contingent liabilities (cont'd.)

UEM Group Berhad ("UEM") (cont'd.)

(e) (cont'd.)

BEDB alleged that UEM Builders and UEM have breached their obligations under the Contract and PCG respectively and claimed damages against both parties in the sum of BND40.4 million or RM122.8 million (as quantified in the Notice of Arbitration) as well as interest and costs.

On 15 June 2020, BEDB agreed to suspend the arbitration proceedings until 16 September 2020. UEMB carried out remote site inspection as part of the amicable settlement process which was completed in December 2020.

The solicitors have been appointed representing UEM Builders and UEM. At this preliminary stage of arbitration, the amount of the possible obligations cannot be measured with sufficient reliability and the possibility of an outflow is uncertain. Therefore, no provision has been recognised on the potential obligations.

(f) On 18 April 2019, UEM Land was served with a Notice of Arbitration dated 17 April 2019 filed by Ireka Engineering & Construction Sdn. Bhd. ("IECSB") in relation to disputes arising from the Agreement and Conditions of PAM Contract 2006 (With Quantities) ("Agreement") together with a Letter of Award dated 15 June 2012 ("LOA") for the construction of Imperia in Puteri Harbour, Iskandar Puteri, Johor ("Project") seeking a declaration sum of RM29.3 million as the total amount of the final account. The LOA is to be read together with the Agreement (collectively referred to as the "Contract").

IECSB was appointed by UEM Land as the main contractor for the construction of the Project under the Contract at a sum of RM268.6 million. Its scope covers the:

- (a) Overall main works;
- (b) 'Stesen Suis Utama' and 'Pencawang Pembahagian Utama'; and
- (c) Construction of mock-up units

IECSB has raised certain claims with respect to the performance of the obligations in the Contract and seeks inter alia, a declaration that RM29.3 million be the total and final amount of the final account or any other amount assessed by the Arbitral Tribunal.

The Asian International Arbitration Centre has appointed Mr. Wayne Martin as the arbitrator on behalf of both parties. It has been agreed by both parties that IECSB to file its Statement of Claim within 45 days from 21 October 2019, and UEM Land to file its Statement of Defence and Counterclaim within 45 days from the receipt of the Statement of Claim. Subsequently, IECSB to file its Statement of Reply and Defence to Counterclaim within 30 days from the receipt of the Defence and Counterclaim, and UEM Land to file its Statement of Reply to Defence to Counterclaim within 30 days from the receipt of the Statement of Reply and Defence to Counterclaim.

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73. Contingent liabilities (cont'd.)

UEM Group Berhad ("UEM") (cont'd.)

(f) (cont'd.)

Based on the Statement of Claim dated 27 December 2019, IECSB is seeking inter alia, RM20.4 million for loss and expense, RM29.3 million for the amount due and owing to IECSB pursuant to the Statement of Final Account or alternatively any other amount assessed by the Arbitral Tribunal, interest on all sums directed to be paid from such date as the Tribunal deems fit and costs.

In the Statement of Defence and Counterclaim dated 2 March 2020, UEM Land denied and disputed liability on IECSB's claims and sought counter claims amounting to total sum of RM31.8 million for amongst others, Liquidated Ascertained Damages for delay in the completion of the works and defects rectification cost and back-charges.

UEM Land filed an application dated 15 June 2020 to amend its Defence and Counterclaim to include further counterclaim for back-charges to amount of RM34.4 million and the application was allowed by the Tribunal. The Reply to Defence and Defence to Counterclaim was filed by IECSB on 8 July 2020. UEM Land filed its Reply to the Defence to Counterclaim on 17 August 2020. The hearing dates for this matter fixed to be from 17 May 2021 to 28 May 2021 have now been vacated and a new set of hearing dates will be fixed in the next procedural hearing which is on 22 September 2021. The witness statement and expert report are due on 10 September 2021. At the moment, the parties are exchanging additional bundle of documents and applying for discovery of documents.

UEM Land's position is that IECSB's claims are without merits and UEM Land will vigorously defend its position accordingly.

UEM believes, based on legal advice, that the Notice of Arbitration and potential arbitration proceedings are not expected to have material financial and operational impact on UEM for the financial year ended 31 December 2020.

Cenergi SEA Sdn. Bhd. ("Cenergi")

- (a) Cenergi currently has 28 active Carbon Development Mechanism ("CDM") projects which have been registered with the United Nations Framework Convention on Climate Change ("UNFCCC"). Cenergi has contractual responsibilities that need to be fulfilled as the appointed consultant of the CDM projects. These include management of validation process as required by UNFCCC, implementation of the monitoring plan i.e. steps required to monitor the data of emission and marketing emission reduction credit to potential purchasers. Failure to fulfil any of the contractual responsibilities may lead to potential proceedings from the contract counterparty. However, as the Certified Emission Reductions ("CERs") market is currently unattractive, the Directors are of the opinion that it is highly unlikely that clients will request for the services to be provided as per the contract. Cenergi is currently in the process of renegotiating the terms of the contracts.

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74. Significant events

The following are the significant events of the Group during the financial year ended 31 December 2020:

(a) COVID-19

COVID-19 pandemic and the containment steps rolled out by countries worldwide to stop the spreading of the virus have devastated the tourism, hospitality, and aviation sectors. The lock downs and border closures has resulted in a severe curtailment of both business and leisure travels. These translates to reduce schedule flights and airports pass through traffic as well as much reduced occupancy in the leisure and tourism sectors.

The financial services and infrastructure sectors were also affected due to unfavorable economic activities causing reduced profitability and construction activities.

The Group and Company have impaired assets in all these sectors where necessary to reflect its current values and continuing to monitor them. All financial impact of this COVID-19 caused downturn has been reflected in this financial statement.

The financial statements have been prepared on a going concern basis, which assumes that the Group and the Company will meet all its obligations as and when they fall due. Accordingly, there is no necessity to make any subsequent adjustments post balance sheet date.

(b) Malaysia Aviation Group Berhad ("MAGB")

On 22 February 2021, the UK High Court approved a Scheme of Agreement between MAGB's leasing entity, MAB Leasing Limited, and the majority of MAGB's aircraft operating lessors, following unanimous support from the lessors. This marked an important milestone of the wider restructuring exercise which will result in a reduction of MAGB's liabilities by over RM15 billion for its long-term viability.

The Company has committed to fresh capital injections to MAGB including funds to enable it to continue operations throughout the restructuring period.

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75. Subsequent events

The following are the significant subsequent events of the Group after the financial year ended 31 December 2020:

Malaysia Aviation Group Berhad ("MAGB")

On 22 March 2021, MAB Pesawat novated its entire Turus Pesawat indebtedness (including interest payable at Completion Date) of RM5.3 billion to MAGB. Thereafter, the indebtedness at MAGB is converted into Ordinary Shares at an issue price of RM1,000 per Ordinary Share, resulting Turus Pesawat to have a shareholding in MAGB.

On 29 March 2021, the Perpetual Sukuk of RM1.5 billion in Malaysia Airlines Berhad ("MAB") was cancelled. The liability was then assumed by MAGB, who in return will issue equity to the sukukholder.

76. Segment information

The Group is principally engaged in the following activities:

- (i) Investment holding;
- (ii) Infrastructure and construction;
- (iii) Property;
- (iv) Financial Institution Group;
- (v) Transportation & Logistics;
- (vi) Leisure & Tourism;
- (vii) Agrifood; and
- (viii) Others.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker.

The Directors are of the opinion that all inter-segment transactions have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

No segment information by geographical area has been presented as the Group operates predominantly in Malaysia.

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76. Segment information (cont'd.)

2020

	RM'mil							Total		
	Investment Holding	Infrastructure & Construction	Property	Financial Institution Group	Transportation & Logistics	Leisure & Tourism	Agrifood		Others	Elimination
REVENUE										
External sales	924	3,905	330	1,593	4,635	208	105	975	-	12,675
Inter-segment sales	5,908	-	-	-	-	-	-	-	(5,908)	-
Total revenue	6,832	3,905	330	1,593	4,635	208	105	975	(5,908)	12,675
RESULTS										
Operating (loss)/profit	3,692	21	87	33	(3,074)	(708)	(23)	(1,012)	-	(984)
Finance cost	(1,911)	(223)	(9)	-	(772)	(102)	(1)	(40)	-	(3,058)
Share of results from associates and joint venture	-	(54)	(84)	-	(28)	(12)	23	1,659	-	1,504
(Loss)/profit before tax	1,781	(256)	(6)	33	(3,874)	(822)	(1)	607	-	(2,538)
Taxation	(87)	(116)	12	(11)	(106)	2	(1)	(12)	-	(319)
(Loss)/profit after tax	1,694	(372)	6	22	(3,980)	(820)	(2)	595	-	(2,857)
Non controlling interests	-	85	(29)	(14)	6	133	(1)	2	-	182
Net (loss)/profit for the year	1,694	(287)	(23)	8	(3,974)	(687)	(3)	597	-	(2,675)
ASSETS AND LIABILITIES										
Segment assets	37,864	19,825	2,582	6,809	14,841	4,340	414	2,685	-	89,360
Investment in associates	56,125	586	294	-	8	-	103	29	-	57,145
Investment in joint ventures	678	1,029	79	-	-	62	74	1,422	-	3,344
Consolidated total assets	94,667	21,440	2,955	6,809	14,849	4,402	591	4,136	-	149,849
Segment liabilities	45,600	10,544	753	4,213	34,188	2,700	114	(5,929)	-	92,183
Consolidated total liabilities	45,600	10,544	753	4,213	34,188	2,700	114	(5,929)	-	92,183

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76. Segment information (cont'd.)

2019

	RM'mil							Total		
	Investment Holding	Infrastructure & Construction	Property	Financial Institution Group	Transportation & Logistics	Leisure & Tourism	Agrifood		Others	Elimination
REVENUE										
External sales	5,609	8,289	19	1,334	10,888	633	114	1,096	-	27,982
Inter-segment sales	5,307	-	-	-	-	-	-	-	(5,307)	-
Total revenue	10,916	8,289	19	1,334	10,888	633	114	1,096	(5,307)	27,982
RESULTS										
Operating profit/(loss)	8,935	2,290	(109)	63	(225)	(423)	43	(6,064)	-	4,510
Finance cost	(2,214)	(431)	(9)	-	(908)	(100)	(2)	(56)	-	(3,720)
Share of results from associates and joint venture	4,745	49	(19)	-	3	(538)	10	495	-	4,745
Profit/(loss) before tax	11,466	1,908	(137)	63	(1,130)	(1,061)	51	(5,625)	-	5,535
Taxation	(81)	(248)	(7)	(37)	142	(5)	(1)	22	-	(215)
Profit/(loss) after tax	11,385	1,660	(144)	26	(988)	(1,066)	50	(5,603)	-	5,320
Non controlling interests	-	(121)	6	26	(3)	141	-	3	-	52
Net profit/(loss) for the year	11,385	1,539	(138)	52	(991)	(925)	50	(5,600)	-	5,372
ASSETS AND LIABILITIES										
Segment assets	43,655	21,482	2,502	6,092	4,862	4,903	393	6,670	-	90,559
Investment in associates	59,427	582	417	-	36	-	99	28	-	60,589
Investment in joint ventures	1,252	1,093	101	-	-	74	97	1,445	-	4,062
Consolidated total assets	104,334	23,157	3,020	6,092	4,898	4,977	589	8,143	-	155,210
Segment liabilities	46,724	10,267	800	3,512	31,935	2,489	113	(2,392)	-	93,448
Consolidated total liabilities	46,724	10,267	800	3,512	31,935	2,489	113	(2,392)	-	93,448

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77. Subsidiaries and associates of the Company

(A) Subsidiaries of the Company

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2020 %	2019 %	2020 %	2019 %	
Agrifood Resources Holdings Sdn. Bhd. ("ARHSB")	Malaysia	100.0	100.0	-	-	Investment holding
Atlantic Quantum Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Investment holding and provision of management services
Aur Investments (Cayman Islands) Limited #	Cayman Islands	100.0	100.0	-	-	Investment holding
Aur Ventures Sdn. Bhd. #	Malaysia	100.0	100.0	-	-	Investment holding
Balok Ventures Sdn. Bhd. #	Malaysia	100.0	100.0	-	-	Investment holding
Banggi Ventures Sdn. Bhd. #	Malaysia	100.0	100.0	-	-	Investment holding
Batu Hill Development Ltd. #	England and Wales	100.0	100.0	-	-	Dormant
Beyond Flying Sdn. Bhd.	Malaysia	100.0	-	-	-	Investment holding
Bombalai Hill Ventures Sdn. Bhd. #	Malaysia	100.0	100.0	-	-	Investment holding
Brinchang Ventures Sdn. Bhd. #	Malaysia	100.0	100.0	-	-	Investment holding
Broga Hill Investments Limited #	Malaysia	100.0	100.0	-	-	Investment holding
Bukit Bendera Investments Limited #	Malaysia	100.0	100.0	-	-	Investment holding
Bukit Chini Investments Limited #	Malaysia	100.0	100.0	-	-	Investment holding
Bukit Damar Investments Limited #	Malaysia	100.0	100.0	-	-	Investment holding

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77. Subsidiaries and associates of the Company (cont'd.)

(A) Subsidiaries of the Company (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2020 %	2019 %	2020 %	2019 %	
Bukit Frasers Ventures Sdn. Bhd. #	Malaysia	100.0	100.0	-	-	Investment holding
Bukit Galla Investments Limited #	Malaysia	100.0	100.0	-	-	Investment holding
Bukit Puteri Investments Limited #	Malaysia	100.0	100.0	-	-	Investment holding
Carey Investments (Cayman Islands) Limited #	Cayman Islands	100.0	100.0	-	-	Investment holding
Cerah Capital Ltd.	Malaysia	100.0	100.0	-	-	Fund raising on behalf of holding company
Cenviro Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Investment holding and provision of management services
Chendering Investments Limited #	Malaysia	100.0	100.0	-	-	Investment holding
Cosmos Friendship Limited #	Hong Kong	100.0	100.0	-	-	Investment holding
Dayang Bunting Ventures Sdn. Bhd. #	Malaysia	100.0	100.0	-	-	Investment holding
Dendana Investments (Mauritius) Limited #	Mauritius	100.0	100.0	-	-	Investment holding
Feringghi Capital Limited #	Malaysia	100.0	100.0	-	-	To provide funding for the operations of Special Purpose Vehicle on behalf of its holding company

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77. Subsidiaries and associates of the Company (cont'd.)

(A) Subsidiaries of the Company (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2020 %	2019 %	2020 %	2019 %	
Gemia Investments Limited #	Cayman Islands	100.0	100.0	-	-	Investment holding
Glam Ventures Pte Limited #	Singapore	100.0	100.0	-	-	Investment holding
Granatum Ventures Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Investment holding
Gunung Korbu Investments (Cayman Islands) Limited #	Cayman Islands	100.0	100.0	-	-	Investment holding
Gunung Nuang Ventures Limited #	Malaysia	100.0	100.0	-	-	Investment holding
i2M Ventures Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Promotion, marketing and administration of business service cluster
Impeccable Vintage Properties Sdn. Bhd. ("IVP")	Malaysia	100.0	-	-	-	Activities of holding companies
Iskandar Investment Berhad ("IIB")	Malaysia	60.0	60.0	40.0	40.0	Investment holding, property investment, property and land development and the provision of shared services to the subsidiaries
Iskandar Ventures Sdn. Bhd. ("IVSB") #	Malaysia	100.0	100.0	-	-	Investment holding
Jerai Ventures Sdn. Bhd. #	Malaysia	100.0	100.0	-	-	Investment holding
Kelanang Ventures Sdn. Bhd. #	Malaysia	100.0	100.0	-	-	Investment holding

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77. Subsidiaries and associates of the Company (cont'd.)

(A) Subsidiaries of the Company (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2020 %	2019 %	2020 %	2019 %	
Khazanah Americas Incorporated #	United States	100.0	100.0	-	-	Investment advisory
Khazanah Asset Management Sdn. Bhd. #	Malaysia	100.0	100.0	-	-	Dormant
Khazanah Europe Investment Limited #	United Kingdom	100.0	100.0	-	-	Provision of intra-group financial, legal and investment advisory services, related services to the group
Khazanah Nasional Consulting (Hong Kong) Company Limited #	Hong Kong	100.0	100.0	-	-	Investment holding
Klebang Capital Ltd. #	Malaysia	100.0	100.0	-	-	Investment holding
Kuala Perlis Ventures Sdn. Bhd. #	Malaysia	100.0	100.0	-	-	Investment holding
Kuala Selangor Ventures Sdn. Bhd. #	Malaysia	100.0	100.0	-	-	Investment holding
Layang-layang Ventures Sdn. Bhd. #	Malaysia	100.0	100.0	-	-	To manage, disburse and monitor the allocation of grant from Ministry of Finance to Allied Healthcare Centre of Excellence ("AH CoE").
LeapEd Services Sdn. Bhd.	Malaysia	-	100.0	-	-	To provide educational services to the school sector in Malaysia.
Ledang Ventures Pte Ltd. #	Singapore	100.0	100.0	-	-	Investment holding

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77. Subsidiaries and associates of the Company (cont'd.)

(A) Subsidiaries of the Company (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2020 %	2019 %	2020 %	2019 %	
Lembong Ventures Sdn Bhd. #	Malaysia	100.0	100.0	-	-	Dormant
Lido Capital Ltd. #	Malaysia	100.0	100.0	-	-	Fund raising on behalf of its holding company
Little Steps Sdn. Bhd. #	Malaysia	100.0	100.0	-	-	Childcare operator
Malaysian Airline System Berhad ("MAS")	Malaysia	100.0	100.0	-	-	In liquidation
Malaysia Aviation Group Berhad ("MAGB") *	Malaysia	100.0	100.0	-	-	Investment holding
Malaysian Technology Development Corporation Sdn. Bhd. *	Malaysia	100.0	100.0	-	-	Venture capital services activities, management of government grants, technology incubation management and technology support services
Mantanani Ventures Sdn Bhd. #	Malaysia	100.0	100.0	-	-	Investment holding
Mataking Ventures Sdn. Bhd. #	Malaysia	100.0	100.0	-	-	Investment holding
Mount Bintang Ventures Sdn. Bhd. #	Malaysia	100.0	100.0	-	-	Investment holding
Mount Gading Ventures Sdn. Bhd. #	Malaysia	100.0	100.0	-	-	Investment holding
Mount Hatton Investments Limited #	Malaysia	100.0	100.0	-	-	Investment holding

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77. Subsidiaries and associates of the Company (cont'd.)

(A) Subsidiaries of the Company (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2020 %	2019 %	2020 %	2019 %	
Mount Irau Ventures Sdn. Bhd. #	Malaysia	100.0	100.0	-	-	Providing human capital services including recruitment services, secondment and redeployment of human capital.
Mount Rajah Ventures Limited #	Jersey	100.0	100.0	-	-	Dormant
Mount Raya Investments Limited #	Malaysia	100.0	100.0	-	-	Investment holding
Mount Reskit Investments Ltd. #	Malaysia	100.0	100.0	-	-	Investment Holding
Mount Serudum Ventures Sdn. Bhd. #	Malaysia	-	100.0	-	-	Leasing of properties
Mount Terra Investments Limited #	Malaysia	100.0	100.0	-	-	Investment holding
Noring Investments (Mauritius) Limited #	Mauritius	100.0	100.0	-	-	Investment holding
Ophir Ventures Sdn. Bhd. #	Malaysia	100.0	100.0	-	-	Investment holding
Pagon Hill Investments Limited #	Malaysia	100.0	100.0	-	-	Investment holding
Pangkor Investments (Cayman Islands) Ltd. #	Cayman Islands	100.0	100.0	-	-	Investment holding
Pantai Air Papan Investments Limited. #	Malaysia	100.0	100.0	-	-	Investment holding

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77. Subsidiaries and associates of the Company (cont'd.)

(A) Subsidiaries of the Company (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2020 %	2019 %	2020 %	2019 %	
Pantai Barat Investments (Cayman Islands) Ltd. #	Cayman Islands	100.0	100.0	-	-	Investment holding
Pantai Cahaya Bulan Ventures Sdn. Bhd. #	Malaysia	100.0	100.0	-	-	Investment holding
Pantai Juara Investments Limited #	Malaysia	100.0	100.0	-	-	Investment holding
Pantai Melawi Ventures Sdn. Bhd. #	Malaysia	100.0	100.0	-	-	Dormant
Pantai Morib Ventures Sdn. Bhd. #	Malaysia	100.0	100.0	-	-	Dormant
Pantai Remis Investments Limited #	Malaysia	100.0	100.0	-	-	Dormant
Pantai Saujana Investments Limited. #	Malaysia	100.0	100.0	-	-	Investment holding
Pantai Sura Investments Limited #	Malaysia	100.0	100.0	-	-	Investment holding
Pasir Salak Investments Limited #	Malaysia	100.0	100.0	-	-	Investment holding
Payar Investments Ltd. #	Malaysia	100.0	100.0	-	-	Investment holding

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**Khazanah Nasional Berhad
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77. Subsidiaries and associates of the Company (cont'd.)

(A) Subsidiaries of the Company (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2020 %	2019 %	2020 %	2019 %	
Penerbangan Malaysia Berhad ("PMB")	Malaysia	100.0	100.0	-	-	Carrying on business of acquiring, sale and leasing of aircraft and aircraft engines, investment holding, strategic management of the domestic airline business and other related services
Perhentian Investments (Mauritius) Ltd. #	Mauritius	100.0	100.0	-	-	Investment holding
Pine Tree Hill Investments Limited #	Malaysia	100.0	100.0	-	-	Investment holding
Ponorogo Investments Limited #	Malaysia	100.0	100.0	-	-	Investment holding
Pulau Dinawan Investments Limited #	Malaysia	100.0	100.0	-	-	Investment holding
Pulau Kaca Investments Limited #	Malaysia	100.0	100.0	-	-	Investment holding
Pulau Kendi Investments Limited #	Malaysia	100.0	100.0	-	-	Investment holding
Pulau Kukup Investments (Mauritius) Ltd. #	Mauritius	100.0	100.0	-	-	Investment holding

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**Khazanah Nasional Berhad
(Incorporated in Malaysia)**

77. Subsidiaries and associates of the Company (cont'd.)

(A) Subsidiaries of the Company (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2020 %	2019 %	2020 %	2019 %	
Pulau Labas Ventures Sdn. Bhd. #	Malaysia	100.0	100.0	-	-	To assist the government of Malaysia to establish the Malaysian Aviation Commission pursuant to Act 771 Malaysian Aviation Commission Act 2015
Pulau Manukan Ventures Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Investment holding
Pulau Melaka Ltd. #	Malaysia	100.0	100.0	-	-	Investment holding
Pulau Memutik Ventures Sdn. Bhd. #	Malaysia	100.0	100.0	-	-	Investment holding
Pulau Segantang Ventures Sdn. Bhd. #	Malaysia	100.0	100.0	-	-	Investment holding
Pulau Selingan Investments Limited #	Malaysia	100.0	100.0	-	-	Investment holding
Pulau Sibn Ventures Sdn. Bhd. #	Malaysia	100.0	100.0	-	-	Investment holding
Pulau Tiga Ventures Sdn. Bhd. #	Malaysia	100.0	100.0	-	-	Investment holding
Rantau Abang Capital Berhad #	Malaysia	100.0	100.0	-	-	Fund raising on behalf of the company to issue Islamic Commercial Papers and Islamic Medium Term Notes Sukuk Musyarakah
Redang Investments Ltd. #	Malaysia	100.0	100.0	-	-	Investment holding

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**Khazanah Nasional Berhad
(Incorporated in Malaysia)**

77. Subsidiaries and associates of the Company (cont'd.)

(A) Subsidiaries of the Company (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2020 %	2019 %	2020 %	2019 %	
Sampadi Investments Limited #	Malaysia	100.0	100.0	-	-	Investment holding
Santubong Ventures Sdn. Bhd. #	Malaysia	100.0	100.0	-	-	Investment holding
Satang Investments Ltd. #	Malaysia	100.0	100.0	-	-	Investment holding
Sebatik Investments Limited #	Malaysia	100.0	100.0	-	-	Investment holding
Silterra Malaysia Sdn. Bhd. ("Silterra") *	Malaysia	100.0	100.0	-	-	Manufacturing of semiconductor wafer
Sipadan Investments (Mauritius) Ltd. #	Mauritius	100.0	100.0	-	-	Investment holding
STLR Sdn. Bhd. #	Malaysia	100.0	100.0	-	-	Selling, leasing and renting of properties
Studios Film Office Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Film production services
Suluq Investments (Mauritius) Ltd. #	Mauritius	100.0	100.0	-	-	Investment holding
Sungai Pulai Investments (Mauritius) Ltd. #	Mauritius	100.0	100.0	-	-	Investment holding
Synapse Education Holdings Sdn. Bhd. #	Malaysia	-	100.0	-	-	Investment holding

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77. Subsidiaries and associates of the Company (cont'd.)

(A) Subsidiaries of the Company (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2020 %	2019 %	2020 %	2019 %	
Taman Tugu Project Development Sdn. Bhd.	Malaysia	100.0	100.0	-	-	To carry out efforts of project management including but not limited to execution of projects relating to the refurbishment, rejuvenation and redevelopment of Taman Tugu in Kuala Lumpur and elsewhere in Malaysia
Tanjung Adang Investments Limited #	Malaysia	100.0	100.0	-	-	Investment holding
Tanjung Bidara Ventures Sdn. Bhd. #	Malaysia	100.0	100.0	-	-	Investment holding
Tanjung Buai Ventures Sdn. Bhd. #	Malaysia	100.0	100.0	-	-	Investment holding
Tanjung Jara Investments Ltd. #	Hong Kong	100.0	100.0	-	-	Investment holding
Tanjung Manis Investments Ltd. #	Malaysia	100.0	100.0	-	-	Dormant
Tanjung Pinang Investments Limited. #	Malaysia	100.0	100.0	-	-	Dormant
Tanjung Rhu Investments Limited #	Malaysia	100.0	100.0	-	-	Investment holding
Tanjung Sedili Investments Limited. #	Malaysia	100.0	100.0	-	-	Investment holding

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77. Subsidiaries and associates of the Company (cont'd.)

(A) Subsidiaries of the Company (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2020	2019	2020	2019	
		%	%	%	%	
Tanjung Tuan Investments Limited #	Malaysia	100.0	100.0	-	-	Investment holding
Tasik Pedu Investments Limited #	Malaysia	100.0	100.0	-	-	Investment holding
Teluk Bahang Investments Limited #	Malaysia	100.0	100.0	-	-	Investment holding
Teluk Belanga Investments Limited #	Malaysia	100.0	100.0	-	-	Investment holding
Teluk Cempedak Investments (Mauritius) Ltd. #	Mauritius	100.0	100.0	-	-	Investment holding
Teluk Dalam Investments Limited #	Malaysia	100.0	100.0	-	-	Investment holding
Teluk Gadong Investments Limited #	Malaysia	100.0	100.0	-	-	Investment holding
Teluk Intan Investments (Cayman Islands) Limited #	Cayman Islands	100.0	100.0	-	-	Dormant
Teluk Kalung Investments Limited. #	Malaysia	100.0	100.0	-	-	Investment holding
Teluk Kemang Investments (Mauritius) Ltd. #	Mauritius	100.0	100.0	-	-	Investment holding
Teluk Kumbar Ventures Sdn. Bhd. #	Malaysia	100.0	100.0	-	-	Investment holding

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77. Subsidiaries and associates of the Company (cont'd.)

(A) Subsidiaries of the Company (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2020 %	2019 %	2020 %	2019 %	
Teluk Nibong Ventures Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Provision of transition support services including outplacement support and training support services for the development of human capital
Teluk Nipah Investments (Cayman Islands) Ltd.	Cayman Islands	100.0	100.0	-	-	Dormant
Teluk Pauh Sdn. Bhd. #	Malaysia	100.0	100.0	-	-	Administration of collaboration with the Cruyff Foundation in Malaysia.
Teluk Rubiah Ventures Sdn. Bhd. #	Malaysia	100.0	100.0	-	-	Investment holding
Teluk Senangin Investments Limited #	Malaysia	100.0	100.0	-	-	Investment holding
Themed Attractions Resorts & Hotels Sdn. Bhd. ("TARHSB")	Malaysia	100.0	100.0	-	-	Investment holding and provision of management services
Think City Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Promoting and preserving the living culture and heritage areas including but not limited to initiating projects relating to the rejuvenation and transformation of George Town, Penang and elsewhere in Malaysia

**Khazanah Nasional Berhad
(Incorporated in Malaysia)**

77. Subsidiaries and associates of the Company (cont'd.)

(A) Subsidiaries of the Company (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2020 %	2019 %	2020 %	2019 %	
Tioman Investments (Mauritius) Ltd. #	Mauritius	100.0	100.0	-	-	Investment holding
Titiwangsa Investments (Mauritius) Ltd. #	Mauritius	100.0	100.0	-	-	Investment holding
Tulai Beach Ventures Sdn. Bhd. #	Malaysia	100.0	100.0	-	-	Investment holding
UEM Group Berhad ("UEM")	Malaysia	100.0	100.0	-	-	Project design, management and contracting in the fields of civil, electrical and mechanical engineering, undertaking of turnkey projects and investment holding
Western Hill Investments Limited #	Malaysia	100.0	100.0	-	-	Investment holding

(B) Associates of the Company

Name	Country of incorporation/ principal place of business	Effective interest~		Accounting model applied	Principal activities
		2020 %	2019 %		
Axiata Group Berhad *	Malaysia	36.8	36.8	Equity method	Telecommunication and related services
Bank Muamalat Malaysia Berhad	Malaysia	30.0	30.0	Equity method	Islamic commercial banking and finance

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77. Subsidiaries and associates of the Company (cont'd.)

(B) Associates of the Company (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Accounting model applied	Principal activities
		2020 %	2019 %		
CIMB Group Holdings Berhad *	Malaysia	27.3	27.0	Equity method	Investment holding, management company, property management, provision of consultancy services and dealing in securities
Iskandar Capital Sdn. Bhd.	Malaysia	15.3	15.3	Equity method	Investment holding
Malaysia Airports Holdings Berhad	Malaysia	33.2	33.2	Equity method	Investment holding
Malaysia Electric Corporation Berhad *	Malaysia	30.0	30.0	Equity method	In liquidation
Pulau Kapas Ventures Sdn. Bhd. *	Malaysia	30.0	30.0	Equity method	Investment holding
Putrajaya Holdings Sdn. Bhd.	Malaysia	15.6	15.6	Equity method	Investment holding
Telekom Malaysia Berhad *	Malaysia	21.5	26.2	Equity method	Telecommunication and related services
Tenaga Nasional Berhad *	Malaysia	25.7	27.3	Equity method	Generation, transmission and distribution and sale of electricity

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77. Subsidiaries and associates of the Company (cont'd.)

(B) Associates of the Company (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Accounting model applied	Principal activities
		2020	2019		
		%	%		
TIME dotCom Berhad * ^	Malaysia	10.8	11.2	Equity method	Investment holding, provision of management and marketing/promotional services and retailing of telecommunications products
Valuecap Sdn. Bhd. *	Malaysia	33.3	33.3	Equity method	Investment in marketable securities listed on Bursa Malaysia Berhad and provision of services to its two wholly owned subsidiaries.

* Subsidiaries and associates not audited by member firms of Ernst & Young Global.

SPV set up for investment or funding purposes, which are consolidated in the extended company financial statements of the Company as disclosed in Note 19(b).

~ Equals to proportion of voting rights held.

^ The Company has a total of 19.6% shareholding in TIME dotCom Berhad, comprising 10.8% held via the Company and 8.8% held by Pulau Kapas Ventures Sdn. Bhd.

**Khazanah Nasional Berhad
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78. Subsidiaries, associates and joint ventures of the Group

Other than the subsidiaries, associates and joint venture of the Company as listed in Note 76, the subsidiaries and associates of the Group are as listed below:

- (i) Subsidiaries, associates and joint ventures of UEM Group Berhad ("UEM"), are disclosed in Note 78(A).
- (ii) Subsidiaries of Malaysian Airline System Berhad ("MAS"), are disclosed in Note 78(B).
- (ii) Subsidiaries and associates of Malaysia Aviation Group Berhad ("MAGB"), are disclosed in Note 78(C).
- (iii) Subsidiaries, associates and joint ventures of Iskandar Investment Berhad ("IIB"), are disclosed in Note 78(D).
- (iv) Subsidiaries, associates and joint ventures of Themed Attractions Resorts & Hotels Sdn. Bhd. ("TARHSB"), are disclosed in Note 78(E).
- (v) Subsidiary of Malaysian Technology Development Corporation ("MTDC"), are disclosed in Note 78(F).
- (vi) Other subsidiaries, associates and joint ventures of the Group are disclosed in Note 78(G).

(A) Subsidiaries, associates and joint ventures of UEM

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2020 %	2019 %	2020 %	2019 %	
Subsidiaries of UEM						
PLUS Expressways International Berhad ("PEIB")	Malaysia	100.0	100.0	-	-	Investment holding and provision of expressway operation services
UEM Sunrise Berhad ("UEM Sunrise")	Malaysia	69.6	66.1	30.4	33.9	Investment holding and provision of shares services for its subsidiaries
UEM Builders Berhad ("UEM Builders")	Malaysia	100.0	100.0	-	-	Investment holding and provision of management services

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2020 %	2019 %	2020 %	2019 %	
Subsidiaries of UEM (cont'd.)						
Cement Industries of Malaysia Berhad ("CIMA")	Malaysia	100.0	100.0	-	-	Provision of management services and investment holding
UEM Edgenta Berhad ("UEM Edgenta")	Malaysia	69.1	69.1	30.9	30.9	Investment holding and provision of management services to its subsidiaries
Konsortium ProHAWK Sdn. Bhd.	Malaysia	65.0	65.0	35.0	35.0	Planning, design, financing, development, construction, landscaping, equipment, installation, completion, testing and commissioning of a hospital building, facilities and infrastructure at the identified project land and to carry out total asset and facilities management services at hospital or commercial or government buildings

**Khazanah Nasional Berhad
(Incorporated in Malaysia)**

78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Accounting model applied	Principal activities
		2020 %	2019 %		

Associate of UEM

UE Construction (Phil.) Inc.<	Philippines	40.0	40.0	Equity method	Dormant
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Joint Ventures of UEM

PLUS Malaysia Berhad ("PLUS Malaysia") x	Malaysia	51.0	51.0	Equity method	Investment holding
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UEM – Sabah Economic Development x	Unincorporated	70.0	70.0	Equity method	Construction and engineering works
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UEM – Sarawak Economic Development x	Unincorporated	70.0	70.0	Equity method	Construction and engineering works
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UEM – Essar Projects Limited x	Unincorporated	51.0	51.0	Equity method	Construction and extension of roads
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Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2020 %	2019 %	2020 %	2019 %	

Subsidiaries of PEIB

Ghir Investments (Mauritius) Limited	Mauritius	100.0	100.0	-	-	Investment holding
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PLUS Kalyan (Mauritius) Private Limited	Mauritius	100.0	100.0	-	-	Investment holding
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**Khazanah Nasional Berhad
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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2020 %	2019 %	2020 %	2019 %	

**Subsidiaries of PEIB
(cont'd.)**

PLUS Plaza (Mauritius) Private Limited	Mauritius	100.0	100.0	-	-	Investment holding
PEIB Capital Sdn. Bhd. ("PEIBC")	Malaysia	100.0	100.0	-	-	Investment holding

Name	Country of incorporation/ principal place of business	Effective interest~		Accounting model applied	Principal activities
		2020 %	2019 %		

Joint venture of PEIB

Jetpur Somnath Tollways Private Limited ("Jetpur") //xat	India	64.4	64.4	Equity method	Ceased operations
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Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2020 %	2019 %	2020 %	2019 %	

**Subsidiary of PLUS Kalyan
(Mauritius) Private
Limited**

PLUS BKSP Toll Limited *## at	India	94.1	94.1	5.9	5.9	Ceased operations
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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2020 %	2019 %	2020 %	2019 %	
Subsidiary of PLUS Plaza (Mauritius) Private Limited						
Trichy Padalur Tollways Private Limited ("TPTPL") *at	India	74.0	74.0	26.0	26.0	Undertake construction, operation, maintenance and toll collection of the four laning and strengthening of Padalur-Trichy Highway section from KM285 to KM325 of NH-45 in the state of Tamil Nadu, India, on Build, Operate and Transfer basis

Name	Country of incorporation/ principal place of business	Effective interest~		Accounting model applied	Principal activities
		2020 %	2019 %		
Joint venture of Ghir Investments (Mauritius) Limited					
Uniquet Infra Ventures Private Limited xat	India	80.1	80.1	Equity method	Developing, owning and managing road infrastructure projects in India

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2020 %	2019 %	2020 %	2019 %	
Subsidiary of Uniquet Infra Ventures Private Limited						
Khalghat Sendhwa Tollways Private Limited at	India	80.1	80.1	19.9	19.9	Undertake the design, engineering, finance, construction, operation and maintenance of Khalghat-MP/Maharashtra Border Section on NH-3 from Km84.700 to Km167.500 in the State of Madhya Pradesh under NHDP Phase IIIA through a concession on Build, Operate and Transfer (BOT) basis.
Subsidiaries of Plus Malaysia						
Projek Lebuhraya Usahasama Berhad	Malaysia	51.0	51.0	49.0	49.0	Provision of operation, maintenance and toll collection of the expressways
Teras Teknologi Sdn. Bhd.	Malaysia	51.0	51.0	49.0	49.0	Investment holding and engaged in supply, installation and maintenance of toll systems and equipment for expressway projects
Expressway Lingkaran Tengah Sdn. Bhd.	Malaysia	51.0	51.0	49.0	49.0	Inactive
Linkedua (Malaysia) Berhad	Malaysia	51.0	51.0	49.0	49.0	Inactive

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**Khazanah Nasional Berhad
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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2020 %	2019 %	2020 %	2019 %	
Subsidiaries of Plus Malaysia (cont'd.)						
Lebuhraya Pantai Timur 2 Sdn. Bhd.	Malaysia	51.0	51.0	49.0	49.0	Provision of operations, maintenance and toll collection of the East Coast Expressway Phase 2
Penang Bridge Sdn. Bhd.	Malaysia	51.0	51.0	49.0	49.0	Inactive
Projek Lebuhraya Utara-Selatan Berhad	Malaysia	51.0	51.0	49.0	49.0	Inactive
Terra Plus Sdn. Bhd.	Malaysia	51.0	51.0	49.0	49.0	Inactive
Zoom Interactive Sdn. Bhd.	Malaysia	51.0	51.0	49.0	49.0	Inactive
Subsidiaries of UEM Sunrise						
UEM Land Berhad ("UEM Land")	Malaysia	69.6	66.1	30.4	33.9	Property development, property investment, project procurement and management and strategic investment holding
Nusajaya Resort Sdn. Bhd.	Malaysia	69.6	66.1	30.4	33.9	Operator of the East Ledang Clubhouse
Sunrise Berhad ("Sunrise")	Malaysia	69.6	66.1	30.4	33.9	Property development and investment holding
UEM Sunrise (Australia) Sdn. Bhd.	Malaysia	69.6	66.1	30.4	33.9	Investment holding

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2020 %	2019 %	2020 %	2019 %	
Subsidiaries of UEM Sunrise (cont'd.)						
UEM Sunrise (Canada) Sdn. Bhd.	Malaysia	69.6	66.1	30.4	33.9	Investment holding, property development and general trading
UEM Sunrise Management Services Sdn. Bhd.	Malaysia	69.6	66.1	30.4	33.9	Investment holding
UEM Sunrise Properties Sdn. Bhd.	Malaysia	69.6	66.1	30.4	33.9	Investment holding, property development and general trading
Nusajaya Five O Sdn. Bhd.	Malaysia	69.6	66.1	30.4	33.9	Provision of security services.

Name	Country of incorporation/ principal place of business	Effective interest~		Accounting model applied	Principal activities
		2020 %	2019 %		
Associate of UEM Sunrise					
UEM Sunrise Edgenta TMS Sdn. Bhd. β	Malaysia	69.3	68.2	Equity method	Investment holding
Joint ventures of UEM Sunrise					
Nusajaya Lifestyle Sdn. Bhd. x	Malaysia	38.3	36.4	Equity method	Property and real estate development, management and property management

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Accounting model applied	Principal activities
		2020 %	2019 %		
Joint ventures of UEM Sunrise (cont'd.)					
Nusajaya Premier Sdn. Bhd. x	Malaysia	55.7	52.9	Equity method	Property development and investment holding.
Desaru South Course Residences Sdn. Bhd. ("DSCR") x	Malaysia	35.5	33.7	Equity method	Property development
Desaru North Course Residences Sdn. Bhd. ("DNCR") x	Malaysia	35.5	33.7	Equity method	Property development
Desaru South Course Land Sdn. Bhd. ("DSCL") x	Malaysia	35.5	33.7	Equity method	Property development
Malaysian Bio-Xcell Sdn. Bhd. *	Malaysia	27.8	26.4	Equity method	In receivership and liquidation

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2020 %	2019 %	2020 %	2019 %	
Subsidiaries of UEM Land						
Bandar Nusajaya Development Sdn. Bhd. ("BND")	Malaysia	69.6	66.1	30.4	33.9	Investment holding, property development, land trading and an agent for its subsidiaries
Finwares Sdn. Bhd.	Malaysia	69.6	66.1	30.4	33.9	Investment holding
Fleet Group Sdn. Bhd.	Malaysia	69.6	66.1	30.4	33.9	Investment holding

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2020 %	2019 %	2020 %	2019 %	
Subsidiaries of UEM						
Land (cont'd.)						
Hatibudi Nominees (Tempatan) Sdn. Bhd. *	Malaysia	69.6	66.1	30.4	33.9	In members' voluntary liquidation
Marina Management Sdn. Bhd.	Malaysia	69.6	66.1	30.4	33.9	Marina management and property management
Mahisa Sdn. Bhd.	Malaysia	69.6	66.1	30.4	33.9	Property developer and undertaking construction and turnkey development contracts
Marak Unggul Sdn. Bhd.	Malaysia	34.8	33.1	65.2	66.9	Dormant
Nusajaya Development Sdn. Bhd.	Malaysia	69.6	66.1	30.4	33.9	Property development
Nusajaya Medical Park Sdn. Bhd. *	Malaysia	69.6	66.1	30.4	33.9	Construct, manage and/or operate specialised buildings for long term lease and property development
UEM Sunrise Nusantara Sdn. Bhd. *	Malaysia	69.6	66.1	30.4	33.9	In members' voluntary liquidation
UEM Sunrise Overseas Corporation Sdn. Bhd.	Malaysia	69.6	66.1	30.4	33.9	Investment holding

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2020 %	2019 %	2020 %	2019 %	
Subsidiaries of UEM Land (cont'd.)						
Aura Muhibah Sdn. Bhd.	Malaysia	41.8	39.7	58.2	60.3	Property development

Name	Country of incorporation/ principal place of business	Effective interest~		Accounting model applied	Principal activities
		2020 %	2019 %		
Associates of UEM Land					
Setia Haruman Sdn. Bhd. *	Malaysia	17.4	16.5	Equity method	Township development, property development, project development and sale of land
Scope Energy Sdn. Bhd.*	Malaysia	27.8	26.4	Equity method	Property development
Inneonusa Sdn. Bhd. *	Malaysia	27.1	25.8	Equity method	Provision of smart infrastructure, smart safety and security system, smart in-building services and smart wide services including smart tenant services for owners, operators, residents and visitors
Sarandra Malaysia Sdn. Bhd.	Malaysia	27.8	26.4	Equity method	Investment holding, constructing, managing and developing of Club

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Accounting model applied	Principal activities
		2020 %	2019 %		
Joint Ventures of UEM Land					
Cahaya Jauhar Sdn. Bhd. x	Malaysia	41.8	39.7	Equity method	Undertake the turnkey design and build for the development of Johor State New Administrative Centre known as Kota Iskandar) and State Government Staff Housing in Puteri, Johor, and provision of facilities maintenance and management services
Gerbang Leisure Park Sdn. Bhd. *	Malaysia	34.8	33.1	Equity method	Property development
Haute Property Sdn. Bhd.	Malaysia	27.8	26.4	Equity method	Property development and property marketing
Horizon Hills Development Sdn. Bhd.	Malaysia	34.8	33.1	Equity method	Property development
Nusajaya Consolidated Sdn. Bhd. *	Malaysia	34.8	33.1	Equity method	Property development and related activities
Nusajaya Tech Park Sdn. Bhd.	Malaysia	27.8	26.4	Equity method	Property development
FASTrack Iskandar Sdn. Bhd.	Malaysia	20.9	19.8	Equity method	Property development and to develop, construct, operate and manage motorsport city with related facilities and services

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2020 %	2019 %	2020 %	2019 %	
Subsidiaries of BND						
Nusajaya Industrial Park Sdn. Bhd.	Malaysia	69.6	66.1	30.4	33.9	Property development
Nusajaya Gardens Sdn. Bhd.	Malaysia	69.6	66.1	30.4	33.9	Land trading and investment holding
Nusajaya Greens Sdn. Bhd.	Malaysia	69.6	66.1	30.4	33.9	Property development, land trading and investment holding
Nusajaya Heights Sdn. Bhd.	Malaysia	69.6	66.1	30.4	33.9	Property development, land trading and investment holding
Nusajaya Rise Sdn. Bhd.	Malaysia	69.6	66.1	30.4	33.9	Property development, land trading, investment holding and money lending activity
Nusajaya Seaview Sdn. Bhd.	Malaysia	69.6	66.1	30.4	33.9	Land trading and investment holding
Nusajaya Land Sdn. Bhd.	Malaysia	69.6	66.1	30.4	33.9	Property development
Symphony Hills Sdn. Bhd.	Malaysia	69.6	66.1	30.4	33.9	Property development, land trading and investment holding

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2020 %	2019 %	2020 %	2019 %	
Subsidiary of UEM						
Sunrise Nusantara Sdn. Bhd.						
P.T. Bias Permata	Indonesia	69.6	66.1	30.4	33.9	Investment holding
Subsidiary of UEM						
Sunrise Overseas Corporation Sdn. Bhd.						
UEM Sunrise South Africa (Pty) Ltd. *	South Africa	69.6	66.1	30.4	33.9	Investment holding
Subsidiaries of UEM Sunrise						
South Africa (Pty) Ltd						
Roc-Union (Proprietary) Limited *	South Africa	55.9	53.1	44.1	46.9	Investment holding
Subsidiary of Roc-Union						
(Proprietary) Limited						
Rocpoint (Proprietary) Limited *	South Africa	55.9	53.1	44.1	46.9	Acquisition and development of land
Name	Country of incorporation/ principal place of business	Effective interest~		Accounting model applied	Principal activities	
		2020 %	2019 %			
Associate of Rocpoint						
(Proprietary) Limited						
Durban Point Development Company (Proprietary) Limited	South Africa	28.0	26.6	Equity method		Property development

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2020 %	2019 %	2020 %	2019 %	
Subsidiaries of Sunrise						
Arcoris Sdn. Bhd.	Malaysia	69.6	66.1	30.4	33.9	Property investment and development
Ascot Assets Sdn. Bhd.	Malaysia	69.6	66.1	30.4	33.9	Property development
Allevia Sdn. Bhd. (formerly known as Aston Star Sdn. Bhd.)	Malaysia	69.6	66.1	30.4	33.9	Property investment, development and construction
Aurora Tower at KLCC Sdn. Bhd.	Malaysia	69.6	66.1	30.4	33.9	Property development
Ibarat Duta Sdn. Bhd.	Malaysia	69.6	66.1	30.4	33.9	Property development
Laser Tower Sdn. Bhd.	Malaysia	69.6	66.1	30.4	33.9	Property development
Lembah Suria Sdn. Bhd.	Malaysia	69.6	66.1	30.4	33.9	Property development
Lucky Bright Star Sdn. Bhd.	Malaysia	69.6	66.1	30.4	33.9	Property investment and development
Mega Legacy (M) Sdn. Bhd.	Malaysia	34.8	33.1	65.2	66.9	Property development
Milik Harta Sdn. Bhd.	Malaysia	69.6	66.1	30.4	33.9	Property development
New Planet Trading Sdn. Bhd.	Malaysia	69.6	66.1	30.4	33.9	Property investment and development
Prinsip Eramaju Sdn. Bhd.	Malaysia	69.6	66.1	30.4	33.9	Property development
SCM Property Services Sdn. Bhd.	Malaysia	69.6	66.1	30.4	33.9	Provision of property management services

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2020 %	2019 %	2020 %	2019 %	
Subsidiaries of Sunrise (cont'd.)						
Solid Performance Sdn. Bhd.	Malaysia	69.6	66.1	30.4	33.9	Property development
Summer Suites Sdn. Bhd.	Malaysia	69.6	66.1	30.4	33.9	Property development
Sun Victory Sdn. Bhd.	Malaysia	69.6	66.1	30.4	33.9	Property investment and development and hotel operation
Sunrise Alliance Sdn. Bhd.	Malaysia	69.6	66.1	30.4	33.9	Property development
Sunrise Benchmark Sdn. Bhd.	Malaysia	69.6	66.1	30.4	33.9	Property development
Sunrise Century Sdn. Bhd.	Malaysia	69.6	66.1	30.4	33.9	Property development
Sunrise Hospitality and Leisure Sdn. Bhd. *	Malaysia	69.6	66.1	30.4	33.9	In members' voluntary liquidation
Sunrise Innovations Sdn. Bhd.	Malaysia	69.6	66.1	30.4	33.9	Property development
Sunrise Landmark Sdn. Bhd.	Malaysia	69.6	66.1	30.4	33.9	Property development
Sunrise Mersing Sdn. Bhd.	Malaysia	69.6	66.1	30.4	33.9	Property development
Sunrise Oscar Sdn. Bhd.	Malaysia	69.6	66.1	30.4	33.9	Investment holding

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2020 %	2019 %	2020 %	2019 %	
Subsidiaries of Sunrise (cont'd.)						
Sunrise Overseas Corporation Sdn. Bhd.	Malaysia	69.6	66.1	30.4	33.9	Investment holding and provision of management services
Sunrise Paradigm Sdn. Bhd.	Malaysia	69.6	66.1	30.4	33.9	Property development
Sunrise Pioneer Sdn. Bhd.	Malaysia	69.6	66.1	30.4	33.9	Property development
Sunrise Project Services Sdn. Bhd.	Malaysia	69.6	66.1	30.4	33.9	Property development and project management for property development projects
Sunrise Quality Sdn. Bhd.	Malaysia	69.6	66.1	30.4	33.9	Property development
Sunrise Region Sdn. Bhd.	Malaysia	69.6	66.1	30.4	33.9	Property development
Sunrise Sovereign Sdn. Bhd.	Malaysia	69.6	66.1	30.4	33.9	Property development and investment holding
Sunrise International Development Ltd *	The Cayman Islands	69.6	66.1	30.4	33.9	Investment holding
Sunrise Overseas (S) Pte Ltd	Singapore	69.6	66.1	30.4	33.9	Promotion and management services relating to Sunrise Group's properties in Malaysia

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2020 %	2019 %	2020 %	2019 %	
Sunrise MS Pte Ltd	Singapore	69.6	66.1	30.4	33.9	Provision of consultancy, advisory and technical services in relation to project development

Name	Country of incorporation/ principal place of business	Effective interest~		Accounting model applied	Principal activities
		2020 %	2019 %		
Joint Ventures of Sunrise					
Sime Darby Property Sunrise Development Sdn. Bhd. (formerly known as Sime Darby Sunrise Development Sdn. Bhd.) *	Malaysia	34.8	33.1	Equity method	Property development
Sunrise MCL Land Sdn. Bhd.*	Malaysia	34.8	33.1	Equity method	Property development and property investment

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2020 %	2019 %	2020 %	2019 %	
Subsidiaries of UEM Sunrise (Australia) Sdn. Bhd.						
UEM Sunrise (Land) Pty Ltd	Australia	69.6	66.1	30.4	33.9	Holding and financing company
UEM Sunrise (Developments) Pty Ltd	Australia	69.6	66.1	30.4	33.9	Holding and financing company

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2020 %	2019 %	2020 %	2019 %	
Subsidiaries of UEM Sunrise (Land) Pty Ltd						
UEM Sunrise (Mackenzie Street) Pty Ltd	Australia	69.6	66.1	30.4	33.9	Trustee company
UEM Sunrise (Mackenzie Street) Unit Trust	Australia	69.6	66.1	30.4	33.9	Landowning entity
UEM Sunrise (La Trobe Street) Pty Ltd	Australia	69.6	66.1	30.4	33.9	Trustee company
UEM Sunrise (La Trobe Street) Unit Trust	Australia	69.6	66.1	30.4	33.9	Landowning entity
UEM Sunrise (St Kilda Road) Pty Ltd	Australia	69.6	66.1	30.4	33.9	Trustee company
UEM Sunrise (St Kilda Road) Unit Trust	Australia	69.6	66.1	30.4	33.9	Landowning entity
UEM Sunrise (Collingwood) Pty Ltd (incorporated in April 2020)	Australia	69.6	-	30.4	-	Trustee company
UEM Sunrise (Collingwood) Unit Trust (Trust Deed dated April 2020)	Australia	69.6	-	30.4	-	Landowning entity

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2020 %	2019 %	2020 %	2019 %	
Subsidiaries of UEM Sunrise (Development) Pty Ltd						
UEM Sunrise (Mackenzie Street Development) Pty Ltd	Australia	69.6	66.1	30.4	33.9	Development company
UEM Sunrise (La Trobe Street Development) Pty Ltd	Australia	69.6	66.1	30.4	33.9	Development company
UEM Sunrise (St Kilda Road Development) Pty Ltd	Australia	69.6	66.1	30.4	33.9	Development company
UEM Sunrise (Aurora Melbourne Central Property Management) Pty Ltd	Australia	69.6	66.1	30.4	33.9	Property management Service
UEM Sunrise (Collingwood Development) Pty Ltd (incorporated in April 2020)	Australia	69.6	-	30.4	-	Project Development
UEM Sunrise (Conservatory Melbourne Property Management) Pty Ltd	Australia	69.6	66.1	30.4	33.9	Property management Service

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2020 %	2019 %	2020 %	2019 %	
Subsidiaries of UEM Sunrise Properties Sdn. Bhd.						
Nusajaya DCS Sdn. Bhd.	Malaysia	69.6	66.1	30.4	33.9	Provision of cooling plant facility services
Opera Retreat Sdn. Bhd.	Malaysia	69.6	66.1	30.4	33.9	Property investment
Puteri Harbour Convention Centre Sdn. Bhd.	Malaysia	69.6	66.1	30.4	33.9	Own and operate a convention centre
UEM Sunrise Nusajaya Properties Sdn. Bhd.	Malaysia	69.6	66.1	30.4	33.9	Property investment
Name	Country of incorporation/ principal place of business	Effective interest~ 2020 %	Effective interest~ 2019 %	Accounting model applied	Principal activities	
Joint venture of UEM Sunrise Properties Sdn. Bhd.						
UEM Sunrise WOTSO Malaysia Sdn. Bhd. *	Malaysia	34.8	33.1	Equity method	Provision of co-working office and event space	

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2020 %	2019 %	2020 %	2019 %	
Subsidiary of UEM Sunrise (Canada) Sdn. Bhd.						
UEM Sunrise (Canada) Development Ltd *	Canada	-	66.1	-	33.9	Dissolved
Subsidiaries of UEM Sunrise Management Services Sdn. Bhd.						
Rise Digital Sdn. Bhd. (formerly known as UEM Sunrise Nusajaya Property Services Sdn. Bhd.	Malaysia	69.6	66.1	30.4	33.9	Provision of property digital services
UEM Sunrise Project Services Sdn. Bhd.	Malaysia	69.6	66.1	30.4	33.9	Property management for property development
Subsidiary of Sunrise Oscar Sdn. Bhd.						
Sunrise DCS Sdn. Bhd.	Malaysia	69.6	66.1	30.4	33.9	Provision of cooling plant facility services
Subsidiary of Sunrise International Development Ltd						
Sunrise Holdings S.à.r.l. *	The Grand Duchy of Luxembourg	69.6	66.1	30.4	33.9	Investment holding
Subsidiary of Sunrise Holdings S.à.r.l.						
Canada Sunrise Development Corp. *	Canada	69.6	66.1	30.4	33.9	Property investment and development

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2020 %	2019 %	2020 %	2019 %	
Subsidiaries of Canada						
Sunrise Development Corp.						
Canada Sunrise Developments (Richmond) Limited *	Canada	-	66.1	-	33.9	Dissolved
Subsidiaries of UEM Builders						
Buildcast Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Production of precast concrete products
IBS Iconsis Sdn. Bhd. *	Malaysia	100.0	100.0	-	-	In members' voluntary liquidation
Intria Bina Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Civil engineering and construction works
Hoto Stainless Steel Industries Sdn. Bhd.	Malaysia	-	97.9	-	2.1	Disposed
Pati Sdn. Bhd. ("PATI")	Malaysia	100.0	100.0	-	-	Civil engineering works and building construction
PATI Technologies Sdn. Bhd.*	Malaysia	-	100.0	-	-	Disposed
Total Trade Sdn. Bhd. *	Malaysia	100.0	100.0	-	-	In members' voluntary liquidation
UEM Construction Sdn. Bhd. ("UEMC")	Malaysia	100.0	100.0	-	-	Contractors for the execution of construction and engineering works

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2020 %	2019 %	2020 %	2019 %	
Subsidiaries of UEM Builders (cont'd.)						
UEM Construction (B) Sdn. Bhd. ///	Brunei	100.0	100.0	-	-	Civil, electrical, mechanical and industrial plant construction and general building and contracting
UEMB – MRCB JV Sdn. Bhd.	Malaysia	51.0	51.0	49.0	49.0	Master contractor for the execution of engineering and construction works
UEMB - Najcom JV	Unincorporated	65.0	65.0	35.0	35.0	Master contractor for the execution of engineering and construction works
UEMB-PROPEL Consortium	Unincorporated	100.0	100.0	-	-	Civil engineering works and building construction
Name	Country of incorporation/ principal place of business	Effective interest~ 2020 %	Effective interest~ 2019 %	Accounting model applied	Principal activities	
Joint Venture of UEM Builders						
Shimizu – Nishimatsu - UEMB – IJM JV	Unincorporated	20.0	20.0	Equity method	Water transfer tunnel and related works for Pahang-Selangor Raw Water Transfer project	

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2020 %	2019 %	2020 %	2019 %	
Subsidiaries of UEMC						
UEM (Mauritius) Co Ltd ("UEMM") *	Mauritius	100.0	100.0	-	-	Investment holding
PT Karabha Gryamandiri	Indonesia	55.0	55.0	45.0	45.0	Subcontractor of construction of CPTR package
UEMC - PPES Works (Sarawak) Sdn. Bhd. JV	Unincorporated	70.0	70.0	30.0	30.0	Design and build for Hospital Lawas project

Name	Country of incorporation/ principal place of business	Effective interest~		Accounting model applied	Principal activities
		2020 %	2019 %		
Associate of UEMC					
Samsung C&T Corporation UEM Construction JV Sdn. Bhd.	Malaysia	40.0	40.0	Equity method	Main contractor for the execution of civil engineering works and and building construction

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Accounting model applied	Principal activities
		2020 %	2019 %		
Joint Ventures of UEMC					
UEMC – Bina Puri JV x*	Unincorporated	60.0	60.0	Equity method	Design, construction, completion, testing, commissioning and maintenance of main terminal building, satellite building, sky bridge and piers

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2020 %	2019 %	2020 %	2019 %	
Subsidiaries of UEMM						
UE Development India Pvt Ltd ("UEDI") *	India	100.0	100.0	-	-	Construction works and maintenance of expressways
Pati International (India) Pvt. Ltd. *	India	100.0	100.0	-	-	In member's voluntary liquidation
UEM Builders – Ansalapi Contracts Pvt. Ltd. Ω*	India	60.0	60.0	40.0	40.0	Construction, execution and completion of various building and engineering works at Sushant Golf City, Lucknow

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2020 %	2019 %	2020 %	2019 %	
Subsidiary of PT Karabha Gryamandiri						
PT Karabha Gryamandiri & PT Nusa Raya Cipta Consortium µ	Unincorporated	30.3	30.3	69.7	69.7	Design, development, construction, management, maintenance and operation of the CPTR package
Subsidiary of Pati International (India) Pvt Ltd						
Rushil Constructions (India) Pvt. Ltd. *	India	100.0	100.0	-	-	In members' voluntary liquidation
Subsidiary of PATI Sdn. Bhd.						
Pati Pave Sdn. Bhd. *	Malaysia	100.0	100.0	-	-	In members' voluntary liquidation
Name	Country of incorporation/ principal place of business	Effective interest~		Accounting model applied	Principal activities	
		2020 %	2019 %			
Associate of PATI Sdn. Bhd.						
Pati Philippines Inc. *	Philippines	40.0	40.0	Equity method	Dormant	
Joint Ventures of PATI Sdn. Bhd.						
Road Builder (M) Sdn. Bhd. – PATI Sdn. Bhd. JV *	Unincorporated	50.0	50.0	Equity method	Construction and extension of roads	

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Accounting model applied	Principal activities
		2020 %	2019 %		

Joint Ventures of PATI Sdn. Bhd. (cont'd.)

B. Seenayah & Co – Road Builder (M) Sdn. Bhd. – PATI Sdn. Bhd. JV *	Unincorporated	25.0	25.0	Equity method	Construction and extension of roads
PATI Sdn. Bhd. - Bhagheeratha Engineering Ltd JV *	Unincorporated	50.0	50.0	Equity method	Construction and extension of roads

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2020 %	2019 %	2020 %	2019 %	

Subsidiaries of CIMA

Cimaco Readymix Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Dormant
I-Mix Concrete Industries Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Inactive
Kuad Sdn. Bhd.	Malaysia	70.0	70.0	30.0	30.0	Quarrying business and its related activities
Kuari Pati Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Quarrying business and its related activities
Matang Pagar Sdn. Bhd.	Malaysia	80.0	80.0	20.0	20.0	Quarrying business and its related activities
Negeri Sembilan Cement Industries Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Manufacture and sale of cement
Pemasaran Simen Negara Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Inactive

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2020 %	2019 %	2020 %	2019 %	
Subsidiaries of CIMA (cont'd.)						
Profitlite Holdings Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Quarrying business and its related activities
Unipati Concrete Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Production and sale of ready-mixed concrete
Subsidiaries of Kuari Pati Sdn. Bhd.						
Pati Bukit Perak Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Quarrying business and its related activities
Pati Nilai Quarry Sdn. Bhd.	Malaysia	70.0	70.0	30.0	30.0	Quarrying business and its related activities
Name	Country of incorporation/ principal place of business	Effective interest~ 2020 %	Effective interest~ 2019 %	Non-controlling interest~ 2020 %	Non-controlling interest~ 2019 %	Principal activities
Subsidiaries of UEM Edgenta						
Opus Group Berhad ("Opus")	Malaysia	69.1	69.1	30.9	30.9	Investment holding
Edgenta Propel Berhad ("Edgenta Propel")	Malaysia	69.1	69.1	30.9	30.9	Maintenance and repair of civil, mechanical and electrical works of roads, infrastructure and expressways and industrial cleaning services

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2020 %	2019 %	2020 %	2019 %	
Subsidiaries of UEM Edgenta (cont'd.)						
Edgenta Environmental & Material Testing Sdn. Bhd.	Malaysia	69.1	69.1	30.9	30.9	Geotechnical investigation, instrumentation and pavement condition assessment works
Faber Development Holdings Sdn. Bhd.	Malaysia	69.1	69.1	30.9	30.9	Investment holding
Edgenta Healthcare Management Sdn. Bhd.	Malaysia	69.1	69.1	30.9	30.9	Provision of hospital support services
Faber Hotels Holdings Sdn. Bhd.	Malaysia	69.1	69.1	30.9	30.9	In member's voluntary liquidation
Faber LLC*	Emirates of Dubai	51.9	51.9	48.1	48.1	Facilities management services in United Arab Emirates
Edgenta Facilities Sdn. Bhd.	Malaysia	69.1	69.1	30.9	30.9	Investment holding and provision of integrated facilities management services
Edgenta Energy Services Sdn. Bhd.	Malaysia	48.4	48.4	51.6	51.6	Energy performance management services
Edgenta Energy Projects Sdn. Bhd.	Malaysia	69.1	69.1	30.9	30.9	Providing energy management services and renewable energy services

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2020 %	2019 %	2020 %	2019 %	
Subsidiaries of UEM Edgenta (cont'd.)						
Edgenta (Singapore) Pte. Ltd.	Singapore	69.1	69.1	30.9	30.9	Investment holding
Edgenta Township Management Services Sdn. Bhd.	Malaysia	69.1	69.1	30.9	30.9	Investment holding and management of real estate
Edgenta GreenTech Sdn. Bhd. (formerly known as KFM Holdings Sdn. Bhd.)	Malaysia	69.1	55.3	30.9	44.7	Provision of asset development and facility management services
Sate Yaki Sdn. Bhd.	Malaysia	41.5	41.5	58.5	58.5	In Court's Winding-up
Subsidiaries of Opus						
Builders Credit & Leasing Sdn. Bhd.	Malaysia	69.1	69.1	30.9	30.9	Investment holding
Opus International (NZ) Limited	New Zealand	69.1	69.1	30.9	30.9	Investment holding
Opus International (M) Berhad ("OIM")	Malaysia	69.1	69.1	30.9	30.9	Management of the planning, design and construction of infrastructure projects and provision of facilities management services

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2020 %	2019 %	2020 %	2019 %	
Subsidiaries of OIM						
Opus Management Sdn. Bhd.	Malaysia	69.1	69.1	30.9	30.9	Management of the planning, design and construction of infrastructure projects and provision of facilities management services
Opus Consultants (Sarawak) Sdn. Bhd.	Malaysia	69.1	69.1	30.9	30.9	Provision of project management and engineering consultancy services
Pengurusan LRT Sdn. Bhd.	Malaysia	69.1	69.1	30.9	30.9	In member's voluntary liquidation
Pengurusan Lantas Berhad	Malaysia	69.1	69.1	30.9	30.9	Provision of technical management support services for the planning, design and construction of projects
Opus International India Pte Ltd *	India	69.1	69.1	30.9	30.9	Provision of asset development and asset management services
Opus Al-Dauliyah LLC **	Kingdom of Saudi Arabia	69.1	69.1	30.9	30.9	Engineering consultancy services
Name	Country of incorporation/ principal place of business	Effective interest~		Accounting model applied	Principal activities	
		2020 %	2019 %			
Associate of OIM						
Opus Consultants (M) Sdn. Bhd.	Malaysia	20.7	20.7	Equity method		Engineering consultancy services

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2020 %	2019 %	2020 %	2019 %	
Subsidiaries of Edgenta Propel						
Edgenta Infrastructure Services Sdn. Bhd.	Malaysia	69.1	69.1	30.9	30.9	Maintenance and repair of civil mechanical and electrical works on roads, infrastructure expressways and industrial cleaning services
PT Edgenta PROPEL Indonesia	Indonesia	69.1	69.1	30.9	30.9	Provision of management consultancy and advisory related to management of roads
Name	Country of incorporation/ principal place of business	Effective interest~ 2020 %	Effective interest~ 2019 %	Accounting model applied	Principal activities	
Jointly controlled operation of Edgenta Propel						
Edgenta Propel-NRC JO	Unincorporated	38.0	38.0	Equity method	Providing highway maintenance services	
Jointly controlled operation of Edgenta Propel Indonesia						
PT Edgenta PROPEL PT Astra Nusantara - Astra Infra Solutions JO	Unincorporated	34.6	34.6	Equity method	Providing highway maintenance services	

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2020 %	2019 %	2020 %	2019 %	
Subsidiaries of Faber Development Holdings Sdn. Bhd.						
Country View Development Sdn. Bhd.	Malaysia	69.1	69.1	30.9	30.9	Property development and provision of facilities management services
Faber Grandview Development (Sabah) Sdn. Bhd.	Malaysia	69.1	69.1	30.9	30.9	Property development
Faber Heights Management Sdn. Bhd.	Malaysia	69.1	69.1	30.9	30.9	Property management
Faber Union Sdn. Bhd.	Malaysia	69.1	69.1	30.9	30.9	Property development
Rimbunan Melati Sdn. Bhd.	Malaysia	38.0	38.0	62.0	62.0	Property development
Subsidiary of Edgenta Healthcare Management Sdn. Bhd.						
Edgenta Mediserve Sdn. Bhd. @	Malaysia	69.1	69.1	30.9	30.9	Provision of hospital support services
Subsidiaries of EMS						
Cermin Cahaya Sdn. Bhd.	Malaysia	69.1	69.1	30.9	30.9	Provision of cleansing services to hospitals
Edgenta Healthtronics Sdn. Bhd.	Malaysia	69.1	69.1	30.9	30.9	Provision of biomedical electronic engineering maintenance services
Edgenta Mediserve (Sarawak) Sdn. Bhd.	Malaysia	69.1	69.1	30.9	30.9	Investment holding

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2020 %	2019 %	2020 %	2019 %	

Subsidiaries of EMS (cont'd.)

Edgenta Mediserve (Sabah) Sdn. Bhd.	Malaysia	69.1	69.1	30.9	30.9	Investment holding
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Name	Country of incorporation/ principal place of business	Effective interest~		Accounting model applied	Principal activities
		2020 %	2019 %		

**Associates of Edgenta
Mediserve (Sarawak)
Sdn. Bhd.**

One Medicare Sdn. Bhd.*	Malaysia	27.7	27.7	Equity method	Provision of hospital support services
Biomedix Solutions Sdn. Bhd. *	Malaysia	27.7	27.7	Equity method	Provision of biomedical engineering maintenance services

**Associate of Edgenta
Mediserve (Sabah) Sdn. Bhd.**

Sedafiat Sdn. Bhd.*	Malaysia	27.7	27.7	Equity method	Provision of hospital support services
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Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2020 %	2019 %	2020 %	2019 %	

**Subsidiaries of Edgenta
Facilities Sdn. Bhd.**

Edgenta Facilities Management Sdn. Bhd.	Malaysia	69.1	69.1	30.9	30.9	Facilities management services
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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2020 %	2019 %	2020 %	2019 %	
Subsidiaries of Edgenta Facilities Sdn. Bhd. (cont'd.)						
General Field Sdn. Bhd.	Malaysia	69.1	69.1	30.9	30.9	Provision of energy performance management services
Faber Star Facilities Management Limited *	India	69.1	69.1	30.9	30.9	In liquidation

Name	Country of incorporation/ principal place of business	Effective interest~		Accounting model applied	Principal activities
		2020 %	2019 %		
Associate of Edgenta Facilities Sdn. Bhd.					
Faber Sindoori Management Services Private Limited χ^*	India	35.3	35.3	Equity method	Facilities management in India

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2020 %	2019 %	2020 %	2019 %	
Subsidiary of Edgenta Township Management Services Sdn. Bhd.						
UEM Sunrise Edgenta TMS Sdn. Bhd. β	Malaysia	68.2	68.2	31.8	31.8	Investment holding and management of real

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2020 %	2019 %	2020 %	2019 %	
Subsidiary of UEM Sunrise Edgenta TMS						
Edgenta TMS Sdn. Bhd.	Malaysia	47.7	47.7	52.3	52.3	In member's voluntary liquidation
Subsidiaries of Edgenta GreenTech Sdn. Bhd. (formerly known as KFM Holdings Sdn. Bhd.)						
KFM Projects Sdn. Bhd.	Malaysia	69.1	55.3	30.9	44.7	Project management consulting services
KFM Systems Sdn. Bhd.	Malaysia	69.1	55.3	30.9	44.7	Consulting and contractor for building management systems for the built environment
KFM Solutions Sdn. Bhd.	Malaysia	69.1	55.3	30.9	44.7	Consultancy services in green, smart and connected urban ecology and integrated facility management services
KFM Energy Services Sdn. Bhd.	Malaysia	69.1	55.3	30.9	44.7	Provision of consultancy and other services relating to conservation and renewable energy
Veridis PPP One Sdn. Bhd.	Malaysia	69.1	55.3	30.9	44.7	Concession holder specialising in retrofitting works of building utilising green technology

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2020 %	2019 %	2020 %	2019 %	
Subsidiaries of Edgenta GreenTech Sdn. Bhd. (formerly known as KFM Holdings Sdn. Bhd.) (cont'd.)						
Operon Malaysia Sdn. Bhd.	Malaysia	69.1	55.3	30.9	44.7	Provision of supervising officer for activities related to green technology and other solutions for the built environment
Operon Consulting Sdn. Bhd.	Malaysia	48.4	38.7	51.6	61.3	Asset management consulting services
Operon Middle East Limited	British Virgin Islands	69.1	55.3	30.9	44.7	Facilities management and buildings cleaning services
KFM Middle East Limited *	British Virgin Islands	48.4	38.7	51.6	61.3	Dormant
Name	Country of incorporation/ principal place of business	Effective interest~		Accounting model applied		Principal activities
		2020 %	2019 %			
Associate of Operon Consulting Sdn. Bhd.						
Operon Asset Advisory Sdn. Bhd. *	Malaysia	-	19.0	Equity method		Disposed on 15 October 2020

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2020 %	2019 %	2020 %	2019 %	
Subsidiary of Edgenta (Singapore) Pte Ltd						
UEMS Pte Ltd	Singapore	67.4	67.4	32.6	32.6	Investment holding
Subsidiary of UEMS Pte Ltd						
UEMS Solutions Pte Ltd	Singapore	67.4	67.4	32.6	32.6	Provision of facility management services
Edgenta UEMS Sdn. Bhd.	Malaysia	67.4	67.4	32.6	32.6	Provision of facility management services
Edgenta UEMS Ltd	Taiwan	67.4	67.4	32.6	32.6	Provision of facility management services
ServiceMaster Hong Kong Limited	Hong Kong	67.4	67.4	32.6	32.6	Provision of facility
Subsidiary of Edgenta UEMS Ltd						
Edgenta UEMS SC Ltd	Taiwan	67.4	67.4	32.6	32.6	Provision of cleaning and consulting services for business enterprises, buildings and home service to individuals
Other subsidiaries of UEM						
First Impact Sdn. Bhd. ("FISB")	Malaysia	100.0	100.0	-	-	Investment property holding, provision of maintenance and other related activities of the office building owned by the company
Forte Tech Solutions Sdn. Bhd.	Malaysia	100.0	100.0	-	-	In members' voluntary liquidation

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2020 %	2019 %	2020 %	2019 %	
Other subsidiaries of UEM (cont'd.)						
Intralogic Sdn. Bhd.	Malaysia	100.0	100.0	-	-	In members' voluntary liquidation
Hydron (M) Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Ceased operations
Infrared Advanced Technologies Sdn. Bhd.	Malaysia	75.0	75.0	25.0	25.0	Research, development design, manufacture, implementation, marketing, selling and supplying of electronic toll collection system
MAVTRAC Sdn. Bhd.	Malaysia	100.0	100.0	-	-	In members' voluntary liquidation
Pantai Panorama Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Special purpose vehicle incorporated to facilitate the issuance of IMTN Programme by United Growth
Serayin Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Investment holding, trading and letting of properties
UEM Group Management Sdn. Bhd.	Malaysia	100.0	100.0	-	-	In members' voluntary liquidation
UEM International (West Asia) Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Investment holding

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2020 %	2019 %	2020 %	2019 %	
Other subsidiaries of UEM (cont'd.)						
United Growth Berhad	Malaysia	100.0	100.0	-	-	A special purpose vehicle incorporated specifically for the issuance of IMTN Programme for UEM
Vistajati Holdings Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Property development
UEM Suria Berhad	Malaysia	100.0	100.0	-	-	Investment holding
Subsidiary of UEM International (West Asia) Sdn. Bhd.						
UEM Al-Dauliyyah LLC *^	Kingdom of Saudi Arabia	100.0	100.0	-	-	Ceased operations
Name	Country of incorporation/ principal place of business	Effective interest~		Accounting model applied	Principal activities	
		2020 %	2019 %			
Other associates of UEM						
Puncak Vista Sdn. Bhd. *	Malaysia	30.0	30.0	Equity method	Under compulsory liquidation	
Mekar Idaman Sdn. Bhd.*	Malaysia	45.0	45.0	Equity method	Liquidation by Court	
Other joint venture of UEM						
UEM MMC Joint Venture Sdn. Bhd.	Malaysia	50.0	50.0	Equity method	Investment holding	

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2020 %	2019 %	2020 %	2019 %	
Subsidiaries of UEM						
Suria Berhad						
Suria Legenda Development Sdn. Bhd.	Malaysia	-	100.0	-	-	Struck-off
Suria Siena Development Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Property development and land trading

* Audited by firms other than Ernst & Young PLT.

α Financial year end other than 31 December.

t For the purpose of applying the equity method of accounting for associate and joint ventures with financial year end other than 31 December, the last audited financial statements available and the management financial statements to the end of the accounting period of the associate and joint ventures have been used.

x Deemed to be joint ventures of the Group pursuant to MFRS 11 : Joint Arrangements as the parties involved are undertaking economic activities that are subject to joint control.

// The Group has a total of 64.4% shareholding in JSTPL, comprising 26.0% held via PEIB and 38.4% held via Uniquest.

The Group has a total of 94.1% shareholding in PLUS BKSP comprising 0.1% held by PEIB and 94.0% held by PLUS Kalyan (Mauritius) Private Limited, a wholly-owned subsidiary of PEIB.

β The Group has a total of 68.2% shareholding in UEM Sunrise Edgenta TMS Sdn. Bhd., comprising 19.8% held by UEM Sunrise and 48.4% held by Edgenta Township Management Services Sdn. Bhd.

< Some of the shares in the company are held in trust by individuals.

++ The Group has a total of 76.3% shareholding in Preferred Resources Sdn. Bhd. comprising 30.0% held via UEM Builders and 46.3% held via BND.

m The non-controlling shareholders assign all their rights to the dividend to UEMC.

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

- Ω The Group has a total of 60.0% shareholding in UEM Builders – Ansalapi Contracts Pvt Ltd comprising 50.0% held via UEM (Mauritius) Co Ltd and 10.0% held via UE Development India Pvt Ltd.
- @ The Group has a total of 69.1% shareholdings in Edgenta Mediserve Sdn. Bhd., comprising 39.4% held by Edgenta Healthcare Management Sdn. Bhd. and 29.7% held by UEM Edgenta.
- ^ The Group holds 100.0% of the equity in UEM Al-Dauliyyah LLC, comprising 90.0% held by UEM International (West Asia) Sdn. Bhd. and 10.0% held directly by UEM.
- ** The Group holds 69.1% of the equity in Opus Al-Dauliyyah LLC, comprising 65.7% held directly by OIM, 3.4% held by Opus Management Sdn. Bhd.
- # Suria Siena Development Sdn. Bhd. is 99% held by UEM Group Berhad and 1% by UEM Suria Berhad.

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(B) Subsidiaries of MAS

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2020 %	2019 %	2020 %	2019 %	
Subsidiaries						
Delima Insurance (Labuan) Limited	Malaysia	100.0	100.0	-	-	Captive insurance business. Ceased operations in prior year.
MASkargo Sdn. Bhd. ^^	Malaysia	100.0	100.0	-	-	Air cargo operations, charter freighter and all warehousing activities relating to air cargo operations. Ceased operations in 2015.
MAS Golden Boutiques Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Carried on the business related to travel retail and mail order. Ceased operations in 2015.
Malaysia Airlines Capital (L) Limited	Malaysia	100.0	100.0	-	-	Labuan leasing business
Malaysia Airlines Capital II (L) Limited	Malaysia	100.0	100.0	-	-	Labuan leasing business
Malaysia Airlines Capital III (L) Limited	Malaysia	100.0	100.0	-	-	Labuan leasing business
Malaysia Airlines Capital IV (L) Limited	Malaysia	100.0	100.0	-	-	Labuan leasing business
Kelip-Kelip Labuan Limited	Malaysia	100.0	100.0	-	-	Labuan leasing business
Kelip-Kelip II Labuan Limited	Malaysia	100.0	100.0	-	-	Labuan leasing business

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(B) Subsidiaries of MAS (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2020 %	2019 %	2020 %	2019 %	
Subsidiaries (cont'd.)						
Kelip-Kelip II Cayman Limited	Cayman Islands	100.0	100.0	-	-	Leasing business
Kelip-Kelip III Labuan Limited	Malaysia	100.0	100.0	-	-	Labuan leasing business
Kunang Kunang Labuan Limited	Malaysia	100.0	100.0	-	-	Dormant
Malaysia Airlines A330 Capital Labuan Limited	Malaysia	100.0	100.0	-	-	Labuan leasing business
Malaysia Airlines B738 Capital Labuan Limited	Malaysia	100.0	100.0	-	-	Labuan leasing business
Malaysia Airlines B738 II Capital Labuan Limited	Malaysia	100.0	100.0	-	-	Labuan leasing business
Malaysia Airlines Capital IV Cayman Limited	Cayman Islands	100.0	100.0	-	-	Leasing business
Malaysia Airlines Capital V Cayman Limited	Cayman Islands	100.0	100.0	-	-	Leasing business
MAS Academy Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Dormant
Malaysian Aerospace Engineering Sdn. Bhd. ("MAE")	Malaysia	100.0	100.0	-	-	Dormant
MAS Aerotechnologies Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Dormant

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(B) Subsidiaries of MAS (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2020 %	2019 %	2020 %	2019 %	

Subsidiaries (cont'd.)

MAS Golden Holidays Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Dormant
MH Loyalty Programme Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Dormant

^^ On 25 May 2015, MASkargo Sdn. Bhd. was placed under Administration pursuant to the MAS Act.

(C) Subsidiaries and associates of MAGB

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2020 %	2019 %	2020 %	2019 %	

Subsidiaries of MAGB

Malaysia Airlines Berhad ("MAB")	Malaysia	100.0	100.0	-	-	Business of air transportation and the provision of related services
AeroDarat Services Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Ground services activities on airfields
FlyFirefly Sdn. Bhd. ("Firefly")	Malaysia	100.0	100.0	-	-	Air transportation and the provision of related
MAB Kargo Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Other cargo holding
MAB Leasing Limited	Malaysia	100.0	100.0	-	-	To carry on business of purchase, sale, lease, obtaining lease financing and refinancing of commercial aircraft

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(C) Subsidiaries and associates of MAGB (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2020 %	2019 %	2020 %	2019 %	
Subsidiaries of Malaysia Airlines Berhad						
MAB Pesawat Sdn. Bhd.	Malaysia	100.0	100.0	-	-	To carry on business of purchase, sale, lease, obtaining lease financing and refinancing of commercial aircraft
MASwings Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Air transportation and the provision of related services
Hijrah Biru Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Air transportation and the provision of related services
MAB Academy Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Other education
Malaysia Airlines Holidays Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Dormant
Bakawali (Labuan) Limited	Malaysia	100.0	100.0	-	-	Labuan leasing business
MAB Engineering Services Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Other services activities incidental to air
MAS Aero Services Sdn. Bhd.	Malaysia	51.0	51.0	49.0	49.0	Provision of laundry and cleaning related services
MAS Awana Services Sdn. Bhd.	Malaysia	60.0	60.0	49.0	40.0	Provision of catering and cabin handling services

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(C) Subsidiaries and associates of MAGB (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2020 %	2019 %	2020 %	2019 %	
Subsidiaries of Malaysia Airlines Berhad (cont'd.)						
Impeccable Vintage Properties Sdn. Bhd. ("IVP")	Malaysia	-	100.0	-	-	Activities of holding companies
Subsidiary of FlyFirefly Sdn. Bhd.						
FlyFirefly Holiday Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Tour and travel related operation
Subsidiary of MAB Kargo Sdn. Bhd.						
MASkargo Logistics Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Providing trucking, clearance and warehousing services

Name	Country of incorporation/ principal place of business	Effective interest~		Accounting model applied	Principal activities
		2020 %	2019 %		
Associates of MAGB					
Brahim's SATS Food Service Sdn. Bhd.	Malaysia	30.0	30.0	Equity method	Carry on airline catering related services
Pan Asia Pacific Aviation Services Limited ("PAPAS")	Hong Kong	24.0	24.0	Equity method	Provision of aircraft maintenance services

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(D) Subsidiaries, associates and joint ventures of IIB (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2020 %	2019 %	2020 %	2019 %	
Subsidiaries of IIB						
Iskandar Coast Sdn. Bhd. ("ICSB")	Malaysia	48.0	48.0	52.0	52.0	Investment holding and property development
Iskandar Development Management Services Sdn. Bhd. ("IDMS")	Malaysia	60.0	60.0	40.0	40.0	Management services
SJIC Bina Sdn. Bhd.	Malaysia	60.0	60.0	40.0	40.0	Construction
Peak Alpha Express Sdn. Bhd.	Malaysia	60.0	60.0	40.0	40.0	Investment holding
Educity Iskandar Malaysia Sdn. Bhd. ("EIMSB")	Malaysia	60.0	60.0	40.0	40.0	Investment holding, property development and property management services
Iskandar Assets Sdn. Bhd.	Malaysia	60.0	60.0	40.0	40.0	Property investment
Iskandar Harta Holdings Sdn. Bhd. ("IHHSB")	Malaysia	60.0	60.0	40.0	40.0	Property and investment holding
IIB Ventures Sdn. Bhd.	Malaysia	60.0	60.0	40.0	40.0	Investment holding, security management services and business venture activity
Medini Land Sdn. Bhd.	Malaysia	60.0	60.0	40.0	40.0	Property and investment holding
Iskandar Innovations Sdn. Bhd. ("IISB")	Malaysia	60.0	60.0	40.0	40.0	Investment holding

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(D) Subsidiaries, associates and joint ventures of IIB

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2020 %	2019 %	2020 %	2019 %	
Subsidiaries of IIB (cont'd.)						
Wurawari Ventures Sdn. Bhd.	Malaysia	60.0	60.0	40.0	40.0	Investment holding
Iskandar Capital Sdn. Bhd. ("IskCap")	Malaysia	33.3	33.3	66.7	66.7	Investment holding
Subsidiary of ICSB						
River Retreat Sdn. Bhd.	Malaysia	48.0	48.0	52.0	52.0	Property development and investment
Teladan Tekun Sdn. Bhd.	Malaysia	48.0	48.0	52.0	52.0	Investment holding
Iskandar Medical Education Sdn. Bhd.	Malaysia	48.0	48.0	52.0	52.0	Investment holding
Subsidiaries of IDMS						
Iskandar Management Services Sdn. Bhd.	Malaysia	60.0	60.0	40.0	40.0	Management services
Medini City Management Sdn. Bhd.	Malaysia	60.0	60.0	40.0	40.0	Management services
Subsidiary of IHHSB						
Ujung Medini Sdn. Bhd.	Malaysia	60.0	60.0	40.0	40.0	Property investment

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(D) Subsidiaries, associates and joint ventures of IIB (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2020 %	2019 %	2020 %	2019 %	
Subsidiaries of EIMSB						
Iskandar Education Village Sdn. Bhd.	Malaysia	60.0	60.0	40.0	40.0	Property development and management
Iskandar British Education Sdn. Bhd.	Malaysia	-	60.0	-	40.0	Property development and management
Iskandar Education Enterprise Sdn. Bhd.	Malaysia	60.0	60.0	40.0	40.0	Property development and management
Subsidiaries of IISB						
Virtua Realm Sdn. Bhd.	Malaysia	30.6	30.6	69.4	69.4	Virtual reality and themed park
Subsidiaries of IskCap						
Iskandar British Education Sdn. Bhd.	Malaysia	60.0	-	40.0	-	Property development and management
Name	Country of incorporation/ principal place of business	Effective interest~		Accounting model applied	Principal activities	
		2020 %	2019 %			
Associates of IIB						
Jasmine Acres Sdn. Bhd. ("JASB")	Malaysia	20.0	20.0	Equity method	Investment holding	
Joint ventures of IIB						
Nusajaya Lifestyle Sdn. Bhd.	Malaysia	27.0	27.0	Equity method	Property development	
Metrogold Assets Sdn. Bhd.	Malaysia	12.0	12.0	Equity method	Property development	

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(D) Subsidiaries, associates and joint ventures of IIB (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Accounting model applied	Principal activities
		2020 %	2019 %		
Joint ventures of IIB (cont'd.)					
Raffles Iskandar Sdn. Bhd. *	Malaysia	12.0	12.0	Equity method	Property development
Sunway Iskandar Development Sdn. Bhd.*	Malaysia	24.0	24.0	Equity method	Property development
Nusajaya Premier Sdn. Bhd.	Malaysia	9.6	9.6	Equity method	Property development
Inneonusa Sdn. Bhd. *	Malaysia	6.0	6.0	Equity method	Management services
Joint venture of JASB					
Medini Iskandar Malaysia Sdn. Bhd.	Malaysia	12.0	12.0	Equity method	Property investment holding and the provision of construction services

* Audited by a firm other than Ernst & Young PLT, Malaysia

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(E) Subsidiaries, associates and joint ventures of TARHSB

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2020 %	2019 %	2020 %	2019 %	
Subsidiaries of TARHSB						
Themed Attractions and Resorts Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Investment holding
Destination Resorts and Hotels Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Investment holding
Themed Destination IP Sdn. Bhd. ***	Malaysia	-	100.0	-	-	Investment holding
Subsidiaries of Themed Attractions and Resort Sdn. Bhd.						
Rakan Riang Sdn. Bhd. @	Malaysia	-	80.0	-	20.0	Own and operate KidZania educational and entertainment facility
Malaysia Truly Asia Centre Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Dormant
TAR PH Holdings Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Investment holding and provision of management services
TAR Riverwalk Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Investment holding and to own and operate water park (Adventure Waterpark)
Themed Attractions Berhad ***	Malaysia	-	100.0	-	-	Investment holding
LL Malaysia Attractions Holdings Sdn. Bhd. ("LLMAH")	Malaysia	100.0	100.0	-	-	Investment holding

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(E) Subsidiaries, associates and joint ventures of TARHSB (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2020 %	2019 %	2020 %	2019 %	
Subsidiaries of Themed Attractions and Resort Sdn. Bhd. (cont'd.)						
Rakan Riang Pte Ltd.^	Singapore	-	80.0	-	20.0	Own and operate KidZania educational and entertainment facility
LL Resorts Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Dormant
Subsidiaries of TAR PH Holdings Sdn. Bhd.						
TAR LBC Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Dormant
TAR KB Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Dormant
TAR PH Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Own and operate Hotel Jen
TAR PH Family Entertainment Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Dormant
TAR Kittown Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Dormant
PH Marina Boulevard Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Dormant

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(E) Subsidiaries, associates and joint ventures of TARHSB (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2020 %	2019 %	2020 %	2019 %	
Subsidiaries of PH Marina Boulevard Sdn. Bhd.						
PH Marina Boulevard 1 Sdn. Bhd. **	Malaysia	-	100.0	-	-	Dormant
PH Marina Boulevard 4 Sdn. Bhd. **	Malaysia	-	100.0	-	-	Dormant
PH Marina Boulevard 5 Sdn. Bhd. **	Malaysia	-	100.0	-	-	Dormant
PH Marina Boulevard 6 Sdn. Bhd. **	Malaysia	-	100.0	-	-	Dormant
Subsidiaries of TAR Riverwalk Sdn. Bhd.						
Riverwalk Waterpark Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Dormant
Dolphin Attractions Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Dormant
Park Three Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Own Land for park development

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(E) Subsidiaries, associates and joint ventures of TARHSB (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2020 %	2019 %	2020 %	2019 %	
Subsidiaries of LL Malaysia Attractions Holdings Sdn. Bhd.						
IDR Resorts Sdn. Bhd.	Malaysia	80.0	80.0	20.0	20.0	Investment holding and provision of management services
LL Themed Hotel Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Own and operate Legoland Hotel Malaysia
Subsidiaries of IDR Resorts Sdn. Bhd.						
IDR Assets Sdn. Bhd.	Malaysia	80.0	80.0	20.0	20.0	Own and lease assets of Legoland Malaysia Theme Park
LL Malaysia Taman Tema Sdn. Bhd.	Malaysia	80.0	80.0	20.0	20.0	Manage and operate Legoland Malaysia Theme Park, Water Park and Sealife Aquarium Edutainment facility
Subsidiaries of Destination Resorts and Hotels Sdn. Bhd.						
Stulang Ventures Sdn. Bhd.	Malaysia	78.5	78.5	21.5	21.5	Investment holding
Elite Sun Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Investment holding
Pantai Andaman Ventures Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Investment holding
Desaru Estate Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Own and operate an international class hotel (Hard Rock Hotel Desaru Coast)

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(E) Subsidiaries, associates and joint ventures of TARHSB (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2020 %	2019 %	2020 %	2019 %	
Subsidiaries of Destination						
Resorts and Hotels Sdn. Bhd. (cont'd.)						
DRH Green Homes (M) Sdn. Bhd.	Malaysia	84.3	84.3	15.7	15.7	Property development
Asia Pioneer Capital Sdn. Bhd. ("APC")	Malaysia	100.0	100.0	-	-	Dormant
ECM Golf Berhad ***	Malaysia	-	100.0	-	-	Dormant
Datai Hotels and Resorts Sdn. Bhd. ("DHR")	Malaysia	100.0	100.0	-	-	Hotel management
Desaru Beach Parks Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Chalet owner
Desaru Theme Hotel Sdn. Bhd. **	Malaysia	-	100.0	-	-	Dormant
Subsidiary of Stulang Ventures Sdn. Bhd.						
Desaru Development Corporation Sdn. Bhd. ("DDC")	Malaysia	55.0	55.0	45.0	45.0	Investment holding and master developer of Desaru Coast
Subsidiary of Elite Sun Sdn. Bhd.						
Crustacea Enterprise Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Dormant

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(E) Subsidiaries, associates and joint ventures of TARHSB (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2020 %	2019 %	2020 %	2019 %	
Subsidiaries of Pantai Andaman Ventures Sdn. Bhd.						
Teluk Datai Resorts Sdn. Bhd. ("TDR")	Malaysia	100.0	100.0	-	-	Investment holding and own and operate The Datai Langkawi
TD Langkawi Ventures Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Dormant
Subsidiaries of DDC						
DDC Resort Sdn. Bhd. ("DDCR")	Malaysia	55.0	55.0	45.0	45.0	Investment holding
DDC Peladang Sdn. Bhd.	Malaysia	55.0	55.0	45.0	45.0	Investment holding
Desaru Development Holdings One Sdn. Bhd. ("DDH1")	Malaysia	66.5	66.5	33.5	33.5	Investment holding company, master developer and provides staff accommodation, destination marketing, common area maintenance and management services to its subsidiaries
Desaru Land 3 Sdn. Bhd.	Malaysia	55.0	55.0	45.0	45.0	Investment holding

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(E) Subsidiaries, associates and joint ventures of TARHSB (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2020 %	2019 %	2020 %	2019 %	
Subsidiaries of DDH1						
Desaru Peace Holdings Sdn. Bhd. ("DPH")	Malaysia	33.9	33.9	66.1	66.1	Investment holding
Desaru North Course Sdn. Bhd.	Malaysia	66.5	66.5	33.5	33.5	Owner and operator of golf course and management of golf membership (Els Club Valley Course)
Desaru South Course Sdn. Bhd.	Malaysia	66.5	66.5	33.5	33.5	Own and operate golf course (Els Club Ocean Course)
Desaru Riverwalk Sdn. Bhd.	Malaysia	66.5	66.5	33.5	33.5	Own and operate retail space (Desaru Coast Riverside)
Desaru Convention Centre Sdn. Bhd.	Malaysia	82.9	82.9	17.1	17.1	Own and operate convention centre (Desaru Coast Conference Centre)
Desaru Corniche Sdn. Bhd.	Malaysia	82.9	82.9	17.1	17.1	Investment holding
Desaru Land Sdn. Bhd.	Malaysia	66.5	66.5	33.5	33.5	Investment holding
Desaru Ferry Sdn. Bhd.	Malaysia	66.5	66.5	33.5	33.5	Ferry terminal operator
DC Resort Marketing Sdn. Bhd.	Malaysia	66.5	66.5	33.5	33.5	Operate e-commerce business
Desaru Beachfront 1 Sdn. Bhd.	Malaysia	66.5	66.5	33.5	33.5	Investment holding

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(E) Subsidiaries, associates and joint ventures of TARHSB (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2020 %	2019 %	2020 %	2019 %	
Subsidiaries of DDH1 (cont'd.)						
Desaru Beachfront 2 Sdn. Bhd.	Malaysia	66.5	66.5	33.5	33.5	Investment holding
Desaru Beachfront 3 Sdn. Bhd.	Malaysia	66.5	66.5	33.5	33.5	Investment holding
Desaru Beachfront 4 Sdn. Bhd.	Malaysia	66.5	66.5	33.5	33.5	Investment holding
Desaru Beachfront 5 Sdn. Bhd.	Malaysia	66.5	66.5	33.5	33.5	Investment holding
Desaru Land 2 Sdn. Bhd.	Malaysia	66.5	66.5	33.5	33.5	Investment holding
Desaru Boutique Hotel Sdn. Bhd.	Malaysia	66.5	66.5	33.5	33.5	Investment holding
Desaru Coast Cuisine Sdn. Bhd.	Malaysia	66.5	66.5	33.5	33.5	Own and operate food and beverage business
Subsidiaries of DPH						
Desaru Peace Holdings Club Sdn. Bhd.	Malaysia	33.9	33.9	66.1	66.1	Own and operate luxury branded resort (One & Only Desaru Coast)
Desaru Peace Holdings Villas Sdn. Bhd.	Malaysia	33.9	33.9	66.1	66.1	Investment holding, property development and construction
Subsidiary of Desaru Peace Holdings Villas Sdn. Bhd.						
Desaru Peace Holdings Villas Two Sdn. Bhd.	Malaysia	30.3	30.3	69.7	69.7	Property development

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(E) Subsidiaries, associates and joint ventures of TARHSB (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2020 %	2019 %	2020 %	2019 %	
Subsidiaries of Desaru Corniche Sdn. Bhd.						
Desaru Corniche Hotel Sdn. Bhd.	Malaysia	82.9	82.9	17.1	17.1	Own and operate hotel (Westin Desaru Coast Resort)
Desaru Corniche Property Sdn. Bhd.	Malaysia	82.9	82.9	17.1	17.1	Property construction
Subsidiaries of DDC Resort Sdn. Bhd.						
DDC Corporate Services Sdn. Bhd.	Malaysia	55.0	55.0	45.0	45.0	Provision of general maintenance services, parking and recreation activities
Desaru Golden Beach Hotel Sdn. Bhd. **	Malaysia	55.0	55.0	45.0	45.0	Dormant
Desaru Golf & Country Club Berhad **	Malaysia	55.0	55.0	45.0	45.0	Dormant
Desaru Golf & Country Resort Berhad **	Malaysia	55.0	55.0	45.0	45.0	Dormant
Desaru Golf (Lake One) Sdn. Bhd. **	Malaysia	55.0	55.0	45.0	45.0	Dormant
Desaru Health Spa Sdn. Bhd.	Malaysia	55.0	55.0	45.0	45.0	Dormant
Desaru Marina Sdn. Bhd.	Malaysia	55.0	55.0	45.0	45.0	Dormant

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(E) Subsidiaries, associates and joint ventures of TARHSB (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2020 %	2019 %	2020 %	2019 %	
Subsidiaries of DDC Resort Sdn. Bhd. (cont'd.)						
Desaru Marina Commercial Sdn. Bhd.	Malaysia	55.0	55.0	45.0	45.0	Dormant
Desaru Marina Hotel Sdn. Bhd.	Malaysia	55.0	55.0	45.0	45.0	Dormant
Desaru Palace Hotel Sdn. Bhd.	Malaysia	55.0	55.0	45.0	45.0	Dormant
Desaru Resort Homes Sdn. Bhd.	Malaysia	55.0	55.0	45.0	45.0	Dormant
Desaru Sunny Beach Hotel Sdn. Bhd.	Malaysia	55.0	55.0	45.0	45.0	Dormant
Desaru Tennis Ranch Hotel Sdn. Bhd. **	Malaysia	55.0	55.0	45.0	45.0	Dormant
Variasi Kesuma Sdn. Bhd.	Malaysia	55.0	55.0	45.0	45.0	Dormant
Subsidiaries of Teluk Datai Resorts Sdn. Bhd.						
TDR Villas Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Property developer
Anak Datai Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Dormant
Kasturi Pasifika Sdn. Bhd.	Malaysia	-	100.0	-	-	Owner of the "Datai" brand

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(E) Subsidiaries, associates and joint ventures of TARHSB (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2020 %	2019 %	2020 %	2019 %	
Subsidiary of TDR Villas Sdn. Bhd.						
TDR Golf Resorts Bhd	Malaysia	100.0	100.0	-	-	Own and operate golf course (Els Club Rainforest Course)
Subsidiary of DHR						
Kasturi Pasifika Sdn. Bhd.	Malaysia	100.0	-	-	-	Owner of the "Datai" brand
Name	Country of incorporation/ principal place of business	Effective interest~		Accounting model applied	Principal activities	
		2020 %	2019 %			
Joint ventures of Destination Resorts and Hotels Sdn. Bhd.						
MHG Desaru Villas Sdn. Bhd.	Malaysia	40.0	40.0	Equity method	Property development	
MHG Desaru Hotel Sdn. Bhd.	Malaysia	40.0	40.0	Equity method	Hotel owner	
Joint ventures of Desaru South Course Sdn. Bhd.						
Desaru South Course Residences Sdn. Bhd. ("DSCR") +++	Malaysia	32.6	32.6	Equity method	Property development	
Desaru South Course Land Sdn. Bhd. ("DSCL") +++	Malaysia	32.6	32.6	Equity method	Property development	

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(E) Subsidiaries, associates and joint ventures of TARHSB (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Accounting model applied	Principal activities
		2020 %	2019 %		
Joint venture of Desaru North Course Sdn. Bhd.					
Desaru North Course Residences Sdn. Bhd. ("DNCR") +++	Malaysia	32.6	32.6	Equity method	Property development

** Under voluntary liquidation

*** Completion of striking off and voluntary liquidation in current year

+++ The Group's effective interest is 68.1%, comprising 35.5% held by UEM Sunrise and 32.6% held by DRH Group.

^^ Rakan Riang Pte. Ltd ("RRPL"), a 80% owned subsidiary of the Group has been placed under Creditors' Voluntary Winding up pursuant to a resolution passed on 4 September 2020 and the appointment of the Liquidators were affirmed by the creditors of the RRPL in a meeting of creditors held on the same day.

@ On 04 November 2020, TAR has entered into a Sale of Shares Agreement to dispose a 80% equity interest in Rakan Riang Sdn. Bhd. ("RRSB"). The disposal was completed on 7 December 2020.

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(F) Subsidiary of MTDC

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2020 %	2019 %	2020 %	2019 %	
Malaysian Technology Consultants Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Provision of technical consultancy and commercialisation of research and development ventures
MTDC-BSF Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Management of start-up fund
MTDC-BGF Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Management of growth fund

(G) Other subsidiaries, associates and joint ventures of the Group

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2020 %	2019 %	2020 %	2019 %	
Subsidiaries of ARHSB						
Agro Treasures Sdn. Bhd. ("ATSB")	Malaysia	100.0	100.0	-	-	Investment holding
Blue Archipelago Berhad ("BAB")	Malaysia	100.0	100.0	-	-	Investment holding and trading of shrimp aquaculture products
Biotropics Malaysia Berhad ("BMB")	Malaysia	100.0	100.0	-	-	Business in the research and development, marketing and sales of products based on Malaysia's biodiversity such as plants and other medicinal herbs

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(G) Other subsidiaries, associates and joint ventures of the Group (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2020 %	2019 %	2020 %	2019 %	
Subsidiaries of ARHSB (cont'd.)						
Malaysian Agrifood Corporation Berhad ("MAFC")	Malaysia	100.0	100.0	-	-	Investment holding, production and trading of agriculture products and management of food supply chain
Subsidiaries of BAB						
Arca Biru Sdn. Bhd.	Malaysia	100.0	100.0	-	-	To carry on the business of shrimp aquaculture
Isharp Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Trade and produce of aquaculture products
Subsidiaries of BMB						
Phytes Biotek Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Formulation and manufacturing of herbal extracts and other herbal products
Subsidiaries of Phytes Biotek Sdn. Bhd.						
Nu-Prep (M) Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Dormant
Plante Resources Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Dormant
Subsidiaries of MAFC						
Cameron Fresh Farms Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Investment in agriculture property
Lotus Logistics Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Dormant

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(G) Other subsidiaries, associates and joint ventures of the Group (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2020 %	2019 %	2020 %	2019 %	
Subsidiaries of MAFC (cont'd.)						
MAFC International (M) Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Trading of agricultural produce. The entity became dormant since 31 December 2016
Subsidiary of Aur Investments (Cayman Islands) Limited						
Tuba Investments W.L.L. * +	Kingdom of Bahrain	99.5	99.5	0.5	0.5	Investment holding
Subsidiary of Bukit Damar Investments Limited						
Gobi MAVCAP Asean Superseed Fund, L.P. *	Malaysia	67.0	67.0	33.0	33.0	Micro venture capital
Subsidiary of Bukit Frasers Ventures Sdn. Bhd.						
IDM Lab Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Internet and digital media lab
Subsidiary of Carey Investments Limited						
Tuba Investments W.L.L. * +	Kingdom of Bahrain	0.5	0.5	99.5	99.5	Investment holding
Subsidiaries of Cenviro Sdn. Bhd.						
Abu Dhabi Kualiti Alam Environmental Services LLC ("ADKA") *	Abu Dhabi	100.0	100.0	-	-	Under members voluntary liquidation

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(G) Other subsidiaries, associates and joint ventures of the Group (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2020 %	2019 %	2020 %	2019 %	
Subsidiaries of Cenviro Sdn. Bhd. (cont'd.)						
Cenviro Services Sdn Bhd ("CS")	Malaysia	100.0	100.0	-	-	Sole agent for collecting and scheduled waste
Cenviro Special Builders Sdn. Bhd. ("CSB")	Malaysia	100.0	100.0	-	-	Provision of project management consultant for integrated environmental solutions
Cenviro Recycling and Recovery Sdn. Bhd. ("CRR")	Malaysia	100.0	100.0	-	-	Provision of waste recycling and recovery services
Cenviro (Johor) Sdn. Bhd. ("CJSB")	Malaysia	100.0	100.0	-	-	Has not commenced business operations
Cenviro Green Energy Sdn. Bhd. ("CGE")	Malaysia	100.0	100.0	-	-	Investment holding
Environmental, Preservation and Innovation Centre Sdn. Bhd. ("EPIC")	Malaysia	100.0	100.0	-	-	Provision of training, consultancy, research and development, publication, innovation and commercialisation
Kualiti Alam Sdn. Bhd. ("KASB")	Malaysia	100.0	100.0	-	-	Undertake the collection, transportation, treatment and disposal of scheduled waste

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(G) Other subsidiaries, associates and joint ventures of the Group (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2020 %	2019 %	2020 %	2019 %	
Subsidiary of CRR						
Recycle for Life Sdn. Bhd. ("RFL")	Malaysia	100.0	100.0	-	-	Undertake the collection and handling of recyclable items
Subsidiary of CGE						
Cenviro Green Energy Melaka Sdn. Bhd. ("CEGM")	Malaysia	100.0	100.0	-	-	Has not commenced business operations
Subsidiary of KASB						
Kualiti Alam Lahat Sdn. Bhd. ("KAL")	Malaysia	70.0	70.0	30.0	30.0	Has not commenced business operations
Subsidiary of Cosmos Friendship Limited						
KCS Green Energy International (Group) Investments Company Ltd.	Hong Kong	100.0	100.0	-	-	Investment holding
Subsidiaries of KCS Green Energy International						
KCS Jining Investments Company Limited	Hong Kong	100.0	100.0	-	-	Investment holding
KCS Huai'an Investments Company Limited	Hong Kong	100.0	100.0	-	-	Investment holding
Subsidiaries of Granatum Ventures Sdn. Bhd.						
Cadelon Ventures Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Under members voluntary liquidation

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(G) Other subsidiaries, associates and joint ventures of the Group (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2020 %	2019 %	2020 %	2019 %	
Subsidiaries of Granatum Ventures Sdn. Bhd. (cont'd.)						
Iskandar Malaysia Studios Sdn. Bhd. ("IMS")	Malaysia	100.0	100.0	-	-	Investment holding
Rhizophora Ventures Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Investment holding
Subsidiary of Candelon Ventures Sdn. Bhd.						
Imagica South East Asia Sdn. Bhd.	Malaysia	100.0	100.0	-	-	In members' voluntary liquidation
Subsidiary of Iskandar Ventures Sdn. Bhd.						
Jasmine Acres Sdn. Bhd.	Malaysia	66.7	66.7	33.3	33.3	Investment holding
Southview Hills Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Investment holding
Subsidiary of Khazanah Nasional Consulting (Hong Kong) Company Ltd						
Khazanah Nasional Consulting (Beijing) Company Ltd	China	100.0	100.0	-	-	Consultancy services on business, market information, project management, etc.
Khazanah Nasional Business Consulting (Shanghai) Co. Ltd	China	100.0	100.0	-	-	Consultancy services on business, market information, project management, etc.

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(G) Other subsidiaries, associates and joint ventures of the Group (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2020 %	2019 %	2020 %	2019 %	
Subsidiary of Mantanani Ventures Sdn. Bhd.						
Khazanah Turkey Regional Office Danismanlik Hizmetleri A.S.	Turkey	100.0	100.0	-	-	Investment holding
Subsidiary of Noring Investments (Mauritius) Limited						
Mostyn Investments (Mauritius) Limited	Mauritius	100.0	100.0	-	-	Investment holding
Subsidiary of Ophir Ventures Sdn. Bhd.						
ReGen Rehabilitation International Sdn. Bhd.	Malaysia	60.0	60.0	40.0	40.0	Provision of post-acute inpatient rehabilitation services
Subsidiaries of Payar Investments Limited						
Cenergi SEA Sdn. Bhd.	Malaysia	97.0	92.9	3.0	7.1	Investment holding and provision of advisory services
Subsidiaries of Cenergi SEA Sdn. Bhd.						
Cenergi Carbon Ltd.	Malaysia	100.0	100.0	-	-	Emission reduction project operations

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(G) Other subsidiaries, associates and joint ventures of the Group (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2020 %	2019 %	2020 %	2019 %	
Subsidiaries of Cenergi SEA Sdn. Bhd. (cont'd.)						
Cenergi EE Holdings Sdn. Bhd. ("CEEH")	Malaysia	100.0	100.0	-	-	Renewable energy developers in solar and energy efficiency and investment holding
Cenergi RE Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Investment holding and provision of operation and maintenance services
Cenergi Operations and Maintenance Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Operation and maintenance services of renewable energy power plants
Cenergi Green Utilities Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Intended to develop renewable generation distribution
Cenergi Refuel Sdn. Bhd. (f.k.a. Cenergi Eco Power Sdn. Bhd.)	Malaysia	100.0	100.0	-	-	Intended for development and operations of biomass pellet manufacturing facilities and conducting manufacturing activities to produce biomass pellet.
Subsidiary of Cenergi EE Holdings Sdn. Bhd.						
Cenergi EE Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Energy efficiency project operations

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(G) Other subsidiaries, associates and joint ventures of the Group (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2020 %	2019 %	2020 %	2019 %	
Subsidiaries of Cenergi RE Sdn. Bhd.						
Cenergi Palong Sdn. Bhd. (formerly known as ("f.k.a.") Biopower Climate Care Sdn. Bhd.)	Malaysia	100.0	100.0	-	-	Contracting and construction of a renewable energy plant
Cenergi Sua Betong Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Intended to contract and construct a renewable energy plant
Cenergi Cheekah Sdn. Bhd. (f.k.a. GLT Energy Sdn. Bhd.)	Malaysia	60.0	60.0	40.0	40.0	Contracting and construction of a renewable energy plant
Cenergi Tanah Makmur Sdn. Bhd. (f.k.a. Metro Havana Sdn. Bhd.)	Malaysia	70.0	70.0	30.0	30.0	Contracting and construction of a renewable energy plant
Cenergi Pantai Remis Sdn. Bhd. (f.k.a Pantai Remis Cenergi Sdn. Bhd.)	Malaysia	100.0	100.0	-	-	Intended to contract and construct a renewable energy plant
Cenergi EPC Sdn. Bhd.	Malaysia	100.0	100.0	-	-	To carry on business of engineering procurement and construction
Cenergi Tennamaram Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Intended to contract and construct a renewable energy plant
Cenergi Hamparan Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Investment holding

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(G) Other subsidiaries, associates and joint ventures of the Group (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2020 %	2019 %	2020 %	2019 %	
Subsidiaries of Cenergi RE Sdn. Bhd. (cont'd.)						
Cenergi Elphil Sdn. Bhd. (f.k.a.Cenergi Green Power Sdn. Bhd.)	Malaysia	100.0	100.0	-	-	Dormant
Cenergi Chersonese Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Intended to contract and construct a renewable energy plant
Cenergi West Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Intended to contract and construct a renewable energy plant
Cenergi Sri Ganda Sdn. Bhd.	Malaysia	75.0	75.0	25.0	25.0	Intended to contract and construct a renewable energy plant
Cenergi Langkap Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Intended to contract and construct a renewable energy plant
Cenergi Endah Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Intended to contract and construct a renewable energy plant
Bell Cenergi YP Sdn. Bhd.	Malaysia	80.0	80.0	20.0	20.0	Intended to contract and construct a renewable energy plant
Bell Cenergi BP Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Intended to contract and construct a renewable energy plant
Cenergi Concord Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Intended to contract and construct a renewable energy plant

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(G) Other subsidiaries, associates and joint ventures of the Group (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2020 %	2019 %	2020 %	2019 %	
Subsidiaries of Cenergi RE Sdn. Bhd. (cont'd.)						
Cenergi Sg Dingin Sdn. Bhd. (f.k.a.Bell Cenergi LD Sdn. Bhd.)	Malaysia	100.0	100.0	-	-	Intended to contract and construct a renewable energy plant
Subsidiary of Cenergi Hamparan Sdn. Bhd.						
PT Gree Hamparan*	Indonesia	95.0	95.0	5.0	5.0	Intended to contract and construct a renewable energy plant
Subsidiary of PMB						
Aircraft Business Malaysia Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Lease of aircraft and provision of related services
Subsidiaries of Pulau Manukan Ventures Sdn. Bhd.						
Xeraya Capital Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Investment support services
Subsidiary of Xeraya Capital Sdn. Bhd.						
Xeraya Capital Labuan Ltd.	Malaysia	100.0	100.0	-	-	Investment management services
Xeraya Americas Inc. *	State of Delaware	100.0	100.0	-	-	Investment support services

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(G) Other subsidiaries, associates and joint ventures of the Group (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2020 %	2019 %	2020 %	2019 %	
Subsidiary of Pulau Memutik Ventures Sdn. Bhd.						
Pantai Support Services Sdn. Bhd. *	Malaysia	100.0	100.0	-	-	Investment holding
Prince Court Medical Centre Sdn. Bhd.	Malaysia	-	100.0	-	-	Private healthcare
Subsidiary of Pulau Tiga Ventures Sdn. Bhd.						
Continuum Capital Sdn. Bhd.	Malaysia	-	100.0	-	-	Venture capital fund
Subsidiary of Continuum Capital Sdn. Bhd.						
Encipta Ltd.	Malaysia	100.0	100.0	-	-	Investment holding
Subsidiaries of Rhizophora Ventures Sdn. Bhd.						
Angsana Production Services Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Film and television productions consultancy services and production of television series
Rhizophora Capital Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Funding assistance to film or television
Sonneratia Capital Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Investment holding
Stylosa Production Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Investing in and co-production of media content

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(G) Other subsidiaries, associates and joint ventures of the Group (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2020 %	2019 %	2020 %	2019 %	
Subsidiaries of Rhizophora Ventures Sdn. Bhd. (cont'd.)						
Apareiba Capital Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Under members' voluntary liquidation
Subsidiaries of Angsana Production Services Sdn. Bhd.						
Marco Polo Productions Asia Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Under members' voluntary liquidation
AGT Productions Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Under members' voluntary liquidation
Subsidiaries of Sonneratia Capital Sdn. Bhd.						
Elektra One Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Investing and co-production of media content
Elektra Two Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Investing and co-production of media content
Elektra Three Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Under members' voluntary liquidation
Subsidiaries of Santubong Ventures Sdn. Bhd.						
PT Pantai Damai	Indonesia	-	99.0	-	-	Under members' voluntary liquidation

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(G) Other subsidiaries, associates and joint ventures of the Group (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2020 %	2019 %	2020 %	2019 %	
Subsidiaries of Silterra						
Pembinaan Waferfab Sdn. Bhd. *	Malaysia	100.0	100.0	-	-	Trading of Solid State Drive ("SSD") products
Silterra Sales and Marketing Sdn. Bhd. ("SSM") *	Malaysia	100.0	100.0	-	-	Sale and marketing of advanced semiconductor products
Silterra Capital Berhad ("SCB") *	Malaysia	100.0	100.0	-	-	Providing funding to holding company
Subsidiary of SSM						
Silterra Sales and Marketing (L) Ltd. ("SSML") *	Malaysia	100.0	100.0	-	-	Sale and marketing of advanced semiconductor products
Subsidiary of SSML						
Silterra USA, Inc.	United States of America	100.0	100.0	-	-	Dormant
Subsidiary of Synapse Education Holdings Sdn. Bhd.						
LeapEd Services Sdn. Bhd.	Malaysia	-	100.0	-	-	To provide educational services to the school sector in Malaysia.
Subsidiary of Tanjung Bidara Ventures Sdn. Bhd.						
Tanjong Aru Capital Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Provision of sports facilities

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(G) Other subsidiaries, associates and joint ventures of the Group (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2020 %	2019 %	2020 %	2019 %	
Subsidiary of Tanjong Aru Capital Sdn. Bhd.						
Mulu Ventures Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Provision of cricket facilities
Subsidiary of Teluk Belanga Investment Ltd.						
Bagan Lalang Ventures Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Investment holding
Subsidiary of Teluk Cempedak Investments (Mauritius) Limited						
Khazanah India Advisors Private Ltd. ***	India	100.0	100.0	-	-	Investment advisory
Subsidiaries of Titiwangsa Investments (Mauritius) Limited						
Panorama Investments (Mauritius) Limited	Mauritius	100.0	100.0	-	-	Investment holding
Ramunia Investments (Mauritius) Limited	Mauritius	100.0	100.0	-	-	Investment holding
Subsidiary of Tulai Beach Ventures Sdn. Bhd.						
Avicennia Capital Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Investment holding

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(G) Other subsidiaries, associates and joint ventures of the Group (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2020 %	2019 %	2020 %	2019 %	
Subsidiaries of Avicennia Capital Sdn. Bhd.						
Renggis Ventures Sdn. Bhd.	Malaysia	96.0	96.0	4.0	4.0	Investment holding
Kuala Gula Ventures Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Investment holding
Pasir Kalong Investments Limited	Malaysia	100.0	100.0	-	-	Investment holding
Tanjung Piai Ventures Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Investment holding
Tasik Bera Ventures Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Investment holding
Burau Ventures Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Investment holding
Subsidiaries of Renggis Ventures Sdn. Bhd.						
SunLife Malaysia Assurance Bhd. *	Malaysia	49.0	49.0	51.0	51.0	Underwriting of life insurance and investment-linked business
SunLife Malaysia Takaful Bhd. *	Malaysia	49.0	49.0	51.0	51.0	Management of family takaful, general takaful and investment-linked takaful business

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(G) Other subsidiaries, associates and joint ventures of the Group (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Accounting model applied	Principal activities
		2020 %	2019 %		
Associate of ARHSB					
NL Cold Chain Network (M) Sdn. Bhd. (Formerly known as Cold Chain Network (M) Sdn. Bhd.)	Malaysia	60.0	60.0	Equity method	Business in temperature controlled logistics warehousing services
Associate of Bukit Galla Investments Limited					
WeLab Holdings Ltd *	British Virgin Islands/Hong Kong	9.7	9.7	Equity method	Online credit analytics and lending platform
Associate of CRR					
Shan Poornam Sdn. Bhd. ("SPSB")	Malaysia	40.0	40.0	Equity method	Investment holding
Associate of Cosmos Friendship Limited					
Beijing Enterprises Environment Group Ltd *	Hong Kong	23.1	23.1	Equity method	Investment holding
Associate of Gemia Investments Limited					
Fajr Capital Limited *	Saudi Arabia	19.1	19.1	Equity method	Provision in Islamic finance services

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(G) Other subsidiaries, associates and joint ventures of the Group (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Accounting model applied	Principal activities
		2020 %	2019 %		
Associate of MAFC					
Monoluxury Sdn. Bhd.*	Malaysia	20.0	20.0	Equity method	Cultivation, processing and trading of vegetables and related vegetable products
Associate of Mataking Ventures Sdn. Bhd.					
General Fusion Inc.*	Canada	4.3	8.4	Equity method	Nuclear fusion
Associate of Mount Bintang Ventures Sdn. Bhd.					
edotco Group Sdn. Bhd. *	Malaysia	10.6	10.6	Equity method	Integrated telecommunications infrastructure services
Associate of Pantai Air Papan Ventures Sdn. Bhd.					
VTI Group *	Vietnam	16.9	16.9	Equity method	Operates leading local F&B chains and international modern retails brands
Associate of Pantai Cahaya Bulan Ventures Sdn. Bhd.					
Astro Malaysia Holdings Berhad ("AMHB") *	Malaysia	20.7	20.7	Equity method	Media entertainment

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(G) Other subsidiaries, associates and joint ventures of the Group (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Accounting model applied	Principal activities
		2020 %	2019 %		
Associates of Pantai Support Services Sdn. Bhd.					
Unitab Medic Sdn. Bhd. *	Malaysia	30.0	30.0	Equity method	Investment holding and supervision of medical examination of foreign workers in Malaysia
Associate of Panorama Investment (Mauritius) Ltd					
Actoserba Active Wholesale Private Limited *	India	-	22.5	Equity method	Online retailer of women innerwear in India.
Associate of Pasir Salak Investments Limited					
8990 Holdings Inc. *	Philippines	8.8	8.7	Equity method	Housing development
Associate of Pulau Kapas Ventures Sdn. Bhd.					
TIME dotCom Berhad *	Malaysia	8.8	9.1	Equity method	Investment holding, provision of management and marketing/promotional services and retailing of telecommunications products
Associate of Pulau Memutik Sdn. Bhd.					
IHH Healthcare Bhd. *	Malaysia	26.0	26.0	Equity method	Investment holding and healthcare service provider

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(G) Other subsidiaries, associates and joint ventures of the Group (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Accounting model applied	Principal activities
		2020 %	2019 %		
Associate of Pulau Tiga Sdn. Bhd.					
Continuum Capital II Limited Partnership	Malaysia	99.0	99.0	Equity method	Venture capital fund
Fashion Valet Sdn. Bhd.*	Malaysia	9.0	9.0	Equity method	Online fashion platform
Associate of Ramunia Investments (Mauritius) Limited					
Vas Data Services Private Limited *	India	14.6	14.6	Equity method	Online retailer
Associates of Redang Investments Limited					
ACR Capital Holdings Pte. Ltd. *	Singapore	24.7	24.7	Equity method	Provision of reinsurance services
Associate of Shan Poornam Sdn. Bhd.					
Shan Poornam Metals Sdn. Bhd. ("SPM")	Malaysia	40.0	40.0	Equity method	Collection, processing and recycling of scraps
Shan Poornam Global Sdn. Bhd.	Malaysia	40.0	40.0	Equity method	Industrial waste recovery

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**Khazanah Nasional Berhad
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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(G) Other subsidiaries, associates and joint ventures of the Group (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Accounting model applied	Principal activities
		2020 %	2019 %		
Associate of Shan Poornam Metals Sdn. Bhd. ("SPM")					
ENS 4R Sdn. Bhd.	Malaysia	40.0	40.0	Equity method	Collection, processing and recycling of scraps
Shan Poornam Metals (Sarawak) Sdn. Bhd.	Malaysia	40.0	40.0	Equity method	Collection, processing and recycling of scraps
Shan Poornam Metals (Selangor) Sdn. Bhd.	Malaysia	40.0	40.0	Equity method	Collection, processing and recycling of scraps
Shan Poornam Metals (Johor) Sdn. Bhd.	Malaysia	40.0	40.0	Equity method	Collection, processing and recycling of scraps
Shan Poornam Green Tech Sdn. Bhd.	Malaysia	40.0	40.0	Equity method	Dormant
Associate of Tanjung Tuan Investments Limited					
Blippar.com Limited *	England and Wales	11.4	11.4	Equity method	Mobile visual-search app developer
Joint venture of ARHSB					
Commerce-KNB Agro Teroka Sdn. Bhd. ("CKAT") *	Malaysia	67.0	67.0	Equity method	Agriculture venture capital
The Holstein Milk Company Sdn. Bhd. *	Malaysia	30.0	30.0	Equity method	Involved in dairy farming, processing and distribution of fresh dairy produce

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**Khazanah Nasional Berhad
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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(G) Other subsidiaries, associates and joint ventures of the Group (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Accounting model applied	Principal activities
		2020	2019		
		%	%		
Joint venture of BAB					
AB Hatchery Sdn. Bhd.	Malaysia	51.0	51.0	Equity method	Post larvae farming and trading
Joint venture of Cenergi SEA					
Cenergi FJP Sdn. Bhd. ("CFJP") *	Malaysia	51.0	51.0	Equity method	Operation of green power generation facilities and plants
Cenergi Sunseap Energy Solutions Sdn. Bhd. ("CSES")	Malaysia	60.0	60.0	Equity method	Renewable energy developer in solar and energy efficiency
Joint venture of Cenviro Sdn. Bhd.					
E-Idaman Sdn. Bhd. ("EISB")	Malaysia	50.0	50.0	Equity method	Investment holding, provision of project management, consultancy and contracting services in the field of solid waste management
Joint venture of EISB					
Environment Idaman Sdn. Bhd.	Malaysia	50.0	50.0	Equity method	Provision of integrated solid waste and public cleansing management any other related business in the Northern Region of Peninsular Malaysia

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(G) Other subsidiaries, associates and joint ventures of the Group (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Accounting model applied	Principal activities
		2020 %	2019 %		
Joint venture of EISB (cont'd.)					
Environment Idaman (Kedah and Perlis) Sdn. Bhd.	Malaysia	50.0	50.0	Equity method	Provision of integrated solid waste collection and public cleansing management services, including technical expert services in waste management
Green Resources Recovery Sdn. Bhd.	Malaysia	50.0	50.0	Equity method	Provision of project management, consultancy and contracting services in the field of solid waste and public cleansing management services and dealing with recyclable items and facilities
Environment Idaman (Perak) Sdn. Bhd.	Malaysia	50.0	50.0	Equity method	Provision of integrated solid waste collection and public cleansing management services, including technical expert services in waste management
Joint venture of Dayang Bunting Ventures Sdn. Bhd.					
Sunway Iskandar Sdn. Bhd. *	Malaysia	40.0	40.0	Equity method	Investment holding

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(G) Other subsidiaries, associates and joint ventures of the Group (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Accounting model applied	Principal activities
		2020 %	2019 %		
Joint venture of Pantai Cahaya Bulan Ventures Sdn. Bhd.					
Astro Holdings Sdn. Bhd. *	Malaysia	29.3	29.3	Equity method	Investment holding
Joint venture of Pulau Selangan Investments Limited					
DaVita Care Pte Ltd *	Singapore	-	20.0	Equity method	Healthcare service
Joint venture of Sungai Pulai Investments (Mauritius) Limited					
M+S Pte. Ltd.	Singapore	60.0	60.0	Equity method	Property development
Joint venture of Stylosa Productions Sdn. Bhd.					
Ideate Media Sdn. Bhd. *	Malaysia	50.0	50.0	Equity method	Create platforms to invest,develop, own and monetise intellectual property creative assets

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Khazanah Nasional Berhad
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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(G) Other subsidiaries, associates and joint ventures of the Group (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Accounting model applied	Principal activities
		2020 %	2019 %		
Joint venture of Tanjung Bidara Ventures Sdn. Bhd.					
Southern Marina Development Sdn. Bhd. *	Malaysia	30.0	30.0	Equity method	Property development
Joint venture of Teluk Rubiah Ventures Sdn. Bhd.					
Pulau Indah Ventures Sdn. Bhd. *	Malaysia	50.0	50.0	Equity method	Township development
Joint ventures of Pulau Manukan Ventures Sdn. Bhd.					
Malaysian Life Sciences Capital Fund Management Co. Ltd. *	Malaysia	-	-	Equity method	Under liquidation
MLSCF II (DP) Ltd @*	Malaysia	50.0	50.0	Equity method	Investment management holding
MLSCF Management (Labuan), LLP	Malaysia	50.0	50.0	Equity method	Investment management services
MLSCF II (GP) (Labuan), LLP	Malaysia	50.0	50.0	Equity method	General partner of MLS Capital Fund II, LP

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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

- * Audited by firms of auditors other than Ernst & Young.
- ^^ Although the Company does not hold ordinary shares in the associates, the Company exerts significant influence by virtue of the Company's holding in the preference shares in the respective associates which gives the Company the right to appoint directors on the board of the respective associates.
- + The Group's effective interest in Tuba Investments WLL is 100%, comprising 99.5% held by Aur Investments (Cayman Islands) Limited and 0.5% held by Carey Investments (Cayman Islands) Limited.
- *** The Group's effective interest in Khazanah India Advisors Private Ltd. is 100%, comprising 99.9% held by Teluk Cempedak Investments (Mauritius) Limited and 0.1% held by Chendering Investments Ltd.
- ^ The Group's effective interest in Invendo Medical GmbH is 21.2%, which is held by Pulau Duyung Ventures (Cayman Islands) Ltd. And ISKA Holding S.à.r.l. of 10.6% each.
- @ In accordance with the respective partnership agreements, the rights to participate in any distributions can only be exercised upon contribution of the partnership capital. As of the reporting date, the Group has yet to make any capital contribution.

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79. Directors of subsidiaries

The names of the directors of the Company's subsidiaries in office since the beginning of the financial year to the date of this report (not including Directors of the Company who have been listed in the Directors' Report) are:

Abdul Rashid Karim Mohd Razha
Adi Saufi bin Mohamad Daud
Afizul Aezhar Sharifuddin
Ahmad Fadzli bin Zainudin
Ahmad Jauhari bin Yahya
Ahmad Luqman Bin Mohd Azmi
Amalanathan Thomas
Aminah Binti Othman
Aminuddin Bin Zakaria
Amir Hamzah bin Nordin
Amiruddin Bin Daud
Amirul Fares Bin Wan Zahir
Amlah Binti Yassin
Amran Hafiz Affifudin
Andreas Weiss
(Alternate Director to Helmuth Blasch)
Anil Thadani
Anoop Damodar Gupta
Aqilah Binti Che Azizuddin
Aubrey Lim Ying Yueh
Azman bin Mohd Hussein
Azmin Bin Isa
Azrie Wong Bin Abdul Karim
Babar Ali Khan
Badrul Hisham bin Dahalan
Ben Chan Wei Beng
Boo Hui Yee
Brett Thomas Adolf Rubi
Bryan Foong Chee Yeong
Bryan Lim Tsin Lin
Calvin Raqeem R Jacob
Caroline Goergen
Chan Cheow Hong
Chan Chee Yean
Cheah Jit Pen
Chen Yen-Yu
Cheong Su Wei
Chew Poh Chuan
Chinta Madhav
Chong Yit Phin
Christina Foo

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79. Directors of subsidiaries (cont'd.)

Daniel Tan Sze Hun
Datin Paduka Che Asmah Ibrahim
Datin Zainabbi Binti Abubacker
Dato' Ahmad Omar
Dato' George Stewart LaBrooy
Dato' Haja Najmudeen K P M Abd Kader
Dato' Haji Mohd Salleh bin Yeop Abd. Rahman
(Alternate director to Tan Sri Dato' Sri Haji Esa bin Mohamed)
Dato' Hj Noorazam bin Dato' Osman
Dato' Khodijah Binti Abdullah
Dato' Leong Kin Mun
Dato' Mohamed Nasri Sallehuddin
Dato' Mohd Izani Ghani
Dato' Mohd Khalis Bin Abd Rahim
Dato' Mohd Salleh Bin Ahmad Tabrani
Dato' Mohd Shukri Bin Hussin
Dato' Noorazman Abd Aziz
Dato' Norhalim bin Yunus
Dato' Ooi Sang Kuang
Dato' Quah Thain Khan
Dato' Roslan Ibrahim
Dato' Sr. Hisham Jafrey
Dato' Sri Ghazali Bin Mohd Ali
Dato' Tan Thean Thye
Datuk Dr Mohamed Arif Bin Nun
Datuk Dr Syed Muhamad Bin Syed Abdul Kadir
Datuk Ir. Khairil Anwar bin Ahmad
Datuk Mohamad Hishammudin Bin Hamdan
Datuk Nik Airina Nik Jaffar
Datuk Ong Siew Swan
David Lau Nai Pek
Diyana Binti Abdul Rahim
Doctor Javier Santiso Guimaras
Dr. Chan Tuck Leong
Dr. Farid Mohamed Sani
Dr Sakina Sofia binti Baharom
Dumisani Blessing Mnganga
Dzulkifly Bin Hassan
(Alternate Director to Tuan Haji Lukman Bin Abu Jari @ Abu Bakar)
Effizal Faiz bin Zulkifly
Elakumari a/p Kantilal
Emily Kok
Enita Azlina Binti Osman
Erika Mushtarina Bin Mat Ariffin
Eysa Zulkifli

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79. Directors of subsidiaries (cont'd.)

Faizal bin Mohd Yusof
Fardan Abdul Majeed
Faridah Binti Bakar Ali
Fatweena Uteene Mahamod
Fauzidah binti Abdul Rahman
Festus A Christ Dhas
Firdaus Bin Abdullah
Gan Hsiang Lin
Goh Keat Siang
Graeme Walwyn
Guna Segaran A/L Alagappan
Gurdip Singh Sidhu A/L Gurbachan Singh
Hafriz Bin Abdul Rahman
Han Jun Siew
Hannah Lyana Lee Abdullah
Harman Faiz Habib Muhamad
Hau Yean Ching
Hazurin Harun
Helmuth Blasch
Huang Wan Hung
Ibrahim Bin Mohamed Salleh
Idjarmizuan bin Ibrahim
Idris Mohd Noh
Imran Abdul Rahim
Ir. Nurul Amani Rashid
Izham Ismail
Jalaluddin Bin Dato' Mohd Jarjis
Jehanne Goh Yen Qi
Jesudason Selvaraj
Johari Jalil
Johari Shukri bin Jamil
Jose Isidro Navato Camacho
Juhana Binti Hamzah
Kamalam Pillay Rungapadiachy
Kamarudin Bin Kamilin
Kamarul Anuar Mohamad Kamar
Karina Binti Ridzuan
Khairul Anwar Mohd Dewan
Koay Wen Hoong
Kutbuddin Asgar Ali
Kwan Joon Hoe
Lai Wei Ming
Lau Yin May
Lee Heng Meng

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79. Directors of subsidiaries (cont'd.)

Lee Jia Zhang
Lee Lin Chien
Lee Siow Woon
Lee Tong Hee
Lee Wen Ling
Leo Michel Grepin
Lila Azmin Abdullah
Lim Sooi San
Lim Tau Kien
Lim Teck Wee
Lim Tong Hee
Lim Wah Seng
Lim Wei Hsien
Lim Woong Bin
Liong Kok Kit
Lock Jian Wah
Loh Tzu Anne
Lok Ngai Heng
Low Chee Yen
Marilyn Teoh May Lyn
(Alternate Director to Badrul Hisham bin Dahalan)
Marouf Moutairou
Marzuki Bin Hj Madon
Mas Adura Binti Awang @ Ab Majid
Mat Sahwira bin Tamat
(Alternate Director to Norliza binti Suleiman)
May Cheong Su Wei
Mazli Mohamed Ayob
Megat Shahir Bin Megat Mohamed Supian
Melanie Muhidin
Melinda Omar
Michael (Mike) Robert Ashburn
Mohamad Affendi Yusoff
Mohamad Faizal Mohamad
Mohamad Hanafi Bin Salehuddin
Mohamad Rafiq Bin Mubarak Ali
Mohamad Zamani Razali
Mohd Azarull Ahadi bin Abdullah
Mohd Azharuddin bin Mat Sah
Mohd Nadziruddin Bin Mohd Basri
Mohd Norsuradi bin Man
Mohd Razif Mohd Yusoff
Mohd Salehoddin bin Abdul Hamid

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**Khazanah Nasional Berhad
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79. Directors of subsidiaries (cont'd.)

Mohd Zulkefly Bin Ujang
Muhammad Noor Abd Aziz @ Hashim
Muhammad Syauqi Bin Ab Samad
Muhd Noor bin Muhd Yunus
Muntasir Mohamad Zain
Naiken Veerasamy
Ng Eu Gin
Nik Marien Nik Ahmad Kamal
Nik Nazhah Binti Nik Abdul Aziz
Nor Azree Bin Md Daros
Nor Din Abdullah
Nor Suhaila binti Abdul Latif
Norhafizah binti Sahari
(Alternate Director to Zalinah binti A. Hamid)
Norliza binti Suleiman
Nubly Zainuham Ambotang
Nurolamin Abas
Nurul Iman Mohd Zaman
Olivier Richard
Ong Chee Wei
Ong King How
Ong Li Mei
Ooi Say Teng
Park Jung Hoo
Paul Sandanasamy Richard
Pee Boon Hooi
Philip anak Kevin Akeu
Philip See Yew Jin
Philippa Smith Lambert
Prakash Prasannan
Preamakanthan A/L D Kanapathy
Prof Dr Rofina Yasmin Binti Osman
Prof. Philip Sutton Cox
Puan Sri Datin Teng Siew Kean
Pushpanathan A/L S.A. Kanagarayar
Quek Pei Lynn
Rahimah Binti Farjan Ali @ Pasan Ali
Rajgopal Rajkumar
(Alternate director to Anil Thadani)
Rakesh Devasish Jena
(Alternate Director to Dr. Chan Tuck Leong)
Ramlan Khamis
Reagan Chan Chung Cheng
Roli Shukla
Ronnie Khoo Boo Eam

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79. Directors of subsidiaries (cont'd.)

Roslina Binti Abdul Rahman
Roslina Binti Arbak
Rosliza binti Zukkafli
Rosni Tarip
Rowina Ghazali Seth
Ruziah Binti Abdul Latif
Saeed Abdulla Omar Saeed Al Amoudi
Samir Balkrishna Pansare
Samuel Ooi Thean Aun
Savinilorna Payandi Pillay Ramen
Saw Seong Keat
Sawkut Oomarly Bundhoo
Selvendran Katheerayson
Seow Hai Yoong
Shafidz Iswandi Azhar
Shahin Farouque Bin Jammal Ahmad
Shahira Binti Ahmed Bazari
Shahril Ibrahim
Shamini a/p Veerasingam
Shankar Menon a/l Krishnan @ Vasuthavan
Sharmanand Jhurreea
Sharon Ruba A/P Krishnamurthy
Sharuddin Omar Hashim
Siah Boon Kiat
Siti Aishah Binti Abdul Samad
Siti Emilia Mamat
Sitthambaranatha Gandhi Suppiah
Sivaramakrishnan Narayanan Ayakkad
Sophia Lim Siew Fay
Stephanie Saw Ai Lin
Steward Tew Peng Seng
Sugu Maran Kailasan
Suhaimi Jamal
(Alternate Director to Afizul Aezhar Sharifuddin)
Sundhiraj Sharma
Suraya binti Mahmud
Suriana Abdul Hamid
Suzanne Ng Bee June
Syed Ahmad Safarudin Syed Zainal Abidin
Tan Bee Eng
Tan Bun Poo
Tan Cheh Tian
Tan Sri Dato Abdul Rahman bin Mamat
Tan Sri Dato' Chen Kooi Chiew @ Cheng Ngi Chong
Tan Sri Dato' Lim Kang Hoo

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79. Directors of subsidiaries (cont'd.)

Tan Sri Dato' Sri Haji Esa bin Mohamed
Tan Sri Dato' Yap Suan Chee
Tan Sri Datuk Chen Lok Loi
Tan Sri Dr. Azmil Khalili Dato' Khalid
Tan Sri Tan Boon Seng @ Krishnan
Tan Mei Shwen Serena
Tan Wan San
(Alternate Director to Tan Sri Dato' Chen Kooi Chiew @ Cheng Ngi Chong)
Tay Ting Nuan Fiona
Tee Mei Ling Diana
Tengku Dato' Sri Azmil Zahrudin Bin Raja Abdul Aziz
Teo Ling Ling, Sharon
Tuan Haji Lukman Bin Abu Jari @ Abu Bakar
Victor John Zacharias
Vinod Kumar Saigal
Virgine Guillaume
Wong Ah Kow
Wan Ahmad Saifuddin bin Wan Ahmad Radzi
Wong Eugene
Wong Hee Chai
Wong Khai Shiun
(Alternate Director to Tan Sri Dato' Lim Kang Hoo)
Wong Koon Keng
Wong Peck Ling
Wong Shu Hsien
Wong Wai Seng
Yaw Choon Yee
Y.A.M. Tunku Ali Redhauddin Ibni Tuanku Muhriz
Yap Tze Khong
Yap Pooi Choo
Yeo Kar Peng
Yeoh Keat Seng
Yap Kheng Han
YM Ungku Suseelawati Ungku Omar
Yogesh Gauba
Yusnianti Binti Muhamed Yusoff
Yvonne Ho Wai Sum
Zadil Hanief Mohamad Zaidi
Zafarin Abd Ghaffar
Zaida Khalida Binti Shaari
Zainul Rahim Bin Mohd Zain
Zaiviji Ismail Bin Abdullah
Zakaria Ahmad Zabidi
Zaki Abdul Aziz bin M.H. Daud
Zalinah binti A. Hamid

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79. Directors of subsidiaries (cont'd.)

Zamri Yusof	
Zane Qamariah Binti Ambotang	
Zarina Ahmad	
Zul Bahari Abu Bakar	
Zul Hisham Bin Hamzah	
Zulfa Ashida Zulkifli	
Ahmad Fariz Bin Ali	(appointed on 16 March 2020)
Afizi bin Azizan	(appointed on 16 March 2020)
Arnaud Arman Paul Daniel Girodon	(appointed on 26 June 2020)
Azlan Afandi bin Sauffee Afandi (Alternate director to Dato' Dr Haji Badrul Hisham bin Kassim)	(appointed on 10 June 2020)
Chua Chin Soon	(appointed on 11 September 2020)
Dato' Dr Haji Badrul Hisham bin Kassim	(appointed on 21 May 2020)
Dr. Nik Fawaz Nik Abdul Aziz	(appointed on 1 January 2020)
Halina Jael binti Abu Bakar	(appointed on 1 January 2021)
Haris Hardi Bin Zakaria	(appointed on 17 July 2020)
Hoe Teck Wei	(appointed on 26 June 2020)
Lau May Yee	(appointed on 14 January 2020)
Laxman Deepak Vaidya	(appointed on 2 February 2021)
Leong Kar Yung	(appointed on 13 January 2020)
Lim Chwee Muei	(appointed on 3 January 2020)
Lim Siew Li	(appointed on 14 February 2020)
Mak Pooi Teng (Alternate director to Ronnie Khoo Boo Eam)	(appointed on 27 July 2020)
Mohd Safi bin Wazir (Alternate Director to Mohd Salehoddin bin Abdul Hamid)	(appointed on 16 March 2020)
Razman Ismail	(appointed on 13 January 2020)
Saidatul Azrina binti Dzulkifli	(appointed on 26 November 2020)
Siegfried Boerst	(appointed on 28 February 2020)
Stephanie Jane Brooksbank (Alternate director to Siegfried Boerst)	(appointed on 1 May 2020)
Tan Sri Wan Zulkiflee bin Wan Ariffin	(appointed on 1 July 2020)
Tan Yi Ling (Alternate director to Shahin Farouque Bin Jammal Ahmad)	(appointed on 5 April 2021)
Tinesh Thambaiya A/L Yogarajah	(appointed on 25 August 2020)
Tsen Lee Yee	(appointed on 27 July 2020)
Wong Chin See	(appointed on 26 June 2020)
Zulfiqar Bin Zainuddin	(appointed on 17 July 2020)
Ahmad Zamri Said	(resigned on 28 February 2020)
Ahmad Zulqarnain Bin Che On	(resigned on 30 June 2020)
Alwin Tan Wee Giat	(appointed on 14 February 2020, resigned on 25 August 2020)

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79. Directors of subsidiaries (cont'd.)

Amirsham Bin A Aziz	(resigned on 1 January 2021)
Anupum Khaitan	(resigned on 2 February 2021)
Azzam bin Mohamed	(resigned on 21 February 2020)
Azmy Bin Mahbot	(resigned on 22 January 2020)
Budi Mahatma Kusumawardhana	(resigned on 1 April 2020)
Carol Lyn Charmichael Edmuns (Alternate Director to Hans Aksel Pedersen)	(resigned on 28 February 2020)
Chang Li Kwon	(resigned on 26 June 2020)
Chang Li Li	(resigned on 14 January 2020)
Datin Teh Ija Binti Mohd Jalil	(resigned on 5 November 2020)
Dato' Ahmad Pardas Bin Senin	(resigned on 1 January 2021)
Dato' Azmir Merican Bin Azmi Merican	(resigned on 21 April 2020)
Dato' Borhanuddin Bin Osman	(resigned on 29 May 2020)
Dato' Dr Nirmala Menon A/P Y.B. Menon	(resigned on 15 January 2020)
Dato' Ramlee bin A Rahman	(resigned on 21 May 2020)
Datuk Akmal bin Ahmad	(resigned on 17 July 2020)
Datuk Khoo Boo Seng	(demised on 15 March 2020)
Datuk Zainun Aishah Binti Ahmad	(appointed on 28 February and resigned on 28 May 2020)
Dr Mohamadon Bin Abdullah	(retired on 31 March 2021)
Dzulkeflie bin Ja'apar	(resigned on 31 January 2021)
Fizulin Binti Mohamed Zin (Alternate Director to Suhaimi Bin Halim)	(resigned on 1 January 2020)
Haji Mohd Yazid bin Baharudin (Alternate Director to Dato' Ramlee Bin A Rahman)	(resigned on 21 May 2020)
Hans Aksel Pedersen	(resigned on 21 May 2020)
Juniwati Rahmat Hussin	(resigned on 31 March 2020)
Justin Mahmud Hashim	(resigned on 10 April 2020)
Lim Chong Mow	(resigned on 26 June 2020)
Lim Tian Huat	(retired on 9 July 2020)
Loh Wai Yee	(resigned on 26 June 2020)
Low Guat Peng	(resigned on 13 January 2020)
Lynette Yeow Su-Yin	(resigned on 1 January 2021)
Mohamed bin Rastam Shahrom	(resigned on 15 January 2020)
Mohd Fauzi Moh Sakroni	(resigned on 1 April 2020)
Mohd Hasri Bin Haron	(resigned on 29 January 2021)
Mohd Nukman bin Abdul Rahman	(resigned on 16 March 2020)
Muhinder Singh A/L Dasoundha Singh	(resigned on 26 June 2020)
Mustafa Kemal Olgac	(resigned on 15 January 2020)
Nik Rizal Kamil Bin Nik Ibrahim Kamil	(resigned on 3 March 2021)
Norazalina Sham Binti Abdullah	(resigned on 26 June 2020)
Norlymalis Jazmi Bin Kamarudin (Alternate Director to Datuk Zainun Aishah Binti Ahmad)	(appointed on 28 February and resigned on 28 May 2020)
(Alternate Director to Dato' Sri Ghazali bin Mohd)	(resigned on 28 February 2020)

199301020767 (275505-K)

**Khazanah Nasional Berhad
(Incorporated in Malaysia)**

79. Directors of subsidiaries (cont'd.)

Nurazeyan Khalis Binti Mohd Khalis (Alternate Director to Roni Lihawa Bin Abdul Wahab)	(resigned on 30 April 2020)
Patrick Cheah Gim Guan	(resigned on 14 January 2020)
Philip John Whittaker	(resigned on 6 May 2020)
Primoehadi Notowidigdo	(resigned on 28 February 2020)
Roni Lihawa Bin Abdul Wahab	(resigned on 30 April 2020)
Shatiran Bin Mohd Idrus	(resigned on 26 June 2020)
Sofia Zakaria	(resigned on 14 January 2020)
Subimal Sen Gupta	(resigned on 7 October 2020)
Suhaimi Bin Halim	(resigned on 1 January 2021)
Tan Sri Dato' Sri Zamzamzairani Mohd Isa	(resigned on 10 November 2020)
Vallo A/L Mutto	(resigned on 25 September 2020)
Y.M. Raja Tan Sri Dato' Seri Arshad Bin Raja Tun Uda	(resigned on 15 January 2020)
Yong Lee Lian	(resigned on 26 June 2020)



KHAZANAH
NASIONAL

www.khazanah.com.my

KHAZANAH NASIONAL BERHAD
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REGISTRAR AND TRANSFER AGENT

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 Dublin 2
 Ireland

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 Singapore 049321

Oversea-Chinese Banking Corporation Limited
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 OCBC Centre East #03-05
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SMBC Nikko Securities (Hong Kong) Limited
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