

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 NOTES. 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 Notes 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 co-ordinators” (“**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, the Guarantor, a CMI or its group companies would be considered under the SFC Code as having an association (“**Association**”) with the Issuer, the Guarantor, the CMI or the relevant group company. Prospective investors associated with the Issuer, the Guarantor or any CMI (including its group companies) should specifically disclose this when placing an order for the relevant Notes 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 Notes 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 Notes 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, the Guarantor, 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 Guarantor (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 Capital Ltd., 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 25 JUNE 2024

Khazanah Capital Ltd.

(Incorporated in the Federal Territory of Labuan, Malaysia with limited liability under the Labuan Companies Act 1990)

Company Number: LL18361

U.S.\$10,000,000,000

Euro Medium Term Note Programme

unconditionally and irrevocably guaranteed by



KHAZANAH
NASIONAL

Khazanah Nasional Berhad

Registration Number: 199301020767 (275505-K)

(Incorporated in Malaysia with limited liability under the Companies Act, 1965 of Malaysia)

Under the U.S.\$10,000,000,000 euro medium term note programme (the “**Programme**”) described in this offering circular (the “**Offering Circular**”), Khazanah Capital Ltd. in its capacity as issuer (the “**Issuer**”), subject to compliance with all relevant laws, regulations and directives, may from time to time issue euro medium term notes (the “**Notes**”) denominated in any currency (other than Malaysian Ringgit) agreed between the Issuer, Khazanah Nasional Berhad, the relevant Dealer(s) (as defined below), the Issuing and Paying Agent (as defined below) and, in the case of Registered Notes (as defined below), the Registrar (as defined below). The Notes will be guaranteed (the “**Guarantee**”) by Khazanah Nasional Berhad (the “**Guarantor**”). The aggregate principal amount of Notes outstanding under the Programme will not at any time exceed U.S.\$10,000,000,000 (or the equivalent in other currencies), subject to increase as described herein.

The Notes 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 Notes being (or intended to be) subscribed for by more than one Dealer, be to all Dealers agreeing to subscribe for such Notes.

Approvals in-principle have been obtained 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 Notes 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 Notes 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 Notes 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 Notes will be approved. Admission to the Official List of the SGX-ST and listing and quotation of any Notes on the SGX-ST is not to be taken as an indication of the merits of the Issuer, the Guarantor, any of their respective subsidiaries, their respective associated companies, the Programme or the Notes. 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 Notes may also be issued pursuant to the Programme and Notes 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 Notes will specify whether or not such Notes will be listed on the SGX-ST, Bursa, the Labuan International Financial Exchange or on any other stock exchange.

Each Series (as defined in the terms and conditions of the Notes (the “**Terms and Conditions of the Notes**” or the “**Conditions**”)) of Notes may be issued in bearer form (“**Bearer Notes**”) or in registered form (“**Registered Notes**”). Bearer Notes will be represented on issue by a temporary global note in bearer form (each a “**Temporary Global Note**”) or a permanent global note in bearer form (each a “**Permanent Global Note**” and together with the Temporary Global Note, the “**Global Notes**”). Registered Notes will be represented by registered certificates (each a “**Certificate**”), one Certificate being issued in respect of the entire holding of Registered Notes of one Series for each holder of Notes (each such holder a “**Noteholder**”). Registered Notes will initially be represented by a registered global Certificate (each a “**Global Certificate**”). Global Notes and Global Certificates may be deposited on the issue date with a common depositary on behalf of Euroclear Bank SA/NV (“**Euroclear**”) and Clearstream Banking S.A. (“**Clearstream**”). Beneficial interests in Global Notes or 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 Global Notes for other Global Notes and Global Notes for definitive Notes are described in “*Summary of Provisions Relating to the Notes 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. Notes issued under the Programme may be rated or unrated. Where a Tranche (as defined in the Terms and Conditions of the Notes) of Notes 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 Notes and the Guarantee 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, and the Notes may include Bearer Notes that are subject to U.S. tax law requirements and restrictions. Subject to certain exceptions, the Notes may not be offered, sold, or, in the case of Bearer Notes, delivered within the United States, or for the account or benefit of, U.S. persons. Registered Notes are subject to certain restrictions on transfer, see “*Subscription and Sale*”.

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 Notes under the Programme.

Investing in Notes 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

BNP PARIBAS

BofA Securities

CIMB

Citigroup

DBS Bank Ltd.

HSBC

J.P. Morgan

Maybank

MUFG

OCBC

SMBC Nikko

Standard Chartered Bank

UBS

NOTICE TO INVESTORS

The directors of the Issuer and the Guarantor 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 Guarantor may have changed since that date.

Each of the Issuer and the Guarantor, having made all reasonable enquiries, confirms that this Offering Circular contains all information with respect to the Issuer and the Guarantor, and their respective subsidiaries, the Notes and the Guarantee, which is material in the context of the Programme and the issue and offering of the Notes and the giving of the Guarantee, 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 Notes and the giving of the Guarantee, 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 Guarantor accepts responsibility accordingly. This Offering Circular is based on information provided by the Issuer and the Guarantor 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 Guarantor for use in connection with the offer and sale of the Notes outside the United States. The Issuer, the Guarantor, the Arrangers and the Dealers reserve the right to reject any offer to purchase the Notes, 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 Guarantor of any of its contents to any such person within the United States, is prohibited.

Each Tranche of Notes will be issued on the terms set out herein under “*Terms and Conditions of the Notes*” (the “**Terms and Conditions of the Notes**” or the “**Conditions**”) as amended and/or supplemented by the Pricing Supplement specific to such Tranche. 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 any Tranche of Notes, 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 Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Guarantor, any of the Dealers or the Arrangers, The Bank of New York Mellon, London Branch as trustee (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 Guarantor 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 Guarantor, 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 Notes 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 Guarantor 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 Guarantor 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 Notes 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 Guarantor, the Dealers and the Arrangers to inform themselves about and to observe any such restrictions and all applicable laws, orders, rules and regulations. The Notes and the Guarantee 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, and the Notes may include Bearer Notes (as defined herein) that are subject to U.S. tax law requirements. Subject to certain exceptions, the Notes may not be offered, sold, or, in the case of Bearer Notes, delivered within the United States. Registered Notes 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 Notes in the United States, the European Economic Area (the “**EEA**”), the United Kingdom, Hong Kong, Singapore, Japan, The People’s Republic of China, excluding the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan (the “**PRC**”), Switzerland, the United Arab Emirates (excluding the Dubai International Financial Centre), Dubai International Financial Centre, State of Qatar (“**Qatar**”) (including the Qatar Financial Centre), Brunei and Malaysia (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 Guarantor, 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 Notes. This Offering Circular and any other documents or materials in relation to the issue, offering or sale of the Notes have been prepared solely for the purpose of the initial sale by the relevant Dealer(s) of the Notes 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 Notes 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 Notes. 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 Guarantor, or the issue and offering of the Notes. 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 Guarantor, 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 Notes. Each potential purchaser of the Notes should determine for itself the relevance of the information contained in this Offering Circular and its purchase of the Notes 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 Notes.

Any purchase or acquisition of the Notes is in all respects conditional on the satisfaction of certain conditions set out in the amended and restated dealer agreement dated 25 June 2024 (the “**Dealer Agreement**”) and the issue of the Notes 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 Notes or pursuant to this Offering Circular shall (without any liability or responsibility) on the part of the Issuer, the Guarantor, the Arrangers or any of the Dealers lapse and cease to have any effect if (for any other reason whatsoever) the Notes are not issued by the Issuer pursuant to the Dealer Agreement.

Any person(s) who is invited to purchase or subscribe for the Notes or to whom this Offering Circular is sent shall not make any offer or sale, directly or indirectly, of any Notes 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 Notes consult their own tax adviser, legal adviser, financial adviser and business adviser as to tax, legal, financial, business and related matters concerning the acquisition, ownership or disposal of the Notes.

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Prospective investors who are the directors, employees or major shareholders of the Issuer, the Guarantor, a CMI or its group companies would be considered under the SFC Code as having an association (“**Association**”) with the Issuer, the Guarantor, the CMI or the relevant group company. Prospective investors associated with the Issuer, the Guarantor or any CMI (including its group companies) should specifically disclose this when placing an order for the relevant Notes 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 Notes 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 Notes 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, the Guarantor, 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 Notes, the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes 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 Notes includes a legend entitled “*Prohibition of Sales to EEA Retail Investors*”, the Notes 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 (as amended, 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 (as amended, 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 Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes 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 Notes includes a legend entitled “*Prohibition of Sales to UK Retail Investors*”, the Notes 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 Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

MIFID II PRODUCT GOVERNANCE/TARGET MARKET

The Pricing Supplement in respect of any Notes 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 Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (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 Notes (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 Notes is a manufacturer in respect of such Notes, 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 Notes 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 Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (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 Notes (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 Notes is a manufacturer in respect of such Notes, 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.

NOTICE TO THE RESIDENTS OF QATAR

The Notes will not be offered, sold or delivered, at any time, directly or indirectly, in Qatar (including the Qatar Financial Centre) 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 Notes are not and will not be traded on the Qatar Stock Exchange. The Notes 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).

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 Notes 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 the SC Lodgement shall not be taken to indicate that the SC recommends the subscription or purchase of the Notes. The SC shall not be liable for any non-disclosure on the part of the Issuer or the Guarantor and assumes no responsibility for the correctness of any statements made or opinions or reports expressed in this Offering Circular.

STABILISATION

In connection with the issue of any Tranche of Notes, 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 Notes or effect transactions with a view to supporting the market price of the Notes 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 Notes 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 Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. 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 Capital Ltd., (ii) the “**Guarantor**” and “**Khazanah**” are to Khazanah Nasional Berhad, and (iii) the “**Khazanah Group**” or “**Group**” are to the Guarantor 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 2021, 31 December 2022 and 31 December 2023, which has been extracted from Khazanah's audited consolidated financial statements respectively, each as at and for the years ended 31 December 2022 and 2023 (the "**Audited Financial Statements**") that were filed with the Companies Commission of Malaysia. The Audited Financial Statements are included in this Offering Circular, see "*Index to Financial Statements*".

The Audited Financial Statements 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 Guarantor, 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. In making an investment decision, each investor must rely on its own examination of the Issuer, the Guarantor and the Khazanah Group and the terms of the offering and the Notes, including the merits and risks involved.

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 Guarantor have given undertakings to the Arrangers that if the Issuer has notified the Arrangers in writing that it intends to issue Notes under the Programme, the Issuer and the Guarantor 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 Noteholder (**provided that** the same has been provided by the Issuer or the Guarantor 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 Notes 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 Guarantor 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 Guarantor, 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 Notes. 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 Guarantor to the Issuing and Paying Agent so as to be available for inspection as aforesaid.

SUMMARY OF THE PROGRAMME

This summary must be read as an introduction to this Offering Circular and any decision to invest in the Notes 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 Notes or elsewhere in this Offering Circular have the same meanings in this summary.

Issuer: Khazanah Capital Ltd.

Guarantor: Khazanah Nasional Berhad.

Description: U.S.\$10,000,000,000 Euro Medium Term Note Programme.

Size: The maximum aggregate principal amount of the Notes to be issued, when added to the aggregate principal amount of all Notes outstanding, shall be U.S.\$10,000,000,000 (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, Standard Chartered Bank and UBS AG Singapore Branch and such other Dealers as may be appointed by the Issuer and the Guarantor in accordance with the Dealer Agreement.

The Issuer and the Guarantor 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.

**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.

Method of Issue: The Notes may be issued from time to time under the Programme on a syndicated or non-syndicated basis. The Notes 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 interest, if any), the Notes of each Series being intended to be interchangeable with all other Notes 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: Notes may be issued at par or at a discount, or premium, to par. Partly Paid Notes denominated in a currency other than Malaysian Ringgit may be issued, the issue price of which will be payable in two or more instalments.

**Form and Denomination and
Trading of the Notes:** The Notes will be issued in bearer form or registered form and in such denominations as may be agreed between the Issuer and the relevant Dealer(s). Each Tranche or Series of bearer Notes may initially be represented by a Temporary Global Note or a Permanent Global Note. Each Temporary Global Note may be deposited on the relevant issue date with a common depositary for Euroclear and Clearstream (the “**Common Depositary**”) and/or any other agreed clearing system and will be exchangeable, upon request as described therein, either for a Permanent Global Note or definitive Notes (as indicated in the applicable Pricing Supplement). Each Permanent Global Note may be exchanged, unless otherwise specified in the applicable Pricing Supplement, upon request as described therein, in whole (but not in part) for definitive Notes upon the terms therein. Each Tranche or Series of Registered Notes will initially be represented by a Global Certificate. Each Global Certificate may be registered in the name of a Common Depositary and/or any other agreed clearing system. Each Global Certificate may be exchanged, upon request as described therein, in whole (but not in part) for Certificates upon the terms therein. Save as provided in the Terms and Conditions of the Notes, a Certificate shall be issued in respect of each Noteholder’s entire holding of Registered Notes of one Series.

- Clearing Systems:** Clearstream, Euroclear and, in relation to any Tranche, such additional or alternative clearing system as may be agreed between the Issuer, the Guarantor and the relevant Dealer(s) and approved in writing by the Trustee, the Issuing and Paying Agent and, in the case of Registered Notes, the Registrar.
- Initial Delivery of Notes:** On or before the issue date for each Tranche, the Global Note representing Bearer Notes or the Global Certificate representing the Registered Notes may be deposited with a common depositary for Euroclear and Clearstream. Global Notes or 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 (in the case of Registered Notes) and the relevant Dealer. Registered Notes 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, Notes may be issued in U.S. dollars or any other currency (other than Malaysian Ringgit) as may be agreed between the Issuer, the Guarantor, the relevant Dealer(s), the Issuing and Paying Agent and, in the case of Registered Notes, the Registrar.
- Specified Denomination:** Definitive Notes will be in such denominations as may be specified in the relevant Pricing Supplement save that: (i) unless otherwise permitted by then current laws and regulations, the minimum denomination of each Note 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 Notes are denominated in a currency other than euro, the equivalent amount in such currency, as calculated on the Issue Date of the Notes); and (ii) unless otherwise permitted by then current laws and regulations, Notes 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 Notes 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 Guarantor or the relevant Specified Currency.
- Interest Basis:** Notes may bear interest at fixed or floating rates, or may bear interest at a combination of either of the foregoing rates, or may not bear interest (depending upon the Interest Basis shown on its face).
- Fixed Rate Notes:** Fixed Rate Notes will bear a fixed rate of interest which will be payable in arrear on specified interest payment dates and at maturity.
- Floating Rate Notes:** Floating Rate Notes will bear interest determined separately for each Series as follows:
- (i) on the same basis as the floating rate under a notional interest rate swap transaction in the Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions or the latest version of the 2021 ISDA Interest Rate Derivatives Definitions (as published by ISDA as at the Issue Date of the first Tranche of the Notes of the relevant Series) as specified in the applicable Pricing Supplement, in each case published by the International Swaps and Derivatives Association, Inc.; or
 - (ii) by reference to EURIBOR, HIBOR, CNH HIBOR, SONIA Benchmark, SOFR Benchmark or SORA Benchmark (or such other benchmark as may be specified in the applicable Pricing Supplement) as adjusted for any applicable margin.
- Interest periods will be specified in the relevant Pricing Supplement.
- Zero Coupon Notes:** Zero Coupon Notes may be issued at their principal amount or at a discount to it and will not bear interest other than in the case of late payment.
- Dual Currency Notes:** Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Dual Currency Notes will be made in such currencies and based on such rates of exchange as may be specified in the applicable Pricing Supplement.

Other Notes:	Terms applicable to any other type of Notes which the Issuer and any relevant Dealer(s) may agree to issue under the Programme will be set out in the applicable Pricing Supplement.
Interest Periods and Interest Rates:	The length of the interest periods for the Notes and the Rates: applicable interest rate or its method of calculation may differ from time to time or be constant for any Series. Notes may have a maximum interest rate, a minimum interest rate, or both. The use of interest accrual periods permits the Notes to bear interest at different rates in the same interest period. All such information will be set out in the relevant Pricing Supplement.
Redemption:	Unless previously redeemed or purchased and cancelled, each Note will be redeemed at its redemption amount on the maturity date shown on its face. Unless permitted by then current laws and regulations, Notes (including Notes denominated in Sterling) which have a maturity of less than one year and 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 must have a minimum redemption amount of £100,000 (or its equivalent in other currencies).
Redemption by Instalments:	The Pricing Supplement issued in respect of each issue of Notes that are redeemable in two or more instalments will set out the dates on which, and the amounts in which, such Notes may be redeemed.
Optional Redemption:	If so provided on the face of the Note and the relevant Pricing Supplement, Notes may be redeemed (either in whole or in part) prior to their stated maturity at the option of the Issuer and/or the holders of the Notes.

Tax Redemption: The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time or, if so specified hereon, on any Interest Payment Date, on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable) and in writing to the Trustee and the Issuing and Paying Agent, at their Redemption Amount or (in the case of Zero Coupon Notes) Early Redemption Amount (together with interest accrued to (but excluding) the date fixed for redemption), if the Issuer or, as the case may be, the Guarantor satisfies the Trustee immediately prior to the giving of the notice that:

- (i) the Issuer (or, if the Guarantee was called, the Guarantor) has or will become obliged to pay additional amounts as provided or referred to in Condition 8 (*Taxation*) of the Terms and Conditions of the Notes, 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 Guarantor, as the case may be, or in each case 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 of the Notes or any other date specified in the Pricing Supplement; and
- (ii) such obligations cannot be avoided by the Issuer or, as the case may be, the Guarantor taking reasonable measures available to it,

provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer or, as the case may be, the Guarantor would be obliged to pay such additional amounts were a payment in respect of the Notes then due.

Purchase and Cancellation: The Issuer, the Guarantor or any of their respective Subsidiaries may at any time purchase Notes at any price (provided that they are purchased together with all unmatured Receipts and Coupons and unexchanged Talons relating to them) 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 Notes so purchased, while held by or on behalf of the Issuer, the Guarantor or any of their respective Subsidiaries, shall not entitle the holder to vote at any meetings of the Noteholders 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 Noteholders and for the purposes of Condition 10 (*Events of Default*) and Condition 12 (*Meetings of Noteholders and Modifications*) of the Terms and Conditions of the Notes.

**Status of Notes and the
Guarantee:**

The Notes, Receipts and Coupons of all Series constitute (subject to Condition 4 (*Negative Pledge*) of the Terms and Conditions of the Notes) direct, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu*, without any preference or priority among themselves, and *pari passu* with all other present and future unsecured obligations (other than subordinated obligations and priorities created by law) of the Issuer.

The payment of all sums expressed to be payable by the Issuer under the Trust Deed, the Notes, the Receipts and the Coupons are unconditionally and irrevocably guaranteed by the Guarantor. The obligations of the Guarantor under the Guarantee (as defined in the Trust Deed) are contained in the Trust Deed. The payment obligations of the Guarantor under the Guarantee constitute (subject to Condition 4 (*Negative Pledge*) of the Terms and Conditions of the Notes) direct, unconditional, unsubordinated and unsecured obligations of the Guarantor and shall rank *pari passu* with all other present and future unsecured obligations (other than subordinated obligations and priorities created by law) of the Guarantor.

Negative Pledge:

So long as any Note or Coupon remains outstanding (as defined in the 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.

So long as any Note or Coupon remains outstanding (as defined in the Trust Deed), the Guarantor 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 Noteholders as security for the performance of the Guarantee, 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 Noteholders or as shall be approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders.

“International Investment Securities” means bonds, debentures, notes, certificates, loan stock or investment securities of the Guarantor 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.

Events of Default: See Condition 10 (*Events of Default*) of the Terms and Conditions of the Notes.

Taxation:	All payments of principal, premium (if any) and interest by or on behalf of the Issuer in respect of the Notes, the Receipts and the Coupons by the Issuer or, as the case may be, the Guarantor 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 jurisdictions of incorporation of the Issuer or the Guarantor or, in any such case, any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In such event, the Issuer or, as the case may be, the Guarantor shall pay such additional amounts as will result in the receipt by the Noteholders, the Receiptholders and the Couponholders 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 8 (<i>Taxation</i>) of the Terms and Conditions of the Notes.
Rating:	The Programme is rated A3 and A- by Moody's and S&P, respectively. Notes issued under the Programme may be rated or unrated. Where a Tranche of Notes 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 the Notes 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 Notes 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, Japan, the PRC, Switzerland, the United Arab Emirates (excluding the Dubai International Financial Centre), Dubai International Financial Centre, Qatar (including the Qatar Financial Centre), Brunei and Malaysia and such other restrictions as may be required in connection with a particular issue of Notes. See “*Subscription and Sale*”.

Governing Law: English law.

**Legal Entity Identifier of
the Issuer:** 213800O6O4S6ZMOA9R34

RISK FACTORS

Notwithstanding that this Offering Circular does not contain all information in relation to the Issuer, the Guarantor and/or the Notes that any individual prospective investor may deem appropriate prior to making an investment decision in relation to the Notes, prior to making such a decision, prospective investors of the Notes 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 Guarantor, its subsidiaries and associate companies or any decision to purchase, own or dispose of the Notes. There may also be additional risk factors which the Issuer, the Guarantor 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 Guarantor, or affect the market price of, liquidity and/or trading in, the Notes. Words and expressions defined in “Terms and Conditions of the Notes” 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 Guarantor.

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 Guarantor, 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 Notes. Each person receiving this Offering Circular acknowledges that such person has not relied on any of the Issuer, the Guarantor, 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 Notes 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 Guarantor and their respective subsidiaries and associate companies (if any), the Terms and Conditions of the Notes 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 Notes.

The Issuer is a special purpose vehicle in the form of a limited liability company incorporated in the Federal Territory of Labuan, Malaysia on 31 January 2023 pursuant to the Labuan Companies Act, 1990 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 Notes thereunder. The Issuer will not conduct any business activity other than in connection with the issue of debt securities or borrowing of monies (or other arrangement having a similar commercial effect) for the purposes of lending the proceeds of such issues, borrowings or arrangement to Khazanah or Khazanah's subsidiaries. The Notes will not be obligations or responsibilities of, or guaranteed by, the Trustee, any of the Agents, the Arrangers or the Dealers. The ability of the Issuer to pay amounts due to the Noteholders will therefore be dependent upon receipt by the Issuer of timely remittance of funds from Khazanah and/or Khazanah's subsidiaries and the Guarantor fulfilling its obligations under the Trust Deed (including the Terms and Conditions of the Notes) and the Agency Agreement (the "**Transaction Documents**"). As a consequence, the Issuer's ability to satisfy its obligations under the Notes is subject to all the risks to which Khazanah is subject that could negatively affect its ability to remit funds and/or satisfy its obligations under the Transaction Documents. There is no assurance that the Issuer will be able to receive sufficient funds from Khazanah to make payments under the Notes.

Considerations relating to the Guarantor

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

Geopolitical risks have continued to emerge globally, such as the incursion of Ukraine by Russia, which has led to rising tensions and increased military activity in the Baltic Sea and the ongoing Israeli-Palestinian conflict in the Middle East. Such protracted conflicts could result in global economic slowdown, higher inflation, supply chain disruption, diminished access to commodities and financial market volatilities.

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. In addition, financial market volatility and increased economic uncertainty may arise due to specific country-related factors. For example, the Chinese government may maintain tight regulatory oversight on specific sectors (such as property and platform technology companies) and rein in debt increases even as it attempts to stabilise economic growth. To the extent that uncertainty regarding the economic outlook is heightened and starts to negatively impact consumer confidence and consumer credit factors globally or regionally, the Khazanah Group's business, financial condition and/or results of operations could be significantly and adversely affected. There has also been continued and lingering political unrest in certain countries within the Southeast Asia region in recent years. Such geopolitical risks could continue to emerge in the region, resulting in economic slowdown, financial and commodity market volatilities and capital flight from emerging 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. 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 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 Guarantor has no operations of its own and is dependent on investment income from its investments for revenue and to make any payments due under the Notes.

The Guarantor is a holding company for investments in its subsidiaries and associate companies and has no operations of its own. As a result, Khazanah 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 the Guarantor. The ability of such companies to pay dividends to their shareholders (including the Guarantor) 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 Guarantor in such companies.

The Guarantee 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 the Guarantor, 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 Guarantor and its creditors, including any claims relating to amounts payable by Khazanah pursuant to the Guarantee.

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 amendments to the Malaysian Income Tax Act 1967, a capital gains tax has been introduced for the disposal of certain unlisted shares by companies beginning in the year 2024, which may be applicable to Khazanah when it makes divestments in respect of relevant investee companies. 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 (the “**Guarantor’s Shareholder**”) 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 Noteholders.

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 outbreak of diseases, 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, including the ongoing Israeli-Palestinian conflict, 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 Notes 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 Notes 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.

Risks relating to the Notes issued under the Programme

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

An investment in the Notes involves certain risks including market risk, interest rate risk, foreign exchange risk, credit risk and liquidity risk. Each potential investor in any Notes must determine the suitability of that investment in light of its experience, objectives, financial position and other relevant circumstances. In particular, each potential investor should:

- (a) have sufficient knowledge and experience to make a meaningful evaluation of the relevant Notes, the merits and risks of investing in the relevant Notes and the information contained or incorporated by reference in this Offering Circular, any applicable supplement to this Offering Circular or any Pricing Supplement;
- (b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant Notes and the impact such investment will have on its overall investment portfolio;
- (c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the relevant Notes, including where principal or interest is payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;

- (d) understand thoroughly the terms of the relevant Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- (e) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Notes may be complex financial instruments and such instruments may be purchased as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to the purchaser's overall portfolios. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with the help of a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of such Notes and the impact this investment will have on the potential investor's overall investment portfolio.

Additionally, 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 (1) the Notes are legal investments for it, (2) the Notes can be used as collateral for various types of borrowing, and (3) other restrictions apply to its purchase of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of the Notes under any applicable risk-based capital or similar rules.

The Guarantor's obligations under the Guarantee are structurally subordinated to all existing and future liabilities of each of the Guarantor's subsidiaries, associated companies and jointly controlled entities.

A substantial part of the Guarantor's operations is conducted through its subsidiaries, associated companies and jointly controlled entities. Accordingly, the Guarantor is and will be dependent on the operations of its subsidiaries, associated companies and jointly controlled entities to service its indebtedness, including principal on the Notes. The Guarantor's obligations under the Guarantee are structurally subordinated to all existing and future liabilities and obligations of each of the Guarantor's subsidiaries, associated companies and jointly controlled entities. The Guarantor's obligations will not be guaranteed by any of its subsidiaries. Claims of creditors of such companies will have priority as to the assets of such companies over the Guarantor and its creditors, including holders of the Notes seeking to enforce the Notes and the Guarantee. In the event of an insolvency, bankruptcy, liquidation, reorganisation, dissolution or winding up of the business of any subsidiary of the Guarantor, creditors of such subsidiary generally will have the right to be paid in full before any distribution is made to the Guarantor. Moreover, the Guarantor's interests in its subsidiaries, associated companies and jointly controlled entities could be reduced in the future. Neither the Notes nor the Guarantee contain any restriction on the ability of the Guarantor or its subsidiaries, associated companies or jointly controlled entities to incur additional indebtedness.

Modification and waivers may be made in respect of the Terms and Conditions of the Notes, the Trust Deed and/or the Agency Agreement by the Trustee or less than all of the holders of the Notes, and decisions may be made on behalf of all holders of the Notes that may be adverse to the interests of individual holders of the Notes.

The Trust Deed contains provisions for convening meetings of Noteholders of a Series to consider matters affecting their interests, including without limitation modification by Extraordinary Resolution of the Notes of such Series (including the Terms and Conditions of the Notes insofar as the same may apply to such Notes) or any of the provisions of the Trust Deed. These provisions permit defined majorities to bind all Noteholders of the relevant Series whether present or not and whether they voted for or against such Extraordinary Resolution and on all relevant Receiptholders and Couponholders, except that any Extraordinary Resolution proposed, *inter alia*, (a) to amend the dates of maturity or redemption of the Notes, any Instalment Date or any date for payment of interest or Interest Amounts on the Notes, (b) to reduce or cancel the principal amount of, or any Instalment Amount of, or any premium payable on redemption of, the Notes, (c) to reduce the rate or rates of interest in respect of the Notes or to vary the method or basis of calculating the rate or rates of interest or the basis for calculating any Interest Amount in respect of the Notes, (d) if a Minimum Rate of Interest and/or a Maximum Rate of Interest, Instalment Amount or Redemption Amount is shown hereon, to reduce any such Minimum Rate of Interest and/or Maximum Rate of Interest; (e) to vary any method of, or basis for, calculating the Redemption Amount or the Early Redemption Amount including the method of calculating the Amortised Face Amount, (f) to vary the currency or currencies of payment or denomination of the Notes, (g) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass the Extraordinary Resolution or (h) to modify or cancel the Guarantee, will only be binding if passed at a meeting of the Noteholders of the relevant Series (or at any adjournment thereof) at which a special quorum (provided for in the Trust Deed) is present.

The Terms and Conditions of the Notes will also provide that the Trustee may (but is not obliged to) agree, without the consent of the Noteholders, Receiptholders or Couponholders, to (i) any modification of any of the provisions of the Trust Deed, the Agency Agreement or the Terms and Conditions of the Notes 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 Notes 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 Noteholders, and (iii) any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed, the Agency Agreement or the Terms and Conditions of the Notes which is in the opinion of the Trustee not materially prejudicial to the interests of the Noteholders. Any such modification, authorisation or waiver shall be binding on the Noteholders, the Receiptholders and the Couponholders and, unless the Trustee otherwise agrees, such modification, waiver or authorisation shall be notified by the Issuer to the Noteholders as soon as practicable.

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

A change in the law which governs the Notes may adversely affect Noteholders.

The Terms and Conditions of the Notes will be governed by English law. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of issue of the relevant Tranche of Notes.

The Guarantee provided by the Guarantor will be subject to certain limitations on enforcement and may be limited by applicable laws or subject to certain defences that may limit its validity and enforceability.

The Guarantee given by the Guarantor will provide holders of Notes with a direct claim against the Guarantor in respect of the Issuer's obligations under the Notes. Enforcement of the Guarantee would be subject to certain generally available defences. Local laws and defences may vary and may include those that relate to corporate benefit (*ultra vires*), fraudulent conveyance or transfer (*action pauliana*) and corporate purpose. They may also include regulations or defences which affect the rights of creditors generally.

If a court were to find the Guarantee given by the Guarantor, or a portion thereof, void or unenforceable as a result of such local laws or defence, or to the extent that agreed limitations on guarantees apply, holders would cease to have any claim in respect of the Guarantor and would be creditors solely of the Issuer and, if payment had already been made under the Guarantee, the court could require that the recipient return the payment to the Guarantor.

The Notes and the Guarantee will not be secured.

The Notes, Receipts and Coupons of all Series will constitute (subject to Condition 4 (*Negative Pledge*) of the Terms and Conditions of the Notes) direct, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu* without any preference or priority among themselves, and *pari passu* with all other present and future unsecured obligations (other than subordinated obligations and priorities created by law) of the Issuer. The payment obligations of the Guarantor under the Guarantee constitute (subject to Condition 4 (*Negative Pledge*) of the Terms and Conditions of the Notes) direct, unconditional, unsubordinated and unsecured obligations of the Guarantor and shall rank *pari passu* with all other present and future unsecured obligations (other than subordinated obligations and priorities created by law) of the Guarantor.

Accordingly, on a winding-up or dissolution of the Issuer and/or the Guarantor at any time while any Notes are outstanding, the Noteholders will not have recourse to any specific assets of the Issuer, the Guarantor or their respective subsidiaries and/or associated companies (if any) as security for outstanding payment or other obligations under the Notes, Receipts and/or Coupons owed to the Noteholders and there can be no assurance that there would be sufficient value in the assets of the Issuer and/or the Guarantor, after meeting all claims ranking ahead of the Notes, to discharge all outstanding payment and other obligations under the Notes, Receipts and/or Coupons owed to the Noteholders.

Performance of contractual obligations.

The ability of the Issuer to make payments in respect of the Notes and the ability of the Guarantor to make payments in respect of the Guarantee may depend upon the due performance by the other parties to the transaction documents of the obligations thereunder including the performance by the Trustee, the Issuing and Paying Agent, the Transfer Agents, the Registrar and/or the Calculation Agent of their respective obligations. Whilst the non-performance of any relevant parties will not relieve the Issuer, or as the case may be, the Guarantor, of their respective obligations to make payments in respect of the Notes or the Guarantee, the Issuer, or as the case may be, the Guarantor may not, in such circumstances, be able to fulfil its obligations to the Noteholders, Receiptholders and the Couponholders.

Reliance on procedures of clearing systems.

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

While the Notes of a Series are represented by one or more Global Notes or Global Certificates, the Issuer or, as the case may be, the Guarantor, will discharge its payment obligations under the Notes by making payments through the relevant Clearing System for distribution to their account holders.

A holder of a beneficial interest in a Global Note or Global Certificate must rely on the procedures of the relevant Clearing System(s) and its participants (if any) to receive payments under the relevant Notes. Neither the Issuer nor the Guarantor has any responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes or Global Certificates (as the case may be).

Holders of beneficial interests in the Global Notes or Global Certificates will not have a direct right to vote in respect of the Notes so represented. Instead, such holders will be permitted to act only to the extent that they are enabled by the relevant Clearing System(s) and its participants to appoint appropriate proxies. Similarly, holders of beneficial interests in the Global Notes or Global Certificates will not have a direct right under the respective Global Notes or Global Certificates to take enforcement action against the Issuer or the Guarantor in the event of a default under the relevant Notes but will have to rely upon their rights under the Trust Deed.

Noteholders should be aware that definitive Notes and Certificates which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

In relation to any issue of Notes which have a denomination consisting of a minimum Specified Denomination (as defined in the Terms and Conditions of the Notes) plus a higher integral multiple of another smaller amount, it is possible that the Notes may be traded in amounts in excess of the minimum Specified Denomination that are not integral multiples of such minimum Specified Denomination. In such a case a Noteholder who, as a result of trading such amounts, holds a principal amount of less than the minimum Specified Denomination will not receive a definitive Note or Certificate in respect of such holding (should definitive Notes or Certificates be printed) and would need to purchase a principal amount of Notes such that it holds an amount equal to one or more Specified Denomination. If definitive Notes or Certificates are issued, holders should be aware that definitive Notes or Certificates which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade. Definitive Notes will in no circumstances be issued to any person holding Notes in an amount lower than the minimum denomination and such Notes will be cancelled and holders will have no rights against the Issuer or the Guarantor (including rights to receive principal or interest or to vote or attend meetings of Noteholders) in respect of such Notes.

Neither the Issuer nor the Guarantor may be able to pay interest on, or redeem, the Notes.

On certain dates, including the occurrence of any early redemption event specified in the relevant Pricing Supplement or otherwise and at maturity of the Notes, the Issuer or, if the Guarantee is called, the Guarantor may, and at maturity, will, be required to pay interest or, as the case may be, distribution on, or redeem, all of the Notes. If such an event were to occur, the Issuer or, as the case may be, the Guarantor may not have sufficient cash on hand (whether due to a serious decline in net operating cash flows or otherwise) and may not be able to arrange financing to make such payment or redeem the Notes in time, or on acceptable terms, or at all. The ability to make interest or distribution payments or redeem the Notes in such event may also be limited by the terms of other debt instruments. Failure to pay interest or distribution on the Notes or to repay, repurchase or redeem tendered Notes by the Issuer or, as the case may be, the Guarantor would constitute an event of default under the Notes, which may also constitute a default under the terms of other indebtedness of the Khazanah Group.

The Khazanah Group has, and may in the future have, credit agreements or other agreements relating to its indebtedness that contain provisions stating that a change in control constitutes an event of default or accelerates its payment obligations under that agreement. If such an event were to occur, no assurance can be given that the Issuer or the Guarantor will have sufficient funds or be able to raise sufficient financing to meet its payment obligations under these agreements thereby affecting its ability to pay the redemption amount for the tendered Notes.

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

In certain circumstances, including, without limitation, the giving of a notice to the Issuer and the Guarantor pursuant to Condition 10 (*Events of Default*) of the Terms and Conditions of the Notes and the taking of steps and/or actions and/or the institution of proceedings against the Issuer and/or the Guarantor pursuant to Condition 11 (*Enforcement of Rights*) of the Terms and Conditions of the Notes, the Trustee may, at its sole discretion, request the Noteholders 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 Noteholders. 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 of the Trust Deed constituting the Notes and/or the Terms and Conditions of the Notes 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 Noteholders to take such steps and/or actions and/or to institute such proceedings directly.

The Trust Deed and the Terms and Conditions of the Notes do not contain restrictive financial or operating covenants.

The Trust Deed and the Terms and Conditions of the Notes do not contain restrictive financial or operating covenants or restrictions on the payments of dividends, the incurrence of indebtedness or the issuance or repurchase of securities by the Issuer or the Guarantor. The Trust

Deed and the Terms and Conditions of the Notes also do not contain any other covenants or provisions that require the Issuer or the Guarantor to achieve or maintain any minimum financial results relating to its financial position or results of operations. The Issuer's or the Guarantor's ability to recapitalise, incur additional debt and take other actions that are not limited by the terms of the Trust Deed or the Terms and Conditions of the Notes could have the effect of diminishing the ability of the Issuer to make payments on the Notes when due.

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

The Programme has been assigned a rating of A3 and A- by Moody's and S&P, respectively. Notes issued under the Programme may be rated or unrated. Where a Tranche of Notes 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 Guarantor to perform their respective obligations under the Notes and the Guarantee of the Notes and credit risks in determining the likelihood that payments will be made when due under the Notes. A reduction or withdrawal of the ratings may adversely affect the market price of the Notes and the Issuer's or the Guarantor'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 Notes. 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.

If the Issuer or the Guarantor is unable to comply with the restrictions and covenants in their respective debt agreements (if any) or the Notes, there could be a default under the terms of these agreements or the Notes, which could cause repayment of the Issuer's or the Guarantor's debt to be accelerated.

If the Issuer or the Guarantor is unable to comply with the restrictions and covenants in the Notes, or current or future debt obligations and other agreements (if any), there could be a default under the terms of these agreements. In the event of a default under these agreements, the holders of the debt could terminate their commitments to lend to the Issuer or the Guarantor, accelerate repayment of the debt, declare all amounts borrowed due and payable or terminate the agreements, as the case may be. Furthermore, some of the debt agreements of the Guarantor, contain cross-acceleration or cross-default provisions. As a result, the default by the Issuer or the Guarantor under one debt agreement may cause the acceleration of repayment of debt, including the Notes, or result in a default under its other debt agreements, including the Notes. If any of these events occur, there can be no assurance that the Khazanah Group's assets and cash flows would be sufficient to repay in full all of the Issuer's or the Guarantor's indebtedness, or that it would be able to find alternative financing. Even if the Issuer or the Guarantor could obtain alternative financing, there can be no assurance that it would be on terms that are favourable or acceptable to the Issuer or the Guarantor.

The insolvency laws of Labuan, Malaysia and other local insolvency laws may differ from those of another jurisdiction with which the holders of the Notes are familiar.

As the Issuer and the Guarantor are incorporated under the laws of Labuan and Malaysia respectively, any insolvency proceedings relating to the Issuer or the Guarantor are likely to involve Labuan and Malaysia insolvency laws respectively, the procedural and substantive provisions of which may differ from comparable provisions of the local insolvency laws of jurisdictions with which the holders of the Notes are familiar.

The Issuer is a special purpose company with no business activities on its own and limited assets and will be dependent on funds from the Guarantor and/or its subsidiaries to make payments under the Notes.

The Issuer was established specifically for the purposes of issuing debt securities and the borrowing of monies (or other arrangements having a similar commercial effect) and on-lending the net proceeds from such issues, borrowings or arrangements to the Guarantor and/or its special purpose vehicles. The Issuer does not and will not have any business activities other than such activities, and its ability to make payments under the Notes will depend on its receipt of timely remittance of funds from the Guarantor and/or its subsidiaries. There is no assurance that the Issuer will be able to receive sufficient funds from the Guarantor and/or its subsidiaries to make payments under the Notes.

Noteholders' ability to enforce claims is uncertain.

Substantially all the assets of the Guarantor 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 Guarantor 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 Guarantor, 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 Noteholders with claims against the Guarantor 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.

Risks relating to the Structure of a Particular Issue of Notes

A wide range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of certain such features:

Notes subject to optional redemption by the Issuer may have a lower market value than Notes that cannot be redeemed.

Subject to the Terms and Conditions of the Notes, the Issuer may have the option to redeem outstanding Notes at any time or upon the occurrence of certain events, including changes in tax laws or regulations.

An optional redemption feature is likely to limit the market value of the Notes. During any period when the Issuer may elect to redeem any Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Floating Rate Notes referencing or linked to benchmarks have been subject to political and regulatory scrutiny which may adversely affect the value of such Notes.

The Programme allows for the issuance of Notes that reference certain interest rates or other types of rates or indices which are deemed to be “benchmarks”, including EURIBOR, HIBOR and CNH HIBOR, in particular with respect to certain Floating Rate Notes where the Reference Rate (as defined in the Terms and Conditions of the Notes) may be EURIBOR, HIBOR, CNH HIBOR or another such benchmark. The Pricing Supplement for the Notes will specify whether EURIBOR, HIBOR, CNH HIBOR or another such benchmark is applicable.

Interest rates and indices which are deemed to be “benchmarks” are the subject of national and international regulatory guidance and proposals for reform. Some of these reforms are already effective while others are still to be implemented. These reforms may cause such benchmarks to perform differently from in the past, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Notes linked to or referencing such a “benchmark”. Regulation (EU) 2016/1011 (the “**Benchmarks Regulation**”) was published in the Official Journal of the EU on 29 June 2016 and will apply from 1 January 2018. The Benchmarks Regulation applies to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark within the EU. It will, among other things, (i) require benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevent certain uses by EU supervised entities of “benchmarks” of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed).

The Benchmarks Regulation could have a material impact on any Notes linked to or referencing a “benchmark”, in particular, if the methodology or other terms of the “benchmark” are changed in order to comply with the requirements of the Benchmarks Regulation. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the “benchmark”.

Separately, the euro risk free-rate working group for the euro area has published a set of guiding principles and high level recommendations for fallback provisions in, amongst other things, new euro denominated cash products (including bonds) referencing EURIBOR. The guiding principles indicate, amongst other things, that continuing to reference EURIBOR in relevant contracts (without robust fallback provisions) may increase the risk to the euro area financial system. On 11 May 2021, the euro risk-free rate working group published its recommendations on EURIBOR fallback trigger events and fallback rates. On 4 December 2023, the group issued its final statement, announcing completion of its mandate.

More broadly, any of the international, national or other proposals for reform, or the general increased regulatory scrutiny of “benchmarks”, could increase the costs and risks of administering or otherwise participating in the setting of a benchmark and complying with any such regulations or requirements.

The elimination of any benchmark, or changes in the manner of administration of any benchmark, could require an adjustment to the terms and conditions, or result in other consequences, in respect of any Notes linked to such benchmark. Such factors may have the following effects on certain benchmarks:

- (i) discouraging market participants from continuing to administer or contribute to the benchmark;
- (ii) trigger changes in the rules or methodologies used in the benchmark; or
- (iii) lead to the disappearance of the benchmark.

Any of the above changes or any other consequential changes as a result of international reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any Notes linked to or referencing a benchmark.

The Terms and Conditions of the Notes provide for certain fallback arrangements in the event that a Benchmark Event (as defined in the Terms and Conditions of the Notes) occurs, including if an Original Reference Rate (as defined in the Terms and Conditions of the Notes) ceases to be published for a period of at least five business days or ceases to exist, or if it has become unlawful for the Issuing and Paying Agent, the Calculation Agent, the Issuer or any other party to calculate any payments due to be made to any Noteholder using the Original Reference Rate. If a Benchmark Event occurs, the Issuer shall use its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable. The Independent Adviser shall determine a Successor Rate or Alternative Rate to be used in place of the Original Reference Rate in good faith and in a commercially reasonable manner as an expert (in consultation with the Issuer). The use of any such Successor Rate or Alternative Rate to determine the Rate of Interest is likely to result in Notes initially linked to or referencing the Original Reference Rate performing differently (which may include payment of a lower Rate of Interest) than they would do if the Original Reference Rate were to continue to apply in its current form.

Furthermore, if a Successor Rate or Alternative Rate for the Original Reference Rate is determined by the Independent Adviser, the Terms and Conditions of the Notes provide that the Issuer may vary the Terms and Conditions of the Notes, the Trust Deed and/or the Agency Agreement, as necessary to ensure the proper operation of such Successor Rate or Alternative Rate, without any requirement for consent or approval of the Noteholders.

If a Successor Rate or Alternative Rate is determined by the Independent Adviser, the Terms and Conditions of the Notes also provide that an Adjustment Spread will be determined by the Independent Adviser and applied to such Successor Rate or Alternative Rate.

The Adjustment Spread is (x) the spread, formula or methodology which is formally recommended in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body (which may include a relevant central bank, supervisory authority or group of central banks/supervisory authorities), (y) if no such recommendation has been made, or in the case of an Alternative Rate, the spread, formula or methodology which the Independent Adviser determines, is customarily applied to the relevant Successor Rate or the Alternative Rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for the Original Reference Rate or (z) if the Independent Adviser, in consultation with the Issuer, determines that no such spread is customarily applied, the spread, formula or methodology which the Independent Adviser determines is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate, as the case may be.

Accordingly, the application of an Adjustment Spread may result in the Notes performing differently (which may include payment of a lower Rate of Interest) than they would do if the Original Reference Rate were to continue to apply in its current form.

The Issuer may be unable to appoint an Independent Adviser, or the Independent Adviser may not be able to determine a Successor Rate or Alternative Rate in accordance with the Terms and Conditions of the Notes.

Where the Issuer is unable to appoint an Independent Adviser in a timely manner or the Independent Adviser is unable to determine a Successor Rate, or failing which, an Alternative Rate prior to the date falling 10 business days before the next Interest Determination Date, the Rate of Interest for the next succeeding Interest Accrual Period shall be equal to the Rate of Interest last determined in relation to the Notes in respect of the immediately preceding Interest Accrual Period, or, if there has not been a first Interest Payment Date, the Rate of Interest will be the initial Rate of Interest.

Applying the initial Rate of Interest, or the Rate of Interest last determined in relation to the Notes, in respect of the Interest Accrual Period immediately preceding the Benchmark Event is likely to result in Notes linked to or referencing the relevant benchmark performing differently (which may include payment of a lower Rate of Interest) than they would do if the relevant benchmark were to continue to apply, or if a Successor Rate or Alternative Rate could be determined.

Where ISDA Determination is specified as the manner in which the Rate of Interest in respect of Floating Rate Notes is to be determined, the Terms and Conditions of the Notes provide that the Rate of Interest in respect of the Notes shall be determined by reference to the relevant Floating Rate Option in (i) if “2006 ISDA Definitions” is specified in the applicable Pricing Supplement, the 2006 ISDA Definitions and (ii) if “2021 ISDA Definitions” is specified in the applicable Pricing Supplement, the latest version of the 2021 ISDA Interest Rate Derivatives Definitions. If the relevant screen rate or quotations from banks (as applicable) are not available, the operation of these provisions may lead to uncertainty as to the Rate of Interest that would be applicable, and may, adversely affect the value of, and return on, the Floating Rate Notes.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the Benchmarks Regulation or any other international reforms in making any investment decision with respect to any Notes linked to, or referencing, a “benchmark”.

The market continues to develop in relation to risk-free rates (including overnight rates) as reference rates for Floating Rate Notes.

Investors should be aware that the market continues to develop in relation to risk-free rates, as reference rates in the capital markets and their adoption as alternatives to the relevant interbank offered rates.

SONIA, SOFR and SORA are recently reformed and/or are newly established risk-free rates. SOFR is published by the Federal Reserve Bank of New York and is intended to be a broad measure of the cost of borrowing cash overnight collateralised by Treasury securities and a current preferred replacement rate to USD LIBOR. SONIA is published by the Bank of England and is the effective overnight interest rate paid by banks for unsecured transactions in the sterling market. SONIA is being implemented by the Bank of England’s Working Group on Sterling Risk-Free Rates on a broad-based transition across sterling bond, loan and derivatives markets, so that SONIA is established as the primary sterling interest rate benchmark. SORA is published by the MAS and is the volume-weighted average rate of borrowing transactions in the unsecured overnight interbank SGD cash market. SORA is part of an industry-wide interest rate benchmark transition away from the use of SOR and SIBOR to the use of SORA as the main interest rate benchmark for SGD financial markets. The market or a significant part thereof may adopt an application of risk-free rates that differs significantly from that set out in the Terms and Conditions of the Notes and used in relation to any that reference risk-free rates issued under the Programme. The Issuer may in the future also issue Notes referencing risk-free rates that differ materially in terms of interest determination when compared with any previous Notes referencing the same risk-free rate issued by it under the Programme. The development of risk-free rates as interest reference rates for the Eurobond markets and of the market infrastructure for adopting such rates could result in reduced liquidity or increased volatility or could otherwise affect the market price of any Notes issued under the Programme which references any such risk-free rate from time to time.

Furthermore, the basis of deriving certain risk-free rates, such as SONIA Benchmark, SOFR Benchmark or SORA Benchmark, may mean that interest on Notes which reference any such risk-free rate would only be capable of being determined after the end of the relevant observation period and immediately prior to the relevant Interest Payment Date. It may be difficult for investors in Notes which reference any such risk-free rate to accurately estimate the amount of interest which will be payable on such Notes, and some investors may be unable or unwilling to trade such Notes without changes to their information technology systems, both of which could adversely impact the liquidity of such Notes. Further, if Notes referencing SONIA Benchmark, SOFR Benchmark or SORA Benchmark become due and payable as a result of an event of default under Condition 10 (*Events of Default*) of the Terms and Conditions of the Notes, the rate of interest payable for the final Interest Period in respect of such Notes shall only be determined on the date which the Notes become due and payable and shall not be reset thereafter.

Investors should consider these matters when making their investment decision with respect to any such Notes.

In addition, the manner of adoption or application of risk-free rates in the Eurobond markets may differ materially compared with the application and adoption of such risk-free rates in other markets, such as the derivatives and loan markets. Investors should carefully consider how any mismatch between the adoption of risk-free rates across these markets may impact any hedging or other financial arrangements which they may put in place in connection with any acquisition, holding or disposal of Notes referencing such risk-free rates.

Since risk-free rates are relatively new market indices, Notes linked to any such risk-free rate may have no established trading market when issued, and an established trading market may never develop or may not be very liquid. Market terms for debt securities indexed to any risk-free rate, such as the spread over the index reflected in interest rate provisions, may evolve over time, and trading prices of such Notes may be lower than those of later-issued indexed debt securities as a result. Further, if any risk-free rate to which a series of Notes is linked does not prove to be widely used in securities like the Notes, the trading price of such Notes linked to a risk-free rate may be lower than those of Notes linked to indices that are more widely used. Investors in such Notes may not be able to sell such Notes at all or may not be able to sell such Notes at prices that will provide them with a yield comparable to similar investments that have a developed secondary market, and may consequently suffer from increased pricing volatility and market risk. Daily changes in such rates may also be more volatile than daily changes in other benchmarks or market rates, such that the value on and value of Notes linked to risk-free rates may fluctuate more than floating rate debt securities linked to less volatile rates. There can also be no guarantee that any risk-free rate to which a series of Notes is linked will not be discontinued or fundamentally altered in a manner that is materially adverse to the interests of investors in Notes referencing such risk-free rate. If the manner in which such risk-free rate is calculated is changed, that change may result in a reduction of the amount of interest payable on such Notes and the trading prices of such Notes.

Partly Paid Notes.

The Issuer may issue Notes where the issue price is payable in more than one instalment. Failure to pay any subsequent instalment could result in an investor losing all of his investment.

Dual Currency Notes.

The Issuer may issue Notes with principal or interest determined by reference to movements in currency exchange rates or other factors (each, a “**Relevant Factor**”). In addition, the Issuer may issue Notes with principal or interest payable in one or more currencies which may be different from the currency in which the Notes are denominated. Potential investors should be aware that:

- (i) the market price of such Notes may be volatile;
- (ii) they may receive no interest;
- (iii) payment of principal or interest may occur at a different time or in a different currency than expected;
- (iv) they may lose all or a substantial portion of their principal;
- (v) a Relevant Factor may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices;
- (vi) if a Relevant Factor is applied to Notes in conjunction with a multiplier greater than one or contains some other leverage factor, the effect of changes in the Relevant Factor on principal or interest payable will likely be magnified; and
- (vii) the timing of changes in a Relevant Factor may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the Relevant Factor, the greater the effect on yield.

Inverse Floating Rate Notes are typically more volatile than conventional floating rate debt.

Inverse Floating Rate Notes have an interest rate equal to a fixed rate minus a rate based upon a reference rate. The market values of such Notes typically are more volatile than market values of other conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms). Inverse Floating Rate Notes are more volatile because an increase in the reference rate not only decreases the interest rate of the Notes but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Notes.

Notes carrying an interest rate which may be converted from fixed to floating interest rates and vice-versa, may have lower market values than other Notes.

Fixed/Floating Rate Notes may bear interest at a rate that the Issuer may elect to convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. The Issuer’s ability to convert the interest rate will affect the secondary market and the market value of such Notes since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the Issuer converts from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on its Notes.

The market price of variable rate Notes with a multiplier or other leverage factor may be volatile.

Notes with variable interest rates can be volatile securities. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include such features.

The market prices of Notes issued at a substantial discount or premium tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities.

The market values of Notes issued at a substantial discount or premium to their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities.

Generally, the longer the remaining term of the Notes, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

Risks relating to the Market Generally

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

Notes 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.

Notes 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 Notes which is already issued). If the Notes 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 Guarantor. If the Notes are trading at a discount, investors may not be able to receive a favourable price for their Notes, and in some circumstances investors may not be able to sell their Notes at all or at their fair market value. Although an application may be made for the Notes 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 Notes 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 Notes 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 Notes.

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

The Issuer will pay principal and interest on the Notes 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 Notes, (2) the Investor’s Currency equivalent value of the principal payable on the Notes and (3) the Investor’s Currency equivalent market value of the Notes.

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 interest or principal than expected, or no interest or principal.

Interest rate risk.

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

Noteholders 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 Notes, resulting in a capital loss for the Noteholders. However, the Noteholders may reinvest the interest payments at higher prevailing interest rates. Conversely, when interest rates fall, the price of the Notes may rise. The Noteholders may enjoy a capital gain but interest payments received may be reinvested at lower prevailing interest rates.

Inflation risk.

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

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) Notes are legal investments for it, (b) Notes can be used as collateral for various types of borrowing and (c) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

TERMS AND CONDITIONS OF THE NOTES

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 Notes in definitive form issued in exchange for the Global Note(s) or 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 Notes. 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 such Bearer Notes or on the Certificates relating to such Registered Notes. References in the Conditions to “Notes” are to the Notes of one Series only, not to all Notes that may be issued under the Programme, with details of the relevant Series being shown on the face of the relevant Notes and in the relevant Pricing Supplement.

The Notes are issued by Khazanah Capital Ltd (the “**Issuer**”) pursuant to the Trust Deed (as defined below). The Notes are guaranteed by Khazanah Nasional Berhad (the “**Guarantor**”).

The Notes are constituted by a trust deed dated 22 May 2023 (as amended and/or supplemented as at the date of issue of the Notes (the “**Issue Date**”) and from time to time, the “**Trust Deed**”) made between (1) the Issuer, (2) the Guarantor and (3) The Bank of New York Mellon, London Branch (the “**Trustee**”, which expression shall wherever the context so admits include its successor(s) and such company and all other persons for the time being the trustee or trustees of the Trust Deed), as trustee for the Noteholders (as defined below).

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 the Bearer Notes, Certificates, Receipts, Coupons and Talons referred to below. The Issuer and the Guarantor have entered into an agency agreement dated 22 May 2023 made between (1) the Issuer, (2) the Guarantor, (3) 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 (where appointed as contemplated therein) as calculation agent (in such capacity, the “**Calculation Agent**”), (4) The Bank of New York Mellon SA/NV, Dublin Branch as registrar in respect of Notes cleared through Euroclear (as defined below) or Clearstream (as defined below) (the “**Registrar**”, which expression includes any successor registrar appointed from time to time) and as transfer agent in respect of Notes cleared through Euroclear or Clearstream, (the “**Transfer Agent**”, which expression includes any successor(s) or additional transfer agents appointed from time to time), and (5) the Trustee, as trustee in relation to the Notes (as amended or supplemented prior to or as at the Issue Date, the “**Agency Agreement**”). The Noteholders and the holders of the coupons (the “**Coupons**”) (the “**Couponholders**”) appertaining to the interest-bearing Notes in bearer form and, where applicable in the case of such Notes, talons for further Coupons (the “**Talons**”) and the holders of the receipts for the payment of instalments of principal (the “**Receipts**”) relating to Notes in bearer form of which the principal is payable in instalments are bound by and are deemed to have notice of all of the provisions of these Conditions, all the provisions of the Trust Deed and the applicable Pricing Supplement, and are deemed to have notice of those provisions applicable to them of the Agency Agreement. The Trustee acts for the benefit of the Noteholders and the Couponholders in accordance with and subject to the provisions of the Trust Deed.

Copies of the Trust Deed and the Agency Agreement are available for inspection by Noteholders 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.

Unless otherwise defined, terms used in these Conditions have the meanings specified in the applicable Pricing Supplement or in the Trust Deed.

1 Form, Denomination and Title

(a) Form and Denomination

- (i) The Notes of the Series of which this Note forms part (in these Conditions, the “**Notes**”) are issued in bearer form (“**Bearer Notes**”) or in registered form (“**Registered Notes**”), in each case 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.
- (ii) This Note is a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, an Instalment Note, a Dual Currency Note or a Partly Paid Note, a combination of any of the foregoing or any other type of Note (depending upon the Interest Basis shown in the applicable Pricing Supplement).
- (iii) Bearer Notes are serially numbered and issued with Coupons (and, where appropriate, a Talon) attached, save in the case of Zero Coupon Notes in which case references to interest, Coupons and Talons in these Conditions are not applicable. Instalment Notes are issued with one or more Receipts attached.
- (iv) Registered Notes are represented by registered certificates (“**Certificates**”) and, save as provided in Condition 2(c), each Certificate shall represent the entire holding of Registered Notes by the same holder.

(b) Title

- (i) Title to the Bearer Notes and the Receipts, Coupons and Talons appertaining thereto shall pass by delivery. Title to the Registered Notes 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**”).
- (ii) Except as ordered by a court of competent jurisdiction or as required by law, the holder of any Note, Receipt, Coupon or Talon shall be deemed to be and shall be treated as the absolute owner of such Note, Receipt, Coupon or Talon, as the case may be, for the purpose of receiving payment thereof or on account thereof and for all other purposes, whether or not such Note, Receipt, Coupon or Talon shall be 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.

- (iii) In these Conditions, “**Noteholder**” means the bearer of any Bearer Note and the Receipts relating to it or the person in whose name a Registered Note is registered (as the case may be) and “**holder**” (in relation to a Note, Receipt, Coupon or Talon) means the bearer of any Bearer Note, Receipt, Coupon or Talon or the person in whose name a Registered Note is registered (as the case may be), “**Series**” means a Tranche, together with any further Tranche or Tranches, which are (aa) expressed to be consolidated and forming a single series and (bb) 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 Notes which are identical in all respects (including as to listing).
- (iv) 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.

*Each Series of Notes may be issued as Bearer Notes or Registered Notes. Bearer Notes will be represented on issue by a temporary global note in bearer form (each a “**Temporary Global Note**”) or a permanent global note in bearer form (each a “**Permanent Global Note**” and together with the Temporary Global Note, the “**Global Notes**”). Upon issue, the Registered Notes 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. Notes 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.*

2 No Exchange of Notes, Transfers of Registered Notes and Delivery of New Certificates

(a) No Exchange of Notes

Registered Notes may not be exchanged for Bearer Notes. Bearer Notes of one Specified Denomination may not be exchanged for Bearer Notes of another Specified Denomination. Bearer Notes may not be exchanged for Registered Notes.

(b) Transfer of Registered Notes

Subject to Conditions 2(e) and 2(f) and the relevant provisions of the Agency Agreement, one or more Registered Notes 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 Registered Notes 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 Registered Notes 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 Notes to a person who is already a holder of the Notes, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding. All transfers of Notes and entries on the Register will be made subject to, and will be made in accordance with, the detailed regulations concerning transfers of Notes, 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 Noteholder 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 Registered Note will be valid unless and until entered on the Register.

(c) Exercise of Options or Partial Redemption in Respect of Registered Notes

In the case of an exercise of the Issuer's or Noteholders' option in respect of, or a partial redemption of, a holding of Registered Notes, 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 not redeemed. In the case of a partial exercise of an option resulting in Registered Notes of the same holding having different terms, separate Certificates shall be issued in respect of those Notes 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 Registered Notes to a person who is already a holder of Registered Notes, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding.

(d) Delivery of New Certificates

Each new Certificate to be issued upon transfer of any Registered Note pursuant to Condition 2(b) or Condition 2(c) shall be available for delivery within seven business days of receipt of a duly completed form of transfer or Exercise Notice (as defined in Condition 6(c)) 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, Exercise Notice 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, the Exercise Notice 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 as it may specify. In this Condition 2(d), "**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 Registered Notes will not be entitled to receive physical delivery of Certificates.

(e) Transfers Free of Charge

Transfers of Notes and Certificates on registration, transfer, exercise of an option or partial redemption 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 Noteholder 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 Registered Notes have been complied with.

(f) Closed Periods

No Noteholder may require the transfer of a Registered Note to be registered: (i) during the period of 15 days ending on the due date for redemption of, or payment of any Instalment Amount in respect of, that Note, (ii) during the period of 15 days prior to any date on which Notes may be called for redemption by the Issuer at its option pursuant to Condition 6(b), (iii) after any such Note has been called for redemption or (iv) during the period of seven days ending on (and including) any Record Date (as defined in Condition 7(b)(ii)).

3 Status and Guarantee

(a) Status

The Notes, Receipts and Coupons of all Series constitute (subject to Condition 4) direct, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu*, without any preference or priority among themselves, and *pari passu* with all other present and future unsecured obligations (other than subordinated obligations and priorities created by law) of the Issuer.

(b) Guarantee

The payment of all sums expressed to be payable by the Issuer under the Trust Deed, the Notes, the Receipts and the Coupons are unconditionally and irrevocably guaranteed by the Guarantor. The obligations of the Guarantor under the Guarantee (as defined in the Trust Deed) are contained in the Trust Deed. The payment obligations of the Guarantor under the Guarantee constitute (subject to Condition 4) direct, unconditional, unsubordinated and unsecured obligations of the Guarantor and shall rank *pari passu* with all other present and future unsecured obligations (other than subordinated obligations and priorities created by law) of the Guarantor.

4 Negative Pledge

So long as any Note or Coupon remains outstanding (as defined in the 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.

So long as any Note or Coupon remains outstanding (as defined in the Trust Deed), the Guarantor 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 Noteholders as security for the performance of its Guarantee, 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 Noteholders or as shall be approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders.

In these Conditions:

“**International Investment Securities**” means bonds, debentures, notes, certificates, loan stock or investment securities of the Guarantor 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.

5 Interest

(I) Interest on Fixed Rate Notes

Each Fixed Rate Note bears interest on its outstanding nominal amount from (and including) the Interest Commencement Date at the rate(s) per annum (expressed as a percentage) equal to the Rate(s) of Interest. Interest will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Maturity Date. The amount of interest payable shall be determined in accordance with Condition 5(VIII).

(II) Interest on Floating Rate Notes

(a) Interest Payment Dates

Each Floating Rate Note bears interest on its outstanding nominal amount from, and including, the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear

on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 5(VIII). Such Interest Payment Date(s) is/are either as specified in the applicable Pricing Supplement as Specified Interest Payment Dates or, if no Specified Interest Payment Date(s) is/are specified in the applicable Pricing Supplement, the Interest Payment Date shall mean each date which falls the number of months or other period specified in the applicable Pricing Supplement as the Interest Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

(b) Business Day Convention

If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is: (A) the Floating Rate Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (x) such date shall be brought forward to the immediately preceding Business Day and (y) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment, (B) the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day, (C) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day or (D) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.

(c) Rate of Interest for Floating Rate Notes

The Rate of Interest in respect of Floating Rate Notes for each Interest Accrual Period shall be determined in the manner specified in the applicable Pricing Supplement and the provisions below relating to either ISDA Determination or Screen Rate Determination shall apply, depending upon which is specified in the applicable Pricing Supplement.

(A) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified in the applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent as a rate equal to the relevant ISDA Rate. For the purposes of this Condition 5(II)(c)(A), “**ISDA Rate**” for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (i) if the Pricing Supplement specifies either “2006 ISDA Definitions” or “2021 ISDA Definitions” as the applicable ISDA Definitions:

- (1) the Floating Rate Option (as defined in the relevant ISDA Definitions) is as specified in the applicable Pricing Supplement;
- (2) the Designated Maturity (as defined in the relevant ISDA Definitions), if applicable, is a period specified in the applicable Pricing Supplement;
- (3) the relevant Reset Date (as defined in the relevant ISDA Definitions) is as specified in the applicable Pricing Supplement;
- (4) if the specified Floating Rate Option is an Overnight Floating Rate Option (as defined in the relevant ISDA Definitions), Compounding is specified to be applicable in the relevant Pricing Supplement and:
 - (I) Compounding with Lookback is specified as the Compounding Method in the applicable Pricing Supplement, Lookback is the number of Applicable Business Days (as defined in the relevant ISDA Definitions) specified in the applicable Pricing Supplement;
 - (II) Compounding with Observation Period Shift is specified as the Compounding Method in the applicable Pricing Supplement, (a) Observation Period Shift is the number of Observation Period Shift Business Days (as defined in the relevant ISDA Definitions) specified in the applicable Pricing Supplement and (b) Observation Period Shift Additional Business Days (as defined in the relevant ISDA Definitions), if applicable, are the days specified in the applicable Pricing Supplement; or
 - (III) Compounding with Lockout is specified as the Compounding Method in the applicable Pricing Supplement, (a) Lockout is the number of Lockout Period Business Days (as defined in the relevant ISDA Definitions) specified in the Pricing Supplement and (b) Lockout Period Business Days, if applicable, are the days specified in the applicable Pricing Supplement; and
- (5) if the specified Floating Rate Option is an Index Floating Rate Option (as defined in the relevant ISDA Definitions) and Index Provisions are specified to be applicable in the relevant Pricing Supplement, the Compounded Index Method with Observation Period Shift shall be applicable and (I) Observation Period Shift is the number of Observation Period Shift Business Days (as defined in the relevant ISDA Definitions) specified in the applicable Pricing Supplement and (II) Observation Period Shift Additional Business Days (as defined in the relevant ISDA Definitions) are the days, if applicable, specified in the applicable Pricing Supplement);

- (6) references in the relevant ISDA Definitions to:
 - (I) “Confirmation” shall be deemed to be references to the applicable Pricing Supplement;
 - (II) “Calculation Period” shall be deemed to be references to the relevant Interest Accrual Period;
 - (III) “Termination Date” shall be deemed to be references to the Maturity Date; and
 - (IV) “Effective Date” shall be deemed to be references to the Interest Commencement Date; and
 - (ii) if the Pricing Supplement specifies “2021 ISDA Definitions” as the applicable ISDA Definitions:
 - (1) Administrator/Benchmark Event shall be disapplied; and
 - (2) if the Temporary Non-Publication Fallback for any specified Floating Rate Option is specified to be “Temporary Non-Publication Fallback — Alternative Rate” in the Floating Rate Matrix of the 2021 ISDA Definitions, the reference to “Calculation Agent Alternative Rate Determination” in the definition of “Temporary Non-Publication Fallback — Alternative Rate” shall be replaced by “Temporary Non-Publication Fallback — Previous Day’s Rate”.
 - (iii) For the purposes of this Condition 5(II)(c)(A), “Floating Rate”, “Calculation Agent”, “Compounding with Lookback”, “Compounding with Observation Period Shift”, “Compounding with Lockout” and “Compounded Index Method with Observation Period Shift” have the meanings given to those terms in the applicable ISDA Definitions.
- (B) Screen Rate Determination for Floating Rate Notes where the Reference Rate is not specified as SOFR Benchmark, SONIA Benchmark or SORA Benchmark
- (i) Subject to Condition 5(XII), where Screen Rate Determination is specified in the applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period will, subject as provided below, be either:
 - (1) the offered quotation; or
 - (2) the arithmetic mean of the offered quotations,
 (expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at either 11:00 a.m. (Brussels time in the case of EURIBOR or Hong Kong time in the case of HIBOR) or if, at or around that time it

is notified that the fixing will be published at 2:30 p.m. (Hong Kong time), then as of 2:30 p.m. (in the case of CNH HIBOR) on the Interest Determination Date in question as determined by the Calculation Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean of such offered quotations.

If the Reference Rate from time to time in respect of Floating Rate Notes is specified in the applicable Pricing Supplement as being other than EURIBOR, HIBOR or CNH HIBOR, the Rate of Interest in respect of such Notes will be determined as provided hereon.

- (ii) If the Relevant Screen Page is not available or if, sub-paragraph (B)(i)(1) above applies and no such offered quotation appears on the Relevant Screen Page or if sub-paragraph (B)(i)(2) above applies and fewer than three such offered quotations appear on the Relevant Screen Page in each case as at the time specified above, subject as provided below, the Calculation Agent shall promptly inform the Issuer and the Issuer shall use its best endeavours to appoint an Independent Investment Bank and procure such Independent Investment Bank to request, if the Reference Rate is EURIBOR, the principal Euro-zone office of each of the Reference Banks or, if the Reference Rate is HIBOR or CNH HIBOR, the principal Hong Kong office of each of the Reference Banks, to provide the Independent Investment Bank and the Calculation Agent (through the Issuer or the Independent Investment Bank appointed by the Issuer) with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate if the Reference Rate is EURIBOR, at approximately 11:00 a.m. (Brussels time), or if the Reference Rate is HIBOR, at approximately 11:00 a.m. (Hong Kong time) or, if the Reference Rate is CNH HIBOR, at approximately 11:15 a.m. (Hong Kong time) or if, at or around that time it is notified that the fixing will be published at 2:30 p.m. (Hong Kong time), then as of 2:30 p.m. on the Interest Determination Date in question. If two or more of the Reference Banks provide the Independent Investment Bank and the Calculation Agent (through the Issuer or the Independent Investment Bank appointed by the Issuer) with such offered quotations, the Rate of Interest for such Interest Accrual Period shall be the arithmetic mean of such offered quotations as determined by the Calculation Agent.
- (iii) If sub-paragraph (B)(ii) above applies and the Calculation Agent (through the Issuer or the Independent Investment Bank appointed by the Issuer) has received quotations from fewer than two Reference Banks, subject as provided below, (x) the Rate of Interest shall be the arithmetic mean of the rates per annum (expressed as a percentage) as communicated at the request of the Independent Investment Bank to the Independent Investment Bank and the Calculation Agent (through the Issuer or the Independent Investment Bank appointed by the Issuer) by

the Reference Banks or any two or more of them, at which such banks were offered, if the Reference Rate is EURIBOR, at approximately 11:00 a.m. (Brussels time), or if the Reference Rate is HIBOR, at approximately 11:00 a.m. (Hong Kong time) or, if the Reference Rate is CNH HIBOR, at approximately 11:15 a.m. (Hong Kong time) or if, at or around that time it is notified that the fixing will be published at 2:30 p.m. (Hong Kong time), then as of 2:30 p.m. on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market or, if the Reference Rate is HIBOR or CNH HIBOR, the Hong Kong inter-bank market, as the case may be, or, (y) if fewer than two of the Reference Banks provide the Independent Investment Bank and the Calculation Agent (through the Issuer or the Independent Investment Bank appointed by the Issuer) with such offered rates referred to in (x) above, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, if the Reference Rate is EURIBOR, at approximately 11:00 a.m. (Brussels time), or if the Reference Rate is HIBOR, at approximately 11:00 a.m. (Hong Kong time) or, if the Reference Rate is CNH HIBOR, at approximately 11:15 a.m. (Hong Kong time) or if, at or around that time it is notified that the fixing will be published at 2:30 p.m. (Hong Kong time), then as of 2:30 p.m., on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Independent Investment Bank suitable for such purpose) informs the Independent Investment Bank and the Calculation Agent (through the Issuer or the Independent Investment Bank appointed by the Issuer) it is quoting to leading banks in, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market or, if the Reference Rate is HIBOR or CNH HIBOR, the Hong Kong inter-bank market, as the case may be, *provided that*, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this sub-paragraph (B)(iii), the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum Rate of Interest or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to the relevant Interest Accrual Period, in place of the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to that last preceding Interest Accrual Period).

For the avoidance of doubt, in the event that the Rate of Interest in relation to any Interest Period is less than zero, the Rate of Interest in relation to such Interest Period shall be equal to zero.

For the purposes of this Condition 5(II)(c)(B), “**Independent Investment Bank**” means an independent financial institution of international repute or an independent financial adviser with appropriate expertise (which shall not be the Calculation Agent) appointed by (and at the expense of) the Issuer for the purposes of this Condition 5(II)(c)(B) and notified in writing by the Issuer to the Calculation Agent and the Trustee.

- (C) Screen Rate Determination for Floating Rate Notes where the Reference Rate is specified as being SOFR Benchmark

Where Screen Rate Determination is specified in the applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined where the Reference Rate is SOFR Benchmark, the Rate of Interest for each Interest Period will, subject as provided below, be equal to the relevant SOFR Benchmark plus or minus the Margin (if any) in accordance with Condition 5(VII), all as determined by the Calculation Agent on the relevant Interest Determination Date. The “**SOFR Benchmark**” will be determined based on Compounded Daily SOFR or SOFR Index as follows (subject to Condition 5(XII)(b)):

- (i) If Compounded Daily SOFR is specified in the applicable Pricing Supplement as the manner in which the SOFR Benchmark will be determined, the SOFR Benchmark for each Interest Accrual Period shall be equal to the compounded average of daily SOFR reference rates for each day during the relevant Interest Accrual Period (where “SOFR Observation Lag” or “SOFR Lockout” is specified in the applicable Pricing Supplement to determine Compounded Daily SOFR) or the SOFR Observation Period (where “SOFR Observation Shift” is specified in the applicable Pricing Supplement to determine Compounded Daily SOFR).

“**Compounded Daily SOFR**” shall be calculated by the Calculation Agent in accordance with one of the formulas referenced below depending upon which is specified as applicable in the applicable Pricing Supplement:

- (A) where SOFR Observation Lag is specified as the Observation Method in the applicable Pricing Supplement:

$$\left(\prod_{i=1}^{d_0} \left(1 + \frac{\text{SOFR}_{i-\text{xUSBD}} \times n_i}{360} \right) - 1 \right) \times \frac{360}{d}$$

with the resulting percentage being rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, with 0.000005 per cent. being rounded upwards (e.g., 9.876541 per cent. (or 0.09876541) being rounded down to 9.87654 per cent.

(or 0.0987654) and 9.876545 per cent. (or 0.09876545) being rounded up to 9.87655 per cent. (or 0.0987655)) and where:

“**SOFR_{i-xUSBD}**” for any U.S. Government Securities Business Day(i) in the relevant Interest Accrual Period, is equal to the SOFR reference rate for the U.S. Government Securities Business Day falling the number of Lookback Days prior to that U.S. Government Securities Business Day(i);

“**Lookback Days**” means five U.S. Government Securities Business Days (or such other number of U.S. Government Securities Business Days as specified in the applicable Pricing Supplement);

“**d**” means the number of calendar days in the relevant Interest Accrual Period;

“**d₀**” for any Interest Accrual Period, means the number of U.S. Government Securities Business Days in the relevant Interest Accrual Period;

“**i**” means a series of whole numbers ascending from one to d₀, representing each relevant U.S. Government Securities Business Day from (and including) the first U.S. Government Securities Business Day in the relevant Interest Accrual Period (each a “**U.S. Government Securities Business Day(i)**”);

“**n_i**” for any U.S. Government Securities Business Day(i), means the number of calendar days from (and including) such U.S. Government Securities Business Day(i) up to (but excluding) the following U.S. Government Securities Business Day; and

“**SOFR Observation Period**” means, in respect of an Interest Accrual Period, the period from (and including) the date falling the number of Lookback Days prior to the first day of such Interest Accrual Period to (but excluding) the date falling the number of Lookback Days prior to the Interest Period Date for such Interest Accrual Period.

(B) where SOFR Observation Shift is specified as the Observation Method in the applicable Pricing Supplement:

$$\left(\prod_{i=1}^{d_0} \left(1 + \frac{\text{SOFR}_i \times n_i}{360} \right) - 1 \right) \times \frac{360}{d}$$

with the resulting percentage being rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, with 0.000005 per cent. being rounded upwards (e.g., 9.876541 per cent. (or 0.09876541) being rounded down to 9.87654 per cent. (or 0.0987654) and 9.876545 per cent. (or 0.09876545) being rounded up to 9.87655 per cent. (or 0.0987655)) and where:

“**SOFR_i**” for any U.S. Government Securities Business Day(i) in the relevant SOFR Observation Period, is equal to the SOFR reference rate for that U.S. Government Securities Business Day(i);

“**SOFR Observation Period**” means, in respect of an Interest Accrual Period, the period from (and including) the date falling the number of SOFR Observation Shift Days prior to the first day of such Interest Accrual Period to (but excluding) the date falling the number of SOFR Observation Shift Days prior to the Interest Period Date for such Interest Accrual Period;

“**SOFR Observation Shift Days**” means five U.S. Government Securities Business Days (or such other number of U.S. Government Securities Business Days as specified in the applicable Pricing Supplement);

“**d**” means the number of calendar days in the relevant SOFR Observation Period;

“**d₀**” for any SOFR Observation Period, means the number of U.S. Government Securities Business Days in the relevant SOFR Observation Period;

“**i**” means a series of whole numbers ascending from one to d₀, representing each U.S. Government Securities Business Day from (and including) the first U.S. Government Securities Business Day in the relevant SOFR Observation Period (each a “**U.S. Government Securities Business Day(i)**”); and

“**n_i**” for any U.S. Government Securities Business Day(i), means the number of calendar days from (and including) such U.S. Government Securities Business Day(i) up to (but excluding) the following U.S. Government Securities Business Day.

(C) where SOFR Lockout is specified as the Observation Method in the applicable Pricing Supplement:

$$\left(\prod_{i=1}^{d_0} \left(1 + \frac{\text{SOFR}_i \times n_i}{360} \right) - 1 \right) \times \frac{360}{d}$$

with the resulting percentage being rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, with 0.000005 per cent. being rounded upwards (e.g., 9.876541 per cent. (or 0.09876541) being rounded down to 9.87654 per cent. (or 0.0987654) and 9.876545 per cent. (or 0.09876545) being rounded up to 9.87655 per cent. (or 0.0987655)) and where:

“**SOFR_i**” for any U.S. Government Securities Business Day(i) in the relevant Interest Accrual Period, is equal to the SOFR reference rate for that U.S. Government Securities Business Day(i), except that the SOFR_i for any U.S. Government Securities Business Day(i) in respect of the period from (and including) the SOFR Rate Cut-Off Date to (but excluding) the Interest Period Date for such Interest Accrual Period shall be the SOFR reference rate in respect of such SOFR Rate Cut-Off Date;

“**d**” means the number of calendar days in the relevant Interest Accrual Period;

“**d₀**” means the number of U.S. Government Securities Business Days in the relevant Interest Accrual Period;

“**i**” means a series of whole numbers ascending from one to d₀, representing each relevant U.S. Government Securities Business Day from (and including) the first U.S. Government Securities Business Day in the relevant Interest Accrual Period (each a “**U.S. Government Securities Business Day(i)**”);

“**n_i**” for any U.S. Government Securities Business Day(i), means the number of calendar days from (and including) such U.S. Government Securities Business Day(i) up to (but excluding) the following U.S. Government Securities Business Day; and

“**SOFR Rate Cut-Off Date**” means the date that is a number of U.S. Government Securities Business Days prior to the end of each Interest Accrual Period, the Maturity Date or the relevant redemption date, as applicable, as specified in the applicable Pricing Supplement.

The following defined terms shall have the meanings set out below for purpose of this Condition 5(II)(c)(C)(i):

“**Bloomberg Screen SOFRRATE Page**” means the Bloomberg screen designated “SOFRRATE” or any successor page or service;

“**Reuters Page USDSOFR=**” means the Reuters page designated “USDSOFR=” or any successor page or service;

“**SOFR**” means, with respect to any U.S. Government Securities Business Day, the reference rate determined by the Calculation Agent in accordance with the following provision:

- (i) the Secured Overnight Financing Rate published at the SOFR Determination Time as such reference rate is reported on the Bloomberg Screen SOFRRATE Page; the Secured Overnight Financing Rate published at the SOFR Determination Time as such reference rate is reported on the Reuters Page USDSOFR=; or the Secured Overnight Financing Rate published at the SOFR Determination Time on the SOFR Administrator's Website;
- (ii) if the reference rate specified in (i) above of this definition does not appear and a SOFR Benchmark Transition Event and its related SOFR Benchmark Replacement Date have not occurred, the SOFR reference rate shall be the reference rate published on the SOFR Administrator's Website for the first preceding U.S. Government Securities Business Day for which SOFR was published on the SOFR Administrator's Website;
- (iii) in the event that the Rate of Interest cannot be determined in accordance with the foregoing provisions by the Calculation Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Pricing Supplement), subject to Condition 5(XII), the Rate of Interest shall be:
 - (1) that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum Rate of Interest or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum Rate of Interest or Minimum Rate of Interest (as specified in the applicable Pricing Supplement) relating to the relevant Interest Accrual Period in place of the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to that last preceding Interest Accrual Period); or
 - (2) if there is no such preceding Interest Determination Date, the initial Rate of Interest which would have been applicable to such Series of Notes for the first Interest Accrual Period had the Notes been in issue for a period equal in duration to the scheduled first Interest Accrual Period but ending on (and excluding) the Interest Commencement Date (but applying the Margin and any Maximum Rate of Interest or Minimum Rate of Interest applicable to the first Interest Accrual Period); or
- (iv) if the reference rate specified in (i) above of this definition does not appear and a SOFR Benchmark Transition Event and its related SOFR Benchmark Replacement Date have occurred, the provisions set forth in Condition 5(XII) shall apply; and

“SOFR Determination Time” means approximately 3:00 p.m. (New York City time) on the immediately following U.S. Government Securities Business Day.

- (ii) If Compounded SOFR Index (**“Compounded SOFR Index”**) is specified in the applicable Pricing Supplement, the SOFR Benchmark for each Interest Accrual Period shall be equal to the compounded average of daily SOFR reference rates for each day during the relevant SOFR Observation Period as calculated by the Calculation Agent as follows:

$$\left(\frac{\text{SOFR Index}_{\text{End}}}{\text{SOFR Index}_{\text{Start}}} - 1 \right) \times \left(\frac{360}{d_c} \right)$$

with the resulting percentage being rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, with 0.000005 per cent. being rounded upwards (e.g., 9.876541 per cent. (or 0.09876541) being rounded down to 9.87654 per cent. (or 0.0987654) and 9.876545 per cent. (or 0.09876545) being rounded up to 9.87655 per cent. (or 0.0987655)) and where:

“SOFR Index” means, in respect of a U.S. Government Securities Business Day, the SOFR Index value as published on the SOFR Administrator’s Website at the SOFR Index Determination Time on such U.S. Government Securities Business Day, *provided that*:

- (A) in the event that the value originally published is subsequently corrected and such corrected value appears on the SOFR Administrator’s Website on the original date of publication, then such corrected value, instead of the value that was originally published, shall be deemed the SOFR Index in relation to such U.S. Government Securities Business Day;
- (B) if the value specified above does not appear and a SOFR Benchmark Transition Event and its related SOFR Benchmark Replacement Date have not occurred, the “SOFR Index” shall be calculated on any Interest Determination Date with respect to an Interest Accrual Period, in accordance with the Compounded Daily SOFR formula described above in Condition 5(II)(c)(C)(i)(B) “SOFR Observation Shift”; or
- (C) if the value specified above does not appear and a SOFR Benchmark Transition Event and its related SOFR Benchmark Replacement Date have occurred, the provisions set forth in Condition 5(XII) shall apply;

“SOFR Index_{End}” means, in respect of an Interest Accrual Period, the SOFR Index value on the date falling the number of SOFR Observation Shift Days prior to the Interest Period Date for such Interest Accrual Period (or in the final Interest Accrual Period, the Maturity Date);

“SOFR Index_{Start}” means, in respect of an Interest Accrual Period, the SOFR Index value on the date falling the number of SOFR Observation Shift Days prior to the first day of such Interest Accrual Period;

“SOFR Index Determination Time” means, in relation to any U.S. Government Securities Business Day, approximately 3:00 p.m. (New York City time) on such U.S. Government Securities Business Day;

“SOFR Observation Period” means, in respect of an Interest Accrual Period, the period from (and including) the date falling the number of SOFR Observation Shift Days prior to the first day of such Interest Accrual Period to (but excluding) the date falling the number of SOFR Observation Shift Days prior to the Interest Period Date for such Interest Accrual Period;

“SOFR Observation Shift Days” means five U.S. Government Securities Business Days (or such other number of U.S. Government Securities Business Days as specified in the applicable Pricing Supplement); and

“d_c” means the number of calendar days in the applicable SOFR Observation Period.

- (iii) The following defined terms shall have the meanings set out below for purpose of this Condition 5(II)(c)(C):

“Interest Determination Date” means, with respect to a Rate of Interest and Interest Accrual Period:

- (A) (where “SOFR Lockout” is specified as the Observation Method in the applicable Pricing Supplement) the U.S. Government Securities Business Day immediately following the SOFR Rate Cut-Off Date; and
- (B) (in all other circumstances) the U.S. Government Securities Business Day immediately following the SOFR Observation Period,

unless otherwise specified in the relevant Pricing Supplement;

“SOFR Administrator’s Website” means the website of the Federal Reserve Bank of New York (currently, being <https://www.newyorkfed.org/markets/reference-rates/sofr-averages-and-index>), or any successor source;

“SOFR Benchmark Replacement Date” means the date of occurrence of a Benchmark Event with respect to the then-current Benchmark;

“SOFR Benchmark Transition Event” means the occurrence of a Benchmark Event with respect to the then-current Benchmark; and

“U.S. Government Securities Business Day” means any day except for a Saturday, a Sunday or a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities.

- (iv) If the relevant Series of Notes becomes due and payable in accordance with Condition 10, the final Interest Determination Date shall, notwithstanding any Interest Determination Date specified in the applicable Pricing Supplement, be deemed to be the date on which such Notes became due and payable (with corresponding adjustments being deemed to be made to the SOFR formula) and the Rate of Interest on such Notes shall, for so long as any such Note remains outstanding, be that determined on such date.

- (D) Screen Rate Determination for Floating Rate Notes where the Reference Rate is specified as being SONIA Benchmark

Where Screen Rate Determination is specified in the applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined where the Reference Rate is SONIA Benchmark, the Rate of Interest for each Interest Period will, subject as provided below, be equal to the relevant SONIA Benchmark plus or minus the Margin (if any) in accordance with Condition 5(VII), all as determined by the Calculation Agent on the relevant Interest Determination Date.

The **“SONIA Benchmark”** will be determined based on Compounded Daily SONIA or SONIA Index as follows (subject to Condition 5(XII)(a)):

- (i) If Compounded Daily SONIA is specified in the applicable Pricing Supplement as the relevant SONIA Benchmark, Compounded Daily SONIA shall be calculated by the Calculation Agent on the relevant Interest Determination Date in accordance with the formula referenced below:

“Compounded Daily SONIA” means, with respect to an Interest Accrual Period, the rate of return of a daily compound interest investment (with the daily Sterling Overnight Index Average (**“SONIA”**) rate as reference rate for the calculation of interest) and will be calculated by the Calculation Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Pricing Supplement) on the Interest Determination Date, as follows, and the resulting percentage will be rounded, if necessary, to the fifth decimal place, with 0.000005 being rounded upwards:

$$\left[\prod_{i=1}^{d_0} \left(1 + \frac{\text{SONIA}_i \times n_i}{365} \right) - 1 \right] \times \frac{365}{d}$$

where:

“Applicable Period” means, in relation to an Interest Accrual Period:

- (1) where “SONIA Observation Lag” or “SONIA Lockout” is specified as the SONIA Observation Method in the applicable Pricing Supplement, such Interest Accrual Period; or
- (2) where “SONIA Observation Shift” is specified as the SONIA Observation Method in the applicable Pricing Supplement, the SONIA Observation Period relating to such Interest Accrual Period;

“d” means the number of calendar days in the relevant Applicable Period;

“d₀” means, for the relevant Applicable Period, the number of London Business Days in such Applicable Period;

“i” means, for the relevant Applicable Period, a series of whole numbers from one to d₀, each representing the relevant London Business Day in chronological order from (and including) the first London Business Day in such Applicable Period;

“London Business Day” means any day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London;

“n_i”, for any London Business Day “i”, means the number of calendar days from and including such London Business Day “i” up to but excluding the following London Business Day;

“Non-Reset Date” means each London Business Day “i” in an Applicable Period which falls on or after the SONIA Rate Cut-Off Date (if any);

“SONIA_i” means, in respect of any London Business Day “i” in the Applicable Period, the SONIA Reference Rate for the SONIA Determination Date in relation to such London Business Day “i”, provided that where “SONIA Lockout” is specified as the Observation Method, SONIA_i in respect of each Non-Reset Date (if any) in an Applicable Period shall be SONIA_i as determined in relation to the SONIA Rate Cut-Off Date;

“SONIA Determination Date” means, in respect of any London Business Day “i”:

- (1) where “SONIA Observation Lag” is specified as the SONIA Observation Method in the applicable Pricing Supplement, the London Business Day falling “x” London Business Days prior to such London Business Day “i”; and
- (2) otherwise, such London Business Day “i”;

“SONIA Observation Period” means, for the relevant Interest Accrual Period, the period from (and including) the date falling “x” London Business Days prior to the first day of such Interest Accrual Period (and the first Interest Accrual Period shall begin on and include the Interest Commencement Date) and ending on (but excluding) the date falling “x” London Business Days prior to the Interest Period Date at the end of such Interest Accrual Period (or the date falling “x” London Business Days prior to such earlier date, if any, on which the Notes become due and payable);

“SONIA Rate Cut-Off Date” means:

- (1) (where “SONIA Lockout” is specified as the SONIA Observation Method in the applicable Pricing Supplement) in relation to any Interest Accrual Period, the date falling “x” London Business Days prior to the Interest Period Date in respect of the relevant Interest Accrual Period (or the date falling “x” London Business Days prior to such earlier date, if any, on which the Notes become due and payable); and
- (2) in any other circumstances, no SONIA Rate Cut-Off Date shall apply;

“SONIA Reference Rate” means, in respect of any London Business Day, a reference rate equal to the daily SONIA rate for such London Business Day as provided by the administrator of SONIA to authorised distributors and as then published on the Relevant Screen Page or, if the Relevant Screen Page is unavailable, as otherwise published by such authorised distributors (on the London Business Day immediately following such London Business Day); and

“x” means five London Business Days (or such other number of London Business Days as specified in the applicable Pricing Supplement).

- (ii) If SONIA Index (**“SONIA Index”**) is specified in the applicable Pricing Supplement as the relevant SONIA Benchmark, the SONIA Benchmark for each Interest Accrual Period shall be equal to the rate of return of a daily compound interest investment during the SONIA Observation Period corresponding to such Interest Accrual Period (with the daily SONIA rate as reference rate for the calculation of interest) and will be calculated by the Calculation Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Pricing Supplement) on the Interest Determination Date, as follows, and the resulting percentage will be rounded, if necessary, to the fifth decimal place, with 0.000005 being rounded upwards:

$$\left(\frac{\text{SONIA Compound Index}_{\text{START}}}{\text{SONIA Compound Index}_{\text{END}}} - 1 \right) \times \left(\frac{365}{d} \right)$$

provided, however, that, subject to Condition 5(XII)(a), if the SONIA Compounded Index Value is not available in relation to any Interest Accrual Period on the Relevant Screen Page for the determination of either or both of SONIA Compounded Index_{START} and SONIA Compounded Index_{END}, the Rate of Interest shall be calculated for such Interest Accrual Period on the basis of Compounded Daily SONIA and using the “SONIA Observation Shift” method (as set out in Condition 5(II)(c)(D)(i)).

In the formula above:

“*d*” means the number of calendar days in the relevant SONIA Observation Period;

“**London Business Day**”, means any day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London;

“**SONIA Observation Period**” means, in respect of an Interest Accrual Period, the period from and including the date falling “*x*” London Business Days prior to the first day of such Interest Accrual Period (and the first Interest Accrual Period shall begin on and include the Interest Commencement Date) and ending on (but excluding) the date which is “*x*” London Business Days prior to the Interest Period Date for such Interest Accrual Period (or the date falling “*x*” London Business Days prior to such earlier date, if any, on which the Notes become due and payable);

“**SONIA Compounded Index**” means, in respect of an Interest Accrual Period, the index known as the SONIA Compounded Index administered by the Bank of England (or any successor administrator thereof);

“**SONIA Compounded Index_{START}**” means the SONIA Compounded Index Value on the date which is “*x*” London Business Days preceding the first day of such Interest Accrual Period (or in the first Interest Accrual Period, the Interest Commencement Date);

“**SONIA Compounded Index_{END}**” means, in respect of an Interest Accrual Period, the SONIA Compounded Index Value on the date which is “*x*” London Business Days preceding (i) the Interest Period Date of such Interest Accrual Period, (ii) in the final Interest Accrual Period, the Maturity Date (in the case of a final Interest Accrual Period ending on the Maturity Date), or (iii) the date on which the relevant Series of Notes becomes due and payable;

“**SONIA Compounded Index Value**” means, in relation to any London Business Day, the value of the SONIA Compounded Index as published by authorised distributors on the Relevant Screen Page on such London Business Day or, if the value of the SONIA Compounded Index cannot be obtained from such authorised distributors, as published on the Bank

of England's Website at www.bankofengland.co.uk/boeapps/database/ (or such other page or website as may replace such page for the purposes of publishing the SONIA Compounded Index) on the next following London Business Day, provided, however, that in the event that the value originally published is subsequently corrected and such corrected value is published by the Bank of England, as the administrator of SONIA (or any successor administrator of SONIA) on the original date of publication, then such corrected value, instead of the value that was originally published, shall be deemed the SONIA Compounded Index Value in relation to such London Business Day; and

"x" means, for any Interest Accrual Period, five London Business Days (or such other number of London Business Days as specified in the applicable Pricing Supplement).

(iii) If, subject to Condition 5(XII)(a), in respect of any London Business Day in the relevant Applicable Period, the SONIA Reference Rate is not available on the Relevant Screen Page or has not otherwise been published by the relevant authorised distributors, such SONIA reference rate shall be:

(A) the Bank of England's Bank Rate (the "**Bank Rate**") prevailing at 5:00 p.m. (or, if earlier, close of business) on the relevant London Business Day; plus

(B) the mean of the spread of the SONIA Reference Rate to the Bank Rate over the previous five days on which a SONIA Reference Rate has been published, excluding the highest spread (or, if there is more than one highest spread, one only of those highest spreads) and lowest spread (or, if there is more than one lowest spread, one only of those lowest spreads) to the Bank Rate.

(iv) Notwithstanding the paragraph above, and without prejudice to Condition 5(XII)(a), in the event the Bank of England publishes guidance as to:

(A) how the SONIA Reference Rate is to be determined; or

(B) any rate that is to replace the SONIA Reference Rate,

the Calculation Agent (or such other party responsible for the calculation of the Rate of Interest as specified in the applicable Pricing Supplement, and in consultation with the Issuer) shall, to the extent that it is reasonably practicable, follow such guidance in order to determine the SONIA rate for the purpose of the relevant Series of Notes for so long as the SONIA Reference Rate is not available or has not been published by the authorised distributors.

(v) In the event that the Rate of Interest cannot be determined in accordance with the foregoing provisions by the Calculation Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Pricing Supplement), subject to Condition 5(XII)(a), the Rate of Interest shall be:

(A) that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum Rate of Interest or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum Rate of Interest or Minimum Rate of Interest (as specified in the applicable Pricing Supplement) relating to the relevant Interest Accrual Period, in place of the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to that last preceding Interest Accrual Period); or

(B) if there is no such preceding Interest Determination Date, the initial Rate of Interest which would have been applicable to such Series of Notes for the first Interest Accrual Period had the Notes been in issue for a period equal in duration to the scheduled first Interest Accrual Period but ending on (and excluding) the Interest Commencement Date (but applying the Margin and any Maximum Rate of Interest or Minimum Rate of Interest applicable to the first Interest Accrual Period).

(vi) If the relevant Series of Notes becomes due and payable in accordance with Condition 10, the final Interest Determination Date shall, notwithstanding any Interest Determination Date specified in the applicable Pricing Supplement, be deemed to be the date on which such Notes became due and payable (with corresponding adjustments being deemed to be made to the SONIA formula) and the Rate of Interest on such Notes shall, for so long as any such Notes remains outstanding, be that determined on such date.

(vii) The following defined term shall have the meanings set out below for purpose of this Condition 5(II)(c)(D):

“Interest Determination Date” means, with respect to a Rate of Interest and Interest Accrual Period:

(A) (where “SONIA Lockout” is specified as the Observation Method in the applicable Pricing Supplement) the London Banking Day immediately following the Rate Cut-off Date; and

(B) (in all other circumstances) the London Banking Day immediately following the SONIA Observation Period,

unless otherwise specified in the relevant Pricing Supplement.

- (E) Screen Rate Determination for Floating Rate Notes where the Reference Rate is specified as being SORA Benchmark:

Where Screen Rate Determination is specified in the applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined where the Reference Rate is SORA Benchmark, the Rate of Interest for each Interest Period will, subject as provided below, be equal to the relevant SOFR Benchmark plus or minus the Margin (if any) in accordance with Condition 5(VII), all as determined by the Calculation Agent on the relevant Interest Determination Date. The “**SORA Benchmark**” will be determined based on Compounded Daily SORA as follows (subject to Condition 5(XII)(c)):

- (i) where Lockout is specified as the Observation Method in the applicable Pricing Supplement:

“**Compounded Daily SORA**” means, with respect to an Interest Accrual Period, the rate of return of a daily compound interest investment during such Interest Accrual Period (with the reference rate for the calculation of interest being the daily Singapore Overnight Rate Average) calculated in accordance with the formula set forth below by the Calculation Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Pricing Supplement) on the Interest Determination Date, with the resulting percentage being rounded, if necessary, to the nearest one ten-thousandth of a percentage point (0.0001 per cent.), with 0.00005 per cent. being rounded upwards.

$$\left[\prod_{i=1}^{d_0} \left(1 + \frac{\text{SORA}_i \times n_i}{365} \right) - 1 \right] \times \frac{365}{d}$$

where:

“**d**” is the number of calendar days in the relevant Interest Accrual Period;

“**d₀**”, for any Interest Accrual Period, is the number of Singapore Business Days in the relevant Interest Accrual Period;

“**i**”, for the relevant Interest Accrual Period, is a series of whole numbers from one to d₀, each representing the relevant Singapore Business Days in chronological order from, and including, the first Singapore Business Day in such Interest Accrual Period to the last Singapore Business Day in such Interest Accrual Period;

“**Interest Determination Date**” means the Singapore Business Day immediately following the Rate Cut-off Date, unless otherwise specified in the applicable Pricing Supplement;

“**n_i**”, for any Singapore Business Day “**i**”, is the number of calendar days from and including such Singapore Business Day “**i**” up to but excluding the following Singapore Business Day;

“**Rate Cut-Off Date**” means, with respect to a Rate of Interest and Interest Accrual Period, the date falling five Singapore Business Days (or such other number of Singapore Business Days specified in the applicable Pricing Supplement) prior to the Interest Period Date in respect of the relevant Interest Accrual Period;

“**Singapore Business Day**” means a day (other than a Saturday, a Sunday or a gazetted public holiday) on which commercial banks settle payments in Singapore;

“**SORA**” means, in respect of any Singapore Business Day “**i**”, a reference rate equal to the daily Singapore Overnight Rate Average published by the Monetary Authority of Singapore (or a successor administrator), as the administrator of the benchmark, on the Monetary Authority of Singapore’s website currently at <http://www.mas.gov.sg>, or any successor website officially designated by the Monetary Authority of Singapore (or as published by its authorised distributors) (the “**Relevant Screen Page**”) on the Singapore Business Day immediately following such Singapore Business Day “**i**”;

“**SORA_i**” means, in respect of any Singapore Business Day “**i**” falling in the relevant Interest Accrual Period:

- (A) if such Singapore Business Day is a SORA Reset Date, the reference rate equal to SORA in respect of that Singapore Business Day; and
- (B) if such Singapore Business Day is not a SORA Reset Date (being a Singapore Business Day falling in the Suspension Period), the reference rate equal to SORA in respect of the first Singapore Business Day falling in the Suspension Period (the “**Suspension Period SORA_i**”) (such first day of the Suspension Period coinciding with the Rate Cut-Off Date). For the avoidance of doubt, the Suspension Period SORA_i shall apply to each day falling in the relevant Suspension Period;

“**SORA Reset Date**” means, in relation to any Interest Accrual Period, each Singapore Business Day during such Interest Accrual Period, other than any Singapore Business Day falling in the Suspension Period corresponding with such Interest Accrual Period; and

“**Suspension Period**” means, in relation to any Interest Accrual Period, the period from (and including) the date falling five Singapore Business Day prior to the Interest Period Date in respect of the relevant Interest Accrual Period or such other date specified in this Pricing

Supplement (such Singapore Business Day coinciding with the Rate Cut-Off Date) to (but excluding) the Interest Period Date of such Interest Accrual Period.

- (ii) where Lookback is specified as the Observation Method in the applicable Pricing Supplement:

“Compounded Daily SORA” means, with respect to an Interest Accrual Period, the rate of return of a daily compound interest investment during the Observation Period corresponding to such Interest Accrual Period (with the reference rate for the calculation of interest being the daily Singapore Overnight Rate Average) calculated in accordance with the formula set forth below by the Calculation Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Pricing Supplement) on the Interest Determination Date, with the resulting percentage being rounded, if necessary, to the nearest one ten-thousandth of a percentage point (0.0001 per cent.), with 0.00005 per cent. being rounded upwards.

$$\left[\prod_{i=1}^{d_0} \left(1 + \frac{\text{SORA}_{i-\text{xSBD}} \times n_i}{365} \right) - 1 \right] \times \frac{365}{d}$$

where:

“d” is the number of calendar days in the relevant Interest Accrual Period;

“d₀”, for any Interest Accrual Period, is the number of Singapore Business Days in the relevant Interest Accrual Period;

“i”, for the relevant Interest Accrual Period, is a series of whole numbers from one to d₀, each representing the relevant Singapore Business Days in chronological order from, and including, the first Singapore Business Day in such Interest Accrual Period to the last Singapore Business Day in such Interest Accrual Period;

“Interest Determination Date” means, with respect to a Rate of Interest and Interest Accrual Period, the date falling one Singapore Business Day after the end of each Observation Period, unless otherwise specified in the applicable Pricing Supplement;

“n_i”, for any Singapore Business Day “i”, is the number of calendar days from and including such Singapore Business Day “i” up to but excluding the following Singapore Business Day;

“Observation Period” means, for the relevant Interest Accrual Period, the period from, and including, the date falling five Singapore Business Days (or such other number of Singapore Business Days specified in the applicable Pricing Supplement) prior to the first day of such

Interest Accrual Period (and the first Interest Accrual Period shall begin on and include the Interest Commencement Date) and to, but excluding, the date falling five Singapore Business Days (or such other number of Singapore Business Days specified in the applicable Pricing Supplement) prior to the Interest Period Date at the end of such Interest Accrual Period (or the date falling five Singapore Business Days (or such other number of Singapore Business Days specified in the applicable Pricing Supplement) prior to such earlier date, if any, on which the Notes become due and payable);

“Singapore Business Day” means a day (other than a Saturday, a Sunday or a gazetted public holiday) on which commercial banks settle payments in Singapore;

“SORA” means, in respect of any Singapore Business Day “_i”, a reference rate equal to the daily Singapore Overnight Rate Average published by the Monetary Authority of Singapore (or a successor administrator), as the administrator of the benchmark, on the Monetary Authority of Singapore’s website currently at <http://www.mas.gov.sg>, or any successor website officially designated by the Monetary Authority of Singapore (or as published by its authorised distributors) (the “Relevant Screen Page”) on the Singapore Business Day immediately following such Singapore Business Days “_i”; and

“SORA_{i-xSBD}” means, in respect of any Singapore Business Day falling in the relevant Interest Accrual Period, the reference rate equal to SORA in respect of the Singapore Business Day falling five Singapore Business Days (or such other number of Singapore Business Days specified in the applicable Pricing Supplement) prior to the relevant Singapore Business Day “_i”.

- (iii) where Backward Shifted Observation Period as the Observation Method is specified in the applicable Pricing Supplement:

“Compounded Daily SORA” means, with respect to an Interest Accrual Period, the rate of return of a daily compound interest investment during the Observation Period corresponding to such Interest Accrual Period (with the reference rate for the calculation of interest being the daily Singapore Overnight Rate Average) calculated in accordance with the formula set forth below by the Calculation Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Pricing Supplement) on the Interest Determination Date, with the resulting percentage being rounded, if necessary, to the nearest one ten-thousandth of a percentage point (0.0001 per cent.), with 0.00005 per cent. being rounded upwards.

$$\left[\prod_{i=1}^{d_0} \left(1 + \frac{\text{SORA}_i \times n_i}{365} \right) - 1 \right] \times \frac{365}{d}$$

where:

“**d**” is the number of calendar days in the relevant Observation Period;

“**d₀**”, for any Interest Accrual Period, is the number of Singapore Business Days in the relevant Observation Period;

“**i**”, for the relevant Interest Accrual Period, is a series of whole numbers from one to d_0 , each representing the relevant Singapore Business Days in chronological order from, and including, the first Singapore Business Day in such Observation Period to the last Singapore Business Day in such Observation Period;

“**Interest Determination Date**” means, with respect to a Rate of Interest and Interest Accrual Period, the date falling one Singapore Business Day after the end of each Observation Period, unless otherwise specified in the applicable Pricing Supplement;

“**n_i**”, for any Singapore Business Days “**i**”, is the number of calendar days from and including such Singapore Business Days “**i**” up to but excluding the following Singapore Business Day;

“**Singapore Business Day**” means a day (other than a Saturday, a Sunday or a gazetted public holiday) on which commercial banks settle payments in Singapore;

“**Observation Period**” means, for the relevant Interest Accrual Period, the period from, and including, the date falling five Singapore Business Days (or such other number of Singapore Business Days specified in the applicable Pricing Supplement) prior to the first day of such Interest Accrual Period (and the first Interest Accrual Period shall begin on and include the Interest Commencement Date) and to, but excluding, the date falling five Singapore Business Days (or such other number of Singapore Business Days specified in the applicable Pricing Supplement) prior to the Interest Period Date at the end of such Interest Accrual Period (or the date falling five Singapore Business Days (or such other number of Singapore Business Days specified in the applicable Pricing Supplement) prior to such earlier date, if any, on which the Notes become due and payable);

“**SORA**” means, in respect of any Singapore Business Day “**i**”, a reference rate equal to the daily Singapore Overnight Rate Average published by the Monetary Authority of Singapore (or a successor administrator), as the administrator of the benchmark, on the Monetary Authority of Singapore’s website currently at <http://www.mas.gov.sg>, or any successor website officially designated by the Monetary Authority of Singapore (or as published by its authorised distributors) (the “Relevant Screen Page”) on the Singapore Business Day immediately following such Singapore Business Days “**i**”; and

“**SORA_i**” means, in respect of any Singapore Business Day “i” falling in the relevant Observation Period, the reference rate equal to SORA in respect of that Singapore Business Day.

- (iv) If, subject to Condition 5(XII)(c), by 5:00 p.m., Singapore time, on the Singapore Business Day immediately following such Singapore Business Days “_i”, SORA in respect of such Singapore Business Days “_i” has not been published and a Benchmark Event has not occurred, then SORA for that day “_i” will be SORA as published in respect of the first preceding Singapore Business Day for which SORA was published.
- (v) In the event that the Rate of Interest cannot be determined in accordance with the foregoing provisions by the Calculation Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Pricing Supplement), subject to Condition 5(XII)(c), the Rate of Interest shall be:
 - (A) that determined as at the last preceding Interest Determination Date or, as the case may be, Rate Cut-Off Date (though substituting, where a different Margin or Maximum Rate of Interest or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum Rate of Interest or Minimum Rate of Interest (as specified in the applicable Pricing Supplement) relating to the relevant Interest Accrual Period, in place of the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to that last preceding Interest Accrual Period); or
 - (B) if there is no such preceding Interest Determination Date or, as the case may be, Rate Cut-Off Date, the initial Rate of Interest which would have been applicable to such Series of Notes for the first Interest Accrual Period had the Notes been in issue for a period equal in duration to the scheduled first Interest Accrual Period but ending on (and excluding) the Interest Commencement Date (but applying the Margin and any Maximum Rate of Interest or Minimum Rate of Interest applicable to the first Interest Accrual Period).
- (vi) If the relevant Series of Notes becomes due and payable in accordance with Condition 10, the final Interest Determination Date shall, notwithstanding any Interest Determination Date specified in the applicable Pricing Supplement, be deemed to be the date on which such Notes became due and payable (with corresponding adjustments being deemed to be made to the relevant SORA formula) and the Rate of Interest on such Notes shall, for so long as any such Note remains outstanding, be that determined on such date.

(III) Zero Coupon Notes

Where a Note the Interest Basis of which is specified to be Zero Coupon is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount of such Note (determined in accordance with Condition 6(g)). As from the Maturity Date, the Rate of Interest for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as described in Condition 6(g)).

(IV) Dual Currency Notes

In the case of Dual Currency Notes, if the rate or amount of interest falls to be determined by reference to a Rate of Exchange or a method of calculating Rate of Exchange, the rate or amount of interest payable shall be determined in the manner specified in the applicable Pricing Supplement.

(V) Partly Paid Notes

In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue as aforesaid on the paid-up nominal amount of such Notes and otherwise as specified in the applicable Pricing Supplement.

(VI) Accrual of Interest

Interest shall cease to accrue on each Note on the due date for redemption unless, upon due presentation, payment is improperly withheld or refused, in which event interest shall continue to accrue (both before and after judgment) at the Rate of Interest in the manner provided in this Condition 5 to the Relevant Date (as defined in Condition 8).

(VII) Margin, Maximum/Minimum Rates of Interest, Instalments Amounts and Redemption Amounts and Rounding

- (i) If any Margin is specified in the applicable Pricing Supplement (either (x) generally, or (y) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Rates of Interest, in the case of (x), or the Rates of Interest for the specified Interest Accrual Periods, in the case of (y), calculated in accordance with Condition 5(II) above by adding (if a positive number) or subtracting (if a negative number) the absolute value of such Margin, subject always to Condition 5(VII)(ii).
- (ii) If any Maximum Rate of Interest or Minimum Rate of Interest, Instalment Amount or Redemption Amount is specified in the applicable Pricing Supplement, then any Rate of Interest, Instalment Amount or Redemption Amount shall be subject to such maximum or minimum, as the case may be.
- (iii) For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 of a percentage point being rounded up), (y) all figures shall be rounded to seven significant figures (provided that if the eighth significant figure is a 5 or greater, the seventh significant shall be rounded up)

and (z) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with half a unit being rounded up), save in the case of yen, which shall be rounded down to the nearest yen. For these purposes “unit” means the lowest amount of such currency that is available as legal tender in the country of such currency.

(VIII) Calculations

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

(IX) Determination and Publication of Rates of Interest, Interest Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts and Instalment Amounts

The Calculation Agent shall, as soon as practicable on each Interest 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 Interest Amounts for the relevant Interest Accrual Period, calculate the Final Redemption Amount, Early Redemption Amount and/or Instalment Amount or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Accrual Period and the relevant Interest Payment Date and, if required to be calculated, the Final Redemption Amount, Early Redemption Amount and/or Instalment Amount, to be notified to the Trustee, the Issuer, each of the Paying Agents and any other Calculation Agent appointed in respect of the Notes that is to make a further calculation upon receipt of such information (and, if the Notes 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 Interest Period, if determined prior to such time, in the case of notification to such exchange of a Rate of Interest and Interest Amount, or (ii) in all other cases, the fourth Business Day after such determination. Where any Interest Payment Date or Interest Period Date is subject to adjustment pursuant to Condition 5(II)(b), the Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Notes become due and payable under Condition 10, the accrued interest and the Rate of Interest payable in respect of the Notes shall nevertheless continue to

be calculated as previously in accordance with this Condition 5 but no publication of the Rate of Interest or the Interest 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 Noteholders and all parties.

(X) **Definitions**

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

“Benchmark” means the rate specified as such in the applicable Pricing Supplement;

“Business Day” means:

- (i) in the case of a currency other than euro, a day (other than a Saturday, a Sunday or 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;

“Calculation Amount” means the amount specified as such on the face of any Note, or if no such amount is so specified, the Specified Denomination of such Note as shown on the face thereof;

“Day Count Fraction” means, in respect of the calculation of an amount of interest on any Note for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting an Interest Period or an Interest Accrual 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 an Interest Payment 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:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

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:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

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:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

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 Maturity Date or (ii) such number would be 31, in which case D₂ will be 30;

- (viii) if “**Actual/Actual-ICMA**” is specified in the applicable Pricing Supplement,

- (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;

“Determination Date” means the date(s) specified as such in the applicable Pricing Supplement or, if none is so specified, the Interest Payment Date(s);

“Euro-zone” means the region comprised of member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended;

“Interest Accrual Period” means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Period Date and each successive period beginning on (and including) an Interest Period Date and ending on (but excluding) the next succeeding Interest Period Date;

“Interest Amount” means:

- (i) in respect of an Interest Accrual Period, the amount of interest payable per Calculation Amount for that Interest Accrual Period and which, in the case of Fixed Rate Notes, and unless otherwise specified in the applicable Pricing Supplement, shall mean the Fixed Coupon Amount or Broken Amount specified in the applicable Pricing Supplement as being payable on the Interest Payment Date ending the Interest Period of which such Interest Accrual Period forms part; and
- (ii) in respect of any other period, the amount of interest payable per Calculation Amount for that period;

“Interest Commencement Date” means the Issue Date or such other date as may be specified in the applicable Pricing Supplement;

“Interest Determination Date” means, with respect to a Rate of Interest (other than where Screen Rate Determination is specified in the applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined where the Reference Rate is SOFR Benchmark, SONIA Benchmark or SORA Benchmark) and Interest Accrual Period, the date specified as such in the applicable Pricing Supplement or, if none is so specified, (i) the first day of such Interest Period if the Specified Currency is Sterling or Hong Kong dollars or Renminbi other than where the Specified Currency is Renminbi and the Reference Rate is CNH HIBOR or (ii) the day falling two business days in London for the Specified Currency prior to the first day of such Interest Accrual Period if the Specified Currency is neither Sterling nor euro nor Hong Kong dollars nor Singapore dollars nor Renminbi or (iii) the day falling two TARGET

Business Days prior to the first day of such Interest Accrual Period if the Specified Currency is euro or (iv) the day falling two business days in Hong Kong prior to the first day of such Interest Accrual Period if the Specified Currency is Renminbi and the Reference Rate is CNH HIBOR;

“Interest Period” means the period beginning on and including the Interest Commencement Date and ending on but excluding the first Interest Payment Date and each successive period beginning on and including an Interest Payment Date and ending on but excluding the next succeeding Interest Payment Date unless otherwise specified in the applicable Pricing Supplement;

“Interest Period Date” means each Interest Payment Date unless otherwise specified in the applicable Pricing Supplement;

“ISDA Definitions” means (i) if “2006 ISDA Definitions” is specified in the applicable Pricing Supplement, the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. (“**ISDA**”), as amended and updated as at the Issue Date of the first Tranche of the Notes; or (ii) if “2021 ISDA Definitions” is specified in the applicable Pricing Supplement, the latest version of the 2021 ISDA Interest Rate Derivatives Definitions, including any Matrices referred to therein, as published by ISDA as at the Issue Date of the first Tranche of the Notes;

“Rate of Interest” means the rate of interest payable from time to time in respect of this Note and that is either specified or calculated in accordance with the provisions in the applicable Pricing Supplement;

“Reference Banks” means the institutions specified in the applicable Pricing Supplement or, if none, three major banks selected by the Issuer in the interbank market that is most closely connected with the Benchmark;

“Reference Rate” means the rate specified as such in the applicable Pricing Supplement;

“Relevant Screen Page” means such page, section, caption, column or other part of a particular information service as may be specified in the applicable Pricing Supplement (or any successor or replacement page, section, caption, column or other part of a particular information service);

“Specified Currency” means the currency specified as such in the applicable Pricing Supplement or, if none is specified, the currency in which the Notes are denominated; and

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

(XI) 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 Note is outstanding (as defined in the Trust Deed). Where more than one

Calculation Agent is appointed in respect of the Notes, 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 Rate of Interest for an Interest Accrual Period or to calculate any Interest Amount, Final Redemption Amount, Early Redemption Amount, Instalment Amount or Optional Redemption 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.

(XII) Benchmark discontinuation

(a) Benchmark Discontinuation (General)

The following provisions shall apply if Benchmark Discontinuation (General) is specified as applicable in the applicable Pricing Supplement:

(A) Independent Adviser

If a Benchmark Event occurs in relation to an Original Reference Rate prior to the relevant Interest Determination Date when any Rate of Interest (or any component part thereof) remains to be determined by reference to such Original Reference Rate, the Issuer shall use its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to determine a Successor Rate, failing which an Alternative Rate (in accordance with Condition 5(XII)(a)(B)) and, in either case, an Adjustment Spread and any Benchmark Amendments (in accordance with Condition 5(XII)(a)(D)). In making such determination, the Independent Adviser appointed pursuant to this Condition 5(XII)(a) shall act in good faith and in a commercially reasonable manner as an expert (in consultation with the Issuer). In the absence of bad faith or fraud, the Independent Adviser shall have no liability whatsoever to the Issuer, the Guarantor, the Trustee, the Issuing and Paying Agent, the Noteholders or the Couponholders for any determination made by it pursuant to this Condition 5(XII).

If (x) the Issuer is unable to appoint an Independent Adviser; or (y) the Independent Adviser appointed by it fails to determine a Successor Rate or, failing which, an Alternative Rate in accordance with this Condition 5(XII)(a)(A) prior to the date falling 10 Business Days before the relevant Interest Determination Date, the Rate of Interest applicable to the next succeeding Interest Accrual Period shall be equal to the Rate of Interest last determined in relation to the Notes in respect of the immediately preceding Interest Accrual Period. If there has not been a first Interest Payment Date, the Rate of Interest shall be the initial Rate of Interest. Where a different Margin or Maximum Rate of Interest or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that

which applied to the last preceding Interest Accrual Period, the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to the relevant Interest Accrual Period shall be substituted in place of the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to that last preceding Interest Accrual Period. For the avoidance of doubt, this paragraph shall apply to the relevant next succeeding Interest Accrual Period only and any subsequent Interest Accrual Periods are subject to the subsequent operation of, and to adjustment as provided in, the first paragraph of this Condition 5(XII)(a)(A).

(B) Successor Rate or Alternative Rate

If the Independent Adviser determines that:

- (a) there is a Successor Rate, then such Successor Rate and the applicable Adjustment Spread shall subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the operation of this Condition 5(XII)(a)); or
- (b) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate and the applicable Adjustment Spread shall subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the operation of this Condition 5(XII)(a)).

(C) Adjustment Spread

The Adjustment Spread (or the formula or methodology for determining the Adjustment Spread) shall be applied to the Successor Rate or the Alternative Rate (as the case may be). If the Independent Adviser (in consultation with the Issuer) is unable to determine the quantum of, or a formula or methodology for determining, such Adjustment Spread, then the Successor Rate or Alternative Rate (as applicable) will apply without an Adjustment Spread.

(D) Benchmark Adjustments

If any Successor Rate or Alternative Rate and, in either case, the applicable Adjustment Spread is determined in accordance with this Condition 5(XII)(a) and the Independent Adviser (in consultation with the Issuer) determines (x) that amendments to these Conditions, the Trust Deed and/or the Agency Agreement are necessary to ensure the proper operation of such Successor Rate or Alternative Rate and/or (in either case) the applicable Adjustment Spread (such amendments, the “**Benchmark Amendments**”) and (y) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 5(XII)(a)(E), without any requirement for the consent or approval of Noteholders, vary these Conditions, the Trust Deed and/or the Agency Agreement to give effect to such Benchmark Amendments with effect from

the date specified in such notice, provided that the Trustee and the Agents shall not be obliged so to concur if in the opinion of the Trustee or the relevant Agent, as applicable, doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to the Trustee or that Agent in these Conditions, the Trust Deed and/or the Agency Agreement (including, for the avoidance of doubt, any supplemental trust deed or supplemental agency agreement) in any way.

At the request of the Issuer, but subject to receipt by the Trustee and the Agents of a certificate in English signed by an Authorised Signatory of the Issuer pursuant to Condition 5(XII)(a)(E), the Trustee and the Agents shall (at the request of the Issuer and at the expense of the Issuer), without any requirement for the consent or approval of the Noteholders, be obliged to concur with the Issuer in effecting any Benchmark Amendments (including, *inter alia*, by the execution of a deed or document supplemental to or amending the Trust Deed and/or the Agency Agreement) (and the Trustee and the Agents shall not be liable to the Issuer, the Guarantor, any Noteholder or any other person for any consequences thereof), provided that the Trustee and the Agents shall not be obliged so to concur if in the opinion of the Trustee or the relevant Agent, as applicable, doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to the Trustee or, as the case may be, the relevant Agent in these Conditions, the Trust Deed and/or the Agency Agreement (including, for the avoidance of doubt, any supplemental trust deed or supplemental agency agreement) in any way or if they impact the operational feasibility of the Trustee or the Agents (or any of them) in any way.

In connection with any such variation in accordance with this Condition 5(XII)(a)(D), the Issuer shall comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading.

(E) Notices, etc.

Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments as determined under this Condition 5(XII)(a) will be notified promptly before the relevant Interest Determination Date by the Issuer to the Trustee and the Agents and, in accordance with Condition 16, the Noteholders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

No later than notifying the Trustee and the Agents of the same, the Issuer shall deliver to the Trustee and the Agents a certificate in English signed by an Authorised Signatory of the Issuer:

- (a) confirming (1) that a Benchmark Event has occurred, (2) the Successor Rate or, as the case may be, the Alternative Rate, (3) the applicable Adjustment Spread and (4) the specific terms of any Benchmark

Amendments (if any), in each case as determined in accordance with the provisions of this Condition 5(XII)(a); and

- (b) certifying that the Benchmark Amendments (if any) are necessary to ensure the proper operation of such Successor Rate or Alternative Rate and (in either case) the applicable Adjustment Spread.

Each of the Trustee and the Agents shall be entitled to rely conclusively on such certificate (without liability to any person) as sufficient evidence thereof and none of them shall be liable to the Issuer, the Guarantor, the Noteholders, the Couponholders or any other person for so doing. The Successor Rate or Alternative Rate and the Adjustment Spread and the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error or bad faith in the determination of the Successor Rate or Alternative Rate and the Adjustment Spread and the Benchmark Amendments (if any) and without prejudice to the Trustee's or the relevant Agent's ability to rely on such certificate as aforesaid) be binding on the Issuer, the Guarantor, the Trustee, the Agents and the Noteholders.

(F) Survival of Original Reference Rate

Without prejudice to the obligations of the Issuer under Conditions 5(XII)(a)(A), 5(XII)(a)(B), 5(XII)(a)(C) and 5(XII)(a)(D), the Original Reference Rate and the fallback provisions provided for in Condition 5(XII)(a) will continue to apply unless and until each of the Trustee and the Calculation Agent has been notified of the occurrence of the Benchmark Event, and any Adjustment Spread and Benchmark Amendments, in accordance with Condition 5(XII)(a)(E).

(G) Definitions

As used in this Condition 5(XII)(a):

“Adjustment Spread” means either (a) a spread (which may be positive, negative or zero) or (b) a formula or methodology for calculating a spread, in each case to be applied to the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which:

- (A) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body;
- (B) (if no such recommendation has been made, or in the case of an Alternative Rate) the Independent Adviser determines, is customarily applied to the relevant Successor Rate or the Alternative Rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for the Original Reference Rate; or
- (C) (if the Independent Adviser (in consultation with the Issuer) determines that no such spread is customarily applied) the Independent Adviser

determines is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be);

“Alternative Rate” means an alternative benchmark or screen rate which the Independent Adviser determines in accordance with Condition 5(XII)(a)(B) is customarily applied in international debt capital markets transactions for the purposes of determining rates of interest (or the relevant component part thereof) for the same interest period and in the same Specified Currency as the Notes;

“Benchmark Amendments” has the meaning given to it in Condition 5(XII)(a)(D);

“Benchmark Event” means:

- (A) the Original Reference Rate ceasing to be published for a period of at least five Business Days or ceasing to exist; or
- (B) the making of a public statement by the administrator of the Original Reference Rate that it has ceased or that it will cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate); or
- (C) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been or will be permanently or indefinitely discontinued; or
- (D) the making of a public statement by the supervisor of the administrator of the Original Reference Rate as a consequence of which the Original Reference Rate will be prohibited from being used either generally, or in respect of the Notes; or
- (E) it has become unlawful for the Issuing and Paying Agent, the Calculation Agent, the Issuer or any other party to calculate any payments due to be made to any Noteholder using the Original Reference Rate; or
- (F) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate is or will be (or is or will be deemed by such supervisor to be) no longer representative of its relevant underlying market,

provided that (1) in the case of sub-paragraphs (B), (C) and (D) of this definition, the Benchmark Event shall occur on the date of the cessation of publication of the Original Reference Rate, the discontinuation of the Original Reference Rate, or the prohibition of use of the Original Reference Rate, as the case may be, and (2) in the case of sub-paragraph (F), the Benchmark Event shall occur on the date with effect from which the

Original Reference Rate will no longer be (or will be deemed by the relevant supervisor to no longer be) representative of its relevant underlying market and which is specified in the relevant public statement and, in each case of (1) and (2), not the date of the relevant public statement.

For the avoidance of doubt, none of the Trustee or the Agents shall have any responsibility for monitoring or determining whether or not a Benchmark Event has occurred or may occur and none of them shall be responsible or liable to the Issuer, the Guarantor, the Noteholders, the Couponholders or any other person for not doing so;

“Independent Adviser” means an independent financial institution of international repute or an independent financial adviser with appropriate expertise appointed by (and at the expense of) the Issuer under Condition 5(XII)(a)(A);

“Original Reference Rate” means the originally-specified benchmark or screen rate (as applicable) used to determine the Rate of Interest (or any component part thereof) on the Notes;

“Relevant Nominating Body” means, in respect of a benchmark or screen rate (as applicable):

- (A) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or
- (B) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (c) a group of the aforementioned central banks or other supervisory authorities or (d) the Financial Stability Board or any part thereof; and

“Successor Rate” means a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body.

(b) Benchmark Discontinuation (SOFR)

The following provisions shall apply if Benchmark Discontinuation (SOFR) is specified as applicable in the applicable Pricing Supplement:

(A) Benchmark Replacement

If the Issuer or its designee determines on or prior to the relevant Reference Time that a Benchmark Event and its related Benchmark Replacement Date have occurred with respect to the then-current Benchmark, the Benchmark Replacement will replace the then-current Benchmark for all purposes relating to the Notes in respect of all determinations on such date and for all determinations on all subsequent dates.

(B) Benchmark Replacement Conforming Changes

In connection with the implementation of a Benchmark Replacement, the Issuer or its designee will have the right to make Benchmark Replacement Conforming Changes from time to time, and the Issuer shall deliver to the Trustee and the Agents a certificate in English signed by an Authorised Signatory of the Issuer:

- (i) confirming that (1) a Benchmark Event has occurred and (2) the Benchmark Replacement, in each case as determined in accordance with the provisions of this Condition 5(XII)(b); and
- (ii) certifying that the Benchmark Replacement Conforming Changes are necessary to ensure the proper operation of such Benchmark Replacement.

For the avoidance of doubt, the Trustee and any of the Agents shall, upon receipt of such certificate and (subject to the immediately succeeding paragraph) at the direction and expense of the Issuer, effect such consequential amendments to the Trust Deed, the Agency Agreement and these Conditions as may be required to give effect to this Condition 5(XII)(b) (B), provided that the Trustee and the Agents shall not be obliged so to concur if in the opinion of the Trustee or the relevant Agent, as applicable, doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to the Trustee or, as the case may be, the relevant Agent in these Conditions, the Trust Deed and/or the Agency Agreement (including, for the avoidance of doubt, any supplemental trust deed or supplemental agency agreement) in any way or if they impact the operational feasibility of the Trustee or the Agents (or any of them) in any way. Noteholders' consent shall not be required in connection with effecting any such changes, including the execution of any documents or any steps to be taken by the Trustee or any of the Agents (if required). Further, none of the Trustee, the Calculation Agent, Issuing and Paying Agent, the Registrar or the Transfer Agent shall be responsible or liable to the Issuer, the Guarantor, the Noteholders, the Couponholders or any other person for any determinations, decisions or elections made by the Issuer or its designee

with respect to any Benchmark Replacement or any other changes and shall be entitled to rely conclusively on any certifications provided to each of them in this regard. No such determination, decision or election shall be binding on the Trustee and the Agents and none of the Trustee and the Agents shall be obliged to concur in any consequential amendments to the Trust Deed, the Agency Agreement and these Conditions as may be required to give effect to this Condition 5(XII)(b) if in the opinion of the Trustee or the relevant Agent (as the case may be) it would impose more onerous obligations upon the Trustee or, as the case may be, the relevant Agent or expose the Trustee or, as the case may be, the relevant Agent to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to the Trustee or, as the case may be, the relevant Agent in these Conditions or the Trust Deed (including, for the avoidance of doubt, any supplemental trust deed) or the Agency Agreement (including, for the avoidance of doubt, any supplemental agency agreement) (as the case may be) or if they impact the operational feasibility of the Trustee or the Agents (or any of them) in any way.

(C) Decisions and Determinations

Any determination, decision or election that may be made by the Issuer or its designee pursuant to this Condition 5(XII)(b), including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection (i) will be conclusive and binding absent manifest error, (ii) will be made in the sole discretion of the Issuer or its designee, as applicable, and (iii) notwithstanding anything to the contrary in the documentation relating to the Notes, shall become effective without consent from the holders of the Notes or any other party.

(D) Definitions

The following defined terms shall have the meanings set out below for purpose of this Condition 5(XII)(b):

“Benchmark” means, initially, the relevant SOFR Benchmark specified in the applicable Pricing Supplement; provided that if the Issuer or its designee determines on or prior to the Reference Time that a Benchmark Event and its related Benchmark Replacement Date have occurred with respect to the relevant SOFR Benchmark (including any daily published component used in the calculation thereof) or the then-current Benchmark, then **“Benchmark”** means the applicable Benchmark Replacement;

“Benchmark Event” means the occurrence of one or more of the following events with respect to the then-current Benchmark (including any daily published component used in the calculation thereof):

- (i) a public statement or publication of information by or on behalf of the administrator of the Benchmark (or such component) announcing that such administrator has ceased or will cease to provide the Benchmark (or such component), permanently or indefinitely, provided that, at the

time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark (or such component); or

- (ii) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark (or such component), the central bank for the currency of the Benchmark (or such component), an insolvency official with jurisdiction over the administrator for the Benchmark (or such component), a resolution authority with jurisdiction over the administrator for the Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for the Benchmark, which states that the administrator of the Benchmark (or such component) has ceased or will cease to provide the Benchmark (or such component) permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark (or such component); or
- (iii) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark announcing that the Benchmark is no longer representative;

“Benchmark Replacement” means the first alternative set forth in the order below that can be determined by the Issuer or its designee as of the Benchmark Replacement Date:

- (i) the sum of:
 - (a) the alternate reference rate that has been selected or recommended by the Relevant Governmental Body as the replacement for the then-current Benchmark (including any daily published component used in the calculation thereof); and
 - (b) the Benchmark Replacement Adjustment;
- (ii) the sum of:
 - (a) the ISDA Fallback Rate; and
 - (b) the Benchmark Replacement Adjustment; or
- (iii) the sum of:
 - (a) the alternate reference rate that has been selected by the Issuer or its designee as the replacement for the then-current Benchmark (including any daily published component used in the calculation thereof) giving due consideration to any industry-accepted reference rate as a replacement for the then-current Benchmark (including any daily published component used in the calculation thereof) for U.S. dollar-denominated floating rate Notes at such time; and
 - (b) the Benchmark Replacement Adjustment;

“Benchmark Replacement Adjustment” means the first alternative set forth in the order below that can be determined by the Issuer or its designee as of the Benchmark Replacement Date:

- (i) the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected or recommended by the Relevant Governmental Body for the applicable Unadjusted Benchmark Replacement;
- (ii) if the applicable Unadjusted Benchmark Replacement is equivalent to the ISDA Fallback Rate, the ISDA Fallback Adjustment; or
- (iii) the spread adjustment (which may be a positive or negative value or zero) that has been selected by the Issuer or its designee giving due consideration to any industry-accepted spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the then-current Benchmark (including any daily published component used in the calculation thereof) with the applicable Unadjusted Benchmark Replacement for U.S. dollar-denominated floating rate notes at such time;

“Benchmark Replacement Conforming Changes” means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the timing and frequency of determining rates and making payments of interest, rounding of amounts or tenors, and other administrative matters) the Issuer or its designee decides may be appropriate to reflect the adoption of such Benchmark Replacement in a manner substantially consistent with market practice (or, if the Issuer or its designee decides that adoption of any portion of such market practice is not administratively feasible or if the Issuer or its designee determine that no market practice for use of the Benchmark Replacement exists, in such other manner as the Issuer or its designee determines is reasonably necessary);

“Benchmark Replacement Date” means the earliest to occur of the following events with respect to the then-current Benchmark (including any daily published component used in the calculation thereof):

- (i) in the case of sub-paragraph (i) or (ii) of the definition of “Benchmark Event”, the later of:
 - (a) the date of the public statement or publication of information referenced therein; and
 - (b) the date on which the administrator of the Benchmark permanently or indefinitely ceases to provide the Benchmark (or such component); or
- (ii) in the case of sub-paragraph (iii) of the definition of “Benchmark Event”, the date of the public statement or publication of information referenced therein.

For the avoidance of doubt, if the event giving rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination;

“designee” means a designee as selected and separately appointed by the Issuer in writing;

“ISDA Definitions” means (i) where “2006 ISDA Definitions” are specified in the applicable Pricing Supplement, the 2006 ISDA Definitions or (ii) where “2021 ISDA Definitions” are specified in the applicable Pricing Supplement, the 2021 ISDA Interest Rate Derivatives Definitions, as published by the International Swaps and Derivatives Association, Inc. or any successor thereto, as amended or supplemented from time to time, or any successor definitional booklet for interest rate derivatives published from time to time;

“ISDA Fallback Adjustment” means the spread adjustment (which may be a positive or negative value or zero) that would apply for derivatives transactions referencing the ISDA Definitions to be determined upon the occurrence of an index cessation event with respect to the Benchmark;

“ISDA Fallback Rate” means the rate that would apply for derivatives transactions referencing the ISDA Definitions to be effective upon the occurrence of an index cessation date with respect to the Benchmark (including any daily published component used in the calculation thereof) for the applicable tenor excluding the applicable ISDA Fallback Adjustment;

“Reference Time” with respect to any determination of the Benchmark means (1) if the Benchmark is the SOFR Benchmark, the SOFR Determination Time (where Compounded Daily SOFR is specified as applicable in the applicable Pricing Supplement) or SOFR Index Determination Time (where SOFR Index is specified as applicable in the applicable Pricing Supplement), or (2) if the Benchmark is not the SOFR Benchmark, the time determined by the Issuer or its designee after giving effect to the Benchmark Replacement Conforming Changes;

“Relevant Governmental Body” means the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York or any successor thereto; and

“Unadjusted Benchmark Replacement” means the Benchmark Replacement excluding the Benchmark Replacement Adjustment.

(c) Benchmark Discontinuation (SORA)

The following provisions shall apply if Benchmark Discontinuation (SORA) is specified as applicable in the applicable Pricing Supplement:

(A) Independent Adviser

Notwithstanding the provisions above in this Condition 5(XII)(c), if a Benchmark Event occurs in relation to an Original Reference Rate prior to the relevant Interest Determination Date when any Interest Rate (or any component part thereof) remains to be determined by reference to such Original Reference Rate, then the Issuer shall use its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to determine the Benchmark Replacement (in accordance with Condition 5(XII)(c)(B)) and an Adjustment Spread, if any (in accordance with Condition 5(XII)(c)(C)), and any Benchmark Amendments (in accordance with Condition 5(XII)(c)(D)) by the relevant Interest Determination Date. An Independent Adviser appointed pursuant to this Condition 5(XII)(c) as an expert shall act in good faith and in a commercially reasonable manner and in consultation with the Issuer. In the absence of bad faith or fraud, the Independent Adviser shall have no liability whatsoever to the Issuer, the Trustee, the Guarantor, the Issuing and Paying Agent, the Noteholders or the Couponholders for any determination made by it or for any advice given to the Issuer in connection with any determination made by the Issuer, pursuant to this Condition 5(XII)(c).

If (x) the Issuer is unable to appoint an Independent Adviser; or (y) the Independent Adviser appointed by it fails to determine the Benchmark Replacement prior to the relevant Interest Determination Date, the Rate of Interest applicable to the next succeeding Interest Accrual Period shall be equal to the Rate of Interest last determined in relation to the Notes in respect of the immediately preceding Interest Accrual Period. If there has not been a first Interest Payment Date, the Rate of Interest shall be the initial Rate of Interest. Where a different Margin or Maximum Rate of Interest or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum or Minimum Rate of Interest relating to the relevant Interest Accrual Period shall be substituted in place of the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to that last preceding Interest Accrual Period. For the avoidance of doubt, this paragraph shall apply to the relevant next succeeding Interest Accrual Period only and any subsequent Interest Accrual Periods are subject to the subsequent operation of, and to adjustments as provided in, the first paragraph of this Condition 5(XII)(c)(A).

(B) Benchmark Replacement

The Benchmark Replacement determined by the Independent Adviser (in the circumstances set out in Condition 5(XII)(c)(A)) shall (subject to adjustment as provided in Condition 5(XII)(c)(C)) subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the operation of this Condition 5(XII)(c)).

(C) Adjustment Spread

If the Independent Adviser (in the circumstances set out in Condition 5(XII)(c)(A)) determines (i) that an Adjustment Spread is required to be applied to the Benchmark Replacement and (ii) the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to the Benchmark Replacement.

(D) Benchmark Amendments

If the Independent Adviser (in the circumstances set out in Condition 5(XII)(c)(A)) determines (i) that Benchmark Amendments are necessary to ensure the proper operation of such Benchmark Replacement and/or Adjustment Spread and (ii) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 5(XII)(c)(E), without any requirement for the consent or approval of Noteholders, vary these Conditions, the Trust Deed and/or the Agency Agreement to give effect to such Benchmark Amendments with effect from the date specified in such notice.

At the request of the Issuer, but subject to receipt by the Trustee and the Agents of a certificate in English signed by an Authorised Signatory of the Issuer pursuant to Condition 5(XII)(c)(E), the Trustee and the Agents shall (at the request of the Issuer and at the expense of the Issuer), without any requirement for the consent or approval of the Noteholders, the Trustee or the Agents, be obliged to concur with the Issuer in effecting any Benchmark Amendments (including, *inter alia*, by the execution of a deed or document supplemental to or amending the Trust Deed and/or the Agency Agreement) (and the Trustee and the Agents shall not be liable to the Issuer, the Guarantor, any Noteholder or any other person for any consequences thereof), provided that the Trustee and the Agents shall not be obliged so to concur if in the opinion of the Trustee or the relevant Agent, as applicable, doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to the Trustee or, as the case may be, the relevant Agent in these Conditions, the Trust Deed and/or the Agency Agreement (including, for the avoidance of doubt, any supplemental trust deed or supplemental agency agreement) in any way or if they impact the operational feasibility of the Trustee or the Agents (or any of them) in any way.

For the avoidance of doubt, the Trustee and the Paying Agents shall, at the direction and expense of the Issuer, effect such consequential amendments to the Trust Deed, the Agency Agreement and these Conditions as may be required in order to give effect to this Condition 5(XII)(c). Noteholders' consent shall not be required in connection with effecting the Benchmark Replacement or such other changes, including for the execution of any documents or other steps by the Trustee, the Calculation Agent, the Paying Agents, the Registrar or the Transfer Agents (if required).

In connection with any such variation in accordance with Condition 5(XII)(c)(D), the Issuer shall comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading.

(E) Notices, etc.

Any Benchmark Replacement, Adjustment Spread and the specific terms of any Benchmark Amendments as determined under this Condition 5(XII)(c) will be notified promptly by the Issuer to the Trustee, the Calculation Agent, the Issuing and Paying Agent and, in accordance with Condition 5(XII)(c), the Noteholders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

No later than notifying the Trustee and the Agents of the same, the Issuer shall deliver to the Trustee and the Agents a certificate in English signed by an Authorised Signatory of the Issuer:

- (i) confirming (1) that a Benchmark Event has occurred, (2) the Benchmark Replacement and, (3) where applicable, any Adjustment Spread and/or the specific terms of any Benchmark Amendments, in each case as determined in accordance with the provisions of this Condition 5(XII)(c); and
- (ii) certifying that the Benchmark Amendments are necessary to ensure the proper operation of such Benchmark Replacement and/or Adjustment Spread.

Each of the Trustee and the Agents shall be entitled to rely conclusively on each such certificate (without liability to any person) as sufficient evidence thereof and none of them shall be liable to the Issuer, the Guarantor, the Noteholders, the Couponholders or any other person for so doing.

The Benchmark Replacement and the Adjustment Spread (if any) and the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error or bad faith in the determination of the Benchmark Replacement and the Adjustment Spread (if any) and the Benchmark Amendments (if any) and without prejudice to the Trustee's or the relevant Agent's ability to rely on such certificate as aforesaid) be binding on the Issuer, the Guarantor, the Trustee, the Agents and the Noteholders and Couponholders.

(F) Survival of Original Reference Rate

Without prejudice to the obligations of the Issuer under Conditions 5(XII)(c)(A), 5(XII)(c)(B), 5(XII)(c)(C) and 5(XII)(c)(D), the Original Reference Rate and the fallback provisions provided for in Condition 5(XII)(c) will continue to apply unless and until the Calculation Agent has been notified of the Benchmark Replacement, and any Adjustment Spread and Benchmark Amendments, in accordance with Condition 5(XII)(c)(E).

(G) Definitions

As used in this Condition 5(XII)(c):

“Adjustment Spread” means either a spread (which may be positive or negative), or the formula or methodology for calculating a spread, in either case, which the Independent Adviser (in the circumstances set out in Condition 5(XII)(c)(A)) determines is required to be applied to the Benchmark Replacement to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Noteholders and Couponholders as a result of the replacement of the Original Reference Rate with the Benchmark Replacement and is the spread, formula or methodology which:

- (i) is formally recommended in relation to the replacement of the Original Reference Rate with the applicable Benchmark Replacement by any Relevant Nominating Body; or
- (ii) if the applicable Benchmark Replacement is the ISDA Fallback Rate, is the ISDA Fallback Adjustment; or
- (iii) is determined by the Independent Adviser (in the circumstances set out in Condition 5(XII)(c)(A)) having given due consideration to any industry-accepted spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the Original Reference Rate with the applicable Benchmark Replacement for the purposes of determining rates of interest (or the relevant component part thereof) for the same interest accrual period and in the same currency as the Notes;

“Alternative Rate” means an alternative benchmark or screen rate which the Independent Adviser (in the circumstances set out in Condition 5(XII)(c)(A)) determines in accordance with Condition 5(XII)(c)(B) has replaced the Original Reference Rate for the Corresponding Tenor in customary market usage in the international or if applicable, domestic debt capital markets for the purposes of determining rates of interest (or the relevant component part thereof) for the same interest period and in the same currency as the Notes (including, but not limited to, Singapore Government Bonds);

“Benchmark Amendments” means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of “Interest Accrual Period”, timing and frequency of determining rates and making payments of interest, changes to the definition of “Corresponding Tenor” solely when such tenor is longer than the Interest Accrual Period, any other amendments to these Conditions, the Trust Deed and/or the Agency Agreement, and other administrative matters) that the Independent Adviser (in the circumstances set out in Condition 5(XII)(c)(A)) determines may be appropriate to reflect the adoption of such Benchmark Replacement in a manner substantially consistent with market practice (or, if the Independent Adviser (in the

circumstances set out in Condition 5(XII)(c)(A)) determines that adoption of any portion of such market practice is not administratively feasible or if the Independent Adviser (in the circumstances set out in Condition 5(XII)(c)(A)) determines that no market practice for use of such Benchmark Replacement exists, in such other manner as the Independent Adviser (in the circumstances set out in Condition 5(XII)(c)(A)) determines is reasonably necessary);

“Benchmark Event” means:

- (i) the Original Reference Rate ceasing to be published for a period of at least five Singapore Business Days or ceasing to exist; or
- (ii) a public statement by the administrator of the Original Reference Rate that it has ceased or will, by a specified date within the following six months, cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate); or
- (iii) a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been or will, by a specified date within the following six months, be permanently or indefinitely discontinued; or
- (iv) a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been prohibited from being used or that its use has been subject to restrictions or adverse consequences, or that it will be prohibited from being used or that its use will be subject to restrictions or adverse consequences within the following six months; or
- (v) it has become unlawful for the Issuing and Paying Agent, the Calculation Agent, the Issuer or any other party to calculate any payments due to be made to any Noteholder using the Original Reference Rate; or
- (vi) a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate is no longer representative or will, by a specified date within the following six months, be deemed to be no longer representative,

provided that the Benchmark Event shall be deemed to occur (a) in the case of sub-paragraphs (ii) and (iii) above of this definition, on the date of the cessation of publication of the Original Reference Rate or the discontinuation of the Original Reference Rate, as the case may be, (b) in the case of sub-paragraph (iv) above of this definition, on the date of the prohibition or restriction of use of the Original Reference Rate and (c) in the case of sub-paragraph (vi) above of this definition, on the date with effect from which the Original Reference Rate will no longer be (or will be deemed to no longer be) representative and which is specified in the relevant public statement, and, in each case, not the date of the relevant public statement;

“Benchmark Replacement” means the Interpolated Benchmark, provided that if the Independent Adviser (in the circumstances set out in Condition 5(XII)(c)(A)) cannot determine the Interpolated Benchmark by the relevant Interest Determination Date, then “Benchmark Replacement” means the first alternative set forth in the order below that can be determined by the Independent Adviser (in the circumstances set out in Condition 5(XII)(c)(A)):

- (i) the Successor Rate;
- (ii) the ISDA Fallback Rate; and
- (iii) the Alternative Rate;

“Corresponding Tenor” with respect to a Benchmark Replacement means a tenor (including overnight) having approximately the same length (disregarding business day adjustment) as the applicable tenor for the then-current Original Reference Rate;

“Independent Adviser” means an independent financial institution of good repute or an independent financial adviser with experience in the local or international debt capital markets appointed by and at the cost of the Issuer under Condition 5(XII)(c)(A);

“Interpolated Benchmark” with respect to the Original Reference Rate means the rate determined for the Corresponding Tenor by interpolating on a linear basis between: (1) the Original Reference Rate for the longest period (for which the Original Reference Rate is available) that is shorter than the Corresponding Tenor and (2) the Original Reference Rate for the shortest period (for which the Original Reference Rate is available) that is longer than the Corresponding Tenor;

“ISDA Definitions” means (i) where “2006 ISDA Definitions” are specified in the applicable Pricing Supplement, the 2006 ISDA Definitions or (ii) where “2021 ISDA Definitions” are specified in the applicable Pricing Supplement, the 2021 ISDA Interest Rate Derivatives Definitions, as published by the International Swaps and Derivatives Association, Inc. or any successor thereto, as amended or supplemented from time to time, or any successor definitional booklet for interest rate derivatives published from time to time;

“ISDA Fallback Adjustment” means the spread adjustment (which maybe positive or negative value or zero) that would apply for derivative transactions referencing the Original Reference Rate in the ISDA Definitions to be determined upon the occurrence of an index cessation event with respect to the Original Reference Rate for the applicable tenor;

“ISDA Fallback Rate” means the rate that would apply for derivative transactions referencing the Original Reference Rate in the ISDA Definitions to be effective upon the occurrence of an index cessation event with respect to the Original Reference Rate for the applicable tenor excluding the applicable ISDA Fallback Adjustment;

“Original Reference Rate” means, initially, SORA (being the originally-specified reference rate of applicable tenor used to determine the Interest Rate) or any component part thereof, including the relevant USD London Interbank Offered Rate, *provided that* if a Benchmark Event has occurred with respect to SORA or the then-current Original Reference Rate, then “Original Reference Rate” means the applicable Benchmark Replacement;

“Relevant Nominating Body” means, in respect of a benchmark or screen rate (as applicable):

- (i) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or
- (ii) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (1) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (2) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (3) a group of the aforementioned central banks or other supervisory authorities or (4) the Financial Stability Board or any part thereof; and

“Successor Rate” means a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body as the replacement for the Original Reference Rate for the applicable Corresponding Tenor.

6 Redemption and Purchase

(a) Redemption by Instalments and Final Redemption

- (i) Unless previously redeemed, purchased and cancelled as provided in this Condition 6, each Note that provides for Instalment Dates and Instalment Amounts shall be partially redeemed on each Instalment Date at the related Instalment Amount specified in the applicable Pricing Supplement. The outstanding nominal amount of each such Note shall be reduced by the Instalment Amount (or, if such Instalment Amount is calculated by reference to a proportion of the nominal amount of such Note, such proportion) for all purposes with effect from the related Instalment Date, unless payment of the Instalment Amount is improperly withheld or refused, in which case, such amount shall remain outstanding until the Relevant Date relating to such Instalment Amount.
- (ii) Unless previously redeemed, or purchased and cancelled as provided below, this Note will be redeemed at its Redemption Amount shown on its face (**“Redemption Amount”**) on the Maturity Date (if this Note is shown on its face to be a Fixed Rate Note or Zero Coupon Note) or on the Interest Payment Date falling in the Redemption Month shown on its face (if this Note is shown on its face to be a Floating Rate Note) or, in the case of a Note falling within Condition 6(a)(i) above, its final Instalment Amount.

(b) Redemption at the Option of the Issuer

If so provided hereon, the Issuer may, on giving not less than 15 days' nor more than 30 days' irrevocable notice to the Noteholders (or such other notice period as may be specified in the applicable Pricing Supplement) and in writing to the Trustee and the Issuing and Paying Agent, redeem all or, if so provided, some of the Notes at their Redemption Amount or integral multiples thereof and on the date or dates so provided. Any such redemption of Notes shall be at their Redemption Amount, together with interest accrued to (but excluding) the date fixed for redemption.

All Notes in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition.

In the case of a partial redemption of the Notes, the notice to Noteholders shall also contain the certificate numbers of the Bearer Notes or, in the case of Registered Notes, shall specify the principal amount of Registered Notes drawn and the holder(s) of such Registered Notes, to be redeemed, which shall have been drawn by or on behalf of the Issuer in such place and in such manner as may be agreed between the Issuer and the Trustee, subject to compliance with any applicable laws. So long as the Notes are listed on any Stock Exchange, the Issuer shall comply with the rules of such Stock Exchange in relation to the publication of any redemption of such Notes.

(c) Redemption at the Option of the Noteholders

If so provided hereon, the Issuer shall, at the option of the holder of any Note, upon the holder of such Note giving not less than 15 business days' nor more than 30 days' notice to the Issuer (or such other notice period as may be specified in the applicable Pricing Supplement) redeem such Note on the date or dates so provided at its Redemption Amount, together with interest accrued to (but excluding) the date fixed for redemption.

To exercise such option, the holder must deposit (in the case of Bearer Notes) such Note (together with all unmatured Receipts and Coupons and unexchanged Talons) with the Issuing and Paying Agent at its specified office or (in the case of Registered Notes) the Certificate representing such Note(s) with the Registrar or any Transfer Agent at its specified office, together in any such case with a duly completed option exercise notice (an "**Exercise Notice**") in the form obtainable from any Paying Agent, the Registrar, any Transfer Agent or the Issuer (as applicable) within the Noteholders' Redemption Option Period shown on the face hereof. Any Note or Certificate so deposited may not be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

(d) Redemption for Taxation Reasons

The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time or, if so specified hereon, on any Interest Payment Date, on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable) and in writing to the Trustee and the Issuing and Paying Agent, at their Redemption Amount or (in the case of Zero Coupon Notes) Early Redemption Amount (as defined in Condition 6(g) below) (together with interest accrued to (but excluding) the date fixed for redemption), if the Issuer or, as the case may be, the Guarantor satisfies the Trustee immediately prior to the giving of the notice that:

- (i) the Issuer (or, if the Guarantee was called, the Guarantor) has or will become obliged to pay additional amounts as provided or referred to in Condition 8, 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 Guarantor, as the case may be, or in each case 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
- (ii) such obligations cannot be avoided by the Issuer or, as the case may be, the Guarantor taking reasonable measures available to it,

provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer or, as the case may be, the Guarantor would be obliged to pay such additional amounts were a payment in respect of the Notes then due.

Prior to the publication of any notice of redemption pursuant to this Condition 6(d), the Issuer (or the Guarantor, as the case may be) shall deliver or procure that there is delivered to the Issuing and Paying Agent and the Trustee (A) a certificate in English signed by a duly Authorised Signatory of the Issuer or the Guarantor, as the case may be, stating that the obligation referred to in Condition 6(d)(i) cannot be avoided by the Issuer (or the Guarantor, as the case may be) taking reasonable measures available to it, and (B) 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 Guarantor 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 6(d)(i) and 6(d)(ii) without further enquiry and without liability to any Noteholder, Couponholder or any other person, in which event the same shall be conclusive and binding on the Noteholders and Couponholders.

(e) **Partly Paid Notes**

Partly Paid Notes will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition 6 and the provisions specified in the applicable Pricing Supplement.

(f) **Purchases**

The Issuer, the Guarantor or any of their respective Subsidiaries may at any time purchase Notes at any price (provided that they are purchased together with all unmatured Receipts and Coupons and unexchanged Talons relating to them) 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 Notes purchased by the Issuer, the Guarantor or any of their respective Subsidiaries may be surrendered by the purchaser through the Issuer to the Issuing and Paying Agent or, in the case of Registered Notes, the Registrar for cancellation or may at the option of the Issuer, the Guarantor or any of their respective Subsidiaries be held or resold. The Notes so purchased, while held by or on behalf of the Issuer, the Guarantor or any of their respective Subsidiaries, shall not entitle the holder to vote at any meetings of the Noteholders 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 Noteholders and for the purposes of Conditions 10, 11 and 12.

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 and “**Subsidiary**” means a subsidiary as defined in the Companies Act, 2016 of Malaysia.

(g) **Early Redemption of Zero Coupon Notes**

- (i) The Early Redemption Amount payable in respect of any Zero Coupon Note, the Early Redemption Amount of which is not linked to a formula, upon redemption of such Note pursuant to Conditions 6(b) to 6(d) or upon it becoming due and payable as provided in Condition 10, shall be the “**Amortised Face Amount**” (calculated as provided below in this Condition 6(g)) of such Note unless otherwise specified hereon.
- (ii) Subject to the provisions of Condition 6(g)(iii), the Amortised Face Amount of any such Note shall be the scheduled Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is shown hereon, shall be such rate as would produce an Amortised Face Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date) compounded annually.

- (iii) If the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Conditions 6(b) to 6(d) or upon it becoming due and payable as provided in Condition 10 is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note as defined in Condition 6(g)(ii) above, except that such Condition 6(g)(ii) shall have effect as though the date on which the Note becomes due and payable were the Relevant Date. The calculation of the Amortised Face Amount in accordance with this Condition 6(g)(iii) will continue to be made (as well after as before judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Redemption Amount of such Note on the Maturity Date together with any interest which may accrue in accordance with Condition 5(III).
- (iv) Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction shown hereon.

(h) **Cancellation**

All Notes purchased by or on behalf of the Issuer, the Guarantor or any of their respective Subsidiaries (as defined in Condition 6(f)) may be surrendered for cancellation, in the case of Bearer Notes, by surrendering each such Note together with all unmatured Receipts and Coupons and all unexchanged Talons to the Issuing and Paying Agent at its specified office and, in the case of Registered Notes, by surrendering the Certificate representing such Notes to the Registrar and, in each case, if so surrendered, shall, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with all unmatured Receipts and Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Notes or Certificates so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer and the Guarantor in respect of any such Notes shall be discharged.

7 Payments

(a) **Principal and Interest in respect of Bearer Notes**

Payments of principal and interest (which shall include the Redemption Amount and the Early Redemption Amount) in respect of Bearer Notes will, subject as mentioned below, be made against presentation and surrender of the relevant Receipts (in the case of payments of Instalment Amounts other than on the due date for redemption and provided that the Receipt is presented for payment together with its relative Note), Notes or Coupons, as the case may be:

- (i) in the case of a currency other than Renminbi, at the specified office of any Paying Agent by transfer to an account maintained by the holder in that currency with a Bank; and
- (ii) in the case of Renminbi, by transfer to a Renminbi account maintained by or on behalf of a Noteholder with a bank in Singapore, Hong Kong or such other location outside the PRC as specified in the applicable Pricing Supplement.

In these Conditions, “**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) Principal and Interest in respect of Registered Notes

- (i) Payments of principal (which for the purposes of this Condition 7(b) shall include final Instalment Amounts but not other Instalment Amounts) in respect of Registered Notes will, subject as mentioned below, be made against presentation and surrender of the relevant Certificates at the specified office of any of the Transfer Agents or of the Registrar and in the manner provided in Condition 7(b)(ii).
- (ii) Interest (which for the purpose of this Condition 7(b) shall include all Instalment Amounts other than final Instalment Amounts) on Registered Notes 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 of interest on each Registered Note shall be made:
 - (1) in the case of a currency other than Renminbi, by transfer to an account maintained by the holder in that currency with a Bank; and
 - (2) in the case of Renminbi, by transfer to the registered account of the Noteholder. For the purposes of this Condition 7(b)(ii)(2), “**registered account**” means the Renminbi account maintained by or on behalf of the Noteholder in Singapore, Hong Kong or such other location outside the PRC as specified in the applicable Pricing Supplement, details of which appear on the Register at the close of business on the fifth Business Day before the due date for payment.

(c) Payments in the United States

Notwithstanding the foregoing, if any Bearer Notes are denominated in U.S. dollars, payments in respect thereof may be made at the specified office of any Paying Agent in New York City in the same manner as aforesaid if (i) the Issuer shall have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment of the amounts on the Notes in the manner provided above when due, (ii) payment in full of such amounts at all such offices is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts and (iii) such payment is then permitted by United States law, without involving, in the opinion of the Issuer, any adverse tax consequence to the Issuer.

(d) 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 8 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 Noteholders or Couponholders in respect of such payments.

(e) 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 Guarantor 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 Guarantor (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 Noteholder or Couponholder. The Issuer and the Guarantor 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 in relation to Registered Notes, (iv) a Registrar in relation to Registered Notes, (v) a Paying Agent in Singapore, where the Notes may be presented or surrendered for payment or redemption, in the event that the Global Note(s) are exchanged for definitive Notes, for so long as the Notes 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 Notes may be listed, in each case as approved in writing by the Trustee.

In addition, the Issuer and the Guarantor shall forthwith appoint a Paying Agent in New York City in respect of any Bearer Notes denominated in U.S. dollars in the circumstances described Condition 7(c) above.

Notice of any such change or any change of any specified office will promptly be given by the Issuer to the Noteholders in accordance with Condition 16.

(f) Unmatured Coupons and Receipts and Unexchanged Talons

- (i) Upon the due date for redemption of Bearer Notes which comprise Fixed Rate Notes (other than Dual Currency Notes), such Notes should be surrendered for payment together with all unmatured Coupons (if any) relating to such Notes, failing which an amount equal to the face value of each missing unmatured Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unmatured Coupon which the sum of principal so paid bears to the total principal due) will be deducted from the Redemption Amount due for payment. Any amount so deducted will be paid in the manner mentioned above against surrender of such missing Coupon within a period of five years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 9).
- (ii) Subject to the provisions of the relevant Pricing Supplement upon the due date for redemption of any Bearer Note comprising a Floating Rate Note, Dual Currency Note, unmatured Coupons relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of them.

- (iii) Upon the due date for redemption of any Bearer Note, any unexchanged Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.
- (iv) Upon the due date for redemption of any Bearer Note that is redeemable in instalments, all Receipts relating to such Note having an Instalment Date falling on or after such due date (whether or not attached) shall become void and no payment shall be made in respect of them.
- (v) Where any Bearer Note comprising a Floating Rate Note, is presented for redemption without all unmatured Coupons, and where any Bearer Note is presented for redemption without any unexchanged Talon relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.
- (vi) If the due date for redemption or repayment of any Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Bearer Note or Certificate.

(g) **Talons**

On or after the Interest Period Date for the final Coupon forming part of a Coupon sheet issued in respect of any Bearer Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Issuing and Paying Agent on any business day in exchange for a further Coupon sheet (and, if necessary, another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 9). In this Condition 7(g), “**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 Issuing and Paying Agent.

(h) **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 Note, Receipt or Coupon 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 further interest or other payment in respect of any such delay.

8 **Taxation**

All payments of principal, premium (if any) and interest by or on behalf of the Issuer in respect of the Notes, the Receipts and the Coupons by the Issuer or, as the case may be, the Guarantor 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 jurisdictions of incorporation of the Issuer or the Guarantor or, in any such case, any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In such event, the Issuer or, as the case

may be, the Guarantor shall pay such additional amounts as will result in the receipt by the Noteholders, the Receiptholders and the Couponholders 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 Note, Receipt or Coupon presented (or in respect of which the Certificate representing it is 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 or the Guarantor, otherwise than by reason only of the holding of such Note, Receipt or Coupon or the receipt of any sums due in respect of such Note, Receipt or Coupon (including, without limitation, the holder being a resident of, or having a permanent establishment in, the jurisdiction of incorporation of the Issuer or the Guarantor); 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 or the Guarantor be required to pay any additional amounts in respect of the Notes and Coupons 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 Note, Receipt or Coupon 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 Noteholders in accordance with Condition 16 that, upon further presentation of the Note (or relative Certificate), Receipt or Coupon 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 “**principal**” shall be deemed to include any premium payable in respect of the Notes, all Instalment Amounts, all Redemption Amounts, Early Redemption Amounts and all other amounts in the nature of principal payable pursuant to Condition 6, “**interest**” shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 5 and any reference to “**principal**” and/or “**premium**” and/or “**Redemption Amounts**” and/or “**interest**” and/or “**Early Redemption Amounts**” shall be deemed to include any additional amounts which may be payable under these Conditions.

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 8 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 Guarantor, any Noteholder 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 any principal, premium (if any), interest or other amount under or in respect of the Notes 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.

9 Prescription

Claims against the Issuer or the Guarantor for payment in respect of the Notes, Receipts and Coupons (which, for this purpose, shall not include Talons) shall be prescribed and become void unless made within 10 years (in the case of principal) or five years (in the case of interest) from the appropriate Relevant Date in respect of them.

10 Events of Default

If any of the following events (each an “**Event of Default**”) shall have occurred and is continuing, the Trustee at its sole and absolute discretion may, and if so requested in writing by holders of at least 25.0 per cent. in aggregate principal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution shall (provided in any such case that the Trustee shall first have been indemnified and/or secured and/or prefunded to its satisfaction), give notice in writing to the Issuer and the Guarantor that the Notes are immediately repayable, whereupon the Redemption Amount of such Notes or (in the case of Zero Coupon Notes) the Early Redemption Amount of such Notes together with interest accrued to (but excluding) the date of payment shall become immediately due and payable:

(a) Non-payment

the Issuer or the Guarantor does not pay any principal or interest payable under any of the Notes and such default continues for a period of 10 Business Days after the due date. In this Condition 10(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;

(b) Breach of Other Obligations

the Issuer or the Guarantor defaults in performance or compliance with any one or more of its other obligations (other than any payment obligations under Condition 10(a) above) set out in the Notes 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 Guarantor, as the case may be) by the Trustee; or

(c) Cross-default

- (i) any other indebtedness of the Issuer or the Guarantor for or 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 Guarantor fails to pay when properly called upon to do so any guarantee of indebtedness for borrowed moneys,

provided however, that no Event of Default will occur under Condition 10(c)(i) or Condition 10(c)(ii) above:

- (1) unless and until the aggregate amount of the indebtedness in respect of which one or more of the events mentioned in this Condition 10(c) have occurred equals or exceeds U.S.\$50,000,000 or its equivalent in any other currency; or
- (2) if the Issuer or the Guarantor 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 Guarantor 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 Noteholders; or

(e) Ownership of Guarantor

the Government of Malaysia ceases for whatever reason, to own, directly or indirectly, the entire issued share capital of the Guarantor; or

(f) Ownership of Issuer

the Guarantor ceases for whatever reason, to own, directly or indirectly, the entire issued share capital of the Issuer; or

(g) Guarantee

the Guarantee is not (or is claimed by the Guarantor not to be) in full force and effect.

11 Enforcement of Rights

At any time after the Notes shall have become due and payable, the Trustee may, at its discretion and without further notice, take such steps and/or actions and/or institute such proceedings against the Issuer and/or the Guarantor as it may think fit to enforce repayment

of the Notes, together with accrued interest and any other amounts payable under these Conditions, but it shall not be bound to take any such steps and/or actions and/or to institute any such proceedings unless (a) it shall have been so directed by an Extraordinary Resolution of the Noteholders of such Notes or so requested in writing by Noteholders holding not less than 25.0 per cent. in principal amount of such Notes outstanding and (b) it shall have been indemnified and/or secured and/or pre-funded by the Noteholders to its satisfaction.

No Noteholder, Receiptholder or Couponholder shall be entitled to proceed directly against the Issuer or the Guarantor 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.

12 Meeting of Noteholders and Modifications

(a) Meeting of Noteholders and Modifications

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

The Trustee, the Issuer or the Guarantor at any time may, and the Trustee following the request in writing by Noteholders holding not less than 25.0 per cent. of the principal amount of the Notes 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 Noteholders of that Series. An Extraordinary Resolution passed at any quorate meeting of the Noteholders shall be binding on all the Noteholders, 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 principal amount of the Notes of any Series for the time being outstanding, or at any adjourned meeting two or more persons being or representing Noteholders whatever the principal amount of the Notes so held or represented, except that any Extraordinary Resolution proposed, *inter alia*, (a) to amend the dates of maturity or redemption of the Notes, any Instalment Date or any date for payment of interest or Interest Amounts on the Notes, (b) to reduce or cancel the principal amount of, or any Instalment Amount of, or any premium payable on redemption of, the Notes, (c) to reduce the rate or rates of interest in respect of the Notes or to vary the method or basis of calculating the rate or rates of interest or the basis for calculating any Interest Amount in respect of the Notes, (d) if a Minimum Rate of Interest and/or a Maximum Rate of Interest, Instalment Amount or Redemption Amount is shown hereon, to reduce any such Minimum Rate of Interest and/or Maximum Rate of Interest; (e) to vary any method of, or basis for, calculating the Redemption Amount or the Early Redemption Amount including the method of calculating the Amortised Face Amount, (f) to vary the currency or currencies of payment or denomination of the Notes, (g) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass an Extraordinary Resolution or (h) to modify or cancel the Guarantee, the quorum shall be two or more persons holding or representing not less than 75.0 per

cent. in principal amount of the Notes 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 principal amount of the Notes for the time being outstanding. An Extraordinary Resolution duly passed at any such quorate meeting shall be binding on all the Noteholders of the relevant Series, whether present or not and whether they voted for or against such Extraordinary Resolution and on all relevant Couponholders and Receipholders.

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 principal amount of a series of Notes for the time being outstanding, or
- (ii) where the terms of the proposed resolution have been notified to the Noteholders through the relevant clearing system(s), approval of a resolution proposed by the Issuer, the Guarantor 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 Notes outstanding,

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

Notwithstanding the foregoing, no consent or approval of the Noteholders shall be required in the case of an application of a Successor Rate, an Alternative Rate, an Adjustment Spread, a Benchmark Replacement or any rate determined in accordance with Condition 5(XII), as the case may be, and any related Benchmark Amendments, any Benchmark Replacement Conforming Changes or for any other variation of these Conditions, the Trust Deed and/or the Agency Agreement required to be made in the circumstances described in Condition 5(XII).

The Trustee may (but is not obliged to) agree, without the consent of the Noteholders or Couponholders, to (A) any modification of any of the provisions of the Trust Deed, the Agency Agreement 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 Notes 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 Noteholders, and (C) any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed, the Agency Agreement or these Conditions which is in the opinion of the Trustee not materially prejudicial to the interests of the Noteholders. Any such modification, authorisation or waiver shall be binding on the Noteholders and the Couponholders and, unless the Trustee otherwise agrees, such modification, waiver or authorisation shall be notified by the Issuer to the Noteholders as soon as practicable.

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

(b) 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 Noteholders as a class and shall not have regard to the interest of, or be responsible for the consequences of such exercise for, individual Noteholders, Receiptholders or Couponholders and the Trustee shall not be entitled to require on behalf of any Noteholder, Receiptholder or Couponholder, nor shall any Noteholder, Receiptholder or Couponholder be entitled to claim, from the Issuer, the Guarantor or the Trustee, any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders, Receiptholders or Couponholders.

13 Replacement of Notes, Certificates, Receipts, Coupons and Talons

If a Note, Certificate, Receipt, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed it may be replaced, subject to applicable laws, at the specified office of the Issuing and Paying Agent (in the case of Bearer Notes, Receipts, Coupons or Talons) and of the Registrar (in the case of Certificates), or at the specified office of such other 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 Noteholders in accordance with Condition 16, 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 Note, Certificate, Receipt, Coupon or Talon is subsequently presented for payment, there will be paid to the Issuer on demand the amount payable by the Issuer in respect of such Note, Receipt, Certificate, Coupon or Talon) and otherwise as the Issuer and/or the Guarantor or the relevant Agent(s) may require. Mutilated or defaced Notes, Receipts, Certificates, Coupons or Talons must be surrendered before replacements will be issued.

14 Further Issues

The Issuer may from time to time without the consent of the Noteholders or Couponholders create and issue further securities having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest on them) and so that such further issue shall be consolidated and form a single series with an outstanding Series. References in these Conditions to the Notes include (unless the context requires otherwise) any other securities issued pursuant to this Condition 14 and forming a single series with the Notes.

15 Indemnification and other matters

(a) 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 under the Trust Deed, the Agency Agreement, and/or these Conditions and/or

in respect of the Notes, the Receipts or the Coupons or from taking other actions unless first indemnified and/or secured and/or prefunded to its satisfaction and entitling the Trustee to be paid or reimbursed for its fees, any costs, charges and expenses properly incurred and any indemnity payments and liabilities incurred by it in priority to the claims of Noteholders, Receiptholders and/or Couponholders. 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 Note, Receipt, Coupon, Talon or other security (or any interest therein) of the Issuer, the Guarantor, any entity related (directly or indirectly) with the Issuer and/or the Guarantor 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 Guarantor, the Noteholders, the Receiptholders, the Couponholders 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.

(b) No Liability

None of the Trustee or any of the Agents shall be responsible for the performance by the Issuer, the Guarantor or any other person appointed by the Issuer or the Guarantor in relation to the Notes 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 Guarantor 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 Noteholder, Receiptholder or Couponholder, the Issuer, the Guarantor 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 Noteholders given by Noteholders holding the requisite principal amount of Registered Notes outstanding or passed at a meeting of the Noteholders 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 Noteholders given by holders of the requisite principal amount of Notes outstanding or passed at a meeting of Noteholders convened and held in accordance with the Trust Deed.

Whenever the Trustee is required or entitled by the terms of the Trust Deed, the Agency Agreement, the Guarantee, 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 Noteholders 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 Guarantor, the Noteholders 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 Noteholders.

Each Noteholder, Receiptholder and Couponholder 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 Guarantor, and the Trustee shall not at any time have any responsibility or liability for the same and each Noteholder, Receiptholder and Couponholder shall not rely on the Trustee in respect thereof.

(c) Reliance on Certificates and/or Reports

The Trustee may rely conclusively without liability to Noteholders, Receiptholders, Couponholders, the Issuer, the Guarantor 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 it 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 Noteholders, the Receiptholders and the Couponholders.

(d) 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 Agency Agreement or these Conditions or whether any Event of Default, a Potential Event of Default (as defined in the Trust Deed) or any event which could lead to the occurrence of an Event of Default or Potential Event of Default (as defined in the Trust Deed) has occurred, and the Trustee shall not be liable to the Noteholders, the Receiptholders, the Couponholders 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 Guarantor and the Trustee shall not be responsible or liable to the holders of the Notes, the Receipts or the Coupons or any other person for any loss arising from any failure to do so.

16 Notices

Notices to the holders of Registered Notes 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 or a Sunday or a public holiday) after the date of mailing. Notwithstanding the foregoing, notices to the holders of Notes will be valid if published in a daily newspaper of general circulation in Asia (or, if the holders of any Series of Notes 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.

Couponholders shall be deemed for all purposes to have notice of the contents of any notice to the holders of Bearer Notes in accordance with this Condition 16.

If the Notes 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 Notes are represented by a Global Note or a Global Certificate and such Global Note or 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 Noteholders 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 Noteholder pursuant hereto (including to the Issuer) shall be in writing and given by lodging the same with the Issuing and Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes) or such other Agent as may be specified in these Conditions.

Whilst the Notes are represented by a Global Note or a Global Certificate, such notice may be given by any Noteholder 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 16, in any case where the identities and addresses of all the Noteholders 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.

17 Contracts (Rights of Third Parties) Act

Without prejudice to the rights of the Noteholders as set out in Condition 11, no person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

18 Governing Law and Jurisdiction

(a) Governing Law

The Trust Deed, the Notes, the Receipts, the Coupons, the Talons and the Guarantee 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, the Notes, Receipts, Coupons, Talons or the Guarantee and accordingly any legal action or proceedings arising out of or in connection with the Trust Deed, the Notes, the Receipts, Coupons, Talons or the

Guarantee (“**Proceedings**”) may be brought in such courts. Each of the Issuer and the Guarantor 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 Guarantor 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 Guarantor, as the case may be). If for any reason the process agent ceases to be such an agent, the Issuer and the Guarantor 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 NOTES WHILE IN GLOBAL FORM

1 Initial Issue of Notes

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

Upon the initial deposit of a Global Note with a common depositary for Euroclear and Clearstream (the “**Common Depositary**”), or registration of Registered Notes in the name of any nominee for the Common Depositary, the relevant clearing system will credit each subscriber with a principal amount of Notes equal to the principal amount thereof for which it has subscribed and paid.

Notes that are initially deposited with the Common Depositary 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, Notes 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 Note represented by a Global Note or 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 or the Guarantor to the bearer of such Global Note or the holder of the underlying Registered Notes, as the case may be, and in relation to all other rights arising under the Global Notes or Global Certificates, 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 or the Guarantor in respect of payments due on the Notes for so long as the Notes are represented by such Global Note or Global Certificate and such obligations of the Issuer and the Guarantor will be discharged by payment to the bearer of such Global Note or the holder of the underlying Registered Notes, as the case may be, in respect of each amount so paid.

3 Exchange

3.1 Temporary Global Notes

Each Temporary Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date:

- (i) if the relevant Pricing Supplement indicates that such Global Note is issued in compliance with TEFRA C or in a transaction to which TEFRA is not applicable (as to which, see “*Overview of the Programme — Selling Restrictions*”), in whole, but not in part, for the definitive Notes defined and described below; and

- (ii) otherwise, in whole or in part upon certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement for interests in a Permanent Global Note or, if so provided in the relevant Pricing Supplement, for definitive Notes.

3.2 Permanent Global Notes

Each Permanent Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date in whole but not, except as provided under paragraph 3.4 below, in part for definitive Notes if the Permanent Global Note is held on behalf of Euroclear or Clearstream or an Alternative Clearing System and any such 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 in fact does so.

In the event that a Global Note is exchanged for definitive Notes, such definitive Notes shall be issued in Specified Denomination(s) only. A Noteholder who holds a principal amount of less than the minimum Specified Denomination will not receive a definitive Note in respect of such holding and would need to purchase a principal amount of Notes such that it holds an amount equal to one or more Specified Denominations.

3.3 Global Certificates

If the Pricing Supplement states that the Notes are to be represented by a Global Certificate on issue, the following will apply in respect of transfers of Notes held in Euroclear, Clearstream or an Alternative Clearing System. These provisions will not prevent the trading of interests in the Notes within a clearing system whilst they are held on behalf of such clearing system but will limit the circumstances in which the Notes may be withdrawn from the relevant clearing system.

Transfers of the holding of Notes represented by a Global Certificate pursuant to Condition 2(b) (*Transfer of Registered Notes*) of the Terms and Conditions of the Notes 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.

3.4 Partial Exchange of Permanent Global Notes

For so long as a Permanent Global Note is held on behalf of a clearing system and the rules of that clearing system permit, such Permanent Global Note will be exchangeable in part on one or more occasions for Definitive Notes if so provided in, and in accordance with, the Terms and Conditions of the Notes (which will be set out in the relevant Pricing Supplement) relating to Partly Paid Notes.

3.5 Delivery of Notes

On or after any due date for exchange the holder of a Global Note may surrender such Global Note or, in the case of a partial exchange, present it for endorsement to or to the order of the Issuing and Paying Agent. In exchange for any Global Note, or the part thereof to be exchanged, the Issuer will (i) in the case of a Temporary Global Note exchangeable for a Permanent Global Note, deliver, or procure the delivery of, a Permanent Global Note in an aggregate principal amount equal to that of the whole or that part of a Temporary Global Note that is being exchanged or, in the case of a subsequent exchange, endorse, or procure the endorsement of, a Permanent Global Note to reflect such exchange or (ii) in the case of a Global Note exchangeable for Definitive Notes, deliver, or procure the delivery of, an equal aggregate principal amount of duly executed and authenticated Definitive Notes. In this Offering Circular, “**Definitive Notes**” means, in relation to any Global Notes, the definitive Bearer Notes for which such Global Note may be exchanged (if appropriate, having attached to them all Coupons and Receipts in respect of interest that have not already been paid on the Global Note and a Talon). Definitive Notes will be security printed in accordance with any applicable legal and stock exchange requirements in or substantially in the form set out in the Schedules to the Trust Deed. On exchange in full of each Permanent Global Note, the Issuer will, if the holder so requests, procure that it is cancelled and returned to the holder together with the relevant Definitive Notes.

3.6 Exchange Date

“**Exchange Date**” means, in relation to a Temporary Global Note, the day falling after the expiry of 40 days after its issue date and, in relation to a Permanent Global Note, a day falling not less than 60 days, or in the case of failure to pay principal in respect of any Notes when due 30 days, after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Issuing and Paying Agent is located and in the city in which the relevant clearing system is located.

4 Amendment to Terms and Conditions of the Notes

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

4.1 Payments

No payment falling due after the Exchange Date will be made on any Global Note unless exchange for an interest in a Permanent Global Note or for Definitive Notes is improperly withheld or refused. Payments on any Temporary Global Note issued in compliance with TEFRA D before the Exchange Date will only be made against presentation of certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement. All payments in respect of Notes represented by a Global Note will be made against presentation for endorsement and, if no further payment falls to be made in respect of the Notes, surrender of that Global Note to or to the order of the Issuing and Paying Agent or such other Paying Agent as shall have been notified to the Noteholders for such purpose. A record of each payment so made will be endorsed on each Global Note, which endorsement will be *prima facie* evidence that such payment has been made in respect of the Notes.

For the purpose of any payments made in respect of a Global Note, the relevant place of presentation (if applicable) shall be disregarded in the definition of “**business day**” set out in Condition 7(h) (*Non-business days*) of the Terms and Conditions of the Notes.

All payments in respect of Notes 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 or the Guarantor in respect of Notes that are represented by a Permanent Global Note will become void unless it is presented for payment within a period of 10 years (in the case of principal) and five years (in the case of interest) from the appropriate Relevant Date (as defined in Condition 8 (*Taxation*) of the Terms and Conditions of the Notes).

4.3 Meetings

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

4.4 Cancellation

Cancellation of any Note represented by a Permanent Global Note that is required by the Terms and Conditions of the Notes to be cancelled (other than upon its redemption) will be effected by reduction in the principal amount of the relevant Permanent Global Note or its presentation to or to the order of the Issuing and Paying Agent for endorsement in the relevant schedule of such Permanent Global Note or in the case of a Global Certificate, by reduction in the aggregate principal amount of the Certificates in the Register, whereupon the principal amount thereof shall be reduced for all purposes by the amount so cancelled and endorsed.

4.5 Purchase

Notes represented by a Permanent Global Note may only be purchased by the Issuer, the Guarantor or any of their respective subsidiaries if they are purchased together with the rights to receive all future payments of interest and Instalment Amounts (if any) thereon.

4.6 Issuer's Option

Any option of the Issuer provided for in the Terms and Conditions of the Notes while the relevant Notes are represented by a Permanent Global Note shall be exercised by the Issuer giving notice to the Noteholders within the time limits set out in and containing the information required by the Terms and Conditions of the Notes, except that the notice shall not be required to contain the serial numbers of Notes drawn in the case of a partial exercise of an option and accordingly no drawing of Notes shall be required. In the event of a partial redemption of Notes of any Series, Notes will be redeemed *pro rata* and the Calculation Amount of the Notes shall be determined in accordance with the standard procedures of Euroclear and Clearstream or any other clearing system (as the case may be) and the rights of accountholders with a clearing system in respect of the Notes will be governed by the standard procedures of such clearing system.

4.7 Noteholders' Options

Any option of the Noteholders provided for in the Terms and Conditions of the Notes while the relevant Notes are represented by a Permanent Global Note may be exercised by the holder of the Permanent Global Note giving notice to the Issuing and Paying Agent within the time limits relating to the deposit of Notes with a Paying Agent set out in the Terms and Conditions of the Notes substantially in the form of the notice available from any Paying Agent, except that the notice shall not be required to contain the serial numbers of the Notes in respect of which the option has been exercised and the option may be exercised in respect of the whole or any part of such Permanent Global Note, and stating the principal amount of Notes in respect of which the option is exercised and at the same time presenting the Permanent Global Note to the Issuing and Paying Agent, or to a Paying Agent acting on behalf of the Issuing and Paying Agent, for notation. Any option of the Noteholders provided for in the Terms and Conditions of the Notes while the relevant Notes are represented by a permanent Global Certificate may be exercised in respect of the whole or any part of the holding of Notes represented by such Global Certificate.

4.8 Trustee's Powers

In considering the interests of Noteholders while any Global Note is held on behalf of, or Registered Notes are 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 Note or Registered Notes and may consider such interests as if such accountholders were the holders of the Notes represented by such Global Note or Global Certificate.

4.9 Notices

So long as any Notes are represented by a Global Note or a Global Certificate and such Global Note or Global Certificate is held on behalf of Euroclear and/or Clearstream or any other clearing system, notices to the holders of Notes of that Series may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders in substitution for publication as required by the Terms and Conditions of the Notes or by delivery of the relevant notice to the holder of the Global Note or Global Certificate.

5 Partly Paid Notes

The provisions relating to Partly Paid Notes are not set out in this Offering Circular, but will be contained in the applicable Pricing Supplement and thereby in the Global Notes. While any instalments of the subscription moneys due from the holder of Partly Paid Notes are overdue, no interest in a Global Note representing such Partly Paid Notes may be exchanged for an interest in a permanent Global Note or for Definitive Notes (as the case may be). If any Noteholder fails to pay any instalment due on any Partly Paid Notes within the time specified, the Issuer may forfeit such Partly Paid Notes and shall have no further obligation to their holder in respect of them.

6 Electronic Consent and Written Resolution

While any Global Note 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 Guarantor or the Trustee:

- (a) where the terms of the proposed resolution have been notified to the Noteholders through the relevant clearing system(s), each of the Issuer, the Guarantor and the Trustee shall be entitled to rely upon approval of such resolution proposed by the Issuer, the Guarantor 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 Notes outstanding (“**Electronic Consent**”). None of the Issuer, the Guarantor 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 Notes outstanding has been validly passed, the Issuer, the Guarantor and the Trustee shall be entitled to rely on consent or instructions given in writing directly to the Issuer, the Guarantor and/or the Trustee, as the case may be, by (i) accountholders in the clearing system with entitlements to such Global Note or 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 Guarantor 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 Noteholders, Receiptholders and Couponholders, 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 Notes is clearly identified together with the amount of such holding. None of the Issuer, the

Guarantor 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 Issuer intends to utilise the proceeds raised pursuant to issuances under the Programme to on-lend and/or pay and/or advance the net proceeds from each issue of the Notes under the Programme to the Guarantor and/or its special purpose vehicles for the purpose of general investments, refinancing of borrowings and working capital requirements relating to the principal business activities of the Guarantor. If, in respect of any particular issue, there is a particular identified use of proceeds, this will be stated in the applicable Pricing Supplement.

DESCRIPTION OF THE ISSUER

Khazanah Capital Ltd. (Registration No. LL18361) was incorporated on 31 January 2023 in the Federal Territory of Labuan, Malaysia pursuant to the Labuan Companies Act, 1990 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 U.S.\$2.00 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 Memorandum of Association include, among others, to carry on the business as a fund raising vehicle, to hold shares, debt obligations or securities in a domestic company incorporated under the Companies Act 2016 of Malaysia in accordance with such Act and to carry on business in the Malaysian currency when seeking to hold or otherwise invest in shares, debt obligations or other securities in a domestic company incorporated under the Companies Act 2016 of Malaysia.

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 Notes 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 Memorandum of Association.

The fiscal year of the Issuer ends on 31 December of each year, beginning in 2023. Ernst & Young PLT has been appointed as the independent auditors of the Issuer.

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 Federal Lands Commissioner (Incorporated), 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 seven-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 has an issuer credit rating of A3 and A- from Moody's Investors Service and S&P Global Ratings, respectively. These investment grade credit ratings affirm Khazanah's strong ability to fulfil its financial commitments, reflecting its history of prudent and sound investment and funding policies and important role in growing Malaysia's long-term wealth.

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 2023. 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 2023:

COMMUNICATION SERVICES	 Astro Malaysia Holdings Berhad www.astro.com.my	 Axiata Group Berhad www.axiata.com	 Telekom Malaysia Berhad www.tm.com.my	 TIME dotCom Berhad www.time.com.my
CONSUMER	 Farm Fresh Berhad www.farmfresh.com.my	 DRH Destination Resorts and Hotels Sdn Bhd www.drh.com.my		
FINANCIALS	 Bank Muamalat Malaysia Berhad www.muamalat.com.my	 CIMB CIMB Group Holdings Berhad www.cimb.com	 Sun Life Sun Life Malaysia Assurance Berhad www.sunlifemalaysia.com	
HEALTHCARE	 IHH Healthcare Berhad IHH Healthcare Berhad www.ihhealthcare.com			
INDUSTRIAL SERVICES	 cenviro Cenviro Sdn Bhd www.cenviro.com	 CIMA A member of UEM Cement Industries of Malaysia Berhad ("CIMA") www.cima.com.my	 UEM EDGENTA UEM Edgenta Berhad www.umedgenta.com.my	
TRANSPORTATION & LOGISTICS	 mag Malaysia Aviation Group Berhad www.malaysiaairlines.com	 MALAYSIA AIRPORTS Malaysia Airports Holdings Berhad www.malaysiaairports.com.my	 PLUS A member of UEM PLUS Malaysia Berhad www.plus.com.my	
REAL ESTATE	 M+S M+S Pte Ltd	 UEM SUNRISE UEM Sunrise Berhad www.uemsunrise.com	 ISKANDAR INVESTMENT Iskandar Investment Berhad www.iskandarinvestment.com	 SOUTHERN MARINA Southern Marina Development Sdn Bhd www.southernmarina.com.my
RENEWABLE ENERGY	 cenergi Cenergi SEA Sdn Bhd www.cenergi-sea.com	 TENAGA NASIONAL Tenaga Nasional Berhad www.tnb.com.my		

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 areas that aim to increase Malaysia's economic competitiveness and build national resilience, while delivering socio-economic benefits and impact to the rakyat (community). The Dana Impak initiative will invest across the following six themes:

- **Digital Society and Technology Hub:** Harness digitalisation and technological developments to boost efficiency and economic growth.
- **Decent Work and Social Mobility:** Narrow the income and wealth gap to ensure future social stability.
- **Food and Energy Security:** Ensure the availability and security of critical resources like food and energy.
- **Quality Health and Education for all:** Ensure equal access to health and education amid global demographic shifts.
- **Building Climate Resilience:** Preserve and protect the only habitat we know.
- **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**”). Launched in 2021, KIIC is an impact innovation challenge to discover and support new business models based on the theme of challenge towards achieving Khazanah's goal of Advancing Malaysia. In 2023, Khazanah held the KIIC 2023 with the theme of ‘Tackling the Climate Challenge for Malaysia's Food Security’. The aim of KIIC 2023 was to uncover innovative agrifood start-ups and micro, small and medium enterprises (“**MSMEs**”), boost participants' readiness and knowledge in navigating fund-raising to take their business to the next stage of growth and showcase Malaysia-based agrifood start-ups and MSMEs to the broader investment community. The KIIC 2023 awarded total grants amounting up to RM5.05 million to 15 finalists, following the Demo Day held on 7 November 2023.

In 2023, Dana Impak identified projects worth over RM800 million across the six key themes, with new programmes launched to bolster Malaysia's digital and start-up ecosystem via financial investments and human capital development.

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. The programme augments Khazanah's efforts in discovering and nurturing early-stage entrepreneurs and start-ups, providing them with the strategic support required to grow. The programme's latest addition is Khazanah's partnership with the global venture capital firm Antler which was announced on 13 July 2023. Antler has since invested in seven Malaysian start-ups in various sectors in early 2024. Government-linked investment 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. These funds are progressively being deployed through collaboration and partnership with various venture capital partners.

In addition, Khazanah also launched the Future Malaysia Skills ("FMS") initiative in 2023, through which it has been and will continue to invest in upskilling and reskilling initiatives to provide Malaysians with industry-demanded skill-sets. FMS' main aim is to play a role in generating a sustainable pipeline of Malaysian talents, with skill-sets to access high quality jobs, leading to improved livelihood and spurring competitiveness in key industries that drives Malaysia's economic growth. Khazanah has also launched a MSME Digitalisation initiative with the aim of strengthening and empowering local MSMEs, with a focus on financial inclusion and digitalisation for the underserved.

Consistent with the objectives of the Malaysian MADANI Budget 2024 and the Ekonomi MADANI vision, Khazanah, through Dana Impak and a combination of its existing as well as new initiatives and programmes, will allocate RM600 million to spur economic growth and create opportunities for rural, suburban, and underserved communities, in line with the Government's vision of a more balanced regional development, thereby raising both the floor and ceiling for Malaysians nationwide.

Furthermore, Khazanah developed and implemented the SEMARAK framework for Dana Impak projects. The SEMARAK framework is an impact assessment tool which converges global methodologies to measure societal value, adapted to the Malaysian context. It facilitates the measurement of the impact they create, in line with their focus on creating long-term societal impact. For example, with 42 Malaysia, a joint venture established with Sunway Education Group, a peer-to-peer computer science school that will accelerate the development of 10,000 skilled technology talents nationwide over the next 10 years, the tool will measure impact performance metrics such as the number of graduates, successful placement rates, employer satisfaction scores and the distribution of graduates across income groups and geography, among others.

(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.

In 2024, Khazanah, along with other Government-Linked Companies (“GLC”) and Government-Linked Investment Companies (“GLIC”), will allocate RM1.5 billion in funding for start-ups including bumiputera SMEs in High-Growth, High-Value (“HGHV”) industries, such as the digital economy, aerospace technology, and electrical and electronics industries.

(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 for public and private markets comprised approximately 32 per cent. of Khazanah’s Investment Portfolio as at 31 December 2023. 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 to 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, Yayasan Khazanah, Khazanah Megatrends Forum and Galeri Khazanah. Some examples in 2023 include Yayasan Hasanah allocating RM54 million for 119 impact-based projects and policy recommendations by KRI on the Malaysian labour wage gap and government initiative Projek Perumahan Rakyat.

Pursuant to the Malaysia Budget 2023, Khazanah has been leading the formation of the National Heritage Fund, which has an estimated cost of RM700 million and aims to encourage private participation in restoring national heritage buildings. Khazanah will continue to lead the formation of the National Heritage Fund (or Tabung Warisan Negara) to safeguard and rejuvenate selected key Malaysia heritage buildings such as Bangunan Sultan Abdul Samad and Carcosa Seri Negara.

In line with the Malaysia MADANI Budget 2024, Khazanah remains committed to do its part in supporting the government initiative, MyFutureJobs, alongside other GLCs. This includes offering job opportunities and upskilling programmes, which would improve the employability and wages of Malaysians. Khazanah will also collaborate with other GLCs and private companies in transforming technical and vocational education and training (“TVET”) education in Malaysia.

Khazanah launched the #BerbudiBersama community outreach programme at Taman Tugu Lawn in Kuala Lumpur on 9 March 2024, in conjunction with its 30th Anniversary. The nationwide community outreach programme caters to all Malaysians from different socio-economic backgrounds, delivering various activities comprising upskilling activities and opportunities, financial literacy sessions, entrepreneurial guidance and educational workshops, health and wellbeing and others. This programme is the first of a series of other nationwide community outreach programmes. Through the initiative, Khazanah, its affiliated entities and Khazanah-linked companies hope to establish closer relationships with communities, encouraging greater collaboration and impact creation.

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 is geared towards nurturing a culture of innovation and agility, enhancing Khazanah’s data and digital applications, and upskilling its workforce, with the overarching goal of digitising Khazanah’s processes to enable better business outcomes.

The NexGen strategy comprises of various programmes across three core pillars, which are detailed below:

Architecture	Culture	Enablement
Modernise technology architecture by implementing new digital platforms and building capabilities to continuously improve the quality of Khazanah’s decisions towards generating better business outcomes with accurate data.	Accelerate awareness to adopt digital tools, be equipped with future skills, and aim to be agile in improving teamwork through collaboration.	Increases governance efficiency and monitoring structure with the shift to empower each team member to take control of our work through technology.

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.

In 2023, Khazanah implemented several measures to work towards a sustainable future. Khazanah has achieved carbon neutral operations, established a Diversity, Equity and Inclusion Framework, as well as incorporated ESG-linked key performance indicators ("KPIs") for key leadership positions across its portfolio companies.

SEMARAK Framework was developed and launched in 2023. The SEMARAK Framework underscores Khazanah's focus on creating long-term societal impact through Dana Impak.

The establishment of UEM Lestra in 2023 as Khazanah's green investment platform has spearheaded the development of multiple renewable energy projects throughout the year. Khazanah's Airlines & Tourism assets performed well financially and operationally during the year, requiring zero capital injection from Khazanah.

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:

- 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 via its subsidiary, Gunung Korbu Investments (Cayman Islands) Limited. Further in 2022, Khazanah sold the remaining of 1.9 million units of shares in Alibaba Group Holding Ltd.
- On 10 October 2023, Khazanah, via its associate, Pulau Kapas Ventures Sdn. Bhd., an investment vehicle controlled by Global Transit International Sdn. Bhd. in partnership with Khazanah, divested its indirect stake of 67.5 million shares in TIME dotCom Berhad (representing c.3.7% of TIME's total outstanding shares). All proceeds from this placement exercise have accrued to Khazanah.

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 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 dividends, debt financing, as well as proceeds from the monetisation of its investments to finance its wide-ranging investment activities.

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 2023, 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 communication services, consumer, financials, healthcare, industrial services, transportation & logistics, real estate and renewable energy, 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 2023, 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 2023, Astro was voted as the Platinum winner in the Media Networks category for the 14th year running at the Putra Brand Awards 2023.

As at 31 December 2023, 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 Excellence Award (Gold) at the National Annual Corporate Report Awards (NACRA) 2023 and the Equity Awards for Telecommunications & Media (Silver) at The Edge Malaysia ESG Awards 2023.

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 2023, 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 2023, Telekom was awarded with Telecom Company of the Year and Wholesale Company Initiative of the Year at the Asian Telecom Awards 2023.

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 2023, Khazanah had an effective shareholding interest of 20.2 per cent. in Telekom.

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 2022, Farm Fresh won a platinum award in the beverage-dairy category at the 2022 Putra Brand Awards Gala Night for the second year running. 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**”)*

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 FY2022, Khazanah subscribed to an additional 116,488,049 redeemable convertible preference shares and 75,438,049 redeemable convertible cumulative secured loan stock in DRH. As at 31 December 2023, 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 68 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. It offers Consumer Banking, Commercial Banking, Investment Banking, Islamic Banking and Asset Management products and services. 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 2023, Khazanah had an effective shareholding interest of 23.0 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, PLife REIT and others. It operates its hospital and healthcare segment in Singapore, Malaysia, India, Greater China, Turkey, Europe and Southeast Asia. Its portfolio of brands includes Acibadem, Mount Elizabeth, Prince Court Medical Centre, Gleneagles, Fortis, Pantai and Parkway. 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.

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 2023, 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 2023, 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 services segment focuses on highway network maintenance including rail, airports, ports, and the oil and gas industry and asset consultancy which focuses on energy efficiency and sustainability solutions, covering the end-to-end project and asset lifecycle, through Opus Consultants. In 2022, UEM Edgenta was awarded the 2022 Frost & Sullivan Malaysia Facilities Management Company of the Year Award for the seventh consecutive year. In 2023, UEM Edgenta clinched the Company of the Year (Asset Management & Infrastructure Solutions) award at the Sustainability and CSR Malaysia Awards 2023.

As at 31 December 2023, 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, loyalty and travel solutions (“**LTS**”) and aviation services. 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.

The LTS business portfolio focuses on providing end-to-end travel solutions and loyalty programmes, complementing its established strength and expertise in the airline and aviation service businesses. It comprises Journify — the integrated one-stop travel and lifestyle digital platform; Enrich — the award-winning Travel & Lifestyle Loyalty Programme of Malaysia Airlines; and MHolidays and Firefly Holidays — the tour operating arm for the MAGB Group.

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. In 2023, MAGB recorded positive net profits after tax and interest for the first time in a full year. Moving forward, MAGB will continue to 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.

As at 31 December 2023, Khazanah had an effective shareholding interest of 86.6 per cent. in MAGB.

Malaysia Airports Holdings Berhad (“MAHB”)

MAHB 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. MAHB's non-airport operations comprise agriculture, horticulture activities, hotel operations and project and repair maintenance businesses.

On 15 May 2024, Gateway Development Alliance and its shareholders (together the “**Consortium**”), led by Khazanah via its wholly owned subsidiary UEM Group Berhad and the Employees Provident Fund Board, announced a pre-conditional voluntary offer to acquire all the shares in MAHB not already owned by the Consortium, at an offer price of RM11.00 per share (the “**Offer**”). As at 14 May 2024, the Consortium and its parent companies in aggregate own 41.1% of MAHB's issued share capital. Subject to customary conditions precedent and upon full completion of the Offer, Khazanah will be increasing its ownership in MAHB from 33.2% to 40%.

As at 31 December 2023, Khazanah had an effective shareholding interest of 33.2 per cent. in MAHB.

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. In 2023, PLUS was awarded the Recognition of Excellence (RoE) by OpenGov Asia in a ceremony held at the DoubleTree Hotel by Hilton, Putrajaya.

As at 31 December 2023, 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 2023, 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. 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, Australia and South Africa.

As at 31 December 2023, 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 2023, 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 2023, 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 2023, Khazanah had an effective shareholding interest of 40 per cent. in Sunway Iskandar.

Renewable Energy

Cenergi SEA Berhad (“Cenergi”)

Incorporated in 2008, 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 RM210 million dual-tranche ASEAN Green SRI Senior Sukuk Wakalah issuance.

As at 31 December 2023, Khazanah had an effective shareholding interest of 92.9 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 the United Kingdom, Kuwait, Turkey, Saudi Arabia and India. As at 31 December 2023, it serves an estimated 10.6 million customers in Peninsular Malaysia and Sabah. 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 2023, Tenaga clinched the Transmission & Distribution Project of the Year — Gold category at the Asian Power Awards.

As at 31 December 2023, Khazanah had an effective shareholding interest of 22.6 per cent. in Tenaga.

Recent Investments

Polisea Sdn. Bhd. (“PolicyStreet”)

PolicyStreet is a full-stack insurance technology company that offers digital and customised insurance solutions to consumers and businesses. In offering simple, affordable and purposeful insurance solutions, PolicyStreet stands to narrow the protection gap in Malaysia and improve the country’s insurance penetration rate. In 2024, PolicyStreet was recognised as Fintech of the Year at The Asset’s Triple A Digital Awards and ranked as the second-highest Malaysian company in the High-Growth Companies in Asia Pacific 2024 list by Statista and The Financial Times.

In 2023, Khazanah, under its Dana Impak mandate, led a Series B fundraising round for PolicyStreet, raising a total of U.S.\$15.3 million (RM67 million).

Funding Societies Modalku (“Funding Societies”)

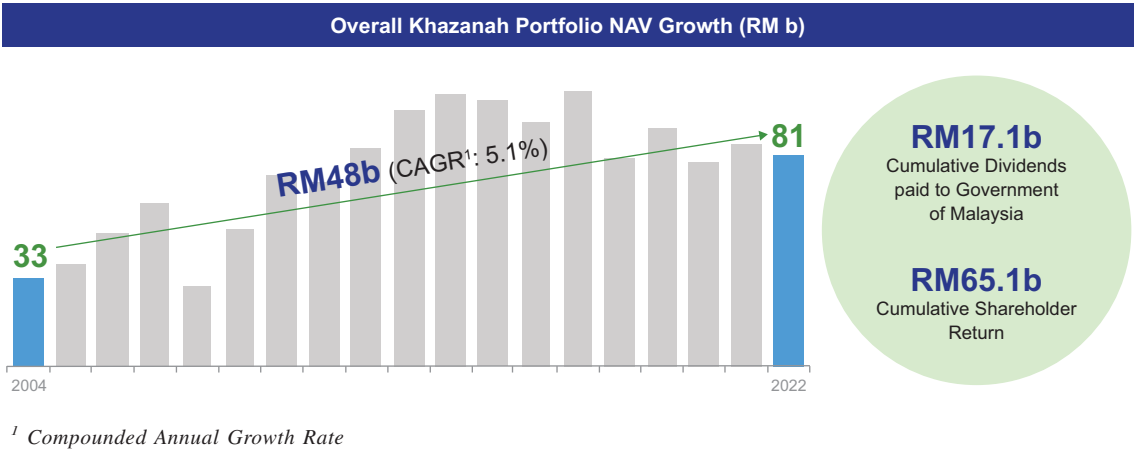
Headquartered in Singapore, Funding Societies is a regional financial technology (“FinTech”) company that provides financing to MSMEs, especially micro and small businesses currently underserved by existing financial institutions. As at 31 December 2023, Funding Societies has — since its inception — disbursed over U.S.\$3.5 billion (RM16 billion) in business financing through five million transactions, positively impacting over 100,000 businesses across its five markets in Southeast Asia, namely Malaysia, Singapore, Indonesia, Thailand and Vietnam.

On 3 January 2024, Khazanah and CGC Digital Sdn Bhd announced an investment into Funding Societies to broaden financing access to unserved and underserved businesses. With this investment, Funding Societies aims to expand its Malaysian coverage to areas beyond Kuala Lumpur, Selangor, Penang, and Johor. By the end of 2025, it targets to serve more than 25,000 MSMEs across Malaysia, thereby improving MSME’s access to financing, growth, and scalability while fostering job creation and income development for those employed by these businesses.

Performance in respect of FY2022

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.

Despite a challenging year in 2022 where Khazanah recorded a decline in its net asset value (“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 compounded annual growth rate (“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.



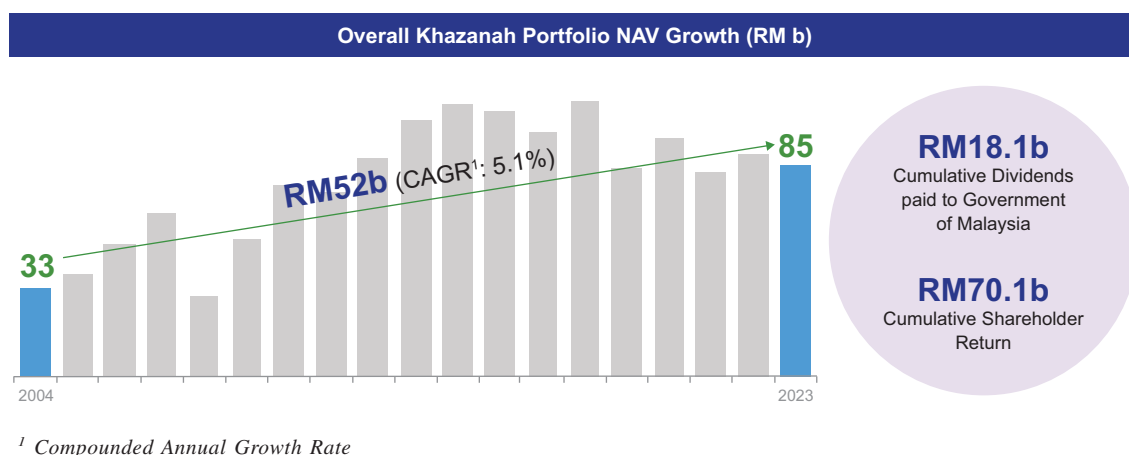
Khazanah also declared a dividend of RM500 million for FY2022 to the Government of Malaysia, with cumulative dividends declared since 2004 amounting to RM17.1 billion as at 31 December 2022.

In FY2022, Khazanah remained 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.

Performance in respect of FY2023

Khazanah has recorded an increase in its NAV of RM3.5 billion, from RM81.3 billion as at 31 December 2022 to RM84.8 billion as at 31 December 2023. For the financial year ended 31 December 2023 (“FY2023”), Khazanah continued to grow and safeguard its assets for the nation recording a CAGR of 5.1 per cent since 2004 as at 31 December 2023. Khazanah’s RAV over debt ratio remained healthy at 2.7 times.



Khazanah recorded profit from operations of RM5.9 billion as at 31 December 2023 from RM1.6 billion as at 31 December 2022. The increase was driven by higher dividends and distributions from investee companies, fair value gains, and cash capital preservation on the back of no capital injections for Special Situations assets.

Khazanah deployed RM7.3 billion in new investments in FY2023 and raised RM7.2 billion from monetisation of assets in its portfolio. Khazanah continued to maintain its financial discipline in FY2023. Debt increased marginally to RM50.2 billion in FY2023 from RM49.1 billion in the previous year, while its Realisable Asset Value (“RAV”) over debt ratio remained healthy at 2.7 times. Khazanah also paid a dividend of RM1 billion to the Government of Malaysia for FY2023.

As at 31 December 2023, Khazanah had a total of RM131.3 billion in investments under its Investments Portfolio and Developmental Assets portfolio as set out below.

OVERALL KHAZANAH PORTFOLIO			
Investments Portfolio	Dana Impak Portfolio	Developmental Assets	Special Situations
RM126.2b RAV ¹ Investments with commercial returns expectations	RM6.0b allocated Investments with clearly defined targeted socioeconomic outcomes 	RM5.1b RAV ¹ Long-term developmental investments with the potential to deliver economic impact	Assets which require turnaround in terms of profitability and sustainable operating cash flows 

¹ RAV: Realisable Asset Value, as at 31 Dec 2023

Investments Portfolio

As at 31 December 2023, the Investments Portfolio's RAV was RM126.2 billion, achieving a 5-Year Rolling NAV Time-Weighted Rate of Return ("TWRR") of 2.9% and a 1-year NAV TWRR of 5.7% amidst the challenging market landscape within this period. The Investments Portfolio's 5-Year Rolling NAV TWRR is predominantly driven by the overall weak listed equities in Malaysia and in China in the past three years, offset by the performance of Khazanah's global listed investments.

The diagram below sets out the portfolio weightings of Khazanah's Investments Portfolio as at 31 December 2023, as well as its annual return by asset class as at 31 December 2019, 31 December 2020, 31 December 2021, 31 December 2022 and 31 December 2023.

Investments Portfolio RAV TWRR by Asset Class	% of portfolio ¹	2019	2020	2021	2022	2023	5-Year Rolling	Role of Asset Class
Public Markets: Malaysia	52.9%	3.2%	-7.4%	14.0%	-4.2%	4.5%	1.8%	Exposure to domestic & global growth & liquidity
Public Markets: Global	17.2%	27.5%	26.2%	1.6%	-16.3%	15.9%	9.7%	
Public Markets: Malaysia	5.8%	5.9%	-4.7%	12.2%	16.8%	4.4%	6.7%	Higher expected long-term returns achieved through programmatic deployment
Public Markets: Global	14.7%	6.1%	-1.3%	19.1%	3.9%	2.4%	5.8%	
Real Assets	9.4%	10.5%	0.1%	11.2%	23.5%	8.7%	10.6%	Yield and diversifier to equities

¹ as of 31 Dec 2023

Dana Impak Portfolio

The Dana Impak Portfolio has been allocated RM6 billion over the span of five years to plan and execute investments across 6 identified themes. In 2023, Khazanah identified RM877 million worth of Dana Impak projects to deliver socioeconomic benefits and enhance Malaysia's economic competitiveness.

Developmental Assets Portfolio

As at 31 December 2023, the Developmental Assets Portfolio's RAV was RM5.1 billion. Khazanah will continue to shepherd companies towards long-term financial sustainability.

Special Situations Assets Portfolio

MAGB and DRH demonstrated strong financial and operational performance in FY2023. MAGB has announced its first full year of positive net income after tax since 2010. This is driven by strong demand on the back of recovery in international and domestic travel, recovery of passenger capacity to pre-COVID levels and effective cost management and cashflow optimisation.

DRH demonstrated a strong recovery to pre-COVID levels from the resilient domestic demand, influx of international travellers and elevated destination attractiveness.

SUSTAINABILITY

Khazanah's foray into ESG began in 2004 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).

In FY2023, Khazanah launched a green investment platform, UEM Lestra Berhad, under its wholly owned subsidiary, UEM Group Berhad, to undertake Khazanah's energy transition initiatives by investing in and building domestic champions in the green sector. This is also in support of the Government's target of achieving net-zero emissions by 2050. Developments under this platform include a 170 MW solar plant, a 500MW solar plant and a 1GW solar plant and green industrial park.

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) creating value for Khazanah's investments by leveraging Khazanah's investments and initiatives to attract private sector investment into sectors with sustainable impact.

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. In this regard, Khazanah has implemented sustainability enablers which include offering both in-house and external training and development

opportunities to all employees, enhancing its ESG data and analytics capabilities, advocating sustainability matters with its stakeholders and building a culture of sustainability through internal initiatives to manage and reduce emissions and waste. Additionally, Khazanah has implemented training programmes aimed at equipping its Board with skills and knowledge for effectiveness and all key leadership positions for Khazanah’s portfolio companies have ESG-linked KPIs.

Integrity at Khazanah

Khazanah supports the National Anti-Corruption Plan 2019-2023 (“**NACP**”) and various national directives on integrity and anti-corruption measures. Khazanah has successfully completed its Integrity & Anti-Corruption Plan (“**IACP**”) 2019-2020 and IACP 2021-2022, and is continuing to strengthen its integrity-related framework to bring the objectives of the NACP to fruition. 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.

Environmental	Social	Governance
We aim to reduce environmental impact of our operations and support the transition to a lower-carbon economy  Net Zero emissions by 2050  Carbon neutral operations by 2023	We aim to develop a productive and inclusive workforce and drive societal impact  30% women in Board and senior leadership by 2025  Enhance diversity, equity and inclusion framework and programmes by 2023  Measurable socio-economic impact targets by 2023	We aim to promote good governance and effective engagements with stakeholders and portfolio companies  Enhance Board competencies (including sustainability) at our portfolio companies by 2024  Disclose general voting principles by 2022  Include ESG-linked KPIs for key leadership positions for our portfolio companies by 2023

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'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. Khazanah achieved carbon neutral operations for FY2023 through identifying high impact areas to reduce emissions, renewable energy certificates and carbon offsets.

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

Yayasan Hasanah

Yayasan Hasanah ("YH") is the impact-based foundation of Khazanah. YH was set up as an independent entity on 1 July 2015, building on nine years of corporate responsibility efforts previously driven by Khazanah. As a grant-giving organisation, YH aims to facilitate an ecosystem of transformation that complements Khazanah's goal of Advancing Malaysia, working in collaboration with multiple stakeholders, infusing a spirit of advocacy and building capacity in five key focus areas: Education; Community Development; Environment; Arts and Public Spaces; and Knowledge.

In FY2021, YH distributed a total of RM554 million which directly and indirectly assisted 1.48 million people through COVID-19 relief efforts and various other programmes. In FY2022, YH supported 132 new social impact projects while managing RM222 million in funding. In FY2023, YH announced its impact of 2.9 million people reached in Malaysia across all layers of society, with RM223 million disbursed in 2023 bringing the total funds disbursed since 2015 at RM 1.6 billion to date across core areas of Education, Community Development, Arts, Heritage, and Culture, Environment, and Knowledge which forms the vital pillars to nation-building.

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 2023, YK sponsored a total of 315 individuals, with 115 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 surpassed 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 visitors of 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.

In 2023, KRI released 39 publications, providing crucial insights and policy recommendations. These studies played a pivotal role in supporting the Government and stakeholders in shaping policies for the well-being of Malaysians. Key policy proposals from KRI included studies on "Decent Shelter for the Urban Poor: A Study of Program Perumahan Rakyat" and "The Returns to Malaysian Labour Part II — Wage gaps within and between subgroups from 2010 to 2019".

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 Think City to revitalise life in the city centre through beautifying projects in focal locations as well as raising the potential of historic and cultural assets. The two parties have signed their third Memorandum of Understanding (“**MoU**”) in June 2023 and announced the launch of the Creative KL Grants Programme and the Creative KL Urban Challenge as part of the rejuvenation efforts of Kuala Lumpur. In 2023, Think City launched several initiatives. These include the Kita-Untuk-Kita (K2K) programme which enhanced public housing communities and key revitalisation projects of Malaysian heritage buildings in the city to complement the overall Kuala Lumpur Creative and Cultural District strategic master plan.

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

On 4 October 2023, the Cassa Depositi e Prestiti Group (“**CDP Group**”) and Khazanah signed a four-year MoU to explore investment and cooperation opportunities in both the Italian and Malaysian markets. The MoU is the first of its kind between Italy and Malaysia and involves CDP Group’s subsidiaries CDP Equity, Fondo Italiano di Investimento SGR, CDP Venture Capital SGR, and Simest. The collaboration aims to bolster economic ties between the two nations, facilitating Italian business expansion in the ASEAN region and Malaysian investments in Italy. The signing took place at the 7th edition of the High Level Dialogue on ASEAN Italy Economic Relations, an event held on 3 to 4 October in Bangkok, Thailand, promoted by The European House – Ambrosetti and supported by CDP and Simest as Main Partners.

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 2021, 31 December 2022 and 31 December 2023. The selected audited unconsolidated financial information of Khazanah should be read in conjunction with the Audited Financial Statements and the notes thereto. The Audited Financial Statements are included in this Offering Circular, see “*Index to Financial Statements*”.

The Audited Financial Statements 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

	For the year ended 31 December		
	2021	2022	2023
		(audited)	
		(RM'000)	
Revenue	4,911,220	7,262,921	6,830,280
Operating expenses	(2,663,561)	(1,951,689)	(1,209,894)
Operating Profit	2,247,659	5,311,232	5,620,386
Finance costs	(1,813,848)	(1,936,980)	(2,110,606)
Profit before taxation	433,811	3,374,252	3,509,780
Tax Credit/(expense)	(17,767)	(18,054)	(28,518)
Profit for the year, net of taxation	416,044	3,356,198	3,481,262
Other comprehensive income (“OCI”)			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Net (loss) on fair value through other comprehensive income financial assets, net of tax	(9,704)	—	—
Total comprehensive income for the year	406,340	3,356,198	3,481,262

Statement of Financial Position

	As at 31 December		
	2021	2022	2023
		(audited)	
	(RM'000)		
Assets			
Cash and bank balances	1,279,258	1,748,026	3,629,455
Investment in money market instruments	34,896	—	—
Other financial investments	4,241,730	5,209,729	2,917,645
Other receivables	916,281	1,289,262	1,086,364
Tax recoverable	26,223	23,836	26,202
Interest in subsidiaries	41,935,344	40,060,409	45,848,432
Interest in associates	25,378,931	25,226,670	24,467,869
Property, plant and equipment	15,727	19,790	59,441
Other intangible assets	766	1,291	2,616
Total assets	<u>73,829,156</u>	<u>73,579,013</u>	<u>78,038,024</u>
Liabilities			
Other liabilities	2,019,939	1,379,967	1,744,964
Borrowings	45,062,668	42,762,886	44,375,638
Derivative liabilities	166,587	—	—
Total liabilities	<u>47,249,194</u>	<u>44,142,853</u>	<u>46,120,602</u>
Equity attributable to Owners of the Company			
Share capital	12,284,201	12,284,201	12,284,201
Capital contribution from shareholders	2,324,423	2,324,423	2,324,423
Retained profits	11,971,338	14,827,536	17,308,798
Total equity	<u>26,579,962</u>	<u>29,436,160</u>	<u>31,917,422</u>
Total equity and liabilities	<u>73,829,156</u>	<u>73,579,013</u>	<u>78,038,024</u>

Statement of Cash Flows

	For the year ended 31 December		
	2021	2022	2023
		(audited)	
	(RM'000)		
Cash flows from operating activities			
Profit before taxation.....	433,811	3,374,252	3,509,780
Adjustments for:			
Gain from divestments.....	(801,881)	(376,253)	(1,445,694)
Dividend income	(3,883,924)	(6,516,337)	(4,980,917)
Interest income.....	(113,626)	(129,004)	(286,925)
Unrealised loss/(gain) on foreign exchange, net.....	142,641	(77,875)	(1,019)
Depreciation on property, plant and equipment.	1,793	2,025	1,698
Depreciation on investment property.	6,118	—	—
Other intangible assets written off.	85	—	—
Amortisation of other intangible assets.....	229	254	512
Allowance for impairment losses in investments and receivables, net of writebacks.....	2,085,792	542,187	8,000
Gain on disposal of property and equipment ..	(278)	—	—
Interest expense	1,813,848	1,936,980	2,110,606
Net (gain)/loss on financial assets designated as fair value through profit or loss	(102,023)	1,042,285	305,767
Net fair value loss/(gain) on revaluation of derivatives	38,178	(166,587)	—
Operating loss before working capital changes. .	(379,237)	(368,073)	(778,192)
Changes in receivables.....	2,699,792	1,003,272	(4,018,681)
Changes in payables.....	(4,503,658)	(2,470,802)	1,100,462
Income tax paid	(17,355)	(15,667)	(30,885)
Net cash used in operating activities	<u>(2,200,458)</u>	<u>(1,851,270)</u>	<u>(3,727,296)</u>

	For the year ended 31 December		
	2021	2022	2023
		(audited)	
		(RM'000)	
Cash flows from investing activities			
Proceeds from (purchase)/disposal of investments, net	(1,333,714)	1,480,515	1,859,755
Purchase of property, plant and equipment	(10,627)	(6,088)	(41,349)
Purchase of other intangible assets	(708)	(779)	(1,837)
Proceeds from disposal of property and equipment	3,610	—	—
Dividend received	3,883,924	6,212,926	5,284,328
Interest received	74,760	57,137	192,421
Net cash generated from investing activities	<u>2,617,245</u>	<u>7,743,711</u>	<u>7,293,318</u>
Cash flows from financing activities			
Repayment of borrowings	(7,473,723)	(9,020,670)	(7,209,295)
Drawdown of borrowings	9,328,121	5,592,000	8,380,800
Dividends paid	(3,000,000)	(500,000)	(1,000,000)
Interest paid	<u>(1,380,256)</u>	<u>(1,495,003)</u>	<u>(1,856,098)</u>
Net cash used in financing activities	<u>(2,525,858)</u>	<u>(5,423,673)</u>	<u>(1,684,593)</u>
Net changes in cash and cash equivalents	(2,109,071)	468,768	1,881,429
Cash and cash equivalents at the beginning of year	<u>3,388,329</u>	<u>1,279,258</u>	<u>1,748,026</u>
Cash and cash equivalents at the end of year . .	<u>1,279,258</u>	<u>1,748,026</u>	<u>3,629,455</u>
Cash and cash equivalents comprise			
Cash in hand and at bank	161,630	167,781	244,455
Deposits with licensed banks	<u>1,117,628</u>	<u>1,580,245</u>	<u>3,385,000</u>
	<u>1,279,258</u>	<u>1,748,026</u>	<u>3,629,455</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 2023.

	Amount Outstanding as at 31 December 2023
	(Audited)
	(RM'000)
Khazanah Bonds — Secured	4,008,744
Islamic Medium Term Notes issued by Danga Capital Berhad	10,000,000
Islamic Medium Term Notes issued by Danum Capital Berhad	8,100,000
Islamic Medium Term Notes issued by Dua Capital Ltd	4,590,011
Islamic Medium Term Notes issued by Rantau Abang Capital Berhad	3,000,000
Islamic Medium Term Notes issued by Ihsan Sukuk Berhad	100,000
Euro Medium Term Notes issued by Khazanah Capital Ltd.	3,442,500
Multicurrency Sukuk issued by Khazanah Global Sukuk Berhad	3,442,500
Medium term notes	2,596,083
Unsecured Term loans	3,395,800
Revolving Credit Facility	1,700,000
Total Borrowings	<u>44,375,638</u>

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 2023 was RM4.5 billion. The accreted book value of such Islamic bonds as at 31 December 2023 was RM4.0 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 2023.

	At nominal value	Unamortised discount (audited)	Amount outstanding as at 31 December 2023 (audited)	Date of repayment	Yield to maturity at issuance
			(RM million)		(%)
Issued 20 March 2009 15-year	1,500	16	1,484	20 March 2024	4.840
Issued 27 August 2009 15-year.	1,000	31	969	27 August 2024	4.820
Issued 3 September 2012 20-year	1,000	144	856	3 September 2032	4.150
Issued 12 October 2012 15-year	1,000	300	700	12 October 2027	4.170
Total	<u>4,500</u>	<u>491</u>	<u>4,009</u>		

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 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 2023, 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 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 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 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.

On 5 May 2023, Danum issued RM0.6 billion in nominal value of Islamic medium term notes with a maturity of one year and profit payment of 3.51 per cent. per annum.

As at 31 December 2023, the nominal amount of outstanding Islamic medium term notes was RM8.1 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 five-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 2023, the nominal amount of outstanding Islamic medium term notes was approximately RM4.6 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 2023, 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 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 2023, the nominal amount of outstanding Islamic medium term notes was RM100 million issued pursuant to the Sukuk Programme.

Khazanah Capital Ltd (Euro Medium Term Notes)

Khazanah has, via the Issuer, established the Programme on 22 May 2023.

On 1 June 2023, the Issuer issued U.S.\$750 million in nominal value of euro medium term notes with a maturity of 10 years and a fixed interest rate of 4.876 per cent. per annum.

As at 31 December 2023, the nominal amount of outstanding notes was approximately RM3,443 million issued pursuant to the Programme.

Khazanah Global Sukuk Berhad (Multicurrency Sukuk)

Khazanah has, via a Malaysia-incorporated special purpose vehicle, Khazanah Global Sukuk Berhad, established a U.S.\$5 billion Multicurrency Sukuk Issuance Programme (the “**Multicurrency Sukuk Programme**”) on 22 May 2023.

On 1 June 2023, Khazanah Global Sukuk Berhad issued U.S.\$750 million in nominal value of sukuk with a maturity of five years and profit payment of 4.687 per cent. per annum.

As at 31 December 2023, the nominal amount of outstanding sukuk was approximately RM3,443 million issued pursuant to the Multicurrency 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 4.64 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 2023, the principal amount outstanding on these loan facilities was RM3.4 billion. On 16 March 2023, the RM842.0 million floating term loan has been refinanced with a fixed term loan for another six 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. This fixed term loan has been refinanced for another six months to 15 March 2024 with the same principal amount of RM895.8 million. The fixed term loan bears interest of 3.8 per cent. between 16 March 2024 to 15 March 2024.

Revolving credit facility

The revolving credit facilities for USD and MYR facilities bear interest at rates ranging from 3.14 per cent. to 5.86 per cent. per annum in 2023 and from 2.33 per cent. to 3.53 per cent. per annum in 2022. As at 31 December 2023, RM1.70 billion remains outstanding on these revolving credit facilities.

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. Khazanah has a formal process for the nomination of Directors (including selection, nomination and evaluation of Directors). This includes voting guidelines on the re-election and remuneration of Directors which is embedded in Khazanah’s Shareholder Expectations Investment Stewardship document.

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



- 1 SAA — Strategic Asset Allocation
- 2 ALM — Asset and Liability Management
- 3 K-3P — Khazanah Policies, Processes & Procedures
- 4 ERM — Enterprise Risk Management
- 5 ORM — Operational Risk Management
- 6 BCM — Business Continuity Management
- 7 EXCO — Executive Committee
- 8 ARC — Audit & Risk Committee
- 9 NRC — Nomination & Remuneration Committee

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:

<u>Name</u>	<u>Position</u>
Dato’ Seri Anwar Ibrahim	Chairman
Datuk Seri Amir Hamzah Azizan	Director
Goh Ching Yin.	Director
Datuk Azian Mohd Aziz	Director
Wong Kang Hwee	Director
Datuk Mohaiyani Shamsudin.	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.

Datuk Seri Amir Hamzah Azizan

Director

Datuk Seri Amir Hamzah Azizan was appointed as a Board member of Khazanah effective 12 January 2024. He is currently the Finance Minister II, effective 11 December 2023. Prior to assuming the role of Finance Minister II, he had helmed the Employees Provident Fund as Chief Executive Officer since March 2021.

With a corporate experience spanning more than 27 years, Datuk Seri Amir Hamzah began his career with a decade-long tenure at the Shell Group of Companies, holding diverse roles in Malaysia, Singapore and the United Kingdom. He has held several leadership positions, including President and CEO of MISC Berhad, Managing Director/CEO of PETRONAS Dagangan Berhad, Group Managing Director and CEO of PETRONAS Lubricants International, concurrently serving as the Vice-President for Downstream Marketing, and subsequently as Vice-President of Lubricants for the PETRONAS Group, Managing Director and CEO of Ekuiti Nasional Berhad, Group Chief Executive Officer at Themed Attractions Resorts and Hotel Sdn Bhd, a subsidiary of Khazanah Nasional Berhad and the President/CEO at Tenaga Nasional Berhad. He has also contributed to various organisations in non-executive capacities. He formerly served as the Non-Executive Chairman of Malaysian Resources Corporation Berhad and held directorial positions on the boards of Sime Darby Plantation Berhad and Sime Darby Oils International Limited.

Datuk Seri Amir Hamzah holds a Bachelor of Science Degree in Management (majoring in Finance and Economics) from Syracuse University, New York. He has also attended the Stanford Executive Programme at Stanford University and the Corporate Finance Evening Programme at London Business School.

Goh Ching Yin

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

Mr 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.

Mr Goh Ching Yin holds an MBA from Cranfield University, United Kingdom.

Datuk Azian Mohd Aziz

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

Datuk Azian Mohd Aziz was appointed as a Board Member of Khazanah effective 26 June 2019. She is currently an advocate and solicitor of the High Court of Malaya, practising at Messrs. Mohamad Hanafiah Zakaria based in Kuala Lumpur, Malaysia. She began her career on 1 October 1987 with her appointment as a Federal Counsel in the 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 of the Ministry of Defence.

In 2009, Datuk Azian Mohd Aziz was appointed as the Corporation Secretary of Putrajaya Corporation. Later in 2010, she was appointed as the Director General of the Judicial and Legal Training Institute at the Prime Minister's Department. She also served as the Treasury Solicitor, Ministry of Finance, Deputy Head of Advisory Division (Municipal) I of the Attorney General's Chambers, Head of International Affairs Division, Attorney General's Chambers and Head of Advisory Division, Attorney General's Chambers. From 16 December 2020 to 26 June 2023, she was the Parliamentary Draftsman of the Attorney General's Chambers.

Datuk Azian Mohd Aziz has also sat on the boards of various entities such as the Inland Revenue Board of Malaysia, 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.

Datuk Azian Mohd Aziz holds a Bachelor of Laws (LL.B) (Hons) degree from the University of Malaya.

Wong Kang Hwee

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

Mr Wong Kang Hwee was appointed as a Board member of Khazanah effective 5 December 2023. He was a former accountant in public practice with a broad range of experience in assurance and advisory services.

His long career extends across diverse industries, from small private firms to large public companies, including manufacturing, banking, stock broking, hotels, property development, investment holding and civil engineering. Post-retirement, he has served as an adviser and consultant in investment holding, financial services and properties.

Mr Wong Kang Hwee holds an economics degree from Leeds University, United Kingdom, and is a member of the Institute of Chartered Accountants in England and Wales, the Malaysian Institute of Accountants and the Malaysian Institute of Certified Public Accountants. He also serves as a director for various private limited companies.

Datuk Mohaiyani Shamsudin

Director, Member of ARC and Member of NRC

Datuk Mohaiyani Shamsudin was appointed as a Board member of Khazanah effective 12 January 2024. She was formerly the Chairman of Malayan Banking Berhad, Maybank Investment Bank Berhad, Maybank Kim Eng Holdings Ltd, Maybank Asset Management Group Berhad, Maybank Asset Management Sdn Bhd, Maybank Foundation and the Director of Aberdeen Asset Management Sdn Bhd. She has over 40 years of experience in investment banking and stockbroking, including with Amanah Chase Merchant Bank Berhad and Seagroatt & Campbell Securities Sdn Bhd before establishing Mohaiyani Securities Sdn Bhd in 1985.

She has held key roles in the stockbroking industry, including as Director, Capital Market Development Fund of the Securities Commission, Deputy Chairman of the Kuala Lumpur Stock Exchange (now Bursa Malaysia Berhad) and Chairman of the Association of Stockbroking Companies Malaysia. She was also a member of several high-level national working groups, including the National Economic Action Council, the National Economic Consultative Council II, the National Information Technology Council, the Ministry of Finance High-Level Finance Committee for Corporate Governance and the Securities Commission-Capital Market Advisory Council.

She has also served on boards of entities such as Universiti Teknologi MARA, the National Unity Advisory Council, Perdana Leadership Foundation, the Federation of Women Entrepreneur Associations of Malaysia, the National Association of Bumiputra Women in Business and Profession Malaysia and the National Council of Women's Organisations of Malaysia. She currently sits on the Board of Trustees for IJN Foundation since 2007.

Datuk Mohaiyani holds a Bachelor of Arts in Economics from Knox College, USA, and an MBA (Finance) from Cornell University, USA.

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.

Dato' Amirul Feisal Wan Zahir 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:

<u>Name</u>	<u>Position</u>
Dato' Amirul Feisal Wan Zahir	Managing Director
Datuk Hisham Hamdan	Chief Investment Officer
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
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.

Datuk Hisham Hamdan

Chief Investment Officer

Datuk Hisham Hamdan joined Khazanah in April 2011 from Sime Darby Berhad. Since 2018, he has served as Head of Public Markets in Khazanah, which has a mandate to invest in more than 10 countries worldwide. Prior to Public Markets, he was responsible for the Auto, Agrifood and

Iskandar Malaysia in Khazanah's portfolio and served as Executive Director of Research. Datuk Hisham Hamdan also serves as the Chairman of UEM Sunrise and the Board of Trustees of the Khazanah Research Institute.

He has over 30 years of working experience in senior leadership and board positions. His expertise spans a variety of corporate structures, encompassing businesses in various sectors and multiple countries. During his career, he spent 12 years in the capital markets, focusing on equity research and investment banking, working with various international investment banks.

During his tenure at Sime Darby, he served in various capacities since 2004, covering strategy and business development, healthcare, energy and utilities, and China. Previously, he held the position of Chairman of UDA Holdings Berhad, a member of the Board of Directors of Iskandar Investments Berhad, and a member of the Board of ValueCap.

Datuk Hisham Hamdan holds two degrees in Chemical Engineering and Industrial management from Purdue University, United States. He has also attended the Harvard Business School's Advanced Management Program.

Faridah Bakar Ali

Chief Financial Officer

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

In Khazanah, she 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.

Ms Faridah Bakar Ali 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.

Dato' Mohamed Nasri Sallehuddin 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.

Datuk Amran Hafiz Affifudin 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

Mr 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.

Mr Bryan Lim 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.

Geoff Lee

Executive Director, Head of Private Markets and Head of Technology

Mr Geoff Lee 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 the 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.

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

Wong Shu Hsien***Executive Director, Head of Transport and Tourism***

Ms 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.

Ms Wong Shu Hsien 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***

Mr Selvendran Katheerayson has been with Khazanah since January 2006. Prior to this, he worked at Motorola Inc and Maxis Communications Berhad. He started his career at Ernst & Young in June 1994.

Mr Selvendran Katheerayson 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***

Ms 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.

Ms Latifah Daud 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

Ms 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.

Ms Suhana Dewi Selamat read law at the London School of Economics and Political Sciences.

Wong Wai Seng

Head of Strategy and Head of Asset Allocation

Mr 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.

Mr Wong Wai Seng 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. He is also an Associate Chartered Management Accountant.

Effizal Faiz Zulkifly

Head of Consumer

Mr 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 and Farm Fresh Berhad. Before Khazanah, he was a business analyst with Citibank Berhad.

Mr Effizal Faiz Zulkifly 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.

Dr Farid Mohamed Sani 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

Mr 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.

Mr Ong King How 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

Mr 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 a Trustee at Khazanah Research Institute and is a monthly contributor to The Edge Malaysia's Forum column.

Mr Nicholas Khaw 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

Ms 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.

Ms Sherliza Zaharudin 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 Notes 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 Notes.

Malaysian 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. As the Issuer is incorporated under the Labuan Companies Act 1990, payments by the Issuer on the Notes to non-resident holders will not be subject to withholding tax in Malaysia by virtue of a specific tax exemption where relevant conditions are met, provided that such non-resident holders are not licensed to carry on a business under the Financial Services Act 2013 or the Islamic Financial Services Act 2013. Under the Malaysian Income Tax Act 1967, a company is regarded as a “non-resident” if the management and control of its affairs are not exercised in Malaysia at any time by its directors or other controlling authority. The rules regarding the residency status of individuals are complex but are generally based upon the length of time spent in Malaysia.

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, shares of unlisted companies or shares of real property companies (“**Chargeable Assets**”). As the Notes are not considered Chargeable Assets for real property gains tax purposes, the issuance, disposition, redemption or transfer of the Notes 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 the 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 Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, 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 Notes, 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, Notes 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 Notes (as described under “*Terms and Conditions of the Notes — Further Issues*”) that are not distinguishable from such previously issued grandfathered Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes, including the Notes 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 Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.

CLEARANCE AND SETTLEMENT

Bearer Notes

The Issuer may make applications to Euroclear and Clearstream for acceptance in their respective book-entry systems in respect of any Series of Bearer Notes. In respect of Bearer Notes, a Temporary Global Note and/or a Permanent Global Note will be deposited with a common depositary for Euroclear and Clearstream. Transfers of interests in a Temporary Global Note or a Permanent Global Note will be made in accordance with the normal market debt Notes operating procedures of Euroclear and Clearstream. Each Global Note will have an International Notes Identification Number (“ISIN”) and a Common Code. Investors in Notes of such Series may hold their interests in a Global Note through Euroclear or Clearstream.

Registered Notes

The Issuer may make applications to Euroclear and Clearstream for acceptance in their respective book-entry systems in respect of the Notes of a Series to be represented by a Global Certificate. Each Global Certificate will have an ISIN and a Common Code. Investors in Notes of such Series may hold their interests in a Global Certificate only through Euroclear or Clearstream.

Individual Certificates

Registration of title to the Registered Notes 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 Notes 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 Noteholder(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 Guarantor believe to be reliable, but none of the Issuer, the Guarantor, 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 Notes 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 depositary 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 principal with respect to book-entry interests in the Notes 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 have agreed with the Issuer and the Guarantor a basis upon which they or any of them may from time to time agree to purchase Notes.

The Issuer will pay each relevant Dealer a commission as agreed between them in respect of Notes 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 Guarantor have agreed to indemnify the Dealers against certain liabilities in connection with the offer and sale of the Notes. The Dealer Agreement entitles the Dealers to terminate any agreement that they make to subscribe Notes in certain circumstances prior to payment for such Notes 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 Notes issued under the Programme, the Dealers or certain of their affiliates may purchase Notes and be allocated Notes 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 Notes 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 Notes and/or other securities of the Issuer, the Guarantor or their respective subsidiaries or affiliates at the same time as the offer and sale of each Tranche of Notes 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 Notes to which a particular pricing supplement relates (notwithstanding that such selected counterparties may also be purchasers of such Tranche of Notes).

Each of the Dealers and its affiliates may also have performed certain investment banking and advisory services for the Issuer, the Guarantor 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 Guarantor 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 Guarantor 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 Notes. 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 Notes.

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 Notes. Any such credit default swaps or short positions could adversely affect future trading prices of the Notes. 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 Guarantor (both as defined in the Offering Circular) in such jurisdiction.

Important Notice to CMIs (including private banks)

This notice to CMIs (including private banks) is a summary of certain obligations the SFC Code imposes on CMIs, which require the attention and cooperation of other CMIs (including private banks). Certain CMIs 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, the Guarantor, a CMI or its group companies would be considered under the SFC Code as having an Association with the Issuer, the Guarantor, the CMI or the relevant group company. CMIs should specifically disclose whether their investor clients have any Association when submitting orders for the relevant Notes. In addition, private banks should take all reasonable steps to identify whether their investor clients may have any Associations with the Issuer, the Guarantor or any CMI (including its group companies) and inform the relevant Dealers accordingly.

CMIs 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.

CMIs 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 CMIs). CMIs should enquire with their investor clients regarding any orders which appear unusual or irregular. CMIs should disclose the identities of all investors when submitting orders for the relevant Notes (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. CMIs should not place "X-orders" into the order book.

CMIs 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.

CMIs (including private banks) should not offer any rebates to prospective investors or pass on any rebates provided by the Issuer or the Guarantor. In addition, CMIs (including private banks) should not enter into arrangements which may result in prospective investors paying different

prices for the relevant Notes. CMIs 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 Notes, 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 Dealers(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, the Guarantor, 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 CMI (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 CMI (including private banks) are required to provide the relevant Dealer with such evidence within the timeline requested.

Selling Restrictions

United States

The Notes and the Guarantee 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**”).

The Notes and the Guarantee in bearer form are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and regulations thereunder.

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 Notes and the Guarantee (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 Notes and the Guarantee during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes and the Guarantee 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 Notes and the Guarantee 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 Notes and the Guarantee, an offer or sale of Notes and the Guarantee within the United States by a dealer that is not participating in the offering may violate the registration requirements of the Securities Act.

Each issuance of Notes which are also Dual Currency Notes shall be subject to such additional U.S. selling restrictions as the Issuer and the relevant Dealer may agree as a term of the issuance and purchase of such Notes, which additional selling restrictions shall be set out in the applicable pricing supplement.

Prohibition of Sales to EEA Retail Investors

Unless the pricing supplement in respect of any Notes 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

Notes 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:

- (a) the expression “**retail investor**” means a person who is one (or more) of the following:
 - (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MiFID II**”); or
 - (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, 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 (as amended, the “**Prospectus Regulation**”); 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 Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

If the pricing supplement in respect of any Notes 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 Notes 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 Notes to the public in that Member State:

- (a) if the pricing supplement in relation to the Notes specifies that an offer of those Notes 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 Notes 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 Notes 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 Notes to the public**” in relation to any Notes 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 Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

United Kingdom

Prohibition of Sales to UK Retail Investors

Unless the pricing supplement in respect of any Notes 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 offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes 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 Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

If the applicable pricing supplement in respect of any Notes 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 Notes 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 Notes to the public in the United Kingdom:

- (a) if the pricing supplement in relation to the Notes specifies that an offer of those Notes 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 Notes 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 Notes 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 Notes to the public**” in relation to any Note means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes 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:

- (a) in relation to any Notes which have a maturity of less than one year, (i) 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 (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as 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 Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;
- (b) 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 Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer or the Guarantor; and
- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

Hong Kong

In relation to each Tranche of Notes 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:

- (a) it has not offered or sold, and will not offer or sell, in Hong Kong, by means of any document, any Notes (except for Notes 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
- (b) 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 Notes, 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 Notes 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 Notes or caused such Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell such Notes or cause such Notes 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 Notes 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 or (ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA.

Japan

The Notes 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 Notes 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 Notes 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

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that this Offering Circular is not intended to constitute an offer or solicitation to purchase or invest in the Notes. The Notes 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 Notes 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 Notes 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 Notes have not been and will not be offered, sold or publicly promoted or advertised by it in the United Arab Emirates (excluding the Dubai International Finance Centre) other than in compliance with any laws applicable in the United Arab Emirates (excluding the Dubai International Finance Centre) 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 Notes 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 Conduct of Business Module of the DFSA rulebook.

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 Notes 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 Notes 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 Notes 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 Notes 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 Notes may only be made directly or indirectly to a person to whom an offer or invitation to subscribe for the Notes may be made and to whom the Notes are issued would fall within paragraph 1(a), (b) or (d) of Part 1 of Schedule 5 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 Notes may only be offered, sold, transferred or otherwise disposed directly or indirectly to a person to whom an offer or invitation to purchase the Notes would fall within 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 Notes falls within Schedule 8 or Section 257(3) of the CMSA, subject to change in the applicable laws.

In addition, no approval from the Labuan Financial Services Authority (the “**LFSA**”) has been or will be obtained for the offering of the Notes, nor has this Offering Circular been or will be registered with the LFSA, on the basis that the offer to purchase or invitation to subscribe for the Notes will fall within the categories of excluded offers or invitations set out in section 8(5) of the Labuan Financial Services and Securities Act 2010.

General

These selling restrictions may be supplemented or modified by the agreement of the Issuer, the Guarantor 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 Notes 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 Notes, 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 Notes 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 NOTES

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 Capital Ltd.

Issue of [Aggregate Principal Amount of Tranche] [Title of Notes]
guaranteed by Khazanah Nasional Berhad
under the U.S.\$10,000,000,000 Euro Medium Term Note 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 Notes has led to the conclusion that: (i) the target market for the Notes 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 Notes to eligible counterparties and professional clients are appropriate. [*Consider any negative target market.*] Any person subsequently offering, selling or recommending the Notes (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 Notes (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 Notes has led to the conclusion that: (i) the target market for the Notes 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 Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (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 Notes (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 Notes 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 Notes or otherwise making

them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes 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 Notes 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 Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes 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 — In connection with Section 309B of the Securities and Futures Act 2001 of Singapore (the “**SFA**”) and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the “**CMP Regulations 2018**”), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are [prescribed capital markets products]/[capital markets products other than prescribed capital markets products] (as defined in the CMP Regulations 2018) and [are] [Excluded]/[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 Notes described herein.

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Notes (the “**Conditions**”) set forth in the Offering Circular dated 25 June 2024 [(the “**Offering Circular**”)] [and the supplemental Offering Circular dated [●]]. This Pricing Supplement contains the final terms of the Notes 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 Notes (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 Notes 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 Notes to be offered to Singapore investors, the Issuer to consider whether it needs to re-classify the Notes 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	(i) Issuer:	Khazanah Capital Ltd.
	(ii) Guarantor:	Khazanah Nasional Berhad
2	(i) Series Number:	[●]
	[(ii) Tranche Number:	[●]
	<i>(If fungible with an existing Series, details of that Series, including the date on which the Notes became fungible.)]</i>	
3	Specified Currency or Currencies:	[●]
4	Aggregate Principal Amount:	[●]
	(i) [Series:]	[●]
	(ii) [Tranche:]	[●]
5	(i) Issue Price:	[●] per cent. of the Aggregate Nominal Amount [plus accrued interest from <i>[insert date]</i> (<i>in the case of fungible issues only, if applicable</i>)]
	(ii) Net Proceeds:	[●]
6	(i) Specified Denomination:	[●] ²
	(ii) Calculation Amount:	[●]
7	(i) Issue Date:	[●]
	(ii) Interest Commencement Date:	[Specify/Issue date/Not Applicable]
	(iii) Trade Date	[●]
8	Maturity Date:	[specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year] ³
9	Interest Basis:	[[●] per cent. Fixed Rate [●] month [EURIBOR/SOFR Benchmark/SONIA Benchmark /SORA Benchmark /HIBOR/CNH HIBOR/specify other reference rate] +/- [●] per cent. Floating Rate] [Zero Coupon] [Other (specify)] (further particulars specified below)

² If the Specified Denomination is expressed to be €100,000 or its equivalent and multiples of a lower nominal amount (for example €1,000), insert the following: “€100,000 plus integral multiples of [€1,000] in excess thereof up to and including [€199,000]. No Notes in definitive form will be issued with a denomination above [€199,000]”.

Notes (including Notes denominated in Sterling) 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 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).

³ Note that Hong Kong Dollar or Chinese renminbi denominated Fixed Rate Notes where the Interest Payment Dates are subject to modification it will be necessary to specify the Interest Payment Date falling in or nearest to the relevant month and year.

- 10 Redemption/Payment Basis: [Redemption at par]
[Dual Currency]
[Partly-paid]
[Instalment]
[Other (specify)]
- 11 Change of Interest or Redemption/
Payment Basis: [Specify details of any provision for
convertibility of Notes into another interest or
redemption/payment basis] [Not Applicable]
- 12 Put/Call Options: [Redemption at the Option of the Issuer]
[Redemption at the Option of Noteholders]
[(further particulars specified below)]
- 13 Status of the Notes: Senior
- 14 Listing and admission to trading: [[SGX-ST/Labuan International Financial
Exchange/Bursa (Exempt Regime)/[●](specify)
/None]
- 15 Method of distribution: [Syndicated/Non-syndicated]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

- 16 Fixed Rate Note Provisions: [Applicable/Not Applicable]
*(If not applicable, delete the remaining
sub-paragraphs of this paragraph)*
- (i) Rate of Interest: [●] per cent. per annum [payable
[annually/semi-annually/quarterly/monthly] in
arrear]
- (ii) Interest Period: [●]
- (iii) Interest Payment Date(s): [●] in each year up to and including the
Maturity Date *(Amend appropriately in the case
of irregular coupons)*
- (iv) Interest Amount: *(To be included if not the Fixed Coupon
Amount)*
- (v) Fixed Coupon Amount[(s)]: [●] per Calculation Amount⁴
- (vi) Broken Amount(s): [[●] per Calculation Amount, payable on the
Interest Payment Date falling [in/on] [●]]/[Not
Applicable]
- (vii) Day Count Fraction: [Actual/Actual/Actual/Actual – ISDA]
[Actual/365 (Fixed)]
[Actual/365 (Sterling)]
[Actual/360]
[30/360/360/360/Bond Basis]
[30E/360/Eurobond Basis]
[30E/360 (ISDA)]
[Actual/Actual–ICMA]
[Other]

⁴ For Hong Kong Dollar and Chinese renminbi denominated Fixed Rate Notes where the Interest Payment Dates are subject to modification the following alternative wording is appropriate: “Each Fixed Coupon Amount shall be calculated by multiplying the product of the Rate of Interest 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, or in case of Chinese renminbi denominated Fixed Rate Notes, to the nearest CNY0.01, CNY0.005, being rounded upwards”.

	(viii) Determination Date:	[[●] in each year]/[Not Applicable] <i>(Only relevant where Day Count Fraction is Actual/Actual (ICMA). In such a case, insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon)</i>
17	Floating Rate Note Provisions:	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining sub-paragraphs of this paragraph.)</i>
	(i) Interest Period(s):	[●]
	(ii) Specified Interest Payment Dates:	[As specified in the Conditions]/[●] [, subject to adjustment in accordance with the Business Day Convention set out in (iv) below/, not subject to any adjustment, as the Business Day Convention in (iv) below is specified to be not applicable]
	(iii) Interest Period Date:	[●] <i>(Not applicable unless different from Interest Payment Date)</i>
	(iv) Business Day Convention:	[Floating Rate Business Day Convention/ Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/specify other] [Not Applicable]
	(v) Additional Business Centre(s)	[●]
	(vi) Manner in which the Rate(s) of Interest is/are to be determined:	[Screen Rate Determination/ISDA Determination/other <i>(give details)</i>]
	(vii) Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Calculation Agent):	[●]
	(viii) Screen Rate Determination:	
	• Reference Bank:	[●]
	• Benchmark:	[●]
	• Reference Rate:	[●] <i>(Either EURIBOR, HIBOR, CNH HIBOR, SOFR Benchmark, SONIA Benchmark, SORA Benchmark or specify other Reference Rate)</i>
	• Interest Determination Date(s):	[●] <i>(N.B. To be a minimum of 5 Business Days lookback period for any backward-looking rate)</i>
	• Relevant Screen Page:	[●]
18	SOFR Benchmark:	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining subparagraphs of this paragraph)</i>

	(i) SOFR Benchmark:	[Compounded Daily SOFR/Compounded SOFR Index]
	(ii) Observation Method:	[Not Applicable/SOFR Observation Lag/SOFR Observation Shift/SOFR Lockout] <i>(Only applicable where the Reference Rate is Compounded Daily SOFR)</i>
	(iii) [Lookback Days]/[SOFR Observation Shift Days]:	[Not Applicable/[●] U.S. Government Securities Business Day(s)] <i>(Only applicable in the case of Compounded Daily SOFR)</i>
	(iv) SOFR Rate Cut-Off Date:	[Not Applicable/The day that is the [●] U.S. Government Securities Business Day(s) prior to the end of each Interest Accrual Period] <i>(Only applicable for SOFR Lockout) (N.B. To be a minimum of 5 Business Days)</i>
19	SONIA Benchmark:	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining subparagraphs of this paragraph)</i>
	(i) SONIA Benchmark:	[Compounded Daily SONIA/SONIA Index/specify other]
	(ii) SONIA Observation Method:	[SONIA Observation Lag/SONIA Observation Shift/SONIA Lockout/Not Applicable/specify other] <i>(Only applicable where the Reference Rate is Compounded Daily SONIA)</i>
	(iii) “x”:	[specify number]
20	SORA Benchmark:	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining subparagraphs of this paragraph)</i>
	(i) Observation Method:	[Not Applicable/Lockout/Lookback/Backward Shifted Observation Period]
	(ii) Suspension Period:	[●] Singapore Business Days <i>(Only applicable in the case of Lockout)</i>
	(iii) Observation Period:	[●] Singapore Business Days <i>(Only applicable in the case of Lookback and Backward Shifted Observation Period)</i>
	(iv) Rate Cut-Off Date:	[●] Singapore Business Days <i>(Only applicable in the case of Lockout)</i>
	(v) “xSDB”:	[●]
21	ISDA Determination:	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining subparagraphs of this paragraph)</i>
	(i) ISDA Definitions:	[2006 ISDA Definitions]/[2021 ISDA Definitions]

	(ii) Floating Rate Option:	[●]
	(iii) Designated Maturity:	[●]
	(iv) Reset Date:	[●]
	(v) Compounding:	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining items of this subparagraph)</i>
	(vi) Compounding Method:	[Compounding with Lookback Lookback: [[●] Applicable Business Days]/[As specified in the Compounding/Averaging Matrix (as defined in the 2021 ISDA Definitions)]] [Compounding with Observation Period Shift Observation Period Shift: [●] Observation Period Shift Business Days Observation Period Shift Additional Business Days: [[●]/[Not Applicable]]/[As specified in the Compounding/Averaging Matrix (as defined in the 2021 ISDA Definitions)]] [Compounding with Lockout: [●] Lockout Period Business Days Lockout Period Business Days: [[●]/[Applicable Business Days]]/[As specified in the Compounding/Averaging Matrix (as defined in the 2021 ISDA Definitions)]]
	(vii) Index Provisions:	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining items of this subparagraph)</i>
	(viii) Index Method:	Compounded Index Method with Observation Period Shift Observation Period Shift: [●] Observation Period Shift Business Days Observation Period Shift Additional Business Days: [●]/[Not Applicable]]
22	Margin(s):	[+/-][●] per cent. per annum
23	Minimum Rate of Interest:	[●] per cent. per annum
24	Maximum Rate of Interest:	[●] per cent. per annum
25	Day Count Fraction:	[Actual/Actual/Actual/Actual – ISDA] [Actual/365 (Fixed)] [Actual/365 (Sterling)] [Actual/360] [30/360/360/360/Bond Basis] [30E/360/Eurobond Basis] [30E/360 (ISDA)] [Actual/Actual–ICMA] [Other]

- 26 Rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions: [●]
- 27 Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions: [Benchmark Discontinuation (General)/ Benchmark Discontinuation (SOFR)/ Benchmark Discontinuation (SORA)/specify other if different from those set out in the Conditions]
- 28 Zero Coupon Note Provisions: [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Amortisation Yield: [●] per cent. per annum
- (ii) Any other formula/basis of determining amount payable: [●]
- (iii) Day Count Fraction: [●]
- 29 Dual Currency Note Provisions: [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Rate of Exchange/method of calculating Rate of Exchange: [give details]
- (ii) Party, if any, responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the [Agent]): [●] shall be the Calculation Agent
- (iii) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable: [●]
- (iv) Person at whose option Specified Currency(ies) is/are payable: [●]

PROVISIONS RELATING TO REDEMPTION

- 30 Redemption at the Option of the Issuer: [Applicable/Not Applicable]
- Redemption at the Option of the Issuer Notice Period (Condition 6(b)): [Specify maximum and minimum number of days for notice period] [Specify Dates]
- 31 Redemption at the Option of the Noteholders: [Applicable/Not Applicable]
- Redemption at the Option of the Noteholders Notice Period (Condition 6(c)): [Specify maximum and minimum number of days for notice period] [Specify Dates]

- 32 Redemption Amount of each Note: [●] per Calculation Amount
- 33 Early Redemption Amount: [●]
- (i) Early Redemption Amount(s) per Calculation Amount 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):

GENERAL PROVISIONS APPLICABLE TO THE NOTES

- 34 Form of Notes: [Bearer Notes/Registered Notes]
 [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note]
 [Temporary Global Note exchangeable for Definitive Notes on [●] days' notice] (*For this option to be available, such Notes shall only be issued in denominations that are equal to, or greater than, €100,000 (or its equivalent in other currencies) and integral multiples thereof*)
 [Permanent Global Note/Global Certificate exchangeable for Definitive Notes in the limited circumstances specified in the permanent Global Note/Global Certificate]
(N.B. The exchange upon notice/at any time options should not be expressed to be applicable if the Denomination Amount of the Notes in paragraph 6 includes language substantially to the following effect: "€100,000 plus integral multiples of €1,000 in excess thereof up to and including €199,000." Furthermore, such Denomination Amount construction is not permitted in relation to any issue of Notes which is to be represented on issue by a Temporary Global Note exchangeable for Definitive Notes.)
 [Definitive Notes]
- 35 Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): [Yes/No. If yes, give details]
- 36 Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment: [Not Applicable/give details]

37	Details relating to Instalment Notes: amount of each instalment (“ Instalment Amount ”), date on which each payment is to be made (“ Instalment Date ”):	[Not Applicable/ <i>give details</i>]
38	Redenomination, renominatisation and reconventioning provisions:	[Not Applicable/The provisions [annexed to this Pricing Supplement] apply]
39	Consolidation provisions:	[Not Applicable/The provisions [in Condition [●]] [annexed to this Pricing Supplement] apply]
40	Other terms or special conditions:	[Not Applicable/ <i>give details</i>]

DISTRIBUTION

41	(i) If syndicated, names of Managers:	[Not Applicable/ <i>give name</i>]
	(ii) Stabilising Manager (if any):	[Not Applicable/ <i>give name</i>]
42	If non-syndicated, name of Dealer:	[Not Applicable/ <i>give name</i>]
43	U.S. selling restrictions:	Regulation S Category 2; The Notes are being offered and sold only in accordance with Regulation S.
44	Whether TEFRA D or TEFRA C rules applicable or TEFRA rules not applicable:	[TEFRA D/TEFRA C/TEFRA Not Applicable]
45	Additional selling restrictions:	[Not Applicable/ <i>give details</i>]

OPERATIONAL INFORMATION

46	Legal Entity Identifier of Issuer:	213800O6O4S6ZMOA9R34
47	ISIN Code:	[●]
48	Common Code:	[●]
49	Any clearing system(s) other than Euroclear or Clearstream and the relevant identification number(s):	[Not Applicable/ <i>give name(s) and number(s)</i>]
50	Delivery:	Delivery [against/free of] payment
51	Additional Paying Agent(s) and/or Calculation Agent(s) (if any):	[Not Applicable/ <i>give name and address</i>]
52	Prohibition of Sales to EEA Retail Investors:	[Applicable/Not Applicable] <i>(If the Notes clearly do not constitute “packaged” products, “Not Applicable” should be specified. If the Notes may constitute “packaged” products and no KID will be prepared, “Applicable” should be specified.)</i>

- 53 Prohibition of Sales to UK Retail Investors: [Applicable/Not Applicable]
(If the Notes clearly do not constitute “packaged” products, “Not Applicable” should be specified. If the Notes may constitute “packaged” products and no KID will be prepared, “Applicable” should be specified.)

GENERAL

- 54 In the case of Registered Notes, specify the location of the office of the Registrar if other than [Dublin]: [●]
- 55 In the case of Bearer Notes, specify the location of the office of the Issuing and Paying Agent if other than [London]: [●]
- 56 Use of Proceeds: [●]
- 57 Ratings: [The Notes to be issued are unrated/give details]
- 58 Governing Law: English law
- 59 **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 Notes 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 Notes 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 Notes described herein pursuant to the U.S.\$10,000,000,000 Euro Medium Term Note Programme guaranteed by Khazanah Nasional 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 Notes or effect transactions with a view to supporting the market price of the Notes 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 Notes 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 Notes and 60 days after the date of the allotment of the Notes. 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 Notes 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 Notes, the appropriate tools to analyse that investment, and the suitability of the investment in each investor’s particular circumstances. No investor should purchase the Notes 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 Notes. 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 the Guarantor 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 Notes to the Official List of, and the listing and quotation of the Notes on, the SGX-ST are not to be taken as indications of the merits of the Issuer, the Guarantor, any of their respective subsidiaries, their respective associated companies, the Programme or the Notes.]

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 Notes 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 Guarantor, the Programme or the Notes.

Signed on behalf of **Khazanah Capital Ltd.**

By _____
Duly authorised

Signed on behalf of **Khazanah Nasional Berhad**

By _____
Duly authorised

GENERAL INFORMATION

Authorisation

1. The Issuer is incorporated in the Federal Territory of Labuan, Malaysia with limited liability under the Labuan Companies Act, 1990 of Malaysia and its company number is LL18361. The registered office of the Issuer is Brumby Centre, Lot 42, Jalan Muhibbah, 87000 Labuan F.T., Malaysia.
2. The Guarantor 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 Guarantor 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 16 March 2023 and the resolutions of the Board of Directors of the Guarantor on 13 September 2022. Each of the Issuer and the Guarantor has obtained all necessary consents, approvals, and authorisations in connection with the establishment of the Programme and the giving of the Guarantee.

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 Notes 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 Notes 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 Notes is approved, and for so long as any Notes are listed on the SGX-ST and the rules of the SGX-ST so require, such Notes 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 Notes 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 Notes may be presented or surrendered for payment or redemption, in the event that that Global Note representing such Notes is exchanged for definitive Notes. In addition, in the event that the Global Notes is exchanged for definitive Notes, 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 Notes, including details of the paying agent in Singapore.
5. Approvals in-principle have been obtained for the Programme to be listed under Bursa's Exempt Regime and the LFX. The Notes 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 2023 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 2023.

7. Neither the Issuer, the Guarantor 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 Notes under the Programme nor, so far as the Issuer and the Guarantor 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 years ended 31 December 2022 and 31 December 2023 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 Notes may be accepted for clearance through Euroclear and Clearstream. The appropriate ISIN and common code in relation to the Notes of each Tranche will be specified in the relevant Pricing Supplement. The relevant Pricing Supplement shall specify any other clearing system as shall have accepted the relevant Notes for clearance together with any further appropriate information.
10. The Legal Entity Identifier for the Issuer is 213800O6O4S6ZMOA9R34.

Documents

11. For so long as Notes 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 Guarantor) will be available for inspection by any Noteholder, 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:
 - (i) the Trust Deed (which includes the form of the Global Notes, the definitive Bearer Notes, the Certificates, the Receipts, the Coupons and the Talons);
 - (ii) the Agency Agreement;
 - (iii) the constitutive documents of the Issuer and the Guarantor;
 - (iv) the most recently published audited unconsolidated financial statements of the Guarantor;
 - (v) a copy of this Offering Circular together with any supplement to this Offering Circular or further Offering Circular; and
 - (vi) each Pricing Supplement (save that a Pricing Supplement related to an unlisted Series of Notes will only be available for inspection by a holder of any such Notes and such holder must produce evidence satisfactory to the Issuer, the Guarantor or the Trustee as to its holding of Notes and identity).

12. Each Bearer Note having a maturity of more than one year, Receipt, Coupon and Talon will bear the following legend: “Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code”.

Other Relationships

13. 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.
14. 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.
15. As of the date of this Offering Circular, Khazanah owns 21.94% of the shares of CIMB Group Holdings Berhad (“**CIMB Holdings**”), the holding company of CIMB Investment Bank Berhad.

Notwithstanding the above, CIMB Investment Bank Berhad has considered the factors involved and believes the objectivity and independence in carrying out its various roles in relation to the Programme have been and/or will be maintained at all times for the following reasons:

- (i) CIMB Investment Bank Berhad 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) CIMB Investment Bank Berhad is one of the major arrangers and dealers in 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.

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 years ended 31 December 2023 and 31 December 2022 and page references are references to the pages set forth in such financial statements.

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 2023

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 2023.

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 48 and Note 49 to the financial statements, respectively.

Results

	Group RM'000	Company RM'000
Profit for the financial year, net of tax	<u>4,025,446</u>	<u>3,481,262</u>
Profit attributable to:		
Owners of the Company	4,023,418	3,481,262
Non-controlling interests	<u>2,028</u>	<u>-</u>
	<u>4,025,446</u>	<u>3,481,262</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 2023:	RM'000
Interim single-tier dividend on 5,443,953,229 ordinary shares, declared on 4 December 2023 and paid on 11 December 2023	<u>1,000,000</u>

199301020767 (275505-K)

**Khazanah Nasional Berhad
(Incorporated in Malaysia)**

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	
Y. Bhg. Datuk Azian binti Mohd Aziz	
Y. Bhg. Dato' Amirul Feisal bin Wan Zahir	
Mr. Goh Ching Yin	
Mr. Wong Kang Hwee	(Appointed on 5 December 2023)
Datuk Mohaiyani Shamsudin	(Appointed on 12 January 2024)
Y. Bhg. Datuk Seri Amir Hamzah bin Azizan	(Appointed on 12 January 2024)
Y. Bhg. Tan Sri Mohammed Azlan bin Hashim	(Resigned on 5 December 2023)
Mr. Lau Seng Yee	(Resigned on 5 December 2023)
Y. Bhg. Dato' Zainal Abidin bin Putih	(Resigned on 5 December 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 50 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 6 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 the director is a member, or with a company in which the director has a substantial financial interest.

The details of the directors' remuneration paid or payable to the directors of the Group and of the Company during the financial year are as follows:

	Group RM'000	Company RM'000
Wages and salaries	18,377	3,972
Fees and allowances	6,669	455
Statutory contributions to EPF	2,242	755
	<u>27,288</u>	<u>5,182</u>

199301020767 (275505-K)

**Khazanah Nasional Berhad
(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.

Insurance costs

During the financial year, the total insurance premium paid for Directors and Officers of the Group and the Company were RM3,150,343 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.

**Khazanah Nasional Berhad
(Incorporated in Malaysia)**

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.

Subsequent events after the reporting date

Details of significant subsequent events after the reporting date are as disclosed in Note 47 to the financial statements.

199301020767 (275505-K)

**Khazanah Nasional Berhad
(Incorporated in Malaysia)**

Auditors

The auditors, Ernst & Young PLT, have expressed their willingness to continue in office.

The details of the auditors' remuneration for the financial year as follows:

	Group RM'000	Company RM'000
Auditors' remuneration:		
- to Ernst & Young PLT	11,508	1,227
- to member firms of Ernst & Young Global	997	-
- to other firms	4,080	-
	<u>16,585</u>	<u>1,227</u>

Signed on behalf of the Board in accordance with a resolution of the Directors dated 26 April 2024.

***Signed**

Goh Ching Yin

***Signed**

Dato' Amirul Feisal bin Wan Zahir

199301020767 (275505-K)

**Khazanah Nasional Berhad
(Incorporated in Malaysia)**

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 367 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 2023 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 26 April 2024.

***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 367 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

199301020767 (275505-K)

**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 2023 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 material accounting policies information, as set out on pages 11 to 367.

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 2023, 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.

199301020767 (275505-K)

**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.

199301020767 (275505-K)

**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.

199301020767 (275505-K)

**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 48 and Note 49 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
26 April 2024

***Signed**

Ahmad Zahirudin Bin Abdul Rahim
No. 02607/12/2024 J
Chartered Accountant

Khazanah Nasional Berhad
(Incorporated in Malaysia)

Statements of comprehensive income
For the year ended 31 December 2023

		Group		Company	
	Note	2023	2022	2023	2022
		RM'000	RM'000	RM'000	RM'000
Continuing operations					
Revenue	3	21,844,296	20,224,031	6,830,280	7,262,921
Operating expenses		(22,316,693)	(24,193,693)	(1,209,894)	(1,951,689)
Other income		3,755,112	5,450,679	-	-
Operating profit	4	3,282,715	1,481,017	5,620,386	5,311,232
Finance costs	8	(2,830,368)	(2,663,031)	(2,110,606)	(1,936,980)
Share of results of associates and joint ventures		3,340,209	6,964,903	-	-
Profit before taxation		3,792,556	5,782,889	3,509,780	3,374,252
Tax credit/(expense)	9	232,890	(428,629)	(28,518)	(18,054)
Profit for the year, net of taxation		4,025,446	5,354,260	3,481,262	3,356,198
Other comprehensive income:					
<i>Items that may be reclassified subsequently to profit or loss:</i>					
Foreign currency translation differences		2,186,478	1,283,049	-	-
Net loss on fair value of cash flow hedges		(233,566)	(237,894)	-	-
		1,952,912	1,045,155	-	-

Khazanah Nasional Berhad
(Incorporated in Malaysia)

Statements of comprehensive income
For the year ended 31 December 2023 (cont'd.)

	Note	Group 2023 RM'000	2022 RM'000	Company 2023 RM'000	2022 RM'000
Other comprehensive income (cont'd.):					
<i>Items that will not be reclassified subsequently to profit or loss:</i>					
Net loss on fair value through other comprehensive income financial assets, net of tax		(28,847)	(667,394)	-	-
Actuarial (loss)/gain on defined benefit plans	36	(156,731)	164,304	-	-
		<u>(185,578)</u>	<u>(503,090)</u>	<u>-</u>	<u>-</u>
Other comprehensive income for the year		<u>1,767,334</u>	<u>542,065</u>	<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u>5,792,780</u>	<u>5,896,325</u>	<u>3,481,262</u>	<u>3,356,198</u>
Profit/(loss) attributable to:					
Owners of the Company		4,023,418	5,606,879	3,481,262	3,356,198
Non-controlling interests		2,028	(252,619)	-	-
		<u>4,025,446</u>	<u>5,354,260</u>	<u>3,481,262</u>	<u>3,356,198</u>
Total comprehensive income/ (loss) attributable to:					
Owners of the Company		5,790,752	6,148,944	3,481,262	3,356,198
Non-controlling interests		2,028	(252,619)	-	-
		<u>5,792,780</u>	<u>5,896,325</u>	<u>3,481,262</u>	<u>3,356,198</u>

The accompanying notes form an integral part of the financial statements.

199301020767 (275505-K)

Khazanah Nasional Berhad
(Incorporated in Malaysia)

Consolidated statement of financial position
As at 31 December 2023

		Group	
		2023	2022
	Note	RM'000	RM'000
Assets			
Non-current assets			
Property, plant and equipment	12	5,966,138	6,336,960
Land held for property development	13	5,846,744	5,589,664
Investment properties	14	3,733,334	3,788,224
Concession intangible assets	15	290,387	261,049
Goodwill on consolidation	16	1,463,234	1,436,628
Other intangible assets	17	512,144	508,553
Interest in associates	19	60,316,472	61,274,700
Interest in joint ventures	20	1,668,962	2,098,727
Other non-current financial investments	21	51,462,110	44,413,145
Other non-current assets	22	3,123,855	2,907,077
Right-of-use-assets	23	5,402,279	5,925,352
Derivative assets	24	-	5,353
Deferred tax assets	25	561,408	421,414
		<u>140,347,067</u>	<u>134,966,846</u>
Current assets			
Property development-in-progress	26	1,156,501	1,107,347
Inventories and work-in-progress	27	1,430,939	1,700,433
Trade receivables	28	2,520,023	2,635,229
Other receivables	29	3,162,233	5,099,474
Tax recoverable		328,159	162,521
Derivative assets	24	7,152	6,698
Other current financial investments	21	894,426	1,006,590
Cash and bank balances	30	13,856,688	12,333,855
		<u>23,356,121</u>	<u>24,052,147</u>
Assets held for sale and assets of disposal group classified as held for sale	11	<u>2,142,322</u>	<u>160,605</u>
		<u>25,498,443</u>	<u>24,212,752</u>
Total assets		<u>165,845,510</u>	<u>159,179,598</u>

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Khazanah Nasional Berhad
(Incorporated in Malaysia)

Consolidated statement of financial position
As at 31 December 2023 (cont'd.)

		Group	
	Note	2023 RM'000	2022 RM'000
Equity and liabilities			
Current liabilities			
Borrowings	32	11,397,884	15,973,384
Trade payables	33	1,606,221	1,820,910
Other current liabilities	34	10,845,550	11,422,920
Lease liabilities	38	1,489,239	1,216,116
Tax payable		109,379	478,846
Derivative liabilities	24	33,294	799
		<u>25,481,567</u>	<u>30,912,975</u>
Liabilities of disposal group classified as held for sale	11	693,088	3,170
		<u>26,174,655</u>	<u>30,916,145</u>
Non-current liabilities			
Borrowings	32	47,399,430	42,430,215
Other non-current liabilities	37	11,886,953	9,793,851
Deferred tax liabilities	25	464,597	441,263
Lease liabilities	38	5,607,152	6,173,016
Derivative liabilities	24	-	153
		<u>65,358,132</u>	<u>58,838,498</u>
Total liabilities		<u>91,532,787</u>	<u>89,754,643</u>
Equity attributable to Owners of the Company:			
Share capital	39	12,284,201	12,284,201
Capital contribution from shareholders		2,683,223	2,683,223
Reserves		<u>47,015,299</u>	<u>42,197,672</u>
Shareholders' funds		61,982,723	57,165,096
Non-controlling interests		<u>12,330,000</u>	<u>12,259,859</u>
Total equity		<u>74,312,723</u>	<u>69,424,955</u>
Total equity and liabilities		<u>165,845,510</u>	<u>159,179,598</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 2023

		Company	
	Note	2023	2022
		RM'000	RM'000
Assets			
Property, plant and equipment	12	59,441	19,790
Other intangible assets	17	2,616	1,291
Interest in subsidiaries	18	45,848,432	40,060,409
Interest in associates	19	24,467,869	25,226,670
Other financial investments	21	2,917,645	5,209,729
Other receivables	29	1,086,364	1,289,262
Tax recoverable		26,202	23,836
Cash and bank balances	30	3,629,455	1,748,026
Total assets		78,038,024	73,579,013
Liabilities			
Borrowings	32	44,375,638	42,762,886
Other liabilities	34	1,744,964	1,379,967
Total liabilities		46,120,602	44,142,853
Equity attributable to Owners of the Company			
Share capital	39	12,284,201	12,284,201
Capital contribution from shareholders		2,324,423	2,324,423
Retained profits		17,308,798	14,827,536
Total equity		31,917,422	29,436,160
Total equity and liabilities		78,038,024	73,579,013

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 2023**

<----- Attributable to owners of the Company ----->

	Share capital (Note 39) RM'000	contribution from shareholders ("CCS") RM'000	Other reserves (Note 36) RM'000	Distributable retained profits RM'000	Total RM'000	Non- controlling interests RM'000	Total equity RM'000
2023							
At 1 January	12,284,201	2,683,223	1,747,452	40,450,220	57,165,096	12,259,859	69,424,955
Income for the year	-	-	-	4,023,418	4,023,418	2,028	4,025,446
Other comprehensive income	-	-	-	-	-	-	-
- arising during the year	-	-	1,767,334	-	1,767,334	-	1,767,334
Total comprehensive income	-	-	1,767,334	-	1,767,334	-	1,767,334
Transactions with owners							
Dilution of interest in subsidiaries	-	-	-	(120,630)	(120,630)	-	(120,630)
Arising on business combination activity	-	-	203	7,818	8,021	143,885	151,906
Disposal of associates	-	-	43,356	-	43,356	-	43,356
Share of reserves of associates	-	-	125,224	(1,293)	123,931	-	123,931
and joint ventures	-	-	-	(914)	(914)	-	(914)
Defined benefit plan actuarial gains	-	-	-	-	-	-	-
Transfer from/(to):	-	-	(9,845)	(17,008)	(26,853)	-	(26,853)
- capital reserve	-	-	212,521	(212,521)	-	-	-
- statutory reserve	-	-	(336)	336	-	-	-
- general reserve	-	-	683,322	(683,322)	-	-	-
- distributable retained profits	-	-	(36)	-	(36)	-	(36)
Share based payment	-	-	-	-	-	-	-
Dividend paid to non-controlling interests	-	-	-	-	-	(75,772)	(75,772)
Dividends paid to owners	-	-	-	(1,000,000)	(1,000,000)	-	(1,000,000)
Total transactions with owners	-	-	1,054,409	(2,027,534)	(973,125)	68,113	(905,012)
At 31 December	12,284,201	2,683,223	4,569,195	42,446,104	61,982,723	12,330,000	74,312,723

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**Khazanah Nasional Berhad
(Incorporated in Malaysia)**

**Consolidated statement of changes in equity
For the year ended 31 December 2023 (cont'd.)**

<----- Attributable to owners of the Company ----->

	Share capital (Note 39) RM'000	contribution from shareholders ("CCS") RM'000	Other reserves (Note 36) 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	-	-	542,065	-	542,065	-	542,065
- 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	-	-	-	-	-	(11,867)	(11,867)
Share of reserves of associates	-	-	157,478	(68,316)	89,162	-	89,162
and joint ventures	-	-	(4)	-	(4)	-	(4)
Derecognition of put option	-	-	-	113	113	-	113
Defined benefit plan actuarial gain	-	-	-	-	-	-	-
Transfer to:	-	-	12,629	(12,629)	-	-	-
- capital reserve	-	-	82,380	(82,380)	-	-	-
- statutory reserve	-	-	50,177	(50,177)	-	-	-
- general reserve	-	-	(480,533)	480,533	-	-	-
- distributable retained profits	-	-	10,132	-	10,132	-	10,132
Shares based payment	-	-	-	-	-	-	-
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

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 2023**

	Share capital (Note 39) RM'000	Capital contribution from shareholders RM'000	Distributable retained profits RM'000	Total equity RM'000
At 1 January 2023	12,284,201	2,324,423	14,827,536	29,436,160
Total comprehensive income for the year	-	-	3,481,262	3,481,262
Dividends (Note 10)	-	-	(1,000,000)	(1,000,000)
At 31 December 2023	<u>12,284,201</u>	<u>2,324,423</u>	<u>17,308,798</u>	<u>31,917,422</u>
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 10)	-	-	(500,000)	(500,000)
At 31 December 2022	<u>12,284,201</u>	<u>2,324,423</u>	<u>14,827,536</u>	<u>29,436,160</u>

The accompanying notes form an integral part of the financial statements.

Khazanah Nasional Berhad
(Incorporated in Malaysia)

Consolidated statement of cash flows
For the year ended 31 December 2023

	Group	
	2023	2022
	RM'000	RM'000
Cash flows from operating activities		
Profit before taxation	3,792,556	5,782,889
Adjustments for:		
Loss/(gain) from divestments of investments and investment properties	214,203	(817,084)
Gain from restructuring of investment in a joint venture	-	(4,080,000)
Dividend income from other investments	(283,209)	(387,596)
Interest income	(457,555)	(433,133)
Unrealised loss on foreign exchange, net	176,016	314,954
Depreciation for property, plant and equipment	639,656	938,386
Depreciation for right-of-use assets	851,173	1,037,974
Net fair value (gain)/loss on financial assets at fair value through profit or loss	(1,911,676)	1,706,686
Net fair value loss on derivatives	-	366,000
Allowance for impairment losses on investments and receivables, net	292,000	664,799
Allowance for impairment losses on property, plant and equipment	14,577	54,347
Allowance for impairment on investment properties	3,497	57,247
Allowance for impairment on right-of-use assets	9,793	-
Allowance for impairment on concession intangible assets	2,009	-
Net amortisation charge for concession assets	21,053	18,905
Amortisation of other intangible assets	35,533	58,618
Amortisation of government grants	(2,637)	(2,637)
Inventories written off	32,938	28,618
Property, plant and equipment written off	61,573	34,177
Concession intangible assets written off	392	-
Gain on disposal of subsidiaries	(10,762)	-
Loss on disposal of property, plant and equipment	175,979	268,018
Interest expense	2,830,368	2,663,031
Amortisation of deferred income	(24,707)	(53,840)
Depreciation of investment properties	17,760	40,712
Provision for aircraft redelivery costs	900,040	694,322
Share of results from associates and joint ventures	(3,340,209)	(6,964,903)
Operating profit before working capital changes	4,040,361	1,990,490

Khazanah Nasional Berhad
(Incorporated in Malaysia)

Consolidated statement of cash flows
For the year ended 31 December 2023 (cont'd.)

	Group	
	2023	2022
	RM'000	RM'000
Cash flows from operating activities (cont'd.)		
Increase in property development-in-progress	(172,138)	(545,052)
Decrease/(increase) in inventories and work-in-progress	269,494	(835,523)
Decrease in trade and other receivables	6,868,929	6,087,845
Decrease in trade and other payables	(3,087,256)	(2,240,988)
Interest paid	(2,573,068)	(2,583,713)
Interest received	453,713	431,365
Dividend received	283,209	387,596
Income tax paid	(482,187)	(322,029)
Net cash generated from operating activities	<u>5,601,057</u>	<u>2,369,991</u>
Cash flows from investing activities		
Net inflow of investments	4,325,667	813,574
Net cash inflow from disposal of subsidiaries	22,718	441,193
Net cash inflow from acquisition of subsidiaries	394	-
Purchase of property, plant and equipment	(1,781,562)	(1,164,504)
Purchase of other intangible assets	(71,481)	(28,254)
Proceeds from disposal of other intangible assets	56,982	50,472
Proceeds from disposal of property, plant and equipment	1,682	5,077
Proceeds from disposal of investment properties	-	39,561
Proceeds from disposal of right-of-use assets	4,110	85,810
Addition in concession intangible assets	(46,931)	(22,560)
Addition in land held for property development	(308,745)	(104,125)
Proceeds from disposal of land held for property development	191,572	162,415
Purchase of investment properties	(47,391)	(499,550)
Net cash generated from/(used in) investing activities	<u>2,347,015</u>	<u>(220,891)</u>
Cash flows from financing activities		
Drawdown of borrowings	11,721,906	13,508,086
Repayment of borrowings	(15,745,187)	(13,805,126)
Dividends paid	(821,396)	(544,030)
Lease payment	(1,100,743)	(934,159)
Net cash used in financing activities	<u>(5,945,420)</u>	<u>(1,775,229)</u>

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Khazanah Nasional Berhad
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Consolidated statement of cash flows
For the year ended 31 December 2023 (cont'd.)

	Group	
	2023	2022
	RM'000	RM'000
Net changes in cash and cash equivalents	2,002,652	373,871
Cash and cash equivalents at the beginning of year	12,333,855	11,966,285
Exchange rate effects	(479,819)	(6,301)
Cash and cash equivalents at the end of year	<u>13,856,688</u>	<u>12,333,855</u>
Cash and cash equivalents comprise (Note 30):		
Cash in hand and at bank	3,870,451	4,993,554
Deposits with licensed banks	<u>9,986,237</u>	<u>7,340,301</u>
	<u>13,856,688</u>	<u>12,333,855</u>

The accompanying notes form an integral part of the financial statements.

Khazanah Nasional Berhad
(Incorporated in Malaysia)

Statement of cash flows
For the year ended 31 December 2023

	Company	
	2023	2022
	RM'000	RM'000
Cash flows from operating activities		
Profit before taxation	3,509,780	3,374,252
Adjustments for:		
Gain from divestments	(1,445,694)	(376,253)
Dividend income	(4,980,917)	(6,516,337)
Interest income	(286,925)	(129,004)
Unrealised gain on foreign exchange, net	(1,019)	(77,875)
Depreciation on property, plant and equipment	1,698	2,025
Amortisation of other intangible assets	512	254
Allowance for impairment losses in investments and receivables, net of writebacks	8,000	542,187
Interest expense	2,110,606	1,936,980
Net loss on financial assets designated as fair value through profit or loss	305,767	1,042,285
Net fair value gain on revaluation of derivatives	-	(166,587)
Operating loss before working capital changes	(778,192)	(368,073)
Changes in receivables	(4,018,681)	1,003,272
Changes in payables	1,100,462	(2,470,802)
Income tax paid	(30,885)	(15,667)
Net cash used in operating activities	(3,727,296)	(1,851,270)
Cash flows from investing activities		
Proceeds from disposal/(purchase) of investments, net	1,859,755	1,480,515
Purchase of property, plant and equipment	(41,349)	(6,088)
Purchase of other intangible assets	(1,837)	(779)
Dividend received	5,284,328	6,212,926
Interest received	192,421	57,137
Net cash generated from investing activities	7,293,318	7,743,711

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Khazanah Nasional Berhad
(Incorporated in Malaysia)

Statement of cash flows
For the year ended 31 December 2023 (cont'd.)

	Company	
	2023	2022
	RM'000	RM'000
Cash flows from financing activities		
Repayment of borrowings	(7,209,295)	(9,020,670)
Drawdown of borrowings	8,380,800	5,592,000
Dividends paid	(1,000,000)	(500,000)
Interest paid	(1,856,098)	(1,495,003)
Net cash used in financing activities	<u>(1,684,593)</u>	<u>(5,423,673)</u>
Net changes in cash and cash equivalents	1,881,429	468,768
Cash and cash equivalents at the beginning of year	<u>1,748,026</u>	<u>1,279,258</u>
Cash and cash equivalents at the end of year	<u>3,629,455</u>	<u>1,748,026</u>
Cash and cash equivalents comprise (Note 30):		
Cash in hand and at bank	244,455	167,781
Deposits with licensed banks	3,385,000	1,580,245
	<u>3,629,455</u>	<u>1,748,026</u>

The accompanying notes form an integral part of the financial statements.

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**Khazanah Nasional Berhad
(Incorporated in Malaysia)**

**Notes to the financial statements
For the year ended 31 December 2023**

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 48 and Note 49 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 26 April 2024.

2. Material accounting policies information

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 material 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)

Notes to the financial statements
For the year ended 31 December 2023

2. Material accounting policies information (cont'd.)

2.2 Changes in accounting policies

On 1 January 2023, the Group and the Company adopted the new and amended MFRSs which are mandatory for annual financial periods beginning on or after 1 January 2023.

Effective for financial periods beginning on or after 1 January 2023

MFRS 17	Insurance Contracts
Amendment to MFRS 17	Insurance Contracts (Initial Application of MFRS 17 and MFRS 9 Comparative Information)
Amendments to MFRS 112	Income Taxes (Deferred Tax related to Asset and Liabilities arising from a Single Transaction)

MFRS 17 Insurance Contracts

MFRS 17 Insurance Contracts was issued in May 2017, replacing MFRS 4 Insurance Contracts. The Group has adopted MFRS 17 Insurance Contracts, including any consequential amendments to other standards and subsequent amendments to MFRS 17, effective 1 January 2023.

The adoption of MFRS 17 did not change the classification of the Group's insurance contracts/takaful certificates. MFRS 17 establishes specific principles for the recognition and measurement of insurance contracts/takaful certificates issued and reinsurance contracts/retakaful certificates held by the Group. The key principles of MFRS 17 are that the Group:

- a) Identify insurance contracts/takaful certificates as those under which the Group accepts significant insurance risk from another party (the policyholder and certificate holder) by agreeing to compensate the policyholder and certificate holder if a specified uncertain future event (the insured event) adversely affects the policyholder/certificate holder;
- b) Separate specified embedded derivatives, distinct investment components and distinct goods or services other than insurance contract services from insurance contracts/takaful certificate services from takaful certificates and accounts for them in accordance with other standards (MFRS 9 for embedded derivatives and investment components or MFRS 15 for non-insurance goods and services);

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Notes to the financial statements
For the year ended 31 December 2023

2. Material accounting policies information (cont'd.)

2.2 Changes in accounting policies (cont'd.)

MFRS 17 Insurance Contracts (cont'd.)

- c) Divides the insurance and reinsurance contracts/takaful and retakaful certificates into groups it will recognise and measure; and
- d) Recognise profit from a group of insurance contracts/takaful certificates over each period the Company provide insurance contract/takaful certificate services, as the Group is released from risk. If a group of contracts/certificates are expected to be onerous (i.e. loss-making) over the remaining coverage period, the Group recognise the loss immediately.

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.

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Notes to the financial statements
For the year ended 31 December 2023

2. Material accounting policies information (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.

For transaction that meet the definition of a business combination, where the assets acquired and liabilities assumed constitute a business, subsidiary is consolidated using the acquisition method of accounting. The transaction constitute a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

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Notes to the financial statements
For the year ended 31 December 2023

2. Material accounting policies information (cont'd.)

2.4 Interests in subsidiaries, associates and joint ventures

The Group's investment in associate and joint venture is accounted for using the equity method. Equity accounting is discontinued when the Group's share of losses and negative reserves in an associate and joint ventures equals or exceeds its interest in the associate and joint venture, including any other unsecured receivables, unless the Group has incurred obligations or guaranteed obligations in respect of the associate and joint venture.

Unrealised gains on transactions between the Group and the associate and joint venture are eliminated to the extent of the Group's interest in the associate and joint venture. Unrealised losses are eliminated unless cost cannot be recovered.

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.

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2. Material accounting policies information (cont'd.)

2.5 Business combinations and goodwill (cont'd.)

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.

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.

For business combination under common control, the assets and liabilities are consolidated at their per-combination carrying amounts, no adjustments are made to reflect the fair values, or recognise any new assets or liabilities at the date of transfer that would otherwise be done under the acquisition method. No new goodwill is recognised as a result of the transfer. Any difference between the consideration transferred and the equity acquired is reflected within equity as merger reserve or deficit.

The consolidated financial statements of the Group is not restated for periods prior to the transfer. The Group accounts for the combination prospectively from the date of transfer.

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.

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2. Material accounting policies information (cont'd.)

2.6 Investments in associates and joint ventures (cont'd.)

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.

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.

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2. Material accounting policies information (cont'd.)

2.6 Investments in associates and joint ventures (cont'd.)

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.

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. Material accounting policies information (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.

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2. Material accounting policies information (cont'd.)

2.7 Intangible assets (cont'd.)

(b) Other intangible assets (cont'd.)

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	3 - 15 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
Concession intangible asset	Comprise Expressway Development Expenditure, Renewable Energy Plant Development Expenditure and Capital work-in-progress ("CWIP")	<u>16 - 20 years</u>

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").

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2. Material accounting policies information (cont'd.)

2.8 Aircraft, property, plant and equipment (cont'd.)

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:	
- new freehold land	Not depreciated
- held for scheduled waste treatment and disposal site	6.25%
- secured landfill	Utilisation basis
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>

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 reporting date, and adjusted prospectively, if appropriate.

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2. Material accounting policies information (cont'd.)

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.

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.

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2. Material accounting policies information (cont'd.)

2.9 Financial instruments (cont'd.)

(i) Financial assets (cont'd.)

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.

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.

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2. Material accounting policies information (cont'd.)

2.9 Financial instruments (cont'd.)

(i) Financial assets (cont'd.)

Subsequent measurement (cont'd.)

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.

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.

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2. Material accounting policies information (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)

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 and 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. Material accounting policies information (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. Material accounting policies information (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. Material accounting policies information (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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Notes to the financial statements
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2. Material accounting policies information (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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Notes to the financial statements
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2. Material accounting policies information (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 32 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.

2. Material accounting policies information (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);
- 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.

2. Material accounting policies information (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.

2. Material accounting policies information (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. Material accounting policies information (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	<u>15 - 99 years</u>

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. Material accounting policies information (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 determined 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 38.

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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Notes to the financial statements
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2. Material accounting policies information (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. Material accounting policies information (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. Material accounting policies information (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	<u>10%</u>

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.

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2. Material accounting policies information (cont'd.)

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.

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.

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2. Material accounting policies information (cont'd.)

2.16 Inventories and work-in-progress

(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.

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.

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2. Material accounting policies information (cont'd.)

2.17 Contract related assets and contract liabilities (cont'd.)

(i) Contract assets and contract liabilities (cont'd.)

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.

(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.

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Notes to the financial statements
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2. Material accounting policies information (cont'd.)

2.17 Contract related assets and contract liabilities (cont'd.)

(ii) Contract cost assets (cont'd.)

(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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**Notes to the financial statements
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2. Material accounting policies information (cont'd.)

2.19 Government grant

Government grants are assistance by government in the form of transfers of resources to an entity in return for past or future compliance with certain conditions relating to the operating activities of the entity. The grants are recognised at their fair value where there is a reasonable assurance that the grant will be received, and the Group will comply with all attached conditions.

Grant related income

Government grants relating to costs are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate. The grants are presented as a credit in the statement of profit or loss under "other income".

Grant related assets

Government grants relating to the assets are in the statement of financial position by deducting the grant in arriving at the asset's carrying amount.

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. Material accounting policies information (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.

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Notes to the financial statements
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2. Material accounting policies information (cont'd.)

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.

(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

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (a) when the Group 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 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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Notes to the financial statements
For the year ended 31 December 2023

2. Material accounting policies information (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.

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Notes to the financial statements
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2. Material accounting policies information (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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**Notes to the financial statements
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2. Material accounting policies information (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 at 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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Notes to the financial statements
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2. Material accounting policies information (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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Notes to the financial statements
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2. Material accounting policies information (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 intercompany 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. Material accounting policies information (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 (i.e. construction of/or upgrade services and operation services) are performed under a single contract or arrangement.

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2. Material accounting policies information (cont'd.)

2.25 Revenue and income recognition (cont'd.)

(l) Revenue on public-private service arrangements (cont'd.)

(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).

(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 statements of financial position.

(n) Renewable Energy and Energy Efficiency Projects

Revenue from sale of electricity is measured at fair value of the consideration receive or receivable, net of returns and allowances, trade discounts and volume rebates and taxes. Revenue is recognised when significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably.

Revenue generated from solar rooftop and energy efficiency projects are recognised on accrual basis upon satisfaction of their obligation.

(o) Service charge income

Service charge income is recognised when service is rendered to the customer over their stay at certain hotel.

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2. Material accounting policies information (cont'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 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
- 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. Material accounting policies information (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.

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2. Material accounting policies information (cont'd.)

2.26 Income tax (cont'd.)

(b) Deferred tax (cont'd.)

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.

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2. Material accounting policies information (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.

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2. Material accounting policies information (cont'd.)

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. Material accounting policies information (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.

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2. Material accounting policies information (cont'd.)

2.30 Insurance business

(a) Product classification

The Group issues insurance contracts/takaful certificates in the normal course of business, under which they accept significant insurance/takaful risk from their policyholders/certificate holders. As a general guidelines, the Group determines whether it has significant insurance/takaful risk, by comparing present value of benefits payable after an insured event with present value of benefits payable if the insured event had not occurred. Ratio of 105% and above means the products covered significant insurance/takaful risk.

(b) Accounting treatment

(i) Separating components from insurance and reinsurance contracts

The Group assesses their life insurance and reinsurance contracts/takaful and retakaful certificates held to determine whether they contain components which must be accounted for under another MFRS rather than MFRS 17 (distinct non insurance components). After separating any distinct components, an entity must apply MFRS 17 to all remaining components of the (host) insurance contract/takaful certificate. Currently, the Group's products do not include distinct components that require separation.

MFRS 17 defines investment components as the amounts that an insurance contract/takaful certificates requires an insurer to repay to a policyholder/takaful operator in all circumstances, regardless of whether an insured event has occurred. Investment components which are highly interrelated with the insurance contract/takaful certificate of which they form a part are considered non-distinct and are not separately accounted for. However, receipts and payments of the investment components are excluded from insurance/takaful revenue and insurance/takaful expenses. The surrender options are considered non distinct investment components as the Group is unable to measure the value of the surrender option component separately from the life insurance / family takaful portion of the contract/certificate.

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2. Material accounting policies information (cont'd.)

2.30 Insurance business (cont'd.)

(b) Accounting treatment (cont'd.)

(i) Separating components from insurance and reinsurance contracts (cont'd.)

Some reinsurance contracts/retakaful certificates held contain profit commission arrangements. Under these arrangements, there is a minimum guaranteed amount that the policyholder/participant will always receive - either in the form of profit commission, or as claims, or another contractual payment irrespective of the insured event happening. The profit commission components have been assessed to be highly interrelated with the insurance/takaful component of the reinsurance contracts/retakaful certificates and are, therefore, non-distinct investment components which are not accounted for separately. However, receipts and payments of these investment components are recognised outside of profit or loss.

(ii) Level of aggregation

MFRS 17 requires an entity to determine the level of aggregation for applying its requirements. The level of aggregation for the Group is determined firstly by dividing the business written into portfolios. Portfolios comprise groups of contracts with similar risks which are managed together. Portfolios are further divided based on expected profitability at inception into three categories: onerous contracts, contracts with no significant risk of becoming onerous, and the remainder. This means that, for determining the level of aggregation, the Group identifies a contract as the smallest 'unit', i.e., the lowest common denominator. However, the Group makes an evaluation of whether a series of contracts can be treated together in making the profitability assessment based on reasonable and supportable information, or whether a single contract contains components that need to be separated and treated as if they were stand-alone contracts. As such, what is treated as a contract for accounting purposes may differ from what is considered as a contract for other purposes (i.e., legal or management). MFRS 17 also notes that no group for level of aggregation purposes may contain contracts issued more than one year apart.

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2. Material accounting policies information (cont'd.)

2.30 Insurance business (cont'd.)

(b) Accounting treatment (cont'd.)

(ii) Level of aggregation (cont'd.)

The Group has defined portfolios of insurance and reinsurance contracts /takaful and retakaful certificates held based on how the insurance/takaful liabilities are managed and the similar risk type covered since the products are subject to similar risks and managed together. The expected profitability of these portfolios at inception is determined based on the existing latest actuarial valuation models which take into consideration existing in force business. In determining groups of contracts, the Group has elected to include in the same group contracts where its ability to set prices or levels of benefits for policyholders / certificate holder with different characteristics is constrained by regulation.

The groups of contracts/certificates for which the modified retrospective and the fair value approach has been adopted on transition include contracts/certificates issued more than one year apart.

The insurance contracts / takaful certificates issued portfolios are divided into:

- A group of contracts / certificates that are onerous at initial recognition;
- A group of contracts/certificates that at initial recognition have no significant possibility of becoming onerous subsequently; and
- A group of the remaining contracts/certificates in the portfolio

The reinsurance contracts / retakaful certificates held portfolios are divided into:

- A group of contracts/certificates on which there is a net gain on initial recognition;
- A group of contracts/certificates that have no significant possibility of a net gain arising subsequent; and
- A group of the remaining contracts/certificates in the portfolio

(iii) Recognition

The Group recognises groups of insurance contracts/takaful certificates that they issue from the beginning of the coverage period of the group of contracts/certificates.

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2. Material accounting policies information (cont'd.)

2.30 Insurance business (cont'd.)

(b) Accounting treatment (cont'd.)

(iii) Recognition (cont'd.)

This Group treats the recognition date to be the same for profitable and onerous group of contracts/certificates.

The Group recognises a group of reinsurance contracts/retakaful certificates held it has entered based on the beginning of the coverage period of the group of reinsurance contracts/retakaful certificates held. However, the Group delays the recognition of a group of reinsurance contracts/retakaful certificates held that provide proportionate coverage until the date when any underlying insurance contracts/takaful certificates is initially recognised, if that date is later than the beginning of the coverage period of the group of reinsurance contracts/retakaful certificates held.

Most of the reinsurance contracts/retakaful certificates held by the Group provide proportionate cover. Therefore, the Group does not recognise a proportional reinsurance contract/retakaful certificate held until at least one underlying direct insurance contract/takaful certificates has been recognised.

The Group treats the reinsurance contracts/retakaful certificates that provide non proportionate cover to be based on the beginning of the coverage period of the group of reinsurance contracts/retakaful certificates held.

The Group adds new contract/certificate to the group in the reporting period in which that contract meets the criteria set out above.

(iv) Contract boundary

The Group includes in the measurement of a group of insurance contracts/takaful certificates all the future cash flows within the boundary of each contract/certificate in the group. Cash flows are within the boundary of an insurance contract/takaful certificate if they arise from substantive rights and obligations that exist during the reporting period in which the Group can compel the policyholder/certificate holder to pay the premiums, or in which the Group have a substantive obligation to provide the policyholder/certificate holder with insurance contract/takaful certificates services. A substantive obligation to provide insurance contract/takaful certificate services ends when:

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2. Material accounting policies information (cont'd.)

2.30 Insurance business (cont'd.)

(b) Accounting treatment (cont'd.)

(iv) Contract boundary (cont'd.)

- The Group has the practical ability to reassess the risks of the policyholder/certificate holder and, as a result, can set a price or level of benefits that fully reflects those risks; or

Both of the following criteria are satisfied:

- The Group has the practical ability to reassess the risks of the portfolio of insurance contracts/takaful certificate that contain the contract/certificate and, as a result, can set a price or level of benefits that fully reflects the risk of that portfolio.
- The pricing of the premiums up to the date when the risks are reassessed does not take into account the risks that relate to periods after the reassessment date.

A liability or asset relating to expected premiums or claims outside the boundary of the insurance contract/takaful certificate are not recognised. Such amounts relate to future insurance contracts/retakaful certificates.

(v) Initial and subsequent measurement

MFRS 17 introduces three new measurement models, reflecting a different extent of policyholder/participant participation in investment performance or overall insurance company performance. The general measurement model ("GMM"), also known as the building block approach ("BBA"), consists of the fulfilment cash flows ("FCF") and the contractual service margin ("CSM"), both held as liability for remaining coverage ("LFRC"). The FCF represent the risk-adjusted present value of an entity's rights and obligations to the policyholders, comprising estimates of expected future cash flows, discounting and risk adjustment ("RA") for non-financial risk. The CSM represents the unearned profit from in-force contracts that an entity will recognise as it provides services over the coverage period. The contractual service margin is adjusted for changes in cash flows related to future services (operating assumption change) and grows by interest accretion at locked in interest rates at initial recognition. A release from the CSM is recognised in profit or loss each period to reflect the services provided in that period. If the CSM is unable to absorb the changes in cash flows related to future services, a loss component is established for the group of contracts.

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2. Material accounting policies information (cont'd.)

2.30 Insurance business (cont'd.)

(b) Accounting treatment (cont'd.)

(v) Initial and subsequent measurement (cont'd.)

The variable fee approach ("VFA") is a mandatory modification of the GMM regarding the treatment of the contractual/takaful service margin in order to accommodate direct participating contracts/certificates, if the following three requirements are met: the contractual terms specify that the policyholder/certificate holder participates in a share of a clearly identified pool of underlying items; the entity expects to pay to the policyholder/certificate holder an amount equal to a substantial share of the fair value returns on the underlying items; the entity expects a substantial proportion of any change in the amounts to be paid to the policyholder/certificate holder to vary with the change in fair value of the underlying items.

For contracts/certificates with direct participation features ("DPF"), the contractual service margin is adjusted for changes in the amount of the entity's share of the fair value of the underlying items arising from operating assumption change and adjustment for financial risks.

The premium allocation approach ("PAA") is an optional simplified measurement model in MFRS 17 when the approach provides a measurement which is not materially different from that under the GMM or if the coverage period of each contract in the group of insurance contracts/takaful certificates is one year or less. Under the PAA, the LFRC is measured as the amount of premiums received net of acquisition cash flows paid, less the net amount of premiums and acquisition cash flows that have been recognized in profit or loss over the expired portion of the coverage period based on the passage of time.

In determining the measurement models, firstly the Group can choose to use PAA if at the inception of the contract/certificate, the coverage period of each insurance contract in the group of insurance contracts/takaful certificates is one year or less. Alternatively, the Group can still apply PAA if they can reasonably expect that such simplification can produce a measurement of the LFRC which would not differ materially as compared to the LFRC computed under the GMM by performing the PAA Eligibility Testing. Should the Group's group of insurance contracts/takaful certificates fail the PAA and VFA eligibility test, GMM will be used as the measurement model of that group of insurance contracts/takaful certificates.

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2. Material accounting policies information (cont'd.)

2.30 Insurance business (cont'd.)

(b) Accounting treatment (cont'd.)

(v) Initial and subsequent measurement (cont'd.)

At the end of a reporting period, the carrying amount of a group of insurance contracts/takaful certificates is the sum of the LFRC and the liability of incurred claims ("LFIC").

LFIC consists of fulfilment cash flows related to past services, including claims that have been incurred but not yet reported. The measurement of the LFIC is identical under all three measurement models.

Estimates of future cash flows

The Group's objective of estimating future cash flows is to determine the expected value, or the probability-weighted mean, of the full range of possible outcomes, considering all reasonable and supportable information available at the reporting date without undue cost or effort. The Group estimate future cash flows considering a range of scenarios which have commercial substance and give a good representation of possible outcomes. The cash flows from each scenario are probability-weighted and discounted using current assumptions.

The estimate of expected future cash flows includes all cash flows that are within the contract/certificate boundary including:

- Premiums and related cash flows;
- Claims and benefits;
- Payments to policyholders/certificate holders resulting from embedded surrender value options;
- An allocation of insurance/takaful acquisition cash flows attributable to the portfolio to which the contract/certificate belongs;
- Claims handling costs;
- Policy administration and maintenance costs, including recurring commissions that are expected to be paid to intermediaries;
- An allocation of fixed and variable overheads directly attributable to fulfilling insurance contracts/takaful certificates; and
- Transaction-based taxes

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2. Material accounting policies information (cont'd.)

2.30 Insurance business (cont'd.)

(b) Accounting treatment (cont'd.)

(v) Initial and subsequent measurement (cont'd.)

Risk Adjustment for non-financial risk

The RA for non-financial risk represents the compensation that the Group requires for bearing the uncertainty about the amount and timing of the cash flows of groups of insurance contracts/takaful certificates and covers insurance risk, lapse risk and expense risk. The risk adjustment reflects an amount that an insurer would rationally pay to remove the uncertainty that future cash flows will exceed the best estimate amount. The Group estimates the risk adjustment by referencing to provision of risk margin for adverse deviation (PRAD) technique. The PRAD technique requires the Group to estimate the probability distribution of the fulfilment cash flows, and the additional provision that it requires at each future date in the cash flow projection to comply with the statutory reserving requirements. Besides that, the Group has decided to disaggregate the change in RA between the insurance/takaful service result and insurance finance income or expenses for GMM measured insurance contracts/takaful certificates.

Contractual Service Margin ("CSM")

The CSM is a component of the asset or liability for the group of insurance contracts/takaful certificates that represents the unearned profit the Group will recognise as they provide services in the future.

- CSM balances at transition date will be described in next section
- CSM post transition date is determined as the profit at the time of issues

An amount of the CSM releases for a group of insurance contracts/takaful certificates is recognised in profit or loss as insurance/takaful revenue in each period to reflect the insurance contract/takaful certificate services provided under the group of insurance contracts/takaful certificates in that period. The amount is determined by:

- Identifying the coverage units for the current and future period.
- Recognising in profit or loss the amount allocated to coverage units provided in the current period

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2. Material accounting policies information (cont'd.)

2.30 Insurance business (cont'd.)

(b) Accounting treatment (cont'd.)

(v) Initial and subsequent measurement (cont'd.)

Contractual Service Margin ("CSM") (cont'd.)

The coverage units are the quantity of insurance contract/takaful certificates services provided by the contracts/certificates in the group, determined by considering the quantity of the benefits provided and the expected coverage period. For groups of life insurance contracts/family takaful certificates, the quantity of benefits is the face amount over the period of the contracts/certificates. The total coverage units of each group of insurance contracts/takaful certificates are reassessed at the end of each reporting period to adjust for the reduction of remaining coverage for claims paid, expectations of lapses and cancellation of contracts/certificates in the period. They are then allocated based on probability weighted average duration of each coverage unit provided in the current period and expected to be provided in the future.

For reinsurance contracts/retakaful certificates held, the CSM amortisation is similar to the insurance contracts/takaful certificates issued and the coverage units is the sum at risk covered by reinsurer.

Loss components and loss recovery components

Where, during the coverage period, a group of insurance contracts/takaful certificates becomes onerous, the Group recognises a loss in profit or loss for the net outflow, resulting in the carrying amount of the liability for the group being equal to the fulfilment cash flows. A loss component is established by the Group for the liability for remaining coverage for such onerous group depicting the losses recognised.

Where a loss component has been set up subsequent to initial recognition of a group of underlying insurance contracts/takaful certificates, the portion of income that has been recognised from related reinsurance contracts/retakaful certificates held is disclosed as a loss-recovery component.

Where the Group has established a loss-recovery component, the Group adjusts the loss-recovery component to reflect changes in the loss component of an onerous group of underlying insurance contracts/takaful certificates.

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2. Material accounting policies information (cont'd.)

2.30 Insurance business (cont'd.)

(b) Accounting treatment (cont'd.)

(v) Initial and subsequent measurement (cont'd.)

Loss components and loss recovery components (cont'd.)

A loss-recovery component reverses consistent with reversal of the loss component of underlying groups of contracts/certificates issued, even when a reversal of the loss-recovery component is not a change in the fulfilment cash flows of the group of reinsurance contracts/retakaful certificates held. Reversals of the loss-recovery component that are not changes in the fulfilment cashflows of the group of reinsurance contracts/retakaful certificates held adjust the CSM.

Modification and derecognition

The Group derecognises insurance contracts/takaful certificates when:

- The rights and obligations relating to the contract/certificates is extinguished (i.e., discharged, cancelled or expired); or
- The contract/certificates is modified such that the modification results in a change in the measurement model, or the applicable standard for measuring a component of the contract. In such cases, the Group derecognises the initial contract/certificate and recognises the modified contract as a new contract/certificate.

(vi) Amounts recognised in comprehensive income

The Group disaggregates the amounts recognised in the statement of profit or loss and other comprehensive income into an insurance service result, comprising insurance/takaful revenue and insurance/takaful service expenses, and insurance/takaful finance income or expenses.

The Group disaggregate the change in risk adjustment for non-financial risk between a financial and non-financial portion.

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Notes to the financial statements
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2. Material accounting policies information (cont'd.)

2.30 Insurance business (cont'd.)

(b) Accounting treatment (cont'd.)

(vi) Amounts recognised in comprehensive income (cont'd.)

The Group separately presents income or expenses from reinsurance contracts/retakaful certificates held from the expenses or income from insurance contracts/takaful certificates issued.

Revenue

The Group's insurance/takaful revenue depict the provision of services arising from a group of insurance contracts/takaful certificates at an amount that reflects the consideration to which the Group expect to be entitled in exchange for those services. Insurance/Takaful revenue from a group of insurance contracts/takaful certificates is therefore the relevant portion for the period of the total consideration for the contracts/certificates, (i.e., the amount of premiums paid to the Group adjusted for financing effect (the time value of money) and excluding any investment components). The total consideration for a group of contracts/certificates covers amounts related to the provision of services and is comprised of:

- Expected insurance/takaful service expenses, excluding any amounts relating to the risk adjustment for non-financial risk and any amounts allocated to the loss component of the liability for remaining coverage;
- Amounts related to income tax that are specifically chargeable to the policyholder/certificate holder;
- The risk adjustment for non-financial risk, excluding any amounts allocated to the loss component of the liability for remaining coverage;
- The CSM release; and
- Amounts related to insurance/takaful acquisition cash flows

Benefits and claims expenses

Benefits and claims incurred during the financial year are recognised when a claimable event occurs and/or the insurer is notified.

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2. Material accounting policies information (cont'd.)

2.30 Insurance business (cont'd.)

(b) Accounting treatment (cont'd.)

(vi) Amounts recognised in comprehensive income (cont'd.)

Benefits and claims expenses (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 certificate are recognised as follows:

- maturity and other policy benefit payments due on specified dates are treated as benefits payable on the due dates;
- 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 fund are in respect of net cancellation of units and are recognised as surrenders; or
- bonus on DPF policy upon its declaration.

Reinsurance/retakaful claims are recognised when the related gross insurance/takaful claim is recognised according to the terms of the relevant contracts/certificates.

Loss components

The Group has grouped set of contracts/certificates that are onerous at initial recognition separately from profitable set of contracts/certificates in the same portfolio at initial recognition. Groups that were not onerous at initial recognition can also subsequently become onerous if assumptions and experience changes. The Group have established a loss component of the liability for remaining coverage for any onerous group depicting the future losses recognised.

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2. Material accounting policies information (cont'd.)

2.30 Insurance business (cont'd.)

(b) Accounting treatment (cont'd.)

(vi) Amounts recognised in comprehensive income (cont'd.)

Loss components (cont'd.)

A loss component represents a notional record of the losses attributable to each group of onerous insurance contracts/takaful certificates (or profitable group of contracts/certificates at inception that have become onerous). The loss component is released based on a systematic allocation of the subsequent changes relating to future service in the fulfilment cash flows to: (i) the loss component; and (ii) the liability for remaining coverage excluding the loss component. The loss component is also updated for subsequent changes relating to future service in estimates of the fulfilment cash flows and the risk adjustment for non-financial risk. The systematic allocation of subsequent changes to the loss component results in the total amounts allocated to the loss component being equal to zero by the end of the coverage period of a group of contracts/certificates (since the loss component will have been materialised in the form of incurred claims).

Loss-recovery components

When the Group recognises a loss on initial recognition of an onerous group of underlying insurance contracts/takaful certificates or when further onerous underlying insurance contracts/takaful certificates are added to a group, the Group establishes a loss-recovery component of the asset for remaining coverage for a group of reinsurance contracts/retakaful certificates held depicting the recovery of losses.

Where a loss component has been set up after initial recognition of a group of underlying insurance contracts/takaful certificates, the portion of income that has been recognised from related reinsurance contracts/retakaful certificates held is disclosed as a loss-recovery component.

Where a loss-recovery component has been set up at initial recognition or subsequently, the Group adjusts the loss-recovery component to reflect changes in the loss component of an onerous group of underlying insurance contracts/takaful certificates.

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2. Material accounting policies information (cont'd.)

2.30 Insurance business (cont'd.)

(b) Accounting treatment (cont'd.)

(vi) Amounts recognised in comprehensive income (cont'd.)

Loss-recovery components (cont'd.)

The carrying amount of the loss-recovery component must not exceed the portion of the carrying amount of the loss component of the onerous group of underlying insurance contracts/takaful certificates that the Group expect to recover from the group of reinsurance contracts/retakaful certificates held. On this basis, the loss-recovery component recognised is reduced to zero in line with reductions in the onerous group of underlying insurance contracts/takaful certificates and is nil when loss component of the onerous group of underlying insurance contracts/takaful certificates is Nil.

Finance income or expenses

Insurance/Takaful finance income or expenses (IFIE) comprise the change in the carrying amount of the group of insurance contracts arising from:

- The effect of the time value of money and changes in the time value of money; or
- The effect of financial risk and changes in financial risk

The Group does not disaggregate insurance/takaful finance income or expenses between profit or loss and OCI. The Group's financial assets backing the insurance/takaful issued portfolios are predominantly measured at fair value basis and measured at fair value through profit or loss. Finance income or expenses on the Group's issued reinsurance contracts/retakaful certificates are not disaggregated because the related financial assets are managed on a fair value basis and measured at fair value through profit or loss.

The Group systematically allocates expected total insurance/takaful finance income or expenses over the duration of the group of contracts/certificates to profit or loss using discount rates determined on initial recognition of the group of contracts/certificates.

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2. Material accounting policies information (cont'd.)

2.30 Insurance business (cont'd.)

(b) Accounting treatment (cont'd.)

(vi) Amounts recognised in comprehensive income (cont'd.)

Net income or expense from reinsurance contracts held

The Group presents separately on the face of the statement of profit or loss and other comprehensive income the amounts expected to be recovered from reinsurers/retakaful, and an allocation of the reinsurance/retakaful premiums paid. The Group treats reinsurance/retakaful cash flows that are contingent on claims on the underlying contracts as part of the claims that are expected to be reimbursed under the reinsurance contract/retakaful certificate held and excludes investment components from an allocation of reinsurance/retakaful premiums presented on the face of the statement of profit or loss and other comprehensive income. Amounts relating to the recovery of losses relating to reinsurance/retakaful of onerous direct contracts/certificates are included as amounts recoverable from the reinsurer/retakaful.

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 41 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

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2. Material accounting policies information (cont'd.)

2.32 Fair value measurement (cont'd.)

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.

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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2. Material accounting policies information (cont'd.)

2.34 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 16: Leases (Lease Liability in a Sale and Leaseback)	1 January 2024
Amendments to MFRS 101 : Presentation of Financial Statements (Non-current Liabilities with Covenants)	1 January 2024
Amendments to MFRS 107: Statement of Cash Flows (Supplier Finance Arrangements)	1 January 2024
Amendments to MFRS 7: Financial Instruments -Disclosure (Supplier Finance Arrangements)	1 January 2024
Amendments to MFRS 121: The Effects of Changes in Foreign Exchange rates (Lack of Exchangeability)	1 January 2025
Amendments to MFRS 10: Consolidated Financial Statement Statements (On Sale or Contribution of Assets between an Investor and its Associate or Joint Venture)	To be announced
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)	To be announced

The directors expect that the adoption of the above standards will have no material impact on the financial statements in the period of initial application.

(a) Amendments to MFRS 16: Leases (Lease Liability in a Sale and Leaseback)

In September 2022, the IASB issued amendments to MFRS 16 to specify 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 amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must applied retrospectively to sale and leaseback transactions entered into after the date of initial application of MFRS 16. Earlier application is permitted and that fact must be disclosed.

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2. Material accounting policies information (cont'd.)

2.34 Standards issued but not yet effective

(a) Amendments to MFRS 16: Leases (Lease Liability in a Sale and Leaseback) (cont'd.)

The amendments are not expected to have a material impact on the Group's financial statements.

(b) Amendments to MFRS 101: Presentation of Financial Statements (Non-current Liabilities with Covenants)

In January 2020 and October 2022, the IASB issued amendments to paragraph 69 to 76 of MFRS 101 to specify the requirements for classifying liabilities as current or non - current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- 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

In addition, a requirement has been introduced to require disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must be applied retrospectively. The Group is currently assessing the impact the amendments will have on current practise and whether existing loan agreements may require renegotiation.

(c) Amendments to MFRS 107 and MFRS 7: Statement of Cash Flows and Financial Instruments - Disclosure (Supplier Finance Arrangements)

In May 2023, the IASB issued amendments to MFRS 107 Statement of Cash Flows and MFRS 7 Financial Instruments: Disclosures to clarify the characteristics of supplier finance arrangements and require additional disclosures of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements or an entity's liabilities, cash flows and exposure to liquidity risk.

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2. Material accounting policies information (cont'd.)

2.34 Standards issued but not yet effective (cont'd.)

(c) Amendments to MFRS 107 and MFRS 7: Statement of Cash Flows and Financial Instruments - Disclosure (Supplier Finance Arrangements) (cont'd.)

The amendments will be effective for annual reporting periods beginning on or after 1 January 2024. Early adoption is permitted, but will need to be disclosed.

The amendments are not expected to have a material impact on the Group's financial statements.

2.35 Material 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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2. Material accounting policies information (cont'd.)

2.35 Material 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 46 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 46 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.

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2. Material accounting policies information (cont'd.)

2.35 Material accounting judgements (cont'd.)

(a) Critical judgements made in applying accounting policies (cont'd.)

(v) Income taxes and deferred taxation (cont'd.)

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.

2.36 Material 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.

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2. Material accounting policies information (cont'd.)

2.36 Material accounting estimates (cont'd.)

(a) Key sources of estimation uncertainty (cont'd.)

(i) Impairment on investments and receivables (cont'd.)

(1) Impairment on investments (cont'd.)

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).

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.

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2. Material accounting policies information (cont'd.)

2.36 Material 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.)

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 RM292 million (2022: RM665 million) for the Group and impairment losses on investments and receivables RM8 million (2022: RM542 million) the Company.

(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 2023 is RM1,463 million (2022: RM1,437 million). Further details are disclosed in Note 16 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.

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.

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Notes to the financial statements
For the year ended 31 December 2023

2. Material accounting policies information (cont'd.)

2.36 Material accounting estimates (cont'd.)

(a) Key sources of estimation uncertainty (cont'd.)

(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 25 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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Notes to the financial statements
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2. Material accounting policies information (cont'd.)

2.36 Material accounting estimates (cont'd.)

(a) Key sources of estimation uncertainty (cont'd.)

(vii) Provision for aircraft delivery cost

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.

(ix) Brokerage on customers' unexercised rights

(a) Sales in advance of carriage

Sales in advance of carriage ("SIAC") arising from obligations for unutilised tickets are initially recognised similar to contract liabilities in accordance with MFRS 15. Depending on the terms and conditions of flight tickets, contract liabilities consist of a range of possibilities for refund and services that have not yet been provided.

A customer's non-refundable prepayment to the Group 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. Estimates on breakage have been determined for "no show" tickets and the probability is based on past trends.

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Notes to the financial statements
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2. Material accounting policies information (cont'd.)

2.36 Material accounting estimates (cont'd.)

(a) Key sources of estimation uncertainty (cont'd.)

(ix) Brokerage on customers' unexercised rights

(b) Frequent flyer programme deferred revenue

In determining the expected expiry of unredeemed points awarded under the frequent flyer programme ("FFP"), breakage has been estimated based on past trends of miles not expected to be redeemed by members.

(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 22(iii) and Note 26 to the financial statements, respectively.

(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.

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Notes to the financial statements
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2. Material accounting policies information (cont'd.)

2.36 Material accounting estimates (cont'd.)

(a) Key sources of estimation uncertainty (cont'd.)

(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.

(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.

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Notes to the financial statements
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2. Material accounting policies information (cont'd.)

2.36 Material accounting estimates (cont'd.)

(a) Key sources of estimation uncertainty (cont'd.)

(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 2023 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 14 to the financial statements.

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Notes to the financial statements
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2. Material accounting policies information (cont'd.)

2.36 Material 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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2. Material accounting policies information (cont'd.)

2.36 Material accounting estimates (cont'd.)

(a) Key sources of estimation uncertainty (cont'd.)

(xxii) Insurance business

(i) Life insurance and family takaful businesses

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, which 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. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

The Group primarily use deterministic projections to estimate the present value of future cash flows based on the current assumptions, reflecting the best estimate at the time of its determination plus a risk adjustment for non-financial risks.

The following assumptions were used when estimating future cash flows:

The main assumptions used relate to mortality, morbidity, investment returns, expenses, lapse and surrender rates, and discount rates. The Group base mortality and morbidity on established Malaysian industry tables 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.

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 historical experience of lapses and surrenders.

Discount rate and fund growth rates for non-participating policies, participating policies, and investment-linked policies is based on Malaysian Government Security (MGS) plus illiquidity premium.

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3. Revenue

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Investment-related revenue:				
Dividend income from subsidiaries	-	-	2,628,050	4,520,385
Dividend income from associates	-	-	2,307,369	1,957,124
Dividend income from fair value through other comprehensive income investments	59,961	210,959	-	-
Dividend income from fair value through profit or loss investments	223,248	176,637	45,498	38,828
(Loss)/gain from divestments of investments and investment properties	(214,203)	817,084	1,445,694	376,253
Interest income	457,555	433,133	286,925	129,004
Others	111,952	96,347	116,744	241,327
	<u>638,513</u>	<u>1,734,160</u>	<u>6,830,280</u>	<u>7,262,921</u>
Engineering and construction-related revenue:				
Land and property development sales	1,235,200	1,364,618	-	-
Rendering of services	2,912,514	2,532,543	-	-
Sale of goods	1,918	383	-	-
Others	138,462	203,080	-	-
	<u>4,288,094</u>	<u>4,100,624</u>	<u>-</u>	<u>-</u>

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3. Revenue (cont'd.)

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Services-related revenue:				
Revenue from airlines and airport operations	13,081,519	9,793,048	-	-
Rendering of services	1,472,603	2,528,535	-	-
Others	2,363,567	2,067,664	-	-
	<u>16,917,689</u>	<u>14,389,247</u>	<u>-</u>	<u>-</u>
Total Revenue	<u>21,844,296</u>	<u>20,224,031</u>	<u>6,830,280</u>	<u>7,262,921</u>

4. Operating profit

Operating profit is stated after charging/(crediting) the following:

	Note	Group		Company	
		2023	2022	2023	2022
		RM'000	RM'000	RM'000	RM'000
Staff costs	5	3,798,050	3,561,379	179,200	151,978
Auditors' remuneration:					
Statutory audits					
- to Ernst & Young PLT		11,508	10,786	1,227	1,227
- to member firms of Ernst & Young Global		997	1,096	-	-
- to other firms		4,080	3,568	-	-
Other services					
- to Ernst & Young PLT		3,610	1,232	1,697	529
- to member firms of Ernst & Young Global		1,090	570	-	-
- to other firms		5,204	3,372	4,653	3,341
Unrealised foreign exchange loss/(gain), net		176,016	314,954	(1,019)	(77,875)
Depreciation for property, plant and equipment	12	639,656	938,386	1,698	2,025
Allowance for impairment losses on investments and receivables, net		292,000	664,799	8,000	542,187

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4. Operating profit (cont'd.)

Operating profit is stated after charging/(crediting) the following: (cont'd.)

		Group		Company	
	Note	2023	2022	2023	2022
		RM'000	RM'000	RM'000	RM'000
Amortisation of other intangible assets	17	35,533	58,618	512	254
Expenses arising from leases					
- low value assets	38	1,202	2,887	-	-
- short-term lease	38	18,941	23,829	14,672	13,983
Depreciation of investment properties	14	17,760	40,712	-	-
Loss on disposal of property, plant and equipment		175,979	268,018	-	-
Gain on disposal of subsidiaries	18	(10,762)	-	-	-
Depreciation for right-of-use assets	23	851,173	1,037,974	-	-
Fuel costs		4,730,653	4,131,811	-	-
Handling, landing, parking, enroute charges, catering and other related costs		1,390,328	923,344	-	-
Aircraft maintenance and overhaul		995,773	1,786,887	-	-
Provision for aircraft redelivery costs	34	900,040	694,322	-	-
Allowance for impairment losses on property, plant and equipment	12	14,577	54,347	-	-
Allowance for impairment losses on right-of-use assets	23	9,793	-	-	-
Net amortisation charge for concession assets	15	21,053	18,905	-	-
Amortisation of deferred income		(24,707)	(53,840)	-	-
Amortisation of Government grants	37(i)	(2,637)	(2,637)	-	-

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4. Operating profit (cont'd.)

Operating profit is stated after charging/(crediting) the following: (cont'd.)

		Group		Company	
	Note	2023	2022	2023	2022
		RM'000	RM'000	RM'000	RM'000
Allowance for impairment losses on investment properties	14	3,497	57,247	-	-
Inventories written off		32,938	28,618	-	-
Property, plant and equipment written off	12	61,573	34,177	-	-
Concession intangible assets written off	15	392	-	-	-
Allowance for impairment losses on concession intangible assets	15	2,009	-	-	-
Gain from restructuring of investment in a joint venture		-	(4,080,000)	-	-
Net fair value (gain)/loss on financial assets at fair value through profit or loss		(1,911,676)	1,706,686	305,767	1,042,285
Net fair value loss/(gain) on derivatives		-	366,000	-	(166,587)

5. Staff costs

		Group		Company	
	Note	2023	2022	2023	2022
		RM'000	RM'000	RM'000	RM'000
Wages, salaries, statutory contributions to EPF and social security		3,493,630	3,315,842	175,287	148,334
Employees service entitlement and retirement benefits	35	5,149	1,534	-	-
Others		299,271	244,003	3,913	3,644
		3,798,050	3,561,379	179,200	151,978

- (i) Included in the staff costs of the Group and of the Company the key management personnel's remuneration as disclosed in Note 7.

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6. Directors' remuneration

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Wages and salaries	18,377	14,555	3,972	5,463
Fees and allowances	6,669	9,621	455	437
Statutory contributions to EPF	2,242	2,129	755	1,038
	<u>27,288</u>	<u>26,305</u>	<u>5,182</u>	<u>6,938</u>

Included in the Group Directors' remuneration were the subsidiaries Directors' remuneration.

7. Key management personnel remuneration

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Wages and salaries	117,355	131,353	29,347	32,235
Statutory contributions to EPF	15,603	16,400	5,565	6,088
	<u>132,958</u>	<u>147,753</u>	<u>34,912</u>	<u>38,323</u>

Key management personnel are staff who are involved in decision making and management of the Group and the Company.

8. Finance costs

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Interest expense on term loans and borrowings	385,735	265,948	241,215	207,634
Interest expense on revolving credit facility	174,830	49,630	174,830	49,630
Interest expense on bonds, Medium Term Notes and Islamic Medium Term Notes ("MTN and IMTN")	1,640,907	1,498,859	1,450,554	1,237,740
Interest expense on lease liabilities (Note 38)	238,073	348,776	-	-
Amortisation of discount on Khazanah Bonds (Note 32)	241,462	324,154	241,462	324,154
Amortisation of discount on Exchangeable Trust Certificates (Note 32)	2,545	117,822	2,545	117,822
Others	146,816	57,842	-	-
	<u>2,830,368</u>	<u>2,663,031</u>	<u>2,110,606</u>	<u>1,936,980</u>

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9. Taxation

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Current income tax:				
Malaysian income tax	101,057	495,449	36,872	18,800
Foreign income tax	45,560	15,371	-	-
	<u>146,617</u>	<u>510,820</u>	<u>36,872</u>	<u>18,800</u>
(Over)/under provision in prior years:				
Malaysian income tax	(172,579)	6,540	(8,354)	(746)
	<u>(25,962)</u>	<u>517,360</u>	<u>28,518</u>	<u>18,054</u>
Deferred tax (Note 25):				
Relating to origination and reversal of temporary differences	(200,657)	(89,044)	-	-
(Over)/under provision in prior year	(6,271)	313	-	-
	<u>(206,928)</u>	<u>(88,731)</u>	<u>-</u>	<u>-</u>
Income tax (credit)/expense recognised in profit or loss	<u>(232,890)</u>	<u>428,629</u>	<u>28,518</u>	<u>18,054</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% (2022: 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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9. 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 2023 and 2022 are as follows:

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Profit before taxation	3,792,556	5,782,889	3,509,780	3,374,252
Taxation at Malaysian statutory tax rate of 24% (2022: 24%)	910,213	1,387,893	842,347	809,820
Effect of different tax rates in foreign jurisdiction	12,290	12,872	-	-
Effect of income not subject to tax	(1,809,413)	(2,432,636)	(1,615,756)	(1,283,232)
Effect of expenses not deductible for tax purposes	2,017,275	3,972,162	810,281	492,212
Effect of utilisation of previously unrecognised tax losses and unabsorbed capital allowances	(784,370)	(1,386,228)	-	-
Deferred tax assets not recognised	401,615	539,290	-	-
Tax effect on share of associates and joint ventures' profit attributable to the equity holders	(801,650)	(1,671,577)	-	-
(Over)/under provision of income tax expense in prior year	(172,579)	6,540	(8,354)	(746)
(Over)/under provision of deferred tax expense in prior year	(6,271)	313	-	-
Tax (credit)/expense for the year	(232,890)	428,629	28,518	18,054

10. Dividends

	Company	
	Dividends in respect of year/Dividends recognised in year	
	2023	2022
	RM'000	RM'000
Dividends on ordinary shares:		
Interim single-tier dividend on 5,443,953,229 ordinary shares	1,000,000	500,000

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11. Assets held for sale

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.

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 2023 RM'000	2022 RM'000
Assets:			
Land held for property development		24,632	24,600
Investment in associate		6,787	-
Property, plant and equipment	12	1,211,066	41,587
Other intangible assets	17	3,499	-
Deferred tax assets	25	56,077	-
Short term investments		52,782	-
Investment properties	14	42,556	3,320
Right-of-use assets	23	69,176	-
Inventories		304,589	49,493
Receivables		219,917	4,761
Cash and bank balances		151,241	36,844
Assets held for sale and assets of disposal group classified as held for sale		<u>2,142,322</u>	<u>160,605</u>
Liability:			
Payables representing the liability of disposal group classified as held for sale		<u>693,088</u>	<u>3,170</u>

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11. Assets held for sale (Cont'd.)

(A) UEM Group Berhad ("UEM")

- (i) On 26 January 2022, the Board of Directors of UEM Builders approved the dissolution of Buildcast via members' voluntary liquidation.
- (ii) On 8 November 2022, the Board of Directors of 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.. As at the date of financial statements, the disposal is pending completion as UEM Edgenta is still negotiating terms and conditions of the sale.
- (iii) On 5 September 2023, the Board of Directors of UEM approved the proposal to the commence divestment process of CIMA.
- (iv) On 31 May 2019, the Board of Directors of UEM approved the proposed disposal of 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 Group 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 financial year, Serayin Sdn Bhd, a wholly-owned subsidiary of UEM, disposed its entire 3-storey terrace shop/offices for a total cash consideration of RM16.0 million, with a net gain of RM12.4 million.

- (v) During the year, the Board of Directors of UEM Sunrise approved the proposed disposal of certain plots of land and buildings as well as related CWIP held by the subsidiaries of UEM Sunrise.
- (vi) 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. The disposal was completed in 2023, for a cash consideration of RM2.0 million, with a net gain of RM147,000.
- (vii) On 25 August 2023, UEM Sunrise South Africa Proprietary Limited ("UEMSSA"), an indirect subsidiary of UEM Sunrise, entered a Sale of Shares and Claims Agreement ("SSCA") for the divestment of UEMSSA's entire equity interest of 80.4% in Roc-Union (Proprietary) Ltd ("Roc-Union") at a total consideration of RAND118.4 million (equivalent to RM29.5 million). As at to date, the SCCA is still pending for completion. Both parties have mutually agreed for the remaining 90% balance of the purchase consideration to be paid in accordance with a payment plan and the deadline is extended to 31 December 2024.

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11. Assets held for sale (cont'd.)

(B) Iskandar Investment Berhad ("IIB")

On 20 December 2021, Iskandar Capital Sdn Bhd ("IskCap") entered into a Sale and Purchase Agreement ("SPA") with Marquis Oil (M) Sdn. Bhd ("MOSB") to sell a freehold land held under PTD 217870 of approximately of 5.38 acres. Upon completion of the conditions stipulated in the agreement, IIB has recognised revenue of RM3,270,000 and cost of sales of RM895,086 during the year.

On 30 May 2023, IskCap entered into a SPA with Paragon Globe Properties Sdn Bhd ("PGP") to sell a freehold land held under PTD 217872 of approximately of 1.25 acres. Upon completion of the conditions stipulated in the agreement, IIB has recognised revenue of RM2,504,885 and cost of sales of RM804,089 during the year.

On 15 August 2023, EduCity Iskandar Malaysia Sdn Bhd ("EIMSB") entered into a SPA with MOSB to sell a freehold land held under PTD 199637 of approximately 1.21 acres. The completion of the agreement above is pending fulfilment of certain conditions precedents as at 31 December 2023. 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 RM7,267,590 (2022: RM7,267,590) have been classified under assets held for sale.

(D) Malaysia Aviation Group Berhad ("MAGB")

In previous financial year, two ATR72-500 aircrafts were reclassified back to aircraft, property, plant and equipment as the transaction did not complete. During the year, the Group entered into a sale and purchase agreement for the similar aircraft with a new buyer. The sale of the aircraft was completed on 1st March 2024.

During the year, Sarawak State Government ("Sarawak government") announced its intention to acquire the business of MASwings Sdn Bhd ("MW"), a subsidiary within the Group. The plan has advanced to the point that the business has met the requirements to be classified as held for sale at 27 October 2023 following the signing of a memorandum of understanding between the parties and continues to do so at 31 December 2023. MAGB remains committed to the sale of the business and expects to complete the sale within one year of the reporting date.

As a result of the classification of the business as held for sale, the net assets of the business are measured at the lower of carrying value or fair value less costs to sell. The fair value of MW business has been assessed based on information received through the sales process. The fair value was lower than the carrying value of the net assets of the business, which has resulted in an impairment of RM2,277,373. MAGB has reassessed the fair value less costs to sell of the business at 31 December 2023 and no further impairment has been identified.

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12. 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
2023						
Cost						
At 1 January	6,309,590	5,231,657	1,302,386	4,239,979	732,812	17,816,424
Additions	352,875	872,686	107,388	121,592	327,021	1,781,562
Currency translation differences	974	-	1,362	223	-	2,559
Disposals	(1,958,027)	(307,736)	(101,752)	-	(5,168)	(2,372,683)
Write-offs	(1,291)	-	(7,917)	(14,926)	(44,159)	(68,293)
Acquisition of subsidiary (Note 18)	-	-	2,187	527	-	2,714
Transfer from/(to) inventories	-	-	38	-	(41,779)	(41,741)
Transfer from investment properties (Note 14)	-	-	-	501	-	501
Transfer to assets held for sale (Note 11)	(908,557)	(259,276)	(34,837)	(318,859)	-	(1,521,529)
Transfer to other intangible assets (Note 17)	-	-	-	-	(14,804)	(14,804)
Transfer from right-of-use assets (Note 23)	-	142,256	-	-	-	142,256
Reclassification	73,609	-	7,866	905	(82,380)	-
At 31 December	3,869,173	5,679,587	1,276,721	4,029,942	871,543	15,726,966

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12. 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
2023 (cont'd.)						
Accumulated depreciation and impairment losses						
At 1 January	5,049,040	3,639,424	990,980	1,460,631	339,389	11,479,464
Charge for the year (Note 4)	276,662	106,617	107,157	99,523	49,697	639,656
Allowance for impairment losses (Note 4)	-	12,729	-	-	1,848	14,577
Currency translation differences	-	-	1,261	(223)	-	1,038
Disposals	(1,980,343)	(112,740)	(100,664)	(386)	(889)	(2,195,022)
Write-offs	(376)	-	(2,613)	(3,731)	-	(6,720)
Acquisition of subsidiary (Note 18)	-	-	1,523	-	-	1,523
Transfer from investment properties (Note 14)	-	-	-	82	-	82
Transfer to assets held for sale (Note 11)	(448)	(128,145)	(16,104)	(165,766)	-	(310,463)
Transfer from right-of-use assets (Note 23)	-	136,693	-	-	-	136,693
Reclassification	-	-	(2,742)	85	2,657	-
At 31 December	3,344,535	3,654,578	978,798	1,390,215	392,702	9,760,828
Net book value						
At 31 December	524,638	2,025,009	297,923	2,639,727	478,841	5,966,138

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12. 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
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	(15,602)	-	(2,576)	(3,875)	-	(22,053)
Transfer to investment properties (Note 14)	-	-	-	-	(8,804)	(8,804)
Transfer to assets held for sale (Note 11)	-	(2,708,820)	(1,041)	(34,991)	(2,915)	(2,747,767)
Transfer to other intangible assets (Note 17)	-	-	-	-	(7,603)	(7,603)
Transfer from right-of-use assets (Note 23)	-	111,467	-	-	-	111,467
Reclassification	25,618	11,104	4,709	1,504	(42,935)	-
Transfer from land held for property development (Note 13)	-	-	-	4,532	-	4,532
At 31 December	6,309,590	5,231,657	1,302,386	4,239,979	732,812	17,816,424

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12. 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 4)	163,923	193,214	86,699	154,709	339,841	938,386
Allowance for impairment losses (Note 4)	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 18)	(16,140)	-	(2,336)	(3,456)	-	(21,932)
Transfer to assets held for sale (Note 11)	-	(2,691,653)	(1,033)	(13,214)	(280)	(2,706,180)
Transfer from right-of-use assets (Note 23)	-	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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12. Property, plant and equipment (cont'd.)

Company	Office equipment, furniture and fittings and computer equipment RM'000	Renovation and capital work-in- progress RM'000	Total RM'000
2023			
Cost			
At 1 January	26,737	44,699	71,436
Additions	520	40,829	41,349
At 31 December	<u>27,257</u>	<u>85,528</u>	<u>112,785</u>
Accumulated depreciation			
At 1 January	25,301	26,345	51,646
Charge for the year (Note 4)	659	1,039	1,698
At 31 December	<u>25,960</u>	<u>27,384</u>	<u>53,344</u>
Net carrying amount			
At 31 December	<u>1,297</u>	<u>58,144</u>	<u>59,441</u>
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>44,699</u>	<u>71,436</u>
Accumulated depreciation			
At 1 January	24,337	25,284	49,621
Charge for the year (Note 4)	964	1,061	2,025
At 31 December	<u>25,301</u>	<u>26,345</u>	<u>51,646</u>
Net carrying amount			
At 31 December	<u>1,436</u>	<u>18,354</u>	<u>19,790</u>

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13. Land held for property development

		Group	
	Note	2023	2022
		RM'000	RM'000
At cost			
At 1 January		5,589,664	6,088,104
Additions		308,745	104,125
Disposals		(191,572)	(162,415)
Transfer to property, plant and equipment	12	-	(4,532)
Transfer from/(to) investment properties	14	28,273	(477)
Transfer from right-of-use assets	23	93,375	-
Disposal of a subsidiary	18(iii)	(3,091)	-
Transfer from/(to) property development-in-progress	26	21,350	(435,141)
At 31 December		<u>5,846,744</u>	<u>5,589,664</u>

As at the reporting date, freehold land and related development expenditure of:

- (a) RM838.6 million (2022: RM804.3 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	
	2023	2022
	RM'000	RM'000
Staff costs	335	933
Interest expense	<u>56,675</u>	<u>56,236</u>

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14. Investment properties

		Group	
	Note	2023	2022
		RM'000	RM'000
Land and building			
Cost			
At 1 January		4,390,197	3,928,443
Additions		47,391	499,550
Disposal of subsidiaries	18(iii)	(9,753)	-
Write-offs		(39,436)	(43,177)
Transfer to assets held for sale	11	(55,395)	(3,900)
Transfer (to)/from property, plant and equipment	12	(501)	8,804
Transfer (to)/from land held for property development	13	(28,273)	477
At 31 December		<u>4,304,230</u>	<u>4,390,197</u>
Accumulated depreciation and impairment losses			
At 1 January		601,973	508,210
Depreciation	4	17,760	40,712
Disposal of subsidiaries	18(iii)	(957)	-
Write-offs		(38,456)	(3,616)
Allowance for impairment losses	4	3,497	57,247
Transfer to property, plant and equipment	12	(82)	-
Transfer to assets held for sale	11	(12,839)	(580)
At 31 December		<u>570,896</u>	<u>601,973</u>
Carrying amount at 31 December		<u>3,733,334</u>	<u>3,788,224</u>
Fair value		<u>8,665,067</u>	<u>8,381,967</u>

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 RM18.5 million (2022: RM15.9 million) and RM5.8 million (2022: RM4.9 million) respectively.

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14. Investment properties (cont'd.)

The fair values of investment properties are categorised as Level 3 under the fair value hierarchy as disclosed in Note 41, as the fair value is 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.
- (iii) The investment method is an analysis based on the relationship between the rate of return that an investor or buyer expects or requires and the net income that a property produces.

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15. Concession intangible assets

	Note	Group 2023 RM'000	2022 RM'000
Cost			
At 1 January		454,649	433,785
Additions		46,931	22,560
Write-off		(433)	-
Capitalisation		405	-
Modification on lease term		227	-
Exchange differences		9,209	(1,696)
At 31 December		<u>510,988</u>	<u>454,649</u>
Accumulated amortisation and impairment losses			
At 1 January		193,600	185,072
Charge for the year, net of reversal	4	21,053	18,905
Impairment loss		2,009	-
Capitalisation of depreciation		35	-
Write-off		(41)	-
Exchange differences		3,945	(10,377)
At 31 December		<u>220,601</u>	<u>193,600</u>
Net carrying amount			
At 31 December		<u>290,387</u>	<u>261,049</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	Cenergi Group	up to 2043

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16. Goodwill on consolidation

	Group	
	2023	2022
	RM'000	RM'000
At 1 January	1,436,628	1,415,337
Acquisition of subsidiaries (Note 18)	3,550	-
Exchange differences	23,056	21,291
At 31 December	<u>1,463,234</u>	<u>1,436,628</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:

	2023	2022
	RM'000	RM'000
Goodwill - Business Segment		
Engineering, construction and expressway	1,066,784	1,040,178
Financial services	392,339	392,339
	<u>1,459,123</u>	<u>1,432,517</u>
Other business segments	4,111	4,111
	<u>1,463,234</u>	<u>1,436,628</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.

16. 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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17. 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
2023							
At 1 January		15,303	109,152	16,098	269,682	98,318	508,553
Additions		655	70,310	-	4	512	71,481
Acquisition of subsidiary		-	412	-	-	1,403	1,815
Disposal	18	(25,954)	(3,041)	-	(24,982)	(3,005)	(56,982)
Transfer from property, plant and equipment	12	14,804	-	-	-	-	14,804
Transfer to asset held for sale	11	(3,286)	(213)	-	-	-	(3,499)
Foreign exchange difference		-	204	-	-	11,301	11,505
Less: Amortisation		1,522	176,824	16,098	244,704	108,529	547,677
At 31 December	4	(267)	(6,221)	-	(3,638)	(25,407)	(35,533)
		1,255	170,603	16,098	241,066	83,122	512,144

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17. Other intangible assets (cont'd.)

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	12	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	4	(85)	(4,341)	-	(28,621)	(25,571)	(58,618)
At 31 December		15,303	109,152	16,098	269,682	98,318	508,553

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17. Other intangible assets (cont'd.)

Company	Computer software	
	2023 RM'000	2022 RM'000
Cost		
At 1 January	9,220	8,441
Additions	1,837	779
At 31 December	11,057	9,220
Accumulated amortisation		
At 1 January	7,929	7,675
Charge for the year (Note 4)	512	254
At 31 December	8,441	7,929
Net carrying amount		
At 31 December	2,616	1,291

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.

18. Interest in subsidiaries

	Company	
	2023 RM'000	2022 RM'000
Unquoted shares in Malaysia		
- at cost	46,095,489	44,552,293
- at FVTPL	1,272,193	1,272,193
Unquoted shares outside Malaysia	1,979,005	2,201,272
	49,346,687	48,025,758
Less: Accumulated allowance for impairment losses	(26,342,149)	(26,476,168)
	23,004,538	21,549,590
Amount due from subsidiaries *	22,843,894	18,510,819
	45,848,432	40,060,409

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 48 and Note 49.

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18. 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"), 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 806,016,905 preference shares in Pantai Morib Ventures Sdn. Bhd. ("Pantai Morib"), for a total consideration of RM806.0 million, resulting in the Company maintaining its equity interest of 100%. Pantai Morib, an unlisted company incorporated in Malaysia, is an investment holding company.
- (iii) The Company subscribed to an additional 505,369,466 preference shares in Tanjung Bidara Ventures Sdn. Bhd. ("Tanjung Bidara"), for a total consideration of RM505.4 million, resulting in the Company maintaining its equity interest of 100%. Tanjung Bidara, an unlisted company incorporated in Malaysia, is an investment holding company.
- (iv) The Company subscribed to an additional 254,777,156 preference shares in Iskandar Ventures Sdn. Bhd. ("IVSB"), for a total consideration of RM254.8 million, resulting in the Company maintaining its equity interest of 100%. IVSB, an unlisted company incorporated in Malaysia, is an investment holding company.
- (v) The Company subscribed to an additional 190,814,572 ordinary shares in UEM Group Berhad ("UEM"), for a total consideration of RM190.8 million, resulting in the Company maintaining its equity interest of 100%. UEM, an unlisted company incorporated in Malaysia, is an investment holding company.
- (vi) The Company subscribed to an additional 175,003,031 preference shares in Pantai Murni Ventures Sdn. Bhd. ("Pantai Murni"), for a total consideration of RM175.0 million, resulting in the Company maintaining its equity interest of 100%. Pantai Murni, an unlisted company incorporated in Malaysia, is an investment holding company.
- (vii) The Company subscribed to an additional 43,371,000 preference shares in Mount Gading Ventures Bhd. (Mount Gading), for a total consideration of RM43.4 million, resulting in the Company maintaining its equity interest of 100%. Mount Gading, an unlisted company incorporated in Malaysia, is an investment holding company.

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18. Interest in subsidiaries (cont'd.)

(i) Additional acquisition/subscription in existing subsidiaries (cont'd.)

- (viii) On 3 May 2023, the Company has opted to reinvest the Malaysia Airport Holdings Bhd (MAHB)'s dividend into new ordinary shares via Dividend Reinvestment Scheme ("DRS") amounting to RM21.5 million.
- (ix) The Company injected an additional 7,000,000 shares as capital injection in Ophir Ventures Sdn Bhd ("Ophir"), amounting to RM7.0 million, resulting in the Company maintaining its equity interest of 60%. Ophir, an unlisted company incorporated in Malaysia, is an investment holding company. Besides, the Company has also injected RM1.0 million as shareholder loan during the year.
- (x) The Company subscribed to an additional 273,000 ordinary shares in Teluk Bahang Investment Limited ("TBIL"), for a total consideration of RM1.3 million, resulting in the Company maintaining its equity interest of 100%. TBIL, an unlisted company incorporated in Malaysia, is an investment holding company.
- (xi) The Company subscribed to an additional 264,000 ordinary shares in Teluk Kalung Investment Limited ("Teluk Kalung"), for a total consideration of RM1.23 million, resulting in the Company maintaining its equity interest of 100%. Teluk Kalung, an unlisted company incorporated in Malaysia, is an investment holding company.
- (xii) The Company subscribed to an additional 1,111,755 preference shares in Bukit Frasers Ventures Sdn. Bhd. ("Bukit Frasers"), for a total consideration of RM1.1 million, resulting in the Company maintaining its equity interest of 100%. Bukit Frasers Ventures, an unlisted company incorporated in Malaysia, is an investment holding company.

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18. Interest in subsidiaries (cont'd.)

(i) Additional acquisition/subscription in existing subsidiaries (cont'd.)

- (xiii) On 21 March 2023, Edgenta Arabia Limited, a wholly-owned subsidiary of UEM Edgenta, completed the subscription of 60% equity interest in MEEM for Facilities Management Company.

The assets and liabilities recognised arising from above acquisition are as follows:

	Note	Fair value RM'000
Property, plant and equipment	12	1,191
Right-of-use asset		305
Other intangible assets	17	1,815
Trade and other receivables		5,892
Cash and bank balances		13,327
Provision for employee entitlements and benefits	35	(1,901)
Trade and other payables		(4,319)
Lease liabilities	38	(330)
Deferred tax liabilities	25	(205)
		<u>15,775</u>
Less: Non-controlling interests		<u>(6,392)</u>
Group's share of net assets		9,383
Goodwill on acquisition	16	<u>3,550</u>
Total purchase consideration		<u>12,933</u>

The effect of the acquisition on cash flows is as follows:

Cash and cash equivalents of subsidiaries acquired	13,327
Less: Purchase consideration satisfied by cash	<u>(12,933)</u>
Net cash inflow from acquisition of subsidiaries	<u>394</u>

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18. Interest in subsidiaries (cont'd.)

(ii) Incorporation of subsidiaries

- (i) On 6 June 2023, UEM Olive was incorporated as a wholly-owned subsidiary of UEM with a paid-up capital of RM2.
- (ii) On 27 June 2023, UEM Lestra Berhad was incorporated as a wholly-owned subsidiary of UEM with a paid-up capital of RM1,000,000. On 29 August 2023, UEM subscribed an additional 35,730,000 ordinary shares in UEM Lestra Berhad at RM1.00 each.
- (iii) During the year, the following indirect subsidiaries were incorporated:

	Group's effective interest	Date of incorporation
UEM Sunrise (Subiaco East) Pty Ltd	69.6%	27 March 2023
UEM Sunrise (Subiaco East) Unit Trust	69.6%	27 March 2023
Edgenta International Investments LLC	69.1%	13 April 2023
Cenergi Hydro Sdn Bhd	92.9%	11 August 2023
CFJP Biogas Sdn Bhd	47.4%	16 August 2023
Edgenta Academy Sdn Bhd	69.1%	12 September 2023
Cenergi Solar Kuala Ketil Sdn Bhd	92.9%	14 September 2023
UEM Sunrise (Subiaco East Development) Pty Ltd	69.6%	20 September 2023
Edgenta Facilities Management LLC	69.1%	10 October 2023
Edgenta Technical Services LLC	69.1%	10 October 2023
Cenergi JLG Sdn Bhd	92.9%	14 November 2023
Cenergi Carbon Sdn Bhd	92.9%	20 November 2023

- (iv) On 1 January 2023, Pulau Aman Investment Ltd was incorporated as a wholly-owned subsidiary of the Company with paid up capital of RM5.
- (v) On 12 January 2023, Sungai Kinabatangan Investment Ltd was incorporated as a wholly-owned subsidiary of the Company with paid up capital of RM4.
- (vi) On 1 January 2023, Pulau Besar Investment Ltd was incorporated as a wholly-owned subsidiary of the Company with paid up capital of RM4.
- (vii) On 3 August 2023, Pantai Feringghi Ventures Sdn Bhd was incorporated as a wholly-owned subsidiary of the Company with paid up capital of RM2.
- (viii) On 7 February 2023, Pantai Perhentian Ventures Sdn Bhd was incorporated as a wholly-owned subsidiary of the Company with paid up capital of RM2.

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18. Interest in subsidiaries (cont'd.)

(iii) Disposal of subsidiaries

- (i) On 8 June 2023, Desaru Corniche Sdn Bhd has entered into a Sale of Shares Agreement to dispose its 100% equity interest in Desaru Corniche Property Sdn Bhd ("DCP"). The disposal was completed on 16 October 2023, resulting in a gain on disposal of RM 2,547,000 to the Group, recognised in the statements of comprehensive income.

The effects of the disposal of DCP on the financial position of the Group as at the financial year end is as follows:

Net asset derecognised	RM'000
Land held for property development (Note 13)	3,091
Net asset derecognised	<u>3,091</u>
Proceeds from disposal	5,638
Net asset of DCP prior to disposal	<u>(3,091)</u>
Gain on disposal of a subsidiary (Note 4)	<u>2,547</u>
Net cash inflow from disposal of subsidiary	<u>5,638</u>

- (ii) On 8 September 2023, Desaru Development Holdings One Sdn Bhd has entered into a Sale of Shares Agreement to dispose its 100% equity interest in Desaru Beachfront 2 Sdn Bhd ("DB2"). The disposal was completed on 16 November 2023, resulting in a gain on disposal of RM8,215,000 to the Group, recognised in the statements of comprehensive income.

The effects of the disposal of DB2 on the financial position of the Group as at the financial year end is as follows:

Net asset derecognised	RM'000
Investment properties (Note 14)	8,796
Receivables	69
Cash and cash equivalents	8
Net assets derecognised	<u>8,873</u>
Proceeds from disposal	17,088
Net assets of DB2 prior to disposal	<u>(8,873)</u>
Gain on disposal of a subsidiary (Note 4)	<u>8,215</u>
Proceeds from disposal	17,088
Less: Cash and cash equivalents	<u>(8)</u>
Net cash inflow from disposal of subsidiary	<u>17,080</u>

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18. Interest in subsidiaries (cont'd.)

(iv) 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 48.

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	
	2023	2022
	RM'000	RM'000
Revenue #	7,812,439	8,016,994
Profit from operations*	5,890,420	1,630,099
Cash, bank balances and investment in money market	5,863,155	4,048,863
Other financial assets	43,835,144	37,059,991
Interest in subsidiaries	10,820,287	10,903,223
Interest in associates	30,752,427	31,723,838
Interest in joint ventures	599,323	599,467
Borrowings	50,238,133	49,144,488
Retained profits	21,043,944	16,092,958
Currency translation reserve	4,318,294	3,652,444
Fair value adjustment reserve	2,765,935	2,364,226
Capital contribution from shareholders	2,324,423	2,324,423
Total assets	93,923,899	86,818,737
Total liabilities	51,187,102	50,100,485

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, including realised divestment gains from investments classified as FVOCI.

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18. Interest 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:

2023

(a) Summarised consolidated statement of comprehensive income

	Infrastructure & construction RM'mil	Property RM'mil	Total RM'mil
Revenue	4,220	25	4,245
Profit/(loss) for the year	116	157	273
Profit/(loss) attributable to:			
Owners of the Company	74	87	161
Non-controlling interests	42	70	112
	116	157	273

(b) Summarised consolidated statement of financial position

	Infrastructure & construction RM'mil	Property RM'mil	Total RM'mil
Non-current assets	10,555	2,982	13,537
Current assets	5,373	55	5,428
Total assets	15,928	3,037	18,965
Non-current liabilities	4,176	-	4,176
Current liabilities	3,175	53	3,228
Total liabilities	7,351	53	7,404
Net assets	8,577	2,984	11,561
Non-controlling interests	2,701	1,334	4,035
Non-controlling interests which are immaterial to the Group			8,295
			12,330

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18. Interest 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.):

2023 (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	303	8	311
Investing activities	(199)	4	(195)
Financing activities	(383)	-	(383)
Net changes in cash and cash equivalents	(279)	12	(267)
Exchange rate effects	31	-	31
Cash and cash equivalents at beginning of year	1,596	2	1,598
Cash and cash equivalents at end of year	1,348	14	1,362

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)

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18. Interest 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.):

2022 (cont'd.)

(b) Summarised consolidated statement of financial position

	Infrastructure & RM'mil	RM'mil	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
Non-controlling interests	2,656	1,192	3,848
Non-controlling interests which are immaterial to the Group			8,412
			12,260

(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 effect	(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

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19. Interest in associates

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Shares at cost,				
Quoted shares in Malaysia	37,871,594	38,605,102	23,705,418	24,438,927
Quoted shares outside Malaysia	668,893	438,383	-	-
Unquoted shares in Malaysia	3,101,164	3,057,069	762,784	788,076
Unquoted shares outside Malaysia	1,541,367	1,801,411	-	-
	<u>43,183,018</u>	<u>43,901,965</u>	<u>24,468,202</u>	<u>25,227,003</u>
Share of post acquisition reserves	24,278,183	24,248,030	-	-
	<u>67,461,201</u>	<u>68,149,995</u>	<u>24,468,202</u>	<u>25,227,003</u>
Less: Allowance for impairment losses	(7,144,729)	(6,875,295)	(333)	(333)
	<u>60,316,472</u>	<u>61,274,700</u>	<u>24,467,869</u>	<u>25,226,670</u>
Market value of quoted shares				
In Malaysia	59,117,117	63,064,118	44,910,269	48,153,773
Outside Malaysia	278,086	77,384	-	-

During the current financial year:

UEM Group Berhad ("UEM")

- (i) On 25 August 2023, UEMSSA which is an indirect subsidiary of UEM Sunrise, entered a SSCA with APPL for the divestment of UEMSSA's entire equity interest in Roc-Union. Roc Union's interest in associate was reclassified as asset held for sale as disclose in Note 11.

Agrifood Resources Holdings Sdn Bhd ("ARH")

- (ii) On 15 March 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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19. Interest in associates (cont'd.)

CIMB Group Holdings Berhad ("CIMB")

- (iii) The Company had disposed 112,000,000 ordinary shares of CIMB, for a total cash consideration of RM602 million. Pursuant to the disposal, the Company's equity interest in CIMB reduced to 23.01%. 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.

Tenaga Nasional Berhad ("TNB")

- (iv) The Company had disposed 159,812,000 ordinary shares of TNB, for a total cash consideration of RM1.5 billion. Pursuant to the disposal, the Company's equity interest in TNB reduced to 22.56%. TNB, a company incorporated in Malaysia, is listed on Bursa Malaysia Main Market and is involved in the generation, transmission, distribution, and sale of electricity.

Telekom Malaysia Berhad ("TM")

- (v) 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 48 and Note 49.

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.

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19. Interest in associates (cont'd.)

Summarised consolidated statement of comprehensive income

2023	Investment	Infrastructure	& Transportation	
Group	holding	construction	& logistics	Total
	RM'mil	RM'mil	RM'mil	RM'mil
Revenue	140,492	131	228	140,851
Profit for the year	13,632	3	(5)	13,630

Summarised consolidated statement of financial position

2023	Investment	Infrastructure	& Transportation	
Group	holding	construction	& logistics	Total
	RM'mil	RM'mil	RM'mil	RM'mil
Non-current assets	1,054,001	1,868	144	1,056,013
Current assets	71,684	693	116	72,493
Total assets	1,125,685	2,561	260	1,128,506
Non-current liabilities	840,295	1	156	840,452
Current liabilities	66,139	85	161	66,385
Total liabilities	906,434	86	317	906,837

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19. Interest in associates (cont'd.)

Reconciliation of the summarised financial information presented above

2023	Investment	Infrastructure	& Transportation	Total
Group	holding	construction	& logistics	RM'mil
	RM'mil	RM'mil	RM'mil	
Net assets	219,251	2,475	(57)	221,669
Share of net assets	50,537	891	5	51,433
Goodwill	11,502	-	-	11,502
	62,039	891	5	62,935
Carrying amount of the Group's immaterial interest in associates				4,526
				67,461

Summarised consolidated statement of comprehensive income

2022	Investment	Infrastructure	& Transportation	Total
	holding	construction	& logistics	
	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

Summarised consolidated statement of financial position

2022	Investment	Infrastructure	& Transportation	Total
Group	holding	construction	& logistics	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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19. Interest in associates (cont'd.)

Reconciliation of the summarised financial information presented above

2022	Investment	Infrastructure	& Transportation	Total
Group	holding	construction	& logistics	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
	60,831	526	5	61,362
Carrying amount of the Group's immaterial interest in associates				6,788
				68,150

20. Interest in joint ventures

	Note	Group	2022
		2023	RM'000
		RM'000	
Shares at cost,			
Quoted shares in Malaysia		130,623	-
Unquoted shares in Malaysia	(i)	2,169,665	2,489,129
Unquoted shares outside Malaysia		23,572	30,185
Investments in unincorporated entities		141,146	141,146
		2,465,006	2,660,460
Share of post-acquisition reserves and others		(390,531)	(154,011)
		2,074,475	2,506,449
Less: Accumulated impairment losses		(589,605)	(591,074)
		1,484,870	1,915,375
Amount due from joint ventures		184,092	183,352
		1,668,962	2,098,727

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20. Interest in joint ventures (cont'd.)

During the current financial year:

UEM Group Berhad ("UEM")

- (i) UEM Land subscribed to an additional 900 RPS at an issue price of RM1,000 each in FASTrack for a cash consideration of RM900,000.
- (ii) UEM Sunrise subscribed to an additional 825,000 RPS at an issue price of RM1.00 each in Nusajaya Lifestyle Sdn Bhd for a cash consideration of RM825,000.
- (iii) On 20 October 2023, UEM Sunrise disposed its 600,000 ordinary shares and 13,276,667 RPS representing 6% equity interest in Nusajaya Lifestyle Sdn Bhd for a total consideration of RM8.9 million, with a net loss of RM41,000.

Details of the joint ventures are disclosed in Note 49.

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20. Interest in joint ventures (cont'd.)

Summarised consolidated statement of comprehensive income

2023	Investment	Infrastructure		
Group	holding	&	Property	Total
	RM'mil	construction	RM'mil	RM'mil
		RM'mil		
Revenue	818	218	38	1,074
Profit for the year	317	58	11	386

Summarised consolidated statement of financial position

	Investment	Infrastructure		
Group	holding	&	Property	Total
	RM'mil	construction	RM'mil	RM'mil
		RM'mil		
Non-current assets	19,881	670	731	21,282
Current assets	1,063	751	311	2,125
Total assets	20,944	1,421	1,042	23,407
Non-current liabilities	11,329	183	59	11,571
Current liabilities	308	110	169	587
Total liabilities	11,637	293	228	12,158

Reconciliation of the summarised financial information presented above

Group	Investment	Infrastructure		
	holding	&	Property	Total
	RM'mil	construction	RM'mil	RM'mil
		RM'mil		
Net assets	9,307	1,128	814	11,249
Share of net assets	121	562	1,311	1,994
Carrying amount of the Group's immaterial interest in joint ventures				512
				2,506

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20. Interest in joint ventures (cont'd.)

Summarised consolidated statement of comprehensive income

2022				
Group	Investment holding RM'mil	Infrastructure & construction RM'mil	Property RM'mil	Total 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 holding RM'mil	Infrastructure & construction RM'mil	Property RM'mil	Total 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

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)
				2,506

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21. Other financial investments

Group - 2023	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		-	19,734,020	19,734,020
Unquoted shares		-	2,873,080	2,873,080
Quoted bonds		-	1,568,255	1,568,255
Unquoted bonds		7,533	3,923,780	3,931,313
Unquoted structured products		-	50,175	50,175
Unquoted fund		886,887	1,150,114	2,037,001
		<u>894,420</u>	<u>29,299,424</u>	<u>30,193,844</u>
Financial assets designated as fair value through other comprehensive income				
Quoted shares		6	147,100	147,106
Unquoted shares		-	2,787,275	2,787,275
Quoted bonds		-	226,912	226,912
Unquoted bonds		-	3,051,866	3,051,866
Unquoted fund		-	15,457,918	15,457,918
At cost:				
Unquoted shares		-	53,231	53,231
Unquoted shares outside Malaysia		-	13,276	13,276
		<u>6</u>	<u>21,737,578</u>	<u>21,737,584</u>
Amortised cost				
Loans receivable		-	461,719	461,719
Less: Allowance for impairment losses	(i)	-	(36,611)	(36,611)
Total		<u>894,426</u>	<u>51,462,110</u>	<u>52,356,536</u>

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21. Other financial investments (cont'd.)

Group - 2022	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		-	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 funds		751,474	1,051,490	1,802,964
		<u>932,099</u>	<u>25,701,252</u>	<u>26,633,351</u>
Financial assets designated as fair value through other comprehensive income				
At fair value:				
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	(i)	-	(36,611)	(36,611)
Total		<u>1,006,590</u>	<u>44,413,145</u>	<u>45,419,735</u>

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21. Other financial investments (cont'd.)

- (i) The movement of the allowance accounts used to record the impairment are as follows:

Group	2023 RM'000	2022 RM'000
At 1 January	36,611	75,916
Write-off for the year	-	(39,305)
At 31 December	<u>36,611</u>	<u>36,611</u>

Company - 2023	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 outside Malaysia		764,663	-	764,663
Quoted equity funds outside Malaysia		1,552,834	-	1,552,834
Unquoted bonds in Malaysia		318,068	279,487	597,555
Unquoted bonds outside Malaysia		263	-	263
		<u>2,635,828</u>	<u>279,487</u>	<u>2,915,315</u>
Loans receivable				
At amortised cost:				
Loans receivable	(i)	-	2,330	2,330
		<u>2,635,828</u>	<u>281,817</u>	<u>2,917,645</u>

Company - 2022

Financial assets designated as fair value through profit or loss				
At fair value:				
Quoted shares outside Malaysia		1,294,150	-	1,294,150
Quoted equity funds outside Malaysia		1,204,650	-	1,204,650
Unquoted money market funds outside Malaysia		-	156,370	156,370
Unquoted bonds in Malaysia		39,749	2,512,480	2,552,229
		<u>2,538,549</u>	<u>2,668,850</u>	<u>5,207,399</u>

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21. Other financial investments (cont'd.)

Company (cont'd.)		Current RM'000	Non-current RM'000	Total RM'000
2022				
Loans receivable At amortised cost:				
Loans receivable	(ii)	-	2,330	2,330
		<u>2,538,549</u>	<u>2,671,180</u>	<u>5,209,729</u>

- (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.

22. Other non-current assets

		Group	
	Note	2023 RM'000	2022 RM'000
Receivables under finance lease	(i)	62,491	53,320
Trade receivables		724,258	339,657
Prepaid land lease payments		238	254
Staff loans		17,703	26,752
Contract assets	(ii)	32,136	73,656
Concession receivables	(iii)	1,127,768	1,165,042
Others		1,159,261	1,248,396
		<u>3,123,855</u>	<u>2,907,077</u>

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22. 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	
	2023	2022
	RM'000	RM'000
Minimum lease receivables:		
Within one year	58,101	9,665
Between one and five years	25,036	36,726
More than five years	9,852	51,407
Total minimum lease payments	92,989	97,798
Less: Unearned finance revenues	(27,721)	(41,891)
Present value of minimum lease receivables	65,268	55,907
Present value of receivables:		
Within one year	2,777	2,587
Between one and five years	53,757	18,010
More than five years	8,734	35,310
	65,268	55,907
Less: Amount due within one year (Note 29)	(2,777)	(2,587)
Amount due after one year	62,491	53,320

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22. Other non-current assets (cont'd.)

(ii) Contract assets

Group	Note	2023 RM'000	2022 RM'000
Contract assets			
Current	28	771,729	734,076
Non-current		32,136	73,656
		<u>803,865</u>	<u>807,732</u>

Contract liabilities

Current	33	(98,419)	(135,819)
Non-current	37	(210,081)	(239,678)
		<u>(308,500)</u>	<u>(375,497)</u>

Group	Note	2023 RM'000	2022 RM'000
Contract assets			
Contract assets from property development and strategic land sales	(a)	330,423	374,672
Contracts assets from rendering services	(b)	473,442	433,060
		<u>803,865</u>	<u>807,732</u>

Contract liabilities

Contract liabilities from property development and strategic land sales	(a)	(276,585)	(344,720)
Contracts liabilities from rendering services	(b)	(31,915)	(30,777)
		<u>(308,500)</u>	<u>(375,497)</u>

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22. Other non-current assets (cont'd.)

(ii) 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 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	2023 RM'000	2022 RM'000
Contract assets	330,423	374,672
Contract liabilities	(276,585)	(344,720)
	<u>53,838</u>	<u>29,952</u>
At 1 January	29,952	127,808
Revenue recognised during the financial year	907,199	952,298
Progress billings during the financial year	(843,583)	(915,323)
Deferred during the financial year	(39,730)	(134,831)
At 31 December	<u>53,838</u>	<u>29,952</u>

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22. Other non-current assets (cont'd.)

(ii) Contract assets (cont'd.)

(b) 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	2023 RM'000	2022 RM'000
Contract assets	473,442	433,060
Contract liabilities	(31,915)	(30,777)
	<u>441,527</u>	<u>402,283</u>
Revenue recognised from amounts included in contract liabilities at the beginning of the year	<u>19,396</u>	<u>14,235</u>

(iii) Concession receivables

Concession receivables are in relation to:

Group	Note	2023 RM'000	2022 RM'000
Non-current		1,127,768	1,165,042
Current	28	124,214	124,214
		<u>1,251,982</u>	<u>1,289,256</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 32.

(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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23. Right-of-use assets

		Group		
	Aircraft	Land and	Others	Total
2023	RM'000	Building	RM'000	RM'000
		RM'000		
At 1 January	4,483,867	1,384,425	57,060	5,925,352
Additions	512,988	17,158	58,753	588,899
Acquisition of subsidiary (Note 18)	-	305	-	305
Charge for the year (Note 4)	(733,286)	(99,621)	(18,266)	(851,173)
Lease modification	35,402	(3,914)	-	31,488
Transfer to asset held for sale (Note 11)	(20,304)	(48,872)	-	(69,176)
Transfer to property, plant and equipment (Note 12)	(5,563)	-	-	(5,563)
Transfer to land held for property development (Note 13)	-	(93,375)	-	(93,375)
Transfer to property development-in-progress (Note 26)	-	(93,800)	-	(93,800)
Disposal	-	(136)	(3,974)	(4,110)
Impairment (Note 4)	(9,793)	-	-	(9,793)
Foreign exchange difference	-	465	(17,240)	(16,775)
At 31 December	<u>4,263,311</u>	<u>1,062,635</u>	<u>76,333</u>	<u>5,402,279</u>
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 4)	(762,510)	(234,071)	(41,393)	(1,037,974)
Transfer to property, plant and equipment (Note 12)	(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>

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24. Derivative financial instruments

		Group		
		Nominal amount RM'000	Assets RM'000	Liabilities RM'000
2023				
Fuel hedging contracts (barrels)	(ii)	-	7,152	(33,294)
Analysed as:				
Current		-	7,152	(33,294)
		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	-	-
			12,051	(952)
Analysed as:				
Current		188,793	6,698	(799)
Non-current		1,084,570	5,353	(153)
			12,051	(952)

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24. Derivative financial instruments (cont'd.)

		Nominal amount RM'000	Company	
			Assets RM'000	Liabilities RM'000
2022				
Embedded derivatives	(iii)	1,014,749	-	-

(i) Forward exchange rate contracts

Cement Industries of Malaysia Berhad's ("CIMA") outstanding forward exchange rate contracts in 2022 with notional amount totalling RM8.6 million which were used to manage portion of CIMA's transaction exposure denominated in USD.

(ii) Interest rate derivatives

As at 31 December 2023, MAGB has interest rate swaps at contracted interest rates varying from 2.1% to 2.2% (2022: 2.1% to 2.2%) per annum. These contracts are intended to hedge volatility of interest rates for up to a maximum of 80% of floating interest rate risk exposure of any financial year.

Contracts are expected to mature and affect the profit or loss during the financial years 31 December 2023 and 31 December 2024.

As part of the MAGB's restructuring exercise in the previous financial year, lease contracts relating to borrowings had been renegotiated to fixed monthly contracts. Effectively, the hedged contracts were no longer effective. The impact of the fair value movement recognised during the financial year was recognised in statement of profit or loss of RM285,000.

(iii) Embedded derivative liabilities

The Company, via special purpose vehicles, issued Exchangeable Trust Certificates, as described in Note 32(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.

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25. Deferred taxation

	Note	Group	
		2023 RM'000	2022 RM'000
As 1 January		(19,849)	(103,866)
Recognised in profit or loss	9	206,928	88,731
Acquisition of a subsidiary	18	(205)	-
Transfer to asset held for sale	11	(56,077)	-
Exchange differences		(33,986)	(4,714)
At 31 December		<u>96,811</u>	<u>(19,849)</u>

Presented after appropriate offsetting as follows:

Deferred tax assets	561,408	421,414
Deferred tax liabilities	(464,597)	(441,263)
	<u>96,811</u>	<u>(19,849)</u>

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25. 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 2023	(106,975)	(221,246)	(83,808)	(29,234)	(441,263)
Recognised in profit or loss	(122,369)	35,496	12,499	(42,537)	(116,911)
Acquisition of subsidiary	(205)	-	-	-	(205)
Transfer to asset held for sale	127,189	-	-	-	127,189
Exchange differences	(569)	-	-	(32,838)	(33,407)
At 31 December 2023	(102,929)	(185,750)	(71,309)	(104,609)	(464,597)
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)

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25. Deferred taxation (cont'd.)

Deferred tax assets of the Group:

	Provision RM'000	Unutilised tax losses and unabsorbed capital allowance RM'000	Other temporary differences RM'000	Total RM'000
At 1 January 2023	204,093	174,206	43,115	421,414
Recognised in profit or loss	179,641	160,773	(16,575)	323,839
Transfer to asset held for sale	(13,618)	(169,648)	-	(183,266)
Exchange differences	386	(965)	-	(579)
At 31 December 2023	370,502	164,366	26,540	561,408
At 1 January 2022	239,417	140,468	5,186	385,071
Recognised in profit or loss	(35,362)	37,816	37,929	40,383
Exchange differences	38	(4,078)	-	(4,040)
At 31 December 2022	204,093	174,206	43,115	421,414

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25. Deferred taxation (cont'd.)

Deferred tax assets have not been recognised in respect of the following items:

	Group	
	2023	2022
	RM'000	RM'000
Unutilised tax losses	6,941,998	10,210,208
Unabsorbed capital allowances and investment tax allowance	6,037,020	5,173,971
Other temporary differences	8,764,485	7,954,140
	<u>21,743,503</u>	<u>23,338,319</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.

26. Property development-in-progress

	Note	Group	
		2023	2022
		RM'000	RM'000
Cumulative property development costs			
At 1 January		4,387,914	4,063,029
Addition		711	-
Development costs incurred during the year		172,138	545,052
Transfers (to)/from			
- Land held for property development	13	(20,118)	435,141
- Right-of-use assets	23	93,800	-
- Inventories	27	(31,393)	(25,205)
- contract assets	22(ii)	(178,663)	-
Reversal of costs arising from completed projects		-	(630,103)
At 31 December		<u>4,424,389</u>	<u>4,387,914</u>

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26. Property development-in-progress (cont'd.)

		Group	
		2023	2022
		RM'000	RM'000
Cumulative costs recognised in statement of comprehensive income			
At 1 January		(3,280,567)	(3,169,812)
Addition		2,579	-
Reversal of costs arising from completed projects		-	629,443
Recognised during the year		(30,447)	(729,002)
Write-downs		-	(11,196)
Transfers (to)/from			
- Land held for property development	13	(1,232)	-
- Capital work-in-progress		41,779	-
At 31 December		<u>(3,267,888)</u>	<u>(3,280,567)</u>
At 31 December		<u>1,156,501</u>	<u>1,107,347</u>

Included in costs incurred during the year are:

		Group	
		2023	2022
		RM'000	RM'000
Staff costs		14,026	13,575
Interest expense		<u>1,979</u>	<u>4,022</u>

As at the reporting date, freehold land and related development expenditure totalling RM350.3 million (2022: RM399.5 million) are pledged as security for the banking facilities granted to UEM Sunrise Group.

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27. Inventories and work-in-progress

	Group	
	2023	2022
	RM'000	RM'000
At cost:		
Raw materials	4,754	21,913
Work-in-progress	676	42,987
Finished goods	6,485	25,898
Consumables	24,501	198,912
Catering and general stores	38,048	22,789
Trading stocks	4,652	-
Property held for sale	907,931	991,031
Others	169,999	114,720
	<u>1,157,046</u>	<u>1,418,250</u>
At net realisable value:		
Finished goods	259	109
Consumable aircraft spares	166,203	134,391
Property held for sale	78,969	119,469
Golf memberships*	28,001	28,169
Others	461	45
	<u>273,893</u>	<u>282,183</u>
	<u>1,430,939</u>	<u>1,700,433</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 RM499.4 million (2022: RM397.1 million), excluding any impairment, write down or write-off of inventories.

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28. Trade receivables

		Group	
	Note	2023 RM'000	2022 RM'000
Trade receivables	(i)	2,106,232	2,349,897
Less: Allowance for doubtful debts		(482,152)	(572,958)
		<u>1,624,080</u>	<u>1,776,939</u>
Retention sum			
Contract assets	22(ii)	771,729	734,076
Concession receivables	22(iii)	124,214	124,214
		<u>2,520,023</u>	<u>2,635,229</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.
- Trade receivables are non-interest bearing and are generally on 30 to 90 days (2022: 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:

	2023 RM'000	2022 RM'000
Group		
Neither past due nor impaired	1,161,493	659,955
1 to 30 days past due not impaired	138,456	279,778
31 to 60 days past due not impaired	67,860	79,879
More than 60 days past due not impaired	256,271	757,327
	462,587	1,116,984
Impaired	482,152	572,958
	<u>2,106,232</u>	<u>2,349,897</u>

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28. Trade receivables (cont'd.)

(i) Trade receivables (cont'd.)

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	
	2023	2022
	RM'000	RM'000
At 1 January	572,958	542,132
(Reversal)/charge for the year	(90,806)	30,826
At 31 December	<u>482,152</u>	<u>572,958</u>

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29. Other receivables

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Interest income receivable		5,873	2,031	214,340	119,836
Dividend receivable		298	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)	170,474	109,131	1,738	10,387
Other deposits and prepayments		251,466	219,543	2,492	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)	85,495	111,769	-	-
Amount due from joint ventures		324,734	206,916	-	-
Receivable under finance lease	22(i)	2,777	2,587	-	-
Accrued income		6,266	65	-	-
Others	(v)	1,882,513	1,669,906	16,214	1,288
		<u>5,897,455</u>	<u>7,719,855</u>	<u>1,086,364</u>	<u>1,289,262</u>
Less: Allowance for impairment losses		<u>(2,735,222)</u>	<u>(2,620,381)</u>	<u>-</u>	<u>-</u>
		<u>3,162,233</u>	<u>5,099,474</u>	<u>1,086,364</u>	<u>1,289,262</u>

The movement of the allowance account used to record impairment is as follows:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
At 1 January	2,620,381	2,413,032	-	-
Charge for the year	<u>114,841</u>	<u>207,349</u>	<u>-</u>	<u>-</u>
At 31 December	<u>2,735,222</u>	<u>2,620,381</u>	<u>-</u>	<u>-</u>

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29. 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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29. Other receivables (cont'd.)

- (v) Included in others are:
- (a) An amount of RM22.9 million (2022: RM22.9 million) representing tax penalty paid to IRB.
 - (b) PLUS BKSP Toll Limited net carrying value of concession intangible assets of RM122.1 million or INR2,212.1 million (2022: 117.4 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 RM56.2 million (2022: RM56.0 million) provided to a corporate shareholder of a subsidiary which is bearing interest rate at 6% (2022: 6%) per annum.
 - (d) An amount of RM12.5 million representing advance paid by a subsidiary of Cenergi for the subscription of shares in Alaf Budi Sdn Bhd. The transaction was completed on 5 February 2024.

During the year, the other receivables of the Company are neither past due nor impaired.

30. Cash and bank balances

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Cash in hand and at bank	3,870,451	4,993,554	244,455	167,781
Deposits with licensed banks	9,986,237	7,340,301	3,385,000	1,580,245
	<u>13,856,688</u>	<u>12,333,855</u>	<u>3,629,455</u>	<u>1,748,026</u>

The range of interest rates and maturities of the term deposits as at 31 December 2023 is disclosed in Note 40(b).

31. Investment in money market instruments

Investment in money market instruments relates to short term commercial papers.

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32. Borrowings

Group	Note	Short term RM'000	Long term RM'000	Total RM'000
2023				
Khazanah bonds	(i)	2,452,941	1,555,803	4,008,744
Secured bonds and notes	(ii)	60,000	565,000	625,000
Unsecured bonds and notes	(iii)	2,003,661	37,553,642	39,557,303
Other borrowings	(v)	6,881,282	7,724,985	14,606,267
		<u>11,397,884</u>	<u>47,399,430</u>	<u>58,797,314</u>
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>
Company	Note	Short term RM'000	Long term RM'000	Total RM'000
2023				
Khazanah bonds	(i)	2,452,941	1,555,803	4,008,744
Unsecured bonds and notes	(iii)	1,100,000	34,071,094	35,171,094
Other borrowings	(v)	2,695,800	2,500,000	5,195,800
		<u>6,248,741</u>	<u>38,126,897</u>	<u>44,375,638</u>

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32. Borrowings (cont'd.)

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>

(i) Khazanah bonds

Company	Note	Short term RM'000	Long term RM'000	Total RM'000
2023				
Khazanah Bonds	(A)	<u>2,452,941</u>	<u>1,555,803</u>	<u>4,008,744</u>

2022

Khazanah Bonds	(A)	<u>1,934,967</u>	<u>3,832,315</u>	<u>5,767,282</u>

(A) Khazanah Bonds

	Company	
	2023 RM'000	2022 RM'000
At 1 January	5,767,282	7,943,128
Amortisation of discounts for the year (Note 8)	241,462	324,154
Less: Redeemed during the year	<u>(2,000,000)</u>	<u>(2,500,000)</u>
At 31 December	<u>4,008,744</u>	<u>5,767,282</u>

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32. 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 RM2.0 billion (2022: RM2.5 billion) was fully redeemed during the year.

The maturity structure of Khazanah Bonds is as follows:

	Company	
	2023	2022
	RM'000	RM'000
Due within one year		
Zero coupon Khazanah bonds, at nominal value	2,500,000	2,000,000
Less: Unamortised discount *	(47,059)	(65,033)
	<u>2,452,941</u>	<u>1,934,967</u>
Due after one year, and within five years		
Zero coupon Khazanah bonds, at nominal value	1,000,000	3,500,000
Less: Unamortised discount *	(144,495)	(339,850)
	<u>855,505</u>	<u>3,160,150</u>
Due after five years		
Zero coupon Khazanah bonds, at nominal value	1,000,000	1,000,000
Less: Unamortised discount *	(299,702)	(327,835)
	<u>700,298</u>	<u>672,165</u>
	<u>4,008,744</u>	<u>5,767,282</u>

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32. Borrowings (cont'd.)

(i) Khazanah bonds (cont'd.)

(A) Khazanah Bonds

	Company	
	2023	2022
	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	7,327,908	7,086,446
Total unamortised discount at 31 December	<u>(491,256)</u>	<u>(732,718)</u>

(ii) Secured bonds and notes

Group	Note	Short term	Long term	Total
		RM'000	RM'000	RM'000
2023				
Prohawk	(A)	<u>60,000</u>	<u>565,000</u>	<u>625,000</u>
2022				
Prohawk	(A)	<u>55,000</u>	<u>625,000</u>	<u>680,000</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.

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32. Borrowings (cont'd.)

(ii) Secured bonds and notes

(A) Konsortium ProHAWK Sdn. Bhd. ("Prohawk")

IMTN

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 1 January 2023	Repayment during the year RM'million	At 31 December 2023
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	9.5 - 12.0	5.11 - 5.26	240	(55)	185
			<u>680</u>	<u>(55)</u>	<u>625</u>

(iii) Unsecured bonds and notes

Group	Note	Short term RM'000	Long term RM'000	Total RM'000
2023				
Islamic CP/MTN Programme				
Khazanah				
Danga Capital Berhad	(a)	500,000	9,500,000	10,000,000
Danum Capital Berhad	(b)	600,000	7,500,000	8,100,000
Dua Capital Ltd	(c)	-	4,590,011	4,590,011
Rantau Abang Capital Berhad	(d)	-	3,000,000	3,000,000
Khazanah Capital Ltd	(e)	-	3,442,500	3,442,500
Khazanah Global Sukuk Berhad	(f)	-	3,442,500	3,442,500
Medium term notes	(g)	-	2,596,083	2,596,083
UEM Sunrise	(h)	903,661	3,132,548	4,036,209
UEM Edgenta	(i)	-	250,000	250,000
UEM Olive	(j)	-	100,000	100,000
		<u>2,003,661</u>	<u>37,553,642</u>	<u>39,557,303</u>

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32. 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	(g)	-	2,584,185	2,584,185
UEM Sunrise	(h)	1,469,113	2,346,637	3,815,750
UEM Edgenta	(i)	-	250,000	250,000
		<u>4,069,113</u>	<u>30,085,492</u>	<u>34,154,605</u>

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32. Borrowings (cont'd.)

(iii) Unsecured bonds and notes (cont'd.)

(a) Danga Capital Berhad ("Danga")

	Note	Company	
		2023	2022
		RM'000	RM'000
Islamic Medium Term Note 4 ("IMTN 4")	(i)	1,500,000	1,500,000
Islamic Medium Term Note 6 ("IMTN 6")	(i)	1,500,000	1,500,000
Islamic Medium Term Note 7 ("IMTN 7")	(i)	1,500,000	1,500,000
Islamic Medium Term Note 8 ("IMTN 8")	(i)	1,500,000	1,500,000
Islamic Medium Term Note 9 ("IMTN 9")	(i)	2,000,000	2,000,000
Islamic Medium Term Note 10 ("IMTN 10")	(i)	500,000	500,000
Islamic Medium Term Note 11 ("IMTN 11")	(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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32. 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 4	IMTN 6	IMTN 7	IMTN 8	IMTN 9	IMTN 10	IMTN 11
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	7 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	
	2023	2022
	RM'000	RM'000
Due within one year	500,000	-
Due after one year, and within five years	4,500,000	3,500,000
Due after five years	5,000,000	6,500,000
	<u>10,000,000</u>	<u>10,000,000</u>

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32. Borrowings (cont'd.)

(iii) Unsecured bonds and notes (cont'd.)

(b) Danum Capital Berhad ("Danum")

	Company	
	2023	2022
	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
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 12 ("IMTN 12")	-	600,000
Islamic Medium Term Note 13 ("IMTN 13")	1,200,000	1,200,000
Islamic Medium Term Note 14 ("IMTN 14")	800,000	800,000
Islamic Medium Term Note 15 ("IMTN 15")	600,000	-
	8,100,000	10,100,000

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 4	IMTN 5	IMTN 7	IMTN 8
Issuance date	14-Feb-19	14-Feb-19	21-Feb-20	21-Feb-20	13-May-20	13-May-20
Maturity date	13-Feb-26	14-Feb-34	21-Feb-25	21-Feb-35	13-May-25	13-May-27
Tenure	7 years	15 years	5 years	15 years	5 years	7 years
Yield to maturity	4.30%	4.68%	3.07%	3.42%	2.97%	3.14%
Nominal amount	RM0.5 billion	RM1.0 billion	RM0.5 billion	RM1.5 billion	RM0.5 billion	RM0.5 billion

	IMTN 9	IMTN 13	IMTN 14	IMTN 15
Issuance date	13-May-20	30-Jun-22	30-Jun-22	5-May-23
Maturity date	13-May-30	30-Jun-25	29-Jun-29	6-May-24
Tenure	10 years	3 years	7 years	1 year
Yield to maturity	3.29%	4.02%	4.68%	3.51%
Nominal amount	RM1.0 billion	RM1.2 billion	RM0.8 billion	RM0.6 billion

The Sukuk financing are unsecured and were issued at par.

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32. 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 15 for investment, refinancing of borrowings and general working capital requirements.

Danum IMTN 3 of RM2 billion and IMTN 12 of RM600 million were fully redeemed during the financial year 2023.

The maturity structure of the IMTNs is as follows:

	Company	
	2023	2022
	RM'000	RM'000
Due within one year	600,000	2,600,000
Due after one year, and within five years	3,200,000	3,200,000
Due after five years	4,300,000	4,300,000
	<u>8,100,000</u>	<u>10,100,000</u>

(c) Dua Capital Ltd ("Dua")

	Company	
	2023	2022
	RM'000	RM'000
Islamic Medium Term Note 1 ("IMTN 1")	1,836,010	1,761,866
Islamic Medium Term Note 2 ("IMTN 2")	2,754,001	2,642,804
	<u>4,590,011</u>	<u>4,404,670</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 uses the proceeds for financing of general investments, refinancing of borrowings and working capital requirements.

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32. 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	
	2023	2022
	RM'000	RM'000
Due after one year, and within five years	1,836,010	1,761,866
Due after five years	2,754,001	2,642,804
	<u>4,590,011</u>	<u>4,404,670</u>

(d) Rantau Abang Capital Berhad ("RACB")

	Company	
	2023	2022
	RM'000	RM'000
Medium Term Note 5 ("MTN 5")	1,000,000	1,000,000
Medium Term Note 6 ("MTN 6")	1,000,000	1,000,000
Medium Term Note 10 ("MTN 10")	1,000,000	1,000,000
	<u>3,000,000</u>	<u>3,000,000</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 uses the proceeds for financing of general investments, refinancing of borrowings and working capital requirements.

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32. 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 5	MTN 6	MTN 10
Issuance date	12-May-11	26-Mar-14	17-Jan-17
Maturity date	12-May-31	26-Mar-29	16-Jan-32
Tenure	20 years	15 years	15 years
Yield to maturity	5.05%	5.20%	5.00%
Nominal amount	RM1.0 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.

The maturity structure of the Sukuk financing is as follows:

	Company	
	2023	2022
	RM'000	RM'000
Due after five years	3,000,000	3,000,000

(e) Khazanah Capital Ltd ("KCL")

	Company	
	2023	2022
	RM'000	RM'000
Series 1	3,442,500	-

On 25 May 2023, the Company has issued a Euro Medium Notes ("EMTN") comprising a 10-years USD750 million in nominal value bond due 2033 via a special purpose vehicle, Khazanah Capital Ltd.

The Company uses the proceeds for financing of general investments, refinancing of borrowings and working capital requirements.

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32. Borrowings (cont'd.)

(iii) Unsecured bonds and notes (cont'd.)

(e) Khazanah Capital Ltd ("KCL")

The details of the financing are as follows:

	EMTN 1
Issuance date	1-Jun-23
Maturity date	1-Jun-33
Tenure	10 years
Yield to maturity	4.88%
Nominal amount	USD 0.75 billion

The financing are unsecured and were issued at par.

The financing will make periodic distribution at the profit rate every six months from the issuance to maturity.

The maturity structure of the financing is as follows:

	Company	
	2023	2022
	RM'000	RM'000
Due after five years	<u>3,442,500</u>	<u>-</u>

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32. Borrowings (cont'd.)

(iii) Unsecured bonds and notes (cont'd.)

(f) Khazanah Global Sukuk Berhad ("KGSB")

	Company	
	2023	2022
	RM'000	RM'000
Series 1	3,442,500	-

On 25 May 2023, the Company has issued a multicurrency sukuk issuance comprising a 5-year USD750 million in nominal value bond due 2028 via a special purpose vehicle, Khazanah Global Sukuk Berhad.

The Company will use the proceeds of financing of general investments, refinancing of borrowings and working capital requirements.

The details of the financing are as follows:

Multicurrency Sukuk	
Issuance date	1-Jun-23
Maturity date	1-Jun-28
Tenure	5 years
Yield to maturity	4.69%
Nominal amount	USD 0.75 billion

The financing are unsecured and were issued at par.

The financing will make periodic distribution at the profit rate every six months from the issuance to maturity.

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32. Borrowings (cont'd.)**(iii) Unsecured bonds and notes (cont'd.)****(f) Khazanah Global Sukuk Berhad ("KGSB") (cont'd.)**

The maturity structure of the financing is as follows:

	Company	
	2023	2022
	RM'000	RM'000
Due after five years	3,442,500	-

(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

The maturity structure of the MTN is as follows:

	Company	
	2023	2022
	RM'000	RM'000
Due after five years		
MTN at nominal value	2,901,000	2,901,000
Less: Unamortised discount	(304,917)	(316,815)
	<u>2,596,083</u>	<u>2,584,185</u>

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32. Borrowings (cont'd.)

(iii) Unsecured bonds and notes (cont'd.)

(h) 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 programme expired in 2019. Malaysian Rating Corporation Berhad ("MARC") has assigned a rating of AA-IS for the IMTN Programme.

The details of the IMTN issuance and repayment are as follows:

Issuance date	Tenure (Years)	Profit rate (% per annum)	At 1 January 2023	Repayment during the year RM'million	At 31 December 2023
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
			1,810	(770)	1,040
Discount on issuance			(6)	2	(4)
			1,804	(768)	1,036

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 Programme has expired during the year. 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 1 January 2023	Repayment during the year RM'million	At 31 December 2023
20 May 2016	7	5.00	500	(500)	-
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
			1,350	(600)	750
Discount on issuance			(1)	1	-
			1,349	(599)	750

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32. Borrowings (cont'd.)

(iii) Unsecured bonds and notes (cont'd.)

(h) 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-1Is /AA-Is for the ICP and IMTN Programmes respectively.

Issuance date	Tenure (Years)	Profit rate (% per annum)	At 1 January 2023	During the year		At December 2023
				Issuance	Repayment	
				RM'million		
15 February 2022	3	4.60	40	-	-	40
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
30 January 2023	3	5.45	-	255	-	255
7 March 2023	3	5.39	-	165	-	165
7 April 2023	3	5.34	-	70	-	70
14 April 2023	1	5.05	-	160	-	160
14 April 2023	2	5.25	-	80	-	80
14 April 2023	5	5.44	-	100	-	100
19 April 2023	1	5.00	-	115	-	115
19 June 2023	3	5.30	-	120	-	120
20 June 2023	4	5.45	-	280	-	280
29 September 2023	5	4.87	-	200	-	200
29 September 2023	7	5.09	-	150	-	150
			665	1,695	(100)	2,260
Discount on issuance			(2)	(8)	-	(10)
			663	1,687	(100)	2,250

(i) 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.

Upon reaching its maturity in 2021, UEM Edgenta redeemed its outstanding ICPs and did not make any reissuance.

UEM Edgenta redeemed its outstanding IMTNs amounting to RM250.0 million in nominal value upon its maturity on 26 April 2022 and reissued the IMTNs with the same nominal value with a tenor of four years on the same date. The effective profit rates for IMTNs at the reporting date is 4.25% (2022: 4.25%).

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32. Borrowings (cont'd.)

(iii) Unsecured bonds and notes (cont'd.)

(j) UEM Olive

On 7 November 2023, UEM Olive established an IMTN programme under the Shariah Principle of Wakalah Bi Al-Istithmar, with a nominal amount of up to RM7.0 billion.

On 6 December 2023, UEM Olive issued its first tranche of IMTN at RM100.0 million. The tenure of the IMTN is 5 years from the date of the first issue and carries a fixed profit rate of 4.30% per annum.

(iv) Exchangeable Trust Certificates ("ETC")

	Note	Company 2023 RM'000	2022 RM'000
USD320.8 million 5-year ETC	(a)	-	1,014,749

The maturity structure of the ETCs is as follows:

	Company 2023 RM'000	2022 RM'000
Due within one year	-	1,014,749

(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").

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32. Borrowings (cont'd.)

(iv) Exchangeable Trust Certificates ("ETC") (cont'd.)

(a) USD320.8 million 5-year Exchangeable Trust Certificates (cont'd.)

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.

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

USD225,942,000 in nominal value of the certificates have been redeemed on its maturity date of 8 February 2023.

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.

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32. Borrowings (cont'd.)**(v) Other borrowings**

Group		Short term RM'000	Long term RM'000	Total RM'000
2023				
Secured:				
Other term loans and payables	(B)	1,153,801	6,387,309	7,541,110
Loan from Government	(C)	-	437,661	437,661
Others	(D)	5,085,755	-	5,085,755
		<u>6,239,556</u>	<u>6,824,970</u>	<u>13,064,526</u>
Unsecured:				
Other term loans and payables	(B)	223,332	753,513	976,845
Others	(D)	418,394	146,502	564,896
		<u>641,726</u>	<u>900,015</u>	<u>1,541,741</u>
Total		<u>6,881,282</u>	<u>7,724,985</u>	<u>14,606,267</u>
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>

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32. Borrowings (cont'd.)**(v) Other borrowings (cont'd.)**

Company		Short term RM'000	Long term RM'000	Total RM'000
2023				
Unsecured:				
Others	(D)	<u>2,695,800</u>	<u>2,500,000</u>	<u>5,195,800</u>
2022				
Unsecured:				
Others	(D)	<u>3,292,000</u>	<u>2,600,000</u>	<u>5,892,000</u>

(A) Cement Industries Of Malaysia Berhad ("CIMA")

In 2020, CIMA Group obtained a term loan facility at interest rates ranging 4.70% to 5.00% (2022: 4.29%) 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.

During the year, the term loan was reclassified to liabilities of disposal group classified as held for sale.

(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% (2022: 1.0% to 5.30%) 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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32. Borrowings (cont'd.)

(v) 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 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.

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 Destination Resorts & Hotels Sdn. Bhd. ("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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32. Borrowings (cont'd.)

(v) Other borrowings (cont'd.)

(C) Loan from Government (cont'd.)

On 23 March 2023, a second supplemental agreement was signed between MOF and IIB which MOF has granted the following:

- (i) The repayments of the annuity payment for the year 2022, 2023 and 2024 are deferred to the revised repayment schedule;
- (ii) The capitalisation of interest of 3.75% imposed on the deferment of the principal repayments of the Facility;
- (iii) The Second Loan Moratorium shall expire on 31 December 2024; and
- (iv) Processing fee of 1% imposed which has fully paid by LLMTT to the Government on 8 November 2022.

(D) Others

Included in other borrowings are:

(i) Revolving credit facilities

The revolving credit facilities bear interest at rates ranging from 1.79% to 5.73% (2022: 0.73% to 5.35%) and from 3.14% to 5.86% (2022: 2.33% to 3.53%) per annum for Group and Company respectively.

(a) Company

The Company utilised RM1.7 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:

	2023 RM'000	2022 RM'000
Due within one year	<u>1,700,000</u>	<u>3,292,000</u>

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32. Borrowings (cont'd.)**(v) Other borrowings (cont'd.)****(D) Others (cont'd.)****(ii) Bank overdrafts**

The bank overdrafts carry interest rates ranging of 5.64% (2022: 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% (2022: 4.60% to 5.04%) per annum. The facility has been fully settled during the year.

(iv) Term loans - unsecured

	Short term RM'000	Company Long term RM'000	Total RM'000
2023			
Unsecured fixed term loans	-	2,500,000	2,500,000
Unsecured floating term loans	895,800	-	895,800
	<u>895,800</u>	<u>2,500,000</u>	<u>3,395,800</u>
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>

The unsecured fixed term loans bear interest rate of 4.64% (2022: 4.64%) per annum.

The unsecured floating term loans bear interest rate ranging from 3.80% to 4.11% (2022: 2.44% to 3.49%) per annum.

The maturity structure of the term loans are as follows:

	2023 RM'000	2022 RM'000
Due within one year	895,800	842,000
Due after one year, and within five years	<u>2,500,000</u>	<u>2,500,000</u>

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32. Borrowings (cont'd.)

(v) Other borrowings (cont'd.)

(D) Others (cont'd.)

(v) Ihsan Sukuk Berhad

	Company	
	2023	2022
	RM'000	RM'000
Medium Term Note 2 ("MTN 2")	100,000	100,000

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 2
Issuance date	8-Aug-17
Maturity date	8-Aug-24
Tenure	7 years
Profit rate	4.60%
Nominal amount	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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32. Borrowings (cont'd.)

(v) Other borrowings (cont'd.)

(D) Others (cont'd.)

(v) Ihsan Sukuk Berhad

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 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 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:

	2023	2022
	RM'000	RM'000
Due within one year	100,000	-
Due after one year, and within five years	-	100,000
	<u>100,000</u>	<u>100,000</u>

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32. Borrowings (cont'd.)

The movement in the borrowings are as follows:

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
At 1 January	58,403,599	57,413,555	42,762,886	45,062,668
Drawdown	11,721,906	13,508,086	8,380,800	5,592,000
Repayment	(15,745,187)	(13,805,126)	(6,192,000)	(6,210,000)
Redemption of				
Exchangeable Trust				
Certificates	(1,017,295)	(2,810,670)	(1,017,295)	(2,810,670)
Unrealised loss				
on foreign exchange	5,190,284	3,655,778	197,240	686,912
Amortisation of discount on				
Exchangeable Trust				
Certificates (Note 8)	2,545	117,822	2,545	117,822
Amortisation of discounts				
on Khazanah Bonds				
(Note 8)	241,462	324,154	241,462	324,154
At 31 December	<u>58,797,314</u>	<u>58,403,599</u>	<u>44,375,638</u>	<u>42,762,886</u>

33. Trade payables

	Note	Group	
		2023	2022
		RM'000	RM'000
Trade payables		1,507,802	1,685,091
Contract liabilities	22(ii)	98,419	135,819
		<u>1,606,221</u>	<u>1,820,910</u>

The payables are interest free and the normal trade credit terms granted to the Group range from 30 days to 90 days (2022: 30 days to 90 days).

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34. Other current liabilities

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Interest payable	(i)	472,176	214,876	413,391	400,345
Amount due to related companies	(ii)	117,808	136,980	1,134,904	766,584
Accruals		2,132,268	2,643,577	100,135	141,535
Sales in advance of carriage	(iii)	2,188,255	2,261,060	-	-
Amount due to associates	(iv)	9,195	77,347	-	-
Insurance payables		6,359	35,013	-	-
Government grant	37(i)	2,884	2,884	-	-
Retirement benefit obligations and provision for employee entitlements	35	336	1,719	-	-
Deferred liabilities and income	37(iii)	116,407	77,886	-	-
Provision for aircraft redelivery costs	(v)	4,086,869	3,186,829	-	-
Other payables		1,712,993	2,784,749	96,534	71,503
		<u>10,845,550</u>	<u>11,422,920</u>	<u>1,744,964</u>	<u>1,379,967</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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34. 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	2023 RM'000	2022 RM'000
At 1 January	3,186,829	2,492,507
Additional provision (Note 4)	1,423,901	1,074,482
Reversal of provision (Note 4)	(523,861)	(380,160)
At 31 December	<u>4,086,869</u>	<u>3,186,829</u>

All other balances of financial liabilities above are unsecured, interest free and are normally settled on 30 to 180 days (2022: 30 to 180 days) terms.

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35. 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 2023		29,657	30,378	60,035
Acquisition of subsidiary	18	1,901	-	1,901
Exchange differences		179	(319)	(140)
Arising during the year	5	4,978	171	5,149
Payments made during the year		(2,571)	-	(2,571)
Transfer to assets held for sale		(19,687)	-	(19,687)
At 31 December 2023		14,457	30,230	44,687
Less: Current portion	34	(336)	-	(336)
Long term portion	37	14,121	30,230	44,351
At 1 January 2022		30,781	29,539	60,320
Exchange differences		(80)	186	106
Arising during the year	5	881	653	1,534
Payments made during the year		(1,925)	-	(1,925)
At 31 December 2022		29,657	30,378	60,035
Less: Current portion	34	(1,719)	-	(1,719)
Long term portion	37	27,938	30,378	58,316

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35. Retirement benefit obligations and provision for service entitlements

(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 2023. 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.

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.

35. Retirement benefit obligations and provision for service entitlements (cont'd.)

(a) Retirement benefit obligations (cont'd.)

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.

Edgenta Arabia Limited and MEEM for Facilities for Management Company

Edgenta Arabia Limited, one of UEM Edgenta's subsidiary and its subsidiary, MEEM for Facilities for Management operate unfunded retirement plans covering all their regular employees to comply with the requirement of the Saudi Arabian Labour Law. Benefits under the plan are based on the length of service and estimated base pay at the time of resignation, retirement, death and termination of the employees' service for reasons other than misconduct, negligence or incompetence. The pension assets and liabilities are valued on annual basis by independent actuary, taking into account gains and losses.

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 11 January 2024.

(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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36. Other reserves

Group	Foreign currency translation reserve RM'000	Fair value adjustment reserve RM'000	Cash flow hedge reserve RM'000	Share option reserve RM'000	Statutory reserve RM'000	Retirement benefit reserve RM'000	Others RM'000	Total RM'000
2023	Note (a)	Note (b)	Note (c)	Note (d)	Note (e)	Note (f)		
At 1 January	3,263,556	1,362,968	(773,840)	(71,775)	(264,179)	(1,922,522)	153,244	1,747,452
Foreign currency translation differences of foreign operations	2,186,478	-	-	-	-	-	-	2,186,478
Net loss on fair value of other comprehensive income	-	(28,847)	-	-	-	-	-	(28,847)
Net loss on fair value of cash flow hedges	-	-	(233,566)	-	-	-	-	(233,566)
Actuarial loss on retirement benefit plan	-	-	-	-	-	(156,731)	-	(156,731)
Total other comprehensive income/(loss)	2,186,478	(28,847)	(233,566)	-	-	(156,731)	-	1,767,334

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36. Other reserves (cont'd.)

	Foreign currency translation reserve RM'000	Fair value adjustment reserve RM'000	Cash flow hedge reserve RM'000	Share option reserve RM'000	Statutory reserve RM'000	Retirement benefit reserve RM'000	Others RM'000	Total RM'000
Group (cont'd.)	Note (a)	Note (b)	Note (c)	Note (d)	Note (e)	Note (f)		
2023 (cont'd.)								
Acquisition of subsidiaries	-	-	-	-	203	-	-	203
Disposal of associates	(3,067)	25,890	18,570	(1,209)	5,390	-	(2,218)	43,356
Share of reserves of associates and joint ventures	-	-	-	432	-	204,869	(80,077)	125,224
Transfer to:								
- statutory reserve	-	-	-	-	212,521	-	-	212,521
- general reserve	-	-	-	-	-	-	(336)	(336)
- capital reserve	-	-	-	-	-	-	(9,845)	(9,845)
- distributable retained profits	-	683,322	-	-	-	-	-	683,322
Share based payments	-	-	-	(36)	-	-	-	(36)
Total transactions with owners	(3,067)	709,212	18,570	(813)	218,114	204,869	(92,476)	1,054,409
At 31 December	5,446,967	2,043,333	(988,836)	(72,588)	(46,065)	(1,874,384)	60,768	4,569,195

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36. Other reserves (cont'd.)

Group	Foreign currency translation reserve RM'000	Fair value adjustment reserve RM'000	Cash flow hedge reserve RM'000	Share option reserve RM'000	Statutory reserve RM'000	Retirement benefit reserve RM'000	Others RM'000	Total RM'000
2022	Note (a)	Note (b)	Note (c)	Note (d)	Note (e)	Note (f)		
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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36. Other reserves (cont'd.)

	Foreign currency translation reserve RM'000	Fair value adjustment reserve RM'000	Cash flow hedge reserve RM'000	Share option reserve RM'000	Statutory reserve RM'000	Retirement benefit reserve RM'000	Others RM'000	Total RM'000
Group (cont'd.)	Note (a)	Note (b)	Note (c)	Note (d)	Note (e)	Note (f)		
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
Shares 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	-	(480,533)	-	-	-	-	-	(480,533)
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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36. 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.

37. Other non-current liabilities

		Group	
	Note	2023	2022
		RM'000	RM'000
Retirement benefit obligation and provision for employee entitlements	35	44,351	58,316
Government grants	(i)	42,873	45,510
Insurance contract liabilities	(ii)	5,720,792	4,613,090
Deferred liabilities and income	(iii)	1,806,279	1,762,478
Contract liabilities	22(ii)	210,081	239,678
Others		4,062,577	3,074,779
		<u>11,886,953</u>	<u>9,793,851</u>

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37. Other non-current liabilities (cont'd.)

(i) Government grants

		Group	
	Note	2023	2022
		RM'000	RM'000
At 1 January		48,394	51,031
Recognised in profit or loss	4	(2,637)	(2,637)
At 31 December		<u>45,757</u>	<u>48,394</u>
Analysed as:			
Current	34	2,884	2,884
Non-current		<u>42,873</u>	<u>45,510</u>
		<u>45,757</u>	<u>48,394</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) 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.
- (iii) Grant from Unit Kerjasama Awam Swasta ("UKAS") to fund Iskandar Malaysia Studios Sdn. Bhd. ("IMS") for the cost of eligible capital expenditure.
- (iv) 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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37. Other non-current liabilities (cont'd.)**(ii) Insurance contract liabilities**

	Group	
	2023	2022
	RM'000	RM'000
Gross		
Life insurance and family takaful	5,720,792	4,719,504
Reinsurance		
Life insurance	-	(106,414)
Net		
Life insurance and family takaful	5,720,792	4,613,090

(iii) Deferred liabilities and income

Group	Deferred income
	RM'000
2023	
Amount recognised	2,413,858
Accumulated realisation	(491,172)
	<u>1,922,686</u>
Due within 12 months (Note 34)	116,407
Due after 12 months	<u>1,806,279</u>
	<u>1,922,686</u>
2022	
Amount recognised	2,306,829
Accumulated realisation	(466,465)
	<u>1,840,364</u>
Due within 12 months (Note 34)	77,886
Due after 12 months	<u>1,762,478</u>
	<u>1,840,364</u>

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37. 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.

38. 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	
	2023	2022
	RM'000	RM'000
At 1 January	7,389,132	7,600,617
Addition	553,842	38,750
Acquisition of a subsidiary (Note 18)	330	-
Accretion of interest	238,073	348,776
Payment	(1,100,743)	(934,159)
Lease modifications	22,738	356,103
Disposal	(1,620)	(5,685)
Transfer to assets held for sale	(4,316)	-
Foreign currency translation	(1,045)	(15,270)
	<u>7,096,391</u>	<u>7,389,132</u>

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38. Lease liabilities (cont'd.)

Analysed as:

	Group	
	2023	2022
	RM'000	RM'000
Amount due within 12 months	1,489,239	1,216,116
Amount due after 12 months	5,607,152	6,173,016
	<u>7,096,391</u>	<u>7,389,132</u>

The maturities of the lease liabilities as at 31 December as at below:

	Group	
	2023	2022
	RM'000	RM'000
Not later than one year	1,489,239	1,216,116
More than 1 year and within 5 years	3,709,564	4,013,861
More than 5 years	1,897,588	2,159,155
	<u>7,096,391</u>	<u>7,389,132</u>

The following are the amounts recognised in profit or loss:

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Depreciation expense of right-of-use assets	851,173	1,037,974	-	-
Interest expense on lease liabilities	238,073	348,776	-	-
Expenses relating to short term leases	18,941	23,829	14,672	13,983
Expenses relating to leases of low-value assets	<u>1,202</u>	<u>2,887</u>	<u>-</u>	<u>-</u>

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39. Share capital

Issued and fully paid-up:

	Number of ordinary shares		Amount	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
At 1 January / 31 December	5,443,953	5,443,953	12,284,201	12,284,201

40. 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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40. 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		
2023		
Increase in 12% of equity price	2,600,529	3,623,261
Decrease in 12% of equity price	<u>(2,600,529)</u>	<u>(3,623,261)</u>
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>

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40. 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
2023		
Increase of 10% in equity price	-	291,500
Decrease of 10% in equity price	-	(291,500)
2022		
Increase of 10% in equity price	-	520,700
Decrease of 10% in equity price	-	(520,700)

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40. 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
2023				
Increase in 25 basis points	-	(6,490)	-	(6,490)
Decrease in 25 basis points	-	6,490	-	6,490
2022				
Increase in 25 basis points	-	2,195	-	(10,335)
Decrease in 25 basis points	-	(2,195)	-	10,335

The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

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40. 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	2023		2022	
	Weighted average interest rates %	Average maturity days	Weighted average interest rates %	Average maturity days
Licensed banks	4.51	1 to 365	3.73	1 to 365

Company	2023		2022	
	Weighted average interest rates %	Average maturity days	Weighted average interest rates %	Average maturity days
Licensed banks	3.60	35	2.59	27

Financial liabilities

Group	2023		2022	
	Weighted average interest rates %	Average maturity days	Weighted average interest rates %	Average maturity days
Bank overdrafts	6.89	Within 1 year	6.39	Within 1 year
Revolving credit	4.46	Within 1 year	3.66	Within 1 year
Finance lease and hire purchase	5.13	1 to 12 years	3.53	1 to 12 years
Term loans	3.93	1 to 5 years	4.20	1 to 5 years

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40. Financial risk management objectives and policies (cont'd.)

(b) Interest rate risk (cont'd.)

Company	2023		2022	
	Interest rates %	Years to maturity	Interest rates %	Years to maturity
Revolving credit	3.65	Within 1 year	3.47	Within 1 year
Term loans	4.13	Within 3 years	4.51	Within 3 years
Bonds and notes	4.01	Within 18 years	4.08	Within 18 years

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").

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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40. Financial risk management objectives and policies (cont'd.)

(b) Interest rate 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 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.

(c) Foreign currency risk

		Group		Company	
	Changes in	Effect on	Changes in	Effect on	
	rate	profit/(loss)	rate	profit/(loss)	
		before tax		before tax	
		RM'000		RM'000	
2023					
USD/RM - Strengthened	+5%	(487,119)	+5%	-	
- Weakened	-5%	487,119	-5%	-	
SGD/RM - Strengthened	+5%	97	+5%	-	
- Weakened	-5%	(97)	-5%	-	
CNY/RM - Strengthened	+5%	125,821	+5%	125,821	
- Weakened	-5%	(125,821)	-5%	(125,821)	
2022					
USD/RM - Strengthened	+5%	325,436	+5%	(380,000)	
- Weakened	-5%	(325,436)	-5%	380,000	
SGD/RM - Strengthened	+5%	-	+5%	-	
- Weakened	-5%	-	-5%	-	
CNY/RM - Strengthened	+5%	139,000	+5%	189,000	
- Weakened	-5%	(139,000)	-5%	(189,000)	

40. Financial risk management objectives and policies (cont'd.)

(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.

40. 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 28 and Note 29, 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 21, Note 22, Note 28 and Note 29.

(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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40. 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
2023				
Financial liabilities				
Trade payables	1,606,221	-	-	1,606,221
Other liabilities	2,621,386	4,212,079	11,394,697	18,228,162
Borrowings	11,390,219	26,406,580	21,203,131	58,999,930
Derivative liabilities	33,294	-	-	33,294
Total undiscounted financial liabilities	<u>15,651,120</u>	<u>30,618,659</u>	<u>32,597,828</u>	<u>78,867,607</u>
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	<u>17,454,395</u>	<u>33,555,015</u>	<u>29,933,684</u>	<u>80,943,094</u>

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40. 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 2023						
Non-interest bearing financial liabilities						
Amount due to related companies	1,134,904	-	-	-	-	1,134,904
Other payables and accruals	-	96,534	-	-	-	96,534
Khazanah Bonds	-	-	2,500,000	1,000,000	1,000,000	4,500,000
	1,134,904	96,534	2,500,000	1,000,000	1,000,000	5,731,438
Interest bearing financial liabilities *						
Islamic Medium Term Notes						
- Danga	-	-	500,000	4,500,000	5,000,000	10,000,000
- Danum	-	-	600,000	3,200,000	4,300,000	8,100,000
- Dua	-	-	-	1,836,010	2,754,001	4,590,011
- RACB	-	-	-	-	3,000,000	3,000,000
- Ihsan Sukuk	-	-	100,000	-	-	100,000
	-	-	1,200,000	9,536,010	15,054,001	25,790,011

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40. 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 (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 2023						
(cont'd.)	-	-	1,200,000	9,536,010	15,054,001	25,790,011
Euro Medium Term Note - Khazanah Capital Ltd ("KCL")	-	-	-	-	3,442,500	3,442,500
Multicurrency Sukuk - Khazanah Global Sukuk Berhad ("KGSB")	-	-	-	-	3,442,500	3,442,500
Medium Term Notes	-	-	-	-	2,596,083	2,596,083
	-	-	1,200,000	9,536,010	24,535,084	35,271,094
Total undiscounted financial liabilities	1,134,904	96,534	3,700,000	10,536,010	25,535,084	41,002,532

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40. 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 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

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40. 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 2022						
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

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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41. 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
2023				
Financial assets				
- Unquoted shares at cost less impairment	66,507	*	-	-
Financial liabilities				
Borrowings	40,182,303	44,191,046	37,878,404	38,716,644
2022				
Financial assets				
- Unquoted shares at cost less impairment	66,437	-	-	-
Financial liabilities				
Borrowings	34,834,605	36,185,949	43,165,393	45,938,735

* 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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41. 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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41. 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.

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41. Fair value of financial instruments (cont'd.)

(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.

Level 3 fair value measurement

Description of significant unobservable inputs to valuation

Available-for-sale investments - unquoted shares

Valuation technique	Significant unobservable input	Sensitivity of input to fair value
Market comparables	Discount range (ranging from 0% - 35%)	5% increase (decrease) in the discount would result in decrease (increase) in fair value by RM139 million (2022: RM168 million).

Discount for lack of marketability represents the amounts that the Group has determined that market participants would take into account when pricing the instruments.

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41. 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 2023:

Assets and liabilities for which fair values are disclosed	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	22,607,100	19,734,020	2,873,080	-
- Bonds	5,499,568	1,568,255	3,931,313	-
- Funds	2,037,001	-	2,037,001	-
Financial assets designated as fair value through other comprehensive income				
- Shares	2,934,381	147,106	-	2,787,275
- Bonds	3,278,778	226,912	3,051,866	-
- Funds	15,457,918	-	15,457,918	-
Derivative assets	7,152	-	7,152	-
Financial liabilities				
Derivative liabilities	33,294	-	33,294	-

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41. 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 2023:

Assets and liabilities for which fair values are disclosed	Carrying amount RM'000	Group		
		Fair value measurement using		
		Quoted	Observable	Unobservable
		market price	input	input
		Level 1	Level 2	Level 3
		RM'000	RM'000	RM'000
Assets				
Interest in associates				
- Quoted shares	38,540,487	59,395,203	-	-
Investment properties	3,733,334	-	-	8,665,067
Liability				
Borrowings	40,182,303	-	44,191,046	-

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41. 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 for which fair values are disclosed	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 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	-

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41. 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 for which fair values are disclosed (cont'd.)	Carrying amount RM'000	Group		
		<u>Fair value measurement using</u>		
		Quoted market price	Observable input	Unobservable input
		Level 1 RM'000	Level 2 RM'000	Level 3 RM'000
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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41. Fair value of financial instruments (cont'd.)

(c) Fair value measurement hierarchy (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	Observable input	Unobservable input
		Level 1 RM'000	Level 2 RM'000	Level 3 RM'000
Financial assets				
designated as fair value through profit or loss				
- Quoted shares	764,663	764,663	-	-
- Quoted equity funds	1,552,834	1,552,834	-	-
- Unquoted bonds	597,818	-	597,818	-
Assets and liabilities for which fair values are disclosed (cont'd.)				
Investments in associates				
- Quoted shares	23,705,418	44,910,269	-	-

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41. 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 2023: (cont'd.)

Assets and liabilities for which fair values are disclosed (cont'd.)	Carrying amount RM'000	Company Fair value measurement using		
		Quoted	Observable	Unobservable
		market price	input	input
		Level 1	Level 2	Level 3
		RM'000	RM'000	RM'000
Liabilities				
Khazanah Bonds	4,008,744	-	4,065,611	-
Islamic Medium Term Notes				
- Danga	10,161,059	-	10,662,907	-
- Danum	8,161,926	-	8,219,785	-
- Dua	4,604,872	-	4,373,404	-
- RACB	3,039,939	-	3,040,636	-
- Ihsan Sukuk	101,827	-	97,253	-
Medium Term Notes	2,646,306	-	3,079,425	-
Term loans				
- unsecured	3,449,144	-	3,472,773	-

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41. 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 for which fair values are disclosed (cont'd.)	Carrying amount RM'000	Company Fair value measurement using		
		Quoted	Observable	Unobservable
		market price	input	input
		Level 1	Level 2	Level 3
		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 fund	156,370		156,370	
- Unquoted bonds	2,552,229	-	2,552,229	-
Assets and liabilities for which fair values are disclosed (cont'd.)				
Assets				
Investments in associates				
- Quoted shares	24,438,927	48,153,773	-	-

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Notes to the financial statements
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41. 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	Observable	Unobservable
		market price	input	input
		Level 1 RM'000	Level 2 RM'000	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	-

During the year, there were no transfers between Level 1 and Level 2 fair value measurements.

42. Financial instruments by category

31 December 2023

	Group			
	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	13,856,688	-	-	13,856,688
Other financial assets	461,719	30,193,844	21,737,584	52,393,147
Derivative assets	-	7,152	-	7,152
Other receivables	8,806,111	-	-	8,806,111
Total	23,124,518	30,200,996	21,737,584	75,063,098

	Financial liabilities designated as fair value through profit or loss RM'000	Financial liabilities at amortised cost RM'000	Total RM'000
Financial liabilities			
Derivative liabilities	33,294	-	33,294
Other payables	-	10,332,562	10,332,562
Total	33,294	10,332,562	10,365,856

42. Financial instruments by category (cont'd.)

31 December 2022

	Group			Total
	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	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 designated as fair value through profit or loss RM'000	Financial liabilities at amortised cost RM'000	Total RM'000
Financial liabilities			
Derivative liabilities	952	-	952
Other payables	-	11,030,793	11,030,793
Total	952	11,030,793	11,031,745

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42. Financial instruments by category (cont'd.)

31 December 2023

	Company		
	Amortised cost RM'000	Financial assets designated as fair value through profit or loss RM'000	Total RM'000
Financial assets			
Cash and bank balances	3,629,455	-	3,629,455
Other financial assets	2,330	2,915,315	2,917,645
Other receivables	1,086,364	-	1,086,364
Total	<u>4,718,149</u>	<u>2,915,315</u>	<u>7,633,464</u>

	Financial liabilities at amortised cost RM'000	Total RM'000
Financial liabilities		
Borrowings	44,375,638	44,375,638
Other payables	1,744,964	1,744,964
Total	<u>46,120,602</u>	<u>46,120,602</u>

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42. Financial instruments by category (cont'd.)

31 December 2022

	Company		
	Amortised cost RM'000	Financial assets designated as fair value through profit or loss RM'000	Total 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>8,247,017</u>

	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>44,142,853</u>	<u>44,142,853</u>

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43. 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.

Notes to the financial statements
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43. Segment information (cont'd.)

2023

	Investment Holding	Infrastructure & Construction	Property	Financial Institution Group	Transportation & Logistics	Leisure & Tourism	Agrifood	Others	Elimination	Total
	RM'mil									
REVENUE										
External sales	542	5,890	34	227	13,996	688	95	372	-	21,844
Inter-segment sales	6,976	-	-	-	-	-	-	-	(6,976)	-
Total revenue	7,518	5,890	34	227	13,996	688	95	372	(6,976)	21,844
RESULTS										
Operating profit/(loss)	8,689	560	68	284	762	(56)	13	(7,037)	-	3,283
Finance cost	(2)	(246)	(8)	-	(331)	(123)	(1)	(2,119)	-	(2,830)
Share of results from associates and joint venture	-	11	(40)	-	-	(6)	10	3,365	-	3,340
Profit/(loss) before tax	8,687	325	20	284	431	(185)	22	(5,791)	-	3,793
Taxation	61	(82)	(3)	(42)	329	(13)	(1)	(16)	-	233
Profit/(loss) after tax	8,748	243	17	242	760	(198)	21	(5,807)	-	4,026
Non controlling interests	-	(29)	18	(133)	(7)	44	-	105	-	(2)
Net profit/(loss) for the year	8,748	214	35	109	753	(154)	21	(5,702)	-	4,024
ASSETS AND LIABILITIES										
Segment assets	51,756	19,177	2,534	8,029	14,298	4,307	322	3,438	-	103,861
Investment in associates	59,050	845	148	-	5	-	206	62	-	60,316
Investment in joint ventures	587	915	46	-	-	44	-	77	-	1,669
Consolidated total assets	111,393	20,937	2,728	8,029	14,303	4,351	528	3,577	-	165,846
Segment liabilities	51,187	10,465	690	6,077	22,526	2,879	84	(2,375)	-	91,533
Consolidated total liabilities	51,187	10,465	690	6,077	22,526	2,879	84	(2,375)	-	91,533

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43. Segment information (cont'd.)

2022

	Investment Holding	Infrastructure & Construction	Property	Financial Institution 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)	20,224
RESULTS										
Operating (loss)/profit	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
(Loss)/profit 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)
(Loss)/profit 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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44. 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 2023 and 31 December 2022.

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 2023 and 31 December 2022. The Company is not subjected to any externally imposed capital requirements.

The Group and Company monitor capital using a gearing ratio, which is defined as net debt divided by total capital. The Group and Company include within net debt, loans and borrowings less cash and bank balances. Capital represents equity attributable to the owners of the Group and 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.

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44. Capital management

	Note	Group	
		2023 RM'000	2022 RM'000
Long term borrowings	32	47,399,430	42,430,215
Short term borrowings	32	11,397,884	15,973,384
Less: Cash and bank balances	30	(13,856,688)	(12,333,855)
Net debt		<u>44,940,626</u>	<u>46,069,744</u>
Share capital	39	12,284,201	12,284,201
Capital contribution from shareholders		2,683,223	2,683,223
Reserves		47,015,299	42,197,672
Equity attributable to the owners of the Group		<u>61,982,723</u>	<u>57,165,096</u>
Gearing ratio (times)		<u>0.73</u>	<u>0.81</u>
	Note	Extended Company	
		2023 RM'000	2022 RM'000
Borrowings	18(iv)	50,238,133	49,144,488
Less: Cash, bank balances and investment in money market	18(iv)	(5,863,155)	(4,048,863)
Net debt		<u>44,374,978</u>	<u>45,095,625</u>
Share capital	39	12,284,201	12,284,201
Capital contribution from shareholders	18(iv)	2,324,423	2,324,423
Retained profits	18(iv)	21,043,944	16,092,958
Fair value adjustment reserve	18(iv)	2,765,935	2,364,226
Currency translation reserve	18(iv)	4,318,294	3,652,444
Equity attributable to the owners of the Company		<u>42,736,797</u>	<u>36,718,252</u>
Gearing ratio (times)		<u>1.04</u>	<u>1.23</u>

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45. Commitments**Capital commitment**

	Group	
	2023	2022
	RM'000	RM'000
Approved and contracted for	1,366,154	1,040,907
Approved but not contracted for	9,671,669	10,487,116
	<u>11,037,823</u>	<u>11,528,023</u>

Analysed as follows:

Property, plant and equipment and land held for property development	1,977,823	1,772,460
Investments	9,060,000	9,718,500
Others	-	37,063
	<u>11,037,823</u>	<u>11,528,023</u>

	Company	
	2023	2022
	RM'000	RM'000
Approved but not contracted for:		
Capital injection planned for investments	9,500,000	12,282,500
Property and equipment	<u>26,026</u>	<u>54,703</u>

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46. 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 claim 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 Tribunal has allowed for the arbitration hearing dates to be vacated and parties are to agree on the revised dates.

DRHSB 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.

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.

On 15 March 2024, the SCIT had requested parties assistance to source and submit additional documents. The SCIT fixed a clarification date on 3 May 2024 and decision on 10 May 2024.

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46. Contingent liabilities (cont'd.)

UEM Group Berhad ("UEM") (cont'd.)

(a) (cont'd.)

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 hearings for the intervenor's application and leave for judicial review application for UEM Land was held on 3 January 2023. On 13 March 2023, High Court's dismissed UEM Land's leave application to commence judicial review on IRB's decision to charge UEM Land additional assessments. This indicates that the interim stay of the additional assessments for UEM Land is no longer applicable resulting in UEM Land having to pay the additional taxes and penalties within 30 days of the High Court's decision. UEM Land has filed a Notice of Appeal to the Court of Appeal on 14 March 2023 and a Stay Application has been filed at the Court of Appeal on 23 March 2023.

On 18 July 2023, the Court of Appeal dismissed UEM Land's Stay Application. However, the appeal is still pending before the Court of Appeal and the next case management date before the Court of Appeal is on 5 February 2024. The hearing before the Court of Appeal has been fixed on 21 May 2024. IRB has allowed for the payments to be made via instalments over the next 36 months until 15 March 2026.

On 5 March 2024 case management date, the Court of Appeal instructed both parties to file cause papers and the next case management date is on 18 April 2024.

On 8 November 2023, the High Court dismissed SHSB's leave application to commence judicial review. SHSB has filed a Notice of Appeal to the Court of Appeal on 22 November 2023 and a Stay Application has been filed at the High Court on 8 December 2023. The High Court granted an interim stay of the Notices pending the disposal of the Stay Application at the High Court. A case management before the Court of Appeal has been fixed on 30 May 2024 and the stay hearing before the High Court has been fixed on 27 June 2024.

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46. Contingent liabilities (cont'd.)

UEM Group Berhad ("UEM") (cont'd.)

(b) (cont'd.)

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 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.

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.

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46. Contingent liabilities (cont'd.)

UEM Group Berhad ("UEM") (cont'd.)

(c) (cont'd.)

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.

On 20 December 2023, the Court announced that the panel of experts have submitted their report and therefore decided to adjourn the proceedings to 17 January 2024.

On 17 January 2024, UEM submitted the memorandum commentating on the experts's report as well as Ashghal and Parsons.

On 28 February 2024, the Court decided to send the report back to the panel of experts, in order to look into parties' comments on the report.

On 12 March 2024, UEM submitted a memorandum containing comments on the supplementary report as well as QIC. The court decided to hold the appeal for judgement, and adjourned the proceedings until 27 March 2024, for pronouncement of judgement.

On 27 March 2024, the Court of Appeal pronounced its judgement as follows:

- (a) Plaintiff to pay the amount of QR207.4 million or RM261.8 million to UEM, while UEM and the 1st Defendant to pay the amount of QR124.7 million or RM157.4 million to Plaintiff as previously shown throughout the case (QR39.2 million or RM49.5 million to be paid by UEM and QR85. million or RM107.9 million to be paid by Parsons).
- (b) The 3rd Defendant shall be responsible for the amount of QR39.2 million or RM49.5 million as per the Insurance Agreement.
- (d) 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.

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46. Contingent liabilities (cont'd.)

UEM Group Berhad ("UEM") (cont'd.)

(d) (cont'd.)

The Claim sought, 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.

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. On 17 February 2023, the Plaintiff filed an application to the Federal Court for leave to appeal against the Court of Appeal's decision.

The hearing was rescheduled several times to 15 August 2023 where Federal Court had dismissed with cost Impressive Circuit's application for leave to appeal against the decision of the Court of Appeal.

The Federal Court's decision brings these proceeding to an end as Impressive Circuit has no further avenue of appeal.

- (e) 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.

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46. Contingent liabilities (cont'd.)

UEM Group Berhad ("UEM") (cont'd.)

(e) (cont'd.)

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.

Several hearings were held for NHAI's appeal for challenging the award under Section 34 and Execution Petition filed by JSTPL.

On 1 February 2024, NHAI had filed computation sheet on the money deposited by it with prayer to release Rs 57.77 crore in favour of NHAI being excess amount deposited by it in the Court along with interest accrued from the date of deposit till the date of released.

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46. Contingent liabilities (cont'd.)

UEM Group Berhad ("UEM") (cont'd.)

(e) (cont'd.)

On 7 February 2024, the Court decided that the admitted excess amount of INR 39.27 crore including accrued interest to be transferred to NHAI's account.

Judge had adjourned the Execution Petition of JSTPL hearing to 18 March 2024. On 18 March 2024, the matter was not called due to paucity of time. The Court Master renotified the date to 3 May 2024.

(f) In February 2020, UEM Builders and UEM were served with a Notice of Arbitration filed by a client in Singapore in relation to the dispute arising from the following:

- (a) contract between UEM Builders and the client for the design, procurement, construction, commissioning, completion and maintenance of a housing project in Brunei Darussalam ("the Contract"); and
- (b) Parent Company Guarantee ("PCG") provided by UEM to guarantee UEM Builders' performance of the Contract in the event of default by UEM Builders cause loss or damage to the client.

The client alleged that UEM Builders and UEM had breached their obligations under the Contract and PCG respectively and claimed damages against both parties.

In January 2022, a second Notice of Arbitration was issued to UEM Builders and UEM as a pre-emptive measure should the first arbitration proceedings be found to be improperly commenced by the client.

On 19 January 2023, the Tribunal ruled that the first arbitration proceedings have been properly commenced by the client. UEM Builders and UEM decided to appeal against this ruling to the Singapore International Commercial Court. On 30 August 2023, the Singapore International Commercial Court dismissed UEM Builders and UEM's appeal.

The Tribunal has fixed the hearing date for the arbitration on 29 July 2024 until 9 August 2024.

As the disputes involves highly technical issue, no conclusive view on the likely outcome of the arbitration can be reached at this stage.

The counterparty of this case is not disclosed pursuant to the prohibition provided under Rule 39 of the Singapore International Arbitration Centre.

(g) 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.

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46. Contingent liabilities (cont'd.)

UEM Group Berhad ("UEM") (cont'd.)

(g) (cont'd.)

Based on the Statement of Claim dated 27 December 2019, IECSB is seeking interalia, 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.

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 were 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.

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46. Contingent liabilities (cont'd.)

UEM Group Berhad ("UEM") (cont'd.)

(g) (cont'd.)

Based on the file search conducted, IECSB's judicial management proceedings were discontinued on 9 January 2023 which put the judicial management of Ireka to an end. UEM Land's solicitors have notified the Tribunal that the judicial management of Ireka has ended and therefore the suspension of the arbitral proceeding shall be lifted. The Tribunal has directed for a procedural hearing to be held on 9 May 2023 to provide further directions.

The Tribunal has directed UEM Land to file the closing submission for its counterclaims by 9 July 2023. However, IECSB has been wound up on May 2023. The arbitration proceedings would have to be stayed and leave from the Court are required if UEM Land continue with the proceeding against IECSB as provided under Section 451(2) of the Companies Act 2016. The counterclaims will be time-barred if UEM Land discontinue the proceedings. UEM Land have instructed the solicitors to proceed to seek leave from the Court to continue the proceedings against IECSB.

UEM Land had filed the cause papers for the application for leave from court to continue with the arbitration proceedings on 31 October 2023. On 4 March 2024, the Court have granted leave order and UEM Land will continue the proceedings against IECSB.

- (h) 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 arbitration pertaining to Tuni-Anakapalli NH-5 Project, the Arbitral Tribunal decided to terminate adjudication of MPL's claims and continue with adjudication of UEDI's counter claim due to no representative from MPL appeared during the hearing from 2 to 3 July 2022. On 30 and 31 July 2022, UEDI concluded the oral arguments. MPL requested the Arbitral Tribunal to adjudicate its claim but protested by UEDI as there is no such provision under the Arbitration & Conciliation Act. Subsequently, on 31 October 2022, the Arbitral Tribunal declared that the proceeding sare completed, and the award shall be published in due course.

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46. Contingent liabilities (cont'd.)

UEM Group Berhad ("UEM") (cont'd.)

(h) (cont'd.)

MPL had filed an application requesting Arbitral Tribunal to adjudicate its claims but the Arbitral Tribunal had reserved its order. However, on 18 April 2023, the Arbitral Tribunal published an order allowing MPL's application requesting the Arbitral Tribunal to adjudicate its claims. Several hearings took place from May 2023 to October 2023.

On 26 October 2023, MPL's Counsel completed the oral arguments and the Arbitral Tribunal had directed MPL to file the written arguments until 12 March 2024 and subsequently UEDI shall be directed for oral counter arguments.

Madhucon requested extension of time until 16 April 2024 for submission of written arguments

In respect of the second claim pertaining to Tambaram – Tindivanam NH-45 Road Project, MPL's Counsel had requested Arbitral Tribunal to re-frame the issues on 4 April 2023

On 6 May 2023, the issues were framed and the Arbitral Tribunal directed both parties to file affidavits of witnesses by 1 June 2023. The several hearings for cross examination had been taken place and the cross examination was conducted by UEDI's Senior Counsel from September 2023 to March 2024 but remained incomplete. It will be continued during the next hearing scheduled for 16 and 18 April 2024.

47. Subsequent events

The following are the significant subsequent events of the Group and the Company after the financial year ended 31 December 2023:

- (a) On 31 January 2024, Gunung Nuang Ventures Limited has fully divested Atomico IV Limited Partnership for a total consideration of USD32,356,466.
- (b) On 31 January 2024, Mount Gading Ventures Sdn Bhd has fully divested Atomico V SCSp for a total consideration of USD15,445,296.
- (c) On 31 January 2024, Pagon Hill Investments Limited has fully divested EQT Mid Markets Europe for a total consideration of USD11,513,097.
- (d) On 28 February 2024, Khazanah has entered into a Sale and Purchase Agreement with Select Medical International (US) Inc. and Beacon ACM Sdn. Bhd. to fully divest its stake in ReGen Rehabilitation International Sdn. Bhd. The proposed sale is still pending fulfillment of the Condition Precedents.

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47. Subsequent events (cont'd.)

The following are the significant subsequent events of the Group and the Company after the financial year ended 31 December 2023: (cont'd.)

- (e) On 12 January 2024, Tanjung Buai Ventures Sdn. Bhd. has subscribed to 16,360 units of Series B Compulsory Convertible Preference Shares ("CCPS") and 2,521 units of Series C2 CCPS of Wow! Momo Foods Pvt. Ltd., for a total cash consideration of INR 3,489,475,982.
- (f) On 18 January 2024, Teluk Gadong Investments Limited has entered into a limited partnership agreement to invest up to USD20,000,000 as the limited partner in 5Y Capital Evolution Fund III, L.P.
- (g) On 2 February 2024, Bukit Puteri Investments Limited has entered into a limited partnership agreement to co-invest with Platinum Equity, up to USD40,000,000 as the limited partner in US LBM, a leading specialty building materials distributor.
- (h) On 27 March 2024, DRH has partially redeemed 30,160,000 units of Redeemable Convertible Cumulative Secured Loan Stocks D ("RCCSLs D") at a sum of RM35,000,362.

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48. 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
		2023	2022	2023	2022	
		%	%	%	%	
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
Beyond Flying 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
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

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48. 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
		2023 %	2022 %	2023 %	2022 %	
Cerah Capital Ltd. #	Malaysia	100.0	100.0	-	-	Fund raising on behalf of holding company
Cenviro Sdn. Bhd.	Malaysia	70.0	70.0	30.0	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
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

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48. 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
		2023	2022	2023	2022	
		%	%	%	%	
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
Khazanah Americas Incorporated #	United States	100.0	100.0	-	-	Investment advisory
Khazanah Asset Management Sdn. Bhd. #	Malaysia	100.0	100.0	-	-	Investment holding
Khazanah Capital Ltd #	Malaysia	100.0	-	-	-	Investment holding
Khazanah Digital Securities Limited #	Malaysia	100.0	-	-	-	Investment holding
Khazanah Global Sukuk Berhad #	Malaysia	100.0	-	-	-	Investment holding
Khazanah Nasional Consulting (Hong Kong) Company Limited #	Hong Kong	100.0	100.0	-	-	Investment holding

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48. 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
		2023 %	2022 %	2023 %	2022 %	
Klebang Capital Ltd. #	Malaysia	100.0	100.0	-	-	Investment holding
Kuala Selangor Ventures Sdn. Bhd. #	Malaysia	100.0	100.0	-	-	Investment holding
Lankayan Investment Ltd. #	Malaysia	100.0	-	-	-	Investment holding
Ledang Ventures Pte Ltd. #	Singapore	100.0	100.0	-	-	Investment holding
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
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

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48. 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
		2023 %	2022 %	2023 %	2022 %	
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
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
Pantai Air Papan Investments Limited. #	Malaysia	100.0	100.0	-	-	Investment holding

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48. Subsidiaries and associates of the Company

(A) Subsidiaries of the Company (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2023	2022	2023	2022	
		%	%	%	%	
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	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	-	-	Investment holding
Pantai Morib Ventures Sdn. Bhd. #	Malaysia	100.0	100.0	-	-	Investment holding
Pantai Murni Ventures Sdn. Bhd. #	Malaysia	100.0	100.0	-	-	Investment holding
Pantai Perhentian Ventures Sdn. Bhd. #	Malaysia	100.0	-	-	-	Investment holding
Pantai Remis Investments Limited #	Malaysia	100.0	100.0	-	-	Investment holding
Pantai Rusila Investments Limited #	Malaysia	100.0	-	-	-	Investment holding
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

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48. Subsidiaries and associates of the Company

(A) Subsidiaries of the Company (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2023	2022	2023	2022	
		%	%	%	%	
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
Pine Tree Hill Investments Limited #	Malaysia	100.0	100.0	-	-	Investment holding
Pulau Aman Investments Limited #	Malaysia	100.0	100.0	-	-	Investment holding
Pulau Besar 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

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48. Subsidiaries and associates of the Company

(A) Subsidiaries of the Company (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2023	2022	2023	2022	
		%	%	%	%	
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 Sibu 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
Redang Investments Ltd. #	Malaysia	100.0	100.0	-	-	Investment holding
Sampadi Investments Limited #	Malaysia	100.0	100.0	-	-	Investment holding
Satang Investments Ltd. #	Malaysia	100.0	100.0	-	-	Investment holding

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48. Subsidiaries and associates of the Company

(A) Subsidiaries of the Company (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2023	2022	2023	2022	
		%	%	%	%	
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
Sungai Kinabatangan Investments Ltd. #	Malaysia	100.0	-	-	-	Investment holding
Sungai Pulai Investments (Mauritius) Ltd. #	Mauritius	100.0	100.0	-	-	Investment holding
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

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48. Subsidiaries and associates of the Company

(A) Subsidiaries of the Company (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2023 %	2022 %	2023 %	2022 %	
Tanjung Jara Investments Ltd. #	Hong Kong	100.0	100.0	-	-	Investment holding
Tanjung Manis Investments Ltd. #	Malaysia	100.0	100.0	-	-	Investment holding
Tanjung Pinang Investments Limited. #	Malaysia	100.0	100.0	-	-	Investment holding
Tanjung Rhu Investments Limited #	Malaysia	100.0	100.0	-	-	Investment holding
Tanjung Sedili Investments Limited. #	Malaysia	100.0	100.0	-	-	Investment holding
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 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 Kalung Investments Limited. #	Malaysia	100.0	100.0	-	-	Investment holding
Teluk Kumbar Ventures Sdn. Bhd. #	Malaysia	100.0	100.0	-	-	Investment holding

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48. Subsidiaries and associates of the Company

(A) Subsidiaries of the Company (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2023 %	2022 %	2023 %	2022 %	
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.	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
Titiwangsa Investments (Mauritius) Ltd. #	Mauritius	100.0	100.0	-	-	Investment holding
Tulai Beach Ventures Sdn. Bhd. #	Malaysia	100.0	100.0	-	-	Investment holding

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48. Subsidiaries and associates of the Company

(A) Subsidiaries of the Company (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2023	2022	2023	2022	
		%	%	%	%	
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	100.0	-	-	Investment holding
Western Hill Investments Limited #	Malaysia	100.0	100.0	-	-	Investment holding

(B) Associate of the Company

Axiata Group Berhad *	Malaysia	36.7	36.7	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	23.0	24.1	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

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48. Subsidiaries and associates of the Company

(B) Associate of the Company (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2023	2022	2023	2022	
		%	%	%	%	
Malaysia Airports Holdings Berhad	Malaysia	33.2	33.2	Equity method		Investment holding
Pulau Kapas Ventures Sdn. Bhd. *	Malaysia	19.8	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	20.2	Equity method		Telecommunication and related services
Tenaga Nasional Berhad *	Malaysia	22.6	25.5	Equity method		Generation, transmission and distribution and sale of electricity
TIME dotCom Berhad * ^	Malaysia	10.67	10.67	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 securities

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48. Subsidiaries and associates of the Company

- * 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 18(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..
- & Completion of liquidation in current year.

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49. Subsidiaries, associates and joint ventures of the Group

Other than the subsidiaries, associates and joint venture of the Company as listed in Note 48, 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 49(A).
- (ii) Subsidiaries of Malaysian Airline System Berhad ("MAS"), are disclosed in Note 49(B).
- (iii) Subsidiaries and associates of Malaysia Aviation Group Berhad ("MAGB"), are disclosed in Note 49(C).
- (iv) Subsidiaries, associates and joint ventures of Iskandar Investment Berhad ("IIB"), are disclosed in Note 49(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 49(E).
- (vi) Subsidiary of Malaysian Technology Development Corporation ("MTDC"), are disclosed in Note 49(F).
- (vii) Other subsidiaries, associates and joint ventures of the Group are disclosed in Note 49(G).

(A) Subsidiaries, associates and joint ventures of UEM

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2023 %	2022 %	2023 %	2022 %	
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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49. 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
		2023 %	2022 %	2023 %	2022 %	
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
Payar Investments Ltd.	Malaysia	100.0	100.0	-	-	Investment holding
UEM Lestra	Malaysia	100.0	-	-	-	Investment holding

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49. 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~ 2023 2022 % %		Accounting model applied	Principal activities

Associate of UEM

UE Construction (Phil.) Inc.*<	Philippines	40.0	40.0	Equity method	Dormant

Joint Ventures of UEM

PLUS Malaysia Berhad ("PLUS Malaysia")	Malaysia	51.0	51.0	Equity method	Investment holding
UEM – Essar Projects Limited	Unincorporated	51.0	51.0	Equity method	Construction and extension of roads

Name	Country of incorporation/ principal place of business	Effective interest~ 2023 2022 % %		Non-controlling interest~ 2023 2022 % %		Principal activities

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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49. 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
		2023 %	2022 %	2023 %	2022 %	

**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
		2023 %	2022 %		

Joint venture of PEIB

Jetpur Somnath Tollways Private Limited ("JSTPL") */	India	64.4	64.4	Equity method	Ceased operations

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2023 %	2022 %	2023 %	2022 %	

**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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49. 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
		2023 %	2022 %	2023 %	2022 %	
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
		2023 %	2022 %		
Joint venture of Ghir Investments (Mauritius) Limited					
Uniquet Infra Ventures Private Limited *αα	India	80.1	80.1	Equity method	Developing, owning and managing road infrastructure projects in India

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49. 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
		2023 %	2022 %	2023 %	2022 %	
Subsidiary of Uniquist 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 Berhad						
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, secure access, automatic fare collection and artificial intelligence services
Expressway Lingkaran Tengah Sdn. Bhd.	Malaysia	51.0	51.0	49.0	49.0	Inactive

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49. 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
		2023 %	2022 %	2023 %	2022 %	
Subsidiaries of PLUS Malaysia Berhad (cont'd.)						
Linkedua (Malaysia) Berhad	Malaysia	51.0	51.0	49.0	49.0	Inactive
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	Real estate development
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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49. 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
		2023 %	2022 %	2023 %	2022 %	
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
		2023 %	2022 %			
Associate of UEM Sunrise						
UEM Sunrise Edgenta TMS Sdn. Bhd. β	Malaysia	69.3	69.3	Equity method		Investment holding and provision of real estate management services
Joint ventures of UEM Sunrise						
Nusajaya Lifestyle Sdn. Bhd. x	Malaysia	34.1	38.3	Equity method		Property and real estate development, management and property management

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49. 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
2023	2022	%	%		
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
2023	2022	%	%	2023	2022	
%	%	%	%			
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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49. 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
		2023 %	2022 %	2023 %	2022 %	
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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49. 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
		2023 %	2022 %	2023 %	2022 %	
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	In members' voluntary winding up	
Sarandra Malaysia Sdn. Bhd.	Malaysia	27.8	27.8	Equity method	Managing and developing marina club, investment holding and construction	

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49. 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
		2023 %	2022 %		
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
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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49. 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
		2023 %	2022 %	2023 %	2022 %	
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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49. 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
		2023 %	2022 %	2023 %	2022 %	

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

Subsidiary 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
		2023 %	2022 %		

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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49. 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
		2023 %	2022 %	2023 %	2022 %	
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
Laser Tower Sdn Bhd (formerly known as Minh 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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49. 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
		2023 %	2022 %	2023 %	2022 %	
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 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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49. 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
		2023 %	2022 %	2023 %	2022 %	
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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49. 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
		2023 %	2022 %	2023 %	2022 %	
Subsidiaries of Sunrise (cont'd.)						
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
		2023 %	2022 %		
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
		2023 %	2022 %	2023 %	2022 %	
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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49. 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
		2023 %	2022 %	2023 %	2022 %	
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
UEM Sunrise (Subiaco East) Pty Ltd	Australia	69.6	-	30.4	-	Trustee Company
UEM Sunrise (Subiaco East) Unit Trust	Australia	69.6	-	30.4	-	Land holding entity

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49. 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
		2023 %	2022 %	2023 %	2022 %	
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 (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
UEM Sunrise (Subiaco East Development) Pty Ltd	Australia	69.6	-	30.4	-	Project development

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49. 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
		2023 %	2022 %	2023 %	2022 %	
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
		2023 %	2022 %			
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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49. 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
		2023 %	2022 %	2023 %	2022 %	
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	-	30.4	Dissolved
Subsidiary of Sunrise Holdings S.à.r.l.						
Canada Sunrise Development Corp. *	Canada	-	69.6	-	30.4	Dissolved

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49. 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
		2023 %	2022 %	2023 %	2022 %	
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	-	-	In members' voluntary liquidation
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
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

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49. 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
		2023 %	2022 %	2023 %	2022 %	
Subsidiaries of UEMC						
UEM (Mauritius) Co Ltd ("UEMM") *	Mauritius	100.0	100.0	-	-	Investment holding
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
		2023 %	2022 %		
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

Joint Venture 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

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49. 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
		2023	2022	2023	2022	
		%	%	%	%	
Subsidiaries of UEMM						
UE Development India Private Limited ("UED") *	India	100.0	100.0	-	-	Construction works and maintenance of expressways
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

Name	Country of incorporation/ principal place of business	Effective interest~		Accounting model applied	Principal activities
		2023	2022		
		%	%		

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
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

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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
		2023 %	2022 %	2023 %	2022 %	
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	-	-	Dormant
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
Profitlite Holding Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Dormant
Unipati Concrete Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Production and sale of ready-mixed concrete
Subsidiary of Kuari Pati Sdn. Bhd.						
Pati Bukit Perak Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Dormant

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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
		2023 %	2022 %	2023 %	2022 %	
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
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

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49. 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
		2023 %	2022 %	2023 %	2022 %	
Subsidiaries of UEM Edgenta (cont'd.)						
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
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 Court's Winding Up
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	69.1	30.9	30.9	Investment holding and provision of integrated facilities management services and energy performance 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
		2023 %	2022 %	2023 %	2022 %	
Subsidiaries of UEM Edgenta (cont'd.)						
Edgenta Academy Sdn Bhd	Malaysia	69.1	-	30.9	-	Provision for education 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
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
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

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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
		2023 %	2022 %	2023 %	2022 %	
Subsidiaries of OIM (cont'd.)						
Opus International India Private Limited *	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
		2023 %	2022 %			
Associate of OIM						
Opus Consultants (M) Sdn. Bhd.	Malaysia	20.7	20.7	Equity method		Engineering consultancy services
Joint Venture of OIM						
Opus Consultants (Sarawak) Sdn. Bhd.	Malaysia	33.9	33.9	Equity method		Provision of project management and engineering consultancy services

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49. 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
		2023 %	2022 %	2023 %	2022 %	
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 and expressways and industrial cleaning services
PT Edgenta PROPEL Indonesia	Indonesia	69.0	69.0	31.0	31.0	Provision of management consultancy and advisory related to management of roads
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~ 2023 %	Effective interest~ 2022 %	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	

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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
		2023 %	2022 %	2023 %	2022 %	
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. ("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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49. 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
		2023 %	2022 %	2023 %	2022 %	

Subsidiaries of EMS (cont'd.)

Edgenta Mediserve (Sabah) Sdn. Bhd.	Malaysia	69.1	69.1	30.9	30.9	Investment holding

**Subsidiaries of Edgenta
Facilities Sdn. Bhd.**

Edgenta Facilities Management Sdn. Bhd.	Malaysia	69.1	69.1	30.9	30.9	Facilities 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
		2023 %	2022 %		

**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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49. 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
		2023 %	2022 %	2023 %	2022 %	
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
Subsidiary of UEM Sunrise Edgenta TMS						
Edgenta TMS Sdn. Bhd.	Malaysia	48.5	48.5	51.5	51.5	In members' voluntary 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

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49. 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
		2023 %	2022 %	2023 %	2022 %	
Subsidiaries of Edgenta GreenTech Sdn. Bhd. (cont'd.)						
Veridis PPP One Sdn. Bhd.	Malaysia	69.1	69.1	30.9	30.9	Concession holder specialising in retro- fitting works of building utilising green technology
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

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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
		2023 %	2022 %	2023 %	2022 %	
Subsidiaries of Edgenta (Singapore) Pte Ltd						
UEMS Pte Ltd	Singapore	69.1	69.1	30.9	30.9	Investment holding
Edgenta International Investments L.L.C	United Arab Emirates	69.1	-	30.9	-	Investment holding and management of commercial, healthcare and energy enterprises
Subsidiaries 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
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

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49. 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
		2023	2022	2023	2022	
		%	%	%	%	
Subsidiary of UEMS Pte Ltd (cont'd.)						
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
Subsidiaries of Edgenta International Investments L.L.C						
Edgenta Facilities Management L.L.C	United Arab Emirates	69.1	-	30.9	-	Facilities management services
Edgenta Technical Service L.L.C	United Arab Emirates	69.1	-	30.9	-	Provision of technical services
Subsidiary of Edgenta Arabia Limited						
MEEM for Facilities Management Company	The Kingdom of Saudi Arabia	41.5	-	58.5	-	Real estate management, cleaning and maintenance services
Subsidiary of Edgenta UEMS Ltd						
Edgenta UEMS SC 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

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49. 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
		2023 %	2022 %	2023 %	2022 %	
Subsidiaries of UEM Suria Berhad						
Suria Siena Development Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Property development and land trading
Subsidiaries of Payar Investments Limited						
Cenergi SEA Berhad	Malaysia	92.9	92.9	7.1	7.1	Investment holding and management services and to carry out energy efficiency project
Subsidiaries of Cenergi SEA Berhad						
Cenergi Carbon Ltd.	Malaysia	92.9	92.9	7.1	7.1	Emission reduction project operations
Cenergi Operations and Maintenance Sdn. Bhd.	Malaysia	92.9	92.9	7.1	7.1	To provide operation and maintenance services for renewable energy power plants
Cenergi EE Holdings Sdn. Bhd. ("CEEH")	Malaysia	92.9	92.9	7.1	7.1	Renewable energy developers in solar and energy efficiency and investment holding and provision of management services
Cenergi RE Sdn. Bhd.	Malaysia	92.9	92.9	7.1	7.1	Investment holding and provision of operation and maintenance services

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49. 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
		2023 %	2022 %	2023 %	2022 %	
Subsidiaries of Cenergi SEA Berhad (cont'd.)						
Cenergi Refuel Sdn. Bhd. (f.k.a. Cenergi Eco Power Sdn. Bhd.)	Malaysia	92.9	92.9	7.1	7.1	To develop and operate biomass pellet manufacturing facilities and conducting manufacturing activities to produce biomass pellets.
Cenergi Hydro Sdn. Bhd.	Malaysia	92.9	-	7.1	-	Renewable energy developers in hydroelectricity and investment holding
Cenergi Carbon Sdn. Bhd.	Malaysia	92.9	-	7.1	-	To undertake project development for the registration, marketing and trading of carbon credits and renewable energy certificates for internal and external clients
Subsidiaries of Cenergi EE Holdings Sdn. Bhd.						
Cenergi EE Sdn. Bhd.	Malaysia	92.9	92.9	7.1	7.1	Energy efficiency project operations
Cenergi Sunseap Energy Solutions Sdn. Bhd.	Malaysia	55.7	55.7	44.3	44.3	Renewable energy developer in solar and energy efficiency
Cenergi Solar Sdn. Bhd.	Malaysia	92.9	92.9	7.1	7.1	Renewable energy developer in solar and energy efficiency, investment holding and provision of management services

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49. 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
		2023 %	2022 %	2023 %	2022 %	
Subsidiaries of Cenergi EE Holdings Sdn. Bhd. (cont'd.)						
Cenergi Solar Kuala Ketil Sdn. Bhd.	Malaysia	92.9	-	7.1	-	Renewable energy developer in solar photovoltaic power plant project
Neda Power (Sg. Tiang) Sdn Bhd	Malaysia	92.9	92.9	7.1	7.1	Supplying electricity generated from solar photovoltaic power plant, renewable energy developers in solar photovoltaic power plant projects
Cenergi JLG Sdn Bhd	Malaysia	92.9	-	7.1	-	Renewable energy developers in solar and energy efficiency, investment holding and provision of management services
Subsidiaries of Cenergi RE Sdn. Bhd.						
Cenergi Palong Sdn. Bhd. (f.k.a.) Biopower Climate Care Sdn. Bhd.)	Malaysia	92.9	92.9	7.1	7.1	Contracting and construction of a renewable energy plant

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49. 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
		2023 %	2022 %	2023 %	2022 %	
Subsidiaries of Cenergi RE Sdn. Bhd. (cont'd.)						
Cenergi Sua Betong Sdn. Bhd.	Malaysia	92.9	92.9	7.1	7.1	Producing and distributing electricity from renewable energy plant
Cenergi Cheekah Sdn. Bhd. (f.k.a. GLT Energy Sdn. Bhd.)	Malaysia	92.9	92.9	7.1	7.1	Construction, investment and providing consultancy for renewable energy projects
Cenergi Sri Jelutung Sdn. Bhd.	Malaysia	92.9	92.9	7.1	7.1	Contracting and construction of a renewable energy plant
Cenergi Pantai Remis Sdn. Bhd.	Malaysia	92.9	92.9	7.1	7.1	Contracting and construction of a renewable energy plant
Cenergi EPC Sdn. Bhd.	Malaysia	92.9	92.9	7.1	7.1	Project management activities involving amongst others, coordinating, managing, advising, maintaining control over project schedule and budget related to construction, engineering design and development of new infrastructures, buildings, facilities, power plants and any such installations; and to provide engineering, procurement and construction services for renewable energy plant

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49. 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
		2023 %	2022 %	2023 %	2022 %	
Subsidiaries of Cenergi RE Sdn. Bhd. (cont'd.)						
Cenergi Tennamaram Sdn. Bhd.	Malaysia	92.9	92.9	7.1	7.1	Construction of renewable energy facilities and operating such facilities for the purpose of generating electrical power from renewable resources to be sold to the national grid
Cenergi Hamparan Sdn. Bhd.	Malaysia	92.9	92.9	7.1	7.1	Ownership, operation and maintenance of renewable energy facilities for the purpose of generating electrical power from renewable resources to be sold to the grid
Cenergi KF Sdn. Bhd.	Malaysia	92.9	92.9	7.1	7.1	Ownership, operation and maintenance of renewable energy facilities for the purpose of generating electrical power from renewable resources to be sold to the grid
Cenergi Elphil Sdn. Bhd.	Malaysia	92.9	92.9	7.1	7.1	Contracting and construction of a renewable energy plant

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49. 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
		2023 %	2022 %	2023 %	2022 %	
Subsidiaries of Cenergi RE Sdn. Bhd. (cont'd.)						
Cenergi Alam Sdn. Bhd.	Malaysia	92.9	-	7.1	-	Ownership, operation and maintenance of renewable energy facilities for the purpose of generating electrical power from renewable resources
Cenergi Lestari Sdn. Bhd.	Malaysia	92.9	-	7.1	-	Ownership, operation and maintenance of renewable energy facilities for the purpose of generating electrical power from renewable resources
Cenergi Tanah Merah Sdn. Bhd.	Malaysia	92.9	-	7.1	-	Ownership, operation and maintenance of renewable energy facilities for the purpose of generating electrical power from renewable resources
Cenergi West Sdn. Bhd.	Malaysia	92.9	92.9	7.1	7.1	Contracting and construction of a renewable energy plant
Bell Cenergi Paloh Sdn. Bhd.	Malaysia	92.9	92.9	7.1	7.1	Contracting and construction of a renewable energy plant
Cenergi Sg Dingin Sdn. Bhd.	Malaysia	92.9	92.9	7.1	7.1	Contracting and construction of a renewable energy plant

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49. 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
		2023 %	2022 %	2023 %	2022 %	
Subsidiaries of Cenergi RE Sdn. Bhd. (cont'd.)						
Cenergi Classic Sdn. Bhd.	Malaysia	47.4	92.9	52.6	7.1	Intended to develop renewable generation and distribution
Cenergi YPPH Sdn Bhd	Malaysia	92.9	92.9	7.1	7.1	Ownership, operation and maintenance of renewable energy facilities for the purpose of generating electrical power from renewable resources to be sold to the grid
Bell Cenergi Linggi Sdn. Bhd.	Malaysia	46.5	92.9	53.6	7.1	Contracting and construction of a renewable energy plant
Bell Cenergi YP Sdn. Bhd.	Malaysia	46.5	46.5	53.6	53.6	Ownership, operation and maintenance of renewable energy facilities for the purpose of generating electrical power from renewable resources to be sold to the grid
Cenergi Lawiang Sdn. Bhd.	Malaysia	55.7	55.7	44.3	44.3	Ownership, operation and maintenance of renewable energy facilities for the purpose of generating electrical power from renewable resources to be sold to the grid

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49. 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
		2023 %	2022 %	2023 %	2022 %	
Subsidiaries of Cenergi RE Sdn. Bhd. (cont'd.)						
Bell Cenergi Lingga Sdn. Bhd.	Malaysia	46.5	92.9	53.6	7.1	Ownership, operation and maintenance of renewable energy facilities for the purpose of generating electrical power from renewable resources to be sold to the grid
Cenergi GM Sdn. Bhd.	Malaysia	92.9	92.9	7.1	7.1	Ownership, operation and maintenance of renewable energy facilities for the purpose of generating electrical power from renewable resources to be sold to the grid
Cenergi Chersonese Sdn. Bhd.	Malaysia	92.9	92.9	7.1	7.1	Construction of renewable energy facilities and operating such facilities for the purpose of generating electrical power from renewable resources to be sold to the national grid
Subsidiaries of Cenergi Hamparan Sdn. Bhd.						
PT Gree Hamparan	Indonesia	88.3	88.3	11.7	11.7	Electricity generation field of 1-10mw (MegaWatt) and other electric power support activities

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49. 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
		2023 %	2022 %	2023 %	2022 %	
Subsidiaries of Cenergi RE Sdn. Bhd. (cont'd.)						
Cenergi Ayer Item Sdn. Bhd.	Malaysia	47.4	92.9	52.6	7.1	Ownership, operation and maintenance of renewable energy facilities for the purpose purpose of generating electrical power from renewable resources to be sold to the grid
Cenergi Sri Ganda Sdn. Bhd.	Malaysia	69.7	69.7	30.3	30.3	Contracting and construction of a renewable energy plant
Cenergi Endah Sdn. Bhd.	Malaysia	65.0	65.0	35.0	35.0	Contracting and construction of a renewable energy plant
Cenergi Endah Sdn. Bhd.	Malaysia	65.0	65.0	35.0	35.0	Contracting and construction of a renewable energy plant

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49. 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
		2023 %	2022 %	2023 %	2022 %	
Subsidiaries of CSES						
CSES Rooftop Alpha Sdn. Bhd.	Malaysia	55.7	55.7	44.3	44.3	Developing, constructing, owning and operating the rooftop solar projects for residential, commercial and industrials buildings in Malaysia
IRM Solar Sdn. Bhd.	Malaysia	53.0	53.0	47.0	47.0	Supplying electrical generated from solar power plant
Digital Awan Sdn. Bhd.	Malaysia	55.7	55.7	44.3	44.3	Ownership, operation, and maintenance of renewable energy facilities for the purpose of generating electrical power from renewable resources to be sold to the grid
Marudu Power Sdn. Bhd.	Malaysia	55.7	55.7	44.3	44.3	Ownership, operation, and maintenance of renewable energy facilities for the purpose of generating electrical power from renewable resources to be sold to the grid

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49. 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
		2023	2022		
		%	%		
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 CFJP					
CFJP Biogas Sdn. Bhd. ("CFJPB")	Malaysia	58.2	58.2	Equity method	Operation of green power generation facilities and plants

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2023	2022	2023	2022	
		%	%	%	%	
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
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

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49. 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
		2023 %	2022 %	2023 %	2022 %	
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 International (West Asia) Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Investment holding
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

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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
		2023 %	2022 %	2023 %	2022 %	
Other subsidiaries of UEM (cont'd.)						
UEM Olive	Malaysia	100.0	-	-	-	A special purpose vehicle incorporated specifically for the issuance of IMTN Programme
Subsidiary of UEM International (West Asia) Sdn. Bhd.						
UEM Al-Dauliyyah LLC ^{*^}	The Kingdom of Saudi Arabia	100.0	100.0	-	-	Ceased operations
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
UEM Genisys Sdn Bhd	Malaysia	51.0	51.0	Equity method		In court's winding up
UEM MMC Joint Venture Sdn. Bhd.	Malaysia	50.0	50.0	Equity method		Investment holding

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49. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

- * Audited by firms other than Ernst & Young Global
- 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 78.7% held by UEM Builders and 21.3% held by UEMC.
- € UEMB-PROPEL Consortium is deemed 100% subsidiary as Edgenta PROPEL Berhad relinquished all its rights and benefits in the Consortium.
- 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 Opus International (M) Berhad, 3.4% held by Opus Management Sdn. Bhd..

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49. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

- # 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.
- & Notwithstanding Edgenta PROPEL's effective shareholding of less than 50% in Edgenta PROPEL (Sarawak) Sdn Bhd ("EPS"), the Group does 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 shareholder's agreement. Therefore, EPS is consolidated in the Group's consolidated financial statements.

(B) Subsidiaries of MAS

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2023 %	2022 %	2023 %	2022 %	
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

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49. 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
		2023 %	2022 %	2023 %	2022 %	
Subsidiaries						
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
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

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49. 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
		2023 %	2022 %	2023 %	2022 %	
Subsidiaries (cont'd.)						
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
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

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49. 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
		2023	2022	2023	2022	
		%	%	%	%	

Subsidiaries (cont'd.)

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

Subsidiaries of MAGB

Malaysia Airlines Berhad ("MAB")	Malaysia	86.6	86.6	13.4	13.4	Business of air transportation and the provision of related services
AeroDarat Services Sdn. Bhd.	Malaysia	86.6	86.6	13.4	13.4	Ground services activities on airfields
FlyFirefly Sdn. Bhd. ("Firefly")	Malaysia	86.6	86.6	13.4	13.4	Air transportation and the provision of related services
MAB Kargo Sdn. Bhd.	Malaysia	86.6	86.6	13.4	13.4	Cargo holding activities
MAB Leasing Limited	Malaysia	86.6	86.6	13.4	13.4	To carry on business of purchase, sale, lease, obtaining lease financing and refinancing of commercial aircraft

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49. 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
		2023 %	2022 %	2023 %	2022 %	
Subsidiaries of MAGB (cont'd.)						
MAB Pesawat Sdn. Bhd.	Malaysia	86.6	86.6	13.4	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	86.6	13.4	13.4	Air transportation and the provision of related services
MAB Academy Sdn. Bhd.	Malaysia	86.6	86.6	13.4	13.4	Other education
Malaysia Airlines Holidays Sdn. Bhd.	Malaysia	86.6	86.6	13.4	13.4	Dormant
MAB Engineering Services Sdn. Bhd.	Malaysia	86.6	86.6	13.4	13.4	Service activities incident to air transportation
FlyFirefly Holiday Sdn. Bhd.	Malaysia	86.6	-	13.4	-	Tour and travel related operation
Subsidiaries of Malaysia Airlines Berhad						
Bakawali (Labuan) Limited	Malaysia	86.6	86.6	13.4	13.4	Labuan leasing
MAS Awana Services Sdn. Bhd.	Malaysia	52.0	52.0	48.0	48.0	Provision of catering and cabin handling services
Subsidiary of FlyFirefly Sdn. Bhd.						
FlyFirefly Holiday Sdn. Bhd.	Malaysia	-	86.6	100.0	13.4	Tour and travel related operation

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49. 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
		2023 %	2022 %	2023 %	2022 %	
Subsidiary of FlyFirefly Sdn. Bhd. (cont'd.)						
MASwings Sdn. Bhd.	Malaysia	86.6	86.6	13.4	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	86.6	13.4	13.4	To carry on business of purchase, sale, lease, obtaining lease financing and refinancing of commercial aircraft

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49. 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
		2023	2022	2023	2022	
		%	%	%	%	
Subsidiary of MAB Kargo Sdn. Bhd.						
MASkargo Logistics Sdn. Bhd.	Malaysia	86.6	86.6	13.4	13.4	Providing trucking, clearance and warehousing services

Name	Country of incorporation/ principal place of business	Effective interest~		Accounting model applied	Principal activities
		2023	2022		
		%	%		
Associates of MAGB					
Brahim's Food Service Sdn. Bhd. (formerly known as Brahim's Services Sdn Bhd ("BFS"))	Malaysia	26.0	26.0	Equity method	Carry on airline catering related
Pan Asia Pacific Aviation Services Limited ("PAPAS")	Hong Kong	17.3	17.3	Equity method	Provision of aircraft maintenance services

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49. 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
		2023 %	2022 %	2023 %	2022 %	
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	-	40.0	Project management
IIB Land Sdn Bhd (formerly known as SJIC Bina Sdn Bhd) ("IIBL")	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. ("IASB")	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
IIB Properties Sdn Bhd (formerly known as Iskandar Innovations Sdn Bhd) ("IIBPS")	Malaysia	60.0	60.0	40.0	40.0	Investment holdings, business initiatives management and office space rental activity

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49. 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
		2023 %	2022 %	2023 %	2022 %	
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
Subsidiary of IDML						
Iskandar Development Management Services Sdn Bhd	Malaysia	60.0	-	40.0	-	Project management

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49. 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
		2023	2022	2023	2022	
		%	%	%	%	
Subsidiaries of IIB (cont'd.)						
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
Subsidiaries of IHHSB						
Ujung Medini Sdn. Bhd.	Malaysia	60.0	60.0	40.0	40.0	Property investment
Nusajaya Lifestyle Sdn Bhd	Malaysia	30.6	-	69.4	-	Property and real estate development, management and property management
Subsidiaries of EIMSB						
Iskandar Education Village Sdn. Bhd.	Malaysia	60.0	60.0	40.0	40.0	Property development and management services and operation of Educity International College
Iskandar Education Enterprise Sdn. Bhd.	Malaysia	60.0	60.0	40.0	40.0	Property development, investment, management services for education sector

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49. 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
		2023	2022	2023	2022	
		%	%	%	%	

Subsidiary of IISB

Virtua Realm Sdn. Bhd.	Malaysia	30.6	30.6	69.4	69.4	Operation of virtual reality theme park

Subsidiary 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
		2023	2022		
		%	%		

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	Equity method	Property development
Metrogold Assets Sdn. Bhd.	Malaysia	12.0	12.0	Equity method	Property development

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49. 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~ 2023 2022 % %		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	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	In members' voluntary winding up
Subsidiary of JASB					
Medini Iskandar Malaysia Sdn. Bhd.	Malaysia	5.4	4.0	Equity method	Property investment holding and the provision of construction services

* Audited by a firm other than Ernst & Young Global

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49. 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
		2023 %	2022 %	2023 %	2022 %	
Subsidiaries of DRHSB						
Themed Attractions and Resorts Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Investment holding
Balau Hospitality Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Investment holding
Desaru Corniche Sdn. Bhd. ("DCSB")	Malaysia	100.0	100.0	-	-	Investment holding
Desaru Land 3 Sdn. Bhd.	Malaysia	100.0	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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49. 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
		2023 %	2022 %	2023 %	2022 %	
Subsidiaries of Themed Attractions and Resort Sdn. Bhd. (cont'd.)						
LL Resorts Sdn. Bhd. *	Malaysia	-	100.0	-	-	Dormant
Subsidiaries of TAR PH Holdings Sdn. Bhd.						
TAR LBC Sdn. Bhd. *	Malaysia	-	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	-	-	Dormant
PH Marina Boulevard Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Dormant
Subsidiaries of TAR Riverwalk Sdn. Bhd.						
Riverwalk Waterpark Sdn. Bhd. *	Malaysia	-	100.0	-	-	Dormant
Dolphin Attractions Sdn. Bhd. *	Malaysia	-	100.0	-	-	Dormant
Park Three Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Own land for park development

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49. 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
		2023 %	2022 %	2023 %	2022 %	
Subsidiaries of LL Malaysia Attractions Holdings Sdn. Bhd.						
IDR Resorts Sdn. Bhd.	Malaysia	80.0	80.0	20.0	20.0	Dormant
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 Balau Hospitality 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

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49. 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
		2023	2022	2023	2022	
		%	%	%	%	
Subsidiaries of Balau Hospitality Sdn. Bhd. (cont'd.)						
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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49. 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
		2023 %	2022 %	2023 %	2022 %	
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

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49. 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
		2023 %	2022 %	2023 %	2022 %	
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) and property development activities
Desaru South Course Sdn. Bhd.	Malaysia	66.5	66.5	33.5	33.5	Own and operate golf course (Els Club Ocean Course) and property development activities
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 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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49. 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
		2023 %	2022 %	2023 %	2022 %	
Subsidiaries of DH1 (cont'd.)						
Desaru Beachfront 2 Sdn. Bhd.**	Malaysia	-	66.5	100.0	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
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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49. 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
		2023 %	2022 %	2023 %	2022 %	
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
Subsidiary 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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49. 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
		2023	2022	2023	2022	
		%	%	%	%	
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
		2023	2022		
		%	%		
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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49. 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~ 2023 2022 % %		Accounting model applied	Principal activities
Joint venture of Desaru North Course Sdn. Bhd.					
Desaru North Course Residences Sdn. Bhd. ("DNCR")	Malaysia	32.6	32.6	Equity method	Property development

* completion of liquidation in current year

** disposed in current year, refer to notes 18(iii)

(F) Subsidiary of MTDC

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

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49. 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
		2023 %	2022 %	2023 %	2022 %	
(G) Other subsidiaries, associates and joint ventures of the Group						
Subsidiaries of ARHSB						
Agro Treasures Sdn. Bhd. ("ATSB")	Malaysia	100.0	100.0	-	-	Agriculture venture capital fund
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
Malaysian Agrifood Corporation Berhad ("MAFC")	Malaysia	100.0	100.0	-	-	Investment holding, production and trading of agriculture products and management of food supply chain

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49. 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
		2023 %	2022 %	2023 %	2022 %	
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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(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
		2023	2022	2023	2022	
		%	%	%	%	
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	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

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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
		2023 %	2022 %	2023 %	2022 %	
Subsidiaries of Cenviro Sdn. Bhd.						
Abu Dhabi Kualiti Alam Environmental Services LLC ("ADKA") *	Abu Dhabi	70.0	34.3	30.0	65.7	Under members voluntary liquidation
Cenviro Services Sdn Bhd ("CS")	Malaysia	70.0	70.0	30.0	30.0	Sole agent for marketing, collecting and transporting scheduled waste
Cenviro Special Builders Sdn. Bhd. ("CSB")	Malaysia	70.0	70.0	30.0	30.0	Provision of project management consultant for integrated environmental solutions
Cenviro Recycling and Recovery Sdn. Bhd. ("CRR")	Malaysia	70.0	70.0	30.0	30.0	Provision of waste recycling and recovery services
Cenviro (Johor) Sdn. Bhd. ("CJSB")	Malaysia	70.0	70.0	30.0	30.0	Has not commenced business operations
Cenviro Green Energy Sdn. Bhd. ("CGE")	Malaysia	70.0	70.0	30.0	30.0	Investment holding
Environmental, Preservation and Innovation Centre Sdn. Bhd. ("EPIC")	Malaysia	70.0	70.0	30.0	30.0	Provision of training, consultancy, research and development, publication, innovation and commercialisation services
Kualiti Alam Sdn. Bhd. ("KASB")	Malaysia	70.0	70.0	30.0	30.0	Undertake the collection, transportation, treatment and disposal of scheduled waste

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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
		2023 %	2022 %	2023 %	2022 %	
Subsidiary of CRR						
Recycle for Life Sdn. Bhd. ("RFL")	Malaysia	70.0	70.0	30.0	30.0	Undertake the collection and handling of recyclable items
Cenviro Aura Technology Sdn. Bhd. (CENURA)	Malaysia	52.5	52.5	47.5	47.5	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	70.0	30.0	30.0	In members' voluntary liquidation
Subsidiary of Cosmos Friendship Limited						
KCS Green Energy International (Group) Investments Company Ltd. ("KCS")	Hong Kong	-	100.0	-	-	Investment holding
Subsidiaries of KCS						
KCS Jining Investments Company Limited	Hong Kong	-	100.0	-	-	Investment holding
KCS Huai'an Investments Company Limited	Hong Kong	-	100.0	-	-	Investment holding

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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
		2023 %	2022 %	2023 %	2022 %	
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

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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
		2023	2022	2023	2022	
		%	%	%	%	
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	74.0	70.0	26.0	30.0	Provision of post-acute inpatient rehabilitation services

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49. 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
		2023 %	2022 %	2023 %	2022 %	
Subsidiary of PMB						
Aircraft Business Malaysia Sdn. Bhd.	Malaysia	-	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, The United States of	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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49. 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
		2023	2022	2023	2022	
		%	%	%	%	
Subsidiary of Tanjung Bidara Ventures Sdn. Bhd.						
Tanjong Aru Capital Sdn. Bhd.	Malaysia	-	100.0	-	-	Provision of sport facilities
Subsidiary of Tanjong Aru Capital Sdn. Bhd.						
Mulu Ventures Sdn. Bhd.	Malaysia	-	100.0	-	-	Provision of cricket facilities
Subsidiary of Teluk Cempedak Investments (Mauritius) Limited						
Khazanah India Advisors Private Ltd. ***	India	17.1	17.1	-	-	Investment advisory
Subsidiaries of Titiwangsa Investments (Mauritius) Limited						
Panorama Investments (Mauritius) Limited	Republic of Mauritius	100.0	100.0	-	-	Investment holding
Ramunia Investments (Mauritius) Limited	Republic of 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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49. 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
		2023 %	2022 %	2023 %	2022 %	
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	-	-	Dormant
Burau Ventures Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Dormant
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
Subsidiaries of Pantai Sura Investment Limited						
Gobi Dana Impak Ventures, L.P.*	Malaysia	99.0	-	-	-	Investment holding

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49. 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~ 2023 2022 % %		Accounting model applied	Principal activities
Associate of ARHSB					
NL Cold Chain Network (M) Sdn. Bhd.	Malaysia	-	60.0	Equity method	Business in temperature controlled logistics warehousing services
Farm Fresh Berhad *	Malaysia	11.8	11.8	Equity method	Involved in dairy farming, processing and distribution of fresh dairy produce
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	Waste incinerator, investment holding, property investment
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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(G) Other subsidiaries, associates and joint ventures of the Group (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~ 2023 2022 % %		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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(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
		2023 %	2022 %		
Associates of Pantai Juara Investments Limited					
Adicon Holdings Limited	China	3.7	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 Pulau Kapas Ventures Sdn. Bhd.					
TIME dotCom Berhad *	Malaysia	8.7	8.7	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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(G) Other subsidiaries, associates and joint ventures of the Group (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~ 2023 2022 % %		Accounting model applied	Principal activities
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	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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(G) Other subsidiaries, associates and joint ventures of the Group (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~ 2023 2022 % %		Accounting model applied	Principal activities
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 Pantai Sura Investments Limited					
Asia Group Pte Ltd*	Singapore	3.0	-	Equity method	Investment Holding
Joint venture of ARHSB					
Commerce-KNB Agro Teroka Sdn. Bhd. ("CKAT") *	Malaysia	67.0	67.0	Equity method	Agriculture venture capital
Associate of Sungai Kinabatangan Investments Limited					
Polisea Pte Ltd'	Singapore	16.6	-	Equity method	Providing other information technology and computer service activities

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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~ 2023 2022 % %		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 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

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Notes to the financial statements
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49. 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~ 2023 2022 % %		Accounting model applied	Principal activities
Joint venture of EISB					
Environment Idaman Sdn. Bhd.	Malaysia	17.5	17.5	Equity method	Provision of integrated solid waste and public cleansing management services
Environment Idaman (Kedah and Perlis) Sdn. Bhd.	Malaysia	17.5	17.5	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	17.5	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	17.5	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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49. 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~ 2023 2022 % %		Accounting model applied	Principal activities
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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49. 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	
		2023 %	2022 %			
Joint ventures of Pantai Feringgi Ventures Sdn. Bhd.						
Sunway FutureX DI Sdn. Bhd. *	Malaysia	45.0	-	Equity method	Providing education and training services	

* 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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**Notes to the financial statements
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50. 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
Abdul Manan bin Mohd Najib
Adi Saufi bin Mohamad Daud
Adil bin Othman
Ahmad Zakri bin Ismail
Ahmad Jauhari bin Yahya
Ahmad Luqman bin Mohd Azmi
Ainol Roznain bin Yaacob
Aliza binti Sulaiman
Aminah Othman
Amirul Fares bin Wan Zahir
Amlah binti Yassin
Amr Ahmed Youssef Ahmad Mahmoud
Andrew Raj A/L Varatharaju
Angel Yogesh Vora
Anil Abraham
Anil Thadani
Anoop Damodar Gupta
Arnaud Arman Paul Daniel Girodon
Aubrey Lim Ying Yueh
Azam bin Mohamed
Azim bin Juzer
Azri Zaharuddin
Bang Jong Young
Boo Hui Yee
Brett Thomas Adolf Rubi
Bryan Foong Chee Yeong
Calvin Raqem Jacob
Cham Tian Hoong
Chan Chee Yean
Chari Thandalam Veeravalli Thirumala
Chen Wen Yin
Chen Yen-Yu
Cheryl Goh Ching Ling
Chew Poh Chuan
Chia Shwu Wei
Chinta Madhav

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50. Directors of subsidiaries (cont'd.)

Chong Chai Wea
Chong Yit Phin
Choo Boon Kwee Colin
Choo Ning
Chong Chooi Wan
(Alternate Director to Mohd Haniz)
Christina Foo
Chua Pei Sum
Chua Yong Howe
Daniel Tan Sze Hun
Datin Hayati Aman Hashim
Datin K.Komalavalli A/P K.R. Gopal
Datin Sri Badrunnisa Mohd Yasin Khan
Datin Zainabbi Binti Abubacker
Dato Dr Nadzri Yahaya
Dato Dr Zaininah Mohd Zain
Dato' George Stewart LaBrooy
Dato' Haja Najmudeen bin K P M Abd Kader
Dato' Haji Mohd Salleh bin Yeop Abd. Rahman
Dato' Idzham Mohd Hashim bin Zahrain Mohd Hashim
Dato' Mohamed Nasri bin Sallehuddin
Dato' Mohammad Imran bin Ismail
Dato' Mohd Izani bin Ghani
Dato' Norhalim bin Yunus
Dato' Roslan Ibrahim
Dato' Seri Mohammed Anwar a/l Fazal Mohammed
Dato' Sr. Hisham bin Jafrey
Dato' Sri Ghazali bin Mohd Ali
Dato' Haji Ramlee bin Haji A Rahman
Dato' Mohd Khalis bin Abd Rahim
Datuk Amran Hafiz bin Affifudin
Datuk Khairil Anwar bin Ahmad
Dinesh A/L Thinagaran
Dr. Farid bin Mohamed Sani
Dr. Johari Jalil
Dr. Lydia binti Abdul Latif
Dr. Mohamed Imran Markar
Dumisani Blessing Mnganga
Dzulkifly bin Hassan
Effizal Faiz bin Zulkifly
Effreeza binti Mohamad
Erika Mushtarina Mat Ariffin

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50. Directors of subsidiaries (cont'd.)

Eysa Zulkifli
Faridah Bakar Ali
Fatweena Bibi Ameen Uteene Mahamod
Fitriolah Nadiyah
Foo Shiou Voon
Fu Yueh Yee
Gan Chia Siang
Gan Hsiang Lin
Goh Ah Peng
Goh Hiang Keat
Grace Nesam Poore A/P J. Kannuthurai
Guna Segaran A/L Alagappan
Hafriz bin Abdul Rahman
Hairol Azizi bin Tajudin
Hajah Rosni binti Haji Tarip
Hamdan bin Abdul Majeed
Hannah Lyana Lee Abdullah
Haris Hardi bin Zakaria
Harman Faiz bin Habib Muhamad
Hasniza Mohamed
Hau Yean Ching
Haziah binti Hamzah
Helmuth Blasch
Imran bin Abdul Rahim
Ingrid Gail Johnson
Ir Dr. Sanjayan A/L K.V Velautham
Ir. Vekneswaran A/L T.Arasappan
Izdihar binti Ibrahim
Izham bin Ismail
Jenifer Thien Bit Leong
Jesudason Selvaraj
Johan bin Mohd Roslie
Johari bin Jalil
Johari Shukri bin Jamil
Josephine Wong Foong Yin
Kamalam Pillay Rungapadiachy
Kang Kee Yen
Karina binti Ridzuan
Karuna Ahuja
Kenneth Anak Tuba
Khairudin bin Hasan
Khairul Anwar bin Mohd Dewan

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50. Directors of subsidiaries (cont'd.)

Laurence Loh Kwong Yu
Laxman Deepak Vaidya
Lee Lin Chien
Lee Pek Kee
Leong Kar Yung
Liaw Long Lot
Liew Irene
Liew Kim Choi
Liew Teen Chai
Lim Chen Heng
(Alternate Director to Tan Sri Dato' Lim Kang Hoo)
Lim Kooi June
Lim Siew Li
Lim Su San
Lim Tong Hee
Lim Wah Seng
Lim Wei Hsien Kenny
Lim Wei Kuan
Liong Kok Kit
Liu Hsiao Fan
Low Guat Peng
Marilyn Teoh May Lyn
Mark Jason Thomas
Marzuki bin Hj Madon
Maslina binti Mansor
May Cheong Su Wei
Mazli bin Mohamed Ayob
Datuk Mohamad Hishammudin bin Hamdan
Mohamad Muhazni bin Mukhtar
Mohamad Rafiq bin Mubarak Ali
Mohamad Zamani bin Razali
Mohd Asrul bin Ab Rahim
Mohd Azarull Ahadi bin Abdullah
Mohd Firdaus bin Hisham
Mohd Hafis bin Mohd Shahar
Mohd Haniz bin Mohd Nazlan
Mohd Nadziruddin bin Mohd Basri
Mohd Norsuradi Man
Mohd Shafie Ismail
Mok Jia Mei
Muhammad Fauzan bin Mansor

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50. Directors of subsidiaries (cont'd.)

Muhammad Najmi bin Mansor
Muhammad Syauqi bin Ab Samad
Naiken Veerasamy
Natasha Su A/P Sivarajah
Nazim Mohamed bin Tan Sri Dato' Sri Haji Esa
Ng Eu Gin
Ngan Chu Chu
Nigel Robin Hazell
Nik Nazhah binti Nik Abdul Aziz
Noorasma binti Sulaiman
Nor Azree bin Md Daros
Nor Shafahana Shaik binti Abdul Shukkor
Nur Aisyah binti Osman
Nuraida binti Ismail
Nurul Iman binti Mohd Zaman
Ong Chee Wei
Ong King How
Ooi Say Teng
Park Deok Seop
Peter Kjaer-Pedersen
(Alternate Director to Siegfried Boerst)
Philip See Yew Jin
Phuan Ling Fong
Poh Ying Loo
Professor Philip Sutton Cox
Rachel Ng Koon Ling
Raihana binti Ahmad
Rais bin Imran
Rajgopal Rajkumar
Rakesh Devasish Jena
Razman bin Ismail
Reagan Chan Chung Cheng
Roli Shukla
Ronnie Khoo Boo Eam
Rowina Ghazali Seth
Ruziah binti Abdul Latif
Saffiyah binti Mohd Farid
Samir Balkrishna Pansare
Saniman Md Apandi
Savinilorna Payandi Pillay Ramen
Sawkut Oomarally Bundhoo

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50. Directors of subsidiaries (cont'd.)

Selvendran Katheerayson
Seow Hai Yoong
Shahira binti Ahmed Bazari
Shahnaz binti Abdul Samad
Shaiful Zahrin bin Subhan
Shamsuddin bin Sulaiman
Shankar Menon a/l Krishnan @ Vasuthavan
Shariman Yusuf bin Mohamed Zain
Sharmanand Jhurreea
Sharuddin bin Omar Hashim
Siegfried Boerst
Sivanesan Perumal Sundreson
Soo Kian Sin
Stephanie Saw Ai Lin
Sufian Abdullah
Suryani Senja Binti Alias
Syahrulizam bin Samsudin
Syed Abdul Rahman Bin Syed Zaid
Tan Cheh Tian
Tan Sri Dato' Chen Kooi Chiew @ Cheng Ng Chong
Tan Sri Dato' Lim Kang Hoo
Tan Sri Dato' Sri Haji Esa Bin Haji Mohamed
Tan Sri Dato' Yap Suan Chee
Tan Sri Datuk Chen Lok Loi
Tan Sri Dr. Azmil Khalili Bin Dato' Khalid
Tan Sri Tan Boon Seng @ Krishnan
Tan Sri Wan Zulkiflee bin Wan Ariffin
Tan Wan San
Tang Chee Wai
Tengku Mohamad Azharuddin Bin Tengku Mohd Ariff
Tengku Norlinda binti Tengku Hamzah
Tinesh Thambaiya Yogarajah
Toh Tau Book
Tuan Haji Lukman Bin Abu Jari @ Abu Bakar
Victor Johan Zacharias
Vijayan Balan
Vincent Michael Gin
Vinod Kumar Saigal
Watt Miew Ling
William Edward Walters
Wolfgang Boh
Wong Ah Kow

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50. Directors of subsidiaries (cont'd.)

Wong Chin See	
Wong Hee Chai	
Wong Hong Yee	
Wong Shu Hsien	
Wong Koon Keng	
Wong Peck Ling	
Wu Jueh Ming Lawrence (Wu Jiemin)	
Yap Seong Yong	
Yasmin Thaseen binti Sikkandar	
Yeo Kar Peng	
Yeow Wai Siaw	
Yong Kean Kun	
Yong Kean Seong	
Yong Toi Mee	
Yu Byung Chul	
Yusnianti binti Muhamed Yusoff	
Zaida Khalida Shaari	
Zainal Abidin bin Zakaria	
Dato' Zaiviji Ismail bin Abdullah	
Zalinah binti A. Hamid	
Zanita binti Mohamed Zin	
Zhi Ying Kenneth Woo	
Aleef Ashraf bin Mohd Ali	(Appointed On 9 February 2024)
Ammar Mohd Nawi	(Appointed On 12 June 2023)
Ariff Riza bin Abdullah	(Appointed On 23 August 2023)
Azmy Mahbot	(Appointed On 13 January 2023)
Dato' Dr. Omar bin Abd Hamid	(Appointed On 1 July 2023)
Dr Arvind A/L Hari Narayanan	(Appointed On 30 June 2023)
Fariza binti Ali @ Taib	(Appointed On 1 April 2023)
Fizulin binti Mohamed Zin	(Appointed On 31 March 2023)
Gan Yiu Min	(Appointed On 21 February 2024)
Hafizuddin Sulaiman	(Appointed On 1 October 2023)
Heidir Hasnan	(Appointed On 14 September 2023)
Hislahuddin bin Majid	(Appointed On 20 December 2023)
Hui Zhao	(Appointed On 8 February 2023)
Irwin Mohd Eusoff	(Appointed On 13 January 2023)
Iwan Rashman bin Gulamoydeen	(Appointed On 27 May 2023)
Jason Leong Chong Beng	(Appointed On 14 July 2023)
Joseph Hakme	(Appointed On 27 April 2023)
Kua Choo Kai	(Appointed On 8 November 2023)
Lim Poh Ling	(Appointed On 13 January 2023)
Lim Wei Yen	(Appointed On 8 January 2024)
Lim Yew Phin	(Appointed On 15 November 2023)
Mazian bin Yusoff	(Appointed On 29 August 2023)

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50. Directors of subsidiaries (cont'd.)

Mohd Azeem bin Mohd Ezani	(Appointed On 1 August 2023)
Mohd Fuad bin Sharuji	(Appointed on 10 March 2023)
Muhammad Safwan Mohd Shukri	(Appointed On 13 January 2023)
Mustapha bin Hussein	(Appointed On 1 April 2023)
Ng Chee Chi	(Appointed On 13 January 2023)
Ng Yen Shan	(Appointed On 14 July 2023)
Serge Cherfan	(Appointed On 27 April 2023)
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)
Tan She Yen	(Appointed On 19 June 2023)
Teoh Zheat-Wei	(Appointed On 20 December 2023)
Wong Hon U	(Appointed On 13 April 2023 and Resigned on 31 October 2023)
Yap Wei Sam	(Appointed On 12 July 2023)
Yeoh Eng Kim	(Appointed On 4 April 2023)
Aina Nadia binti Mohd Rafee	(Resigned On 16 June 2023)
Annie binti Rosle	(Resigned On 14 June 2023)
Azahari bin Matt	(Resigned On 24 March 2023)
Badrul Hisyam bin Abdullah	(Resigned On 1 April 2023)
Chua Siew Pei	(Resigned On 13 January 2023)
Cheah Jit Peng	(Resigned On 12 July 2023)
Dato' Noorazman Abd Aziz	(Retired On 15 June 2023)
Dato' Haji Mohammed Ridha bin Dato' Haji Abd Kadir	(Resigned On 10 January 2024)
Datuk Nik Airina binti Nik Jaffar	(Resigned On 1 May 2023)
David Lau Nai Pek	(Resigned On 14 June 2023)
Dr. Nik Fawaz bin Nik Abdul Aziz	(Resigned On 4 April 2023)
Eiichi Tanabe	(Resigned On 3 March 2023)
Elaine Ong Yee Lynn	(Resigned On 13 January 2024)
Emilia Azyyati Abdul Rahman	(Resigned On 13 January 2023)
Enita Azlina binti Osman	(Resigned On 13 January 2024)
Festus A Christ Dhas	(Resigned On 30 June 2023)
Goh Keat Siang	(Resigned On 20 February 2024)
Halina Jael binti Abu Bakar	(Resigned On 27 May 2023)
Kamarudin bin Kamilin	(Resigned On 28 February 2023)
Kazrin bin Khairul Anuar	(Resigned On 13 February 2024)
Koh Say Kok	(Resigned On 4 July 2023)
Kong Kwai Ching	(Resigned On 12 June 2023)
Lee Dae Hyuck	(Resigned On 15 December 2023)
Lim Wei Lih	(Resigned On 29 January 2024)
Lock Jian Wah	(Resigned On 25 March 2024)
Megat Shahir bin Megat Mohamed Supian	(Resigned On 3 October 2023)
Mohamed Omar bin Fateh Mohamed	(Resigned On 6 February 2024)
Mohd Zulkefly bin Ujang	(Resigned On 3 October 2023)
Muhammad Haiqal bin Mohd Ali	(Resigned On 31 January 2024)

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For the year ended 31 December 2023**

50. Directors of subsidiaries (cont'd.)

Nasaruddin bin A.Bakar	(Resigned On 3 October 2023)
Nik Marien binti Nik Ahmad Kamal	(Resigned On 11 January 2023)
Nor Azah binti Ab Aziz	(Resigned On 3 October 2023)
Norazalina Sham binti Abdullah	(Resigned On 5 September 2023)
Ooi Theng Therk	(Resigned On 2 May 2023)
Raja Norasikin Tengku Aziz	(Resigned On 13 January 2023)
Roslina binti Arbak	(Resigned On 3 March 2023)
Shirley Goh	(Resigned On 31 August 2023)
Sarimah Talib	(Resigned On 13 January 2023)
Siew Chee Seng	(Resigned On 31 March 2023)
Siti Aishah binti A Samad	(Resigned On 28 February 2023)
Sophia Lim Siew Fay	(Resigned On 15 November 2023)
Suraya binti Mahmud	(Resigned On 2 October 2023)
Suzanne Ng Bee June	(Resigned On 3 October 2023)
Syahid Mohd Zain	(Resigned On 1 October 2023)
Tan Sri Dr. Zulhasnan bin Rafique	(Resigned On 30 June 2023)
Tan Yi Ling	(Resigned On 9 May 2023)
Tunku Alizakri bin Raja Muhammad Alias	(Resigned On 1 September 2023)
Wan Ahmad Saifuddin bin Ahmad Radzi	(Resigned On 13 April 2023)
Yukio Saito	(Resigned On 3 March 2023)
Zainul Rahim bin Mohd Zain	(Resigned On 16 October 2023)
Zul Hisham bin Hamzah	(Resigned On 1 May 2023)

51. Comparatives

Certain comparatives have been restated to conform with current year's presentation of financial statements.

KHAZANAH NASIONAL BERHAD
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Directors' Report and Audited Financial Statements
31 December 2022

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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 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:

	RM'000
In respect of the financial year ended 31 December 2021:	
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>

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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 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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**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 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.

199301020767 (275505-K)

**Khazanah Nasional Berhad
(Incorporated in Malaysia)**

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

199301020767 (275505-K)

**Khazanah Nasional Berhad
(Incorporated in Malaysia)**

**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

199301020767 (275505-K)

**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.

199301020767 (275505-K)

**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

Khazanah Nasional Berhad
(Incorporated in Malaysia)

Statements of comprehensive income
For the year ended 31 December 2022

	Note	Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 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	-	-

Khazanah Nasional Berhad
(Incorporated in Malaysia)

Statements of comprehensive income
For the year ended 31 December 2022 (cont'd.)

	Note	Group 2022 RM'000	2021 RM'000	Company 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		<u>(252,619)</u>	<u>(392,310)</u>	<u>-</u>	<u>-</u>
		<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		<u>(252,619)</u>	<u>(392,310)</u>	<u>-</u>	<u>-</u>
		<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.

199301020767 (275505-K)

Khazanah Nasional Berhad
(Incorporated in Malaysia)

Consolidated statement of financial position
As at 31 December 2022

	Note	Group 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
(Incorporated in Malaysia)

Consolidated statement of financial position
As at 31 December 2022 (cont'd.)

	Note	Group 2022 RM'000	2021 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

	Note	Company 2022 RM'000	2021 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 ----->

2022	Share capital (Note 42) RM'000	Capital 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
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	-	542,065	-	542,065
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	-	-	157,478	(68,316)	89,162	-	89,162
and joint ventures	-	-	(4)	-	(4)	-	(4)
Derecognition of put option	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-
Dividends paid to owners	-	-	-	(500,000)	(500,000)	28,330	28,330
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	Share capital (Note 42) RM'000	Capital 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
At 1 January	12,284,201	4,483,223	(146,108)	35,639,436	52,260,752	5,405,136	57,665,888
Income/(loss) for the year	-	-	-	688,953	688,953	(392,310)	296,643
Other comprehensive income	-	-	-	-	-	-	-
- arising during the year	-	-	1,848,286	-	1,848,286	-	1,848,286
Total comprehensive income/(loss)	-	-	1,848,286	688,953	2,537,239	(392,310)	2,144,929
Transactions with owners							
Arising on business combination activity	-	(1,800,000)	689,642	(16,745)	(1,127,103)	6,738,520	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	-	-	-	-	-	-	-
Dividends paid to owners	-	-	-	(2,000,000)	(2,000,000)	(4,868)	(4,868)
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

The accompanying notes form an integral part of the financial statements.

199301020767 (275505-K)

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	<u>12,284,201</u>	<u>2,324,423</u>	<u>-</u>	<u>14,827,536</u>	<u>29,436,160</u>
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	<u>12,284,201</u>	<u>2,324,423</u>	<u>-</u>	<u>11,971,338</u>	<u>26,579,962</u>

The accompanying notes form an integral part of the financial statements.

Khazanah Nasional Berhad
(Incorporated in Malaysia)

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	1,990,490	1,923,190

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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	<u>7,340,301</u>	<u>6,756,852</u>
	<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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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	(1,851,270)	(2,200,458)
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	7,743,711	2,617,245

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Khazanah Nasional Berhad
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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	<u>1,580,245</u>	<u>1,117,628</u>
	<u>1,748,026</u>	<u>1,279,258</u>

The accompanying notes form an integral part of the financial statements.

**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.

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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.

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.

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.

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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.

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.

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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.

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.

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.

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.

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.

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.

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	2021	2022	2021
	RM'000	RM'000	RM'000	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	2021	2022	2021
		RM'000	RM'000	RM'000	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.)

	Note	Group	2021	Company	2021
		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 2022 RM'000	2021 RM'000	Company 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 2022 RM'000	2021 RM'000	Company 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
		3,561,379	2,748,829	151,978	146,354

- (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 2022 RM'000	2021 RM'000	Company 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
	26,305	29,809	6,938	8,133

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	<u>428,629</u>	<u>459,583</u>	<u>18,054</u>	<u>17,767</u>

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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		160,605	174,722
Liability:			
Payables representing the liability of disposal group classified as held for sale		3,170	1,228

(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.)

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
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.)

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
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	26,737	-	44,699	71,436
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	25,301	-	26,345	51,646
Net carrying amount				
At 31 December	1,436	-	18,354	19,790
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	26,489	-	38,859	65,348
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	24,337	-	25,284	49,621
Net carrying amount				
At 31 December	2,152	-	13,575	15,727

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16. Land held for property development

		Group	
	Note	2022	2021
		RM'000	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	2021
	RM'000	RM'000
Staff costs	933	2,008
Interest expense	<u>56,236</u>	<u>45,513</u>

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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		<u>4,390,197</u>	<u>3,928,443</u>
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		<u>601,973</u>	<u>508,210</u>
Carrying amount at 31 December		<u>3,788,224</u>	<u>3,420,233</u>
Fair value		<u>8,381,967</u>	<u>9,067,305</u>

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.

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	9,220	8,441
Accumulated amortisation		
At 1 January	7,675	12,240
Charge for the year (Note 7)	254	229
Write off	-	(4,794)
At 31 December	7,929	7,675
Net carrying amount		
At 31 December	1,291	766

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	2,201,272	2,218,698
	48,025,758	48,481,119
Less: Accumulated allowance for impairment losses	(26,476,168)	(25,997,542)
	21,549,590	22,483,577
Amount due from subsidiaries *	18,510,819	19,451,767
	40,060,409	41,935,344

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 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*	1,630,099	670,275
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	2,324,423	2,324,423
Total assets	86,818,737	84,821,552
Total liabilities	50,100,485	49,504,042

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	2021	2022	2021
	RM'000	RM'000	RM'000	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	<u>24,248,030</u>	<u>20,496,950</u>	<u>-</u>	<u>-</u>
	68,149,995	64,523,497	25,227,003	25,379,264
Less: Allowance for impairment losses	<u>(6,875,295)</u>	<u>(6,384,932)</u>	<u>(333)</u>	<u>(333)</u>
	<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	<u>77,384</u>	<u>531,723</u>	<u>-</u>	<u>-</u>

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	Infrastructure	& Transportation	
Group	holding	construction	& logistics	Total
	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	Infrastructure	& Transportation	
	holding	construction	& 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	Infrastructure	& Transportation	Total
Group	holding	construction	& logistics	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
	60,831	526	5	61,362
Carrying amount of the Group's immaterial interest in associates				6,788
				68,150

Summarised consolidated statement of comprehensive income

2021	Investment	Infrastructure	& Transportation	Total
Group	holding	construction	& logistics	RM'mil
	RM'mil	RM'mil	RM'mil	
Revenue	126,907	62	75	127,044
Profit/(loss) for the year	12,439	44	(35)	12,448

Group	Investment	Infrastructure	& Transportation	Total
	holding	construction	& logistics	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	981,387	1,802	89	983,278
Non-current liabilities	722,769	-	3	722,772
Current liabilities	63,442	248	144	63,834
Total liabilities	786,211	248	147	786,606

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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 & construction	Property	Total
Group	holding RM'mil	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

	Investment	Infrastructure & construction	Property	Total
Group	holding RM'mil	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)
				2,506

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 RM'000	2021 RM'000
At 1 January	75,916	36,611
(Write-off)/charge for the year	(39,305)	39,305
At 31 December	36,611	75,916

Company	Current RM'000	Non-current RM'000	Total RM'000
2022			
Financial assets designated as fair value through profit or loss			
At fair value:			
Quoted shares outside Malaysia	1,294,150	-	1,294,150
Quoted equity funds outside Malaysia	1,204,650	-	1,204,650
Unquoted money market funds outside Malaysia	-	156,370	156,370
Unquoted bonds in Malaysia	39,749	2,512,480	2,552,229
	<u>2,538,549</u>	<u>2,668,850</u>	<u>5,207,399</u>
Loans receivable			
At amortised cost:			
Loans receivable (i)	-	2,330	2,330
	-	2,330	2,330
	<u>2,538,549</u>	<u>2,671,180</u>	<u>5,209,729</u>
	Current RM'000	Non-current RM'000	Total 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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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	
	Note	2022	2021
		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	97,798	73,113
Less: Unearned finance revenues	(41,891)	(33,270)
Present value of minimum lease receivables	55,907	39,843
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
	55,907	196,327
Less: Amount due within one year (Note 32)	(2,587)	(2,508)
Amount due after one year	53,320	193,819

- (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	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	<u>-</u>	<u>715</u>
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	<u>124,214</u>	<u>124,214</u>
		<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	Land and	Others	Total
2022	RM'000	Building	RM'000	RM'000
		RM'000		
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	4,483,867	1,384,425	57,060	5,925,352
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	5,524,575	1,635,553	80,313	7,240,441

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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

	Note	Group	
		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>

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

At 1 January 2021
Recognised in profit or loss
Exchange differences
At 31 December 2021

	Provision for liabilities RM'000	Unutilised tax losses and unabsorbed capital allowance RM'000	Other temporary differences RM'000	Total RM'000
At 1 January 2022	239,417	140,468	5,186	385,071
Recognised in profit or loss	(35,362)	37,816	37,929	40,383
Exchange differences	38	(4,078)	-	(4,040)
At 31 December 2022	204,093	174,206	43,115	421,414
At 1 January 2021	232,004	95,954	5,268	333,226
Recognised in profit or loss	7,344	48,303	(82)	55,565
Exchange differences	69	(3,789)	-	(3,720)
At 31 December 2021	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	1,107,347	893,217

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		(572,958)	(542,132)
		<u>1,776,939</u>	<u>1,275,863</u>
Retention sum			
Contract assets	25(iii)	734,076	738,200
Concession receivables	25(iv)	124,214	124,214
		<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 RM'000	2021 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
	2,349,897	1,817,995

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 RM'000	2021 RM'000
At 1 January	542,132	196,830
Charge for the year	30,826	345,302
At 31 December	572,958	542,132

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32. Other receivables

		Group		Company	
	Note	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	2021	2022	2021
	RM'000	RM'000	RM'000	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	2021	2022	2021
	RM'000	RM'000	RM'000	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	<u>12,333,855</u>	<u>11,966,285</u>	<u>1,748,026</u>	<u>1,279,258</u>
	<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)
	<u>1,934,967</u>	<u>2,443,710</u>
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)
	<u>3,160,150</u>	<u>4,066,538</u>
Due after five years		
Zero coupon Khazanah bonds, at nominal value	1,000,000	2,000,000
Less: Unamortised discount *	(327,835)	(567,120)
	<u>672,165</u>	<u>1,432,880</u>
	<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

	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	Long term	Total
		RM'000	RM'000	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 1 January 2022	During the year Repayment RM'million	At 31 December 2022
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
		<u>4,069,113</u>	<u>30,085,492</u>	<u>34,154,605</u>
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
		<u>3,202,111</u>	<u>30,378,501</u>	<u>33,580,612</u>

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35. Borrowings (cont'd.)

(iii) Unsecured bonds and notes (cont'd.)

(a) Danga Capital Berhad ("Danga")

	Note	Company	
		2022	2021
		RM'000	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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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	-
	10,100,000	8,400,000

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-1Is /AA-Is 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)
			1,953	(150)	1,803

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)	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)
			1,649	(300)	1,349

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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 1 January 2022	During the year		At 31 December 2022
				Issuance	Repayment	
				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 1 January 2022	During the year		At 31 December 2022
				Issuance	Repayment	
				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	3,292,000	700,000

(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 RM'000	Company Long term RM'000	Total 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 RM'000	2021 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	(1,719)	-	(1,719)
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	Fair value adjustment reserve RM'000	Cash flow hedge reserve RM'000	Share option reserve RM'000	Statutory reserve RM'000	Retirement benefit reserve RM'000	Others RM'000	Total RM'000
2022	Note (a)	Note (b)	Note (c)	Note (d)	Note (e)	Note (f)		
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	Fair value adjustment reserve RM'000	Cash flow hedge reserve RM'000	Share option reserve RM'000	Statutory reserve RM'000	Retirement benefit reserve RM'000	Others RM'000	Total RM'000
2021	Note (a)	Note (b)	Note (c)	Note (d)	Note (e)	Note (f)		
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	Fair value adjustment reserve RM'000	Cash flow hedge reserve RM'000	Share option reserve RM'000	Statutory reserve RM'000	Retirement benefit reserve RM'000	Others RM'000	Total RM'000
Note (a)	Note (b)	Note (c)	Note (d)	Note (e)	Note (f)			
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	
	Note	2022	2021
		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		<u>48,394</u>	<u>51,031</u>
Analysed as:			
Current	37	2,884	247
Non-current		<u>45,510</u>	<u>50,784</u>
		<u>48,394</u>	<u>51,031</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 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	4,719,504	4,585,559
Reinsurance		
Life insurance	(106,414)	(212,147)
Net		
Life insurance and family takaful	4,613,090	4,373,412

(iii) Deferred liabilities and income

Group	Deferred income
	RM'000
2022	
Amount recognised	2,306,829
Accumulated realisation	(466,465)
	<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	(412,625)
	<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
	7,389,132	7,600,617

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41. Lease liabilities (cont'd.)

Analysed as:

	Group	
	2022	2021
	RM'000	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	2021
	RM'000	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	2021	2022	2021
	RM'000	RM'000	RM'000	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	2021	2022	2021
	'000	'000	RM'000	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	2021	2022	2021
	'000	'000	RM'000	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	(2,185,428)	(3,196,002)
2021		
Increase in 12% of equity price	2,046,523	2,790,020
Decrease in 12% of equity price	(2,046,523)	(2,790,020)

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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	Effect on	Changes in	Effect on
		rate	profit/(loss)	rate	profit/(loss)
			before tax		before tax
			RM'000		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	Observable	Unobservable
		market price	input	input
		Level 1 RM'000	Level 2 RM'000	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 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
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:

Company				
<u>Fair value measurement using</u>				
Assets and liabilities measured at fair value	Carrying amount RM'000	Quoted	Observable	Unobservable
		market price	input	input
		Level 1	Level 2	Level 3
		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	Observable	Unobservable
		market price	input	input
		Level 1 RM'000	Level 2 RM'000	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		
	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
Amortised cost RM'000			
Financial assets			
Cash and bank balances	12,333,855	-	12,333,855
Other financial assets	544,657	26,633,351	45,456,346
Derivative assets	-	12,051	12,051
Other receivables	10,641,780	-	10,641,780
Total	23,520,292	26,645,402	68,444,032

	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	-	-	-
Derivative liabilities	952	-	952
Other payables	-	11,030,793	11,030,793
Total	952	11,030,793	11,031,745

199301020767 (275505-K)

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45. Financial instruments by category (cont'd.)

31 December 2021

	Group		
	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	40,843,081
Derivative assets	-	22,409	22,409
Other receivables	7,665,097	-	7,665,097
Total	20,169,940	23,272,573	60,496,872

	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	-	-	-
Derivative liabilities	196,325	-	196,325
Other payables	-	9,994,718	9,994,718
Total	196,325	9,994,718	10,191,043

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45. Financial instruments by category (cont'd.)

31 December 2022

	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	1,748,026	-	-	1,748,026
Other financial assets	2,330	5,207,399	-	5,209,729
Other receivables	1,289,262	-	-	1,289,262
Total	3,039,618	5,207,399	-	8,247,017
		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		-	44,142,853	44,142,853

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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	166,587	47,082,607	47,249,194

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.

46. Segment information (cont'd.)

2022

	Investment Holding	Infrastructure & Construction	Property	Financial Institution 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)	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

46. Segment information (cont'd.)

2021

	Investment Holding	Infrastructure Construction	Financial Institution Group	Transportation & Logistics	Leisure & Tourism	Agrifood	Others	Elimination	Total
	RM'mil								
REVENUE									
External sales	1,683	4,229	87	2,036	166	112	461	-	12,867
Inter-segment sales	2,294	-	-	-	-	-	-	(2,294)	-
Total revenue	3,977	4,229	87	2,036	166	112	461	(2,294)	12,867
RESULTS									
Operating (loss)/profit	1,379	33	(39)	90	(586)	38	67	-	108
Finance cost	(1,821)	(233)	(7)	-	(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	(741)	55	3,578	-	757
Taxation	(226)	(47)	(1)	(15)	26	-	(9)	-	(460)
(Loss)/profit after tax	(668)	(233)	(101)	75	(715)	55	3,569	-	297
Non controlling interests	-	59	(12)	(35)	107	-	(6)	-	392
Net (loss)/profit for the year	(668)	(174)	(113)	40	(608)	55	3,563	-	689
ASSETS AND LIABILITIES									
Segment assets	40,412	18,686	2,514	6,705	4,433	392	3,424	-	88,281
Investment in associates	56,800	957	223	-	-	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	4,486	592	4,936	-	149,775
Segment liabilities	49,624	10,391	708	4,986	2,701	89	2,444	-	86,224
Consolidated total liabilities	49,624	10,391	708	4,986	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	(12,333,855)	(11,966,285)
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	2021
		RM'000	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	2021
	RM'000	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	2021
	RM'000	RM'000
Approved but not contracted for:		
Capital injection planned for investments	12,282,500	13,785,000
Property and equipment	<u>54,703</u>	<u>20,940</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 filled 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.

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:

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- (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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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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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

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

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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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

Khazanah Nasional Berhad
(Incorporated in Malaysia)
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

Khazanah Nasional Berhad
(Incorporated in Malaysia)
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

Khazanah Nasional Berhad
(Incorporated in Malaysia)

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 Sibul Ventures Sdn. Bhd. #	Malaysia	100.0	100.0	-	-	Investment holding
Pulau Tiga Ventures Sdn. Bhd. #	Malaysia	100.0	100.0	-	-	Investment holding

Khazanah Nasional Berhad
(Incorporated in Malaysia)

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

Khazanah Nasional Berhad
(Incorporated in Malaysia)

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

Khazanah Nasional Berhad
(Incorporated in Malaysia)

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

Khazanah Nasional Berhad
(Incorporated in Malaysia)

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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(Incorporated in Malaysia)

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

Khazanah Nasional Berhad
(Incorporated in Malaysia)

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~ 2022 2021 % %		Accounting model applied	Principal activities
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

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 %		
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~ 2022 2021 % %		Non-controlling interest~ 2022 2021 % %		Principal activities
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~ 2022 2021 % %		Non-controlling interest~ 2022 2021 % %		Principal activities
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

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

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 *xa	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 Uniquist 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 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

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 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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(Incorporated in Malaysia)

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~ 2022 % 2021 %		Accounting model applied	Principal activities
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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(Incorporated in Malaysia)
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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(Incorporated in Malaysia)
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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(Incorporated in Malaysia)

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

**Subsidiary of Pati International
(India) Pvt Ltd**

Rushil Constructions (India) Pvt. Ltd. *	India	-	100.0	-	-	Dissolved

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

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. 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
		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

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~ 2022 2021 % %		Non-controlling interest~ 2022 2021 % %		Principal activities
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-Dauliyyah LLC £	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~ 2022 2021 % %		Accounting model applied	Principal activities
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~ 2022 2021 % %		Non-controlling interest~ 2022 2021 % %		Principal activities
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~ 2022 %	2021 %	Non-controlling interest~ 2022 %	2021 %	Principal activities
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 %	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

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

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~		Accounting model applied	Principal activities
		2022	2021		
		%	%		

**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~		Non-controlling interest~		Principal activities
		2022	2021	2022	2021	
		%	%	%	%	

**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~ 2022 2021 % %		Non-controlling interest~ 2022 2021 % %		Principal activities
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~ 2022 2021 % %		Non-controlling interest~ 2022 2021 % %		Principal activities
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~ 2022 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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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~ 2022 2021 % %		Non-controlling interest~ 2022 2021 % %		Principal activities
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~		Accounting model applied		Principal activities
		2022	2021			
		%	%			
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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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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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~ 2022 2021 % %		Non-controlling interest~ 2022 2021 % %		Principal activities
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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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~ 2022 2021 % %		Accounting model applied	Principal activities
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~ 2022 %2021 %		Non-controlling interest~ 2022 %2021 %		Principal activities
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 Hampan Sdn. Bhd.						
PT Gree Energy Hampan*	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
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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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~ 2022 2021 % %		Accounting model applied	Principal activities
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~ 2022 2021 % %		Accounting model applied	Principal activities
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~ 2022 2021 % %		Accounting model applied	Principal activities
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~ 2022 2021 % %		Accounting model applied	Principal activities
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 Raqem 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

**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

**Khazanah Nasional Berhad
(Incorporated in Malaysia)**

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

**Khazanah Nasional Berhad
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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

**Khazanah Nasional Berhad
(Incorporated in Malaysia)**

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

**Khazanah Nasional Berhad
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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
Syahrulizam 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

Khazanah Nasional Berhad
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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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(Incorporated in Malaysia)

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	(Appointed On 7 October 2022)
(Alternate Director to Tan Sri Dato' Lim Kang Hoo)	
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 Apani	(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)
Azriee 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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**Khazanah Nasional Berhad
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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.

GUARANTOR
Khazanah Nasional Berhad
Level 22, Mercu UEM
Jalan Stesen Sentral 5
Kuala Lumpur Sentral
50470 Kuala Lumpur
Malaysia

ISSUER
Khazanah Capital Ltd.
Brumby Centre, Lot 42
Jalan Muhibbah 87000 Labuan F.T.
Malaysia

TRUSTEE
The Bank of New York Mellon, London Branch
160 Queen Victoria Street
London EC4V 4LA
United Kingdom

ISSUING AND PAYING AGENT AND CALCULATION AGENT

The Bank of New York Mellon, London Branch
160 Queen Victoria Street
London EC4V 4LA
United Kingdom

REGISTRAR AND TRANSFER AGENT

The Bank of New York Mellon SA/NV, Dublin Branch
Riverside Two
Sir John Rogerson's Quay
Grand Canal Dock
Dublin 2
Ireland

ARRANGERS AND DEALERS

CIMB Investment Bank Berhad
Level 28, Menara CIMB
Jalan Stesen Sentral 2
Kuala Lumpur Sentral
50470 Kuala Lumpur
Malaysia

J.P. Morgan Securities plc
25 Bank Street
Canary Wharf
London E14 5JP
United Kingdom

MUFG Securities EMEA plc
25 Ropemaker Street
London EC2Y 9AJ
United Kingdom

BNP Paribas
31-01, Ocean Financial Centre
10 Collyer Quay
Singapore 049315

Citigroup Global Markets Limited
Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB
United Kingdom

DBS Bank Ltd.
12 Marina Boulevard, Level 42
Marina Bay Financial Centre Tower 3
Singapore 01898

The Hongkong and Shanghai Banking Corporation Limited
Level 17, HSBC Main Building
1 Queen's Road Central
Hong Kong

Malayan Banking Berhad
c/o Maybank Investment Bank Berhad
33rd Floor, Menara Maybank
100 Jalan Tun Perak
50050 Kuala Lumpur
Malaysia

Merrill Lynch (Singapore) Pte. Ltd.
50 Collyer Quay
#14-01 OUE Bayfront
Singapore 049321

Oversea-Chinese Banking Corporation Limited
63 Chulia Street
OCBC Centre East #03-05
Singapore 049514

SMBC Nikko Securities (Hong Kong) Limited
Suites 807-811, 8/F
One International Finance Centre
1 Harbour View Street
Central
Hong Kong

Standard Chartered Bank
One Basinghall Avenue
London EC2V 5DD
United Kingdom

UBS AG Singapore Branch
9 Penang Road
Singapore 238459

LEGAL ADVISERS

To the Issuer and the Guarantor as to English Law

Allen Overy Shearman Sterling LLP
50 Collyer Quay
#09-01 OUE Bayfront
Singapore 049321

To the Arrangers and Dealers as to English law

Linklaters Singapore Pte. Ltd.
One George Street #17-01
Singapore 049145

To the Arrangers and Dealers as to Malaysian Law

Adnan Sundra & Low
Level 25 Menara Etiqa
No 3 Jalan Bangsar Utama 1
59000 Kuala Lumpur
Malaysia

To the Trustee as to English law

Linklaters
11th Floor, Alexandra House
Chater Road, Central
Hong Kong

AUDITORS OF KHAZANAH NASIONAL BERHAD

Ernst & Young PLT
Level 23A Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
50490 Kuala Lumpur
Malaysia