

KHAZANAH NASIONAL BERHAD
199301020767 (275505-K)
(Incorporated in Malaysia)

Directors' Report and Audited Financial Statements
31 December 2022

199301020767 (275505-K)

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

Contents	Page
Directors' report	1 - 5
Statement by directors	6
Statutory declaration	6
Independent auditors' report	7 - 10
Statements of comprehensive income	11 - 12
Consolidated statement of financial position	13 - 14
Statement of financial position	15
Consolidated statement of changes in equity	16 - 17
Statement of changes in equity	18
Consolidated statement of cash flows	19 - 21
Statement of cash flows	22 - 23
Corporate information and significant accounting policies	24 - 96
Notes to the financial statements	97 - 350

199301020767 (275505-K)

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

Directors' report

The Directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2022.

Principal activities

The principal activity of the Company is that of investment holding. The principal activities of the subsidiaries, associates and joint ventures of the Company and of the Group are described in Note 52 and Note 53 to the financial statements, respectively.

Results

	Group RM'000	Company RM'000
Profit for the financial year, net of tax	<u>5,354,260</u>	<u>3,356,198</u>
Profit attributable to:		
Owners of the Company	5,606,879	3,356,198
Non-controlling interests	<u>(252,619)</u>	<u>-</u>
	<u>5,354,260</u>	<u>3,356,198</u>

There were no material transfers to or from reserves or provisions during the financial year, other than as disclosed in the financial statements.

In the opinion of the Directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature, other than as disclosed in the notes to the financial statements.

Dividends

The amounts of dividends declared or paid by the Company were as follows:

In respect of the financial year ended 31 December 2021:	RM'000
Interim single-tier dividend on 5,443,953,229 ordinary shares, declared on 25 October 2021 and paid on 28 October 2021	1,500,000
Interim single-tier dividend on 5,443,953,229 ordinary shares, declared on 27 November 2021 and paid on 22 December 2021	500,000
	<u>2,000,000</u>

199301020767 (275505-K)

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

Dividends (cont'd.)

The amounts of dividends declared or paid by the Company were as follows (cont'd.):

In respect of the financial year ended 31 December 2022:	RM'000
Interim single-tier dividend on 5,443,953,229 ordinary shares, declared on 14 November 2022 and paid on 15 December 2022	<u>500,000</u>

The Directors do not recommend the payment of any final dividend for the financial year ended 31 December 2022.

Directors

The names of the Directors of the Company in office since the beginning of the financial year to the date of this report are:

Y.A.B. Dato' Seri Anwar bin Ibrahim	(Appointed on 3 January 2023)
Y. Bhg. Tan Sri Mohammed Azlan bin Hashim	
Y. Bhg. Datuk Azian binti Mohd Aziz	
Mr. Goh Ching Yin	
Mr. Lau Seng Yee	
Y. Bhg. Dato' Amirul Feisal bin Wan Zahir	
Y. Bhg. Dato' Zainal Abidin bin Putih	
Y.A.B. Dato' Sri Ismail Sabri bin Yaakob	(Resigned on 21 December 2022)
Y.B. Senator Tengku Datuk Seri Utama Zafrul bin Tengku Abdul Aziz	(Resigned on 4 November 2022)
Y.B. Dato' Seri Mohamed Azmin bin Ali	(Resigned on 26 January 2023)

The names of the directors of the Group's subsidiaries who served on the respective boards of the subsidiaries since the beginning of the current financial year to the date of this report are disclosed in Note 54 to the financial statements.

Directors benefits

Neither at the end of the financial year, nor at any time during the year, did there subsist any arrangement to which the Company was a party, whereby the Directors might acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the Directors or the fixed salary of a full time employee of the Company as shown in Note 9 to the financial statements), by reason of a contract made by the Company or a related corporation with any Director, or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

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.

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.

199301020767 (275505-K)

**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.

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.

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 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

199301020767 (275505-K)

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

**Statements of comprehensive income
For the year ended 31 December 2022**

		Group		Company	
	Note	2022	2021	2022	2021
		RM'000	RM'000	RM'000	RM'000
Continuing operations					
Revenue	6	20,224,031	12,866,885	7,262,921	4,911,220
Operating expenses		(24,193,693)	(13,753,452)	(1,951,689)	(2,663,561)
Other income		5,450,679	994,676	-	-
Operating profit	7	1,481,017	108,109	5,311,232	2,247,659
Finance costs	11	(2,663,031)	(2,814,737)	(1,936,980)	(1,813,848)
Share of results of associates and joint ventures		6,964,903	3,462,854	-	-
Profit before taxation		5,782,889	756,226	3,374,252	433,811
Taxation	12	(428,629)	(459,583)	(18,054)	(17,767)
Profit for the year, net of taxation		5,354,260	296,643	3,356,198	416,044
Other comprehensive income:					
<i>Items that may be reclassified subsequently to profit or loss:</i>					
Foreign currency translation differences		1,283,049	685,405	-	-
Net (loss)/gain on fair value of cash flow hedges		(237,894)	13,553	-	-
		1,045,155	698,958	-	-

199301020767 (275505-K)

**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		(252,619)	(392,310)	-	-
		<u>5,354,260</u>	<u>296,643</u>	<u>3,356,198</u>	<u>416,044</u>
Total comprehensive income/ (loss) attributable to:					
Owners of the Company		6,148,944	2,537,239	3,356,198	406,340
Non-controlling interests		(252,619)	(392,310)	-	-
		<u>5,896,325</u>	<u>2,144,929</u>	<u>3,356,198</u>	<u>406,340</u>

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

199301020767 (275505-K)

Khazanah Nasional Berhad
(Incorporated in Malaysia)

Consolidated statement of financial position
As at 31 December 2022

		Group	
	Note	2022	2021
		RM'000	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>

199301020767 (275505-K)

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

**Consolidated statement of financial position
As at 31 December 2022 (cont'd.)**

		Group	
	Note	2022	2021
		RM'000	RM'000
Equity and liabilities			
Current liabilities			
Borrowings	35	15,973,384	10,048,680
Trade payables	36	1,820,910	1,719,521
Other current liabilities	37	11,422,920	8,616,729
Lease liabilities	41	1,216,116	738,192
Tax payable		478,846	353,008
Derivative liabilities	27	799	22
		<u>30,912,975</u>	<u>21,476,152</u>
Liabilities of disposal group classified as held for sale	14	3,170	1,228
		<u>30,916,145</u>	<u>21,477,380</u>
Non-current liabilities			
Borrowings	35	42,430,215	47,364,875
Other non-current liabilities	40	9,793,851	9,834,354
Deferred tax liabilities	28	441,263	488,937
Lease liabilities	41	6,173,016	6,862,425
Derivative liabilities	27	153	196,303
		<u>58,838,498</u>	<u>64,746,894</u>
Total liabilities		<u>89,754,643</u>	<u>86,224,274</u>
Equity attributable to Owners of the Company:			
Share capital	42	12,284,201	12,284,201
Capital contribution from shareholders		2,683,223	2,683,223
Reserves		42,197,672	36,836,899
Shareholders' funds		<u>57,165,096</u>	<u>51,804,323</u>
Non-controlling interests		12,259,859	11,746,784
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.

199301020767 (275505-K)

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

**Statement of financial position
As at 31 December 2022**

		Company	
	Note	2022	2021
		RM'000	RM'000
Assets			
Property, plant and equipment	15	19,790	15,727
Investment properties	17	-	-
Other intangible assets	20	1,291	766
Interest in subsidiaries	21	40,060,409	41,935,344
Interest in associates	22	25,226,670	25,378,931
Other financial investments	24	5,209,729	4,241,730
Other receivables	32	1,289,262	916,281
Tax recoverable		23,836	26,223
Cash and bank balances	33	1,748,026	1,279,258
Investment in money market instruments	34	-	34,896
Total assets		73,579,013	73,829,156
Liabilities			
Derivative liabilities	27	-	166,587
Other liabilities	37	1,379,967	2,019,939
Borrowings	35	42,762,886	45,062,668
Total liabilities		44,142,853	47,249,194
Equity attributable to Owners of the Company			
Share capital	42	12,284,201	12,284,201
Capital contribution from shareholders		2,324,423	2,324,423
Retained profits		14,827,536	11,971,338
Total equity		29,436,160	26,579,962
Total equity and liabilities		73,579,013	73,829,156

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

199301020767 (275505-K)

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 ----->						Total equity RM'000
	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	
2022							
At 1 January	12,284,201	2,683,223	1,344,057	35,492,842	51,804,323	11,746,784	63,551,107
Income/(loss) for the year	-	-	-	5,606,879	5,606,879	(252,619)	5,354,260
Other comprehensive income							
- arising during the year	-	-	542,065	-	542,065	-	542,065
Total comprehensive income/(loss)	-	-	542,065	5,606,879	6,148,944	(252,619)	5,896,325
Transactions with owners							
Dilution of interest in subsidiaries	-	-	-	(176,765)	(176,765)	-	(176,765)
Arising on business combination activity	-	-	(8,480)	(239,880)	(248,360)	693,000	444,640
Disposal of associates	-	-	37,551	-	37,551	-	37,551
Disposal of other financial investments	-	-	(480,533)	480,533	-	(11,867)	(11,867)
Share of reserves of associates and joint ventures	-	-	157,478	(68,316)	89,162	-	89,162
Derecognition of put option	-	-	(4)	-	(4)	-	(4)
Defined benefit plan actuarial gains	-	-	-	113	113	-	113
Transfer from/(to):							
- statutory reserve	-	-	82,380	(82,380)	-	-	-
- capital reserve	-	-	12,629	(12,629)	-	-	-
- general reserve	-	-	50,177	(50,177)	-	56,231	56,231
Share based payment	-	-	10,132	-	10,132	-	10,132
Dividend paid to non-controlling interests	-	-	-	-	-	28,330	28,330
Dividends paid to owners	-	-	-	(500,000)	(500,000)	-	(500,000)
Total transactions with owners	-	-	(138,670)	(649,501)	(788,171)	765,694	(22,477)
At 31 December	12,284,201	2,683,223	1,747,452	40,450,220	57,165,096	12,259,859	69,424,955

199301020767 (275505-K)

**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 ----->						Total equity RM'000
	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	
2021							
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	-	-	-	-	-	(4,868)	(4,868)
Dividends paid to owners	-	-	-	(2,000,000)	(2,000,000)	-	(2,000,000)
Total transactions with owners	-	(1,800,000)	(358,121)	(835,547)	(2,993,668)	6,733,958	3,740,290
At 31 December	12,284,201	2,683,223	1,344,057	35,492,842	51,804,323	11,746,784	63,551,107

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	12,284,201	2,324,423	-	14,827,536	29,436,160
At 1 January 2021	12,284,201	2,324,423	30,000	13,535,998	28,174,622
Total comprehensive income for the year	-	-	(9,704)	416,044	406,340
Transfer from/(to) retained earnings	1,000	-	(20,296)	19,296	-
Redemption of RCCPS	(1,000)	-	-	-	(1,000)
Dividends (Note 13)	-	-	-	(2,000,000)	(2,000,000)
At 31 December 2021	12,284,201	2,324,423	-	11,971,338	26,579,962

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

199301020767 (275505-K)

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	<u>1,990,490</u>	<u>1,923,190</u>

199301020767 (275505-K)

Khazanah Nasional Berhad
(Incorporated in Malaysia)

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>

199301020767 (275505-K)

Khazanah Nasional Berhad
(Incorporated in Malaysia)

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.

Khazanah Nasional Berhad
(Incorporated in Malaysia)

Statement of cash flows
For the year ended 31 December 2022

	Company	
	2022	2021
	RM'000	RM'000
Cash flows from operating activities		
Profit before taxation	3,374,252	433,811
Adjustments for:		
Gain from divestments	(376,253)	(801,881)
Dividend income	(6,516,337)	(3,883,924)
Interest income	(129,004)	(113,626)
Unrealised (gain)/loss on foreign exchange, net	(77,875)	142,641
Depreciation on property and equipment	2,025	1,793
Depreciation on investment property	-	6,118
Other intangible assets written off	-	85
Amortisation of other intangible assets	254	229
Allowance for impairment losses in investments and receivables, net of writebacks	542,187	2,085,792
Gain on disposal of property and equipment	-	(278)
Interest expense	1,936,980	1,813,848
Net loss/(gain) on financial assets designated as fair value through profit or loss	1,042,285	(102,023)
Net (gain)/loss on revaluation of derivatives	(166,587)	38,178
Operating loss before working capital changes	(368,073)	(379,237)
Changes in receivables	1,003,272	2,699,792
Changes in payables	(2,470,802)	(4,503,658)
Income tax paid	(15,667)	(17,355)
Net cash used in operating activities	<u>(1,851,270)</u>	<u>(2,200,458)</u>
Cash flows from investing activities		
Proceeds from disposal/(purchase) of investments, net	1,480,515	(1,333,714)
Purchase of property and equipment	(6,088)	(10,627)
Purchase of other intangible assets	(779)	(708)
Proceeds from disposal of property and equipment	-	3,610
Dividend received	6,212,926	3,883,924
Interest received	57,137	74,760
Net cash generated from investing activities	<u>7,743,711</u>	<u>2,617,245</u>

199301020767 (275505-K)

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

**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	1,279,258	3,388,329
Cash and cash equivalents at the end of year	<u>1,748,026</u>	<u>1,279,258</u>
Cash and cash equivalents comprise (Note 33):		
Cash and bank balances	167,781	161,630
Deposits with licensed banks	1,580,245	1,117,628
	<u>1,748,026</u>	<u>1,279,258</u>

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

199301020767 (275505-K)

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

1. Corporate information

The principal activity of the Company is that of investment holding. The principal activities of the subsidiaries, associates and joint ventures of the Company and of the Group are described in Note 52 and Note 53 to the financial statements, respectively.

There have been no significant changes in the nature of the principal activities during the financial year.

The Company is a public limited liability company, incorporated and domiciled in Malaysia. The registered office of the Company is located at Level 22, Mercu UEM, Jalan Stesen Sentral 5, Kuala Lumpur Sentral, 50470 Wilayah Persekutuan Kuala Lumpur.

The Company's holding and ultimate holding body is the Minister of Finance Incorporated ("MoF Inc."), a body corporate, incorporated pursuant to the Minister of Finance (Incorporation) Act, 1957.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 8 May 2023.

2. Summary of significant accounting policies

2.1 Basis of preparation

The financial statements of the Group and of the Company are prepared in accordance with the provisions of the Companies Act, 2016 and comply with the Malaysian Financial Reporting Standards ("MFRS"), which is in compliance with International Financial Reporting Standards issued by the International Accounting Standards Board ("IASB").

The financial statements have been prepared under the historical cost basis unless otherwise disclosed in the respective significant accounting policies below.

The financial statements are presented in Ringgit Malaysia ("RM") which is also the Company's functional currency and all values are rounded to the nearest thousand (RM'000), except when otherwise indicated.

The Company presents its statement of financial position in order of liquidity.

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

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.

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

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.

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

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.

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

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.

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

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.

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

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.

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

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

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

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>

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

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.

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

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.

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

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.

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

2. Summary of significant accounting policies (cont'd.)

2.9 Financial instruments (cont'd.)

(i) Financial assets (cont'd.)

Subsequent measurement (cont'd.)

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Company and Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under MFRS 132: Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statements of profit or loss when the right of payment has been established, except when the Company and Group benefit from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Company and Group elected to classify irrevocably its not held for trading instruments under this category.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statements of financial position at fair value with net changes in fair value recognised in the statements of profit or loss.

2. Summary of significant accounting policies (cont'd.)

2.9 Financial instruments (cont'd.)

(i) Financial assets (cont'd.)

Subsequent measurement (cont'd.)

Financial assets at fair value through profit or loss (cont'd.)

This category includes derivative instruments and listed equity investments which the Company and Group had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are also recognised as dividend income in the statements of profit or loss when the right of payment has been established.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

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.

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

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.

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

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.

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

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.

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

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.

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

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.

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

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.

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

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.

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

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.

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

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.

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

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.

Khazanah Nasional Berhad
(Incorporated in Malaysia)

2. Summary of significant accounting policies (cont'd.)

2.13 Concession assets (cont'd.)

(a) Concession intangible assets (cont'd.)

Such assets are not recognised by the Group as property, plant and equipment but as concession intangible assets. The intangible asset model applies where the operator is paid by the users or where the concession grantor has not provided a contractual guarantee in respect of the amount recoverable. The intangible asset corresponds to the right granted by the concession grantor to the operator to charge users of the public service. Under the intangible asset model, revenue includes revenue from the construction of the infrastructure/assets and operating revenue of the infrastructure.

(i) Expressway Development Expenditure ("EDE")

EDE comprises construction development and upgrading expenditure (including borrowing costs relating to the financing of the development) incurred in connection with the concession intangible assets.

EDE is stated at cost less accumulated amortisation and accumulated impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 2.28.

EDE is amortised over its concession period. The amortisation formula applied in the preparation of the financial statements to arrive at the annual amortisation charge for each financial year is as follows:

$$\frac{\text{Traffic volume for the year}}{\text{(Actual traffic volume for the year + Projected total traffic volume for the subsequent years to end of concession period)}} \times \text{(Net carrying value of EDE at beginning of the year + Net additions for the year)}$$

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.

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

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.

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

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.

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

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.

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

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.

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

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.

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.

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

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.

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

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.

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

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.

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").

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

2. Summary of significant accounting policies (cont'd.)

2.25 Revenue and income recognition (cont'd.)

(e) Construction contracts, contracts for sale of land and property development costs (cont'd.)

(i) Construction contracts (cont'd.)

For those construction contracts that contain significant financing component, the amount of consideration is discounted, using the rate that would be reflected in a separate financing transaction between the Group and its customer at contract inception, to take into consideration the significant financing component.

(ii) Sale of land

Revenue from sale of land is recognised as a point in time when control is transferred to the customer and it is probable that the Group will collect the consideration to which it will be entitled in exchange for the asset that will be transferred to the customer.

(iii) Sale of development properties

Revenue from sale of development properties is recognised as and when the control of the asset is transferred to the customer and it is probable that the Group will collect the consideration to which it will be entitled in exchange for the asset that will be transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the asset may transfer over time or at a point in time. Control of the asset is transferred over time if the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If control of the asset transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer in substance obtains control of the asset.

Revenue from sale of development properties is recognised net of consideration payable to the customers and variable considerations.

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

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.

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

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.

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

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

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

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.

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

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.

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.

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.

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

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.

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

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.

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

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.

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.

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

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.

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

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.

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

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.

2. Summary of significant accounting policies (cont'd.)

2.30 Insurance business (cont'd.)

(g) Liability adequacy test

At each financial year end, the insurance and takaful subsidiaries of the Group review the expense liabilities of the Shareholders' fund to ensure that the carrying amount is sufficient or adequate to cover the obligations of the shareholder's fund for all managed takaful certificates. In performing this review, the insurance and takaful subsidiaries of the Group consider all contractual cash flows and compare this against the carrying value of expense liabilities. Any deficiency is recognised in profit or loss.

(h) Measurement and impairment of Qard

In the event where the assets of the takaful funds are insufficient to meet the liabilities, the shareholder is required to rectify the deficit of the takaful funds via a Qard, which is a profit free loan. The Qard shall be repaid from future surpluses of the affected takaful funds. In the Shareholders' fund, the Qard is stated at cost less impairment losses, if any, whereas in the takaful funds, the Qard is stated at cost.

At each reporting date, the Qard position and the ability of the affected fund to generate sufficient surplus to repay the shareholder is monitored and measured. The likelihood that the Qard will be repaid and the duration of time that will be required to repay the Qard is determined and ascertained via projected cash flows which take into account past experience of the affected fund. The projected cash flows are then discounted to determine the recoverable value of the Qard.

If the Qard is impaired, an amount comprising the difference between its cost and its recoverable amount, less any impairment loss previously recognised is recognised in profit or loss. Impairment losses are subsequently reversed in the income statement if objective evidence exists that the Qard is no longer impaired.

(i) Insurance/takaful payables

Insurance/takaful payables are recognised when due and measured on initial recognition at fair value of the consideration payable less directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective yield method.

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

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;

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

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.

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

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.

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

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.

Khazanah Nasional Berhad
(Incorporated in Malaysia)

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);

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

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.

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.

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.

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

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.

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

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.

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

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.

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

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.

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

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.

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

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.

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

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.

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

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.

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

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.

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

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.

Khazanah Nasional Berhad
(Incorporated in Malaysia)

Notes to the consolidated and company financial statements

6. Revenue

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 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>

Khazanah Nasional Berhad
(Incorporated in Malaysia)

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	<u>20,224,031</u>	<u>12,866,885</u>	<u>7,262,921</u>	<u>4,911,220</u>

- (i) Directors' fees relate to income receivable from related companies for the services rendered by the Company's employees as nominee directors of the related companies.

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

Khazanah Nasional Berhad
(Incorporated in Malaysia)
7. Operating profit (cont'd.)

Operating profit is stated after charging/(crediting) the following: (cont'd.)

		Group		Company	
	Note	2022	2021	2022	2021
		RM'000	RM'000	RM'000	RM'000
Depreciation of investment properties	17	40,712	93,011	-	6,118
Loss/(gain) on disposal of property, plant and equipment		268,018	543,739	-	(278)
Other intangible assets written off	20	-	-	-	85
Depreciation for right-of-use assets	26	1,037,974	1,014,012	-	-
Fuel costs		4,131,811	1,071,458	-	-
Handling, landing, parking, enroute charges, catering and other related costs		923,344	414,009	-	-
Aircraft maintenance and overhaul		1,786,887	396,303	-	-
Provision for aircraft redelivery costs	37	694,322	38,445	-	-
Allowance for impairment losses on property, plant and equipment	15	54,347	142,834	-	-
Allowance for impairment losses on right-of-use assets	26	-	110,880	-	-
Net amortisation charge for concession assets	18	18,905	27,328	-	-
Amortisation of deferred income		(53,840)	(109,031)	-	-
Amortisation of Government grants	40(i)	(2,637)	(3,795)	-	-
Allowance for impairment losses on investment properties	17	57,247	37,768	-	-
Allowance for impairment losses on property development-in-progress	29	-	20,605	-	-
Inventories written off		28,618	29,206	-	-
Loss on disposal of investment properties		-	160,000	-	-
Property, plant and equipment written off	15	34,177	3,505	-	-

Khazanah Nasional Berhad
(Incorporated in Malaysia)

7. Operating profit (cont'd.)

Operating profit is stated after charging/(crediting) the following: (cont'd.)

	Note	Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Gain from restructuring of investment in a joint venture		4,080,000	-	-	-
Net fair value loss/(gain) on financial assets at fair value through profit or loss		1,706,686	46,635	1,042,285	(102,023)
Net fair value loss/(gain) on derivatives		366,000	22,000	(166,587)	38,178

8. Staff costs

	Note	Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Wages, salaries, statutory contributions to EPF and social security		3,315,842	2,580,804	148,334	142,016
Employees service entitlement and retirement benefits	38	1,534	1,466	-	-
Others		244,003	166,559	3,644	4,338
		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		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Wages and salaries	14,555	15,970	5,463	6,784
Fees and allowances	9,621	11,587	437	441
Statutory contributions to EPF	2,129	2,252	1,038	908
	26,305	29,809	6,938	8,133

Included in the Group Directors' remuneration were the subsidiaries Directors' remuneration.

Khazanah Nasional Berhad
(Incorporated in Malaysia)

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

Khazanah Nasional Berhad
(Incorporated in Malaysia)

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.

Khazanah Nasional Berhad
(Incorporated in Malaysia)
12. Taxation (cont'd.)

The reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the years ended 31 December 2022 and 2021 are as follows:

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Profit before taxation	5,782,889	756,226	3,374,252	433,811
Taxation at Malaysian statutory tax rate of 24% (2021: 24%)	1,387,893	181,494	809,820	104,115
Effect of different tax rates in foreign jurisdiction	12,872	(2,260)	-	-
Effect of income not subject to tax	(2,432,636)	(3,411,726)	(1,283,232)	(1,318,321)
Effect of expenses not deductible for tax purposes	3,972,162	1,691,711	492,212	1,229,074
Effect of utilisation of previously unrecognised tax losses and unabsorbed capital allowances	(1,386,228)	(34,004)	-	-
Deferred tax assets not recognised	539,290	2,899,959	-	-
Tax effect on share of associates and joint ventures' profit attributable to the equity holders	(1,671,577)	(831,085)	-	-
Under/(over) provision of income tax expense in prior year	6,540	(3,489)	(746)	2,899
Under/(over) provision of deferred tax expense in prior year	313	(31,017)	-	-
Tax expense for the year	428,629	459,583	18,054	17,767

Khazanah Nasional Berhad
(Incorporated in Malaysia)

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.

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

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.

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

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.

199301020767 (275505-K)

Khazanah Nasional Berhad
(Incorporated in Malaysia)

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

199301020767 (275505-K)

Khazanah Nasional Berhad
(Incorporated in Malaysia)

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	<u>5,049,040</u>	<u>3,639,424</u>	<u>990,980</u>	<u>1,460,631</u>	<u>339,389</u>	<u>11,479,464</u>
Net book value						
At 31 December	<u>1,260,550</u>	<u>1,592,233</u>	<u>311,406</u>	<u>2,779,348</u>	<u>393,423</u>	<u>6,336,960</u>

199301020767 (275505-K)

Khazanah Nasional Berhad
(Incorporated in Malaysia)

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

199301020767 (275505-K)

Khazanah Nasional Berhad
(Incorporated in Malaysia)

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	<u>5,219,430</u>	<u>10,671,826</u>	<u>1,278,206</u>	<u>2,027,775</u>	<u>41,339</u>	<u>19,238,576</u>
Net book value						
At 31 December	<u>1,730,959</u>	<u>1,199,676</u>	<u>436,162</u>	<u>2,744,438</u>	<u>387,408</u>	<u>6,498,643</u>

Khazanah Nasional Berhad
(Incorporated in Malaysia)

15. Property, plant and equipment (cont'd.)

Company	Office equipment, furniture and fittings and computer equipment RM'000	Motor vehicles RM'000	Renovation and capital work-in- progress RM'000	Total RM'000
2022				
Cost				
At 1 January	26,489	-	38,859	65,348
Additions	248	-	5,840	6,088
At 31 December	<u>26,737</u>	<u>-</u>	<u>44,699</u>	<u>71,436</u>
Accumulated depreciation				
At 1 January	24,337	-	25,284	49,621
Charge for the year (Note 7)	964	-	1,061	2,025
At 31 December	<u>25,301</u>	<u>-</u>	<u>26,345</u>	<u>51,646</u>
Net carrying amount				
At 31 December	<u>1,436</u>	<u>-</u>	<u>18,354</u>	<u>19,790</u>
2021				
Cost				
At 1 January	33,456	1,463	28,411	63,330
Additions	179	-	10,448	10,627
Disposal	(7,146)	(1,463)	-	(8,609)
At 31 December	<u>26,489</u>	<u>-</u>	<u>38,859</u>	<u>65,348</u>
Accumulated depreciation				
At 1 January	26,893	1,463	24,749	53,105
Charge for the year (Note 7)	1,258	-	535	1,793
Disposal	(3,814)	(1,463)	-	(5,277)
At 31 December	<u>24,337</u>	<u>-</u>	<u>25,284</u>	<u>49,621</u>
Net carrying amount				
At 31 December	<u>2,152</u>	<u>-</u>	<u>13,575</u>	<u>15,727</u>

Khazanah Nasional Berhad
(Incorporated in Malaysia)

16. Land held for property development

	Note	Group	
		2022 RM'000	2021 RM'000
At cost			
At 1 January		6,088,104	6,517,775
Additions		104,125	735,197
Disposals		(162,415)	(4,543)
Disposal of subsidiaries		-	(901,373)
Transfer to property, plant and equipment	15	(4,532)	-
Transfer to assets held for sale	14	-	(24,600)
Transfer to investment properties	17	(477)	(50,817)
Transfer to property development-in-progress	29	(435,141)	(183,535)
At 31 December		<u>5,589,664</u>	<u>6,088,104</u>

As at the reporting date, freehold land and related development expenditure of:

- (a) RM804.3 million (2021: RM755.8 million) are pledged as securities for the borrowing facilities granted to UEM Sunrise's subsidiaries.

Included in the current year additions are the following:

	Group	
	2022 RM'000	2021 RM'000
Staff costs	933	2,008
Interest expense	56,236	45,513

Khazanah Nasional Berhad
(Incorporated in Malaysia)

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.

Khazanah Nasional Berhad
(Incorporated in Malaysia)

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	-	-

Khazanah Nasional Berhad
(Incorporated in Malaysia)

18. Concession intangible assets

	Note	Group 2022 RM'000	2021 RM'000
Cost			
At 1 January		433,785	374,640
Additions		22,560	54,567
Exchange differences		(1,696)	4,578
At 31 December		454,649	433,785
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		193,600	185,072
Net carrying amount			
At 31 December		261,049	248,713

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.

Khazanah Nasional Berhad
(Incorporated in Malaysia)

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.

199301020767 (275505-K)

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

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
		<u>15,388</u>	<u>113,493</u>	<u>16,098</u>	<u>298,303</u>	<u>123,889</u>	<u>567,171</u>
Less: Amortisation	7	(85)	(4,341)	-	(28,621)	(25,571)	(58,618)
At 31 December		<u>15,303</u>	<u>109,152</u>	<u>16,098</u>	<u>269,682</u>	<u>98,318</u>	<u>508,553</u>
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
		<u>19,751</u>	<u>217,048</u>	<u>16,098</u>	<u>339,799</u>	<u>212,816</u>	<u>805,512</u>
Amortisation	7	(37)	(93,443)	-	(41,496)	(99,289)	(234,265)
At 31 December		<u>19,714</u>	<u>123,605</u>	<u>16,098</u>	<u>298,303</u>	<u>113,527</u>	<u>571,247</u>

Khazanah Nasional Berhad
(Incorporated in Malaysia)

20. Other intangible assets (cont'd.)

Company	Computer software	
	2022	2021
	RM'000	RM'000
Cost		
At 1 January	8,441	12,612
Additions	779	708
Write off	-	(4,879)
At 31 December	<u>9,220</u>	<u>8,441</u>
Accumulated amortisation		
At 1 January	7,675	12,240
Charge for the year (Note 7)	254	229
Write off	-	(4,794)
At 31 December	<u>7,929</u>	<u>7,675</u>
Net carrying amount		
At 31 December	<u>1,291</u>	<u>766</u>

Computer software relates to licence fees, professional fees and other directly attributable costs of preparing the asset for its intended use or for bringing the asset to its working condition.

21. Interest in subsidiaries

	Company	
	2022	2021
	RM'000	RM'000
Unquoted shares in Malaysia		
- at cost	44,552,293	45,016,278
- at FVTPL	1,272,193	1,246,143
Unquoted shares outside Malaysia	<u>2,201,272</u>	<u>2,218,698</u>
	48,025,758	48,481,119
Less: Accumulated allowance for impairment losses	<u>(26,476,168)</u>	<u>(25,997,542)</u>
	21,549,590	22,483,577
Amount due from subsidiaries *	<u>18,510,819</u>	<u>19,451,767</u>
	<u>40,060,409</u>	<u>41,935,344</u>

Market values of quoted shares in Malaysia

* As the amount due from subsidiaries is, in substance, a part of the Company's net investments in the subsidiaries, it is stated at cost less accumulated impairment losses.

Details of the subsidiaries are shown in Note 52 and Note 53.

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

21. Interest in subsidiaries (cont'd.)

(i) Additional acquisition/subscription in existing subsidiaries

- (i) The Company subscribed to an additional 26,050,000 redeemable convertible cumulative secured loan stocks and 116,488,049 preference shares in Destination Resorts & Hotels Sdn. Bhd. ("DRHSB") (formerly known as Themed Attractions Resorts & Hotels Sdn. Bhd. ("TARH")), for a total cash consideration of RM142.5 million, resulting in the Company maintaining its equity interest of 100%. DRHSB, an unlisted company incorporated in Malaysia, is an investment holding company.
- (ii) The Company subscribed to an additional 293,545,338 preference shares in Pantai Morib Ventures Sdn. Bhd. ("PMVSB"), for a total consideration of RM293.5 million, resulting in a the Company maintaining its equity interest of 100%. PMVSB, an unlisted company incorporated in Malaysia, is an investment holding company.
- (iii) The Company subscribed to an additional 28,711,602 preference shares in Impeccable Vintage Properties Sdn. Bhd. ("IVP"), for a total consideration of RM28.7 million, resulting in the Company maintaining its equity interest of 100%. IVP, an unlisted company incorporated in Malaysia, is an investment holding company.
- (iv) The Company subscribed to an additional 42,017,000 ordinary shares in Mount Hatton Investment Limited ("Mount Hatton"), for a total consideration of RM185.8 million, resulting in the Company maintaining its equity interest of 100%. Mount Hatton is an unlisted company incorporated in Malaysia, is an investment holding company.
- (v) The Company subscribed to an additional 54,170,000 preference shares in Mount Gading Ventures Sdn. Bhd ("MGV"), for a total consideration of RM54.2 million, resulting in the Company maintaining its equity interest of 100%. MGV, an unlisted company incorporated in Malaysia, is an investment holding company.
- (vi) The Company subscribed to an additional 11,555,000 ordinary shares in Teluk Bahang Investment Limited ("TBIL"), for a total consideration of RM52.4 million, resulting in the Company maintaining its equity interest of 100%. TBIL, an unlisted company incorporated in Malaysia, is an investment holding company.
- (vii) The Company subscribed to an additional 8,437,801 ordinary shares in Sampadi Investment Limited ("Sampadi"), for a total consideration of RM35.0 million, resulting in the Company maintaining its equity interest of 100%. Sampadi, unlisted company incorporated in Malaysia, is an investment holding company.

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

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.

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

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

Khazanah Nasional Berhad
(Incorporated in Malaysia)

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	<u>(2,341)</u>
Total value of net assets disposed	31,962
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	<u>(51)</u>
Consideration received, satisfied by cash	1,810
Less: Cash and bank balances disposed	<u>(16,020)</u>
Net cash flow from disposal and dissolution of subsidiaries	<u>(14,210)</u>

Khazanah Nasional Berhad
(Incorporated in Malaysia)

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.

Khazanah Nasional Berhad
(Incorporated in Malaysia)

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

Khazanah Nasional Berhad
(Incorporated in Malaysia)

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)

Khazanah Nasional Berhad
(Incorporated in Malaysia)

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	<u>15,807</u>	<u>3,180</u>	<u>18,987</u>
Non-current liabilities	4,086	-	4,086
Current liabilities	3,386	51	3,437
Total liabilities	<u>7,472</u>	<u>51</u>	<u>7,523</u>
Net assets	<u>8,335</u>	<u>3,129</u>	<u>11,464</u>
Non-controlling interests	2,618	1,393	4,011
Non-controlling interests which are immaterial to the Group			<u>7,736</u>
			<u>11,747</u>

(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	<u>(308)</u>	<u>6</u>	<u>(302)</u>
Cash and cash equivalents at beginning of year	<u>1,719</u>	<u>3</u>	<u>1,722</u>
Cash and cash equivalents at end of year	<u>1,411</u>	<u>9</u>	<u>1,420</u>

Khazanah Nasional Berhad
(Incorporated in Malaysia)
22. Interest in associates

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Shares at cost,				
Quoted shares in Malaysia	38,605,102	38,757,363	24,438,927	24,591,188
Quoted shares outside Malaysia	438,383	729,023	-	-
Unquoted shares in Malaysia	3,057,069	2,779,777	788,076	788,076
Unquoted shares outside Malaysia	1,801,411	1,760,384	-	-
	<u>43,901,965</u>	<u>44,026,547</u>	<u>25,227,003</u>	<u>25,379,264</u>
Share of post acquisition reserves	24,248,030	20,496,950	-	-
	<u>68,149,995</u>	<u>64,523,497</u>	<u>25,227,003</u>	<u>25,379,264</u>
Less: Allowance for impairment losses	(6,875,295)	(6,384,932)	(333)	(333)
	<u>61,274,700</u>	<u>58,138,565</u>	<u>25,226,670</u>	<u>25,378,931</u>
Market value of quoted shares				
In Malaysia	63,064,118	68,199,875	48,153,773	50,407,529
Outside Malaysia	77,384	531,723	-	-

During the current financial year:

UEM Group Berhad ("UEM")

- (i) Aura Muhibah Sdn. Bhd. ("AMSB"), a 40% owned associate of UEM Land, redeemed its 6,400,000 Redeemable Preference Shares ("RPS") of RM1.00 each for a cash consideration of RM6.4 million.
- (ii) Edgenta Facilities Sdn. Bhd., a wholly-owned subsidiary of UEM Edgenta, completed the disposal of its entire 51% equity interest in its associate, Faber Sindoori Management Services Private Limited for a cash consideration of INR700.0 million or RM38.2 million. The disposal resulted in a loss of RM1.1 million to the UEM Group Berhad.

Khazanah Nasional Berhad ("KNB")

- (iii) The Company elected to participate in the dividend reinvestment plan of CIMB Group Holdings Berhad ("CIMB"), resulting in the Company acquiring an additional 132,498,205 ordinary shares. The Company also disposed 195,307,744 ordinary shares of CIMB, for a total cash consideration of RM1.02 billion. Pursuant to the disposal, the Company's equity interest in CIMB reduced to 24.06%. CIMB, a company incorporated in Malaysia, is listed on Bursa Malaysia Main Market and is involved in investment holding, financial services, property management, provision of consultancy services and dealing in securities.

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

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	Total
Group	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
Group	Investment	Infrastructure	Transportation	Total
	holding	& construction	& logistics	RM'mil
	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

Khazanah Nasional Berhad
(Incorporated in Malaysia)

22. Interest in associates (cont'd.)

Reconciliation of the summarised financial information presented above

2022 (cont'd.) Group	Investment holding RM'mil	Infrastructure & construction RM'mil	Transportation & logistics RM'mil	Total RM'mil
Net assets	200,727	1,563	(66)	202,224
Share of net assets	49,329	526	5	49,860
Goodwill	11,502	-	-	11,502
	<u>60,831</u>	<u>526</u>	<u>5</u>	<u>61,362</u>
Carrying amount of the Group's immaterial interest in associates				<u>6,788</u>
				<u>68,150</u>

Summarised consolidated statement of comprehensive income

2021 Group	Investment holding RM'mil	Infrastructure & construction RM'mil	Transportation & logistics RM'mil	Total RM'mil
Revenue	126,907	62	75	127,044
Profit/(loss) for the year	12,439	44	(35)	12,448

Group	Investment holding RM'mil	Infrastructure & construction RM'mil	Transportation & logistics RM'mil	Total RM'mil
Non-current assets	921,033	1,217	47	922,297
Current assets	60,354	585	42	60,981
Total assets	<u>981,387</u>	<u>1,802</u>	<u>89</u>	<u>983,278</u>
Non-current liabilities	722,769	-	3	722,772
Current liabilities	63,442	248	144	63,834
Total liabilities	<u>786,211</u>	<u>248</u>	<u>147</u>	<u>786,606</u>

Khazanah Nasional Berhad
(Incorporated in Malaysia)

22. Interest in associates (cont'd.)

Reconciliation of the summarised financial information presented above

2021 (cont'd.)	Investment	Infrastructure	& Transportation	Total
Group	holding	construction	& logistics	RM'mil
	RM'mil	RM'mil	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				5,245
				<u>64,523</u>

23. Interest in joint ventures

	Note	Group	2021
		2022	RM'000
		RM'000	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		141,146	141,146
		<u>2,660,460</u>	<u>5,396,172</u>
Share of post-acquisition reserves and others		(154,011)	(1,817,703)
		<u>2,506,449</u>	<u>3,578,469</u>
Less: Accumulated impairment losses		(591,074)	(408,159)
		<u>1,915,375</u>	<u>3,170,310</u>
Amount due from joint ventures		183,352	184,507
		<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.

Khazanah Nasional Berhad
(Incorporated in Malaysia)

23. Interest in joint ventures (cont'd.)

During the current financial year: (cont'd.)

UEM Group Berhad ("UEM") (cont'd.)

- (ii) UEM Sunrise Berhad subscribed to additional 978,000 RPS at an issue price of RM1.00 each in Nusajaya Lifestyle Sdn. Bhd. via conversion of advances to Nusajaya Lifestyle Sdn. Bhd. of RM978,000.
- (iii) Gerbang Leisure Park Sdn. Bhd., a 50%-owned joint venture of UEM Land Berhad was dissolved on 3 March 2022.
- (iv) PLUS Malaysia Berhad ("PLUS Malaysia") redeemed its 187,935,000 RCPS at a redemption sum of RM10.00 each via issuance of Redeemable Unsecured Murabahah Stocks ("RUMS") of the same value by PLUS Malaysia.

Details of the joint ventures are disclosed in Note 52 and Note 53.

The summarised financial information in respect of each of the Group's aggregated material joint ventures is set out below. The summarised financial information represents the amounts in the financial statements of the associates and not the Group's share of those amounts.

Summarised consolidated statement of comprehensive income

2022	Investment	Infrastructure	Property	Total
Group	holding	&	RM'mil	RM'mil
	RM'mil	construction	RM'mil	RM'mil
		RM'mil		
Revenue	1,131	109	22	1,262
Profit/(loss) for the year	771	31	(10)	792

Summarised consolidated statement of financial position

Group	Investment	Infrastructure	Property	Total
	holding	&	RM'mil	RM'mil
	RM'mil	construction	RM'mil	RM'mil
		RM'mil		
Non-current assets	18,092	729	723	19,544
Current assets	1,354	728	324	2,406
Total assets	19,446	1,457	1,047	21,950
Non-current liabilities	4,114	209	82	4,405
Current liabilities	6,720	110	164	6,994
Total liabilities	10,834	319	246	11,399

Khazanah Nasional Berhad
(Incorporated in Malaysia)

23. Interest in joint ventures (cont'd.)

Reconciliation of the summarised financial information presented above

Group	Investment holding RM'mil	Infrastructure & construction RM'mil	Property RM'mil	Total RM'mil
Net assets	8,612	1,138	801	10,551
Share of net assets	5,167	361	321	5,849
Carrying amount of the Group's immaterial interest in joint ventures				(3,343)
				<u>2,506</u>

Summarised consolidated statement of comprehensive income

2021 Group	Investment holding RM'mil	Infrastructure & construction RM'mil	Property RM'mil	Total RM'mil
Revenue	1,519	182	11	1,712
Profit/(loss) for the year	1,841	36	(77)	1,800

Summarised consolidated statement of financial position

Group	Investment holding RM'mil	Infrastructure & construction RM'mil	Property RM'mil	Total RM'mil
Non-current assets	17,647	626	378	18,651
Current assets	2,140	886	44	3,070
Total assets	19,787	1,512	422	21,721
Non-current liabilities	10,374	230	2	10,606
Current liabilities	311	118	18	447
Total liabilities	10,685	348	20	11,053

Khazanah Nasional Berhad
(Incorporated in Malaysia)

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>

Khazanah Nasional Berhad
(Incorporated in Malaysia)

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>

Khazanah Nasional Berhad
(Incorporated in Malaysia)

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>

Khazanah Nasional Berhad
(Incorporated in Malaysia)

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	<u>36,611</u>	<u>75,916</u>

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>

Company	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>

Khazanah Nasional Berhad
(Incorporated in Malaysia)

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
		<u>3,533,484</u>	<u>708,246</u>	<u>4,241,730</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.
- (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	<u>-</u>	<u>-</u>

Other than the loans receivable, the other financial assets above are neither past due nor impaired.

25. Other non-current assets

		Group	
		2022	2021
	Note	RM'000	RM'000
Receivables under finance lease	(i)	53,320	193,819
Trade receivables		339,657	512,309
Prepaid land lease payments		254	271
Staff loans		26,752	24,310
Cash and bank balances	33, (ii)	-	24,663
Contract assets	(iii)	73,656	77,694
Concession receivables	(iv)	1,165,042	1,197,871
Others		1,248,396	1,089,529
		<u>2,907,077</u>	<u>3,120,466</u>

Khazanah Nasional Berhad
(Incorporated in Malaysia)

25. Other non-current assets (cont'd.)

- (i) Finance lease receivables comprise amounts receivable in respect to:
- (a) financing of long term lease related to investment property of the Group.
 - (b) the energy saving performance agreements entered with third parties which requires the Group to design, devise, maintain and supply an energy conservation program for third parties' operational needs.
 - (c) the solar power purchase agreements entered with third parties which requires the Group to install, operate and maintain the solar photovoltaic electric power generation system for the purpose of providing renewable energy generated from solar.

As at the reporting date, the present value of lease receivables under non-cancellable lease agreements was as follows:

	Group	
	2022	2021
	RM'000	RM'000
Minimum lease receivables:		
Within one year	9,665	7,628
Between one and five years	36,726	29,256
More than five years	51,407	36,229
Total minimum lease payments	<u>97,798</u>	<u>73,113</u>
Less: Unearned finance revenues	(41,891)	(33,270)
Present value of minimum lease receivables	<u>55,907</u>	<u>39,843</u>
Present value of receivables:		
Within one year	2,587	2,508
Between one and five years	18,010	169,248
More than five years	35,310	24,571
	<u>55,907</u>	<u>196,327</u>
Less: Amount due within one year (Note 32)	(2,587)	(2,508)
Amount due after one year	<u>53,320</u>	<u>193,819</u>

- (ii) Relates to security for banking facilities granted to UEM Group's subsidiaries.

Khazanah Nasional Berhad
(Incorporated in Malaysia)

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>

Khazanah Nasional Berhad
(Incorporated in Malaysia)

25. Other non-current assets (cont'd.)

(iii) Contract assets (cont'd.)

(a) Contract assets from property development and strategic land sales

For property development, the Group issues progress billings to purchasers when the billing milestones are attained. The Group recognises revenue when the performance obligation is satisfied.

For strategic land sales, the Group recognises revenue and issues billings to purchasers upon transfer of control. The contract assets and contract liabilities relating to the sale of properties and land sales as of each reporting period are shown as below:

Group	2022 RM'000	2021 RM'000
Contract assets	374,672	430,550
Contract liabilities	(344,720)	(302,742)
	<u>29,952</u>	<u>127,808</u>
At 1 January	127,808	(45,816)
Revenue recognised during the financial year	952,298	866,362
Progress billings during the financial year	(915,323)	(521,024)
Deferred during the financial year	(134,831)	(171,714)
At 31 December	<u>29,952</u>	<u>127,808</u>

(b) Contract assets from construction contracts

Group	2022 RM'000	2021 RM'000
Contract assets	-	715
Construction work in progress ("WIP"), at cost	134,422	134,422
Add : Attributable profit	(3,725)	(3,725)
	<u>130,697</u>	<u>130,697</u>
Less :		
- Progress billings	(130,697)	(129,982)
	<u>-</u>	<u>715</u>

Khazanah Nasional Berhad
(Incorporated in Malaysia)

25. Other non-current assets (cont'd.)

(iii) Contract assets (cont'd.)

(c) Contract assets from rendering services

Contract assets are initially recognised for revenue earned from services transferred which receipt of the consideration is conditional on the completion and final acceptance by customers. Upon final acceptance by the customers, the amounts recognised as contract assets becomes unconditional and are reclassified to trade receivables.

Contract liabilities include billings made in advance which represent amounts where customers have been invoiced ahead of the satisfaction of the performance obligation by the Group.

Group	2022 RM'000	2021 RM'000
Contract assets	433,060	384,629
Contract liabilities	(30,777)	(30,312)
	<u>402,283</u>	<u>354,317</u>
Revenue recognised from amounts included in contract liabilities at the beginning of the year	<u>14,235</u>	<u>5,578</u>

(iv) Concession receivables

Concession receivables are in relation to:

Group	Note	2022 RM'000	2021 RM'000
Non-current		1,165,042	1,197,871
Current	31	124,214	124,214
		<u>1,289,256</u>	<u>1,322,085</u>

(a) A concession arrangement in which the Group provides retro-fitting works and upgrades of infrastructure to turn existing buildings into green buildings. This amount is to be repaid over the remaining period of the concession. This amount also pledged as security for the borrowings obtained as disclosed in Note 35.

(b) A concession arrangement to develop and construct Tunku Azizah Hospital. This amount is to be repaid over the remaining period of the concession.

Khazanah Nasional Berhad
(Incorporated in Malaysia)

26. Right-of-use assets

	Group			
	Aircraft	Land and	Others	Total
2022	RM'000	Building	RM'000	RM'000
	RM'000	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	<u>4,483,867</u>	<u>1,384,425</u>	<u>57,060</u>	<u>5,925,352</u>
2021				
At 1 January	7,965,138	2,361,827	80,295	10,407,260
Additions	279,731	34,008	15,379	329,118
Lease modification	(1,527,288)	(645,823)	(99)	(2,173,210)
Charge for the year (Note 7)	(937,952)	(60,798)	(15,262)	(1,014,012)
Transfer to property, plant and equipment (Note 15)	(144,174)	711	-	(143,463)
Transfer to investment properties (Note 17)	-	(52,943)	-	(52,943)
Disposal of subsidiaries	-	(562)	-	(562)
Disposal	-	(935)	-	(935)
Impairment (Note 7)	(110,880)	-	-	(110,880)
Foreign exchange difference	-	68	-	68
At 31 December	<u>5,524,575</u>	<u>1,635,553</u>	<u>80,313</u>	<u>7,240,441</u>

Khazanah Nasional Berhad
(Incorporated in Malaysia)

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).

Khazanah Nasional Berhad
(Incorporated in Malaysia)

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 RM'000	2021 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>

Khazanah Nasional Berhad
(Incorporated in Malaysia)

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	<u>(106,975)</u>	<u>(221,246)</u>	<u>(83,808)</u>	<u>(29,234)</u>	<u>(441,263)</u>
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	<u>(155,765)</u>	<u>(225,257)</u>	<u>(71,620)</u>	<u>(36,295)</u>	<u>(488,937)</u>

199301020767 (275505-K)

Khazanah Nasional Berhad
(Incorporated in Malaysia)

28. Deferred taxation (cont'd.)

Deferred tax assets of the Group:

	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	<u>204,093</u>	<u>174,206</u>	<u>43,115</u>	<u>421,414</u>
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	<u>239,417</u>	<u>140,468</u>	<u>5,186</u>	<u>385,071</u>

Khazanah Nasional Berhad
(Incorporated in Malaysia)

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

	Note	Group	
		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>

Khazanah Nasional Berhad
(Incorporated in Malaysia)

29. Property development-in-progress (cont'd.)

	Group	
	2022	2021
	RM'000	RM'000
Cumulative costs recognised in statement of comprehensive income		
At 1 January	(3,169,812)	(2,464,029)
Reversal of costs arising from completed projects	629,443	-
Recognised during the year	(729,002)	(705,783)
Write-down	(11,196)	-
At 31 December	<u>(3,280,567)</u>	<u>(3,169,812)</u>
At 31 December	<u>1,107,347</u>	<u>893,217</u>

Included in costs incurred during the year are:

	Group	
	2022	2021
	RM'000	RM'000
Staff costs	13,575	12,786
Interest expense	<u>4,022</u>	<u>6,024</u>

As at the reporting date, freehold land and related development expenditure totalling RM399.5 million (2021: RM163.9 million) are pledged as security for the banking facilities granted to UEM Sunrise Group.

30. Inventories and work-in-progress

	Group	
	2022	2021
	RM'000	RM'000
At cost:		
Raw materials	21,913	18,033
Work-in-progress	42,987	33,160
Finished goods	25,898	26,878
Consumables	198,912	193,544
Catering and general stores	22,789	21,632
Property held for sale	991,031	146,584
Others	114,720	122,481
	<u>1,418,250</u>	<u>562,312</u>

Khazanah Nasional Berhad
(Incorporated in Malaysia)

30. Inventories and work-in-progress (cont'd.)

	Group	
	2022	2021
	RM'000	RM'000
At net realisable value:		
Finished goods	109	-
Consumable aircraft spares	134,391	-
Property held for sale	119,469	273,530
Golf memberships*	28,169	28,211
Others	45	857
	<u>282,183</u>	<u>302,598</u>
	<u>1,700,433</u>	<u>864,910</u>

* In accordance with the Development Agreement dated 16 June 2005 between Horizon Hills and Nusajaya Greens Sdn. Bhd., Horizon Hills has settled part of the purchase consideration of the golf course land in the form of rights to club membership (golf and non-golf) to be issued by Horizon Hills Resort Berhad, a wholly-owned subsidiary of Horizon Hills.

The cost of inventories and WIP recognised as cost of sales during the year amounted to RM1,084.4 million (2021: RM701.7 million), excluding any impairment or write down or write-off of inventories.

31. Trade receivables

	Note	Group	
		2022	2021
		RM'000	RM'000
Trade receivables	(i)	2,349,897	1,817,995
Less: Allowance for doubtful debts		<u>(572,958)</u>	<u>(542,132)</u>
		1,776,939	1,275,863
Retention sum			
Contract assets	25(iii)	734,076	738,200
Concession receivables	25(iv)	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.

Khazanah Nasional Berhad
(Incorporated in Malaysia)

31. Trade receivables (cont'd.)

(i) Trade receivables (cont'd.)

- Trade receivables are non-interest bearing and are generally on 30 to 90 days (2021: 30 to 90 days) terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

The ageing analysis of the trade receivables is as follows:

	2022	2021
	RM'000	RM'000
Group		
Neither past due nor impaired	659,955	776,078
1 to 30 days past due not impaired	279,778	279,476
31 to 60 days past due not impaired	79,879	44,592
More than 60 days past due not impaired	757,327	175,717
	1,116,984	499,785
Impaired	572,958	542,132
	<u>2,349,897</u>	<u>1,817,995</u>

Receivables that are neither past due nor impaired

Receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group.

Receivables that are past due but not impaired

The Group has trade receivables that are related to customers with good payment records with the Group or those with ongoing transactions, progressive payments and/or amounts owing by the Group.

Receivables that are impaired

The Group's trade receivables that are impaired are all individually impaired. There are no impairment arising from collective impairment.

The movement of the allowance account used to record impairment is as follows:

	Group	
	2022	2021
	RM'000	RM'000
At 1 January	542,132	196,830
Charge for the year	30,826	345,302
At 31 December	<u>572,958</u>	<u>542,132</u>

Khazanah Nasional Berhad
(Incorporated in Malaysia)

32. Other receivables

	Note	Group		Company	
		2022	2021	2022	2021
Interest income receivable		2,031	263	119,836	47,969
Dividend receivable		2,230,348	-	303,411	-
Amount due from MoF Inc.	(i)	851,580	851,580	851,580	851,580
Amount due from related companies	(ii)	109,131	61,937	10,387	12,232
Other deposits and prepayments		219,543	20,254	2,760	2,760
Amount due from a former director and shareholder of a subsidiary	(iii)	2,315,979	2,315,979	-	-
Amount due from associates	(iv)	111,769	89,219	-	-
Amount due from joint ventures		206,916	12,480	-	-
Receivable under finance lease	25(i)	2,587	2,508	-	-
Accrued income		65	2,353	-	-
Others	(v)	1,669,906	1,462,813	1,288	1,740
		<u>7,719,855</u>	<u>4,819,386</u>	<u>1,289,262</u>	<u>916,281</u>
Less: Allowance for impairment losses		(2,620,381)	(2,413,032)	-	-
		<u>5,099,474</u>	<u>2,406,354</u>	<u>1,289,262</u>	<u>916,281</u>

The movement of the allowance account used to record impairment is as follows:

	Group		Company	
	2022	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>

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

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.

Khazanah Nasional Berhad
(Incorporated in Malaysia)

32. Other receivables (cont'd.)

- (v) Included in others are:
- (a) An amount of RM22.9 million (2021: RM22.9 million) representing tax penalty paid to IRB.
- (b) PLUS BKSP Toll Limited net carrying value of concession intangible assets of RM117.4 million or INR2,212.1 million (2021: 124.3 million or INR2,212.1 million) to be recovered through claim submitted to Maharashtra State Road Development Corporation ("MSRDC") for premature termination of the Concession Agreement with MSRDC. The amount had been fully impaired previously.
- (c) Advance of RM56.0 million (2021: RM56.0 million) provided to a corporate shareholder of a subsidiary which is bearing interest rate at 6% (2021: 6%) per annum.

During the year, the other receivables of the Company are neither past due nor impaired.

33. Cash and bank balances

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Cash in hand and at bank	4,993,554	5,234,096	167,781	161,630
Deposits with licensed banks	7,340,301	6,669,749	1,580,245	1,117,628
Deposit with other financial institutions	-	87,103	-	-
	<u>12,333,855</u>	<u>11,990,948</u>	<u>1,748,026</u>	<u>1,279,258</u>
Analysed as:				
Non-current (Note 25)	-	24,663	-	-
Current	<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.

**Khazanah Nasional Berhad
(Incorporated in Malaysia)**
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
		15,973,384	42,430,215	58,403,599
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
		10,048,680	47,364,875	57,413,555
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
		8,841,716	33,921,170	42,762,886

199301020767 (275505-K)

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

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>

Khazanah Nasional Berhad
(Incorporated in Malaysia)

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>

Khazanah Nasional Berhad
(Incorporated in Malaysia)

35. Borrowings (cont'd.)

(i) Khazanah bonds (cont'd.)

(A) Khazanah Bonds

Company	
2022	2021
RM'000	RM'000

* The total unamortised discount is derived as follows:

Total discount upon issuance	(7,819,164)	(7,819,164)
Total amortisation to date	7,086,446	6,762,292
Total unamortised discount at 31 December	<u>(732,718)</u>	<u>(1,056,872)</u>

(ii) Secured bonds and notes

Group	Note	Short term RM'000	Long term RM'000	Total RM'000
2022				
Prohawk	(A)	<u>55,000</u>	<u>625,000</u>	<u>680,000</u>
2021				
Prohawk	(A)	<u>50,000</u>	<u>680,000</u>	<u>730,000</u>

(A) Konsortium ProHAWK Sdn. Bhd. ("Prohawk")

IMTN

On 18 June 2013, Prohawk established an IMTN Programme under the Shariah Principle of Murabahah, with a nominal amount of up to RM900.0 million.

The IMTN is secured by a first ranking charge over all of Prohawk's assets, rights, interests and titles, including granting the right to the security agent to appoint a substituted entity to take over the concession.

There are several series within the issued tranches, each with different tenure and profit rate. The details of the IMTN issuance are as follows:

Issuance date	Tenures (Years)	Profit rate (% per annum)	At	During the year	At
			1 January 2022	Repayment RM'million	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>

Khazanah Nasional Berhad
(Incorporated in Malaysia)

35. Borrowings (cont'd.)

(iii) Unsecured bonds and notes

Group	Note	Short term RM'000	Long term RM'000	Total RM'000
2022				
Islamic CP/MTN Programme				
Khazanah				
Danga Capital Berhad	(a)	-	10,000,000	10,000,000
Danum Capital Berhad	(b)	2,600,000	7,500,000	10,100,000
Dua Capital Ltd	(c)	-	4,404,670	4,404,670
Rantau Abang Capital Berhad	(d)	-	3,000,000	3,000,000
Medium term notes	(e)	-	2,584,185	2,584,185
UEM Sunrise	(f)	1,469,113	2,346,637	3,815,750
UEM Edgenta	(g)	-	250,000	250,000
		4,069,113	30,085,492	34,154,605
2021				
Islamic CP/MTN Programme				
Khazanah				
Danga Capital Berhad	(a)	-	10,000,000	10,000,000
Danum Capital Berhad	(b)	900,000	7,500,000	8,400,000
Dua Capital Ltd	(c)	-	4,152,921	4,152,921
Rantau Abang Capital Berhad	(d)	1,500,000	3,000,000	4,500,000
Medium term notes	(e)	-	2,572,872	2,572,872
UEM Sunrise	(f)	450,000	3,152,708	3,602,708
UEM Edgenta	(g)	252,184	-	252,184
United Growth Berhad ("UGB")	(h)	99,927	-	99,927
		3,202,111	30,378,501	33,580,612

Khazanah Nasional Berhad
(Incorporated in Malaysia)

35. Borrowings (cont'd.)

(iii) Unsecured bonds and notes (cont'd.)

(a) Danga Capital Berhad ("Danga")

	Note	Company 2022 RM'000	2021 RM'000
Islamic Medium Term Note 1 ("IMTN 1")	(i)	1,500,000	1,500,000
Islamic Medium Term Note 3 ("IMTN 3")	(i)	1,500,000	1,500,000
Islamic Medium Term Note 4 ("IMTN 4")	(i)	1,500,000	1,500,000
Islamic Medium Term Note 5 ("IMTN 5")	(i)	1,500,000	1,500,000
Islamic Medium Term Note 6 ("IMTN 6")	(i)	2,000,000	2,000,000
Islamic Medium Term Note 7 ("IMTN 7")	(i)	500,000	500,000
Islamic Medium Term Note 8 ("IMTN 8")	(i)	1,500,000	1,500,000
		<u>10,000,000</u>	<u>10,000,000</u>

On 19 November 2008, the Securities Commission of Malaysia ("SC") approved a RM10 billion IMTN and MIMTN programme to be issued by the Company, via a special purpose vehicle, Danga Capital Berhad. The programme has a tenure of 35 years from the date of the first drawdown.

On 12 October 2015, the SC approved for the programme to be increased to RM20 billion.

The Company uses the proceeds for financing of general investments, refinancing of borrowings and working capital requirements.

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

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>

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

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.

Khazanah Nasional Berhad
(Incorporated in Malaysia)

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.

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

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.

Khazanah Nasional Berhad
(Incorporated in Malaysia)

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>

Khazanah Nasional Berhad
(Incorporated in Malaysia)

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)
			<u>1,953</u>	<u>(150)</u>	<u>1,803</u>

In 2016, UEM Sunrise established its second ICP Programme and IMTN Programme with a combined nominal value of RM2.0 billion and a sub-limit on the ICP Programme of RM500.0 million in nominal value. The ICP and IMTN Programmes have been assigned a rating of MARC-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)
			<u>1,649</u>	<u>(300)</u>	<u>1,349</u>

Khazanah Nasional Berhad
(Incorporated in Malaysia)

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-1Is /AA-Is for the ICP and IMTN Programmes respectively.

Issuance date	Tenure (Years)	Profit rate (% per annum)	At	During the year		At
			1 January 2022	Issuance	Repayment	31 December 2022
			RM'million			
15 February 2022	3	4.60	-	40	-	40
15 February 2022	0.75	3.30	-	10	(10)	-
12 April 2022	3	4.79	-	110	-	110
12 April 2022	1	3.55	-	100	-	100
19 September 2022	5	5.37	-	145	-	145
19 September 2022	3	5.03	-	150	-	150
13 December 2022	3	5.50	-	120	-	120
			-	675	(10)	665
Discount on issuance			-	(1)	-	(1)
			-	674	(10)	664

(g) UEM Edgenta

UEM Edgenta had established an ICP Programme and an IMTN Programme under the Shariah Principle of Murabahah via a Tawarruq Arrangement, which have a combined aggregate limit of up to RM1.0 billion in nominal value and a sub-limit on the ICP Programme of RM300.0 million in nominal value. The tenure for the ICP Programme and IMTN Programme are 7 and 30 years, respectively from the date of the first issue.

The details of the IMTN and ICP issuance and repayment are as follows:

Issuance date	Tenure (Years)	Profit rate (% per annum)	At	During the year		At
			1 January 2022	Issuance	Repayment	31 December 2022
			RM'million			
26 April 2017	5	4.85	252	-	(250)	2
26 April 2022	4	4.25	-	250	-	250
			252	250	(250)	252
Reclassification			-	-	(2)	(2)
			252	250	(252)	250

Khazanah Nasional Berhad
(Incorporated in Malaysia)

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>

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

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.

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

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.

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.

Khazanah Nasional Berhad
(Incorporated in Malaysia)

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>

Khazanah Nasional Berhad
(Incorporated in Malaysia)

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.

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

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.

Khazanah Nasional Berhad
(Incorporated in Malaysia)

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.

Khazanah Nasional Berhad
(Incorporated in Malaysia)

35. Borrowings (cont'd.)**(v) Other borrowings (cont'd.)****(D) Others (cont'd.)****(iv) Term loans - unsecured**

	Short term	Company	Total
	RM'000	Long term	RM'000
		RM'000	RM'000
2022			
Unsecured fixed term loans	-	2,500,000	2,500,000
Unsecured floating term loans	842,000	-	842,000
	<u>842,000</u>	<u>2,500,000</u>	<u>3,342,000</u>
2021			
Unsecured fixed term loans	<u>810,000</u>	<u>2,500,000</u>	<u>3,310,000</u>

The unsecured fixed term loans bear interest rate of 4.64% (2021: 2.35% to 4.64%) per annum.

The unsecured floating term loans bear interest rate ranging from 2.44% to 3.49% (2021: -) per annum.

The maturity structure of the term loans are as follows:

	Company	
	2022	2021
	RM'000	RM'000
Due within one year	842,000	810,000
Due after one year, and within five years	<u>2,500,000</u>	<u>2,500,000</u>

Khazanah Nasional Berhad
(Incorporated in Malaysia)

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.

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

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.

Khazanah Nasional Berhad
(Incorporated in Malaysia)

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>

Khazanah Nasional Berhad
(Incorporated in Malaysia)

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
		1,820,910	1,719,521

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
		11,422,920	8,616,729	1,379,967	2,019,939

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.

Khazanah Nasional Berhad
(Incorporated in Malaysia)

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>

Khazanah Nasional Berhad
(Incorporated in Malaysia)

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:

- retire on attainment of age 60, as appropriate; or
- are medically boarded out; or
- die in service; or
- resign voluntarily after 10 years of company service; or
- 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.

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.

199301020767 (275505-K)

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

39. Other reserves

Group	Foreign currency translation reserve RM'000 Note (a)	Fair value adjustment reserve RM'000 Note (b)	Cash flow hedge reserve RM'000 Note (c)	Share option reserve RM'000 Note (d)	Statutory reserve RM'000 Note (e)	Retirement benefit reserve RM'000 Note (f)	Others RM'000	Total RM'000
2022								
At 1 January	2,002,308	2,495,591	(562,314)	(80,908)	(362,636)	(2,084,994)	(62,990)	1,344,057
Foreign currency translation differences of foreign operations	1,283,049	-	-	-	-	-	-	1,283,049
Net loss on fair value of other comprehensive income	-	(667,394)	-	-	-	-	-	(667,394)
Net loss on fair value of cash flow hedges	-	-	(237,894)	-	-	-	-	(237,894)
Actuarial gain on retirement benefit plan	-	-	-	-	-	164,304	-	164,304
Total other comprehensive income/(loss)	1,283,049	(667,394)	(237,894)	-	-	164,304	-	542,065

199301020767 (275505-K)

Khazanah Nasional Berhad
(Incorporated in Malaysia)

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

199301020767 (275505-K)

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

39. Other reserves (cont'd.)

Group	Foreign currency translation reserve RM'000 Note (a)	Fair value adjustment reserve RM'000 Note (b)	Cash flow hedge reserve RM'000 Note (c)	Share option reserve RM'000 Note (d)	Statutory reserve RM'000 Note (e)	Retirement benefit reserve RM'000 Note (f)	Others RM'000	Total RM'000
2021								
At 1 January	636,492	2,807,116	(592,265)	(98,536)	(338,864)	(2,563,044)	2,993	(146,108)
Foreign currency translation differences of foreign operations	685,405	-	-	-	-	-	-	685,405
Net gain on fair value of other comprehensive income	-	806,345	-	-	-	-	-	806,345
Net gain on fair value of cash flow hedges	-	-	13,553	-	-	-	-	13,553
Actuarial gain on retirement benefit plan	-	-	-	-	-	342,983	-	342,983
Total other comprehensive income	685,405	806,345	13,553	-	-	342,983	-	1,848,286

199301020767 (275505-K)

Khazanah Nasional Berhad
(Incorporated in Malaysia)

39. Other reserves (cont'd.)

Group (cont'd.)	Foreign currency translation reserve RM'000 Note (a)	Fair value adjustment reserve RM'000 Note (b)	Cash flow hedge reserve RM'000 Note (c)	Share option reserve RM'000 Note (d)	Statutory reserve RM'000 Note (e)	Retirement benefit reserve RM'000 Note (f)	Others RM'000	Total RM'000
2021 (cont'd.)								
Disposal of subsidiaries	689,642	-	-	-	-	-	-	689,642
Disposal of associates	(9,231)	(6,411)	16,398	(870)	11,011	-	(9,110)	1,787
Disposal of other financial investments	-	(1,111,459)	-	-	-	-	-	(1,111,459)
Shares of reserves of associates and joint ventures	-	-	-	18,498	-	135,067	(55,968)	97,597
Transfer to:								
- statutory reserve	-	-	-	-	(34,783)	-	-	(34,783)
- general reserve	-	-	-	-	-	-	(905)	(905)
-distributable retained profits	-	-	-	-	-	-	-	-
Total transactions with owners	680,411	(1,117,870)	16,398	17,628	(23,772)	135,067	(65,983)	(358,121)
At 31 December	2,002,308	2,495,591	(562,314)	(80,908)	(362,636)	(2,084,994)	(62,990)	1,344,057

Khazanah Nasional Berhad
(Incorporated in Malaysia)

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>

Khazanah Nasional Berhad
(Incorporated in Malaysia)

40. Other non-current liabilities (cont'd.)

(i) Government grants

	Note	Group	
		2022	2021
		RM'000	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.

Khazanah Nasional Berhad
(Incorporated in Malaysia)

40. Other non-current liabilities (cont'd.)**(ii) Insurance contract liabilities**

	Group	
	2022	2021
	RM'000	RM'000
Gross		
Life insurance and family takaful	<u>4,719,504</u>	<u>4,585,559</u>
Reinsurance		
Life insurance	<u>(106,414)</u>	<u>(212,147)</u>
Net		
Life insurance and family takaful	<u>4,613,090</u>	<u>4,373,412</u>

(iii) Deferred liabilities and income

Group	Deferred income RM'000
2022	
Amount recognised	2,306,829
Accumulated realisation	<u>(466,465)</u>
	<u>1,840,364</u>
Due within 12 months (Note 37)	77,886
Due after 12 months	<u>1,762,478</u>
	<u>1,840,364</u>
2021	
Amount recognised	2,707,452
Accumulated realisation	<u>(412,625)</u>
	<u>2,294,827</u>
Due within 12 months (Note 37)	476,658
Due after 12 months	<u>1,818,169</u>
	<u>2,294,827</u>

Khazanah Nasional Berhad
(Incorporated in Malaysia)

40. Other non-current liabilities (cont'd.)

(iii) Deferred liabilities and income (cont'd.)

Included in deferred income is the following:

(a) Deferred lease rental income

Deferred lease rental income comprises lease rental income received in advance from a third party upon the assignment of the lease, with respect to long term leasehold land of a subsidiary, to the third parties. Deferred lease rental is amortised on a straight-line basis over the lease tenure period.

41. Lease liabilities

Under the terms of the finance lease, the Group has the option to buy the aircraft from the lessor at a predetermined price. In the event the lessee exercises the option to buy the aircraft at the purchase option date, the purchase price comprises total sum of the purchase option price and rent of the aircraft due and payable on the purchase option date.

The finance lease of the Group has tenure ranging between 5 to 12 years. The range of interest rate as at the reporting date ranging between 0.17% to 5.78%.

Set out below is the carrying amount of the lease liabilities and the movements during the year:

	Group	
	2022	2021
	RM'000	RM'000
At 1 January	7,600,617	9,708,092
Addition	38,750	13,890
Accretion of interest	332,621	11,160
Payment	(934,159)	(845,980)
Lease modifications	356,103	(1,209,094)
Disposal	(5,685)	(87,180)
Foreign currency translation	885	9,729
	<u>7,389,132</u>	<u>7,600,617</u>

199301020767 (275505-K)

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

41. Lease liabilities (cont'd.)

Analysed as:

	Group	
	2022 RM'000	2021 RM'000
Amount due within 12 months	1,216,116	738,192
Amount due after 12 months	6,173,016	6,862,425
	<u>7,389,132</u>	<u>7,600,617</u>

The maturities of the lease liabilities as at 31 December as at below:

	Group	
	2022 RM'000	2021 RM'000
Not later than one year	1,216,116	738,192
More than 1 year and within 5 years	4,013,861	3,401,770
More than 5 years	2,159,155	3,460,655
	<u>7,389,132</u>	<u>7,600,617</u>

The following are the amounts recognised in profit or loss:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Depreciation expense of right-of-use assets	1,037,974	1,014,012	-	-
Interest expense on lease liabilities	348,776	354,709	-	-
Expenses relating to short term leases	23,829	23,646	13,983	14,873
Expenses relating to leases of low-value assets	2,887	7,187	-	-

42. Ordinary and preference shares

Issued and fully paid-up:

	Number of ordinary shares		Amount	
	2022 '000	2021 '000	2022 RM'000	2021 RM'000
At 1 January	5,443,953	5,443,953	12,284,201	12,283,201
Redeemed out of profits	-	-	-	1,000
At 31 December	<u>5,443,953</u>	<u>5,443,953</u>	<u>12,284,201</u>	<u>12,284,201</u>

Khazanah Nasional Berhad
(Incorporated in Malaysia)

42. Ordinary and preference shares (cont'd.)

Issued and fully paid-up:

	Number of RCCPS		Amount	
	2022 '000	2021 '000	2022 RM'000	2021 RM'000
At 1 January	-	1,000	-	1,000
Redemption of RCCPS	-	(1,000)	-	(1,000)
At 31 December	-	-	-	-
Total ordinary and preference shares	5,443,953	5,443,953	12,284,201	12,284,201

(a) The Company has redeemed the RCCPS in 2021.

43. Financial risk management objectives and policies

The Group and the Company are exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include equity price, fuel price, interest rate, foreign currency, credit and liquidity risks. The Group and the Company have an approved set of guidelines and policies as well as internal controls which set out its overall business strategies to manage these risks. The Group's and the Company's overall financial risk management objective is to enhance shareholders' value through effective management of the Group's and the Company's risks. Although this guiding principle and objective is consistent throughout the Group, the Group consists of subsidiaries and subsidiaries group with their own governing Boards that will apply and determine the implementation of these policies in respect of each individual company.

The Board of Directors reviews and agrees policies and procedures for the management of these risks. The following sections provide details regarding the Group's and the Company's exposure to the abovementioned financial risks and the objectives, policies and processes for the management of these risks.

(a) Equity price risk

Equity price risk is the risk that the fair value or future cash flows of the Group's equity instruments will fluctuate because of changes in equity prices (other than interest or exchange rates).

The Group is exposed to equity price risk arising from its investment in quoted equity instruments. The quoted equity instruments are designated as fair value through profit or loss or FVOCI assets.

Khazanah Nasional Berhad
(Incorporated in Malaysia)

43. Financial risk management objectives and policies (cont'd.)

(a) Equity price risk (cont'd.)

The Group and the Company's quoted equity securities are susceptible to market price risk arising from the uncertainties on future values of the investment securities. The Group and the Company manages the equity price risk through diversification and placing limits on individual and total equity instruments. Reports on the equity portfolio monitoring are submitted to the Group and the Company's senior management on a regular basis. The Group and the Company's Board of Directors reviews and approves all equity investment decisions.

Equity/investment risk management includes due diligence in screening the investment proposals according to the Group investment guidelines and procedures, constant communication and close monitoring of the performance of investee companies.

Sensitivity analysis for equity price risk

The following table demonstrates the sensitivity to a reasonably possible change in the equity price, with all other variables held constant, of the Group's equity (due to changes in the fair value of FVOCI investments) and profit or loss (due to changes in the fair value of equity investments designated at fair value through profit or loss).

	Effect on equity RM'000	Effect on profit or loss RM'000
Group		
2022		
Increase in 12% of equity price	2,185,428	3,196,002
Decrease in 12% of equity price	<u>(2,185,428)</u>	<u>(3,196,002)</u>
2021		
Increase in 12% of equity price	2,046,523	2,790,020
Decrease in 12% of equity price	<u>(2,046,523)</u>	<u>(2,790,020)</u>

Khazanah Nasional Berhad
(Incorporated in Malaysia)

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)
	<hr/>	<hr/>
2021		
Increase of 10% in equity price	-	407,300
Decrease of 10% in equity price	-	(407,300)
	<hr/>	<hr/>

Khazanah Nasional Berhad
(Incorporated in Malaysia)

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	Effect on profit or loss	Effect on equity	Effect on profit or loss
	RM'000	RM'000	RM'000	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.

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

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

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

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)

Khazanah Nasional Berhad
(Incorporated in Malaysia)

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.

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.

Khazanah Nasional Berhad
(Incorporated in Malaysia)

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	<u>17,454,395</u>	<u>33,555,015</u>	<u>29,933,684</u>	<u>80,943,094</u>
2021				
Financial liabilities				
Trade payables	1,719,521	-	-	1,719,521
Other liabilities	7,234,894	4,578,925	9,516,660	21,330,479
Borrowings	8,675,367	24,214,718	28,203,865	61,093,950
Derivative liabilities	22	196,303	-	196,325
Total undiscounted financial liabilities	<u>17,629,804</u>	<u>28,989,946</u>	<u>37,720,525</u>	<u>84,340,275</u>

199301020767 (275505-K)

Khazanah Nasional Berhad
(Incorporated in Malaysia)

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
	<u>766,584</u>	<u>71,503</u>	<u>2,000,000</u>	<u>4,514,749</u>	<u>1,000,000</u>	<u>8,352,836</u>
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
	<u>-</u>	<u>-</u>	<u>2,000,000</u>	<u>15,223,732</u>	<u>19,869,793</u>	<u>37,093,525</u>
Total undiscounted financial liabilities	<u>766,584</u>	<u>71,503</u>	<u>4,000,000</u>	<u>19,738,481</u>	<u>20,869,793</u>	<u>45,446,361</u>

199301020767 (275505-K)

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

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.

Khazanah Nasional Berhad
(Incorporated in Malaysia)

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.

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

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.

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

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.

Khazanah Nasional Berhad
(Incorporated in Malaysia)

44. Fair value of financial instruments (cont'd.)

(c) Fair value measurement hierarchy (cont'd.)

Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at 31 December 2022:

Assets and liabilities measured at fair value	Carrying amount RM'000	Group Fair value measurement using		
		Quoted market price Level 1 RM'000	Observable input Level 2 RM'000	Unobservable input Level 3 RM'000
Financial assets				
Financial assets designated as fair value through profit or loss				
- Shares	16,797,840	14,222,577	2,575,263	-
- Bonds	7,958,805	105,745	7,853,060	-
- Funds	1,824,666	21,702	1,802,964	-
Financial assets designated as fair value through other comprehensive income				
- Shares	3,408,439	43,793	3,364,646	-
- Bonds	1,933,485	10,203	1,923,282	-
- Funds	12,869,977	-	12,869,977	-
Derivative assets	12,051	-	12,051	-
Financial liabilities				
Derivative liabilities	952	-	952	-
Assets and liabilities for which fair values are disclosed				
Assets				
Interest in associates				
- Quoted shares	39,043,485	63,141,501	-	-
Investment properties	3,788,224	-	-	8,381,967
Liability				
Borrowings	34,834,605	-	36,185,949	-

Khazanah Nasional Berhad
(Incorporated in Malaysia)

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	-

Khazanah Nasional Berhad
(Incorporated in Malaysia)

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	-	-

Khazanah Nasional Berhad
(Incorporated in Malaysia)

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		
		<u>Fair value measurement using</u>		
		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	-

Khazanah Nasional Berhad
(Incorporated in Malaysia)

44. Fair value of financial instruments (cont'd.)

(c) Fair value measurement hierarchy (cont'd.)

Quantitative disclosures fair value measurement hierarchy for asset and liabilities as at 31 December 2021:

Assets and liabilities measured at fair value	Carrying amount 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	1,781,842	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	-	-

Khazanah Nasional Berhad
(Incorporated in Malaysia)

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		
		<u>Fair value measurement using</u>		
		Quoted market price Level 1 RM'000	Observable input Level 2 RM'000	Unobservable input Level 3 RM'000
Liabilities				
Khazanah Bonds	7,943,128	-	8,277,853	-
Exchangeable Trust Certificates	3,450,334	3,379,220	-	-
Islamic Medium Term Notes				
- Danga	10,161,307	-	11,118,342	-
- Danum	8,473,458	-	8,720,471	-
- Dua	4,166,367	-	3,988,001	-
- RACB	4,557,199	-	4,559,021	-
- Ihsan Sukuk	204,124	-	204,286	-
Medium Term Notes	2,623,095	-	3,272,182	-
Term loans				
- unsecured	3,362,596	-	3,503,721	-

During the year, there were no transfers between Level 1 and Level 2 fair value measurements.

199301020767 (275505-K)

Khazanah Nasional Berhad
(Incorporated in Malaysia)

45. Financial instruments by category

31 December 2022

	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	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	<u>23,520,292</u>	<u>26,645,402</u>	<u>18,278,338</u>	<u>68,444,032</u>
Financial liabilities				
		Financial liabilities designated as fair value through profit or loss RM'000	Financial liabilities at amortised cost RM'000	Total RM'000
Borrowings		-	-	-
Derivative liabilities		952	-	952
Other payables		-	11,030,793	11,030,793
Total		<u>952</u>	<u>11,030,793</u>	<u>11,031,745</u>

199301020767 (275505-K)

Khazanah Nasional Berhad
(Incorporated in Malaysia)

45. Financial instruments by category (cont'd.)

31 December 2021

	Group			Total RM'000
	Amortised cost RM'000	Financial assets designated as fair value through profit or loss RM'000	Financial assets designated as fair value through other comprehensive income RM'000	
Financial assets				
Cash and bank balances	11,966,285	-	-	11,966,285
Other financial assets	538,558	23,250,164	17,054,359	40,843,081
Derivative assets	-	22,409	-	22,409
Other receivables	7,665,097	-	-	7,665,097
Total	20,169,940	23,272,573	17,054,359	60,496,872
Financial liabilities				
		Financial liabilities designated as fair value through profit or loss RM'000	Financial liabilities at amortised cost RM'000	Total RM'000
Borrowings		-	-	-
Derivative liabilities		196,325	-	196,325
Other payables		-	9,994,718	9,994,718
Total		196,325	9,994,718	10,191,043

199301020767 (275505-K)

Khazanah Nasional Berhad
(Incorporated in Malaysia)

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	<u>3,039,618</u>	<u>5,207,399</u>	<u>-</u>	<u>8,247,017</u>
		Financial liabilities designated as fair value through profit or loss RM'000	Financial liabilities at amortised cost RM'000	Total RM'000
Financial liabilities				
Borrowings		-	42,762,886	42,762,886
Other payables		-	1,379,967	1,379,967
Total		<u>-</u>	<u>44,142,853</u>	<u>44,142,853</u>

Khazanah Nasional Berhad
(Incorporated in Malaysia)

45. Financial instruments by category (cont'd.)

31 December 2021

	Amortised cost RM'000	Company		Total RM'000
		Financial assets designated as fair value through profit or loss RM'000	Financial assets designated as fair value through OCI RM'000	
Financial assets				
Cash and bank balances	1,279,258	-	-	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
Borrowings	-	45,062,668	45,062,668
Derivative liabilities	166,587	-	166,587
Other payables	-	2,019,939	2,019,939
Total	166,587	47,082,607	47,249,194

199301020767 (275505-K)

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

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.

199301020767 (275505-K)

Khazanah Nasional Berhad
(Incorporated in Malaysia)

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

199301020767 (275505-K)

Khazanah Nasional Berhad
(Incorporated in Malaysia)

46. Segment information (cont'd.)

2021

	Investment Holding	Infrastructure & Construction	Property	Financial Institution Group	Transportation & Logistics	Leisure & Tourism	Agrifood	Others	Elimination	Total
	-----RM'mil-----									
REVENUE										
External sales	1,683	4,229	87	2,036	4,093	166	112	461	-	12,867
Inter-segment sales	2,294	-	-	-	-	-	-	-	(2,294)	-
Total revenue	3,977	4,229	87	2,036	4,093	166	112	461	(2,294)	12,867
RESULTS										
Operating (loss)/profit	1,379	33	(39)	90	(874)	(586)	38	67	-	108
Finance cost	(1,821)	(233)	(7)	-	(623)	(146)	(1)	16	-	(2,815)
Share of results from associates and joint venture	-	14	(54)	-	-	(9)	18	3,495	-	3,464
(Loss)/profit before tax	(442)	(186)	(100)	90	(1,497)	(741)	55	3,578	-	757
Taxation	(226)	(47)	(1)	(15)	(188)	26	-	(9)	-	(460)
(Loss)/profit after tax	(668)	(233)	(101)	75	(1,685)	(715)	55	3,569	-	297
Non controlling interests	-	59	(12)	(35)	279	107	-	(6)	-	392
Net (loss)/profit for the year	(668)	(174)	(113)	40	(1,406)	(608)	55	3,563	-	689
ASSETS AND LIABILITIES										
Segment assets	40,412	18,686	2,514	6,705	11,715	4,433	392	3,424	-	88,281
Investment in associates	56,800	957	223	-	8	-	113	38	-	58,139
Investment in joint ventures	749	924	68	-	-	53	87	1,474	-	3,355
Consolidated total assets	97,961	20,567	2,805	6,705	11,723	4,486	592	4,936	-	149,775
Segment liabilities	49,624	10,391	708	4,986	15,281	2,701	89	2,444	-	86,224
Consolidated total liabilities	49,624	10,391	708	4,986	15,281	2,701	89	2,444	-	86,224

Khazanah Nasional Berhad
(Incorporated in Malaysia)

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>

Khazanah Nasional Berhad
(Incorporated in Malaysia)

47. Capital management (cont'd.)

	Note	Extended Company	
		2022 RM'000	2021 RM'000
Borrowings	21(v)	49,144,488	48,478,318
Less: Cash, bank balances and investment in money market	21(v)	(4,048,863)	(6,460,771)
Net debt		<u>45,095,625</u>	<u>42,017,547</u>
Share capital	42	12,284,201	12,284,201
Capital contribution from shareholders	21(v)	2,324,423	2,324,423
Retained profits	21(v)	16,092,958	15,119,471
Fair value adjustment reserve	21(v)	2,364,226	3,208,572
Currency translation reserve	21(v)	3,652,444	2,381,843
Equity attributable to the owners of the Company		<u>36,718,252</u>	<u>35,318,510</u>
Gearing ratio (times)		<u>1.23</u>	<u>1.19</u>

48. Commitments**Capital commitment**

	Group	
	2022 RM'000	2021 RM'000
Approved and contracted for	1,040,907	958,882
Approved but not contracted for	10,487,116	10,209,852
	<u>11,528,023</u>	<u>11,168,734</u>

Analysed as follows:

Property, plant and equipment and land held for property development	1,772,460	1,867,501
Investments	9,718,500	8,948,023
Others	37,063	353,210
	<u>11,528,023</u>	<u>11,168,734</u>

	Company	
	2022 RM'000	2021 RM'000
Approved but not contracted for:		
Capital injection planned for investments	12,282,500	13,785,000
Property and equipment	54,703	20,940
	<u>12,337,203</u>	<u>13,805,940</u>

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

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.

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

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.

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.

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

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.

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

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 Impressive Circuit Sdn Bhd and 1 other ('the Plaintiffs') in relation to shares held in Setia Haruman ('the 1st Defendant') ('the Claim'). UEM Land is cited as the 9th Defendant in the Claim.

The Claim seeks, amongst others, for:

- (a) a declaration that the 2nd to the 9th Defendants respectively had managed and conducted the affairs of the 1st Defendant and/or exercised their powers oppressively and/or disregarded and/or acted in a manner unfairly prejudicial to the interest of the Plaintiffs as members of Setia Haruman pursuant to Section 346 of the Companies Act 2016; and
- (b) an order that the 2nd to the 9th Defendants do jointly and/or severally purchase the 750,000 ordinary shares of Setia Haruman owned or held by Impressive Circuit Sdn. Bhd. at such price and on such terms as shall be determined by the High Court.

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

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.

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

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.

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

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.

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

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.

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

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.

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

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.

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

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.

Khazanah Nasional Berhad
(Incorporated in Malaysia)

49. Contingent liabilities (cont'd.)

	Company	
	2022	2021
	RM'000	RM'000
Guarantee given to certain subsidiaries for term loan facilities with licensed banks	<u>5,395,635</u>	<u>3,397,634</u>

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.

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

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.

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

51. Subsequent events

The following are the significant subsequent events of the Group and the Company after the financial year ended 31 December 2022:

Khazanah Nasional Berhad

- (i) On 25 October 2022, Pantai Feringgi Ventures Sdn. Bhd. entered into a Joint Venture Agreement with Sunway International Business and Management Sdn. Bhd. ("SIBM") to subscribe 5,000,000 ordinary shares at the issue price of RM1.00 per ordinary share, for a 45% stake in an incorporated joint venture company ("JVCo") and operate the JV Company as partner of 42 Malaysia in order to operate a digital skill training provider business in Malaysia, in the fields of computer coding and digital software.

The conditions precedent of the SPA were only met and completed on 25 January 2023.

- (ii) On 20 January 2023, Ophir Ventures Sdn. Bhd. has further subscribed to 783,333 ordinary shares issued at RM1 each and 4,216,667 RCPS issued at RM1 each in ReGen Rehabilitation International Sdn. Bhd., with a total cash consideration of RM5,000,000.
- (iii) On 3 February 2023, a Certificateholder holding USD3,750,000 in nominal value of the Exchangeable Trust Certificates issued by Cindai Capital Limited exercise its Exchange Right for the relevant Cash Settlement Amount. Subsequently, on 8 February 2023, the remaining outstanding Certificates in nominal value of USD 225,942,000 were redeemed upon maturity.
- (iv) On 28 March 2023 and 18 April 2023, the Company has disposed off 19,500,000 and 34,830,000 units of shares respectively in Tenaga Nasional Berhad ("TNB"), for a total consideration of RM487mil, resulting in gain on disposal of RM390mil.
- (v) Pulau Kendi Investments Limited has divested 50,397,500 units of shares in March, April and May 2023 in CITICS Securities Co. Ltd., for a total consideration of USD111mil, resulting in gain on disposal of USD6mil.

Malaysia Aviation Group Berhad ("MAGB")

On 6 January 2023, MAGB acquired one of its subsidiary, FlyFirefly Holiday Sdn. Bhd. from Malaysia Airlines Berhad for a consideration RM 300,000.

Destination Resorts and Hotels Sdn. Bhd. ("DRHSB")

On 9 January 2023, Themed Attractions Resorts & Hotels Sdn. Bhd. ("TARH") changed its name to DRHSB.

199301020767 (275505-K)

Khazanah Nasional Berhad
(Incorporated in Malaysia)

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.

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

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

**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 %	
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

**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 %	
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
(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 %	
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
(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 %	
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

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 %	
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

**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 %	
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~		Accounting model applied	Principal activities
		2022 %	2021 %		
Axiata Group Berhad *	Malaysia	36.7	36.8	Equity method	Telecommunication and related services
Bank Muamalat Malaysia Berhad	Malaysia	30.0	30.0	Equity method	Islamic commercial banking and finance
CIMB Group Holdings Berhad *	Malaysia	24.1	25.7	Equity method	Investment holding, management company, property management, provision of consultancy services and dealing in securities
Iskandar Capital Sdn. Bhd.	Malaysia	15.3	15.3	Equity method	Investment holding
Malaysia Airports Holdings Berhad	Malaysia	33.2	33.2	Equity method	Investment holding
Pulau Kapas Ventures Sdn. Bhd. *	Malaysia	30.0	30.0	Equity method	Investment holding
Putrajaya Holdings Sdn. Bhd.	Malaysia	15.6	15.6	Equity method	Investment holding
Telekom Malaysia Berhad *	Malaysia	20.2	20.1	Equity method	Telecommunication and related services
Tenaga Nasional Berhad *	Malaysia	25.5	25.7	Equity method	Generation, transmission and distribution and sale of electricity

**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~		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..

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

53. Subsidiaries, associates and joint ventures of the Group

Other than the subsidiaries, associates and joint venture of the Company as listed in Note 52, the subsidiaries and associates of the Group are as listed below:

- (i) Subsidiaries, associates and joint ventures of UEM Group Berhad ("UEM"), are disclosed in Note 53(A).
- (ii) Subsidiaries of Malaysian Airline System Berhad ("MAS"), are disclosed in Note 53(B).
- (iii) Subsidiaries and associates of Malaysia Aviation Group Berhad ("MAGB"), are disclosed in Note 53(C).
- (iv) Subsidiaries, associates and joint ventures of Iskandar Investment Berhad ("IIB"), are disclosed in Note 53(D).
- (v) Subsidiaries, associates and joint ventures of Destination Resorts & Hotels Sdn. Bhd. ("DRHSB") (formerly known as Themed Attractions Resorts & Hotels Sdn. Bhd. ("TARH")), are disclosed in Note 53(E).
- (vi) Subsidiary of Malaysian Technology Development Corporation ("MTDC"), are disclosed in Note 53(F).
- (vii) Other subsidiaries, associates and joint ventures of the Group are disclosed in Note 53(G).

(A) Subsidiaries, associates and joint ventures of UEM

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2022 %	2021 %	2022 %	2021 %	
Subsidiaries of UEM						
PLUS Expressways International Berhad ("PEIB")	Malaysia	100.0	100.0	-	-	Investment holding and provision of expressway operation services
UEM Sunrise Berhad ("UEM Sunrise")	Malaysia	69.6	69.6	30.4	30.4	Investment holding and provision of shares services for its subsidiaries
UEM Builders Berhad ("UEM Builders")	Malaysia	100.0	100.0	-	-	Investment holding and provision of management services

199301020767 (275505-K)

**Khazanah Nasional Berhad
(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 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

**Khazanah Nasional Berhad
(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~		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

**Khazanah Nasional Berhad
(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 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
------------------------------	-------	------	------	-----	-----	-------------------

**Khazanah Nasional Berhad
(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 %	
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 *xα	India	80.1	80.1	Equity method	Developing, owning and managing road infrastructure projects in India	

**Khazanah Nasional Berhad
(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 %	
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
(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 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

**Khazanah Nasional Berhad
(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 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~ 2022 %	Effective interest~ 2021 %	Accounting model applied	Principal activities	
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	

**Khazanah Nasional Berhad
(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~		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

**Khazanah Nasional Berhad
(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 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

**Khazanah Nasional Berhad
(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 %	
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

**Khazanah Nasional Berhad
(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~		Accounting model applied	Principal activities
		2022 %	2021 %		
Joint Ventures of UEM Land					
Cahaya Jauhar Sdn. Bhd. x	Malaysia	41.8	41.8	Equity method	Undertake the turnkey design and build contract for the development of the Johor State New Administrative Centre (now known as Kota Iskandar) and State Government Staff Housing in Iskandar Puteri, Johor, and provision of facilities maintenance and management services
Gerbang Leisure Park Sdn. Bhd. *	Malaysia	-	34.8	Equity method	Dissolved
Haute Property Sdn. Bhd. *	Malaysia	27.8	27.8	Equity method	Property development and property marketing
Horizon Hills Development Sdn. Bhd.	Malaysia	34.8	34.8	Equity method	Property development
Nusajaya Consolidated Sdn. Bhd. *	Malaysia	34.8	34.8	Equity method	Property development and related activities
Nusajaya Tech Park Sdn. Bhd.	Malaysia	27.8	27.8	Equity method	Property development
FASTrack Iskandar Sdn. Bhd.	Malaysia	20.9	20.9	Equity method	Property development and to develop, construct, operate and manage motorsport city with related facilities and services

**Khazanah Nasional Berhad
(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 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

**Khazanah Nasional Berhad
(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 %	
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~ 2022 %	Effective interest~ 2021 %	Accounting model applied	Principal activities	
Associate of Rocpoint (Proprietary) Limited						
Durban Point Development Company (Proprietary) Limited *	South Africa	28.0	28.0	Equity method	Property development	

**Khazanah Nasional Berhad
(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

**Khazanah Nasional Berhad
(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.)						
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

**Khazanah Nasional Berhad
(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

**Khazanah Nasional Berhad
(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

**Khazanah Nasional Berhad
(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 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

**Khazanah Nasional Berhad
(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 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

**Khazanah Nasional Berhad
(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 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~ 2022 %	Effective interest~ 2021 %	Accounting model applied	Principal activities	
Joint venture of UEM Sunrise Properties Sdn. Bhd.						
UEM Sunrise WOTSO Malaysia Sdn. Bhd. *	Malaysia	34.8	34.8	Equity method	Provision of flexible commercial office tenancies	

**Khazanah Nasional Berhad
(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 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

199301020767 (275505-K)

**Khazanah Nasional Berhad
(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 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

**Khazanah Nasional Berhad
(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 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

**Khazanah Nasional Berhad
(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 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

**Khazanah Nasional Berhad
(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~		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

**Khazanah Nasional Berhad
(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 %	

**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
--	----------------	------	------	---------------	--

**Khazanah Nasional Berhad
(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~		Accounting model applied	Principal activities
		2022 %	2021 %		

Joint Ventures of PATI Sdn. Bhd. (cont'd.)

B. Seenaiah & Co – Road Builder (M) Sdn. Bhd. – PATI Sdn. Bhd. JV *	Unincorporated	25.0	25.0	Equity method	Construction and extension of roads
PATI Sdn. Bhd. - Bhagheeratha Engineering Ltd JV *	Unincorporated	50.0	50.0	Equity method	Construction and extension of roads

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2022 %	2021 %	2022 %	2021 %	

Subsidiaries of CIMA

Cimaco Readymix Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Dormant
I-Mix Concrete Industries Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Inactive
Kuari Pati Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Quarrying business and its related activities
Negeri Sembilan Cement Industries Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Manufacture and sale of cement
Pemasaran Simen Negara Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Inactive

**Khazanah Nasional Berhad
(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 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

**Khazanah Nasional Berhad
(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 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

**Khazanah Nasional Berhad
(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 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

**Khazanah Nasional Berhad
(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 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

**Khazanah Nasional Berhad
(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~		Accounting model applied	Principal activities	
		2022 %	2021 %			
Associate of OIM						
Opus Consultants (M) Sdn. Bhd.	Malaysia	20.7	20.7	Equity method	Engineering consultancy services	
Join Venture of OIM						
Opus Consultants (Sarawak) Sdn. Bhd. ¥	Malaysia	33.9	-	Equity method	Provision of project management and engineering consultancy services	
Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2022 %	2021 %	2022 %	2021 %	
Subsidiaries of Edgenta Propel						
Edgenta Infrastructure Services Sdn. Bhd.	Malaysia	69.1	69.1	30.9	30.9	Maintenance and repair of civil, mechanical and electrical works on roads, infrastructure expressways and industrial cleaning services
PT Edgenta PROPEL Indonesia	Indonesia	69.1	69.1	30.9	30.9	Provision of management consultancy and advisory related to management of roads

**Khazanah Nasional Berhad
(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 %	
Edgenta PROPEL (Sarawak) Sdn Bhd	Malaysia	33.9	33.9	66.1	66.1	Construction, maintenance and repair of civil, mechanical and electrical works on infrastructure, roads, expressways and sewerage, and industrial cleaning services
Name	Country of incorporation/ principal place of business	Effective interest~ 2022 %	Effective interest~ 2021 %	Accounting model applied	Principal activities	
Jointly controlled operation of Edgenta Propel						
Edgenta Propel-NRC JO	Unincorporated	38.0	38.0	Equity method	Provision of highway maintenance services	
Jointly controlled operation of PT Edgenta Propel Indonesia						
PT Edgenta PROPEL PT Astra Nusantara - Astra Infra Solutions JO	Unincorporated	34.6	34.6	Equity method	Provision of highway maintenance services	
Subsidiaries of Faber Development Holdings Sdn. Bhd.						
Country View Development Sdn. Bhd.	Malaysia	69.1	69.1	30.9	30.9	Property development and provision of facilities management services
Faber Grandview Development (Sabah) Sdn. Bhd.	Malaysia	69.1	69.1	30.9	30.9	Property development

**Khazanah Nasional Berhad
(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 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

**Khazanah Nasional Berhad
(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 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~ 2022 %	Effective interest~ 2021 %	Accounting model applied	Principal activities	
Associates of Edgenta Mediserve (Sarawak) Sdn. Bhd.						
One Medicare Sdn. Bhd.*	Malaysia	27.7	27.7	Equity method	Provision of hospital support services	
Biomedix Solutions Sdn. Bhd. *	Malaysia	27.7	27.7	Equity method	Provision of biomedical engineering maintenance services	
Associate of Edgenta Mediserve (Sabah) Sdn. Bhd.						
Sedafiat Sdn. Bhd.*	Malaysia	27.7	27.7	Equity method	Provision of hospital support services	
Name	Country of incorporation/ principal place of business	Effective interest~ 2022 %	Effective interest~ 2021 %	Non-controlling interest~ 2022 %	Non-controlling interest~ 2021 %	Principal activities
Subsidiaries of Edgenta Facilities Sdn. Bhd.						
Edgenta Facilities Management Sdn. Bhd.	Malaysia	69.1	69.1	30.9	30.9	Facilities management services

**Khazanah Nasional Berhad
(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 Edgenta Facilities Sdn. Bhd. (cont'd.)						
Faber Star Facilities Management Limited *	India	69.1	69.1	30.9	30.9	Facilities management services in India
Name	Country of incorporation/ principal place of business	Effective interest~ 2022 %	Effective interest~ 2021 %	Accounting model applied	Principal activities	
Associate of Edgenta Facilities Sdn. Bhd.						
Faber Sindoori Management Services Private Limited *	India	-	35.3	Equity method	Disposed	
Name	Country of incorporation/ principal place of business	Effective interest~ 2022 %	Effective interest~ 2021 %	Non-controlling interest~ 2022 %	Non-controlling interest~ 2021 %	Principal activities
Subsidiary of Edgenta Township Management Services Sdn. Bhd.						
UEM Sunrise Edgenta TMS Sdn. Bhd. β	Malaysia	69.3	69.3	30.7	30.7	Investment holding and management of real estate

199301020767 (275505-K)

**Khazanah Nasional Berhad
(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 %	
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

**Khazanah Nasional Berhad
(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 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

**Khazanah Nasional Berhad
(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 %	
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

**Khazanah Nasional Berhad
(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 %	
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

**Khazanah Nasional Berhad
(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 %	
Other subsidiaries of UEM (cont'd.)						
United Growth Berhad	Malaysia	100.0	100.0	-	-	A special purpose vehicle incorporated specifically for the issuance of IMTN Programme for UEM
Vistajati Holdings Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Property development
UEM Suria Berhad	Malaysia	100.0	100.0	-	-	Investment holding
Subsidiary of UEM International (West Asia) Sdn. Bhd.						
UEM Al-Dauliyyah LLC *^	Kingdom of Saudi Arabia	100.0	100.0	-	-	Ceased operations
Name	Country of incorporation/ principal place of business	Effective interest~		Accounting model applied	Principal activities	
		2022 %	2021 %			
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	

**Khazanah Nasional Berhad
(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 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.

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

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.

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

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

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

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

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

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

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

53. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(C) Subsidiaries and associates of MAGB (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2022 %	2021 %	2022 %	2021 %	
Subsidiaries of MAGB (cont'd.)						
MAB Leasing Limited	Malaysia	83.6	86.6	16.4	13.4	To carry on business of purchase, sale, lease, obtaining lease financing and refinancing of commercial aircraft
MAB Pesawat Sdn. Bhd.	Malaysia	83.6	86.6	16.4	13.4	To carry on business of purchase, sale, lease, obtaining lease financing and refinancing of commercial aircraft
Hijrah Biru Sdn. Bhd.	Malaysia	83.6	86.6	16.4	13.4	Air transportation and the provision of related services
MAB Academy Sdn. Bhd.	Malaysia	83.6	86.6	16.4	13.4	Other education
Malaysia Airlines Holidays Sdn. Bhd.	Malaysia	83.6	86.6	16.4	13.4	Dormant
Subsidiaries of Malaysia Airlines Berhad						
Bakawali (Labuan) Limited	Malaysia	83.6	86.6	16.4	13.4	Labuan leasing
MAB Engineering Services Sdn. Bhd.	Malaysia	83.6	86.6	16.4	13.4	Other services activities incidental to air transportation
MAS Aero Services Sdn. Bhd.	Malaysia	-	44.2	-	55.8	Provision of laundry and cleaning related services
MAS Awana Services Sdn. Bhd.	Malaysia	50.2	52.0	49.8	48.0	Provision of catering and cabin handling services

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

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	

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

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

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

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

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

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~ 2022 %	Effective interest~ 2021 %	Accounting model applied	Principal activities	
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	

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

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

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

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

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

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

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

53. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(E) Subsidiaries, associates and joint ventures of DRHSB (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2022 %	2021 %	2022 %	2021 %	
Subsidiaries of TAR Riverwalk Sdn. Bhd.						
Riverwalk Waterpark Sdn. Bhd. *	Malaysia	100.0	100.0	-	-	Dormant
Dolphin Attractions Sdn. Bhd. *	Malaysia	100.0	100.0	-	-	Dormant
Park Three Sdn. Bhd.	Malaysia	100.0	100.0		-	Own land for park development
Subsidiaries of LL Malaysia Attractions Holdings Sdn. Bhd.						
IDR Resorts Sdn. Bhd.	Malaysia	80.0	80.0	20.0	20.0	Investment holding and provision of management services
LL Themed Hotel Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Own and operate Legoland Hotel Malaysia
Subsidiaries of IDR Resorts Sdn. Bhd.						
IDR Assets Sdn. Bhd.	Malaysia	80.0	80.0	20.0	20.0	Own and lease assets of Legoland Malaysia Theme Park
LL Malaysia Taman Tema Sdn. Bhd.	Malaysia	80.0	80.0	20.0	20.0	Manage and operate Legoland Malaysia Theme Park, Water Park and Sealife Aquarium Edutainment facility

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

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

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

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

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

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

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

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

199301020767 (275505-K)

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

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

199301020767 (275505-K)

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

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	

199301020767 (275505-K)

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

53. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(E) Subsidiaries, associates and joint ventures of DRHSB (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Accounting model applied	Principal activities
		2022	2021		
		%	%		
Joint venture of Desaru North Course Sdn. Bhd.					
Desaru North Course Residences Sdn. Bhd. ("DNCR") +++	Malaysia	32.6	32.6	Equity method	Property development

* Under voluntary liquidation

** Completion of striking off and voluntary liquidation in current year

+++ The Group's effective interest is 68.1%, comprising 35.5% held by UEM Sunrise and 32.6% held by DRH Group.

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

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

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

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

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

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

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

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

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

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

199301020767 (275505-K)

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

53. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(G) Other subsidiaries, associates and joint ventures of the Group (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2022 %	2021 %	2022 %	2021 %	
Subsidiaries of Granatum Ventures Sdn. Bhd.						
Iskandar Malaysia Studios Sdn. Bhd. ("IMS")	Malaysia	100.0	100.0	-	-	Investment holding
Subsidiary of Iskandar Malaysia Studios Sdn. Bhd.						
IMS Production Services Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Production activities
Subsidiary of Iskandar Ventures Sdn. Bhd.						
Jasmine Acres Sdn. Bhd.	Malaysia	66.7	66.7	33.3	33.3	Investment holding
Southview Hills Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Investment holding
Subsidiary of Khazanah Nasional Consulting (Hong Kong) Company Ltd						
Khazanah Nasional Consulting (Beijing) Company Ltd	China	-	100.0	-	-	Consultancy services on business, market information, project management, etc.

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

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

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

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

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

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

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

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

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

53. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(G) Other subsidiaries, associates and joint ventures of the Group (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2021 %	2020 %	2021 %	2020 %	
Subsidiaries of Cenergi RE Sdn. Bhd. (cont'd.)						
Bell Cenergi YP Sdn. Bhd.	Malaysia	48.5	48.5	51.5	51.5	Intended to contract and construct a renewable energy plant
Bell Cenergi Lingga Sdn. Bhd.	Malaysia	97.0	-	3.0	-	Intended to develop renewable generation and distribution
Bell Cenergi Linggi Sdn. Bhd. (f.k.a. Bell Cenergi BP Sdn. Bhd.)	Malaysia	97.0	97.0	3.0	3.0	Intended to contract and construct a renewable energy plant
Bell Cenergi Paloh Sdn. Bhd.	Malaysia	97.0	97.0	3.0	3.0	Intended to develop renewable generation and distribution
Cenergi Sg Dingin Sdn. Bhd. (f.k.a. Bell Cenergi LD Sdn. Bhd.)	Malaysia	97.0	97.0	3.0	3.0	Intended to contract and construct a renewable energy plant
Cenergi Classic Sdn. Bhd. (f.k.a. Cenergi Radiance Sdn. Bhd.)	Malaysia	97.0	97.0	3.0	3.0	Intended to develop renewable generation and distribution
Cenergi Classic Segamat Sdn. Bhd.	Malaysia	97.0	-	3.0	-	Intended to develop renewable generation and distribution
Subsidiary of Cenergi Hamparan Sdn. Bhd.						
PT Gree Energy Hamparan*	Indonesia	92.2	92.2	7.8	7.8	Contracting and construction of renewable energy plant

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

53. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(G) Other subsidiaries, associates and joint ventures of the Group (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Accounting model applied	Principal activities
		2022	2021		
		%	%		
Associate of Shan Poornam Metals Sdn. Bhd. ("SPM")					
ENS 4R Sdn. Bhd.	Malaysia	40.0	40.0	Equity method	Collection, processing and recycling of scraps
Shan Poornam Metals (Sarawak) Sdn. Bhd.	Malaysia	40.0	40.0	Equity method	Collection, processing and recycling of scraps
Shan Poornam Metals (Selangor) Sdn. Bhd.	Malaysia	40.0	40.0	Equity method	Collection, processing and recycling of scraps
Shan Poornam Metals (Johor) Sdn. Bhd.	Malaysia	40.0	40.0	Equity method	Collection, processing and recycling of scraps
Shan Poornam Green Tech Sdn. Bhd.	Malaysia	40.0	40.0	Equity method	Dormant
Associate of Tanjung Tuan Investments Limited					
Blippar.com Limited *	England and Wales	-	11.4	Equity method	Liquidated
Joint venture of ARHSB					
Commerce-KNB Agro Teroka Sdn. Bhd. ("CKAT") *	Malaysia	67.0	67.0	Equity method	Agriculture venture capital
Farm Fresh Berhad (formerly known as The Holstein Milk Company Sdn. Bhd.) *	Malaysia	11.8	30.0	Equity method	Involved in dairy farming, processing and distribution of fresh dairy produce

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

53. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(G) Other subsidiaries, associates and joint ventures of the Group (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Accounting	Principal activities
		2022	2021	model applied	
		%	%		
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

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

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

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

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

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

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.

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

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

199301020767 (275505-K)

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

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

199301020767 (275505-K)

**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
(Incorporated in Malaysia)**

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
Muhamed Rozani Bin Mohamed Osman

199301020767 (275505-K)

**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

199301020767 (275505-K)

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

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
Syahrnzam 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

199301020767 (275505-K)

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

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)

199301020767 (275505-K)

**Khazanah Nasional Berhad
(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 (Alternate Director to Tan Sri Dato' Lim Kang Hoo)	(Appointed On 7 October 2022)
Lim Poh Ling	(Appointed On 13 January 2023)
Lim Siew Li	(Appointed On 4 October 2022)
Mark Jason Thomas	(Appointed On 1 June 2022)
Mat Sahwira bin Tamat	(Appointed On 21 January 2022)
Mohamed Omar bin Fateh Mohamed	(Appointed On 1 August 2022)
Mohd Asrul bin Ab Rahim	(Appointed On 21 January 2022)
Mohd Firdaus bin Hisham	(Appointed On 12 October 2022)
Mohd Gadaffie bin Abd Aziz	(Appointed On 1 February 2022)
Muhamad Yazid bin Che Ya	(Appointed On 24 February 2022)
Muhammad Firdaus bin Ishak	(Appointed On 24 February 2022)
Muhammad Safwan Mohd Shukri	(Appointed On 13 January 2023)
Ng Chee Chi	(Appointed on 13 January 2023)
Noorasma binti Sulaiman	(Appointed On 8 September 2022)
Norliza binti Suleiman	(Appointed On 27 January 2022)
Park Deok Seop	(Appointed On 16 December 2022)
Peter Kjaer-Pedersen (Alternate Director to Siegfried Boerst)	(Appointed On 22 June 2022)
Rachel Ng Koon Ling	(Appointed On 9 May 2022)
Rakesh Devasish Jena	(Appointed On 16 November 2022)
Saffiyah Binti Mohd Farid	(Appointed On 11 October 2022)
Saipolyazan bin Mat Yusop	(Appointed On 13 August 2022 and Resigned On 24 October 2022)
Saniman Md Apandi	(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)

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

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)

199301020767 (275505-K)

Khazanah Nasional Berhad
(Incorporated in Malaysia)

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.