

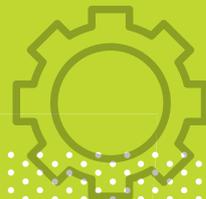
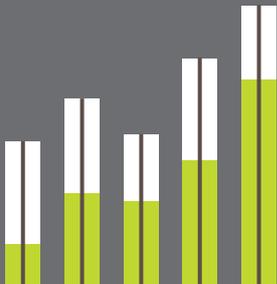
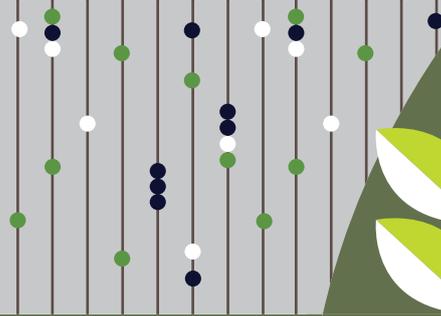
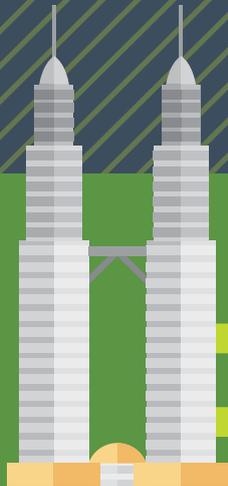
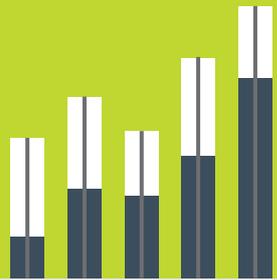


KHAZANAH
NASIONAL



Directors' Report and Audited Financial Statements

31 December 2019



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

Directors' Report and Audited Financial Statements
31 December 2019

199301020767 (275505-K)

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

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**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 2019.

Principal activities

The principal activity of the Company is that of investment holding. The principal activities of the subsidiaries, associates and joint ventures of the Company and of the Group are described in Note 77 and Note 78 to the financial statements, respectively.

Results

	Group RM'000	Company RM'000
Profit for the financial year, net of tax	<u>5,320,168</u>	<u>8,972,377</u>
Profit attributable to:		
Owners of the Company	5,372,017	8,972,377
Non-controlling interests	<u>(51,849)</u>	<u>-</u>
	<u>5,320,168</u>	<u>8,972,377</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.

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Dividends

The amounts of dividends declared or paid by the Company since 31 December 2018 were as follows:

In respect of the financial year ended 31 December 2018: **RM'000**

Interim single-tier dividend on 5,443,953,229 ordinary shares, declared on 24 November 2018 and paid on 12 December 2018 1,000,000

Special single-tier dividend on 5,443,953,229 ordinary shares, declared on 24 November 2018 and paid on 12 December 2018 500,000

1,500,000

In respect of the financial year ended 31 December 2019:

Interim single-tier dividend on 5,443,953,229 ordinary shares, declared on 17 December 2019 and paid on 19 December 2019 1,000,000

The Directors do not recommend the payment of any final dividend for the financial year ended 31 December 2019.

Directors

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

Y.A.B. Tan Sri Muhyiddin Mohd Yassin (Appointed on 1 April 2020)

Y.B. Dato' Seri Mohamed Azmin bin Ali

Y.B. Senator Tengku Dato' Sri Zafrul bin Tengku Abdul Aziz (Appointed on 1 April 2020)

Y. Bhg. Dato' Mohammed Azlan bin Hashim (Appointed on 1 April 2020)

Y. Bhg. To' Puan Azian binti Mohd Aziz (Appointed on 26 June 2019)

Mr. Lau Seng Yee (Appointed on 26 June 2019)

Mr. Goh Ching Yin

Y. Bhg. Datuk Shahril Ridza bin Ridzuan

Y.A.B. Tun Dr. Mahathir bin Mohamad (Resigned on 25 March 2020)

Y. Bhg. Tan Sri Mohd Hassan bin Marican (Resigned on 6 March 2020)

Dr. Sukudhew Singh (Resigned on 1 January 2020)

Prof. Xiao'ou Tang (Appointed on 26 June 2019 and resigned on 6 April 2020)

The names of the directors of the Group's subsidiaries who served on the respective boards of the subsidiaries since the beginning of the current financial year to the date of this report are disclosed in Note 79 to the financial statements.

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**Khazanah Nasional Berhad
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Directors' benefits

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

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the Directors or the fixed salary of a full time employee of the Company as shown in Note 9 and Note 38 to the financial statements), by reason of a contract made by the Company or a related corporation with any Director, or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

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 Company were RM1,206,423 and RM587,664 respectively.

Holding company

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

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

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.
- (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.

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**Khazanah Nasional Berhad
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Other statutory information (cont'd.)

(f) In the opinion of the Directors:

- (i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations when they fall due; and
- (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

Significant events during the financial year

In addition to the significant events disclosed elsewhere in this report, details of other significant events during the financial year are described in Note 74 to the financial statements.

Subsequent events after the reporting date

Details of significant subsequent events after the reporting date are as disclosed in Note 34 and Note 75 to the financial statements.

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

Auditors

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

Auditors' remuneration are disclosed in Note 7 and Note 36 to the financial statements.

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young PLT, as part of the terms of its audit engagement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young PLT during the financial year.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 21 April 2020.

***Signed**

Goh Ching Yin

Kuala Lumpur, Malaysia

***Signed**

Shahril Ridza bin Ridzuan

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

**Statement by directors
Pursuant to Section 251(2) of the Companies Act, 2016**

We, Goh Ching Yin and Shahril Ridza bin Ridzuan, being two of the Directors of Khazanah Nasional Berhad, do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 12 to 370 are drawn up in accordance with the applicable Malaysian 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 2019 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 21 April 2020.

*Signed

Goh Ching Yin

Kuala Lumpur, Malaysia

*Signed

Shahril Ridza bin Ridzuan

**Statutory declaration
Pursuant to Section 251(1)(b) of the Companies Act, 2016**

I, Faridah Bakar Ali, being the officer primarily responsible for the financial management of Khazanah Nasional Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 12 to 370 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 2019 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 12 to 370.

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 2019, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian 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 Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Information other than the financial statements and auditors' report thereon

The directors of the Company are responsible for the other information. The other information comprises the Directors' Report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

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Independent auditors' report to the members of
Khazanah Nasional Berhad (cont'd.)
(Incorporated in Malaysia)

Information other than the financial statements and auditors' report thereon (cont'd.)

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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Independent auditors' report to the members of
Khazanah Nasional Berhad (cont'd.)
(Incorporated in Malaysia)

Auditors' responsibilities for the audit of the financial statements (cont'd.)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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Independent auditors' report to the members of
Khazanah Nasional Berhad (cont'd.)
(Incorporated in Malaysia)

Auditors' responsibilities for the audit of the financial statements (cont'd.)

- We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

In accordance with the requirements of the Companies Act, 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 77 and Note 78 to the financial statements.

Other matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act, 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

***Signed**

Ernst & Young PLT
202006000003 (LLP0022760-LCA) & AF: 0039
Chartered Accountants

Kuala Lumpur, Malaysia
21 April 2020

***Signed**

Ahmad Zahirudin Bin Abdul Rahim
No. 02607/12/2020 J
Chartered Accountant

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

1. Corporate information

The principal activity of the Company is that of investment holding. The principal activities of the subsidiaries, associates and joint ventures of the Company and of the Group are described in Note 77 and Note 78 to the financial statements, respectively.

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

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

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

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 21 April 2020.

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").

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.

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

2.2 Changes in accounting policies

On 1 January 2019, the Group and the Company adopted the new and amended MFRSs which are mandatory for annual financial periods beginning on or after 1 January 2019.

The adoption of these MFRSs did not have any effect on the financial performance or position of the Group and of the Company except as disclosed below:

(a) MFRS 16 Leases

MFRS 16 has replaced MFRS 117 Leases, IC Interpretation 4 Determining whether an Arrangement contains a Lease, IC Interpretation 115 Operating Lease-Incentives and IC Interpretation 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. MFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model.

At the commencement date of a lease, a lessee will recognise a liability to make lease payments and an asset representing the right to use the underlying asset during the lease term. The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions), less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at present value of the lease payment that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications.

Classification of cash flows will also be affected as operating lease payments under MFRS 117 are presented as operating cash flows, whereas under MFRS 16, the lease payments will split into a principal (which will be presented as financing cash flows) and an interest portion (which will be presented as operating cash flows).

Lessor accounting under MFRS 16 is substantially the same as the accounting under MFRS 117. Lessors will continue to classify all leases using the same classification principle as in MFRS 117 and distinguish between two types of leases: operating and finance leases.

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

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

2.2 Changes in accounting policies (cont'd.)

(a) MFRS 16 Leases

The Group has adopted MFRS 16 effective from 1 January 2019, using modified retrospective approach. Applying this method, the comparative information for the 2018 financial year is not restated. Under modified retrospective approach, the lease liability is measured based on the remaining lease payments discounted using the incremental borrowing rate as at the date of initial application. For leases with terms not exceeding twelve months and for leases of low-value assets, the Group has exercised the optional application exemptions. The lease payments under these contracts are generally recognised on a straight-line basis over the lease term as other operating expenses.

In all other leases in which the Group acts as the lessee, the present value of future lease payments is recognised as a financial liability. Lease payments are split into principal and interest portions, using the effective interest method as disclosed in Note 67. Correspondingly, the right-of-use asset is recognised at the present value of the liability at the commencement date of the lease, adding any directly attributable costs as disclosed in Note 53.

Payments made before the commencement date and incentive received from the lessor are also included in the carrying amount of the right-of-use asset. The right-of-use asset is depreciated on a straight-line basis over the lease term or, if it is shorter, over the useful life of the leased asset.

The Group applied MFRS 16 for contracts that were previously identified as leases applying MFRS 117 and IC4.

The effect from the adoption of MFRS 16 as at 1 January 2019 is, as follows:

	Previously reported RM'000	Group Effect of adoption of MFRS 16 RM'000	Restated RM'000
Assets			
Property, plant and equipments	12,385,313	(3,302,833)	9,082,480
Right-of-use assets	-	13,436,352	13,436,352
	<hr/>	<hr/>	<hr/>
Liabilities			
Lease liabilities	-	12,736,038	12,736,038
	<hr/>	<hr/>	<hr/>

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

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

2.2 Changes in accounting policies (cont'd.)

(a) MFRS 16 Leases (cont'd.)

The lease liabilities as at 1 January 2019 can be reconciled to the operating lease commitments as of 31 December 2018, as follows:

	Note	Group RM'000
Operating lease commitments disclosed as at 31 December 2018		14,554,910
Discounted using the lessee's incremental borrowing rate at the date of initial application		(1,664,450)
<i>Add:</i>		
Finance lease liabilities recognised as at 31 December 2018		624,881
<i>(Less):</i>		
Commitments relating to short-term leases		(11,380)
Commitments relating to leases of low-value assets		(1,479)
Contracts reassessed as service agreements		(53,414)
<i>Add/(Less):</i>		
Adjustments as a result of a different treatment of extension and termination options		3,842
Adjustments relating to changes in the index or rate affecting variable payments		(716,872)
Lease liabilities as at 1 January 2019		<u>12,736,038</u>
 Of which are:		
Current lease liabilities		1,773,385
Non-current lease liabilities		<u>10,962,653</u>
		<u>12,736,038</u>

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

2.3 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the reporting date.

A subsidiary is an entity over which the Group has all the following:

- (i) Power over the investee (i.e existing rights that give it the current ability to direct the relevant activities of the investee);
- (ii) Exposure, or rights, to variable returns from its involvement with the investee; and
- (iii) The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (i) The contractual arrangement(s) with the other vote holders of the investee;
- (ii) Rights arising from other contractual arrangements; and
- (iii) The Group's voting rights and potential voting rights.

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.

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

2.3 Basis of consolidation (cont'd.)

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.

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 2.27.

On disposal of such interests, the difference between net disposal proceeds and their carrying amounts is charged or credited to profit or loss.

2.4 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.

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

2.4 Business combinations and goodwill (cont'd.)

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After the initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit ("CGU") and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the CGU retained.

2.5 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.

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

2.5 Investments in associates and joint ventures (cont'd.)

The Group as a joint operator recognises in relation to its interest in a joint operation:

- (i) its assets, including its share of any assets held jointly;
- (ii) its liabilities, including its share of any liabilities incurred jointly;
- (iii) its revenue from the sale of its share of the output arising from the joint operation;
- (iv) its share of the revenue from the sale of the output by the joint operation; and
- (v) its expenses, including its share of any expenses incurred jointly.

The consideration made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries.

The Group's investments in its associate and joint venture are accounted for using the equity method.

Under the equity method, on initial recognition the investment in an associate or a joint venture is recognised at cost. The carrying amount is adjusted to recognise the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment separately.

The statements of profit or loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in other comprehensive income ("OCI") of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the statements of profit or loss outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate or joint venture.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

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

2.5 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.

2.6 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 2.27. These costs are derecognised upon disposal or when no future economic benefits are expected from its use.

Development costs that have been capitalised are amortised over the period of expected future sales from the related project.

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

2.6 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.

2. Summary of significant accounting policies (cont'd.)**2.6 Intangible assets (cont'd.)****(b) Other intangible assets (cont'd.)**

Other intangible assets comprise the following, and are amortised over the following useful lives:

Intangible asset	Nature	Useful life
Aircraft landing slots	Landing rights for aircraft	Indefinite
Computer software	Computer software and licenses	3 - 15 years
Brands	Brand name	Indefinite
Value of business acquired ("VOBA")	In-force contracts for insurance and takaful businesses acquired	5 years
Bancassurance	Bancassurance agreement entered into with an associate company	20 years
Licenses	License to operate Themed parks	15 - 20 years

2.7 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").

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

2.7 Aircraft, property, plant and equipment (cont'd.)

Depreciation of other aircraft, property, plant and equipment is provided for on a straight-line basis to write off the cost of each asset to its residual value based on the following:

Freehold land held for scheduled waste treatment and disposal site	6.25%
Leasehold land	15 - 99 years
Hotel properties	37 years
Buildings	5 - 50 years
Roads, bridges, renovation, restoration costs and capital improvements	3 - 50 years
Plant and machinery	2 - 25 years
Furniture and fittings, motor vehicles and other equipments	3 - 30 years
Aircraft (from the age at the time of purchase)	18 - 20 years
Aircraft modifications/retrofits and spare engines	<u>7 - 20 years</u>

Capital work-in-progress consist of, amongst others, progress payments on aircrafts, 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. Summary of significant accounting policies (cont'd.)

2.8 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 2.24 (e) Construction contracts, contracts for sale of land and property development costs.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest' ("SPPI") on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Company and Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company and Group commits to purchase or sell the asset.

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

2.8 Financial instruments (cont'd.)

(i) Financial assets (cont'd.)

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments);
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments);
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments); and
- Financial assets at fair value through profit or loss.

Financial assets at amortised cost (debt instruments)

The Company and Group measure financial assets at amortised cost if both of the following conditions are met:

- The financial assets is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

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.

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

2.8 Financial instruments (cont'd.)

(i) Financial assets (cont'd.)

Subsequent measurement (cont'd.)

Financial assets at fair value through OCI (debt instruments) (cont'd.)

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement 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.

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 statement 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.

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

2.8 Financial instruments (cont'd.)

(i) Financial assets (cont'd.)

Subsequent measurement (cont'd.)

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 statement of profit or loss.

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 statement of profit or loss when the right of payment has been established.

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

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

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

2.8 Financial instruments (cont'd.)

(i) Financial assets (cont'd.)

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Company and Group have transferred its rights to receive cash flows from the asset or have assumed an obligation to pay the received cash flows in full to a third party under a 'pass-through' arrangement; and either (a) the Company and Group have transferred substantially all the risks and rewards of the asset, or (b) the Company and Group have neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company and Group have transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company and Group continue to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company and Group also recognise an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company and Group have retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company and Group could be required to repay.

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

2.8 Financial instruments (cont'd.)

(i) Financial assets (cont'd.)

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.

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.

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

2.8 Financial instruments (cont'd.)

(i) Financial assets (cont'd.)

Impairment of financial assets (cont'd.)

For debt instruments at fair value through OCI, the Company and Group apply the low credit risk simplification. At every reporting date, the Company and Group evaluate whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Company and Group reassess the internal credit rating of the debt instrument. In addition, the Company and Group consider that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Company and Group consider a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company and Group may also consider a financial asset to be in default when internal or external information indicates that the Company and Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

(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.

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

2.8 Financial instruments (cont'd.)

(ii) Financial liabilities (cont'd.)

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.

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.

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

2.8 Financial instruments (cont'd.)

ii) Financial liabilities (cont'd.)

Loans and borrowings (cont'd.)

This category generally applies to interest-bearing loans and borrowings. For more information, refer to Note 26 and Note 61 to the financial statements.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

iii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.9 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 apply hedge accounting for certain hedging relationships which qualify for hedge accounting.

For the purpose of hedge accounting, hedging relationship are classified as:

- Fair value hedges, when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment (except for foreign currency risk); or
- Cash flow hedges, when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probably forecast transaction or the foreign currency risk in an unrecognised firm commitment; or
- Hedges of a net investment in a foreign operation.

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

2.9 Hedge accounting (cont'd.)

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the hedging instrument's effectiveness in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Hedges are expected to be highly effective and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges which meet the strict criteria for hedge accounting are accounted for as follows:

(a) Fair value hedges

The changes in the fair value of a derivative hedging instrument is recognised in profit or loss, together with any gain or loss on the hedged item attributable to the hedged risk, which is adjusted to the carrying amount of the hedged item.

For fair value hedges relating to items carried at amortised cost, the adjustment to carrying value is amortised through profit or loss over the remaining term to maturity. Effective interest rate amortisation may begin as soon as an adjustment exists and shall begin no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

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.

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

2.9 Hedge accounting (cont'd.)

(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.

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.

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

2.9 Hedge accounting (cont'd.)

(b) Cash flow hedges (cont'd.)

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.

2.10 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.

2.11 Leases

Policy Applicable from 1 January 2019

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.

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

2.11 Leases (cont'd.)

Policy Applicable from 1 January 2019 (contd.)

(a) As lessee

The Group applies a single recognition and measurement approach for all leases, except for short term leases and leases of low-value-assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Group recognises right-of-use at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentive received. Right-of-use assets are depreciated on a straight-line basis over the lease term of the assets. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life and the lease term.

Aircraft	1 - 41 years
Land	2 - 81 years
Building	3 - 5 years
Other office equipment	3 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in Note 2.27.

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.

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

2.11 Leases (cont'd.)

Policy Applicable from 1 January 2019 (contd.)

(a) As lessee (cont'd.)

Lease liabilities (cont'd.)

The lease also include exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date or the interest rate implicit if it is determine in the contract. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Group's lease liabilities are included in Note 67.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e, those leases have a lease term of 12 months or less). The Group also applies the leases of low-value-assets recognition exemption to office equipments and IT equipments that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

(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.

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

2.11 Leases (cont'd.)

Policy Applicable before 1 January 2019

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date. The arrangement is assessed as a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset or assets, even if that asset or those assets are not explicitly specified in an arrangement.

(a) As lessee

A lease is classified at the inception date as a finance lease or an operating

Finance lease which transfers substantially all the risks and rewards incidental to ownership of the leased asset to the Group and the Company, is capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. The corresponding obligation is treated as a liability.

Lease payments are apportioned between finance charges and reduction of the lease liability. Finance charges are allocated and charged to profit or loss over the period of the agreements so as to give a constant periodic interest rate on the remaining balance of the liability at the end of each accounting period. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

Leased asset is depreciated over the estimated useful life of the asset. However, if there is no reasonable certainty that the Group and the Company 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.

An operating lease is a lease other than finance lease. Operating lease payments are recognised as an expense in profit or loss on a straight line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight line basis.

The upfront payment made for short term leasehold land represent prepaid land lease payment. Following initial recognition, prepaid land lease payment is measured at cost less accumulated amortisation and accumulated impairment losses. The prepaid land lease payment is amortised on a straight line basis over the lease term.

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

2.11 Leases (cont'd.)

Policy Applicable before 1 January 2019 (cont'd.)

(b) As lessor

The accounting policies applicable to the Group and the Company as a lessor were not different from MFRS 16.

2.12 Concession assets

(a) Concession intangible assets

In order to fall within the scope of concession contract, a contract must satisfy the following two criterias:

- 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.

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 2.27.

2.12 Concession assets (cont'd.)

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

(i) Expressway Development Expenditure ("EDE") (cont'd.)

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

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

The projected total traffic volume is based on the latest available traffic volume projections prepared by independent traffic consultants. The traffic volume projections are independently reviewed on a periodic basis.

(ii) Capital work-in-progress

Capital work-in-progress is not depreciated until the asset is fully completed and brought into use.

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

2.13 Investment properties

Investment properties consist of land, completed properties and properties under construction ("IPUC") which are held for capital appreciation or rental purpose or both, and generally are not occupied for use or in the operations of the Group. Investment properties are treated as long term investments and are measured initially at cost, including transaction costs.

Following initial recognition, investment properties are carried at cost less any accumulated depreciation and accumulated impairment losses, except for freehold land which has an unlimited useful life and therefore is not depreciated. Other investment properties are depreciated over the estimated economic useful lives of 10 - 80 years. IPUC are not depreciated as they are not ready for their intended use. The policy for the recognition and measurement of impairment losses is in accordance with Note 2.27.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

Investment properties are derecognised when either they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. Any gain or loss on the retirement or disposal of an investment property is recognised in profit or loss in the year of retirement or disposal.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. For a transfer from owner-occupied property to investment property, the property is accounted for in accordance with the accounting policy for property, plant and equipment set out in Note 2.7 up to the date of change in use.

2.14 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.

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

2.14 Land held for property development and property development costs (cont'd.)

(b) Property development costs

Property development costs are those assets on which significant works have been undertaken and are expected to be completed within the normal operating cycle.

Property development costs are initially stated at cost. Cost includes:

- Freehold and leasehold rights for land;
- Borrowing costs, planning and design costs, costs of site preparation, professional fees for legal services, property transfer taxes, construction overheads and other related costs;
- Non-refundable commission cost.

Property development cost is recognised as an expense when the corresponding revenue is recognised as per accounting policy in Notes 2.24(e)(ii) and 2.24(e)(iii).

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.

2.15 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.

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

2.15 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.

2.16 Contract assets and contract liabilities

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Contract assets are subject to impairment assessment based on ECL model. The amount of impairment losses is determined by comparing the contract asset's carrying amount and the present value of estimated future cash flows to be generated by the contract asset.

A contract asset becomes a receivable when the Group's and the Company's right to consideration is unconditional.

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

Contract liability is recognised as revenue when the Group and the Company perform the obligations under the contract.

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

2.17 Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all conditions attached will be met. Government grants relating to income shall be recognised in profit or loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate. Government grants relating to an asset are amortised to profit or loss over the expected useful life of the relevant asset by equal annual instalments or presented in the statements of financial position by deducting the grants in arriving at the carrying amount of the asset.

2.18 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.

2.19 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.20 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.

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

2.20 Financial guarantee contracts (cont'd.)

If the debtor fails to make payment relating to financial guarantee contract when it is due and the Group, as the issuer, is required to reimburse the holder for the associated loss, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount initially recognised less cumulative amortisation.

2.21 Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

When the carrying amount of an asset inclusive of capitalised borrowing costs exceeds its recoverable amount, capitalisation is discontinued and such excess is written down or adjusted for an allowance for impairment, through an appropriate charge to profit or loss.

All other borrowing costs are recognised in profit or loss in the period they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

2.22 Employee benefits

(a) Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the Group. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences, and short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(b) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities or funds and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. Such contributions are recognised as an expense in the profit or loss as incurred. As required by law, companies in Malaysia make contributions to the state pension scheme, the Employees Provident Fund ("EPF"). Some of the Group's foreign subsidiaries also make contributions to their respective countries' statutory pension schemes.

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

2.22 Employee benefits (cont'd.)

(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.

(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.

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

2.22 Employee benefits (cont'd.)

(e) Employee entitlements

An indirect subsidiary makes provision for employees' compensation for future leave in relation to the length of service rendered by employees and relates to rights which have been vested and unvested. These have been recognised based on independent actuarial valuation. These valuations determine the present value of estimated future cash flows to be made to these employees at balance date. Actuarial gains and losses on employee entitlements are recognised in the profit or loss at the time of valuation.

2.23 Share-based compensation

(a) Equity-settled

(i) UEM Group Berhad

The share option programmes include UEM Group Berhad ("UEM")'s Employee Share Ownership Plan, and Long Term Incentive Plan ("LTIP"). These equity-settled share-based compensation plans, allow certain employees of respective subsidiaries to be entitled to ordinary shares of these companies. The cost of these equity-settled transactions with employees is measured by reference to the fair value of the options at the date on which the options are granted. This cost is recognised in profit or loss, with a corresponding increase in the employee share option reserve over the vesting period. The cumulative expense recognised at each reporting date until this vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of options that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in cumulative expense recognised at the beginning and end of that period.

No expense is recognised for options that do not ultimately vest, except for options where vesting is conditional upon a market or non-vesting condition, which are treated as vested irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied. The employee share option reserve is transferred to retained earnings upon expiry of the share options. When the options are exercised, the employee share option reserve is transferred to share capital if new shares are issued or to treasury shares if the options are satisfied by the reinsurance of treasury shares.

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

2.23 Share-based compensation (cont'd.)

(a) Equity-settled (cont'd.)

(ii) Avicennia Capital Sdn. Bhd.

Employees of the Avicennia Capital Sdn. Bhd. ("ACSB") receive remuneration in the form of Restricted Shares Unit ("RSU") under the Company's Long Term Incentive Plan ("LTIP") as consideration for services rendered. The cost of these equity-settled transactions with employees is measured by reference to the fair value of the RSU at the date on which the RSUs are granted. This cost is recognised in profit or loss, with corresponding increase in the LTIP reserve over the vesting period. The cumulative expense recognised at each reporting date until the vesting date reflects the extent to which the vesting period as expired and the Group's best estimate of the number of RSU that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in cumulative expense recognised at the beginning and end of that period.

No expense is recognised for RSUs that do not ultimately vest, except for RSUs where vesting is conditions upon a market or non-vesting condition, which are treated as vested irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service condition is satisfied. The LTIP reserve is transferred to retained earnings upon expiry of the LTIP. When the RSUs are exercised, the LTIP reserve is transferred to share capital if new shares are issued.

(b) Cash-settled - Group

A subsidiary of the Company, UEM Group Berhad ("UEM or UEM Group") grants Shadow Share Option Scheme, a LTIP, to the employees of UEM Group, as part of the remuneration package, whereby the employees will be entitled to the future cash payments subject to meeting the UEM Group's predetermined financial performance and value growth targets over a specific performance vesting period.

Liability arising from long term incentives is measured and reviewed at each reporting date, based on the management's estimates on the achievement of the predetermined targets, and is recognised as an expense over the performance period.

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

2.24 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").

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.

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

2.24 Revenue and income recognition (cont'd.)

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

(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.

(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 standalone selling prices, and if not directly observable, based on expected cost plus margin.

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

2.24 Revenue and income recognition (cont'd.)

(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.

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.

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

2.24 Revenue and income recognition (cont'd.)

(i) Airport handling and engineering services

Airport handling and engineering services are recognised based on the number of man-hours incurred and the cost of materials and spare parts supplied.

Power-by-the-hour ("PBTH") revenue is recognised based on the percentage of completion of the projects. The percentage of completion of the projects is determined based on the number of man-hours incurred to-date against the estimated man-hours needed to complete the projects.

Revenue from Maintenance Repair and Overhaul ("MRO") training and consultancy services are recognised over-time as the services are rendered based on the contract value with intercompanies and third parties.

(j) Frequent flyer programme

The Group operates a frequent flyer programme where points are purchased by partners or awarded to programme members based on accumulated miles travelled.

The award points are recognised as a separately identifiable component of the initial sale transaction, by allocating the fair value of the consideration received between the award points and the other components of sale, such that the award miles are recognised at fair value. The points sold to partners and a portion of passenger revenue attributable to the award of frequent flyer benefits is accounted as a current liability ("deferred revenue") in the consolidated statement of financial position until they are utilised. Revenue from the award points is recognised when the points are redeemed or expired. The amount of revenue recognised when the points are redeemed is based on the number of points redeemed relative to the total number expected to be redeemed.

(k) Hotel, themed parks and golf operations

Revenue from hotel, themed parks and golf operations are recognised in profit or loss when services are rendered.

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

2.24 Revenue and income recognition (cont'd.)

(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 2.24(e)(i).

The consideration receivable shall be recognised as:

- (i) a financial asset to the extent that it has an unconditional contractual right to receive cash or another financial asset; or
- (ii) an intangible asset to the extent that it receives a right (a licence) to charge users of the public service.

(ii) Operation services

Revenue is recognised in accordance with Note 2.24(d).

2.25 Income tax

(a) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

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

2.25 Income tax (cont'd.)

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

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

2.25 Income tax (cont'd.)

(b) Deferred tax (cont'd.)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2.26 Foreign currencies

(a) Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency.

(b) Foreign currency transaction

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items denominated in foreign currencies measured at fair value are translated using the exchange rates at the date when the fair value was determined.

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

2.26 Foreign currencies (cont'd.)

(b) Foreign currency transaction (cont'd.)

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

(c) Foreign operations

The assets and liabilities of foreign operations are translated into RM at the rate of exchange ruling at the reporting date and income and expenses are translated at exchange rates at the dates of the transactions. The exchange differences arising on the translation are taken directly to other comprehensive income. On disposal of a foreign operation, the cumulative amount recognised in other comprehensive income and accumulated in equity under foreign currency translation reserve relating to that particular foreign operation is recognised in profit or loss.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the reporting date.

2.27 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.

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

2.27 Impairment of non-financial assets (cont'd.)

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 pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

Impairment losses are recognised in profit or loss.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss. Impairment loss on goodwill is not reversed in a subsequent period.

2.28 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.

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

2.28 Share capital and share issuance expenses (cont'd.)

(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.

2.29 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.

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

2.29 Insurance business (cont'd.)

(a) Product classification (cont'd.)

A takaful contract is a contract under which the takaful operator (the provider) has agreed to administer takaful risk faced by participants by agreeing to compensate the participants from the Tabarru' Fund if a specified uncertain future event (the insured event) adversely affects the participants. As a general guideline, the Group's takaful subsidiary defines significant takaful risk to be the possibility of having to pay benefits on the occurrence of a takaful event that are at least 5% more than the benefits payable if the takaful event did not occur.

Investment contracts are those contracts that do not transfer significant insurance/takaful risks.

Once a contract has been classified as insurance/takaful contract, it remains an insurance/takaful contract for the remainder of its life-time, even if the insurance/takaful risks reduce significantly during this period, unless all rights and obligations are extinguished or expire. Investment contracts can, however, be reclassified as insurance/takaful contracts after inception if insurance/takaful risks thereon becomes significant.

Insurance/takaful contracts are further classified as being either with or without discretionary participation features ("DPF"). DPF is a contractual right to receive, as a supplement to guaranteed benefits, additional benefits that are:

- (a) likely to be a significant portion of the total contractual benefits;
- (b) whose amount or timing is contractually at the discretion of the issuer;
- (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.

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

2.29 Insurance business (cont'd.)

(a) Product classification (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 period is held in equity.

Unallocated surpluses of the DPF funds where the amount of surplus allocation to either policyholders or shareholders has yet to be determined by the end of the financial period are held within insurance contract liabilities.

For financial options and guarantees which are not closely related to the host insurance/takaful contract, bifurcation is required to measure these embedded derivatives separately at fair value through profit or loss. However, bifurcation is not required if the embedded derivative is itself an insurance/takaful contract, or if the host insurance/takaful contract is measured at fair value through profit or loss.

An investment-linked insurance/takaful contract is an insurance/takaful contract with an embedded derivative linking payments on the contract to units of an internal investment fund setup by the Group's insurance/takaful subsidiary with the consideration received from the contract holders. This embedded derivative meets the definition of an insurance/takaful contract and is therefore not accounted for separately from the host insurance/takaful contract. The liability for such contracts is adjusted for all changes in the fair value of the underlying assets.

When insurance/takaful contracts contain both financial risk component and significant insurance/takaful risk component and the cash flows from the two components are distinct and can be measured reliably, the underlying amounts are unbundled. Any premium/contributions relating to the insurance/takaful risk component are accounted for on the same basis as insurance/takaful contracts and the remaining element is accounted for as a deposit through the statement of financial position similar to investment contracts.

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

2.29 Insurance business (cont'd.)

(b) Reinsurance/Retakaful assets

The insurance and takaful subsidiaries of the Group cedes insurance/takaful risk in the normal course of business for their businesses. Reinsurance/retakaful assets represent balances due from reinsurance/retakaful operators respectively. Amounts recoverable from reinsurers/retakaful operators are estimated in a manner consistent with the outstanding claims provision or settled claims associated with the reinsurer's/retakaful's policies and are in accordance with the related reinsurance/retakaful contracts.

Reinsurance/retakaful arrangements, entered into by the insurance and takaful subsidiaries of the Group, that meet the classification requirements of insurance/takaful contracts are accounted for as above. Arrangements that do not meet these classification requirements are accounted for as financial assets.

Reinsurance/retakaful assets represent amounts recoverable from reinsurers or retakaful operators for insurance/takaful contract liabilities which have yet to be settled at the reporting date. Amounts recoverable from reinsurers and retakaful operators are measured consistently with the amounts associated with the underlying insurance/takaful contracts and the terms of the relevant reinsurance/retakaful arrangements.

At each reporting date, or more frequently, the insurance and takaful subsidiaries of the Group assess whether objective evidence exists that reinsurance/retakaful assets are impaired. Objective evidence of impairment for reinsurance/retakaful assets are similar to those noted for insurance/takaful receivables as above.

If any such evidence exists, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The impairment loss is recognised in profit or loss.

Reinsurance assets and retakaful assets or liabilities are derecognised when the contractual rights are extinguished or expire or when the contract is transferred to another party.

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

2.29 Insurance business (cont'd.)

(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 2.29(b).

Insurance/takaful receivables are derecognised when the derecognition criteria for financial assets are met.

(d) General insurance/General takaful contract liabilities

General insurance/general takaful contract liabilities are recognised when contracts are entered into and premiums/contributions are charged. The general insurance/general takaful contract liabilities comprise claim liabilities and premium/contribution liabilities.

(i) Claim liabilities

Claim liabilities represent the insurance and takaful subsidiaries of the Group's obligations, whether contractual or otherwise, to make future payments in relation to all claims that have been incurred as at reporting date. Claim liabilities include provision for claims reported, claims incurred but not reported ("IBNR"), claims incurred but not enough reserved ("IBNER") and related claims handling costs. These comprised the best estimate value of claim liabilities and a provision of risk margin for adverse deviation ("PRAD") as prescribed by Bank Negara Malaysia ("BNM").

Liabilities for outstanding claims are recognised upon notification by policyholders/participants.

Claim liabilities are determined based on valuations performed by the Signing Actuary, using a range of actuarial claims projection techniques based on, amongst others, actual claims development patterns. Claim liabilities are not discounted.

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

2.29 Insurance business (cont'd.)

(d) General insurance/General takaful contract liabilities (cont'd.)

(ii) Premium/contribution liabilities

Premium/contribution liabilities represent the insurance and takaful subsidiaries of the Group's future obligations on insurance/takaful contracts as represented by premiums/contributions received for risks that have not yet expired. The movement in premium/contribution liabilities is released over the term of the insurance/takaful contracts and is recognised as premium/contribution income.

(1) General takaful/Reinsurance business

Premium/contribution liabilities are reported at the higher of the aggregate of the unearned premium reserves /unearned contribution reserves for all lines of business or the best estimate of the unexpired risk reserves at the required risk margin for adverse deviation.

(2) Unearned Premium Reserves ("UPR")/Unearned Contribution Reserves ("UCR")

UPR/UCR represents the portion of the gross premiums or contributions of insurance or takaful certificates written net of the related reinsurance premiums or retakafuls contribution ceded to qualified reinsurer or retakaful operators that relate to the unexpired periods of the policies or certificates at the end of the financial year.

In determining the UPR/UCR at the reporting date, the method that most accurately reflects the actual unearned premium/contribution is used as follows:

- 1/365th method for all classes of general insurance/takaful business and non-annual policies/certificates are time-apportioned over the period of the risks; and
- 1/8th method for all classes of General reinsurance business and is further adjusted for reinsurance ceded to foreign reinsurers by deducting the lower of the premium ceded to foreign reinsurers as required under the guidelines issued by Bank Negara Malaysia and the deposits retained from foreign reinsurers for which premiums are accounted during the preceding twelve months.

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

2.29 Insurance business (cont'd.)

(d) General insurance/general takaful contract liabilities (cont'd.)

(ii) Premium/contribution liabilities (cont'd.)

(3) Unexpired Risk Reserves ("URR")

The URR is the prospective estimate of the expected future payments arising from future events insured under policies or certificates in force as at the end of reporting date and also includes allowance for expenses, including overheads and cost of reinsurance or retakaful, expected to be incurred during the unexpired period in administering these policies or certificates and settling the relevant claims, and expected future premium or contribution refunds. URR is estimated via an actuarial valuation performed by the Signing Actuary.

(e) Life insurance contract liabilities

The life insurance contract liabilities of the Group comprise actuarial liabilities, unallocated surplus and net asset value attributable to unit holders.

(i) Actuarial liabilities

Actuarial liabilities are recognised when contracts are entered into and premiums are charged.

These liabilities are measured by using a prospective actuarial valuation method. The liability is determined as the sum of the present value of future guaranteed benefits and, in the case of a participating life policy, appropriate level of non-guaranteed benefits, and the expected future management and distribution expenses, less the present value of future gross considerations arising from the policy discounted at the appropriate risk discount rate.

The liability is based on best estimate assumptions and with due regard to significant recent experience. An appropriate allowance for provision of risk margin for adverse deviation from expected experience is made in the valuation of non-participating life policies, the guaranteed benefits liabilities of participating life policies, and the non-unit liabilities of investment-linked policies. The valuation basis, including the determination of the appropriate risk discount rate, is in accordance with Part D of the Risk-Based Capital Framework ("RBC Framework") and Appendix VII: Valuation Basis for Life Insurance Liabilities of the RBC Framework, and any related Circulars issued by BNM relevant to the guidelines.

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

2.29 Insurance business (cont'd.)

(e) Life insurance contract liabilities (cont'd.)

(i) Actuarial liabilities (cont'd.)

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.

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 is deemed to have complied with the requirements of a liability adequacy test under MFRS 4: Insurance Contracts.

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

2.29 Insurance business (cont'd.)

(e) Life insurance contract liabilities (cont'd.)

(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.

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.

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

2.29 Insurance business (cont'd.)

(f) Family takaful contract liabilities

Family takaful contract liabilities comprise liabilities attributable to the certificate holders, claims liabilities and FVOCI reserve.

(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.

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

2.29 Insurance business (cont'd.)

(g) 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.

(h) Liability adequacy test

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

(i) 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.

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

2.29 Insurance business (cont'd.)

(j) 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.

(k) Premium/contribution income

Premiums/contributions represent consideration paid for an insurance contract/takaful certificate and is accounted for as follows:

(i) General takaful business

Contributions are recognised as soon as the amount of the contributions can be reliably measured in accordance with the principles of Shariah. Gross contributions are recognised in a financial year in respect of risks assumed during that particular financial year. Gross contributions from direct business are recognised during the financial year upon the issuance of certificates. Gross contributions in respect of risks incepted for which certificates have not been issued as of the reporting date are accrued at that date.

(ii) General reinsurance business

Premiums are disclosed gross of commission payable to cedants and intermediaries. Premium from facultative business including premium in the pipeline is recognised as income on the inception date basis. Premium from treaty business including premium in the pipeline is recognised on an accrual basis. The management of the insurance and takaful subsidiaries of the Group is of the view that the policy gives a true and fair view of the financial position and the results of its operations as it accords with the accrual basis of accounting, resulting in consistently four quarters of treaty business being recognised in a particular financial year.

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

2.29 Insurance business (cont'd.)

(k) Premium/contribution income (cont'd.)

(iii) Life insurance/family takaful business

Premium or contribution income includes premiums recognised in the life/family takaful funds and the Investment-linked funds. Premiums or contributions of the life/family takaful fund are recognised as soon as the amount of the premiums or contributions can be reliably measured. First premium or initial contribution is recognised from inception date and subsequent premium or contribution is recognised when it is due.

Premium/contribution of the Investment-linked fund is in respect of the net creation of units, which represents premiums/contributions paid by policyholders/participants as payment for a new contract or subsequent payments to increase the amount of that contract. Net creation of units is recognised on a receipt basis.

At the end of the financial year, all due premiums are accounted for to the extent that they can be reliably measured and it is still within the grace period allowed for payment or covered by the cash surrender value of the policies.

(l) Benefits and claims expenses

(i) General insurance/takaful business

Claim expenses represent compensation paid or payable on behalf of the insured in relation a specific loss event that has occurred. They include claims, handling costs and settlement costs and arise from events that have occurred up to the end of the reporting date even if they had not been reported to the insurance and takaful subsidiaries of the Group.

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

2.29 Insurance business (cont'd.)

(l) Benefits and claims expenses (cont'd.)

(ii) Life insurance/family takaful business

Benefits and claims that are incurred during the financial year are recognised when a claimable event occurs and/or the insurer/takaful operator is notified.

Benefits and claims including settlement costs, are accounted for using the case-by-case method and for this purpose, the amounts payable under a life insurance policy/family takaful certificates are recognised as follows:

- maturity and other policy/certificate benefit payments due on specified dates are treated as claims payable on the due dates; and
- 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.

(m) Commission expenses and acquisition costs

(i) General insurance business

The gross cost of acquiring and renewing insurance policies net of income derived from ceding reinsurance premiums is recognised as incurred and properly allocated to the periods in which it is probable they give rise to income.

(ii) 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.

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

2.29 Insurance business (cont'd.)

(m) Commission expenses and acquisition costs (cont'd.)

(iii) General/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.

2.30 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.

2.31 Fair value measurement

The Group measures financial instruments, such as, derivatives, and financial investments, at fair value at each reporting date. Fair values of financial instruments measured at amortised cost are disclosed in Note 29 and Note 69 to the financial statements.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- (a) In the principal market for the asset or liability, or
- (b) In the absence of a principal market, in the most advantageous market for the asset or liability

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

2.31 Fair value measurement (cont'd.)

The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting date.

2.32 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.

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

2.33 Discontinued operation

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 a component represents a separate major line of business or geographical area of operations or is part of a single coordinated major line of business or geographical area of operations. A component is deemed to be held for sale if its carrying amounts will be recovered principally through a sale transaction rather than through continuing use.

Upon classification as held for sale, non-current assets and disposal groups 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.

3. Standards issued but not yet effective

At the date of authorisation of the financial statements, the following were issued but not yet effective and have not been adopted by the Group and the Company.

Description	Effective for financial periods beginning on or after
Amendments to MFRS 3: Definition of a Business	1 January 2020
Amendments to MFRS 7, MFRS 9 and MFRS 139: Interest Rate Benchmark Reform	1 January 2020
Amendments to MFRS 101 and MFRS 108: Definition of Material	1 January 2020
MFRS 17: Insurance Contracts	1 January 2021
Amendments to MFRS 10 and MFRS 128: Sales or Contribution of Assets between and Investor and its Associates or Joint Venture	Deferred

Adoption of the above MFRSs, Amendments to MFRSs and IC Interpretation will not have any material impact on the financial performance or position of the Company.

(a) Revised Conceptual Framework for Financial Reporting

The IASB issued an update to the Conceptual Framework in April 2018. It sets out a comprehensive set of concepts for financial reporting, standard setting, guidance for preparers in developing consistent accounting policies and assistance to others in their efforts to understand and interpret the standards. The Conceptual Framework includes some new concepts, provides updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts. The main changes in the Conceptual Framework are as follows:

- Reintroduces the concept of stewardship and the information needed to assess management's stewardship;

3. Standards issued but not yet effective (cont'd.)

(a) Revised Conceptual Framework for Financial Reporting (cont'd.)

- Reintroduces the concept of prudence;
- Defines the concept of measurement uncertainty;
- Reinstates an explicit reference to the need to "faithfully represent the substance of the phenomena that it purports to represent", and
- Made changes to the definitions of an Asset and a Liability.

The revised conceptual framework is effective for annual periods beginning on or after 1 January 2020. The adoption of the framework is not anticipated to have significant impact on the Group's and the Company's financial statements.

(b) Amendments to MFRS 3: Definition of a Business

The amendments clarify that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. They also clarify that a business can exist without including all of the inputs and processes needed to create outputs. That is, the inputs and processes applied to those inputs must have 'the ability to contribute to the creation of outputs' rather than 'the ability to create outputs'.

The amendments must be applied to transactions that are either business combinations or asset acquisitions for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 January 2020. Consequently, entities do not have to revisit such transactions that occurred in prior periods. Earlier application is permitted and must be disclosed.

(c) Amendments to MFRS 101 and MFRS 108: Definition of Material

Amendments clarify that materiality will depend on the nature or magnitude of information, or both. An entity will need to assess whether the information, either individually or in combination with other information, is material in the context of the financial statements.

The amendments also explain that information is obscured if it is communicated in a way that would have a similar effect as omitting or misstating the information.

The amendments must be applied prospectively. Early application is permitted and must be disclosed.

3. Standards issued but not yet effective (cont'd.)

(d) MFRS 17: Insurance Contracts

MFRS 17 will replace MFRS 4 Insurance Contracts. MFRS 17 applies to all types of insurance contracts, regardless of the type of entities that issue them, as well as certain guarantees and financial instruments with discretionary participation features.

The main features of the new accounting model for insurance contracts are, as follows:

- (i) The measurement of the present value of future cash flows, incorporating an explicit risk adjustment, remeasured every reporting period (the fulfilment cash flows);
- (ii) A Contractual Service Margin ("CSM") that is equal and opposite to any day one gain in the fulfilment cash flows of a group of contracts, representing the unearned profitability of the insurance contracts to be recognised in profit or loss over the service period (i.e. coverage period);
- (iii) Certain changes in the expected present value of future cash flows are adjusted against the CSM and thereby recognised in profit or loss over the remaining contractual service period;
- (iv) The effect of changes in discount rates will be reported in either profit or loss or other comprehensive income, determined by an accounting policy choice;
- (v) The presentation of insurance revenue and insurance service expenses in the statement 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 income statement, but are recognised directly on the balance sheet;
- (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.

3. Standards issued but not yet effective (cont'd.)

(d) MFRS 17: Insurance Contracts (cont'd.)

The standard is effective for annual periods beginning on or after 1 January 2021, with comparative figures required. Early application is permitted, provided the entity also applies MFRS 9 and MFRS 15 on or before the date it first applies MFRS 17. Retrospective approach for estimating the CSM on the transition date is required. However, if full retrospective application for estimating the CSM, as defined by MFRS 108 for a group of insurance contracts, is impracticable, an entity is required to choose one of the following two alternatives:

(i) Modified retrospective approach

Based on reasonable and supportable information available without undue cost and effort to the entity, certain modifications are applied to the extent full retrospective application is not possible, but still with the objective to achieve the closest possible outcome to retrospective application.

(ii) Fair value approach

The CSM is determined as the positive difference between the fair value determined in accordance with MFRS 13 Fair Value Measurement and the fulfilment cash flows (any negative difference would be recognised in retained earnings at the transition date).

Both the modified retrospective approach and the fair value approach provide transitional reliefs for determining the grouping of contracts. If an entity cannot obtain reasonable and supportable information necessary to apply the modified retrospective approach, it is required to apply the fair value approach.

(e) 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 methods.

(ii) Recognition of expected losses on construction contracts

Any expected loss on construction contract is recognised by the Group as an expense immediately when it is probable that the total contract costs will exceed the total contract revenue, even though the project had yet to be completed. In determining the expected loss, the Group takes into account the total contract costs to be incurred to the completion of the project and the probability of claims to be approved by clients for specific items of cost escalation and variation order.

(iii) Contingent liabilities

As disclosed in Note 33 and Note 73 to the financial statements, a contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future events not wholly within the control of the Group. Contingent liabilities are not recognised in the statements of financial position of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

4. Significant accounting judgements (cont'd.)

(a) Critical judgements made in applying accounting policies (cont'd.)

(iv) Contingent liabilities - litigation

As disclosed in Note 73 to the financial statements, the Group has several pending litigations with various parties as at current financial year end. The Group, after due consultation with the Group's solicitors, assesses the merit of each case, and makes the necessary provision for liabilities in the financial statements if their crystallisation are deemed as probable.

(v) Income taxes

Judgement is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the year in which such determination is made.

(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.

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).

5. Significant accounting estimates (cont'd.)

(a) Key sources of estimation uncertainty (cont'd.)

(i) Impairment on investments and receivables (cont'd.)

(2) Impairment on receivables (cont'd.)

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Impairment review

The impairment review of those investments and receivables with indications of impairment carried out by management during the year led to the recognition of impairment losses on investments and receivables of approximately RM5,255 million (2018: RM3,704 million) and RM4,030 million (2018: RM5,203 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 2019 is RM2,045 million (2018: RM2,047 million). Further details are disclosed in Note 46 to the financial statements.

(iii) Impairment of aircraft included in property, plant and equipment

The Group assesses whether there are any indicators of impairment for aircraft included in property, plant and equipment at each reporting date. If any such indication exists, the asset's recoverable amount is estimated to determine the amount of impairment loss.

5. Significant accounting estimates (cont'd.)

(a) Key sources of estimation uncertainty (cont'd.)

(iii) Impairment of aircraft included in property, plant and equipment (cont'd.)

Management performed a review of the recoverable amounts based on a variety of estimations including the value in use of the cash generating unit ("CGU") to which the aircraft included in property, plant and equipment is allocated and fair value less cost to sell. Value-in-use was determined by an estimate of the expected future cash flows from the CGU using a suitable discount rate in order to calculate the present value of those cash flows.

(iv) Deferred tax assets

Deferred tax assets of the Group are recognised for all unused tax losses and unabsorbed capital allowances to the extent that it is probable that taxable profit will be available against which the losses and capital allowances can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The details are as disclosed in Note 55 to the financial statements.

(v) Provision for aircraft related direct operating expenses

The operation of air transportation services inevitably involve the making of various provisions on direct expenses, such as fuel, ground handling charges, landing and parking charges, inflight 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) Provision for aircraft maintenance and overhaul costs

The Group is obligated to carry out heavy duty maintenance checks on the airframe, engines, landing gears and auxiliary power units, being part of the return conditions of its leased aircraft under contract. Provision for heavy duty maintenance cost is made progressively in the financial statements based on the number of flight hours or cycles. In arriving at the provision, assumptions are made on the estimated condition of the asset at the time of check, the material and overhead costs to be incurred, and the timing of when the check is to be carried out. These assumptions are formed based on past experience, and are regularly reviewed to ensure they approximate to the actual. Any revision in assumptions and estimations that causes a material effect to the provision would be adjusted prospectively in the financial statements.

5. Significant accounting estimates (cont'd.)

(a) Key sources of estimation uncertainty (cont'd.)

(vii) Unutilised tickets

Unutilised tickets are subsequently recognised as revenue using estimates regarding the timing of recognition based on the terms and conditions of the tickets and historical trends. Changes in travel patterns, economic environment, variables and estimations used have an impact on the financial statements of the Group.

(viii) Frequent flyer programme

The consideration allocated to the mileage awards issued is measured at their fair value. In determining the fair value of the mileage awards, estimation techniques were used and reflect the weighted average of the contractual price with partners adjusted by the miles not expected to be redeemed by members.

(ix) Construction and consultancy contracts and property development

The Group recognises construction contracts and certain property development revenue and costs in the income statement over time by reference to the progress towards completion of the performance obligation based on input method.

Significant judgement is required in determining the percentage of completion, the extent of the costs incurred and the estimated total revenue and costs, as well as recoverability of the construction, consultancy and property development projects. In making the judgement, the Group evaluates based on past experience, external economic factors and by relying on the work of specialists.

The construction, consultancy and property development revenue and costs recognised in the current and prior years are disclosed in Note 52(iii) and Note 56 to the financial statements, respectively.

5. Significant accounting estimates (cont'd.)

(a) Key sources of estimation uncertainty (cont'd.)

(x) Amortisation of concession intangible assets

Concession intangibles assets is amortised over the concession period by applying the formula in Note 2.12 (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.

(xi) 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.

(xii) 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.

(xiii) 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.

5. Significant accounting estimates (cont'd.)

(a) Key sources of estimation uncertainty (cont'd.)

(xiv) Provision for foreseeable losses for affordable housing

Provision for foreseeable losses is recognised for anticipated losses to be incurred for the development of affordable housing as a condition imposed by the authorities for the approval of the master development plan.

Significant judgement is required in estimating the construction costs and the anticipated losses for the affordable housing.

(xv) 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.

(xvi) 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.

5. Significant accounting estimates (cont'd.)

(a) Key sources of estimation uncertainty (cont'd.)

(xvii) 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.

(xviii) 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.

(xix) 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.

5. Significant accounting estimates (cont'd.)

(a) Key sources of estimation uncertainty (cont'd.)

(xix) Insurance business (cont'd.)

(i) Life insurance and family takaful businesses (cont'd.)

The main assumptions used for life insurance/family takaful business relate to mortality, morbidity, investment returns, expenses, lapse and surrender rates and discount rates. The Group's life insurance subsidiaries base mortality and morbidity on established industry and Malaysian table which reflect historical experiences, adjusted when appropriate to reflect the Group's unique risk exposure, product characteristics, target markets and own claims severity and frequency experiences.

There may be significant reporting lags between the occurrence of an insured event and the time it is actually reported. Following the identification and notification of an insured loss, there may still be uncertainty as to the magnitude of the claim. There are many factors that will determine the level of uncertainty such as inflation, judicial interpretations, legislative changes and claims handling procedures.

Estimates are also made as to future investment income arising from the assets backing the life insurance contracts. These estimates are based on current market returns as well as expectations about future economic and financial developments.

Assumptions on future expenses are based on current expense levels, adjusted for expected expense inflation adjustments, if appropriate.

Lapse and surrender rates are based on the Group's life and family takaful businesses' historical experience of lapses and surrenders.

(ii) General insurance and takaful businesses

The Group's general insurance and general takaful subsidiaries estimated IBNR claims based on computation by an in-house actuary and an independent actuarial firm respectively. Different methods can be used to analyse past data and project past patterns into the future. The actuarial firm had considered the Ultimate Loss Ratio ("ULR") method for the estimation of IBNR claims for the Motor Act class which was completely run-off this year, while the Link Ratio method with a Bornhuetter-Ferguson ("BF") adjustment on a paid claims basis was considered for the rest of the business classes.

5. Significant accounting estimates (cont'd.)

(a) Key sources of estimation uncertainty (cont'd.)

(xix) Insurance business (cont'd.)

(ii) General insurance and takaful businesses (cont'd.)

The ULR method requires a selected ULR to be applied to the net earned contribution in order to project the amount of ultimate claims incurred for each loss year. Then claims incurred for known claims are subtracted from the projected ultimate claims incurred for each loss year in order to estimate the amount of IBNR claims. Assumptions regarding the ULR vary by class of business and take into account the following:

- (i) The Group's claims incurred development to-date;
- (ii) Net contribution remaining after deducting Wakalah fee; and
- (iii) The industry loss experience.

The BF method can be seen as a combination of the ULR and unadjusted Link Ratio methods. An adopted ULR is selected based on the resultant loss ratios from the Link Ratio method, where appropriate, taking into consideration historical experience, industry loss ratios as well as incurred claims ratios to-date. The outstanding claims are calculated using the expected payment pattern (based on the average grossing up factors over the most recent three years) and an externally determined estimate of ultimate claims incurred for each loss year (determined by multiplying the adopted ULR with the net earned contribution). The IBNR is determined by subtracting the case estimate from the estimated outstanding claims.

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

**Statement of comprehensive income
For the year ended 31 December 2019**

		Company	
	Note	2019 RM'000	2018 RM'000
Income	6	14,856,383	2,743,479
Dividend income		13,554,009	2,245,533
Gain from divestments		1,182,409	319,954
Other operating income		119,965	177,992
Operating expenses		(483,346)	(546,099)
Net unrealised gain/(loss) on financial assets designated as fair value through profit or loss		561,753	(746,179)
Net (loss)/gain on revaluation of derivatives		(3,363)	329,597
Foreign exchange effect gain/(loss), net		282,788	(67,522)
Allowance for impairment losses on investments and receivables, net of writebacks		(4,029,712)	(5,202,716)
Operating profit/(loss)	7	11,184,503	(3,489,440)
Finance costs	11	(2,201,914)	(2,322,636)
Profit/(loss) before taxation		8,982,589	(5,812,076)
Taxation	12	(10,212)	(235,842)
Net profit/(loss) for the year		8,972,377	(6,047,918)
Other comprehensive income ("OCI") <i>Items that will not be reclassified subsequently to profit or loss</i>			
Net loss on fair value through other comprehensive income - Loss on fair value changes, net of tax representing other comprehensive income for the year		(1,500)	(537,500)
Total comprehensive income/(loss) for the year		8,970,877	(6,585,418)

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

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

**Statement of financial position
As at 31 December 2019**

		Company	
	Note	2019	2018
		RM'000	RM'000
Assets			
Cash and bank balances	14	1,208,891	867,544
Investment in money market instruments	15	-	9,903
Other financial assets	16	4,632,211	4,380,354
Other receivables	17	868,932	1,078,115
Tax recoverable	18	25,097	1,765
Interest in subsidiaries	19	43,747,396	34,883,927
Interest in associates	20	25,928,295	25,405,218
Property and equipment	22	24,263	9,945
Computer software	23	549	1,579
Total assets		76,435,634	66,638,350
Liabilities			
Other payables	25	3,587,882	2,305,633
Borrowings	26	45,769,258	45,353,588
Derivative liabilities	21	174,919	46,431
Total liabilities		49,532,059	47,705,652
Equity attributable to Owners of the Company			
Share capital	27	12,284,201	12,284,201
Capital contribution from shareholders		2,324,423	2,324,423
Fair value adjustment reserve		9,000	10,500
Retained profits		12,285,951	4,313,574
Total equity		26,903,575	18,932,698
Total equity and liabilities		76,435,634	66,638,350

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

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Khazanah Nasional Berhad
(Incorporated in Malaysia)

Statement of changes in equity
For the year ended 31 December 2019

	Share Capital (Note 27) RM'000	Capital contribution from shareholders RM'000	Fair value adjustment reserve RM'000	Distributable retained profits RM'000	Total equity RM'000
At 1 January 2018	12,284,201	2,324,423	548,000	11,861,492	27,018,116
Total comprehensive loss for the year	-	-	(537,500)	(6,047,918)	(6,585,418)
Dividends (Note 13)	-	-	-	(1,500,000)	(1,500,000)
At 31 December 2018	12,284,201	2,324,423	10,500	4,313,574	18,932,698
At 1 January 2019	12,284,201	2,324,423	10,500	4,313,574	18,932,698
Total comprehensive income for the year	-	-	(1,500)	8,972,377	8,970,877
Dividends (Note 13)	-	-	-	(1,000,000)	(1,000,000)
At 31 December 2019	12,284,201	2,324,423	9,000	12,285,951	26,903,575

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 2019

	Company	
	2019	2018
	RM'000	RM'000
Cash flows from operating activities		
Profit/(loss) before taxation	8,982,589	(5,812,076)
Adjustments for:		
Gain from divestments	(1,182,409)	(319,954)
Dividend income	(13,554,009)	(2,245,533)
Interest income	(90,530)	(167,885)
Unrealised (gain)/loss on foreign exchange, net	(282,788)	67,522
Depreciation	4,920	3,883
Amortisation of computer software	1,162	1,495
Allowance for impairment losses in investments and receivables, net of writebacks	4,029,712	5,202,716
Reversal of LTIP provision	-	(126,700)
Gain on disposal of property and equipment	(285)	(264)
Amortisation of discounts on Khazanah bonds	513,244	613,243
Amortisation of discounts on Exchangeable Trust Certificates	203,246	311,951
Interest expense on Term Loans, Medium Term Notes and others	1,485,424	1,397,442
Net (gain)/loss on financial assets designated as fair value through profit or loss	(561,753)	746,179
Net loss/(gain) on revaluation of derivatives	3,363	(329,597)
Operating loss before working capital changes	(448,114)	(657,578)
Changes in receivables	(1,231,004)	(1,098,196)
Changes in payables	1,278,959	896,046
Income tax paid	(29,820)	(17,751)
Net cash used in operating activities	(429,979)	(877,479)
Cash flows from investing activities		
(Purchase of)/proceeds from sale of investments, net	(10,237,299)	778,602
Purchase of property and equipment	(19,361)	(494)
Purchase of computer software	(132)	(742)
Proceeds from sale of property and equipment	408	627
Dividend received	13,554,009	2,260,273
Interest received	90,530	167,885
Net cash generated from investing activities	3,388,155	3,206,151

Khazanah Nasional Berhad
(Incorporated in Malaysia)

Statement of cash flows
For the year ended 31 December 2019 (cont'd.)

	Company	
	2019	2018
	RM'000	RM'000
Cash flows from financing activities		
Redemption of Exchangeable Trust Certificates	(1,874,695)	(3,007,644)
Redemption of Khazanah Bonds	(2,500,000)	(2,000,000)
Repayment of Islamic MTN	(1,500,000)	-
Repayment of revolving credit facilities	(3,725,074)	-
Proceeds from issuance of Exchangeable Trust Certificates	2,068,365	1,284,662
Proceeds from issuance of Islamic MTN	3,500,000	3,500,000
Drawdown of revolving credit facilities	3,900,000	1,100,000
Dividends paid	(1,000,000)	(1,900,000)
Interest paid	(1,485,425)	(1,670,854)
Net cash used in financing activities	<u>(2,616,829)</u>	<u>(2,693,836)</u>
Net changes in cash and cash equivalents	341,347	(365,164)
Cash and cash equivalents at the beginning of year	<u>867,544</u>	<u>1,232,708</u>
Cash and cash equivalents at the end of year	<u>1,208,891</u>	<u>867,544</u>
Cash and cash equivalents comprise (Note 14):		
Cash and bank balances	155,169	133,117
Deposits with licensed banks	1,053,722	734,427
	<u>1,208,891</u>	<u>867,544</u>

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

Khazanah Nasional Berhad
(Incorporated in Malaysia)

Notes to the Company financial statements

6. Income

	Note	Company	
		2019 RM'000	2018 RM'000
Dividend income:			
- from subsidiaries		11,483,224	170,747
- from associates		1,957,975	2,027,649
- from financial assets designated as fair value through other comprehensive income		43,600	2,390
- financial assets designated as fair value through profit or loss		69,210	44,747
Gain from divestments:			
- gain from divestments of subsidiaries and associates		1,155,808	224,485
- net fair value gain on financial assets designated as fair value through profit or loss		26,601	95,469
Interest income on:			
- loans and receivable		32,043	96,178
- financial assets designated as fair value through profit or loss		58,487	71,707
Directors' fees	(i)	7,955	8,737
Others		21,480	1,370
		<u>14,856,383</u>	<u>2,743,479</u>

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

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7. Operating profit/(loss)

Included in operating profit/(loss) are the following:

	Note	Company	
		2019 RM'000	2018 RM'000
Staff costs	8	145,504	32,649
Auditors' remuneration			
- statutory audit		390	390
- other assurance services		724	883
- others		94	116
Expenses relating to short-term leases		32,288	30,565
Repair and maintenance		13,023	7,382
Depreciation	22	4,920	3,883
Amortisation of computer software	23	1,162	1,495
Unrealised (gain)/loss on foreign exchange		(282,788)	67,522
Gain on disposal of property and equipment		(285)	(264)
		<u>145,504</u>	<u>32,649</u>

8. Staff costs

	Company	
	2019 RM'000	2018 RM'000
Wages and salaries	120,995	128,978
Statutory contributions to EPF and social security	21,644	26,796
Long Term Incentive Plan	-	(126,700)
Others	2,865	3,575
	<u>145,504</u>	<u>32,649</u>

Included in staff costs are executive directors' and key management personnels' remuneration as disclosed in Notes 9 and 10, respectively.

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9. Directors' remuneration

	Company	
	2019	2018
	RM'000	RM'000
Executive Directors of the Company:		
Wages and salaries	1,860	7,269
Statutory contribution to EPF	353	1,231
	<u>2,213</u>	<u>8,500</u>
Non-Executive Directors of the Company:		
Fees and allowances	355	109
Others	-	286
	<u>355</u>	<u>395</u>
	<u>2,568</u>	<u>8,895</u>

10. Key management personnel remuneration

	Company	
	2019	2018
	RM'000	RM'000
Wages and salaries	21,727	44,924
Statutory contribution to EPF	3,890	7,069
Long Term Incentive Plan	-	3,566
	<u>25,617</u>	<u>55,559</u>

Key management personnel are staff who are involved in decision making and management of the Company.

11. Finance costs

	Company	
	2019	2018
	RM'000	RM'000
Interest expense on term loans	133,960	218,712
Interest expense on revolving credit facility	250,414	186,966
Interest expense on Medium and Islamic Medium Term Notes ("MTN and IMTN")	1,101,050	991,764
Amortisation of discounts on Khazanah Bonds (Note 26(a))	513,244	613,243
Amortisation of discounts on Exchangeable Trust Certificates	203,246	311,951
	<u>2,201,914</u>	<u>2,322,636</u>

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12. Taxation

	Company	
	2019	2018
	RM'000	RM'000
Malaysian income tax	8,230	27,164
Foreign income tax	3,726	3,177
(Over)/under provision in prior years	(1,744)	34,529
	<u>10,212</u>	<u>64,870</u>
Deferred tax (Note 24):		
Relating to origination and reversal of temporary differences	-	170,972
	<u>-</u>	<u>170,972</u>
Total income tax expense	<u>10,212</u>	<u>235,842</u>

The tax treatment of the Company has fallen under the ambit of Section 60F Investment Holding Company ("Section 60F") of the Income Tax Act, 1967 for the current and prior financial years.

Under Section 60F, Investment Holding Company is defined as a company whose activities consist mainly of the holding of investment and not less than 80% of its gross income (whether exempt or not) is derived therefrom. Income from the holding of investment is not to be treated as business income whilst income other than income from holding of investment is to be treated as other non-business gains or profits under Section 4(f) of the Income Tax Act, 1967.

The Malaysian tax rate is calculated at the statutory tax rate of 24% (2018: 24%) of the estimated assessable profit for the year.

The reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the years ended 31 December 2019 and 2018 are as follows:

	Company	
	2019	2018
	RM'000	RM'000
Profit/(loss) before taxation	8,982,589	(5,812,076)
	<u>8,982,589</u>	<u>(5,812,076)</u>
Taxation at Malaysian statutory tax rate of 24% (2018: 24%)	2,155,821	(1,394,898)
Effect of income not subject to tax	(3,471,928)	(615,717)
Effect of expenses not deductible for tax purposes	1,328,063	2,211,928
(Over)/under provision in prior years	(1,744)	34,529
Tax expense for the year	<u>10,212</u>	<u>235,842</u>

13. Dividends

	Company	
	Dividends in respect of year/ Dividends recognised in year	
	2019	2018
	RM'000	RM'000
Dividends on ordinary shares:		
Interim single-tier dividend on 5,443,953,229 ordinary shares	1,000,000	1,000,000
Special single-tier dividend on 5,443,953,229 ordinary shares	-	500,000
	<u>1,000,000</u>	<u>1,500,000</u>

14. Cash and bank balances

	Company	
	2019	2018
	RM'000	RM'000
Cash on hand and at bank	155,169	133,117
Deposits with licensed banks	1,053,722	734,427
	<u>1,208,891</u>	<u>867,544</u>

15. Investment in money market instruments

Investment in money market instruments relates to short term commercial papers.

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16. Other financial assets

Company	Current RM'000	Non-current RM'000	Total RM'000
2019			
Financial assets designated as fair value through profit or loss			
At fair value:			
Quoted shares outside Malaysia	1,507,714	-	1,507,714
Quoted equity funds outside Malaysia	1,033,452	-	1,033,452
Unquoted money market funds outside Malaysia	-	428,492	428,492
Unquoted bonds in Malaysia	30,065	80,842	110,907
	<u>2,571,231</u>	<u>509,334</u>	<u>3,080,565</u>
Financial assets designated as fair value through other comprehensive income			
At fair value:			
Quoted shares in Malaysia	-	112,000	112,000
Loans receivable			
At amortised cost:			
Loans receivable (i)	-	2,571,091	2,571,091
Less: Allowance for impairment losses (ii)	-	(1,131,445)	(1,131,445)
	<u>-</u>	<u>1,439,646</u>	<u>1,439,646</u>
	<u>2,571,231</u>	<u>2,060,980</u>	<u>4,632,211</u>

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16. Other financial assets (cont'd.)

Company	Current RM'000	Non-current RM'000	Total RM'000
2018			
Financial assets designated as fair value through profit or loss			
At fair value:			
Quoted shares outside Malaysia	1,129,019	-	1,129,019
Quoted equity funds outside Malaysia	818,234	-	818,234
Unquoted money market funds outside Malaysia	-	396,881	396,881
Unquoted bonds in Malaysia	9,987	95,113	105,100
	<u>1,957,240</u>	<u>491,994</u>	<u>2,449,234</u>
Financial assets designated as fair value through other comprehensive income			
At fair value:			
Quoted shares in Malaysia	-	110,500	110,500
Loans receivable			
At amortised cost:			
Loans receivable (i)	-	2,852,065	2,852,065
Less: Allowance for impairment losses (ii)	-	(1,031,445)	(1,031,445)
	<u>-</u>	<u>1,820,620</u>	<u>1,820,620</u>
	<u>1,957,240</u>	<u>2,423,114</u>	<u>4,380,354</u>

(i) The loans receivable consist of amount due from an associate which is unsecured, interest free and has no fixed terms of repayment.

(ii) A reconciliation of the allowance for impairment losses on loans receivable is as follows:

	Individually impaired	
	2019 RM'000	2018 RM'000
At 1 January	1,031,445	447,341
Charge for the year	100,000	584,104
At 31 December	<u>1,131,445</u>	<u>1,031,445</u>

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

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17. Other receivables

	Note	Company	
		2019 RM'000	2018 RM'000
Interest income receivable		2,961	13,716
Deposits		3,971	4,253
Amount due from related companies	(i)	2,422	2,937
Amount due from Yayasan Amir	(ii)	-	204,557
Amount due from MoF, Inc.	(iii)	851,581	851,602
Others		7,997	1,050
		<u>868,932</u>	<u>1,078,115</u>

- (i) The amount due from related companies is unsecured, bears interest ranging between 4% to 5% (2018: ranging between 4% to 5%) per annum and is repayable on demand.
- (ii) The amount due from Yayasan Amir has the same terms as the Ihsan Sukuk Programme, disclosed in Note 26(h).
- (iii) The amount due from MoF, Inc. is unsecured, interest free and is repayable on demand.

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

18. Tax recoverable

The tax recoverable relates to tax over-payment of tax based on the Company's tax submissions, which are still subject to Inland Revenue ("IRB") agreement.

19. Interest in subsidiaries

	Company	
	2019 RM'000	2018 RM'000
Shares at cost,		
Unquoted shares in Malaysia	43,482,728	42,739,207
Unquoted shares outside Malaysia	5,831,889	6,733,892
	<u>49,314,617</u>	<u>49,473,099</u>
Less: Accumulated allowance for impairment losses	(23,151,063)	(20,441,647)
	<u>26,163,554</u>	<u>29,031,452</u>
Amount due from subsidiaries *	17,583,842	5,852,475
	<u>43,747,396</u>	<u>34,883,927</u>

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

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19. Interest in subsidiaries (cont'd.)

Details of the subsidiaries are shown in Note 77.

During the current financial year:

(a) Additional acquisition/subscription in existing subsidiaries

- (i) The Company subscribed to an additional 30,000,000 preference shares in Agrifood Resources Holdings Sdn Bhd ("ARH"), for a total cash consideration of RM30.0 million, resulting in the Company maintaining its equity interest of 100%. ARH, an unlisted company incorporated in Malaysia, is an investment holding company.
- (ii) The Company subscribed to an additional 80,000,000 preference shares in Themed Attractions Resorts & Hotels Sdn Bhd ("TAR&H"), for a total cash consideration of RM80.0 million, resulting in the Company maintaining its equity interest of 100%. TAR&H, an unlisted company incorporated in Malaysia, is an investment holding company.
- (iii) The Company subscribed to an additional 6,220 preference shares in MAGB, for a total consideration of RM626.0 million, resulting in the Company maintaining its equity interest of 100%. MAGB, an unlisted company incorporated in Malaysia, is an investment holding company.
- (iv) The Company subscribed to an additional 16,696,600 preference shares in i2M Ventures Sdn Bhd ("i2M"), for a total consideration of RM16.7 million, resulting in the Company maintaining its equity interest of 100%. i2M, an unlisted company incorporated in Malaysia, is an investment holding company.
- (v) The Company subscribed to an additional 6,000,000 preference shares in Ophir Ventures Sdn Bhd ("Ophir"), for a total cash consideration of RM6.0 million, resulting in the Company maintaining its equity interest of 100%. Ophir, an unlisted company incorporated in Malaysia, is an investment holding company.
- (vi) The Company subscribed to an additional 17,475,282 ordinary shares in Payar Investment Limited ("Payar"), for a total cash consideration of RM71.4 million, resulting in the Company maintaining its equity interest of 100%. Payar, an unlisted company incorporated in Malaysia, is an investment holding company.
- (vii) The Company subscribed to an additional 211,043,429 preference shares in Pulau Manukan Ventures Sdn Bhd ("PMVSB"), for a total consideration of RM211.0 million, resulting in the Company maintaining its equity interest of 100%. PMVSB, an unlisted company incorporated in Malaysia, is an investment holding company.

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19. Interest in subsidiaries (cont'd.)

(a) Additional acquisition/subscription in existing subsidiaries (cont'd.)

- (viii) The Company subscribed to an additional 10,000,000 preference shares in Pulau Tiga Ventures Sdn Bhd ("Pulau Tiga"), for a total consideration of RM10.0 million, resulting in the Company maintaining its equity interest of 100%. Pulau Tiga an unlisted company incorporated in Malaysia, is an investment holding company.
- (ix) The Company subscribed to an additional 2,300,000 preference shares in Tanjung Bidara Ventures Sdn Bhd ("Tanjung Bidara"), for a total consideration of RM2.3 million, resulting in the Company maintaining its equity interest of 100%. Tanjung Bidara, an unlisted company incorporated in Malaysia, is an investment holding company.
- (x) The Company subscribed to an additional 116,081,200 preference shares in Iskandar Ventures Sdn Bhd ("IVSB"), for a total consideration of RM116.1 million, resulting in the Company maintaining its equity interest of 100%. IVSB, an unlisted company incorporated in Malaysia, is an investment holding company.
- (xi) The Company subscribed to an additional 16,835,000 preference shares in Teluk Rubiah Ventures Sdn Bhd ("TRVSB"), for a total consideration of RM16.8 million, resulting in the Company maintaining its equity interest of 100%. TRVSB, an unlisted company incorporated in Malaysia, is an investment holding company.

(b) Special Purpose Vehicles ("SPVs")

Special purpose vehicles ("SPVs") are wholly-owned subsidiaries of the Company that have been set up to actively hold investments or as funding vehicles of the Company. The SPVs are disclosed in Note 77.

Certain financial statements' captions of the Company after including the assets and liabilities held through the SPVs as at 31 December are as follows:

	Extended Company	
	2019	2018
	RM'000	RM'000
Revenue #	14,289,630	4,470,748
Profit/(loss) from operations*	7,360,011	(6,271,325)

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19. Interest in subsidiaries (cont'd.)

(b) Special Purpose Vehicles ("SPVs") (cont'd.)

	Extended Company	
	2019	2018
	RM'000	RM'000
Cash, bank balances and investment in money market	7,192,765	1,748,537
Other financial assets	25,896,897	29,375,262
Interest in subsidiaries	13,351,881	15,038,080
Interest in associates	34,322,992	36,965,491
Interest in joint ventures	427,313	866,343
Borrowings	45,769,258	55,235,165
Retained profits	15,866,009	9,586,537
Currency translation reserve	2,570,865	3,354,773
Fair value adjustment reserve	3,436,769	3,366,776
Capital contribution from shareholders	2,324,423	2,324,423
	<hr/>	<hr/>
Total assets	83,066,350	86,818,988
Total liabilities	46,584,084	55,902,278
	<hr/>	<hr/>

Revenue consist of realised divestment gains of investments classified as fair value through other comprehensive income.

* Profit/(loss) from operations consist of profit/(loss) before tax, realised divestment gains and permanent reduction in value of assets classified as fair value through other comprehensive income that was recycled to retained earnings.

20. Interest in associates

	Company	
	2019	2018
	RM'000	RM'000
Shares at cost,		
Quoted shares in Malaysia	25,140,553	24,617,476
Unquoted shares in Malaysia	932,407	932,407
	<hr/>	<hr/>
	26,072,960	25,549,883
Less: Accumulated allowance for impairment losses	(144,665)	(144,665)
	<hr/>	<hr/>
	25,928,295	25,405,218
	<hr/>	<hr/>
Market values of quoted shares in Malaysia	56,997,058	57,783,191
	<hr/>	<hr/>

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20. Interest in associates (cont'd)

Details of the associates are shown in Note 77.

During the current financial year:

- (i) The Company elected to participate in the dividend reinvestment plan of CIMB Group Holdings Berhad ("CIMB"), resulting in the Company acquiring an additional 141,523,405 ordinary shares for a total cash consideration of RM675.1 million. Pursuant to the transaction, the Company's equity interest in CIMB increased to 27.26%. CIMB, a company incorporated in Malaysia, is listed on Bursa Malaysia Main Market and is involved in investment holding, financial services, property management, provision of consultancy services and dealing in securities.
- (ii) The Company disposed 85,223,457 ordinary shares of Tenaga Nasional Berhad ("TNB"), for a total cash consideration of RM1.05 billion. Pursuant to the disposal, the Company's equity interest in TNB reduced to 27.26%. TNB, a company incorporated in Malaysia, is listed on Bursa Malaysia Main Market and is involved in transmission, distribution and sale of electricity.

21. Derivative financial instruments

	Company	
	Nominal RM'000	Liability RM'000
2019		
Non-hedging derivative:		
Embedded derivatives		
Long term	3,132,955	174,919
2018		
Non-hedging derivative:		
Embedded derivatives		
Long term	2,898,821	46,431

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21. Derivative financial instruments (cont'd.)

Embedded derivative liabilities

The Company, via special purpose vehicles, issued Exchangeable Trust Certificates, as described in Note 26(b). The embedded derivatives represent the fair value of:

- (i) the option provided to certificate holders to convert into ordinary shares of the underlying assets ("Exchange Property"); and
- (ii) the cash settlement option that the Company has to redeem the Exchangeable Trust Certificates.

22. Property and equipment

Company	Office equipment, furniture and fittings and computer equipment RM'000	Motor vehicles RM'000	Renovation RM'000	Total RM'000
At 31 December 2019				
Cost				
At 1 January 2019	30,621	2,720	31,977	65,318
Additions	19,361	-	-	19,361
Disposal	(404)	(1,257)	-	(1,661)
At 31 December 2019	49,578	1,463	31,977	83,018
Accumulated depreciation				
At 1 January 2019	21,404	2,112	31,857	55,373
Charge for the year	4,364	436	120	4,920
Disposal	(404)	(1,134)	-	(1,538)
At 31 December 2019	25,364	1,414	31,977	58,755
Net carrying amount				
At 31 December 2019	24,214	49	-	24,263

22. Property and equipment (cont'd.)

Company	Office equipment, furniture and fittings and computer equipment RM'000	Motor vehicles RM'000	Renovation RM'000	Total RM'000
At 31 December 2018				
Cost				
At 1 January 2018	30,175	6,294	31,934	68,403
Additions	451	-	43	494
Disposal	(5)	(3,574)	-	(3,579)
At 31 December 2018	<u>30,621</u>	<u>2,720</u>	<u>31,977</u>	<u>65,318</u>
Accumulated depreciation				
At 1 January 2018	18,475	4,502	31,729	54,706
Charge for the year	2,933	822	128	3,883
Disposal	(4)	(3,212)	-	(3,216)
At 31 December 2018	<u>21,404</u>	<u>2,112</u>	<u>31,857</u>	<u>55,373</u>
Net carrying amount				
At 31 December 2018	<u>9,217</u>	<u>608</u>	<u>120</u>	<u>9,945</u>

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23. Computer software

Company	2019 RM'000	2018 RM'000
Cost		
At 1 January	12,302	16,842
Additions	132	742
Write off	-	(5,282)
At 31 December	<u>12,434</u>	<u>12,302</u>
Accumulated amortisation		
At 1 January	10,723	14,510
Charge for the year	1,162	1,495
Write off	-	(5,282)
At 31 December	<u>11,885</u>	<u>10,723</u>
Net carrying amount		
At 31 December	<u>549</u>	<u>1,579</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.

24. Deferred taxation

	Company	
	2019 RM'000	2018 RM'000
Deferred tax asset	<u>-</u>	<u>-</u>

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24. Deferred taxation (cont'd.)

The component and movement of deferred tax during the financial year are as follows:

Deferred tax asset of the Company:

	Khazanah Bonds and Exchangeable Trust Certificates RM'000
At 1 January 2019	-
Recognised in profit or loss	-
At 31 December 2019	<u>-</u>
At 1 January 2018	170,972
Recognised in profit or loss	(170,972)
At 31 December 2018	<u>-</u>

25. Other payables

	Note	Company	
		2019 RM'000	2018 RM'000
Interest payable	(i)	382,944	379,653
Amount due to related companies	(ii)	3,037,589	1,823,357
Other payables and accruals	(iii)	167,349	102,623
		<u>3,587,882</u>	<u>2,305,633</u>

The terms and conditions of the above liabilities are as follows:

- (i) Interest payable is normally settled quarterly, semi-annually or annually throughout the financial year, depending on the terms of the respective borrowings of the Company.

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25. Other payables (cont'd.)

- (ii) The amount due to related companies is unsecured, interest free and is repayable on demand.
- (iii) Other payables and accruals are interest free and have an average term of 60 to 90 days (2018: average term of 60 to 90 days).

26. Borrowings

	Note	Short term RM'000	Company Long term RM'000	Total RM'000
2019				
Khazanah Bonds - secured Exchangeable Trust Certificates	(a)	1,187,252	9,451,780	10,639,032
	(b)	-	3,132,955	3,132,955
Danga Capital Berhad	(c)	4,735,830	11,061,441	15,797,271
Danum Capital Berhad	(d)	-	3,500,000	3,500,000
Rantau Abang Capital Berhad	(e)	1,000,000	4,500,000	5,500,000
Term loans - unsecured	(f)	-	2,500,000	2,500,000
Revolving credit facilities	(g)	4,500,000	-	4,500,000
Ihsan Sukuk Berhad	(h)	-	200,000	200,000
		<u>11,423,082</u>	<u>34,346,176</u>	<u>45,769,258</u>
2018				
	Note	Short term RM'000	Company Long term RM'000	Total RM'000
Khazanah Bonds - secured Exchangeable Trust Certificates	(a)	2,446,349	10,179,439	12,625,788
	(b)	-	2,898,822	2,898,822
Danga Capital Berhad	(c)	-	15,815,364	15,815,364
Rantau Abang Capital Berhad	(e)	1,500,000	5,500,000	7,000,000
Term loans - unsecured	(f)	913,614	2,500,000	3,413,614
Revolving credit facilities	(g)	3,400,000	-	3,400,000
Ihsan Sukuk Berhad	(h)	-	200,000	200,000
		<u>8,259,963</u>	<u>37,093,625</u>	<u>45,353,588</u>

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26. Borrowings (cont'd.)

(a) Khazanah Bonds - secured

	Company	
	2019	2018
	RM'000	RM'000
At 1 January	12,625,788	14,012,545
Amortisation of discount for the year (Note 11)	513,244	613,243
Less: Redeemed during the year	(2,500,000)	(2,000,000)
At 31 December	<u>10,639,032</u>	<u>12,625,788</u>

On 29 May 2006, the Company launched a Government Guaranteed Bond programme of up to a total of RM20 billion in nominal value.

The details of the Khazanah Bonds are as follows:

- Issued under the Shariah principle of Musyarakah;
- Bear no coupon and shall be redeemed by the Company in full at their face value on the maturity dates;
- Subject to any written law, the Khazanah Bonds rank pari passu among themselves and equal with all other unsecured obligations (other than subordinated obligations and priorities created by law, if any) of the Company; and
- Are irrevocably guaranteed by the Government of Malaysia.

Khazanah Bonds of RM2.5 billion were fully redeemed during the year.

The maturity structure of Khazanah Bonds is as follows:

	Company	
	2019	2018
	RM'000	RM'000
Due within one year		
Zero coupon Khazanah bonds, at nominal value	1,200,000	2,500,000
Less: Unamortised discount *	(12,748)	(53,651)
	<u>1,187,252</u>	<u>2,446,349</u>
Due after one year, and within five years		
Zero coupon Khazanah bonds, at nominal value	9,300,000	8,000,000
Less: Unamortised discount *	(1,167,728)	(1,019,420)
	<u>8,132,272</u>	<u>6,980,580</u>

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26. Borrowings (cont'd.)

(a) Khazanah Bonds - secured

	Company	
	2019	2018
	RM'000	RM'000
Due after five years		
Zero coupon Khazanah bonds, at nominal value	2,000,000	4,500,000
Less: Unamortised discount *	(680,492)	(1,301,141)
	<u>1,319,508</u>	<u>3,198,859</u>
	<u>10,639,032</u>	<u>12,625,788</u>

* The total unamortised discount is derived as follows:

Total discount upon issuance	(7,819,164)	(7,819,164)
Total amortisation to date	5,958,196	5,444,952
Total unamortised discount at 31 December	<u>(1,860,968)</u>	<u>(2,374,212)</u>

(b) Exchangeable Trust Certificates ("ETC")

	Note	Company	
		2019	2018
		RM'000	RM'000
USD500 million 7-year ETC	(i)	-	188,794
USD398.8 million 5-year ETC	(ii)	-	1,501,261
USD320.8 million 5-year ETC	(iii)	1,223,635	1,208,767
USD500 million 5-year ETC	(iv)	1,909,320	-
		<u>3,132,955</u>	<u>2,898,822</u>

The maturity structure of the ETCs is as follows:

	Company	
	2019	2018
	RM'000	RM'000
Due after one year, and within five years	<u>3,132,955</u>	<u>2,898,822</u>

26. Borrowings (cont'd.)

(b) Exchangeable Trust Certificates ("ETC") (cont'd.)

(i) USD500 million 7-year Exchangeable Trust Certificates

On 18 September 2014, the Company via an independent special purpose company, Cahaya Capital Limited (the "Issuer"), issued a Shariah-compliant exchangeable trust certificates (the "Certificates").

The issuance comprise USD500 million 7-year Certificates with a put option on Year 4 and is exchangeable into ordinary shares of RM1.00 each of Tenaga Nasional Berhad ("TNB"), the Exchange Property. The Certificates were priced at 100% of the principal amount at zero periodic payments with a yield to optional/scheduled dissolution of negative 0.05%. Unless previously exchanged, redeemed, purchased or cancelled, the Certificates will be redeemed at 99.65% of their nominal amount on 18 September 2021 ("the Scheduled Dissolution Date").

Exchange Right

The Certificates are exchangeable for a pro-rata share of TNB ordinary shares with par value of RM1.00 each during the Exchange Period. Notwithstanding the Exchange Right, at any time when the delivery of Exchange Property is required to satisfy the Exchange Right, the Company has the option to purchase the Exchange Property for an amount equal to the Cash Settlement Amount.

The Exchange Property initially comprise 111,728,612 TNB 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 TNB 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 Certificate holders being entitled to receive 223.4572 TNB shares and RM549 cash as capital distribution for each USD1,000 nominal value of Certificates effective 11 October 2019.

Exchange Period

Each Certificateholder has the right ("Exchange Right") to exchange a Certificate at any time during the Exchange Period, beginning on and including 29 October 2014 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

26. Borrowings (cont'd.)

(b) Exchangeable Trust Certificates ("ETC") (cont'd.)

(i) USD500 million 7-year Exchangeable Trust Certificates (cont'd.)

Exchange Period (cont'd.)

- (b) if the Certificates shall have been called for dissolution prior to the Scheduled Dissolution Date, the close of business on the day which falls 10 Business Days prior to the date fixed for dissolution.

Redemption

The Certificates were exchanged and fully 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 15 September 2014 relating to the Certificates.

(ii) USD398.8 million 5-year Exchangeable Trust Certificates

On 23 September 2016, the Company via an independent special purpose company, Bagan Capital Limited (the "Issuer"), issued a Shariah-compliant exchangeable trust certificates (the "Certificates").

The issuance comprise USD398.8 million 5-year Certificates with a put option on Year 3 and is exchangeable into ordinary shares of HKD0.10 each of Beijing Enterprises Water Group Limited ("BEWG"), 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 of 0%. The Certificates are offered in the denominations of USD200,000 and integral multiple of USD1,000 in excess thereof. Unless previously exchanged, redeemed, purchased or cancelled, the Certificates will be redeemed at 100.00% of their nominal amount on 23 September 2021 ("the Scheduled Dissolution Date").

26. Borrowings (cont'd.)

(b) Exchangeable Trust Certificates ("ETC") (cont'd.)

(ii) USD398.8 million 5-year Exchangeable Trust Certificates (cont'd)

Exchange Right

The Certificates are exchangeable for a pro-rata share of BEWG ordinary shares with par value of HKD0.10 each during the Exchange Period. Notwithstanding the Exchange Right, at any time when the delivery of Exchange Property is required to satisfy the Exchange Right, the Company has the option to purchase the Exchange Property for an amount equal to the Cash Settlement Amount.

The Exchange Property initially comprise 399,856,758 BEWG 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.

Certificate holders being entitled to receive 1,002.6498 BEWG shares for each USD1,000 nominal value of Certificates. Following the dividends declared by BEWG 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 Certificate holders being entitled to receive 1,002.6498 BEWG shares and HKD199.53 cash as capital distribution for each USD1,000 nominal value of Certificates effective 20 October 2017.

Exchange Period

Each Certificateholder has the right ("Exchange Right") to exchange a Certificate at any time during the Exchange Period, beginning on and including 3 November 2016 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.

26. Borrowings (cont'd.)

(b) Exchangeable Trust Certificates ("ETC") (cont'd.)

(ii) USD398.8 million 5-year Exchangeable Trust Certificates (cont'd)

Redemption

The Certificates were exchanged and fully 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 20 September 2016 relating to the Certificates.

(iii) 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 HKD260.37 cash as capital distribution for each USD1,000 nominal value of Certificates effective 2 August 2019.

26. Borrowings (cont'd.)

(b) Exchangeable Trust Certificates ("ETC") (cont'd.)

(iii) USD320.8 million 5-year Exchangeable Trust Certificates (cont'd)

Exchange Right (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.

Redemption

There were no redemptions made during the year.

This note to the financial statements should be read in conjunction with the conditions set out in the offering circular dated 5 February 2018 relating to the Certificates.

(iv) 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").

26. Borrowings (cont'd.)

(b) Exchangeable Trust Certificates ("ETC") (cont'd.)

(iv) USD500 million 5-year Exchangeable Trust Certificates (cont'd)

Exchange Right

The Certificates are exchangeable for a pro-rata share of CIMB ordinary shares with par value of RM1.00 each during the Exchange Period. Notwithstanding the Exchange Right, at any time when the delivery of Exchange Property is required to satisfy the Exchange Right, the Company has the option to purchase the Exchange Property for an amount equal to the Cash Settlement Amount.

The Exchange Property initially comprise 335,702,654 CIMB shares and include all Relevant Securities and other property arising out of or derived or resulting therefrom and such other property, in each case as may be deemed or required to comprise all or part of the Exchange Property pursuant to the Conditions, but excluding any such property as may or may be deemed to have ceased to form part of the Exchange Property.

Following the dividends declared by CIMB during the Exchange Period which exceeded the reference amount as defined in the Conditions of the Certificates, further adjustments to the Exchange Property were made resulting in the Certificates holders being entitled to receive 691.7070 shares as capital distribution for each USD1,000 nominal value of Certificates effective 6 November 2019.

Each Certificateholder has the right ("Exchange Right") to exchange a Certificate at any time during the Exchange Period, beginning on and including 18 September 2019 and:

- (a) up to a close of business on 25 July 2024.; or
- (b) if the Certificates shall have been called for redemption prior to the Scheduled Dissolution Date, the close of business on the day which falls 10 Business Days prior to the date fixed for redemption.

Redemption

There were no redemptions made during the year.

This note to the financial statements should be read in conjunction with the conditions set out in the offering circular dated 5 August 2019 relating to the Certificates.

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26. Borrowings (cont'd.)

(c) Danga Capital Berhad ("Danga")

	Note	Company	
		2019 RM'000	2018 RM'000
Islamic Medium Term Note 1 ("IMTN 1")	(i)	1,500,000	1,500,000
Islamic Medium Term Note 2 ("IMTN 2")	(i)	2,000,000	2,000,000
Islamic Medium Term Note 3 ("IMTN 3")	(i)	1,500,000	1,500,000
Islamic Medium Term Note 4 ("IMTN 4")	(i)	1,500,000	1,500,000
Islamic Medium Term Note 5 ("IMTN 5")	(i)	1,500,000	1,500,000
Islamic Medium Term Note 6 ("IMTN 6")	(i)	2,000,000	2,000,000
Multicurrency Islamic Medium Term Note 1 ("MIMTN 1")	(ii)	2,735,830	2,729,071
Multicurrency Islamic Medium Term Note 2 ("MIMTN 2")	(ii)	3,061,441	3,086,293
		<u>15,797,271</u>	<u>15,815,364</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.

26. Borrowings (cont'd.)

(c) Danga Capital Berhad ("Danga") (cont'd.)

(i) Islamic Medium Term Notes ("IMTN") (cont'd.)

The details of the IMTNs are as follows:

	IMTN 1	IMTN 2	IMTN 3	IMTN 4	IMTN 5	IMTN 6
Issuance date	29-Jan-15	9-Apr-15	23-Feb-16	6-Sep-17	26-Jan-18	21-Mar-18
Maturity date	29-Jan-30	9-Apr-20	23-Feb-26	6-Sep-27	26-Jan-33	21-Sep-33
Tenure	15 years	5 years	10 years	10 years	15 years	15.5 years
Yield to maturity	4.88%	4.10%	4.60%	4.52%	4.94%	5.02%
Nominal amount	RM1.5 billion	RM2.0 billion	RM1.5 billion	RM1.5 billion	RM1.5 billion	RM2.0 billion

The IMTNs are unsecured and were issued at par.

The IMTNs will make periodic distribution at the profit rate every six months from the issuance to maturity.

The maturity structure of the IMTNs is as follows:

	Company	
	2019	2018
	RM'000	RM'000
Due within one year	2,000,000	-
Due after one year, and within five years	-	2,000,000
Due after five years	8,000,000	8,000,000
	<u>10,000,000</u>	<u>10,000,000</u>

(ii) Multicurrency Islamic Medium Term Notes ("MIMTN")

The details of the MIMTNs are as follows:

	MIMTN 1	MIMTN 2
Issuance date	11-Aug-10	01-Mar-16
Maturity date	11-Aug-20	01-Mar-21
Tenure	10 years	5 years
Profit rate	3.725%	3.035%
Nominal amount	SGD900 million	USD750 million

The MIMTNs are unsecured and were issued at par.

The MIMTNs will make periodic distribution at the profit rate every six months from the issuance to maturity.

No new issuance during the year.

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26. Borrowings (cont'd.)

(c) Danga Capital Berhad ("Danga") (cont'd.)

(ii) Multicurrency Islamic Medium Term Notes ("MIMTN")

The maturity structure of the MIMTNs are as follows:

	Company	
	2019	2018
	RM'000	RM'000
Due within one year	2,735,830	-
Due after one year, and within five years	3,061,441	5,815,364
	<u>5,797,271</u>	<u>5,815,364</u>

(d) Danum Capital Berhad ("Danum")

	Company	
	2019	2018
	RM'000	RM'000
Islamic Medium Term Note 1 ("IMTN 1")	500,000	-
Islamic Medium Term Note 2 ("IMTN 2")	1,000,000	-
Islamic Medium Term Note 3 ("IMTN 3")	2,000,000	-
	<u>3,500,000</u>	<u>-</u>

On 14 February 2019, the SC approved a RM10 billion Sukuk financing to be issued by the Company, via a special purpose vehicle, Danum Capital Berhad. The programme has a tenure of 15 years from the date of the first drawdown.

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

The details of the Sukuk financing are as follows:

	IMTN 1	IMTN 2	IMTN 3
Issuance date	14-Feb-19	14-Feb-19	9-May-19
Maturity date	13-Feb-26	14-Feb-34	9-May-23
Tenure	7 years	15 years	4 years
Yield to maturity	4.30%	4.68%	3.96%
Nominal amount	RM0.5 billion	RM1.0 billion	RM2.0 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.

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26. Borrowings (cont'd.)

(e) Rantau Abang Capital Berhad ("RACB")

	Company	
	2019	2018
	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 3 ("MTN 3")	-	1,500,000
Medium Term Note 4 ("MTN 4")	1,500,000	1,500,000
Medium Term Note 5 ("MTN 5")	1,000,000	1,000,000
Medium Term Note 6 ("MTN 6")	1,000,000	1,000,000
	<u>5,500,000</u>	<u>7,000,000</u>

On 24 February 2006, the SC approved a RM7 billion Sukuk financing to be issued by the Company, via a special purpose vehicle, Rantau Abang Capital Berhad. The programme has a tenure of 35 years from the date of the first drawdown.

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

The details of the Sukuk financing are as follows:

	MTN 1	MTN 2	MTN 3	MTN 4	MTN 5	MTN 6
Issuance date	12-May-11	26-Mar-14	28-Aug-14	19-Oct-15	3-Dec-15	17-Jan-17
Maturity date	12-May-31	26-Mar-29	28-Aug-19	19-Oct-22	3-Dec-20	17-Jan-32
Tenure	20 years	15 years	5 years	7 years	5 years	15 years
Yield to maturity	5.05%	5.20%	4.14%	4.57%	4.30%	5.00%
Nominal amount	RM1.0 billion	RM1.0 billion	RM1.5 billion	RM1.5 billion	RM1.0 billion	RM1.0 billion

The Sukuk financing are unsecured and were issued at par.

The Sukuk financing will make periodic distribution at the profit rate every six months from the issuance to maturity.

No new issuance during the year.

During the year, MTN 3 amounting to RM1.5 billion was redeemed in full at maturity on 28 August 2019.

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26. Borrowings (cont'd.)

(e) Rantau Abang Capital Berhad ("RACB") (cont'd.)

The maturity structure of the Sukuk financing is as follows:

	2019	2018
	RM'000	RM'000
Due within one year	1,000,000	1,500,000
Due after one year, and within five years	1,500,000	2,500,000
Due after five years	3,000,000	3,000,000
	<u>5,500,000</u>	<u>7,000,000</u>

(f) Term loans - unsecured

	Short term	Company	Total
	RM'000	Long term	RM'000
		RM'000	
2019			
Unsecured fixed term loans	-	2,500,000	2,500,000
2018			
Unsecured floating term loans	913,614	-	913,614
Unsecured fixed term loans	-	2,500,000	2,500,000

The unsecured floating term loan bear interest ranging between 3.0171% to 3.2650% (2018: 2.5263% to 3.0171%) per annum.

The unsecured fixed term loans bear interest of 4.641% (2018: 4.641%) per annum.

The maturity structure of the term loans are as follows:

	Company	
	2019	2018
	RM'000	RM'000
Due within one year	-	913,614
Due after five years	2,500,000	2,500,000
	<u>2,500,000</u>	<u>3,413,614</u>

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26. Borrowings (cont'd.)

(g) Revolving credit facility

The Company utilised RM4.5 billion in nominal value under the existing banking facilities of RM4.5 billion. The utilisation/rollover period for the year is 1 month.

The Company used the proceeds for Khazanah's investment and general working capital requirements.

The revolving credit bears interest ranging from 3.73% to 4.21% (2018: 3.76% to 4.23%) per annum.

The maturity structure of the revolving credit is as follows:

	Company	
	2019	2018
	RM'000	RM'000
Due within one year	4,500,000	3,400,000

(h) Ihsan Sukuk Berhad

	Company	
	2019	2018
	RM'000	RM'000
Medium Term Note 1 ("MTN 1")	100,000	100,000
Medium Term Note 2 ("MTN 2")	100,000	100,000
	<u>200,000</u>	<u>200,000</u>

On 11 March 2015, the SC approved a RM1 billion in nominal value, Sukuk Programme to be established under the Sustainable and Responsible Investment Sukuk framework ("Sukuk Programme") to be issued by the Company, via a special purpose vehicle, Ihsan Sukuk Berhad. The programme has a tenure of 25 years from the date of the first issuance under the Sukuk Programme.

The Company uses 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	08-Aug-17
Maturity date	18-Jun-22	08-Aug-24
Tenure	7 years	7 years
Profit rate	4.30%	4.60%
Nominal amount	RM100 million	RM100 million

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26. Borrowings (cont'd.)

(h) Ihsan Sukuk Berhad (cont'd.)

The Ihsan Sukuk are unsecured and issued at par. The proceeds were utilised to fund Yayasan Amir Trust Schools Programme ("Yayasan Amir"). Yayasan Amir is a not-for-profit foundation established on 26 October 2010 to improve accessibility to quality education in government schools through a Public-Private-Partnership with the Ministry of Education of Malaysia.

MTN 1

The Ihsan Sukuk will make annual distribution at the profit rate from the issuance to maturity. In relation to the repayment of the Principal, the Company shall reduce the amount to be repaid by 6.22% (by redeeming the Ihsan Sukuk at 93.78%) in the event Yayasan Amir meets its key performance indicators ("KPIs") pursuant to the conditions of the Ihsan Sukuk.

This note to the financial statements should be read in conjunction with the conditions set out in the information memorandum dated 11 June 2015 relating to the Ihsan Sukuk.

MTN 2

The Ihsan Sukuk will make annual distribution at the profit rate from the issuance to maturity. In relation to the repayment of the Principal, the Company shall reduce the amount to be repaid by 3.18% (by redeeming the Ihsan Sukuk at 96.82%) in the event Yayasan Amir meets its key performance indicators ("KPIs") pursuant to the conditions of the Ihsan Sukuk.

This note to the financial statements should be read in conjunction with the conditions set out in the prospectus dated 13 July 2017 relating to the Ihsan Sukuk.

The First and Second Sukuk Ihsan Sukukholders may exercise their option to waive the repayment of the principal and profit of the IMTNs at any time during the tenure of the First and Second Sukuk Ihsan.

The potential reduction to the dissolution distribution amount and the potential waiver above give rise to embedded derivative. The embedded derivative cannot be reliably measured thus bifurcated and carried at RMNil due to the uncertainty in determining the ability of Yayasan Amir to meet the KPIs.

The maturity structure of the Ihsan Sukuk financing is as follows:

	Company	
	2019	2018
	RM'000	RM'000
Due after one year, and within five years	200,000	100,000
Due after five years	-	100,000
	<u>200,000</u>	<u>200,000</u>

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26. Borrowings (cont'd.)

The movement in the borrowings are as follows:

	Company	
	2019	2018
	RM'000	RM'000
At 1 January	45,353,588	43,780,852
Drawdown	9,468,365	5,884,662
Repayment	(9,599,769)	(5,007,644)
Unrealised loss on foreign exchange	33,830	82,475
Amortisation of discounts on Khazanah Bonds (Note 26(a))	513,244	613,243
	<u>45,769,258</u>	<u>45,353,588</u>

27. Ordinary and preference shares**Issued and fully paid-up:**

	Number of ordinary shares		Amount	
	2019	2018	2019	2018
	'000	'000	RM'000	RM'000
At 1 January/31 December	<u>5,443,953</u>	<u>5,443,953</u>	<u>12,283,201</u>	<u>12,283,201</u>

Issued and fully paid-up:

	Number of RCCPS		Amount	
	2019	2018	2019	2018
	'000	'000	RM'000	RM'000
At 1 January/31 December	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>

Total ordinary and preference shares

	<u>5,444,953</u>	<u>5,444,953</u>	<u>12,284,201</u>	<u>12,284,201</u>
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27. Ordinary and preference shares (cont'd.)

The salient terms of the RCCPS are as follows:

- (a) Under the Companies Act, 2016 in Malaysia which came into effect on 31 January 2017, the concept of authorised share capital no longer exists.
- (b) In accordance with Section 74 of the Companies Act, 2016, the Company's RCCPS no longer have a par or nominal value with effect from 31 January 2017. Pursuant to Section 618 of the Companies Act, 2016, the amount standing to the credit of the Company's share premium became part of the Company's share capital. There is no impact on the numbers of RCCPS in issue or the relative entitlement of any of the members of the Company.
- (c) The RCCPS shall carry a variable dividend whereby the dividend rate and the payment of which shall be payable at the option of the Company. If dividend is not paid, any part of that dividend will be accumulated until such time as the Company is in a position to declare any such dividend at its discretion;
- (d) The RCCPS shall rank for dividend in priority to the ordinary shares;
- (e) Redemption of the RCCPS shall be at the discretion of the Company and shall be redeemed at the par value;
- (f) Conversion of the RCCPS shall be at the discretion of the Company at any time after the issuance of the RCCPS;
- (g) The RCCPS will be convertible into new ordinary shares of the Company for a value of RM1 per RCCPS where the number of new ordinary shares shall be calculated based on the last available/audited realisable asset value of the Company at the time of conversion provided that the conversion price for each unit of RCCPS shall not fall below the par value of the ordinary shares of RM1 each;
- (h) Prior to the conversion of the RCCPS, the RCCPS holder would not have the right to vote at any general meeting of the Company;
- (i) The maturity dates of the RCCPS are as follows:

	2019	2018
	RM'000	RM'000
7 March 2021	1,000	1,000

- (j) The Company has the discretion to extend the tenure of the RCCPS.

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28. Financial instruments by category

31 December 2019

	Amortised cost RM'000	Financial assets designated as fair value through profit or loss RM'000	Financial assets designated as fair value through OCI RM'000	Total RM'000
Financial assets				
Cash and bank balances	1,208,891	-	-	1,208,891
Other financial assets	1,439,646	3,080,565	112,000	4,632,211
Other receivables	868,932	-	-	868,932
Total	3,517,469	3,080,565	112,000	6,710,034

	Financial liabilities designated as fair value through profit or loss RM'000	Financial liabilities at amortised cost RM'000	Total RM'000
Financial liabilities			
Borrowings	-	45,769,258	45,769,258
Derivative liabilities	174,919	-	174,919
Other payables	-	3,587,882	3,587,882
Total	174,919	49,357,140	49,532,059

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

31 December 2018

	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	867,544	-	-	867,544
Investment in money market instruments	9,903	-	-	9,903
Other financial assets	1,820,620	2,449,234	110,500	4,380,354
Other receivables	1,078,115	-	-	1,078,115
Total	3,776,182	2,449,234	110,500	6,335,916
		Financial liabilities designated as fair value through profit or loss RM'000	Financial liabilities at amortised cost RM'000	Total RM'000
Financial liabilities				
Borrowings		-	45,353,588	45,353,588
Derivative liabilities		46,431	-	46,431
Other payables		-	2,305,633	2,305,633
Total		46,431	47,659,221	47,705,652

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29. 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

	2019		2018	
	Carrying amount RM'000	Fair value RM'000	Carrying amount RM'000	Fair value RM'000
Financial liabilities				
Exchangeable Trust Certificates	3,307,874	3,331,530	2,945,253	3,140,922
Islamic Medium Term Notes				
- Danga	16,023,052	17,143,977	16,041,910	15,941,461
- Danum	3,536,859	3,755,477	-	-
- RACB	5,560,301	5,561,745	7,081,601	7,170,150
- Ihsan Sukuk	204,136	204,185	204,136	199,653
Fixed term loans	2,551,496	2,707,347	2,552,132	2,660,047

For the purpose of comparability, the above carrying amounts include the following:

- (i) Exchangeable Trust Certificates include carrying amount of related embedded derivative liabilities.
- (ii) For interest-bearing financial liabilities, interest payable as at reporting date is included.

(b) Determination of fair value

(i) Cash and cash equivalents, receivables and payables

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair value due either to their short term nature or are repayable on demand.

(ii) Quoted shares

The fair value of quoted shares is determined directly by reference to their published market bid price at the reporting date.

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

(b) Determination of fair value (cont'd.)

(iii) Financial assets designated as fair value through profit and loss

The fair value of unquoted bonds, funds and structured products are based on the indicative fair values obtained from Bond Pricing Agency of Malaysia, Bloomberg and/or respective licensed banks.

(iv) Loans receivable

The fair value of loans receivable are estimated by discounting the estimated future cash flows using current interest rates for financial assets with similar risk profile.

(v) Embedded derivatives

The fair value of embedded derivatives are valued using the Black Scholes model with market observable inputs. The model incorporates various inputs including closing market prices of underlying shares, foreign exchange spot rates and market interest rates.

(vi) 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.

(vii) Other loans and borrowings

The carrying amount of the current portion of other loans and borrowings are reasonable approximations of fair value due to the insignificant impact of discounting.

The carrying amount of certain other loans and borrowings are reasonable approximations of fair value as they are floating rate instruments that are re-priced to market interest rates near the reporting date.

The fair value of non-current other loans and borrowings, other than floating rate instruments, are estimated by discounting expected future cash flows at market incremental lending rate for similar types of borrowing at the reporting date.

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

(c) Fair value measurement hierarchy

Quantitative disclosures fair value measurement hierarchy for asset and liabilities as at 31 December 2019:

Assets and liabilities measured at fair value	Carrying amount RM'000	Fair value measurement using		
		Quoted market price Level 1 RM'000	Observable input Level 2 RM'000	Unobservable input Level 3 RM'000
Financial assets				
Financial assets designated as fair value through profit or loss				
- Quoted shares	1,507,714	1,507,714	-	-
- Quoted equity funds	1,033,452	1,033,452	-	-
- Unquoted money market funds	428,492	-	428,492	-
- Unquoted bonds	110,907	110,907	-	-
Financial assets designated as fair value through other comprehensive income				
- Quoted shares	112,000	112,000	-	-
Financial liability				
Embedded derivatives	174,919	-	174,919	-
Assets and liabilities for which fair values are disclosed				
Assets				
Investments in associates				
- Quoted shares	25,140,553	56,997,058	-	-

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29. 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 2019 (cont'd.):

Assets and liabilities for which fair values are disclosed (cont'd.)	Carrying amount	Fair value measurement using		
		Quoted market price Level 1	Observable input Level 2	Unobservable input Level 3
	RM'000	RM'000	RM'000	RM'000
Liabilities				
Exchangeable Trust Certificates	3,307,874	3,331,530	-	-
Islamic Medium Term Notes				
- Danga	16,023,052	-	17,143,977	-
- Danum	3,536,859	-	3,755,477	-
- RACB	5,560,301	-	5,561,745	-
- Ihsan Sukuk	204,136	-	204,185	-
Term loans - unsecured	2,551,496	-	2,707,347	-

Quantitative disclosures fair value measurement hierarchy for asset and liabilities as at 31 December 2018:

Assets and liabilities measured at fair value	Carrying amount	Fair value measurement using		
		Quoted market price Level 1	Observable input Level 2	Unobservable input Level 3
	RM'000	RM'000	RM'000	RM'000
Financial assets				
Financial assets designated as fair value through profit or loss				
- Quoted shares	1,129,019	1,129,019	-	-
- Quoted equity funds	818,234	818,234	-	-
- Unquoted money market funds	396,881	-	396,881	-
- Unquoted bonds	105,100	105,100	-	-
Financial assets designated as fair value through other comprehensive income				
- Quoted shares	110,500	110,500	-	-
Financial liability				
Embedded derivatives	46,431	-	46,431	-

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29. 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 2018:(cont'd.)

Assets and liabilities for which fair values are disclosed	Carrying amount RM'000	Fair value measurement using		
		Quoted market price Level 1 RM'000	Observable input Level 2 RM'000	Unobservable input Level 3 RM'000
Assets				
Investments in associates				
- Quoted shares	24,617,476	57,783,191	-	-
Liabilities				
Exchangeable Trust Certificates	2,945,253	3,140,922	-	-
Islamic Medium Term Notes				
- Danga	16,041,910	-	15,941,461	-
- RACB	7,081,601	-	7,170,150	-
- Ihsan Sukuk	204,136	-	199,653	-
Term loans - unsecured	2,552,132	-	2,660,047	-

30. Financial risk management objectives and policies

The Company is exposed to financial risks arising from its operations and the use of the financial instruments. The key financial risks include interest rate, foreign currency, equity price, credit and liquidity risks.

The Company has an approved set of guidelines and policies as well as internal controls which set out its overall business strategies to manage these risks. The Company's overall financial risk management objective is to enhance shareholders' value through effective management of the Company's risks.

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

30. Financial risk management objectives and policies (cont'd.)**(a) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's term loans with floating interest rates.

The Company actively manages its interest rate risk by maintaining an interest cover ratio of at least one and a half times.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of borrowings. With all other variables held constant, the table below summarises the Company's exposure to interest rate risk on floating rate borrowings. There is no impact on the Company's equity.

	Effect on profit or loss RM'000
2019	
Increase in 25 basis points	(11,250)
Decrease in 25 basis points	11,250
	<hr/>
2018	
Increase in 25 basis points	(10,784)
Decrease in 25 basis points	10,784
	<hr/>

The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

Weighted average interest rate and average maturity**(i) Financial assets**

The weighted average interest rates per annum and the average remaining maturity of deposits as at 31 December were as follows:

	2019		2018	
	Weighted average interest rates %	Average days to maturity	Weighted average interest rates %	Average days to maturity
Licensed banks	3.25	15	3.59	17
	<hr/>	<hr/>	<hr/>	<hr/>

30. Financial risk management objectives and policies (cont'd.)**(a) Interest rate risk (cont'd.)****(ii) Financial liabilities**

The interest rates per annum and the remaining maturity of borrowings and term loans as at 31 December were as follows:

	2019		2018	
	Interest rates %	Years to maturity	Interest rates %	Years to maturity
Term loans	4.64	5.06	4.64	6.06
Bonds and notes	3.04 to 5.33	0.23 to 14.13	3.04 to 5.33	0.22 to 13.68

(b) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company maintains a natural hedge, whenever possible, by borrowing in the currency of the country in which investments are located or by borrowing in currencies that match the future revenue stream to be generated from the investments.

During the year, the currencies in which the Company mainly transacted in other than its functional currency of Ringgit Malaysia ("RM") were United States Dollars ("USD"), Singapore Dollar ("SGD") and Chinese Renminbi ("CNY"). This is mainly due to the other investments, cash and bank balances and borrowings. The natural hedge strategy was maintained as the proceeds from the floating term loan, ETCs and MIMTN were used for investments in USD and SGD respectively.

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

(b) Foreign currency risk (cont'd.)

Foreign currency sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in the USD, SGD and CNY exchange rates, with all other variables held constant, of the Company's profit before tax (due to changes in the fair value of monetary assets and liabilities). The Company's exposure to foreign currency changes for all other currencies is not material.

	Changes in rate	Effect on profit or loss RM'000
2019		
USD/RM - Strengthened	5%	(318,000)
USD/RM - Weakened	5%	318,000
SGD/RM - Strengthened	5%	(137,000)
SGD/RM - Weakened	5%	137,000
CNY/RM - Strengthened	5%	155,000
CNY/RM - Weakened	5%	(155,000)
2018		
USD/RM - Strengthened	5%	(302,000)
USD/RM - Weakened	5%	302,000
SGD/RM - Strengthened	5%	(136,000)
SGD/RM - Weakened	5%	136,000
CNY/RM - Strengthened	5%	123,000
CNY/RM - Weakened	5%	(123,000)

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

(c) Equity price risk

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

Equity price sensitivity

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

	Effect on equity RM'000	Effect on profit or loss RM'000
2019		
Increase of 10% in equity price	11,200	290,600
Decrease of 10% in equity price	(11,200)	(290,600)
	<hr/>	<hr/>
2018		
Increase of 10% in equity price	11,100	240,300
Decrease of 10% in equity price	(11,100)	(240,300)
	<hr/>	<hr/>

(d) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Company's exposure to credit risk arises primarily from loan receivables. For other financial assets (including investments in bonds, money market instruments and cash and deposits with banks) the Company minimises credit risk by dealing exclusively with high credit rating counterparties.

At the reporting date, the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position, including derivatives with positive fair value.

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

(d) Credit risk (cont'd.)

Financial assets that are neither past due nor impaired

Information regarding the financial assets that are neither past due nor impaired is disclosed in Note 16 and Note 17. Investments in money market instruments and cash and deposits with licensed banks are neither past due nor impaired as these are placed with or entered into with reputable financial institutions with high credit ratings and no history of default.

Financial assets that are either past due or impaired

Information regarding the financial assets that are either past due or impaired is disclosed in Note 16 and Note 17.

(e) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Company's exposure to liquidity risk arises from mismatches of the maturities of financial assets and liabilities.

The Company actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all refinancing, repayment and funding needs are met. As part of its overall prudent liquidity management, the Company maintains a portfolio of highly liquid assets to meet its working capital and investment requirements.

In addition, the Company maintains a balanced and flexible funding structure through the use of credit facilities, short and long term borrowings. Short term flexibility is achieved through credit facilities and short term borrowings. As far as possible, the Company raises committed funding from both capital markets and financial institutions and prudently balances its portfolio with certain short term funding so as to achieve overall cost effectiveness.

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

(e) Liquidity risk (cont'd.)

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted repayment obligations.

31 December 2019	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
Non-interest bearing financial liabilities						
Amount due to related companies	3,037,589	-	-	-	-	3,037,589
Other payables and accruals	-	167,349	-	-	-	167,349
Khazanah Bonds - secured	-	-	1,200,000	9,300,000	2,000,000	12,500,000
Exchangeable Trust Certificates ("ETC") #	-	-	-	3,358,303	-	3,358,303
	<u>3,037,589</u>	<u>167,349</u>	<u>1,200,000</u>	<u>12,658,303</u>	<u>2,000,000</u>	<u>19,063,241</u>
Interest bearing financial liabilities *						
Islamic Medium Term Notes						
- Danga	-	184,884	261,288	1,550,407	2,244,445	4,241,024
- Danum	-	34,431	113,039	481,900	466,490	1,095,860
- RACB	-	51,000	213,050	747,100	937,250	1,948,400
- Ihsan Sukuk	-	-	8,912	27,013	-	35,925
Fixed term loans	-	57,854	57,854	465,054	57,854	638,616
Revolving credit facility	-	22,121	-	-	-	22,121
	<u>-</u>	<u>350,290</u>	<u>654,143</u>	<u>3,271,474</u>	<u>3,706,039</u>	<u>7,981,946</u>
Total undiscounted financial liabilities	<u>3,037,589</u>	<u>517,639</u>	<u>1,854,143</u>	<u>15,929,777</u>	<u>5,706,039</u>	<u>27,045,187</u>

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

(e) Liquidity risk (cont'd.)

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted repayment obligations.

31 December 2018	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
Non-interest bearing financial liabilities						
Amount due to related companies	1,823,357	-	-	-	-	1,823,357
Other payables and accruals	-	102,623	-	-	-	102,623
Khazanah Bonds - secured	-	1,000,000	1,500,000	8,000,000	4,500,000	15,000,000
Exchangeable Trust Certificates ("ETC") #	-	-	-	5,034,592	-	5,034,592
	<u>1,823,357</u>	<u>1,102,623</u>	<u>1,500,000</u>	<u>13,034,592</u>	<u>4,500,000</u>	<u>21,960,572</u>
Interest bearing financial liabilities *						
Islamic Medium Term Notes						
- Danga	-	246,094	426,456	9,983,156	10,630,148	21,285,854
- RACB	-	82,050	1,744,100	3,358,650	4,089,750	9,274,550
- Ihsan Sukuk	-	-	8,600	130,112	104,312	243,024
Floating term loans	-	928,004	-	-	-	928,004
Fixed term loans	-	58,807	57,854	463,782	2,674,832	3,255,275
Revolving credit facility	-	3,409,987	-	-	-	3,409,987
	<u>-</u>	<u>4,724,942</u>	<u>2,237,010</u>	<u>13,935,700</u>	<u>17,499,042</u>	<u>38,396,694</u>
Total undiscounted financial liabilities	<u>1,823,357</u>	<u>5,827,565</u>	<u>3,737,010</u>	<u>26,970,292</u>	<u>21,999,042</u>	<u>60,357,266</u>

For the purpose of liquidity risk presentation, the embedded derivatives are not separated from the host instrument of ETC.

* For interest bearing financial liabilities, the above analysis include future interest or coupon payments, as well as repayment of the principal. The cash flows of floating interest financial liabilities are estimated based on forward rates.

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31. Capital management

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Company manages its capital structure and makes adjustments to it, in line with the changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payments to shareholders, return of capital to shareholders or issue new shares. No changes were made to the objectives, policies or processes for the years ended 31 December 2019 and 31 December 2018.

The Company is not subjected to any externally imposed capital requirements.

The Company monitors capital after including the assets and liabilities held through the SPVs ("Extended Company") using gearing ratio, which is defined to be net debt divided by total capital. The Company's policy is to keep the gearing ratio below two and a half times (2.5 times). The Company includes within net debt, loans and borrowings less cash and bank balances. Capital represents equity attributable to the owners of the Company.

	Note	2019 RM'000	2018 RM'000
Borrowings	19(b)	45,769,258	55,235,165
Less: Cash, bank balances and investment in money market	19(b)	<u>(7,192,765)</u>	<u>(1,748,537)</u>
Net debt		<u>38,576,493</u>	<u>53,486,628</u>
Share capital	27	12,284,201	12,284,201
Capital contribution from shareholders		2,324,423	2,324,423
Retained profits	19(b)	15,866,009	9,586,537
Fair value adjustment reserve	19(b)	3,436,769	3,366,776
Currency translation reserve	19(b)	<u>2,570,865</u>	<u>3,354,773</u>
Equity attributable to the owners of the Company		<u>36,482,267</u>	<u>30,916,710</u>
Gearing ratio (times)		<u>1.06</u>	<u>1.73</u>

32. Commitments

	Company	
	2019 RM'000	2018 RM'000
Approved but not contracted for:		
Capital injection committed for a subsidiary	2,127,000	1,600,200
Capital injection committed for investments	7,425,000	3,219,323
Property and equipment	<u>35,844</u>	<u>32,526</u>

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33. Contingent liabilities

	Company	
	2019	2018
	RM'000	RM'000
Guarantee given to certain subsidiaries for term loan facilities with licensed banks	-	9,882,120
Guarantee given to an associate for letter of credit facility with a licensed bank	-	51,556
	<hr/>	<hr/>

34. Subsequent events

The following are significant subsequent events of the Company after the financial year ended 31 December 2019:

- (i) The impact of novel coronavirus ("COVID-19") to the Company is disclosed in Note 75 to the financial statement.
- (ii) On 9 January 2020, Broga Hill Investment Limited has via its broker, CT CLSA Securities (PVT) Ltd, disposed its entire shareholding in John Keels Holdings for a total consideration of LKR22,696,754,720 to FairFax Asia Ltd..
- (iii) Up to 10 January 2020, Bombalai Hill Ventures Sdn Bhd has via its broker, CIMB CGS, partially disposed 2,980,000 units of shares in Aemulus Holding Berhad for a total consideration of RM701,307 via open market.
- (iv) Pulau Selangan Investments Limited ("PSIL") entered into a Settlement Deed with the other shareholders of DaVita Care Pte. Ltd. ("DaVita") in order to exit DaVita as a shareholder. The exit is effected by procuring that DaVita undertake a capital reduction exercise to cancel shares held by PSIL, after which the sum of USD5,000,000 will be returned to PSIL. On 15 January 2020, PSIL received the outstanding settlement of USD5,000,000 from DaVita.
- (v) On 23 January 2020, Pantai Juara Investment Limited has partially divested 5,000,000 units of shares in Ping An Good Doctor for total consideration of HKD362,000,000.
- (vi) On 29 January 2020, PT Pantai Damai was dissolved upon completion of the voluntary liquidation.
- (vii) On 13 February 2020, Redang Investment Limited entered into a Share Purchase Agreement ("SPA") with Catalina Holdings (Bermuda) Ltd for the divestment of ACR Group. The transaction has been completed on 31 March 2020.
- (viii) On 3 April 2020, Payar Investments Limited disposed its entire stake in RedT Energy plc for a total cash consideration of GBP404,089.

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Consolidated statement of comprehensive income
For the year ended 31 December 2019

		Group	
	Note	2019	2018
		RM'000	RM'000
Continuing operations			
Revenue	35	27,982,162	20,666,604
Operating expenses		(25,781,624)	(27,489,620)
Other income		2,309,519	969,677
Operating profit/(loss)	36	<u>4,510,057</u>	<u>(5,853,339)</u>
Finance costs	39	(3,719,902)	(3,253,058)
Share of results of associates and joint ventures		4,745,136	1,248,857
Profit/(loss) before taxation		<u>5,535,291</u>	<u>(7,857,540)</u>
Taxation	40	(215,123)	(472,616)
Profit/(loss) for the year, net of taxation		<u>5,320,168</u>	<u>(8,330,156)</u>
Discontinued operations			
Profit/(loss) from discontinued operations, net of taxation	41	-	(321,510)
Profit/(loss) for the year		<u>5,320,168</u>	<u>(8,651,666)</u>
Other comprehensive income:			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Foreign currency translation differences		(1,029,581)	(791,864)
Net gain/(loss) on fair value of cash flow hedges		402,732	(469,171)
Share of other comprehensive (loss)/income of associates and joint ventures		<u>(1,173)</u>	<u>54,371</u>
		<u>(628,022)</u>	<u>(1,206,664)</u>

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Consolidated statement of comprehensive income
For the year ended 31 December 2019 (cont'd.)

	Group	
	2019	2018
	RM'000	RM'000
Other comprehensive income (cont'd.):		
<i>Items that will not be reclassified subsequently to profit or loss:</i>		
Net loss on fair value through other comprehensive income financial assets, net of tax	(456,079)	(2,733,905)
Actuarial loss on defined benefit plans	65 (352,739)	(289)
	<u>(808,818)</u>	<u>(2,734,194)</u>
Other comprehensive loss for the year	(1,436,840)	(3,940,858)
Total comprehensive income/(loss) for the year	<u>3,883,328</u>	<u>(12,592,524)</u>
Profit attributable to:		
Owners of the Company	5,372,017	(8,676,373)
Non-controlling interests	(51,849)	24,707
	<u>5,320,168</u>	<u>(8,651,666)</u>
Total comprehensive income attributable to:		
Owners of the Company	3,897,879	(12,618,794)
Non-controlling interests	(14,551)	26,270
	<u>3,883,328</u>	<u>(12,592,524)</u>

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

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Khazanah Nasional Berhad
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Consolidated statement of financial position
As at 31 December 2019

		Group	
	Note	2019	2018
		RM'000	RM'000
Assets			
Non-current assets			
Property, plant and equipment	42	8,169,028	12,385,313
Land held for property development	43	6,335,546	5,593,236
Investment properties	44	3,073,959	3,044,449
Concession intangible assets	45	52,250	3,647,853
Goodwill on consolidation	46	2,045,205	2,047,588
Other intangible assets	47	763,278	825,820
Interest in associates	49	60,588,806	65,106,060
Interest in joint ventures	50	4,061,817	4,470,480
Other non-current financial investments	51	32,149,602	34,053,980
Other non-current assets	52	2,260,313	2,164,365
Right-of-use-assets	53	12,043,900	-
Derivative assets	54	-	7,055
Deferred tax assets	55	464,964	340,605
		<u>132,008,668</u>	<u>133,686,804</u>
Current assets			
Property development-in-progress	56	904,012	1,831,223
Inventories and work-in-progress	57	1,655,815	2,156,720
Trade receivables	58	2,759,078	2,715,369
Other receivables	59	2,559,520	5,296,700
Tax recoverable		52,948	13,561
Derivative assets	54	1	17,559
Other current financial investments	51	3,047,857	1,326,265
Cash and bank balances	60	11,144,088	5,730,632
		<u>22,123,319</u>	<u>19,088,029</u>
Assets held for sale and assets of disposal group classified as held for sale	41	1,077,695	1,352,385
		<u>23,201,014</u>	<u>20,440,414</u>
Total assets		<u>155,209,682</u>	<u>154,127,218</u>

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**Consolidated statement of financial position
As at 31 December 2019 (cont'd.)**

		Group	
	Note	2019	2018
		RM'000	RM'000
Equity and liabilities			
Current liabilities			
Borrowings	61	14,549,068	23,240,715
Trade payables	62	3,341,591	2,725,414
Other current liabilities	63	8,369,631	8,142,308
Lease liabilities	67	1,641,980	-
Tax payable		149,312	88,596
Derivative liabilities	54	25,454	288,100
		<u>28,077,036</u>	<u>34,485,133</u>
Liabilities of disposal group classified as held for sale	41	110,560	-
		<u>28,187,596</u>	<u>34,485,133</u>
Non-current liabilities			
Borrowings	61	47,090,298	54,150,732
Other non-current liabilities	66	7,699,147	8,349,701
Deferred tax liabilities	55	587,662	646,812
Lease liabilities	67	9,701,495	-
Derivative liabilities	54	182,245	147,793
		<u>65,260,847</u>	<u>63,295,038</u>
Total liabilities		<u>93,448,443</u>	<u>97,780,171</u>
Equity attributable to owners of the Company:			
Share capital	26	12,284,201	12,284,201
Capital contribution from shareholders		4,124,423	4,124,423
Reserves		<u>39,702,067</u>	<u>33,887,504</u>
Shareholders' funds		56,110,691	50,296,128
Non-controlling interests		<u>5,650,548</u>	<u>6,050,919</u>
Total equity		<u>61,761,239</u>	<u>56,347,047</u>
Total equity and liabilities		<u>155,209,682</u>	<u>154,127,218</u>

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

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**Khazanah Nasional Berhad
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**Consolidated statement of changes in equity
For the year ended 31 December 2019**

	<----- Attributable to owners of the Company ----->						Non- controlling interests RM'000	Total equity RM'000
	Share capital (Note 27) RM'000	Capital contribution from shareholders ("CCS") RM'000	Other reserves (Note 65) RM'000	Distributable retained profits RM'000	Total RM'000	Total RM'000		
2019								
At 1 January	12,284,201	4,124,423	1,658,666	32,228,838	50,296,128	6,050,919	56,347,047	
Profit/(loss) for the year	-	-	-	5,372,017	5,372,017	(51,849)	5,320,168	
Other comprehensive (loss)/income								
- arising during the year	-	-	(1,474,138)	-	(1,474,138)	37,298	(1,436,840)	
Total comprehensive income	-	-	(1,474,138)	5,372,017	3,897,879	(14,551)	3,883,328	
Transactions with owners								
Dilution of interest in subsidiaries	-	-	-	(30,596)	(30,596)	-	(30,596)	
Disposal of subsidiaries	-	-	2,046	(56,025)	(53,979)	(327,785)	(381,764)	
Disposal of associates	-	-	666,656	-	666,656	-	666,656	
Dilution of interest in associates	-	-	(6,270)	-	(6,270)	4,000	(2,270)	
Share of reserves of associates and joint ventures	-	-	33,684	-	33,684	-	33,684	
Transfer to:								
- disposal group held for sale	-	-	90,875	-	90,875	-	90,875	
- statutory reserve	-	-	142,072	(105,423)	36,649	-	36,649	
- capital reserve	-	-	-	(50,851)	(50,851)	314	(50,537)	
- general reserve	-	-	(290,221)	-	(290,221)	-	(290,221)	
Permanent reduction in value	-	-	-	2,517,320	2,517,320	-	2,517,320	
Redemption of preference shares	-	-	18,116	-	18,116	-	18,116	
Expiry of share options	-	-	(22,240)	22,240	-	(1,654)	(1,654)	
Share based payment	-	-	(12,386)	(1,428)	(13,814)	-	(13,814)	
Dividend paid to non-controlling interests	-	-	-	(885)	(885)	(60,695)	(61,580)	
Dividends paid to owners	-	-	-	(1,000,000)	(1,000,000)	-	(1,000,000)	
Total transactions with owners	-	-	622,332	1,294,352	1,916,684	(385,820)	1,530,864	
At 31 December	12,284,201	4,124,423	806,860	38,895,207	56,110,691	5,650,548	61,761,239	

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

**Consolidated statement of changes in equity
For the year ended 31 December 2019 (cont'd.)**

	<----- Attributable to owners of the Company ----->						Non- controlling interests RM'000	Total equity RM'000
	Share capital (Note 27) RM'000	Capital contribution from shareholders ("CCS") RM'000	Other reserves (Note 65) RM'000	Distributable retained profits RM'000	Total RM'000	Total RM'000		
2018								
At 1 January	12,284,201	4,124,423	6,843,833	42,204,389	65,456,846	5,981,382	71,438,228	
(Loss)/profit for the year	-	-	-	(8,676,373)	(8,676,373)	24,707	(8,651,666)	
Other comprehensive (loss)/income								
- arising during the year	-	-	(3,942,421)	-	(3,942,421)	1,563	(3,940,858)	
Total comprehensive income	-	-	(3,942,421)	(8,676,373)	(12,618,794)	26,270	(12,592,524)	
Transactions with owners								
Dilution of interest in subsidiaries	-	-	-	(585)	(585)	1,647	1,062	
Acquisition of subsidiaries	-	-	-	(36,540)	(36,540)	6,680	(29,860)	
Disposal of subsidiaries	-	-	-	10,410	10,410	4,648	15,058	
Dilution of interest in associates	-	-	86,419	(386,881)	(300,462)	-	(300,462)	
Share of reserves of associates and joint ventures	-	-	(645,999)	37,335	(608,664)	-	(608,664)	
Transfer to:								
- disposal group held for sale	-	-	56,597	-	56,597	-	56,597	
- statutory reserve	-	-	(208,958)	127,878	(81,080)	-	(81,080)	
- capital reserve	-	-	-	485,058	485,058	89,068	574,126	
- general reserve	-	-	(502,032)	-	(502,032)	-	(502,032)	
Redemption of preference shares	-	-	-	(35,853)	(35,853)	-	(35,853)	
Share based payment	-	-	(28,773)	-	(28,773)	-	(28,773)	
Dividend paid to non-controlling interests	-	-	-	-	-	(58,776)	(58,776)	
Dividends paid to owners	-	-	-	(1,500,000)	(1,500,000)	-	(1,500,000)	
Total transactions with owners	-	-	(1,242,746)	(1,299,178)	(2,541,924)	43,267	(2,498,657)	
At 31 December	12,284,201	4,124,423	1,658,666	32,228,838	50,296,128	6,050,919	56,347,047	

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

Khazanah Nasional Berhad
(Incorporated in Malaysia)

Consolidated statement of cash flows
For the year ended 31 December 2019

	Group	
	2019	2018
	RM'000	RM'000
Cash flows from operating activities		
Profit/(loss) before taxation		
- Continuing operations	5,535,291	(7,857,540)
- Discontinued operations	-	(304,719)
	<u>5,535,291</u>	<u>(8,162,259)</u>
Adjustments for:		
Gain from divestments of investments	(6,555,092)	(1,393,368)
Dividend income from other investments	(410,269)	(476,105)
Interest income	(449,057)	(334,597)
Unrealised (gain)/loss on foreign exchange, net	(44,293)	160,763
Depreciation for property, plant and equipment	1,074,636	1,250,838
Depreciation for right-of-use assets	1,352,325	-
Net fair value loss on financial assets at fair value through profit or loss	887,355	785,384
(Gain)/loss on revaluation of derivatives, net	(329,597)	46,251
Allowance for impairment losses on investments and receivables, net	5,255,317	3,704,130
Allowance for impairment losses on property, plant and equipment	192,368	2,555,811
Allowance for impairment on investment properties	21,488	12,901
Allowance for impairment on right-of-use assets	82,746	-
Net amortisation charge for concession assets	95,097	97,610
Amortisation of other intangible assets	59,134	70,602
Amortisation of government grants	(29,026)	(1,890)
Impairment of goodwill on consolidation	6,269	90,441
Impairment of concession assets	41,047	325
Bad debts (written back)/off	(405,396)	174,337
Inventories written off/(back)	62,189	(34,162)
Property, plant and equipment written off	41,481	39,357
Loss/(gain) on disposal of property, plant and equipment	75,671	(35,317)
Loss/(gain) on disposal of investment properties	2,048	(97)
Interest expense	3,719,902	3,253,058
Amortisation of deferred income	(10,847)	(3,600)
Depreciation of investment properties	20,594	36,123
Reversal of provision for foreseeable losses	-	(669,093)
(Writeback of)/provision for aircraft maintenance and overhaul	(240,284)	356,156
Share of results from associates and joint ventures	<u>(4,745,136)</u>	<u>(1,248,857)</u>
Operating profit before working capital changes	<u>5,305,961</u>	<u>274,742</u>

Khazanah Nasional Berhad
(Incorporated in Malaysia)

Consolidated statement of cash flows
For the year ended 31 December 2019 (cont'd.)

	Group	
	2019	2018
	RM'000	RM'000
Cash flows from operating activities (cont'd.)		
Increase in property development-in-progress	(1,308,055)	(1,475,778)
(Increase)/decrease in land held for property development	(530,442)	53,700
Decrease/(increase) in inventories and work-in-progress	438,716	(778,613)
Increase in trade and other receivables	(3,195,948)	(1,242,653)
Increase/(decrease) in trade and other payables	10,745,739	(2,774,418)
Interest paid	(2,813,032)	(3,187,290)
Interest received	449,444	337,148
Dividend received	411,255	475,869
Income tax refund	267,987	274,094
Net cash generated from/(used in) operating activities	<u>9,771,625</u>	<u>(8,043,199)</u>
Cash flows from investing activities		
Net inflow of investments	10,691,060	6,813,183
Acquisition of subsidiaries	-	(1,032,342)
Net cash inflow from disposal of subsidiaries	1,917,701	626,340
Purchase of property, plant and equipment	(718,472)	(1,223,029)
Purchase of other intangible assets	(370,622)	(107,043)
Proceeds from disposal of other intangible assets	374,033	89,919
Proceeds from disposal of property, plant and equipment	37,552	49,005
Proceeds from disposal of investment properties	116,480	421
Addition in concession assets	(27,170)	(30,551)
Addition in land held for property development	(283,529)	(445,229)
Proceeds from disposal of land held for property development	71,661	93
Addition in investment properties	(190,237)	(66,984)
Net cash generated from investing activities	<u>11,618,457</u>	<u>4,673,783</u>
Cash flows from financing activities		
Drawdown of borrowings	11,968,672	20,625,896
Repayment of borrowings	(24,806,193)	(16,383,842)
Dividends paid	(1,061,580)	(1,957,776)
Lease payment	(2,087,005)	-
Net cash (used in)/generated from financing activities	<u>(15,986,106)</u>	<u>2,284,278</u>

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Consolidated statement of cash flows
For the year ended 31 December 2019 (cont'd.)

	Group	
	2019	2018
	RM'000	RM'000
Net changes in cash and cash equivalents	5,403,976	(1,085,138)
Cash and cash equivalents at the beginning of year	5,730,632	6,845,117
Exchange rate effects	9,480	(29,347)
Cash and cash equivalents at the end of year	<u>11,144,088</u>	<u>5,730,632</u>
Cash and cash equivalents comprise:		
Cash and bank balances	4,128,526	4,643,194
Short term placements	7,015,562	1,087,438
	<u>11,144,088</u>	<u>5,730,632</u>

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

Khazanah Nasional Berhad
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Notes to the consolidated financial statements

35. Revenue

Revenue of the Group consists of the following:

	Group	
	2019	2018
	RM'000	RM'000
Investment-related revenue:		
Gain from divestments of investments and investment properties	6,555,092	1,393,368
Dividend income from fair value through other comprehensive income investments	313,989	332,853
Dividend income from fair value through profit or loss investments	96,280	143,252
Interest income on:		
Loans and receivables	316,697	205,452
Fair value through profit or loss investments	132,360	129,145
Lease and rental income	68,757	46,972
Others	29,304	29,401
	<u>7,512,479</u>	<u>2,280,443</u>
Engineering and construction-related revenue:		
Toll collection	460,722	430,845
Construction contracts	21,180	157,647
Land and property development sales	2,894,989	1,948,364
Sale of goods	841,839	836,056
Others	1,006,920	582,787
	<u>5,225,650</u>	<u>3,955,699</u>
Services-related revenue:		
Revenue from airlines and airport operations	9,771,748	9,185,565
Rendering of services	4,289,733	3,443,986
Insurance related services	533,197	929,532
Others	649,355	871,379
	<u>15,244,033</u>	<u>14,430,462</u>
Total Revenue	<u>27,982,162</u>	<u>20,666,604</u>

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35. Revenue (cont'd.)

	Group	
	2019	2018
	RM'000	RM'000
Timing of revenue recognition:		
- At a point in time	12,716,949	6,078,495
- Over time	15,265,213	14,588,109
	<u>27,982,162</u>	<u>20,666,604</u>

36. Operating profit/(loss)

Operating profit/(loss) is stated after charging/(crediting) the following:

	Note	Group	
		2019	2018
		RM'000	RM'000
Staff costs	37	3,601,347	3,657,444
Auditors' remuneration:			
Statutory audits			
- to member firms of Ernst & Young Global		10,510	10,640
- to other firms		1,750	1,589
Other services		5,026	2,548
Rental expense of land, buildings and equipment		-	184,402
Unrealised foreign exchange (gain)/loss, net		(44,293)	160,763
Fuel cost		3,678,889	3,255,867
Handling, landing, parking, enroute charges, catering and other related costs		1,507,106	1,404,077
Aircraft maintenance and overhaul (Write back of)/provision for aircraft maintenance and overhaul costs	63	(240,284)	356,156
Depreciation for property, plant and equipment	42	1,074,636	1,250,838
Depreciation for right-of-use assets	53	1,352,325	-
Allowance for impairment losses on investments and receivables, net		5,255,317	3,704,130
Allowance for impairment losses on property, plant and equipment	42	192,368	2,555,811
Allowance for impairment losses on right-of-use assets	53	82,746	-
Net amortisation charge for concession assets	45	95,097	97,610
Amortisation of deferred income		(10,847)	(3,600)
Amortisation of other intangible assets	47	59,134	70,602
Amortisation of Government grants	66(i)	(29,026)	(1,890)
Depreciation of investment properties	44	20,594	36,123

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36. Operating profit/(loss) (cont'd.)

	Note	Group	
		RM'000	RM'000
Allowance for impairment losses on investment properties	44	21,488	12,901
Expenses arising from leases			
- variable lease		824	-
- low value assets		3,725	-
- short-term lease		82,473	-
- operating lease		700	-
Impairment of goodwill on consolidation	46	6,269	90,441
Impairment of concession assets	45	41,047	325
Bad debts (written back)/off	58	(405,396)	174,337
Inventories written off/(back)		62,189	(34,162)
Reversal of provision for foreseeable losses		-	(669,093)
Loss/(gain) on disposal of investment properties		2,048	(97)
Loss/(gain) on disposal of property, plant and equipment		75,671	(35,317)
Property, plant and equipment written off	42	41,481	39,357
Net fair value loss on financial assets at fair value through profit or loss		887,355	785,384
Net fair value (gain)/loss on derivatives		(329,597)	46,251

37. Staff costs

	Note	Group	
		2019 RM'000	2018 RM'000
Wages and salaries		3,068,604	3,156,517
Statutory contributions to EPF and social security		303,544	329,944
LTIP	(i)	3,888	(126,840)
Employees service entitlement and retirement benefits	64	3,843	3,380
Others		221,468	294,443
		<u>3,601,347</u>	<u>3,657,444</u>

- (i) In prior year, the Company's Board has exercised its right to terminate the LTIP Scheme and cancel all existing options. There will be no further offers made pursuant to the cancellation.
- (ii) Included in the staff costs of the Group and of the Company is Executive Directors' remuneration amounting to RM2,213,000 (2018: RM8,500,000) as disclosed in Note 38.

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38. Directors' remuneration

	Group	
	2019	2018
	RM'000	RM'000
Executive Director of the Company:		
Wages and salaries	1,860	7,269
Statutory contribution to EPF	353	1,231
	<u>2,213</u>	<u>8,500</u>
Non-Executive Directors of the Company:		
Fees and allowances	355	109
Others	-	286
	<u>355</u>	<u>395</u>
	<u>2,568</u>	<u>8,895</u>

39. Finance costs

	Group	
	2019	2018
	RM'000	RM'000
Interest expense on term loans and borrowings	980,421	1,277,716
Interest expense on bonds and Medium Term Notes	1,183,625	985,180
Interest expense on lease liabilities	600,470	-
Amortisation of discount on Khazanah Bonds	513,244	613,243
Amortisation of discount on Exchangeable Trust Certificates	203,246	311,951
Others	238,896	64,968
	<u>3,719,902</u>	<u>3,253,058</u>

40. Taxation

	Group	
	2019	2018
	RM'000	RM'000
Continuing operations		
Current income tax:		
Malaysian income tax	228,633	284,311
Foreign income tax	62,027	15,018
	<u>290,660</u>	<u>299,329</u>
Over provision in prior year:		
Malaysian income tax	(1,344)	(5,604)
	<u>289,316</u>	<u>293,725</u>

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40. Taxation (cont'd.)

	Group	
	2019	2018
	RM'000	RM'000
Continuing operations (cont'd.)		
Deferred tax (Note 55):		
Relating to origination and reversal of temporary differences	(74,662)	178,503
Underprovision in prior year	469	388
	<u>(74,193)</u>	<u>178,891</u>
Income tax expense recognised in profit or loss	<u>215,123</u>	<u>472,616</u>

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2018: 24%) of the estimated assessable profit for the year. Income tax for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

The reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the years ended 31 December 2019 and 2018 are as follows:

	Group	
	2019	2018
	RM'000	RM'000
Profit/(loss) before taxation		
- Continuing operations	5,535,291	(7,857,540)
- Discontinued operations	-	(304,719)
	<u>5,535,291</u>	<u>(8,162,259)</u>
Taxation at Malaysian statutory tax rate of 24% (2018: 24%)	1,328,470	(1,958,942)
Effect of different tax rates in foreign jurisdiction	17,612	21,325
Effect of income not subject to tax	(1,671,687)	(915,198)
Effect of expenses not deductible for tax purposes	2,310,808	2,830,563
Effect of utilisation of previously unrecognised tax losses	(913,874)	(498,496)
Deferred tax benefits not recognised	283,502	1,298,306
Tax effect on share of associates and joint ventures' profit attributable to the equity holders	(1,138,833)	(299,726)
Overprovision of income tax expense in prior year	(1,344)	(5,604)
Underprovision of deferred tax expense in prior year	469	388
Income tax expense recognised in profit or loss	<u>215,123</u>	<u>472,616</u>

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40. Taxation (cont'd.)

- (i) In 2011, the Ministry of Finance granted Iskandar Management Services Sdn Bhd (a subsidiary of IIB) a tax exemption on statutory income arising from services for the "Legoland" project from 2011 until 2020.
- (ii) On 4 April 2018, Malaysian Airline System Berhad ("MAS") received a letter from the Inland Revenue Board ("IRB") questioning the non-deduction of withholding tax in respect of payments made by MAS to leasing entities incorporated in Labuan in connection with its lease of aircraft from foreign lessors. The IRB views the use of the Labuan incorporated entities as tax avoidance schemes under Section 140(1)(c) of the ITA. MAS has since taken professional advice and the view is that the use of Labuan incorporated entities are legitimate and lease payments made should not be subjected to withholding taxes. MAS will make representations to the IRB to justify its position. No demand notices or assessments have been raised by the IRB to-date. On this basis, no provision for withholding tax has been made in the statement of comprehensive income.

41. Assets held for sale

The major classes of assets held for sale and assets and liabilities of the disposal group classified as held for sale on the consolidated statement of financial position are as follows:

		Group	
	Note	2019	2018
		RM'000	RM'000
Assets:			
Concession intangible assets	45	96,022	-
Land held for property development	43	139,716	-
Investment in associate		-	1,205,675
Financial assets		475,801	79,968
Property, plant and equipment	42	177,152	66,742
Investment properties	44	16,283	-
Right-of-use assets	53	12,337	-
Other investments		124	-
Inventories		19,380	-
Receivables		55,460	-
Cash and bank balances		85,420	-
Assets held for sale and assets of disposal group classified as held for sale		1,077,695	1,352,385

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41. Assets held for sale (cont'd.)

The major classes of assets held for sale and assets and liabilities of the disposal group classified as held for sale on the consolidated statements of financial position are as follows (cont'd):

	Group	
	2019	2018
	RM'000	RM'000
Liabilities:		
Provision for heavy repairs	2,057	-
Provision for retirement benefit	503	-
Payables	85,444	-
Borrowings	22,556	-
Liabilities of disposal group classified as held for sale	110,560	-

(A) Prince Court Medical Centre Sdn Bhd ("PCMC")

On 17 September 2019, Khazanah entered into share purchase agreement ("SPA") with Pantai Holding Sdn Bhd to divest 100% equity interest in PCMC for total consideration of RM1,020 million. The conditions precedent have not been fulfilled as at 31 December 2019.

(B) UEM Group Berhad

- (i) On 20 September 2019, the Board of Directors of UEM Builders Berhad Group ("UEMB") approved the proposed disposal of 100% equity interest in Buildcast Sdn Bhd ("Buildcast").
- (ii) On 31 October 2019, the Board of Directors of the Company approved the proposed disposal of 74% equity interest in Trichy Padalur Tollways Private Limited ("TPTPL") through PLUS Expressways International Berhad Group's ("PEIB") wholly-owned subsidiary, Plus Plaza (Mauritius) Private Limited.
- (iii) On 28 November 2019, PEIB disposed its entire 55% shareholding in PT Lintas Marga Sedaya ("PTLMS"), for a cash consideration of RM2.0 billion with a corresponding gain on disposal of RM1.5 billion.
- (iv) On 12 December 2019, UEM Builders Berhad Group ("UEMB") had entered into a conditional sale and purchase agreement with an external party, Excel Metal Industries Sdn Bhd for the disposal of its entire equity interest of 100% in Pati Technologies Sdn Bhd ("PTSB") and 97.86% in Hoto Stainless Steel Industries Sdn Bhd ("HOTO"), for cash consideration of RM6.3 million and RM1 respectively. The conditions precedent have not been fulfilled as at 31 December 2019.
- (v) On 31 May 2019, the Board of Directors of UEM Group Berhad approved disposal of the followings:
 - Certain lands and buildings held by the Company and its 100%-owned direct or indirect subsidiaries, namely Hydron (M) Sdn Bhd, Suria Siena Development Sdn Bhd and Serayin Sdn Bhd.

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41. Assets held for sale (cont'd.)

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

(v) (cont'd.)

- Investment in club membership held by UEM Group Management Sdn Bhd, a 100% owned subsidiary of the UEM Group Berhad.

(vi) On 14 January 2020, the Board of UEM Construction Sdn Bhd ("UEMC") approved the proposed disposal of UEMC's marine assets.

(vii) On 31 December 2018, Negeri Sembilan Cement Industries Sdn Bhd, a wholly-owned subsidiary of Cement Industries of Malaysia Berhad Group ("CIMA"), entered into a sales and purchase agreement with an external party to dispose a shop office for a cash consideration of RM3.0 million. The disposal has been completed in current year with net gain of approximately RM2.8 million to the Group.

(viii) In prior year, UEM Edgenta Berhad Group entered into a sale and purchase agreement to dispose a leasehold land and building at a total consideration of RM3.8 million. The disposal has been completed in current year with net gain of approximately RM647,000 to the Group.

(C) Iskandar Investment Berhad ("IIB")

On 19 March 2019, Iskandar Capital Sdn Bhd ("IskCap") entered into a Sale and Purchase Agreement with Distinctive View Sdn Bhd ("DVSB") in respect of part of the freehold land held under HS(D) 446619 PTD 154087 (Plot A) of approximately 19.49 acres for a total consideration of RM17,500,000. IskCap has received 10% deposit of RM1,750,000 in current year. The completion of the agreement is pending fulfilment of certain conditions precedent. As such, the said plots of land were classified as non-current assets held for sale in the current year.

On 15 August 2019, IskCap entered into a Sale and Purchase Agreement with DVSB in respect of part of the freehold land held under HS(D) 446619 PTD 154087 (Plot B) of approximately 11.92 acres for a total consideration of RM10,701,438. IskCap has received 10% deposit of RM1,070,144 in current year. The completion of the agreement is pending fulfilment of certain conditions precedent. As such, the said plots of land were classified as non-current assets held for sale in the current year.

On 5 December 2019, IskCap entered into a Sale and Purchase Agreement with Paragon Globe Properties Sdn Bhd in respect of part of the freehold land held under Geran 507162 Lot 149989 (formerly held under HS(D) 484311 PTD 175988), PTD 175989, and Geran 507161 Lot 149991 (formerly held under HS(D) 484312 PTD 175990), in area known as Plot ED 5A and 5B of approximately 31.1 acres for a total consideration of RM60,962,220. IskCap has received 20% deposit of RM12,192,444 in current year. The completion of the agreement is pending fulfilment of certain conditions precedent. As such, the said plots of land were classified as non-current assets held for sale in the current year.

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41. Assets held for sale (cont'd.)

(C) Iskandar Investment Berhad ("IIB") (cont'd.)

On 15 December 2019, River Retreat Sdn Bhd ("RRSB") entered into a Sale and Purchase Agreement with Melia Spring Sdn Bhd ("MSSB") in respect of freehold land under PTD 71076, PTD 71077 and PTD 71078 of approximately 132.09 acres, 107.145 acres and 66.31 acres, respectively for a total consideration of RM343,047,197 which consist of base price of RM304,920,000 and interest cost of RM38,127,197. RRSB has received 1% earnest deposit of RM3,049,200 in current year. Within the completion period, MSSB shall pay 1% of the base price of RM3,049,200 and the balance by instalments, the first of which shall commence on the first anniversary of the launch date. The completion of the agreement is pending fulfilment of certain conditions precedent. As such, the said plots of land were classified as non-current assets held for sale in the current year.

(D) Penerbangan Malaysia Berhad ("PMB")

Certain aircraft and spare engines with net book value of RM46,301,000 (2018: RM63,439,000) have been classified under assets held for sale.

(E) Malaysian Airline Systems Berhad ("MAS")

Certain aircraft with net book value of RM64,991,000 (2018: RM2,192,095,000) have been classified under assets held for sale.

(F) Avicennia Capital Sdn Bhd

(i) Divestment of Acibadem Saglik Ve Hayat Sigorta A.S.

On 17 August 2018, the Group via Burau Ventures Sdn. Bhd. (a subsidiary held through Pasir Kalong Investments Limited) entered into Share Purchase Agreement with Bupa International Markets Limited ("Bupa") for the disposal of its entire equity interest in Acibadem for a total cash consideration of USD176,580,301 equivalent to approximately RM724,120,496 (exchange rate: USD1: RM4.1008). On 31 December 2018, the disposal exercise was completed following fulfillment of all conditions precedent to the sale. Accordingly, Acibadem ceased to be a subsidiary of the Group on 31 December 2018.

(ii) Transfer of General Takaful Business to other Takaful Operators

The Islamic Financial Services Act 2013 ("IFSA 2013") requires all composite Takaful Operators to segregate their composite licences into separate Family Takaful and General Takaful licences by 1 July 2018. In compliance with this Act, Sun Life Malaysia Takaful Berhad ("SLMT") (a subsidiary company) had relinquished its composite Takaful licence by the Minister of Finance to conduct its Family Takaful Business. Accordingly, SLMT had ceased to underwrite any new general takaful business.

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41. Assets held for sale (cont'd.)

(F) Avicennia Capital Sdn Bhd (cont'd.)

(ii) Transfer of General Takaful Business to other Takaful Operators (cont'd.)

As at 31 December 2018, all takaful related assets and liabilities in the notes to the financial statements are in respect of the discontinued general takaful business.

The combined financial results in respect of the discontinued operations (i.e. Acibadem and General Takaful Business) included in the profit for the year are set out as below.

Statement of comprehensive income

Group	2018 RM'000
Operating revenue	1,002,348
Net earned contribution	962,032
Other operating revenue	133,150
Net benefits and claims	(808,549)
Fees and commission expense	(70,075)
Other operating expenses	<u>(221,309)</u>
Loss before taxation	<u>(4,751)</u>
Taxation	<u>(16,791)</u>
Loss after tax of discontinued operation	<u>(21,542)</u>
Loss on disposal of subsidiary	<u>(299,968)</u>
Loss from discontinued operations	<u><u>(321,510)</u></u>

(G) IHH Healthcare Berhad ("IHH")

The asset classified as held for sale as at 31 December 2019 are as follows:

	Note	2019 RM'000	2018 RM'000
Investment in associate	49	<u>-</u>	<u>1,205,675</u>

On 28 November 2018, the Company via Pulau Memutik Ventures Sdn. Bhd. entered into a Share Purchase Agreement ("SPA") with Mitsui & Co., Ltd for the divestment of 1,403,087,400 shares of IHH.

The transaction was completed on 19 March 2019.

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42. Property, plant and equipment

Group	Plant and machinery RM'000	Aircraft and spare engines RM'000	Furniture and fittings and other equipment RM'000	Land and buildings RM'000	Renovation, capital improvements and capital work-in- progress RM'000	Total RM'000
2019						
Cost						
At 1 January	7,002,809	14,755,639	2,592,405	5,012,332	1,167,905	30,531,090
Transfer to right-of-use assets (Note 53)	-	(2,901,129)	(19,984)	(609,019)	-	(3,530,132)
At 1 January, as restated	7,002,809	11,854,510	2,572,421	4,403,313	1,167,905	27,000,958
Additions	33,897	228,003	139,451	29,127	287,994	718,472
Currency translation differences	9	-	(6,328)	(1,574)	(4,619)	(12,512)
Disposals	(1,414)	10,871	(9,244)	(54,323)	(117,347)	(171,457)
Write-offs	(7,306)	(16,132)	(2,654)	(1,435)	(65,010)	(92,537)
Disposal of subsidiaries (Note 48 (iii))	-	-	(35,234)	-	-	(35,234)
Transfer to investment properties (Note 44)	-	-	-	-	(5,854)	(5,854)
Transfer to property development-in-progress (Note 56)	-	-	-	-	(10,158)	(10,158)
Transfer to asset held for sale (Note 41)	(73,513)	(143,856)	(101)	(4,830)	-	(222,300)
Transfer to land held for property development (Note 43)	-	-	-	(2,056)	-	(2,056)
Transfer from/(to) capital work in progress	-	-	-	259,429	(259,429)	-
At 31 December	6,954,482	11,933,396	2,658,311	4,627,651	993,482	27,167,322

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

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
2019 (cont'd.)						
Accumulated depreciation and impairment losses						
At 1 January	5,083,207	10,227,950	1,714,720	1,119,123	777	18,145,777
Transfer to right-of-use assets (Note 53)	-	(181,466)	(3,845)	(41,988)	-	(227,299)
At 1 January, as restated	5,083,207	10,046,484	1,710,875	1,077,135	777	17,918,478
Charge for the year (Note 36)	40,109	151,787	286,995	567,318	28,427	1,074,636
Allowance for impairment losses (Note 36)	893	59,563	18,047	91,137	22,728	192,368
Currency translation differences	8	-	(7,729)	(631)	228	(8,124)
Disposals	(1,244)	(27,654)	(6,264)	(22,937)	(135)	(58,234)
Write-offs	(6,012)	(712)	140	(455)	(44,017)	(51,056)
Disposal of subsidiaries (Note 48 (iii))	-	-	(24,626)	-	-	(24,626)
Transfer to asset held for sale (Note 41)	(12,569)	(32,564)	(15)	-	-	(45,148)
At 31 December	5,104,392	10,196,904	1,977,423	1,711,567	8,008	18,998,294
Net book value						
At 31 December	1,850,090	1,736,492	680,888	2,916,084	985,474	8,169,028

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

Group	Plant and machinery RM'000	Aircraft and spare engines RM'000	Furniture and fittings and other equipment RM'000	Land and buildings RM'000	Renovation, capital improvements and capital work-in- progress RM'000	Total RM'000
2018						
Cost						
At 1 January	6,007,229	16,250,778	1,661,448	4,346,067	1,476,525	29,742,047
Additions	73,584	276,012	66,353	51,736	755,344	1,223,029
Reclassification	935,039	(1,533,589)	890,408	623,673	(915,531)	-
Currency translation differences	-	-	16,370	2,925	3,491	22,786
Disposals	(10,257)	(464)	(26,219)	(10,309)	(9,557)	(56,806)
Write-offs	(2,786)	(170,586)	(12,791)	(1,530)	(14,165)	(201,858)
Disposal of subsidiaries	-	-	(3,164)	-	-	(3,164)
Transfer to investment properties (Note 44)	-	-	-	-	(102,415)	(102,415)
Transfer to property development-in-progress (Note 56)	-	-	-	-	(25,787)	(25,787)
Transfer to asset held for sale (Note 41)	-	(1,031,664)	-	(230)	-	(1,031,894)
At 31 December	<u>7,002,809</u>	<u>13,790,487</u>	<u>2,592,405</u>	<u>5,012,332</u>	<u>1,167,905</u>	<u>29,565,938</u>

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

Group (cont'd.)	Plant and machinery RM'000	Aircraft and spare engines RM'000	Furniture and fittings and other equipment RM'000	Land and buildings RM'000	Renovation, capital improvements and capital work-in- progress RM'000	Total RM'000
2018 (cont'd.)						
Accumulated depreciation and impairment losses						
At 1 January	4,797,145	7,358,430	1,359,135	1,007,132	5,746	14,527,588
Charge for the year (Note 36)	222,807	752,952	174,338	96,405	4,336	1,250,838
Allowance for impairment losses (Note 36)	64,827	2,269,137	204,805	17,042	-	2,555,811
Currency translation differences	763	-	15,345	1,364	(115)	17,357
Disposals	(2,081)	(116)	(29,109)	(2,820)	(8,992)	(43,118)
Write-offs	(254)	(152,453)	(9,794)	-	-	(162,501)
Transfer to investment properties (Note 44)	-	-	-	-	(198)	(198)
Transfer to asset held for sale (Note 41)	-	(965,152)	-	-	-	(965,152)
At 31 December	<u>5,083,207</u>	<u>9,262,798</u>	<u>1,714,720</u>	<u>1,119,123</u>	<u>777</u>	<u>17,180,625</u>
Net book value						
At 31 December	<u>1,919,602</u>	<u>4,527,689</u>	<u>877,685</u>	<u>3,893,209</u>	<u>1,167,128</u>	<u>12,385,313</u>

The net carrying amount of aircrafts pledged as securities for term loan is RM 523,084,000 (2018: RM 857,476,000)

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43. Land held for property development

	Note	Group 2019 RM'000	2018 RM'000
At cost			
At 1 January		5,593,236	5,122,427
Acquisition of subsidiary	48(ii)	807,502	-
Additions		283,529	445,229
Disposals		(71,661)	(93)
Transfer from property, plant and equipment	42	2,056	-
Transfer (to)/from assets held for sale	41	(139,716)	79,280
Transfer to investment properties	44	(5,841)	(26,457)
Transfer to property development-in-progress	56	(133,559)	(27,150)
At 31 December		<u>6,335,546</u>	<u>5,593,236</u>

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

- (a) RM54.7 million (2018: RM68.7 million) have been deposited by UEM Land Berhad to the UEM Group Berhad as security for the borrowing granted to the subsidiary; and
- (b) RM305.3 million (2018: RM282.1 million) are pledged as securities for the borrowing facilities granted to UEM Sunrise Group Berhad's subsidiaries.

Included in the current year additions are as follows:

	Group 2019 RM'000	2018 RM'000
Staff costs	4,210	6,015
Interest expense	<u>37,759</u>	<u>35,231</u>

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43. Land held for property development (cont'd.)

UEM

Included in land held for property development of the Group are parcels of land committed through Master Agreement ("MA") entered on 23 October 2012 between UEM Land and Ascendas Land (Malaysia) Sdn Bhd, whereby UEM Land has granted the option for Ascendas Land (Malaysia) Sdn Bhd to purchase 519 acres of land within 9 years commencing from the date of the MA. As at the end of the financial year, 399 acres of land remain unsold. The options shall automatically lapse if not exercised within the option period.

44. Investment properties

	Note	Group 2019 RM'000	2018 RM'000
Land and building			
Cost			
At 1 January		3,225,570	2,933,586
Additions		190,237	66,984
Disposals		(142,159)	(550)
Transfer to asset held for sale	41	(17,648)	-
Transfer from property, plant and equipment	42	5,854	102,415
Transfer from land held for property development	43	5,841	26,457
Transfer from property development-in-progress	56	4,471	96,678
At 31 December		3,272,166	3,225,570
Accumulated depreciation and impairment losses			
At 1 January		181,121	132,125
Depreciation	36	20,594	36,123
Disposals		(23,631)	(226)
Allowance for impairment losses	36	21,488	12,901
Transfer from property, plant and equipment	42	-	198
Transfer to asset held for sale	41	(1,365)	-
At 31 December		198,207	181,121
Carrying amount at 31 December		3,073,959	3,044,449
Fair value		8,722,295	8,365,644

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44. Investment properties (cont'd.)

Investment properties comprise commercial properties, office lots, condominium units 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 RM21.2 million (2018: RM20.3million) and RM2.6 million (2018: RM2.1 million) respectively.

The direct operating expenses arising from investment properties of the Group that generate rental income is RM3.1 million (2018: RM3.7 million).

The fair value of the investment properties is substantially arrived at via valuation performed by certified external valuers based on the following valuation techniques depending on the location and types of properties.

- (i) The income approach converts estimated future amounts of cash flows or income to a single present value (discounted) amount by applying an appropriate, market-derived discount rate.
- (ii) The comparison/cost method of valuation entails separate valuations of the land and buildings to arrive at the market value of the subject property. The land is valued by reference to transactions of similar lands in surrounding area with appropriate adjustments made for differences in the relevant characteristics of the land. Completed buildings are valued by reference to the current estimates on constructional costs to erect equivalent buildings, taking into consideration of similar accommodation in terms of size, construction, finishes contractors' overheads, fees and profits. Appropriate adjustments are then made for the factors of obsolescence and existing physical condition of the building.

The fair values of investment properties are categorised as Level 3 under the fair value hierarchy as disclosed in Note 69, as the fair value is measured using inputs that are not based on observable market data.

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45. Concession intangible assets

	Note	Group 2019 RM'000	2018 RM'000
Cost			
At 1 January		4,025,150	4,153,443
Additions		27,170	30,551
Disposal of subsidiaries	48 (iii)	(3,862,910)	-
Exchange differences		96,261	(158,844)
Reclassified to asset held for sale	41	(215,978)	-
At 31 December		69,693	4,025,150
Accumulated amortisation and impairment losses			
At 1 January		377,297	290,540
Charge for the year, net of reversal	36	95,097	97,610
Disposal of subsidiaries	48 (iii)	(382,366)	-
Impairment loss	36	41,047	325
Exchange differences		6,324	(11,178)
Reclassified to asset held for sale	41	(119,956)	-
At 31 December		17,443	377,297
Net carrying amount			
At 31 December		52,250	3,647,853

As at the reporting date, the Group has the following concession intangible assets:

Concession intangible asset	Concession companies	Concession period
REPPA arrangement	Kualiti Alam Sdn Bhd and Cenergi SEA Sdn Bhd	up to 2034

In prior year, the concession intangible assets for Cikampek-Palimanan Toll Road ("CPTR") have been pledged as security for borrowings granted. In November 2019, PLUS Expressways International Berhad Group ("PEIB") disposed its entire 55% shareholding in PT Lintas Marga Sedaya ("PTLMS").

The concession intangible assets for Padalur-Trichy Highway ("PTH") have been pledged as security for Non-Convertible Debentures issued by Trichy Padalur Tollways Private Limited ("TPTPL") in March 2013, which was acquired by PEIB Capital Sdn Bhd ("PEIBC") in August 2015. In 2019, concession intangible assets of Trichy Padalur Tollways Private Limited ("TPTPL") have been classified as assets of disposal group held for sale.

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46. Goodwill on consolidation

	Note	Group	
		2019 RM'000	2018 RM'000
At 1 January		2,047,588	1,922,871
Acquisition of subsidiaries		-	641,950
Disposal of subsidiary		-	(445,962)
Exchange differences		3,886	19,170
Less: Impairment of goodwill on consolidation	36	(6,269)	(90,441)
At 31 December		<u>2,045,205</u>	<u>2,047,588</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:

	2019 RM'000	2018 RM'000
Goodwill - Business Segment		
Engineering, construction and expressway	1,000,518	1,002,901
Financial services	398,626	398,626
Healthcare	641,950	641,950
	<u>2,041,094</u>	<u>2,043,477</u>
Other business segments	4,111	4,111
	<u>2,045,205</u>	<u>2,047,588</u>

46. Goodwill on consolidation (cont'd.)

(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.

The following describes each key assumption on which management has based its evaluation to undertake impairment testing of goodwill:

- (i) Company earnings and book multiples
Earnings and book multiples are chosen based on acknowledged market norms for that industry and that geography with due consideration to asset size, market share, profitability and target market.
- (ii) Growth rate
The average growth rate used in cash flow projections are consistent with the long term average growth rate for the industry.
- (iii) Discount rate
The discount rates used are pre-tax and reflect specific risks relating to the relevant segments.

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47. Other intangible assets

Group	Note	Development expenditure and work in progress RM'000	Software and related costs RM'000	Brand name RM'000	VOBA and banc- assurance RM'000	Intellectual property and licences RM'000	Total RM'000
2019							
At 1 January		25,377	170,463	16,098	387,845	226,037	825,820
Additions		23,513	55,471	-	291,415	223	370,622
Disposal		(12,763)	(32,295)	-	(302,293)	(26,682)	(374,033)
Foreign exchange difference		-	1	-	-	2	3
		36,127	193,640	16,098	376,967	199,580	822,412
Less: Amortisation	36	(621)	(58,228)	-	-	(285)	(59,134)
At 31 December		35,506	135,412	16,098	376,967	199,295	763,278
2018							
At 1 January		17,517	162,160	16,098	572,610	218,390	986,775
Additions		14,129	71,754	-	-	21,160	107,043
Disposal		(4,428)	(8,194)	-	(77,297)	-	(89,919)
Disposal of subsidiaries		-	-	-	(107,468)	-	(107,468)
Foreign exchange difference		-	(9)	-	-	-	(9)
		27,218	225,711	16,098	387,845	239,550	896,422
Less: Amortisation	36	(1,841)	(55,248)	-	-	(13,513)	(70,602)
At 31 December		25,377	170,463	16,098	387,845	226,037	825,820

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48. Investment in subsidiaries

Details of the subsidiaries are shown in Note 77 and Note 78.

(i) Issuance and redemption of RCPS by subsidiaries

- (i) On 10 January 2019, PLUS Expressways International Berhad Group ("PEIB") issued 2,087,486 Class B RCPS at an issue price of RM60 each, which were fully subscribed by UEM Group Berhad through the capitalisation of amount due from PEIB of RM125.2 million.
- (ii) On 13 November 2019, Suria Siena Development Sdn Bhd ("SSD") issued 28,770,000 RCPS at an issue price of RM1 each, which were fully subscribed by UEM Group Berhad through the capitalisation of amount due from SSD of RM28.8 million.
- (iii) On 29 November 2019, PEIB redeemed the entire RCPS comprising of 12,388,860 Class A RCPS and 2,954,905 Class B RCPS at redemption sum of RM100 each and RM60 each respectively.

(ii) Business combination

On 15 April 2019, Sunrise Bhd, a wholly-owned subsidiary of UEM Sunrise, completed the subscription of 500,001 new ordinary shares representing 50% + 1 share of the equity interest in Mega Legacy (M) Sdn Bhd ("MLM") for a cash consideration of RM256.1 million. Consequently, MLM has become an indirect subsidiary of UEM Sunrise. The Group accounted the acquisition of MLM as an acquisition of assets.

The assets and liabilities recognised as a result of the acquisition are as follows:

	Note	Carrying value RM'000
Assets		
Land held for property development	43	657,205
Receivables		1,175
Cash and bank balances		106
		<u>658,486</u>
Liabilities		
Payables		(446,960)
Net identifiable assets acquired		<u>211,526</u>
Add: Land cost adjustment	43	150,297
Less: Non-controlling interest		<u>(105,763)</u>
Purchase consideration (including 2018: RM42.0 million)		<u>256,060</u>

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48. Investment in subsidiaries (cont'd.)

(iii) Disposal, dissolution or dilution of interests in subsidiaries

- (a) On 27 September 2019, Edgenta Mediserve Sdn Bhd, a wholly-owned subsidiary of UEM Edgenta, had completed the disposal of its entire 60% equity interest in Fresh Linen Services (Sabah) Sdn Bhd for a total cash consideration of RM8.0 million.
- (b) On 28 November 2019, PEIB disposed its entire 55% shareholding in LMS, for a cash consideration of RM2.0 billion.
- (c) During the year, the following subsidiaries were dissolved via members' voluntary liquidation, deregistered, struck off, or wind up:
- Suria Azure Development Sdn Bhd
 - Suria Siena Dua Development Sdn Bhd
 - UEM Capital Limited
 - UEM International (Labuan) Limited
 - Saga Centennial Sdn Bhd
 - Nusajaya Business Park Sdn Bhd
 - UEM Sunrise Pacific Sdn Bhd
 - UEM Sunrise Ventures Sdn Bhd
 - Preferred Resources Sdn Bhd

The value of the assets and liabilities of subsidiaries disposed at the respective dates of dissolution are as follows:

	Note	2019 RM'000
Assets:		
Concession intangible assets	45	3,476,075
Property, plant and equipment	42	10,608
Right-of-use assets	53	842
Deferred tax assets	55	8,509
Receivables		27,663
Cash, bank balances and deposits		111,722
		<u>3,635,419</u>
Liabilities:		
Provision for heavy repairs		44,796
Provision for retirement benefit		703
Deferred revenue		1,383
Borrowings		2,406,335
Payables		94,989
Deferred tax liabilities	55	121,704
		<u>2,669,910</u>

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48. Investment in subsidiaries (cont'd.)

(iii) Disposal, dissolution or dilution of interests in subsidiaries (cont'd.)

The value of the assets and liabilities of subsidiaries disposed at the respective dates of dissolution are as follows (cont'd.):

	Note	2019 RM'000
Net assets disposed of		965,509
Less: Non-controlling interest		<u>(433,548)</u>
Group's share of net assets disposed		531,961
Fair value adjustment on concession intangible assets	45	4,469
Reserves reclassified to profit or loss		<u>153</u>
		536,583
Consideration received, satisfied in cash		<u>2,029,423</u>
Net gain on disposal and dissolution of subsidiaries		<u>1,492,840</u>

The effect of the disposal and dissolution on cash flows is as follows:

	2019 RM'000
Consideration received, satisfied in cash	2,029,423
Less: Cash and bank balances disposed	<u>(111,722)</u>
Net cash flow from disposal and dissolution of subsidiaries	<u>1,917,701</u>

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48. Investment in subsidiaries (cont'd.)

(iv) Segments with material non-controlling interests

Segments which have non-controlling interests that are material to the Group are listed below:

2019

(a) Summarised consolidated statement of comprehensive income

	Infrastructure & Construction RM'mil	Property RM'mil	Transportation & Logistics RM'mil	Total RM'mil
Revenue	5,751	61	10,887	16,699
Profit/(loss) for the year	<u>384</u>	<u>(108)</u>	<u>(988)</u>	<u>(712)</u>
Profit/(loss) attributable to:				
Owners of the Company	259	(376)	(1,573)	(1,690)
Non-controlling interests	<u>125</u>	<u>268</u>	<u>585</u>	<u>978</u>
	<u>384</u>	<u>(108)</u>	<u>(988)</u>	<u>(712)</u>

(b) Summarised consolidated statement of financial position

	Infrastructure & Construction RM'mil	Property RM'mil	Transportation & Logistics RM'mil	Total RM'mil
Non-current assets	10,940	-	157	11,097
Current assets	<u>5,474</u>	<u>62</u>	<u>957</u>	<u>6,493</u>
Total assets	<u>16,414</u>	<u>62</u>	<u>1,114</u>	<u>17,590</u>
Non-current liabilities	3,701	12	-	3,713
Current liabilities	<u>3,344</u>	<u>-</u>	<u>15</u>	<u>3,359</u>
Total liabilities	<u>7,045</u>	<u>12</u>	<u>15</u>	<u>7,072</u>
Net assets	<u>9,369</u>	<u>50</u>	<u>1,099</u>	<u>10,518</u>
Non-controlling interests	3,170	1,111	1,188	5,469
Non-controlling interests which are immaterial to the Group				<u>182</u>
				<u>5,651</u>

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48. Investment in subsidiaries (cont'd.)

(iv) Segments with material non-controlling interests

Segments which have non-controlling interests that are material to the Group are listed below (cont'd.):

2019 (cont'd.)

(c) Summarised consolidated statement of cash flows

	Infrastructure & Construction RM'mil	Property RM'mil	Transportation & Logistics RM'mil	Total RM'mil
Net cash generated from/ (used in):				
Operating activities	2,187	124	1,567	3,878
Investing activities	(282)	(54)	28	(308)
Financing activities	(1,789)	(69)	1,050	(808)
Net changes in cash and cash equivalents	116	1	2,645	2,762
Cash and cash equivalents at beginning of year	1,582	61	708	2,351
Cash and cash equivalents at end of year	1,698	62	3,353	5,113

2018

(a) Summarised consolidated statement of comprehensive income

	Infrastructure & Construction RM'mil	Property RM'mil	Transportation & Logistics RM'mil	Total RM'mil
Revenue	4,653	33	10,487	15,173
Profit/(loss) for the year	405	(64)	(4,124)	(3,783)
Profit/(loss) attributable to:				
Owners of the Company	270	(328)	(4,708)	(4,766)
Non-controlling interests	135	264	584	983
	405	(64)	(4,124)	(3,783)

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48. Investment in subsidiaries (cont'd.)

(iv) Segments with material non-controlling interests

Segments which have non-controlling interests that are material to the Group are listed below (cont'd.):

2018 (cont'd.)

(b) Summarised consolidated statement of financial position

	Infrastructure & Construction RM'mil	Property RM'mil	Transportation & Logistics RM'mil	Total RM'mil
Non-current assets	13,309	3,240	5,553	22,102
Current assets	7,239	1,059	3,577	11,875
Total assets	<u>20,548</u>	<u>4,299</u>	<u>9,130</u>	<u>33,977</u>
Non-current liabilities	6,132	492	10,805	17,429
Current liabilities	4,489	310	13,826	18,625
Total liabilities	<u>10,621</u>	<u>802</u>	<u>24,631</u>	<u>36,054</u>
Net assets/(liabilities)	<u>9,927</u>	<u>3,497</u>	<u>(15,501)</u>	<u>(2,077)</u>
Non-controlling interests	3,409	2,446	34	5,889
Non-controlling interests which are immaterial to the Group				<u>162</u>
				<u>6,051</u>

(c) Summarised consolidated statement of cash flows

	Infrastructure & Construction RM'mil	Property RM'mil	Transportation & Logistics RM'mil	Total RM'mil
Net cash generated from/ (used in):				
Operating activities	685	(69)	1,899	2,515
Investing activities	(162)	381	152	371
Financing activities	<u>(232)</u>	<u>(276)</u>	<u>(2,239)</u>	<u>(2,747)</u>
Net changes in cash and cash equivalents	291	36	(188)	139
Effects of exchange rate changes	(26)	-	-	(26)
Cash and cash equivalents at beginning of year	<u>1,317</u>	<u>25</u>	<u>896</u>	<u>2,238</u>
Cash and cash equivalents at end of year	<u>1,582</u>	<u>61</u>	<u>708</u>	<u>2,351</u>

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49. Interest in associates

	Group	
	2019	2018
	RM'000	RM'000
Shares at cost,		
Quoted shares in Malaysia	39,049,614	41,758,924
Quoted shares outside Malaysia	818,300	732,033
Unquoted shares in Malaysia	1,254,479	1,432,609
Unquoted shares outside Malaysia	3,051,324	3,626,063
	<u>44,173,717</u>	<u>47,549,629</u>
Share of post acquisition reserves	21,654,039	21,894,778
	<u>65,827,756</u>	<u>69,444,407</u>
Less: Allowance for impairment losses	(5,238,950)	(3,132,672)
Less: Reclassification to asset held for sale (Note 41)	-	(1,205,675)
	<u>60,588,806</u>	<u>65,106,060</u>
Market value of quoted shares		
In Malaysia	70,862,196	78,986,787
Outside Malaysia	565,692	301,151
	<u>71,427,888</u>	<u>79,287,938</u>

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

2019**Summarised consolidated statement of comprehensive income**

	Investment holding RM'mil	Infrastructure & construction RM'mil	Transportation & logistics RM'mil	Total RM'mil
Revenue	123,308	177	5,213	128,698
Profit for the year	12,501	16	537	13,054
	<u>123,308</u>	<u>177</u>	<u>5,213</u>	<u>128,698</u>
	<u>12,501</u>	<u>16</u>	<u>537</u>	<u>13,054</u>

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49. Interest in associates (cont'd.)

2019

Summarised consolidated statement of financial position

	Investment holding RM'mil	Infrastructure & construction RM'mil	Transportation & logistics RM'mil	Total RM'mil
Non-current assets	851,243	1,950	17,782	870,975
Current assets	54,521	1,631	4,401	60,553
Total assets	905,764	3,581	22,183	931,527
Non-current liabilities	661,667	1,770	9,568	673,005
Current liabilities	61,529	261	3,289	65,079
Total liabilities	723,196	2,031	12,857	738,084

Reconciliation of the summarised financial information presented above

	Investment holding RM'mil	Infrastructure & construction RM'mil	Transportation & logistics RM'mil	Total RM'mil
Net assets	182,568	1,550	9,326	193,443
Share of net assets	46,087	523	2,786	49,396
Goodwill	10,265	-	1,237	11,502
	56,352	523	4,023	60,898
Carrying amount of the Group's immaterial interest in associates				4,930
				65,828

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49. Interest in associates (cont'd.)

2018

Summarised consolidated statement of comprehensive income

	Investment holding RM'mil	Infrastructure & construction RM'mil	Transportation & logistics RM'mil	Total RM'mil
Revenue	116,190	227	4,852	121,269
Profit for the year	4,653	31	727	5,411

Summarised consolidated statement of financial position

	Investment holding RM'mil	Infrastructure & construction RM'mil	Transportation & logistics RM'mil	Total RM'mil
Non-current assets	760,570	1,892	18,010	780,472
Current assets	59,951	1,897	4,263	66,111
Total assets	820,521	3,789	22,273	846,583
Non-current liabilities	599,210	1,608	11,000	611,818
Current liabilities	50,933	649	2,132	53,714
Total liabilities	650,143	2,257	13,132	665,532

Reconciliation of the summarised financial information presented above

	Investment holding RM'mil	Infrastructure & construction RM'mil	Transportation & logistics RM'mil	Total RM'mil
Net assets	170,378	1,532	9,141	181,051
Share of net assets	44,810	518	2,704	48,032
Goodwill	10,743	-	1,237	11,980
	55,553	518	3,941	60,012
Carrying amount of the Group's immaterial interest in associates				9,432
				69,444

Details of the associates, are shown in Note 77 and Note 78.

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50. Interest in joint ventures

	Note	Group	
		2019 RM'000	2018 RM'000
Shares at cost,			
Unquoted shares in Malaysia	(i)	4,915,270	2,961,194
Unquoted shares outside Malaysia		442,495	616,258
Investments in unincorporated entities		141,146	141,146
		<u>5,498,911</u>	<u>3,718,598</u>
Share of post-acquisition reserves		(573,413)	1,133,786
		<u>4,925,498</u>	<u>4,852,384</u>
Less: Accumulated impairment losses		(699,792)	(435,120)
		<u>4,225,706</u>	<u>4,417,264</u>
Amount due (to)/ from joint ventures		(163,889)	53,216
		<u>4,061,817</u>	<u>4,470,480</u>

(i) Acquisition/accretion of interest in joint ventures by the Group

- (a) During the year, Themed Attractions Resorts & Hotels Sdn Bhd ("TAR&H") subscribed to additional 46,077,336 redeemable convertible preference shares ("RCPS") in Desaru North Course Residences Sdn Bhd ("DNCR") for a total cash consideration of RM46 million.
- (b) During the year, PEIB subscribed to:
- (i) additional 1,649,459 CCPS at an issue price of INR10 each in Jetpur Somnath Tollways Private Limited ("JSTPL") for a cash consideration of INR16.5 million or RM1.0 million; and
 - (ii) additional 3,432,142 CCPS at an issue price of INR10 each in Uniquet through Ghir Investments (Mauritius) Limited for a total cash consideration of INR34.3 million or RM2.0 million.

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

Details of the joint ventures are disclosed in Note 77 and Note 78.

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

2019

Summarised consolidated statement of comprehensive income

	Investment holding RM'mil	Infrastructure & construction RM'mil	Property RM'mil	Total RM'mil
Revenue	2,171	295	224	2,690
Profit/(loss) for the year	<u>1,864</u>	<u>27</u>	<u>(33)</u>	<u>1,858</u>

Summarised consolidated statement of financial position

	Investment holding RM'mil	Infrastructure & construction RM'mil	Property RM'mil	Total RM'mil
Non-current assets	16,280	695	1,912	18,887
Current assets	5,304	1,019	1,049	7,372
Total assets	<u>21,584</u>	<u>1,714</u>	<u>2,961</u>	<u>26,259</u>
Non-current liabilities	10,126	346	1,234	11,706
Current liabilities	3,857	289	689	4,835
Total liabilities	<u>13,983</u>	<u>635</u>	<u>1,923</u>	<u>16,541</u>

Reconciliation of the summarised financial information presented above

	Investment holding RM'mil	Infrastructure & construction RM'mil	Property RM'mil	Total RM'mil
Net assets	<u>7,601</u>	<u>1,079</u>	<u>1,038</u>	<u>9,718</u>
Share of net assets	<u>4,197</u>	<u>561</u>	<u>412</u>	<u>5,170</u>
Carrying amount of the Group's immaterial interest in joint ventures				<u>(245)</u>
				<u>4,925</u>

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

2018

Summarised consolidated statement of comprehensive income

	Investment holding RM'mil	Infrastructure & construction RM'mil	Property RM'mil	Total RM'mil
Revenue	2,487	427	327	3,241
Profit for the year	-	87	26	113

Summarised consolidated statement of financial position

	Investment holding RM'mil	Infrastructure & construction RM'mil	Property RM'mil	Total RM'mil
Non-current assets	20,958	733	2,819	24,510
Current assets	4,858	1,091	870	6,819
Total assets	25,816	1,824	3,689	31,329
Non-current liabilities	17,792	471	203	18,466
Current liabilities	929	239	740	1,908
Total liabilities	18,721	710	943	20,374

Reconciliation of the summarised financial information presented above

	Investment holding RM'mil	Infrastructure & construction RM'mil	Property RM'mil	Total RM'mil
Net assets	7,095	1,114	2,746	10,955
Share of net assets	3,884	422	1,094	5,400
Carrying amount of the Group's immaterial interest in joint ventures				(548)
				4,852

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51. Other financial investments

Group - 2019

	Current RM'000	Non-current RM'000	Total RM'000
Financial assets designated as fair value through profit or loss			
At fair value:			
Quoted shares in Malaysia	140,772	111,821	252,593
Quoted shares outside Malaysia	-	12,894,675	12,894,675
Unquoted shares in Malaysia	195,936	1,158,356	1,354,292
Unquoted shares outside Malaysia	2,613,252	-	2,613,252
Quoted bonds in Malaysia	-	448,278	448,278
Unquoted bonds in Malaysia	-	2,471,866	2,471,866
Quoted fund in Malaysia	-	407,927	407,927
	<u>2,949,960</u>	<u>17,492,923</u>	<u>20,442,883</u>
Financial assets designated as fair value through other comprehensive income			
At fair value:			
Quoted shares in Malaysia	7	20,643	20,650
Quoted shares outside Malaysia	-	12,628,551	12,628,551
Unquoted shares in Malaysia	97,890	193,538	291,428
Quoted bonds in Malaysia	-	328,558	328,558
Unquoted bonds in Malaysia	-	817,678	817,678
Unquoted fund in Malaysia	-	8,097	8,097
At cost:			
Unquoted shares in Malaysia	-	53,231	53,231
Unquoted shares outside Malaysia	-	13,206	13,206
	<u>97,897</u>	<u>14,063,502</u>	<u>14,161,399</u>
Amortised cost			
Loans receivable	-	593,177	593,177
Total	<u>3,047,857</u>	<u>32,149,602</u>	<u>35,197,459</u>

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51. Other financial investments (cont'd.)

Group - 2018

	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 in Malaysia	181,472	110,500	291,972
Quoted shares outside Malaysia	59,745	1,129,019	1,188,764
Unquoted shares in Malaysia	-	965,590	965,590
Unquoted shares outside Malaysia	-	9,635,849	9,635,849
Quoted bonds in Malaysia	-	448,278	448,278
Unquoted bonds in Malaysia	-	1,143,212	1,143,212
Quoted fund in Malaysia	-	407,927	407,927
Unquoted fund in Malaysia	191,673	-	191,673
	<u>432,890</u>	<u>13,840,375</u>	<u>14,273,265</u>
Financial assets designated as fair value through other comprehensive income			
At fair value:			
Quoted shares in Malaysia	-	16,256,448	16,256,448
Quoted shares outside Malaysia	-	24,270	24,270
Unquoted shares in Malaysia	883,000	212,432	1,095,432
Quoted bonds in Malaysia	-	328,558	328,558
Unquoted bonds in Malaysia	-	817,678	817,678
At cost:			
Unquoted shares in Malaysia	-	53,231	53,231
Unquoted shares outside Malaysia	10,375	13,206	23,581
	<u>893,375</u>	<u>17,705,823</u>	<u>18,599,198</u>
Amortised cost			
Loans receivable	-	2,507,782	2,507,782
Total	<u>1,326,265</u>	<u>34,053,980</u>	<u>35,380,245</u>

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52. Other non-current assets

		Group	
	Note	2019	2018
		RM'000	RM'000
Receivables under finance lease	(i)	32,595	16,136
Trade receivables		319,359	172,725
Reinsurance assets		261,533	185,168
Prepaid land lease payments		6,165	13,842
Staff loans		25,061	28,651
Cash and bank balances	60, (ii)	6,580	5,955
Contract assets	(iii)	37,964	30,256
Concession receivables	(iv)	1,254,744	1,281,023
Others		316,312	430,609
		<u>2,260,313</u>	<u>2,164,365</u>

- (i) Leasing portfolio of a subsidiary of the Group comprises financing of long term lease related to investment properties of the Group. As at the reporting date, the present value of lease receivables under non-cancellable lease agreements was as follows:

	Group	
	2019	2018
	RM'000	RM'000
Minimum lease receivables:		
Within one year	7,387	4,851
Between one and five years	36,289	20,722
More than five years	32,033	10,246
Total minimum lease payments	<u>75,709</u>	<u>35,819</u>
Less: Unearned finance revenues	(38,204)	-
Present value of minimum lease receivables	<u>37,505</u>	<u>35,819</u>
Present value of receivables:		
Within one year	4,910	2,039
Between one and five years	19,947	8,880
More than five years	12,648	7,256
	<u>37,505</u>	<u>18,175</u>
Less: Amount due within one year (Note 59)	(4,910)	(2,039)
Amount due after one year	<u>32,595</u>	<u>16,136</u>

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

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

(iii) Contract assets

Group	Note	2019 RM'000	2018 RM'000
Contract assets			
Current	58	522,495	288,256
Non-current		37,964	30,256
		<u>560,459</u>	<u>318,512</u>
Contract liabilities			
Current	62	(87,371)	(54,306)
Non-current	66	(258,646)	(291,116)
		<u>(346,017)</u>	<u>(345,422)</u>

Group	Note	2019 RM'000	2018 RM'000
Contract assets			
Contract assets from property development and strategic land sales	(a)	181,710	116,894
Contract assets from construction contracts	(b)	1,772	1,772
Contracts assets from rendering services	(c)	376,977	199,846
		<u>560,459</u>	<u>318,512</u>
Contract liabilities			
Contract assets from property development and strategic land sales	(a)	(324,886)	(330,638)
Contract liabilities from construction contracts	(b)	-	(417)
Contracts liabilities from rendering services	(c)	(21,131)	(14,367)
		<u>(346,017)</u>	<u>(345,422)</u>

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

(iii) Contract assets (cont'd.)

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

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

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

Group	2019 RM'000	2018 RM'000
Contract assets	181,710	116,894
Contract liabilities	<u>(324,886)</u>	<u>(330,638)</u>
	<u>(143,176)</u>	<u>(213,744)</u>
At 1 January	(213,744)	(101,833)
Revenue recognised during the financial year	530,308	569,695
Deferred during the financial year	<u>(459,740)</u>	<u>(681,606)</u>
At 31 December	<u>(143,176)</u>	<u>(213,744)</u>

The unsatisfied performance obligations at the end of the reporting period are estimated to be recognised in the following periods:

	2019 RM'000	2018 RM'000
Within 1 year	1,041,047	2,601,548
Between 1 and 4 years	551,497	1,618,956
More than 4 years	<u>238,267</u>	<u>167,477</u>
	<u>1,830,811</u>	<u>4,387,981</u>

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

(iii) Contract assets (cont'd.)

(b) Contract assets from construction contracts

Group	2019 RM'000	2018 RM'000
Contract assets	1,772	1,772
Contract liabilities	-	(417)
	<u>1,772</u>	<u>1,355</u>
Construction work in progress ("WIP"), at cost	134,422	2,872,012
Add : Attributable profit	(3,725)	38,624
	<u>130,697</u>	<u>2,910,636</u>
Less :		
- Progress billings	(128,925)	(2,909,281)
	<u>1,772</u>	<u>1,355</u>

Included in current year additions in construction WIP of the Group are:

	Group	
	2019 RM'000	2018 RM'000
- staff costs	3,865	11,358
- interest income	-	(873)
- interest expense	-	45,111
- depreciation charge	35	1,412
- amortisation charge	1	6
	<u>1</u>	<u>6</u>

(c) Contract assets from rendering services

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

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

(iii) Contract assets (cont'd.)

(c) Contract assets from rendering services (cont'd.)

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

Group	2019 RM'000	2018 RM'000
Contract assets	376,977	199,846
Contract liabilities	(21,131)	(14,367)
	<u>355,846</u>	<u>185,479</u>
Revenue recognised from amounts included in contract liabilities at the beginning of the year	<u>2,713</u>	<u>27,762</u>

The unsatisfied performance obligations at the end of the reporting period are estimated to be recognised in the following periods:

	2019 RM'000	2018 RM'000
Within 1 year	1,900,000	1,728,000
Between 1 and 20 years	7,100,000	7,700,000
	<u>9,000,000</u>	<u>9,428,000</u>

(iv) Concession receivables

Concession receivables are in relation to :

	Note	2019 RM'000	2018 RM'000
Non-current		1,254,744	1,281,023
Current	58	124,214	124,214
		<u>1,378,958</u>	<u>1,405,237</u>

(a) A concession arrangement in which the Group provides retro-fitting works and upgrades of infrastructure to turn existing buildings into green buildings. This amount is to be repaid over the remaining period of the concession. This amount also pledged as security for the borrowings obtained as disclosed in Note 61.

(b) A concession arrangement to develop and construct Tunku Azizah Hospital (formerly known as Women and Children Hospital). This amount is to be repaid over the concession period ending October 2043.

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53. Right-of-use assets

	Aircraft RM'000	Land RM'000	Building RM'000	Others RM'000	Total RM'000
Costs					
At 1 January 2019	8,091,540	1,842,660	133,526	65,793	10,133,519
Transfer from property, plant and equipment (Note 42)	2,901,129	605,975	3,044	19,984	3,530,132
At 1 January 2019, as restated	10,992,669	2,448,635	136,570	85,777	13,663,651
Additions	193,156	250	26,086	19,593	239,085
Transfer to held for sale (Note 41)	-	(12,337)	-	-	(12,337)
Disposal of subsidiaries (Note 48(iii))	-	(842)	-	-	(842)
Disposal	(192,016)	-	(310)	-	(192,326)
At 31 December 2019	10,993,809	2,435,706	162,346	105,370	13,697,231
Accumulated depreciation					
At 1 January 2019	-	-	-	-	-
Transfer from property, plant and equipment (Note 42)	181,466	40,640	1,348	3,845	227,299
At 1 January 2019, as restated	181,466	40,640	1,348	3,845	227,299
Charge for the year (Note 36)	1,267,164	43,223	19,713	22,225	1,352,325
Impairment (Note 36)	40,890	-	41,856	-	82,746
Disposal	(8,729)	-	(310)	-	(9,039)
At 31 December 2019	1,480,791	83,863	62,607	26,070	1,653,331
Net carrying amount	9,513,018	2,351,843	99,739	79,300	12,043,900

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54. Derivative financial instruments

2019		Nominal amount RM'000	Group	
			Assets RM'000	Liabilities RM'000
Forward exchange rate contracts	(i)	7,800	-	(102)
Fuel hedging contracts (barrels)	(ii)	7,325	1	(23,220)
Foreign currency hedging contracts	(iii)	280,716	-	(3,961)
Interest rate derivatives	(iv)	460,626	-	(5,497)
Embedded derivatives		3,132,955	-	(174,919)
			<u>1</u>	<u>(207,699)</u>
Analysed as:				
Current			1	(25,454)
Non-current			-	(182,245)
			<u>1</u>	<u>(207,699)</u>
2018				
Forward exchange rate contracts	(i)	14,100	-	(167)
Fuel hedging contracts (barrels)	(ii)	8,800	-	(388,384)
Foreign currency hedging contracts	(iii)	56,070	(311)	-
Interest rate derivatives	(iv)	530,964	8,969	-
Currency swap-i	(v)	599,100	15,956	-
Profit rate swap-i	(v)		-	(911)
Embedded derivatives		2,898,821	-	(46,431)
			<u>24,614</u>	<u>(435,893)</u>
Analysed as:				
Current			17,559	(288,100)
Non-current			7,055	(147,793)
			<u>24,614</u>	<u>(435,893)</u>

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54. Derivative financial instruments (cont'd.)

(i) Forward exchange rate contracts

Cement Industries of Malaysia Berhad's ("CIMA") outstanding forward exchange rate contracts with notional amount totalling RM7.8 million (2018: RM14.1 million), which are used to manage portion of CIMA's transaction exposure denominated in USD.

(ii) Fuel hedging contracts (barrels)

Malaysian Aviation Group Berhad ("MAGB") hold swaps designated as hedge of highly probable forecast fuel purchases to reduce the volatility of cash flows. The contracts are intended to hedge the volatility of the purchase price of fuel for a period up to 36 months forward.

The amounts retained in other comprehensive income at 31 December 2019 are expected to mature and affect the profit or loss between 2020 and 2021.

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 fuel purchases were assessed to be highly effective and as at 31 December 2019, a net unrealised loss of RM537,054,000 (2018: net unrealised loss of RM388,148,000) was included in other comprehensive income in respect of these contracts.

The amount removed from other comprehensive income during the financial year and included in profit or loss is gain of RM26,038,000 (2018: gain of RM386,121,000).

(iii) Foreign currency hedging contracts

MAGB has options and forward currency contracts outstanding as at 31 December 2019 designated as hedges of firm commitments and highly probable future payments denominated in foreign currencies.

The amount retained in other comprehensive income at 31 December 2019 are expected to mature and affect profit or loss in 2020.

The terms of the forward currency contracts have been negotiated to match the terms of the commitments. There were no highly probable transactions for which hedge accounting had previously been used, which is no longer expected to occur.

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54. Derivative financial instruments (cont'd.)

(iii) Foreign currency hedging contracts (cont'd.)

The cash flow hedges of the highly probable future payments denominated in foreign currencies were assessed to be highly effective and as at 31 December 2019, a net unrealised loss of RM4,278,000 (2018: net unrealised loss of RM4,868,000) was included in other comprehensive income in respect of these contracts.

The amount removed from other comprehensive income during the financial year and included in profit or loss is loss of RM826,000 (2018: loss of RM7,030,000).

(iv) Interest rate derivatives

As at 31 December 2019, MAGB has interest rate caps and swaps at contracted interest rates varying from 2.1% to 2.2% (2018: 2.1% to 3%) 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 2019 are expected to mature and affect the profit or loss between 2020 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 2019, a net unrealised loss of RM12,478,000 (2018: net unrealised loss of RM4,010,000) was included in other comprehensive income in respect of these contracts.

The amount removed from other comprehensive income during the financial year and included in profit or loss is loss of RM1,988,000 (2018: loss of RM476,000).

(v) Currency swap-i and profit rate swap-i

UEM Sunrise (Australia) Sdn Bhd ("AUSSB")'s outstanding profit rate swap-i contract with notional amount of RM438.4 million in 2018 to hedge the profit rate risk arising from the profit margin repayment on AUD150.0 million Commodity Murabahah Financing-i Facility. The profit rate swap-i contract has been terminated in 2019 following the settlement of the Commodity Murabahah Financing-i Facility.

AUSSB's outstanding cross currency swap-i contract with notional amount of RM160.7 million in 2018 to convert the USD45 million Commodity Murabahah Financing-i Facility into AUD, which shall not exceed AUD55 million. The cross currency swap-i contract has been terminated in 2019 following the settlement of the Commodity Murabahah Financing-i Facility.

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55. Deferred taxation

	Note	Group	
		2019	2018
		RM'000	RM'000
As 1 January		(306,207)	(126,126)
Disposal of subsidiary (net)	48(iii)	113,195	1,905
Recognised in profit or loss	40	74,193	(178,891)
Recognised in other comprehensive income		-	(907)
Exchange differences		(3,879)	(2,188)
At 31 December		<u>(122,698)</u>	<u>(306,207)</u>

Presented after appropriate offsetting as follows:

Deferred tax assets	464,964	340,605
Deferred tax liabilities	(587,662)	(646,812)
	<u>(122,698)</u>	<u>(306,207)</u>

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55. Deferred taxation (cont'd.)

The components and movements of deferred tax liabilities and assets of the Group during the financial year are as follows:

Deferred tax liabilities of the Group:

	Note	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 2019		(326,417)	(232,439)	(74,385)	(13,571)	(646,812)
Recognised in profit or loss		(61,727)	2,158	1,131	(1,138)	(59,576)
Disposal of subsidiary	48(iii)	121,699	-	-	5	121,704
Exchange differences		(2,978)	-	-	-	(2,978)
At 31 December 2019		<u>(269,423)</u>	<u>(230,281)</u>	<u>(73,254)</u>	<u>(14,704)</u>	<u>(587,662)</u>
At 1 January 2018		(321,445)	(235,621)	(74,322)	(52,306)	(683,694)
Recognised in profit or loss		(14,461)	3,182	(63)	38,735	27,393
Disposal of subsidiary		12,007	-	-	-	12,007
Exchange differences		(2,518)	-	-	-	(2,518)
At 31 December 2018		<u>(326,417)</u>	<u>(232,439)</u>	<u>(74,385)</u>	<u>(13,571)</u>	<u>(646,812)</u>

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55. Deferred taxation (cont'd.)

Deferred tax assets of the Group:

	Note	Provision for liabilities RM'000	Unutilised tax losses and unabsorbed capital allowance RM'000	Khazanah Bonds and Exchangeable Trust Certificates RM'000	Other temporary differences RM'000	Total RM'000
At 1 January 2019		214,258	117,550	-	8,797	340,605
Recognised in profit or loss		130,840	(2,926)	-	5,855	133,769
Disposal of subsidiary	48(iii)	(73)	(8,436)	-	-	(8,509)
Exchange differences		4	(905)	-	-	(901)
At 31 December 2019		345,029	105,283	-	14,652	464,964
At 1 January 2018		220,829	159,763	170,972	6,004	557,568
Recognised in profit or loss		3,471	(42,544)	(170,972)	3,761	(206,284)
Disposal of subsidiary		(10,102)	-	-	-	(10,102)
Recognised in other comprehensive income		61	-	-	(968)	(907)
Exchange differences		(1)	331	-	-	330
At 31 December 2018		214,258	117,550	-	8,797	340,605

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55. Deferred taxation (cont'd.)

Deferred tax assets have not been recognised in respect of the following items:

	Group	
	2019	2018
	RM'000	RM'000
Unutilised tax losses	5,675,234	9,483,040
Unabsorbed capital allowances and investment tax allowance	8,630,150	8,151,516
Other temporary differences	1,948,434	1,245,811
	<u>16,253,818</u>	<u>18,880,367</u>

Based on Budget 2019, business entities are allowed to carry forward unabsorbed losses and unutilised capital allowances in a year of assessment for a maximum period of seven years only on business losses. Deferred tax assets have not been recognised due to the history of losses in the Group's subsidiaries.

56. Property development-in-progress

	Note	Group	
		2019	2018
		RM'000	RM'000
Cumulative property development costs			
At 1 January		4,448,387	4,424,162
Development costs incurred during the year		1,308,055	1,475,778
Transfers from/(to)			
- Land held for property development	43	133,559	27,150
- Property, plant and equipment	42	10,158	25,787
- Investment properties	44	(4,471)	(96,678)
- Inventories		(389,377)	(903,251)
Foreign currency translation		(26,241)	(1,790)
Reversal of costs arising from completed projects		(794,895)	(502,771)
At 31 December		<u>4,685,175</u>	<u>4,448,387</u>

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

	Group	
	2019	2018
	RM'000	RM'000
Cumulative costs recognised in statement of comprehensive income		
At 1 January	(2,617,164)	(1,938,111)
Reversal of costs arising from completed projects	794,895	502,771
Recognised during the year	(1,955,609)	(1,193,277)
Foreign currency translation	(3,285)	11,453
At 31 December	<u>(3,781,163)</u>	<u>(2,617,164)</u>
At 31 December	<u>904,012</u>	<u>1,831,223</u>

Included in costs incurred during the year are:

	Group	
	2019	2018
	RM'000	RM'000
Staff costs	8,946	10,189
Interest expense	<u>42,376</u>	<u>77,615</u>

As at the reporting date, freehold land and related development expenditure totalling RM150.8 million (2018: RM271.5 million) are pledged as security for the banking facilities granted to a subsidiary of the Group.

57. Inventories and work-in-progress

	Group	
	2019	2018
	RM'000	RM'000
At cost:		
Raw materials	40,771	62,446
Work-in-progress	46,957	26,795
Finished goods	39,325	39,917
Consumables	133,363	139,334
Catering and general stores	23,103	23,902
Property held for sale	486,901	597,392
Others	436,521	644,158
	<u>1,206,941</u>	<u>1,533,944</u>

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

	Group	
	2019	2018
	RM'000	RM'000
At net realisable value:		
Work-in-progress	5,144	22,361
Finished goods	-	13,958
Consumables	-	529
Consumable aircraft spares	264,057	342,331
Property held for sale	151,205	214,215
Golf memberships *	28,201	28,606
Others	267	776
	<u>448,874</u>	<u>622,776</u>
	<u>1,655,815</u>	<u>2,156,720</u>

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

The cost of inventories and work-in-progress ("WIP") recognised as cost of sales during the year amounted to RM891.9 million (2018: RM839.0 million).

58. Trade receivables

		Group	
	Note	2019	2018
		RM'000	RM'000
Trade receivables	(i)	2,294,984	2,890,910
Less: Allowance for doubtful debts		<u>(182,615)</u>	<u>(588,011)</u>
		2,112,369	2,302,899
Contract assets	52(iii)	522,495	288,256
Concession receivables	52(iv)	124,214	124,214
		<u>2,759,078</u>	<u>2,715,369</u>

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58. Trade receivables (cont'd.)

(i) Trade receivables

- The Group has no significant concentration of credit risk that may arise from exposures to a single debtor or to groups of debtors.
- Trade receivables are non-interest bearing and are generally on 30 to 90 days (2018: 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:

	2019	2018
	RM'000	RM'000
Group		
Neither past due nor impaired	1,404,702	1,371,847
1 to 30 days past due not impaired	241,556	196,336
31 to 60 days past due not impaired	96,645	92,770
More than 60 days past due not impaired	369,466	641,946
	707,667	931,052
Impaired	182,615	588,011
	<u>2,294,984</u>	<u>2,890,910</u>

Receivables that are neither past due nor impaired

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

Receivables that are past due but not impaired

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

Receivables that are impaired

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

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58. Trade receivables (cont'd.)

(i) Trade receivables (cont'd.)

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

	Group	
	2019	2018
	RM'000	RM'000
At 1 January	588,011	413,674
(Write back)/written off	(405,396)	174,337
At 31 December	<u>182,615</u>	<u>588,011</u>

59. Other receivables

	Note	Group	
		2019	2018
		RM'000	RM'000
Dividend receivable		-	986
Interest income receivable		234	621
Amount due from a former director and shareholder of a subsidiary	(i)	2,315,995	2,315,979
Amount due from MoF Inc.		851,580	851,602
Amount due from associates	(ii)	54,524	33,661
Amount due from joint ventures		10,744	117,833
Amount due from related companies		247,363	360,006
Insurance receivables	(iii)	29,419	1,164,081
Receivable under finance lease	52(i)	4,910	2,039
Other deposits and prepayments		65,933	266,397
Accrued income		9,318	1,548,197
Others	(iv)	1,382,532	1,248,601
		<u>4,972,552</u>	<u>7,910,003</u>
Less: Allowance for impairment losses		<u>(2,413,032)</u>	<u>(2,613,303)</u>
		<u>2,559,520</u>	<u>5,296,700</u>

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59. Other receivables (cont'd.)

The Group has no significant concentration of credit risk that may arise from exposures to a single debtor or to groups of debtors.

- (i) On 11 December 2000, UEM exercised the Put Option granted by Tan Sri Dato' Seri Halim bin Saad ("TSHS"), a past director of the Company in 1998 in respect of the Company'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, the Company received the first instalment from TSHS and granted an Extension of Time for the second instalment to 12 September 2001.

On 12 September 2001, the Company 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, the Company 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 million had been made on the net amount due from TSHS.

- (ii) The amount due from associates is unsecured, interest-free and is repayable on demand.
- (iii) Insurance receivables

	Group	
	2019	2018
	RM'000	RM'000
Due premiums, including agents/brokers	29,419	15,631
Due from reinsurers and cedants	-	1,148,450
	<u>29,419</u>	<u>1,164,081</u>
Less: Accumulated impairment losses	-	(727)
Net insurance receivables	<u>29,419</u>	<u>1,163,354</u>

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59. Other receivables (cont'd.)

(iv) Included in others are:

- (a) An amount of RM22.9 million (2018: RM22.9 million) representing tax penalty paid to Inland Revenue Board ("IRB").
- (b) PLUS BKSP Toll Limited's net carrying value of concession intangible assets of RM127.0 million or INR2,212.1 million (2018: RM131.1 million or INR2,212.1 million) to be recovered through claim submitted to Maharashtra State Road Development Corporation ("MSRDC") for premature termination of the Concession Agreement with MSRDC. The amount had been fully impaired previously.
- (c) Reimbursable costs of RM0.9 million (2018: RM22.3 million) in relation to the implementation of concession agreement for Tunku Azizah Hospital (formerly known as Women and Children Hospital) project, which is reimbursable by the Government of Malaysia within one year after the commencement of asset management services.
- (d) GST claimable from the Australian Taxation Office amounting to RM4.0 million (2018: RM65.3 million).
- (e) Advance of RM49.0 million (2018: RM33.6 million) provided to a corporate shareholder of a subsidiary which is repayable on demand and bears average interest rate at 6% (2018: 6%) per annum.

60. Cash and bank balances

	Group	
	2019	2018
	RM'000	RM'000
Cash in hand and at bank	4,135,106	4,649,149
Deposits with licensed banks	7,012,125	1,084,002
Deposit with other financial institutions	3,437	3,436
	<u>11,150,668</u>	<u>5,736,587</u>
Analysed as:		
Non-current (Note 52)	6,580	5,955
Current	11,144,088	5,730,632
	<u>11,150,668</u>	<u>5,736,587</u>

The range of interest rates and maturities of the term deposits as at 31 December 2019 is disclosed in Note 68(c).

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61. Borrowings

Group	Note	Short term RM'000	Long term RM'000	Total RM'000
2019				
Secured bonds and notes	(i)	1,187,252	10,256,780	11,444,032
Unsecured bonds and notes	(ii)	5,735,830	22,162,659	27,898,489
Exchangeable Trust Certificates	26(b)	-	3,132,955	3,132,955
Other borrowings	(iii)	7,625,986	11,537,904	19,163,890
		<u>14,549,068</u>	<u>47,090,298</u>	<u>61,639,366</u>
2018				
Secured bonds and notes	(i)	2,481,349	10,984,439	13,465,788
Unsecured bonds and notes	(ii)	3,013,921	24,670,869	27,684,790
Exchangeable Trust Certificates	26(b)	-	2,898,822	2,898,822
Other borrowings	(iii)	17,745,445	15,596,602	33,342,047
		<u>23,240,715</u>	<u>54,150,732</u>	<u>77,391,447</u>

(i) Secured bonds and notes

Group	Note	Short term RM'000	Long term RM'000	Total RM'000
2019				
Khazanah Bonds	26(a)	1,187,252	9,451,780	10,639,032
Prohawk	(A)	-	805,000	805,000
		<u>1,187,252</u>	<u>10,256,780</u>	<u>11,444,032</u>
2018				
Khazanah Bonds	26(a)	2,446,349	10,179,439	12,625,788
Prohawk	(A)	35,000	805,000	840,000
		<u>2,481,349</u>	<u>10,984,439</u>	<u>13,465,788</u>

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61. Borrowings (cont'd.)

(i) Secured bonds and notes (cont'd.)

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

IMTN

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

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

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

Issuance date	Tenures (Years)	Profit rate (% per annum)	At	During the year	At
			1 January 2019	Repayment RM'million	31 December 2019
20 June 2013	17.5 - 20.0	5.24 - 5.35	200	-	200
20 December 2013	15.0 - 17.5	5.21 - 5.34	120	-	120
26 June 2014	13.0 - 15.0	5.21 - 5.32	120	-	120
22 December 2014	4.5 - 12.0	4.91 - 5.26	400	(35)	365
			<u>840</u>	<u>(35)</u>	<u>805</u>

(ii) Unsecured bonds and notes

Group	Note	Short term RM'000	Long term RM'000	Total RM'000
2019				
Islamic CP/MTN Programme				
Khazanah	26 (c),(d),(e)	5,735,830	19,061,441	24,797,271
UEM Sunrise	(a)	-	2,699,727	2,699,727
UEM Edgenta	(b)	-	301,840	301,840
UGB	(c)	-	99,651	99,651
		<u>5,735,830</u>	<u>22,162,659</u>	<u>27,898,489</u>

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61. Borrowings (cont'd.)

(ii) Unsecured bonds and notes (cont'd)

Group	Note	Short term RM'000	Long term RM'000	Total RM'000
2018				
Islamic CP/MTN Programme				
Khazanah	26 (c),(d),(e)	1,500,000	21,315,364	22,815,364
UEM Sunrise	(a)	1,482,460	2,754,978	4,237,438
UEM Edgenta	(b)	31,461	501,005	532,466
UGB	(c)	-	99,522	99,522
		<u>3,013,921</u>	<u>24,670,869</u>	<u>27,684,790</u>

(a) UEM Sunrise Berhad ("UEM Sunrise")

(i) UEM Sunrise Term Loan and Revolving Credit Facilities

The term loan and revolving credit facilities utilised by UEM Sunrise's subsidiaries are subject to interest rates ranging from 4.91% to 5.57% (2018: 3.82% to 5.59%) per annum.

The facilities are secured by certain freehold land held for property development and property development costs, as disclosed in Note 43.

(ii) 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 and repayment are as follows:

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61. Borrowings (cont'd.)

(ii) Unsecured bonds and notes (cont'd)

(a) UEM Sunrise Berhad ("UEM Sunrise") (cont'd.)

(ii) UEM Sunrise ICPN and IMTN (cont'd.)

The details of the IMTN issuance are as follows:

Issuance date	Tenure (Years)	Profit rate (% per annum)	At	Repayment	At
			1 January 2019	during the year	31 December 2019
			RM'million		
30 June 2014	5	4.72	200	(200)	-
30 June 2014	7	4.90	200	-	200
10 April 2015	5	4.58	150	-	150
10 April 2015	7	4.80	150	-	150
			<u>700</u>	<u>(200)</u>	<u>500</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)	At	During the year		At
			1 January 2019	Issuance	Repayment	31 December 2019
			RM'million			
20 May 2016	7	5.00	500	-	-	500
11 December 2017	3	4.80	200	-	-	200
11 December 2017	4	5.06	300	-	-	300
11 December 2017	7	5.32	100	-	-	100
23 May 2018	1	4.62	100	-	(100)	-
31 October 2018	3	4.85	350	-	-	350
31 October 2018	5	4.98	100	-	-	100
31 October 2018	7	5.15	250	-	-	250
22 March 2019	5	4.75	-	300	-	300
			<u>1,900</u>	<u>300</u>	<u>(100)</u>	<u>2,100</u>

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61. Borrowings (cont'd.)

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

(b) UEM Edgenta

UEM Edgenta had established an ICP Programme and an IMTN Programme under the Shariah Principle of Murabahah via a Tawarruq Arrangement, which have a combined aggregate limit of up to RM1,000.0 million in nominal value and a sub-limit on the ICP Programme of RM300.0 million in nominal value.

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

Issuance date	Tenure (Years)	Profit rate (% per annum)	At	During the year		At
			1 January 2019	Issuance	Repayment	31 December 2019
			RM'million			
26 April 2017	5	4.85	252	-	-	252
26 April 2018	1	4.37	50	-	(50)	-
26 April 2019	1	4.05	-	50	-	50
			<u>302</u>	<u>50</u>	<u>(50)</u>	<u>302</u>

(c) United Growth Berhad ("UGB")

On 21 June 2012, the Company, through United Growth, established an IMTN Programme under the Shariah Principle of Musharakah, with a nominal amount of up to RM2.2 billion. On the same day, United Growth issued RM100.0 million IMTN at a discounted price of RM98.8 million.

The tenure of the IMTN issued is 10 years and will be maturing on 21 June 2022. The IMTN carries a fixed profit rate of 4.73% per annum.

The discount of RM1.2 million is amortised over the tenure of the IMTN at an effective interest rate of 4.88% (2018: 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:

	2019 RM'000	2018 RM'000
Principal	100,000	100,000
Unamortised discount	(349)	(478)
	<u>99,651</u>	<u>99,522</u>

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61. Borrowings (cont'd.)

(iii) Other borrowings

Group		Short term RM'000	Long term RM'000	Total RM'000
2019				
Secured:				
Other term loans and payables	(B)	322,896	10,023,376	10,346,272
Loan from Government	(C)	29,669	329,938	359,607
Others	(F)	1,819,960	1,417,893	3,237,853
		<u>2,172,525</u>	<u>11,771,207</u>	<u>13,943,732</u>
Unsecured:				
Other term loans and payables	(B)	4,532,493	-	4,532,493
Others	(F)	920,968	(233,303)	687,665
		<u>5,453,461</u>	<u>(233,303)</u>	<u>5,220,158</u>
Total		<u>7,625,986</u>	<u>11,537,904</u>	<u>19,163,890</u>
2018				
Secured:				
CIMA	(A)	-	22,000	22,000
Other term loans and payables	(B)	670,714	12,961,928	13,632,642
Loan from Government	(C)	35,180	352,529	387,709
LMS	(D)	474,065	1,856,755	2,330,820
Finance lease and hire purchase payable	(E)	204,804	403,210	608,014
Others	(F)	25,521	180	25,701
		<u>1,410,284</u>	<u>15,596,602</u>	<u>17,006,886</u>
Unsecured:				
Other term loans and payables	(B)	16,332,404	-	16,332,404
Others	(F)	2,757	-	2,757
		<u>16,335,161</u>	<u>-</u>	<u>16,335,161</u>
Total		<u>17,745,445</u>	<u>15,596,602</u>	<u>33,342,047</u>

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61. Borrowings (cont'd.)

(iii) Other borrowings (cont'd.)

(A) Cement Industries Of Malaysia Berhad ("CIMA")

In 2011, CIMA Group obtained a syndicated term loan facility to part finance its plant expansion. The facility is secured by way of third party legal charge over land of CIMA's subsidiary in Negeri Sembilan.

The term loan has been fully settled on 25 January 2019.

(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 1.3% to 10.76% (2018: 1.3% to 10.76%) per annum and facility terms of 1 to 5 years.

Secured term loans of the Group are secured by the followings:

- (i) property, plant and equipment
- (ii) deposit with licensed banks
- (iii) investment assets
- (iv) assignment of proceeds
- (v) corporate guarantees

(C) Loan from Government

Iskandar Investment Berhad ("IIB"), a subsidiary of the Group, was granted a term loan facility of RM550 million from Ministry of Finance ("MOF"), Malaysia, to finance the Legoland Theme Park Project. The term loan is secured by way of debenture issued by IDR Assets Sdn Bhd ("IDRA"), a subsidiary of LLMAH, and is subject to interest charge at 3.75% per annum. The interest for the first 48 months is to be capitalised to the principal. The term loan including the capitalised interest is repayable from 2013 to 2026.

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61. Borrowings (cont'd.)

(iii) Other borrowings (cont'd.)

(C) Loan from Government (cont'd.)

In prior years, Themed Attractions And Resort Sdn. Bhd. ("TAR"), the holding company of IDRA had undertake to complete the novation of the term loan by 31 December 2015 and assume the liability in relation to the said loan.

Due to certain unforeseen circumstances not within the control of IIB, the novation was not completed. In August 2016, TAR issued a letter of undertaking ("LOU") to IIB confirming that IIB will remain as a party to the MOF loan and TAR will continue to indemnify IIB for any claims, actions as a party to the MoF loan. IIB shall not be liable for any amount owing under the MOF loan and TAR will be fully responsible for the payment and settlement of all the amounts owing under the MOF loan. With this LOU, TAR has been released from its obligation to novate the MOF loan. Accordingly, the MOF loan is classified based on the existing terms of the loan.

The unamortised borrowing costs eligible for capitalisation included in the term loan is RM1,031,321 (2018: RM1,203,208).

(D) PT Lintas Marga Sedaya ("LMS")

On 26 September 2012, LMS obtained a syndicated term loan facility to finance the construction of the Cikampek-Palimanan Toll Road ("CPTR"). The credit facility is divided into three tranches and the maximum amount of the credit facility is IDR8,800,000 million with the first drawdown in June 2013. The applicable interest rates, paid quarterly, are based on time deposits for a period of three months plus margins as follows:

- 5.50% per annum prior to the Project Commercial Operation Date;
- 5.25% per annum since the Project Commercial Operation Date for the part of financing which is unsecured by the Standby Letter of Credit Top Up Guarantee; and
- 3.25% per annum since the Project Commercial Operation Date for the part of financing which is secured by Standby Letter of Credit Top Up Guarantee.

The average interest rates are 10.76% (2018: 10.76%) for the portion of loan without Standby Letter of Credit and 8.96% (2018: 8.96%) for the portion of loan with Standby Letter of Credit.

The loan is secured pari passu and pro rata over all receivables, assets, escrow account, shares issued, assignment of rights agreement and letter of undertaking from UEM, shareholders of LMS and Mezzanine creditors.

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61. Borrowings (cont'd.)

(iii) Other borrowings (cont'd.)

(D) PT Lintas Marga Sedaya ("LMS") (cont'd.)

On August 10, 2018, LMS and a syndication of banks and financial institution signed a new 15 years syndicated term loan facility agreement of IDR8,889,100 million which is divided into two tranches as follows:

- (a) Tranche A amounting to IDR8,416,500 million for the full repayment of the previous syndicated loan balance.
- (b) Tranche B amounting to IDR472,600 million for the construction of access toll road to Kertajati International Airport.

The applicable interest expense, payable quarterly, was based on the interest rates on time deposits for a period of three months plus margins of 3.94%. The average interest rates is 8.96% (2018: 9.70%) per annum for current period.

The loan is secured pari passu and pro rata over all receivables, assets, escrow account, shares issued, assignment of rights agreement and letters of undertaking from UEM, shareholders of LMS (which includes PEIB) and Mezzanine creditors.

Following the disposal of LMS during the year, the syndicated term loan ceased to be part of Group's liabilities.

(E) Finance lease and hire purchase creditors

	Group	
	2019	2018
	RM'000	RM'000
Future minimum lease payments:		
Less than one year	-	227,767
Between one year and five years	-	313,040
More than five years	-	141,281
Total minimum future lease payments	-	682,088
Less: Future finance charges	-	(74,074)
Present value of finance liabilities	-	608,014
Analysis of present value of finance lease liabilities:		
Not later than one year	-	204,804
Later than one year and not later than five years	-	268,624
Later than five years	-	134,586
Analysed as:	-	608,014
Less: Amount due within 12 months	-	(204,804)
Amount due after 12 months	-	403,210

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61. Borrowings (cont'd.)

(iii) Other borrowings (cont'd.)

(E) Finance lease and hire purchase creditors (cont'd.)

The finance lease and hire purchase creditors has been reclassified to lease liabilities upon the adoption of MRFS 16.

In prior year, finance leases and hire purchases are subject to a floating or fixed interest rate ranging from 1.45% to 5.77% per annum.

(F) Others

Included in other borrowings are:

(i) Revolving credit facilities

The revolving credit facilities bear interest at rates ranging from 2.08% to 5.59% (2018: 2.08% to 5.45%) per annum. Certain revolving credit facilities are guaranteed by the Group and the Government of Malaysia.

(ii) Bank overdrafts

The bank overdrafts carry interest rates ranging from 7.71% to 7.92% (2018: 7.45% to 8.60%) per annum.

The movement in the borrowings are as follows:

		Group	
	Note	2019	2018
		RM'000	RM'000
At 1 January		77,391,447	71,303,272
Transfer to lease liabilities	67	(606,970)	-
Drawdown		11,968,672	20,625,896
Repayment		(24,806,193)	(16,383,842)
Unrealised (loss)/gain on foreign exchange		(2,827,996)	1,083,022
Amortisation		520,406	763,099
At 31 December		61,639,366	77,391,447

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62. Trade payables

	Note	Group	
		2019 RM'000	2018 RM'000
Trade payables		3,254,220	2,671,108
Contract liabilities	52(iii)	87,371	54,306
		<u>3,341,591</u>	<u>2,725,414</u>

The payables are interest free and the normal trade credit terms granted to the Group range from 30 days to 90 days (2018: 30 days to 90 days).

63. Other current liabilities

Group	Note	2019 RM'000	2018 RM'000
Sales in advance of carriage	(i)	1,273,329	1,448,746
Amount due to associates	(ii)	21,670	19,771
Amount due to related companies	(iii)	205,047	144,536
Interest payable		209	379,653
Insurance payables		29,802	51,616
Government grant	66(i)	-	55,326
Retirement benefit obligations and provision for employee entitlements	64	1,156	1,854
Deferred liabilities and income	66(iii)	84,105	73,138
Provision for aircraft maintenance and overhaul costs	(iv)	2,389,980	2,630,264
Accruals		2,419,452	2,158,671
Other payables		1,944,881	1,178,733
		<u>8,369,631</u>	<u>8,142,308</u>

- (i) Sales in advance of carriage represents the value of unutilised passenger tickets and cargo airway bills in respect of transportation services not yet rendered as at the reporting date.
- (ii) The amount due to associates is unsecured, interest free and is repayable on demand.
- (iii) The amount due to related companies is unsecured, interest free and is repayable on demand.

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63. Other current liabilities (cont'd.)

- (iv) The Group leases a 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	2019 RM'000	2018 RM'000
At 1 January	2,630,264	2,274,108
Additional provision	251,792	409,330
Reversal of provision	(492,076)	(53,174)
At 31 December	<u>2,389,980</u>	<u>2,630,264</u>

All other balances of financial liabilities above are unsecured, interest free and are normally settled on 30 to 180 days (2018: 30 to 180 days) terms.

64. Retirement benefit obligations and provision for service entitlements
Group

	Note	Retirement benefit obligation RM'000	Provision for service entitlements RM'000	Total RM'000
At 1 January 2019		31,142	28,046	59,188
Exchange differences		25	(20)	5
Arising during the year	37	3,313	530	3,843
Payments made during the year		(1,704)	-	(1,704)
At 31 December 2019		<u>32,776</u>	<u>28,556</u>	<u>61,332</u>
Less: Current portion	63	(1,156)	-	(1,156)
Long term portion	66	<u>31,620</u>	<u>28,556</u>	<u>60,176</u>
At 1 January 2018		28,625	27,570	56,195
Exchange differences		859	(56)	803
Arising during the year	37	2,848	532	3,380
Payments made during the year		(1,190)	-	(1,190)
At 31 December 2018		<u>31,142</u>	<u>28,046</u>	<u>59,188</u>
Less: Current portion	63	(1,854)	-	(1,854)
Long term portion	66	<u>29,288</u>	<u>28,046</u>	<u>57,334</u>

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64. Retirement benefit obligations and provision for service entitlements (cont'd.)

(a) Retirement benefit obligations

Provision for retirement benefits mainly arising from:

CIMA

The liabilities and costs relating to the benefit are provided by CIMA pursuant to the Collective Agreement entered between CIMA and Cement Industry Employees' Union. Under the scheme, eligible employees are entitled to retirement benefits upon reaching the retirement age of 60.

The retirement benefit is only payable to unionised employees who:

- (a) retire on attainment of age 60; or
- (b) are medically boarded out; or
- (c) die in service; or
- (d) resign voluntarily after 10 years of company service; or
- (e) promoted to executive or supervisor level

CIMA Group maintains a book reserve in respect of the liabilities based on the actuarial valuation updated by an independent actuary on 31 December 2019. The retirement plan is currently not funded and there are no physical assets set aside for the cost of the benefits.

Edgenta UEMS Ltd (formerly known as UEM Solution Ltd)

Edgenta UEMS Ltd (formerly known as UEM Solution 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 actuarist.

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.

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64. Retirement benefit obligations and provision for service entitlements (cont'd.)

(a) Retirement benefit obligations (cont'd.)

UEM Edgenta Berhad ("UEM Edgenta")

UEM Edgenta Group operates an unfunded, defined benefit Retirement Benefit Scheme for its eligible employees. 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 was based on the actuarial valuation report by independent actuary dated 20 January 2019.

PT Lintas Marga Sedaya ("LMS")

LMS operates an unfunded, defined benefit Retirement Benefit Scheme for its eligible employees. Under the Scheme, eligible employees are entitled to retirement benefits on attainment of the retirement age of 55, on medical incapacity or on death. The present value of the defined benefit obligation was based on the actuarial valuation report by an independent actuary dated 31 January 2019.

On 28 November 2019, PLUS Expressways International Berhad Group's ("PEIB") disposed its entire 55% shareholding in LMS, for a cash consideration of RM2.0 billion.

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 24 January 2019.

(b) Provision for employee entitlements

Provision for employee entitlements comprises provision for retirement leave entitlements of eligible employees of a foreign subsidiary. The provisions are in respect of both vested and unvested entitlements, and are made by reference to independent actuarial valuations.

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65. Other reserves

Group	Foreign currency translation reserve RM'000 Note (a)	Fair value adjustment reserve RM'000 Note (b)	Cash flow hedge reserve RM'000 Note (c)	Share option reserve RM'000 Note (d)	Capital reserve RM'000	Statutory reserve RM'000 Note (e)	Retirement benefit reserve RM'000 Note (g)	Others RM'000	Total RM'000
2019									
At 1 January	2,815,397	3,458,372	(1,009,612)	(39,110)	(730,377)	38,585	(2,222,610)	(651,979)	1,658,666
Foreign currency translation differences of foreign operations	(1,029,581)	-	-	-	-	-	-	-	(1,029,581)
Net loss on fair value of other comprehensive income	-	(456,079)	-	-	-	-	-	-	(456,079)
Net loss on fair value of cash flow hedges	-	-	402,866	-	-	-	-	-	402,866
Share of other comprehensive (loss)/income of associates and joint ventures	(6,868)	(31,695)	-	-	-	-	-	(42)	(38,605)
Actuarial loss on retirement benefit plan	-	-	-	-	-	-	(352,739)	-	(352,739)
Total other comprehensive loss	(1,036,449)	(487,774)	402,866	-	-	-	(352,739)	(42)	(1,474,138)

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65. Other reserves (cont'd.)

Group (cont'd.)	Foreign currency translation reserve RM'000 Note (a)	Fair value adjustment reserve RM'000 Note (b)	Cash flow hedge reserve RM'000 Note (c)	Share option reserve RM'000 Note (d)	Capital reserve RM'000	Statutory reserve RM'000 Note (e)	Retirement benefit reserve RM'000 Note (g)	Others RM'000	Total RM'000
2019 (cont'd.)									
Disposal of subsidiaries	-	-	-	1,654	-	-	-	392	2,046
Disposal of associates	31,476	(1,620)	(135)	(5,506)	642,573	-	-	(132)	666,656
Dilution of interest in associates	-	-	-	-	-	(6,270)	-	-	(6,270)
Share of reserves of associates and joint ventures	-	-	-	(22,957)	56,641	-	-	-	33,684
Transfer to:									
- disposal group held for sale	-	-	-	-	-	-	-	90,875	90,875
- statutory reserve	-	-	-	-	-	142,072	-	-	142,072
- general reserve	-	-	-	-	-	-	-	(290,221)	(290,221)
Redemption of preference shares	-	-	-	-	-	-	-	18,116	18,116
Expiry of share options	-	-	-	(22,240)	-	-	-	-	(22,240)
Share based payments	-	-	-	(12,386)	-	-	-	-	(12,386)
Total transactions with owners	31,476	(1,620)	(135)	(61,435)	699,214	135,802	-	(180,970)	622,332
At 31 December	1,810,424	2,968,978	(606,881)	(100,545)	(31,163)	174,387	(2,575,349)	(832,991)	806,860

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**Khazanah Nasional Berhad
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65. Other reserves (cont'd.)

Group	Foreign currency translation reserve RM'000 Note (a)	Fair value adjustment reserve RM'000 Note (b)	Cash flow hedge reserve RM'000 Note (c)	Share option reserve RM'000 Note (d)	Capital reserve RM'000	Statutory reserve RM'000 Note (e)	Retirement benefit reserve RM'000 Note (g)	Others RM'000	Total RM'000
2018									
At 1 January	3,621,613	6,179,988	(537,238)	(9,108)	(174,557)	247,543	(2,280,395)	(204,013)	6,843,833
Foreign currency translation differences of foreign operations	(244,120)	-	-	-	-	-	-	-	(244,120)
Net loss on fair value of other comprehensive income	-	(2,394,624)	-	-	-	-	-	-	(2,394,624)
Net loss on fair value of cash flow hedges	-	-	(595,475)	-	-	-	-	-	(595,475)
Share of other comprehensive (loss)/income of associates and joint ventures	(562,096)	(326,992)	123,101	-	-	-	58,074	-	(707,913)
Actuarial loss on retirement benefit plan	-	-	-	-	-	-	(289)	-	(289)
Total other comprehensive loss	(806,216)	(2,721,616)	(472,374)	-	-	-	57,785	-	(3,942,421)

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65. Other reserves (cont'd.)

Group (cont'd.)	Foreign currency translation reserve RM'000 Note (a)	Fair value adjustment reserve RM'000 Note (b)	Cash flow hedge reserve RM'000 Note (c)	Share option reserve RM'000 Note (d)	Capital reserve RM'000	Statutory reserve RM'000 Note (e)	Retirement benefit reserve RM'000 Note (g)	Others RM'000	Total RM'000
2018 (cont'd.)									
Transaction with owners									
Dilution of interest in associates	-	-	-	-	86,419	-	-	-	86,419
Share of reserves of associates and joint ventures	-	-	-	(1,229)	(642,239)	-	-	(2,531)	(645,999)
Transfer to:									
- disposal group held for sale	-	-	-	-	-	-	-	56,597	56,597
- statutory reserve	-	-	-	-	-	(208,958)	-	-	(208,958)
- general reserve	-	-	-	-	-	-	-	(502,032)	(502,032)
Share based payments	-	-	-	(28,773)	-	-	-	-	(28,773)
Total transactions with owners	-	-	-	(30,002)	(555,820)	(208,958)	-	(447,966)	(1,242,746)
At 31 December	2,815,397	3,458,372	(1,009,612)	(39,110)	(730,377)	38,585	(2,222,610)	(651,979)	1,658,666

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65. Other reserves (cont'd.)

- (a) The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.
- (b) Fair value adjustment reserve represents the cumulative fair value changes, net of tax, of fair value through other comprehensive income financial assets until they are disposed of or impaired.
- (c) The cash flow hedge reserve represents the cumulative effective portion of gains or losses arising on change in fair value of hedging instruments entered into for cash flow hedges. The cumulative gains or losses in fair value of cash flow hedges will be reclassified to profit or loss only when the hedged transaction affects the profit or loss.
- (d) Share option reserve represents the equity-settled share options granted to employees of the Group. The reserve is made up of the cumulative value of services received from employees recorded over the vesting period commencing from the grant date of equity-settled share options.
- (e) The statutory reserve of the Group is maintained in compliance with the requirements of Bank Negara Malaysia. This reserve is not distributable as cash dividends.
- (f) The capital redemption reserve relates to the capitalisation of retained profits arising from the redemption of preference shares. With the introduction of the Companies Act, 2016 effective 31 January 2017, the balance within the capital redemption reserve account has been transferred to the ordinary shares account.
- (g) The retirement benefit reserve relates to the actuarial gain or losses for the defined benefit plans of the Group.
- (h) The capital contribution from the shareholders relates to contribution from the holding company, where no repayment is expected.

66. Other non-current liabilities

		Group	
	Note	2019 RM'000	2018 RM'000
Retirement benefit obligation and provision for employee entitlements	64	60,176	57,334
Government grants	(i)	52,734	6,401
Insurance contract liabilities	(ii)	3,179,453	3,724,329
Deferred liabilities and income	(iii)	1,944,179	2,008,169
Contract liabilities	52(iii)	258,646	291,116
Others		2,203,959	2,262,352
		<u>7,699,147</u>	<u>8,349,701</u>

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

(i) Government grants

	Note	Group 2019 RM'000	2018 RM'000
At 1 January		61,727	71,804
Received during the year		20,033	(8,187)
Recognised in profit or loss	36	<u>(29,026)</u>	<u>(1,890)</u>
At 31 December		<u>52,734</u>	<u>61,727</u>
Analysed as:			
Current	63	-	55,326
Non-current		<u>52,734</u>	<u>6,401</u>
		<u>52,734</u>	<u>61,727</u>

Government grants granted to subsidiaries comprise the following:

- (i) Technology Development Cluster grant was given for the development of the University Supported Technology Incubation Centre Project under the Seventh Malaysian Plan.
- (ii) The Research and Information Database Homepage ("RAIDAH") grant is for the development of a technology database projects. The grant has been fully utilised during the year.
- (iii) The Group was given a Government grant as funding for the development of projects in the Iskandar Development Region ("IDR").
- (iv) A subsidiary of the Company, Blue Archipelago Berhad, was given a grant to fund the implementation of the Integrated Aquaculture Shrimp Park Project.
- (v) A subsidiary of the Group, Xeraya Capital Sdn. Bhd. was given a grant for the creation of the Mudharabah Innovation Fund ("MIF"). The MIF shall be invested in the technology and life sciences sectors, focusing on venture and late stage high potential growth funds or companies.

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

(i) Government grants (cont'd.)

- (vi) Strategic Iskandar Fund was given to compensate Iskandar Malaysia Studios Sdn. Bhd. ("IMS") and i2M Ventures Sdn. Bhd. both subsidiaries of the Group, for operational expenses incurred.
- (vii) Grant from Unit Kerjasama Awam Swasta ("UKAS") to fund IMS for the cost of eligible capital expenditure.
- (viii) The Group received funding for its purchase of machinery and equipment which will be used to implement its Entry Point Project. The Group has commenced the acquisition of such machinery and equipment during 2013. In addition, the Group obtained a grant approved by Malaysian Investment Development Authority in relation to the capital expenditure incurred for plant expansion.

(ii) Insurance contract liabilities

	Group	
	2019	2018
	RM'000	RM'000
Gross		
Life insurance and family takaful	3,177,537	2,581,250
General insurance and takaful	1,916	1,143,079
	<u>3,179,453</u>	<u>3,724,329</u>
Reinsurance		
Life insurance	(260,988)	(184,623)
General insurance	(545)	(545)
	<u>(261,533)</u>	<u>(185,168)</u>
Net		
Life insurance and family takaful	2,916,549	2,396,627
General insurance and takaful	1,371	1,142,534
	<u>2,917,920</u>	<u>3,539,161</u>

(iii) Deferred liabilities and income

	Deferred income RM'000
2019	
Amount recognised	2,570,919
Accumulated realisation	(542,635)
	<u>2,028,284</u>
Due within 12 months (Note 63)	84,105
Due after 12 months	1,944,179
	<u>2,028,284</u>

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

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

	Deferred income RM'000
2018	
Amount recognised	2,561,651
Accumulated realisation	(480,344)
	<u>2,081,307</u>
Due within 12 months (Note 63)	73,138
Due after 12 months	2,008,169
	<u>2,081,307</u>

Included in deferred income is the following:

(a) Deferred lease rental income

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

67. Lease liabilities

Included in finance lease liabilities are leases of aircraft.

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

The finance lease of the Group has tenure ranging between 5 to 12 years. The range of interest rate as at the reporting date ranging between 1.45% to 6%.

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67. Lease liabilities (cont'd.)

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

	Note	Group 2019 RM'000
At 1 January 2019		12,129,068
Transfer from borrowings	61	606,970
Addition		182,883
Accretion of interest		600,730
Payment		(2,087,005)
Foreign currency translation		(89,171)
		<u>11,343,475</u>

Analysed as:

	2019 RM'000
Amount due within 12 months	1,641,980
Amount due after 12 months	9,701,495
	<u>11,343,475</u>

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

	2019 RM'000
Not later than one year	1,641,980
More than 1 year and within 5 years	5,149,029
More than 5 years	4,552,466
	<u>11,343,475</u>

The following are the amounts recognised in profit or loss:

	2019 RM'000
Depreciation expense of right-of-use assets	1,352,325
Interest expense on lease liabilities	600,470
Expenses relating to short term leases	82,473
Expenses relating to leases of low-value assets	3,725
Expenses relating to variable leases	824
Expenses relating to operating leases	700
	<u>2,363,517</u>

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68. Financial risk management objectives and policies

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

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

(a) Equity price risk

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

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

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

Sensitivity analysis for equity price risk

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

	Effect on equity RM'000	Effect on profit or loss RM'000
Group		
2019		
Increase in 12% of equity price	1,691,395	2,453,146
Decrease in 12% of equity price	<u>(1,691,395)</u>	<u>(2,453,146)</u>

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

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

	Effect on equity RM'000	Effect on profit or loss RM'000
2018		
Increase in 12% of equity price	2,222,686	1,712,792
Decrease in 12% of equity price	(2,222,686)	(1,712,792)
	<u>2,222,686</u>	<u>(1,712,792)</u>

(b) Fuel price risk

Fuel price risk is the risk that future cash flows of the Group's financial instruments will fluctuate because of changes in market prices of fuel.

The Group's earnings are affected by changes in the price of jet fuel, as a subsidiary of the Group operates in the air transportation business which require a continuous supply of fuel for its aircrafts. The Group manages this risk by using instruments such as swaps and options designated as hedge of highly probable forecast fuel purchases to reduce the volatility of cash flows. The Group's risk management strategy is to maintain a competitive hedge with regards to its competitors. The Group's risk management policy is to hedge up to 36 months forward with specified maximum and minimum hedge coverage. The percentage is guided by both competitive hedge policy and management's judgement.

As at 31 December 2019, the Group has entered into various fuel hedging transactions for years up to 31 December 2020 in lots totalling 7,325,000 barrels (2018: 8,800,000 barrels).

Sensitivity analysis for fuel price risk

The fuel price sensitivity analysis is based on fuel hedging contracts that are still outstanding as at the end of the financial year and unhedged fuel contracts. At the reporting date, if fuel price increases or decreases, each by USD10 per barrel, the effects are as follows:

Group	Increase/(decrease)			
	2019	Profit net of tax	2018	Profit net of tax
	Equity RM'000	RM'000	Equity RM'000	RM'000
Increase in USD10 per barrel	(576,387)	875,482	(544,236)	907,634
Decrease in USD10 per barrel	576,387	(875,482)	544,236	(907,634)
	<u>576,387</u>	<u>(875,482)</u>	<u>544,236</u>	<u>(907,634)</u>

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

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates.

The Group's exposure to interest rate risk arises primarily from its loans and borrowings.

The Group actively manages its interest rate risk by maintaining a portfolio of financial instruments, including derivatives guided by its investment guidelines and policies, and regular reviews of its debt portfolio, interest rates and market expectations.

Sensitivity analysis for interest rate risk

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's profit/(loss) before tax (due to changes in the interest expense on floating rate borrowings and interest rate derivatives) and equity (due to changes in the cash flow hedge):

Group	Effect on equity RM'000	Effect on profit or loss RM'000
2019		
Increase in 25 basis points		
Decrease in 25 basis points	771	(3,604)
	(771)	3,604
2018		
Increase in 25 basis points	(887)	(1,673)
Decrease in 25 basis points	887	1,673

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

	2019		2018	
	Weighted average interest rates %	Average maturity days	Weighted average interest rates %	Average maturity days
Licensed banks	3.25	-	3.59	-

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68. Financial instruments and related disclosures (cont'd.)

(c) Interest rate risk (cont'd.)

Financial liabilities

	2019		2018	
	Weighted Average interest rates %	Average maturity years	Weighted Average interest rates %	Average maturity years
Bank overdrafts	7.73	Within 1 year	8.17	Within 1 year
Revolving credit	4.03	Within 1 year	4.21	Within 1 year
Finance lease and hire purchase	1.93	1 to 12 years	4.27	1 to 12 years
Term loans	4.82	<u>1 to 5 years</u>	6.56	<u>1 to 5 years</u>

(d) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group's exposure to foreign exchange risk arises mainly from borrowings, operating revenues and expenses which are denominated in foreign currencies mainly US Dollar ("USD"), Chinese Renminbi ("CNY") and Singapore Dollar ("SGD").

The Group maintains a natural hedge, whenever possible, by borrowings in the currency of the country in which the property or investment is located or by borrowing in currencies that match the future revenue streams to be generated from its investments.

Foreign exchange exposures in transactional currencies other than functional currencies of the operating entities are kept to an acceptable level and short term imbalances are addressed by buying or selling foreign currencies at spot rates.

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

(d) Foreign currency risk (cont'd.)

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity to a reasonably possible change in respective foreign currency exchange rates, with all other variables held constant, of the Group's profit/(loss) before tax (due to translation of monetary items):

Group	Changes in rate	Effect on profit/(loss) before tax RM'000
2019		
USD/RM - Strengthened	+5%	(421,262)
- Weakened	-5%	421,262
SGD/RM - Strengthened	+5%	(137,000)
- Weakened	-5%	137,000
CNY/RM - Strengthened	+5%	155,000
- Weakened	-5%	(155,000)
2018		
USD/RM - Strengthened	+5%	(562,247)
- Weakened	-5%	562,247
SGD/RM - Strengthened	+5%	(135,998)
- Weakened	-5%	135,998
CNY/RM - Strengthened	+5%	123,000
- Weakened	-5%	(123,000)

(e) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including investment securities, cash and bank balances and derivatives), the Group minimise 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.

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

(e) Credit risk (cont'd.)

Credit evaluations are performed on all customers requiring credit over a certain amount and strictly limiting the Group's associations to business partners with high credit worthiness. Trade and other receivables are monitored on an ongoing basis.

Deposits with banks and other financial institutions and derivatives that are neither past due nor impaired are placed with or entered with reputable financial institutions or companies with no history of default.

Exposure to credit risk

At the reporting date, the Group's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised on the balance sheet, including derivatives with positive fair values.

Financial assets that are neither past due nor impaired

Information regarding trade and other receivables that are neither past due nor impaired is disclosed in Note 58 and Note 59, respectively. Deposits with banks and other financial institutions, investment securities and derivatives that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

(f) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulties in meeting their financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Group actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all refinancing, repayment and funding needs are met. As part of its overall prudent liquidity management, the Group endeavours to maintain sufficient level of cash or cash convertible investments to meet its working capital requirements.

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

(f) 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 fundings so as to achieve the Group's asset and liability management strategy.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted repayment obligations.

	On demand or within one year RM'000	1 to 5 years RM'000	More than 5 years RM'000	Total RM'000
2019				
Financial liabilities				
Trade payables	3,341,591	-	-	3,341,591
Other liabilities	3,060,152	750,547	471,196	4,281,895
Borrowings	7,462,660	19,717,272	7,327,877	34,507,809
Derivative liabilities	-	1	-	1
Total undiscounted financial liabilities	<u>13,864,403</u>	<u>20,467,820</u>	<u>7,799,073</u>	<u>42,131,296</u>
2018				
Financial liabilities				
Trade payables	2,725,414	-	-	2,725,414
Other liabilities	1,027,839	858,973	2,680,075	4,566,887
Borrowings	11,516,759	27,823,215	22,184,830	61,524,804
Derivative liabilities	7,055	147,793	-	154,848
Total undiscounted financial liabilities	<u>15,277,067</u>	<u>28,829,981</u>	<u>24,864,905</u>	<u>68,971,953</u>

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69. Fair value of financial instruments

(a) Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value

	Group Carrying amount RM'000	Fair value RM'000
2019		
Financial assets		
Other financial assets		
- Unquoted shares at cost less impairment	66,437	*
Financial liabilities		
Borrowings	40,208,734	41,927,572
2018		
Financial assets		
Other financial assets		
- Unquoted shares at cost less impairment	76,812	*
Financial liabilities		
Borrowings	32,559,776	33,057,839

* 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.

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

(b) Determination of fair value

(i) Cash and cash equivalents, receivables and payables

The carrying amount of these financial assets and liabilities are reasonable approximation of fair value due to either their short term nature or they are repayable on demand.

(ii) Quoted shares

The fair value of quoted shares is determined directly by reference to their published market bid price at the reporting date.

(iii) Financial assets designated as fair value through profit and loss

The fair value of unquoted bonds and structured products are based on the indicative fair values obtained from Bondweb, Bloomberg and/or respective licensed banks.

(iv) Loans receivable

The fair value of loans receivable are estimated by discounting the estimated future cash flows using current interest rates for financial assets with similar risk profile.

(v) Embedded derivatives

The fair value of embedded derivatives are valued using the Binomial model with market observable inputs. The model incorporates various inputs including closing market prices of underlying shares, foreign exchange spot rates and market interest rates.

(vi) Derivatives

Forward currency contracts and interest rate swap contracts are valued using a valuation technique with market observable inputs. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates and interest rate curves.

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

(b) Determination of fair value (cont'd.)

(vii) Loans and borrowings

The carrying amount of the current portion of loans and borrowings is reasonable approximations of fair value due to the insignificant impact of discounting.

The carrying amount of certain loans and borrowings is reasonable approximations of fair value as they are floating rate instruments that are re-priced to market interest rates near the reporting date.

The fair value of non-current loans and borrowings, other than floating rate instruments, are estimated by discounting expected future cash flows at market incremental lending rate for similar types of borrowing at the reporting date.

(c) Fair value measurement hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;

Level 2: other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly;

Level 3: techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

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

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

Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at 31 December 2019:

Assets and liabilities measured at fair value	Carrying amount RM'000	Fair value measurement using		
		Quoted market price Level 1 RM'000	Observable input Level 2 RM'000	Unobservable input Level 3 RM'000
Financial assets				
Financial assets designated as fair value through profit or loss				
- Shares	17,114,812	13,147,268	3,967,544	-
- Bonds	2,920,144	448,278	2,471,866	-
- Funds	407,927	407,927	-	-
Financial assets designated as fair value through other comprehensive income				
- Shares	12,940,629	12,649,201	291,428	-
- Bonds	1,146,236	328,558	817,678	-
- Funds	8,097	-	8,097	-
Derivative assets	1	-	1	-
Financial liability				
Derivative liabilities	207,699	-	207,699	-
Assets and liabilities for which fair values are disclosed				
Assets				
Interest in associates				
- Quoted shares	39,867,914	71,427,888	-	-
Investment properties	3,073,959	-	-	8,722,295
Liability				
Borrowings	40,208,734	-	41,927,572	-

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

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

Quantitative disclosures fair value measurement hierarchy for assets and liabilities as at 31 December 2018:

Assets and liabilities measured at fair value	Carrying amount RM'000	Fair value measurement using		
		Quoted market price Level 1 RM'000	Observable input Level 2 RM'000	Unobservable input Level 3 RM'000
Financial assets				
Financial assets designated as fair value through profit or loss				
- Shares	12,082,175	11,153,761	928,414	-
- Bonds	1,591,490	448,278	1,143,212	-
- Funds	599,600	407,927	191,673	-
Financial assets designated as fair value through other comprehensive income				
- Shares	17,376,150	16,280,718	1,095,432	-
- Bonds	1,146,236	328,558	817,678	-
Derivative assets	24,614	-	24,614	-
Financial liability				
Derivative liabilities	435,893	-	435,893	-
Assets and liabilities for which fair values are disclosed				
Assets				
Interest in associates				
- Quoted shares	42,490,957	79,287,937	-	-
Investment properties	3,044,449	-	-	8,365,644
Liability				
Borrowings	32,559,776	-	33,057,839	-

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

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70. Financial instruments by category

31 December 2019

	Amortised cost RM'000	Financial assets designated as fair value through profit or loss RM'000	Financial assets designated as fair value through other comprehensive income RM'000	Total RM'000
Financial assets				
Cash and bank balances	11,144,088	-	-	11,144,088
Other financial assets	593,177	20,442,883	14,161,399	35,197,459
Derivative assets	-	1	-	1
Other receivables	7,578,911	-	-	7,578,911
Total	19,316,176	20,442,884	14,161,399	53,920,459
Financial liabilities				
		Financial liabilities designated as fair value through profit or loss RM'000	Financial liabilities at amortised cost RM'000	Total RM'000
Borrowings		-	61,639,366	61,639,366
Derivative liabilities		207,699	-	207,699
Other payables		-	10,425,257	10,425,257
Total		207,699	72,064,623	72,272,322

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

31 December 2018

	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	5,730,632	-	-	5,730,632
Other financial assets	2,507,782	14,273,265	18,599,198	35,380,245
Derivative assets	-	24,614	-	24,614
Other receivables	10,176,434	-	-	10,176,434
Total	18,414,848	14,297,879	18,599,198	51,311,925

	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	-	77,391,447	77,391,447
Derivative liabilities	435,893	-	435,893
Other payables	-	10,167,704	10,167,704
Total	435,893	87,559,151	87,995,044

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71. Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group regularly reviews and manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

No changes were made in the objectives, policies or processes in regards to the Group's management of its capital structure during the financial years ended 31 December 2019 and 31 December 2018.

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 2019 and 31 December 2018.

The Group monitors capital using a gearing ratio, which is defined as net debt divided by total capital. The Group's policy is to keep the gearing ratio below two and a half times. The Group includes within net debt, loans and borrowings less cash and bank balances. Capital represents equity attributable to the owners of the Group.

Although this guiding principle and objective is consistent throughout the Group, the Group consists of subsidiaries and subsidiaries groups' with their own governing Boards and management that will apply different key measurements for its capital structure management including gearing ratio.

		Group	
	Note	2019	2018
		RM'000	RM'000
Long term borrowings	61	47,090,298	54,150,732
Short term borrowings	61	14,549,068	23,240,715
Less: Cash and bank balances	60	<u>(11,144,088)</u>	<u>(5,730,632)</u>
Net debt		<u>50,495,278</u>	<u>71,660,815</u>
Share capital	27	12,284,201	12,284,201
Capital contribution from shareholders		4,124,423	4,124,423
Reserves		<u>39,702,067</u>	<u>33,887,504</u>
Equity attributable to the owners of the Group		<u>56,110,691</u>	<u>50,296,128</u>
Gearing ratio (times)		<u>0.90</u>	<u>1.42</u>

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72. Commitments**Capital commitment**

	Group	
	2019	2018
	RM'000	RM'000
Approved and contracted for	5,411,076	5,610,064
Approved but not contracted for	7,977	20,195
	<u>5,419,053</u>	<u>5,630,259</u>
Analysed as follows:		
Property, plant and equipment and land held for property development	5,390,915	5,600,496
Investments	-	29,763
Others	28,138	-
	<u>5,419,053</u>	<u>5,630,259</u>

73. Contingent liabilities**Aur Ventures Sdn. Bhd. ("Aur")**

		Group	
		2019	2018
		RM'000	RM'000
Guarantee given to Yayasan Hasanah	(i)	-	3,000,000
Bank performance bonds and guarantees		-	309,820
		<u>-</u>	<u>3,000,000</u>

(i) The Company's SPV, Aur Ventures Sdn. Bhd. ("Aur") entered into an Investment Management Agreement ("IMA") with Yayasan Hasanah ("YH"), where it guarantees the followings:

- (a) a minimum return of no less than the amount required by YH based on YH's annual budget as approved by the Board of Trustees of YH, subject to a maximum limit of RM150 million per annum; and
- (b) the invested capital of RM3 billion for such period of time until the termination of the IMA

As at 31 December 2019, no provision is required to be made as the guarantees given will be dissolved upon the completion of the transaction as disclosed in Note 75.

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73. Contingent liabilities (cont'd.)

Malaysian Airline System Berhad ("MAS")

(a) Flight MH370

Following the disappearance of flight MH370, next-of-kin of the passengers are entitled to receive compensation for the losses they suffered. The compensation amounts payable to the next-of-kin of the passengers will be fully covered by the MAS's aviation liability insurance policy and will be determinable upon submission and verification of the losses suffered by the respective next-of-kin.

As at 31 December 2019, MAS has concluded close to 50% of claims by the next-of-kin. Claims filed in court in relation to flight MH370 will be resolved via the legal process.

These compensation amounts payable are not expected to have significant impact to MAS's results in the financial statements as any future claims (including legal cases) or compensation payable to the next-of-kin of the passengers will also be fully covered by MAS's aviation liability insurance policies.

(b) Flight MH17

Following the catastrophic loss of flight MH17, next-of-kin of the passengers are entitled to receive compensation for the losses they suffered. The compensation amounts payable to the next-of-kin of the passengers will be fully covered by MAS's aviation liability insurance policy and will be determinable upon submission and verification of the losses suffered by the respective next-of-kin. As at 31 December 2019, MAS has concluded close to 90% of claims by the next-of-kin. Claims filed in court in relation to flight MH17 will be resolved via the legal process.

These compensation amounts payable are not expected to have significant impact to MAS's results in the financial statements as any future claims (including legal cases) or compensation payable to the next-of-kin of the passengers will also be fully covered by MAS's aviation liability insurance policies.

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73. Contingent liabilities (cont'd.)

Malaysian Airline System Berhad ("MAS") (cont'd.)

- (c) On 11 November 2012, the Company instituted a claim against Silkways Cargo Service Ltd ("Silkways") (a former General Sales Agent of the Company) pursuant to a Side Letter dated 1 March 2009 to a general sales agency agreement (cargo) dated 1 March 2009 made between the Company and Silkways. The claim was for the sum of USD150,000 plus interest of USD13,125 for the shortage of cargo sale for the period from March 2011 to February 2012 as Silkways was supposed to achieve a total sale of USD8,500,000 but Silkways only achieved a total sale of USD5,155,000.

On 15 November 2012 the Company filed an additional claim against Silkways for the sum of approximately BDT262,244,000 for, among others, losses suffered in connection with cargo sales, passenger ticket sales, goodwill losses, and loss of business.

In response to the claims, Silkways had on 24 November 2013 filed a counterclaim against MAS for the sum of BDT2,786,416,000 for, among others, commission charges, loss of business and goodwill. MAS's solicitors had on 6 July 2014 filed a written statement in reply to this counterclaim, and are currently waiting for decision by the District Court of Dhaka.

There was no update in the case from prior year. As MAS is still waiting for decision by the court, therefore it is not practicable to state the timing of any payment.

UEM Group Berhad ("UEM")

- (d) On 3 October 2011, Bandar Nusajaya Development Sdn Bhd ("BND") received a notice of additional assessment from IRB for additional tax and penalty of RM50.9 million and RM22.9 million respectively in respect of year of assessment 2006.

On 4 September 2012, the High Court ruled in favour of BND and declared that IRB had no legal basis to raise the additional assessment. Following the decision held by the High Court, IRB filed an appeal to the Court of Appeal against the decision.

The Court of Appeal, having heard and considered the submissions by both parties on 19 and 20 May 2014, unanimously decided that there are no merits in the appeal by the IRB and thus agreed with the decision of the High Court which ruled in favour of BND. IRB had on 18 June 2014 filed an application for leave to the Federal Court to appeal against the decision of the Court of Appeal.

On 18 October 2016, the Federal Court reversed the decisions of the Court of Appeal and the High Court, and ordered that BND appealed by way of filing a notice of appeal to the Special Commissioners of Income Tax ("SCIT"). This resulted in the additional assessment of RM73.8 million became due and the amount had been fully settled by BND on 5 December 2016 accordingly.

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73. Contingent liabilities (cont'd.)

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

(d) (cont'd.)

On 25 October 2016 and 26 October 2016, BND filed a notice of appeal, but it was rejected by IRB on even date. Subsequently on 10 November 2016, BND filed a notice for extension of time to make an appeal to the SCIT, and it was rejected by IRB on 8 February 2017. On 17 January 2017, BND filed a judicial review application against the rejection of the notice of appeal.

In addition, BND filed a written representation directly to the SCIT requesting for approval to file the notice of appeal, and the approval was obtained on 3 March 2017. Subsequently on 20 March 2017, BND filed the notice of appeal. The notice of appeal was presented by IRB to SCIT on 14 March 2018. Accordingly, the judicial review (which was lodged at the High Court concurrently) had been withdrawn. The hearing for the case has been fixed on 14 and 15 September 2021.

BND's solicitors are of the view that BND has a strong case to argue that IRB has no legal or factual basis neither to issue the notice of additional assessment nor to impose the penalty.

(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 RM987.9 million as material and moral damage for the losses incurred as per the reasons detailed in the initiatory pleading, along with preserving the right of plaintiff to indemnity for delay in the project and any other damages. The claims were amended to QR1,171.8 million or RM1,318.0 million on 31 December 2009. An additional claim against UEM of QR11.0 million or RM12.4 million was filed on 24 February 2011.

UEM filed the short memorial of defence, together with a counter claim of QR855.6 million or RM962.3 million on 15 October 2009. The counter claim was subsequently amended to QR1,259.7 million or RM1,416.8 million.

On 9 January 2014, the CoFI passed a preliminary decision deputing a panel of experts to examine the matter, which was subsequently formed. On 17 March 2015, the CoFI granted UEM's request to replace one of the accounting experts with a quantity survey expert.

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73. Contingent liabilities (cont'd.)

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

(e) (cont'd.)

Subsequent to the submission of the report and exhibits by the experts in November and December 2016, the Plaintiff and the defendants filed memorial with comments on the expert's findings. At the 14 March 2017 hearing, the experts submitted their supplementary report. All parties submitted their comments on the supplementary report on 30 March 2017. Further comments on the supplementary report were submitted on 11 April 2017. The Court scheduled the judgment on 27 April 2017.

At the 27 April 2017 hearing, the CoFI decided that the case requires essential documents, which had not been submitted by the parties in order for the Court to reach a verdict. Accordingly, the CoFI decided to re-open the case for further deliberation.

Following the submission of documents by the Plaintiff, 1st Defendant and UEM in May and June 2017, the CoFI gave an oral judgment on 21 June 2017. The written judgement received on 13 July 2017 provided the breakdown of the amount awarded to UEM of QR208.2 million or RM234.3 million, as well as the amount awarded to Plaintiff of QR147.3 million or RM165.7 million.

The Plaintiff, the 1st Defendant and UEM had separately filed appeal against the CoFI's judgment. On 15 October 2017, the Court of Appeal decided to consolidate all the three appeals. On 7 January 2018, the Plaintiff, UEM and the 3rd Defendant submitted their respective memorandum while the 2nd Defendant filed its memorandum on 19 January 2018.

On 7 April 2019, the Court of Appeal announced that the case file of the CoFI has been consolidated to the case file of the ongoing appeals. On 25 February 2020, all parties requested the Court of Appeal to put the three appeals for judgment. The matter is fixed for judgment on 28 April 2020.

- (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:

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

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73. Contingent liabilities (cont'd.)

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

(f) (cont'd.)

On 25 April 2018, UEM Land had successfully applied to strike out Datuk Kasi A/L K.L. Palaniappan ("Datuk Kasi"), the First Plaintiff in the suit, as a party in the Claim. The remaining Plaintiff in the suit, Impressive Circuit Sdn Bhd, successfully added two other Defendants in the suit namely Menara Embun Sdn Bhd and Modern Eden Sdn Bhd.

On 20 June 2018, Datuk Kasi and the 2nd – 6th Defendants had respectively filed their appeal to the Court of Appeal against the High Court's decision on 25 April 2018. Datuk Kasi is appealing against the High Court's decision in allowing the 7th - 9th Defendants Striking Out and Misjoinder application, striking Datuk Kasi out as a party. The 2nd – 6th Defendants are appealing against the dismissal of their application to strike themselves out as parties to the action by the High Court. On 18 September 2019, Datuk Kasi's appeals were withdrawn, whereas the 2nd - 6th Defendants' appeals were dismissed by the Court of Appeal.

On 28 May 2019, the Plaintiff has filed a motion in the Court of Appeal, seeking for an extension of time to serve a notice of appeal against the 7th - 12th Defendants. The motion is fixed for hearing on 12 October 2020. Further, on 3 December 2019, the Court allowed the Plaintiff's application to cross-examine deponents of various affidavits filed by the Defendants. The matter is fixed for hearing (cross-examination of deponents) from 8 September 2020 to 10 September 2020.

UEM Land denies allegations made by the Plaintiffs and will be vigorously defending the Claim and is seeking advice from its solicitors to that end. Based on the foregoing, at this juncture, the Claim has no material financial and operational impact to the Group. The solicitor is of the view that UEM Land has a reasonably good chance of success in defending the Plaintiffs' case against UEM Land.

(g) On 10 November 2016, Jetpur Somnath Tollways Private Limited ("JSTPL")'s concession agreement with National Highways Authority of India ("NHAI") was terminated. Following the termination, on 27 March 2017, NHAI had released a payment in respect of the settlement of the termination payment amounting to INR225.1 Crore or RM142.7 million. JSTPL disputed the settlement amount from NHAI and had initiated

Following an order from the High Court of India, NHAI paid INR6.1 Crore or RM3.9 million to JSTPL on 1 August 2017. At the same time, the High Court also instructed NHAI to pay INR348.6 Crore or RM221.0 million to JSTPL as an interim relief upon furnishing a bank guarantee of the same amount, pending final arbitration award. The High Court order, which was subsequently challenged by NHAI, was upheld by the Supreme Court of India on 5 January 2018.

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73. Contingent liabilities (cont'd.)

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

(g) (cont'd.)

The amount, which was received by JSTPL on 29 January 2018, together with further injection from shareholders of JSTPL, were utilised to fully settle JSTPL's borrowing.

The balance of JSTPL's concession intangible assets, after taking into account the total termination payment received from NHAJ above, was fully impaired.

The arbitration proceedings are currently ongoing, the solicitors of JSPTL are of the opinion that JSTPL has a good chance to recover termination payment in addition to INR348.6 Crore or RM221.0 million received in January 2018 and will not be required to pay back the said amount to NHAJ under the final arbitration process.

(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:

- (i) contract ("Contract") dated 5 February 2010 between UEM Builders (as the Contractor) and BEDB (as the Employer) for the design, procurement, construction, commissioning, completion and maintenance of a pilot scheme to design and build 4,000 houses together with the necessary supporting infrastructure for the National Housing Scheme Of Brunei Darussalam on a green-field site at Mengkubau, Kampong Mentiri, Bandar Seri Begawan in Brunei Darussalam; and
- (ii) Parent Company Guarantee ("PCG") dated 31 March 2010 provided by UEM to guarantee UEM Builders's performance of the Contract and indemnify the BEDB against all losses, damages, costs and expenses which may be incurred by BEDB by reason of any default on the part of UEM Builders in performing and observing the agreements and provisions contained in the Contract.

BEDB alleges that UEM Builders and UEM have breached their obligations under the Contract and PCG respectively and claimed damages against both parties in the sum of BND40.4 million or RM122.8 million (as quantified in the Notice of Arbitration) as well as interest and costs.

The solicitors have been appointed representing UEM Builders and UEM. At this preliminary stage of arbitration, the amount of the possible obligations cannot be measured with sufficient reliability and the possibility of an outflow is uncertain. Therefore, no provision has been recognised on the potential obligations.

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73. 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 Agreement and Conditions of PAM Contract 2006 (With Quantities) ("Agreement") together with a Letter of Award dated 15 June 2012 ("LOA") for the construction of Imperia in Puteri Harbour, Iskandar Puteri, Johor ("Project") seeking a declaration sum of RM29.2 million as the total amount of the final account. The LOA is to be read together with the Agreement (collectively referred to as the "Contract").

IECSB was appointed by UEM Land as the main contractor for the construction of the Project under the Contract at a sum of RM268.6 million. Its scope covers the:

- (a) Overall main works;
- (b) Stesen Suis Utama' and 'Pencawang Pembahagian Utama'; and
- (c) Construction of mock-up units

IECSB has raised certain claims with respect to the performance of the obligations in the Contract and seeks inter alia, a declaration that RM29.2 million be the total and final amount of the final account or any other amount assessed by the Arbitral Tribunal.

UEM Land's position is that IECSB's claims are without merits and UEM Land will vigorously defend its position accordingly.

The Asian International Arbitration Centre has appointed Mr. Wayne Martin as the arbitrator on behalf of both parties. It has been agreed by both parties that IECSB to file its Statement of Claim within 45 days from 21 October 2019, and UEM Land to file its Statement of Defence and Counterclaim within 45 days from the receipt of the Statement of Claim. Subsequently, IECSB to file its Statement of Reply and Defence to Counterclaim within 30 days from the receipt of the Defence and Counterclaim, and UEM Land to file its Statement of Reply to Defence to Counterclaim within 30 days from the receipt of the Statement of Reply and Defence to Counterclaim.

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73. Contingent liabilities (cont'd.)

Cenergi SEA Sdn Bhd ("Cenergi")

- (j) The Group 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. The Group is currently in the process of renegotiating the terms of the contracts.

74. Significant events

The following are the significant events of the Group during the financial year ended 31 December 2019:

UEM Group Berhad ("UEM")

On 28 November 2019, PLUS Expressways International Berhad Group ("PEIB") had disposed its entire 55% equity interest in PT Lintas Marga Sedaya ("LMS") for a cash consideration of RM2.0 billion with a corresponding gain on disposal of RM1.5 billion.

75. Subsequent events

The following are the significant subsequent events of the Group after the financial year ended 31 December 2019:

Novel coronavirus ("COVID-19")

The World Health Organisation ("WHO") declared the novel coronavirus ("COVID-19") a global pandemic in March 2020, given the alarming level of spread and severity of the virus across the world. As a result, economies have been hit, global equity markets depressed, supply chain disrupted and weaker domestic demands.

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75. Subsequent events (cont'd.)

Novel coronavirus (“COVID-19”) (cont'd.)

There is no material uncertainty on the Group’s and Company’s ability to continue as a going concern, although COVID-19 is expected to impact future valuation of the investment portfolio and financial performance of certain sectors within the Group, mainly aviation, leisure and tourism, financial services and infrastructure sectors. The extent of the impact is neither measurable nor quantifiable at this juncture as it will depend on the duration of this pandemic as well as steps taken to promote economic recoveries by the government.

The financial statements of the Group and of the Company have been prepared based upon existing conditions as at 31 December 2019 and as the outbreak of COVID-19 occurred after this date, its impact is considered to be an event that is indicative of conditions that arose after the reporting date. Accordingly, no adjustments have been made to the financial statements as at 31 December 2019 in respect of COVID-19.

Malaysia Aviation Group Berhad (“MAGB”)

On 14 February 2020, Khazanah and MAGB entered into a Letter of Undertaking whereby in consideration of Khazanah receiving the documents for the land transfer from Impeccable Vintage Properties (“IVP”), IVP entity will be acquired by Khazanah from MAGB and the purchase consideration will be based on the net book value of the investment in IVP at the transfer date.

Aur Ventures Sdn. Bhd.

In January 2020, Yayasan Hasanah has accepted a letter of offer issued by Khazanah to subscribe into Khazanah's 20-year Medium Term Notes (“MTNs”) of up to RM2.901 billion in nominal value issued or guaranteed by Khazanah in exchange for the transfer of Yayasan Hasanah's Investment portfolio net off the amount due to Aur Ventures Sdn Bhd of RM99 million (“Transaction”).

As a result of this Transaction, the Company will cease to be the fund manager of Yayasan Hasanah and accordingly, the guarantees given by the Company will be dissolved.

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76. Segment information

The Group is principally engaged in the following activities:

- (i) Investment holding;
- (ii) Infrastructure and construction;
- (iii) Property;
- (iv) Financial Institution Group;
- (v) Transportation & Logistics;
- (vi) Leisure & Tourism;
- (vii) Agrifood;
- (viii) Others.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker.

The Directors are of the opinion that all inter-segment transactions have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

No segment information by geographical area has been presented as the Group operates predominantly in Malaysia.

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76. Segment information (cont'd.)

2019

	Investment Holding	Infrastructure & Construction	Property	Financial Institution Group	Transportation & Logistics	Leisure & Tourism	Agrifood	Others	Elimination	Total
-----RM million-----										
REVENUE										
External sales	5,609	8,289	19	1,334	10,888	633	114	1,096	-	27,982
Inter-segment sales	5,307	-	-	-	-	-	-	-	(5,307)	-
Total revenue	10,916	8,289	19	1,334	10,888	633	114	1,096	(5,307)	27,982
RESULTS										
Operating profit/(loss)	8,935	2,290	(109)	63	(225)	(423)	43	(6,064)	-	4,510
Finance cost	(2,214)	(431)	(9)	-	(908)	(100)	(2)	(56)	-	(3,720)
Share of results from associates and joint venture	4,745	49	(19)	-	3	(538)	10	495	-	4,745
Profit/(loss) before tax	11,466	1,908	(137)	63	(1,130)	(1,061)	51	(5,625)	-	5,535
Taxation	(81)	(248)	(7)	(37)	142	(5)	(1)	22	-	(215)
Profit/(loss) after tax	11,385	1,660	(144)	26	(988)	(1,066)	50	(5,603)	-	5,320
Non controlling interests	-	(121)	6	26	(3)	141	-	3	-	52
Net profit/(loss) for the year	11,385	1,539	(138)	52	(991)	(925)	50	(5,600)	-	5,372
ASSETS AND LIABILITIES										
Segment assets	43,655	21,482	2,502	6,092	4,862	4,903	393	6,670	-	90,559
Investment in associates	59,427	582	417	-	36	-	99	28	-	60,589
Investment in joint ventures	1,252	1,093	101	-	-	74	97	1,445	-	4,062
Consolidated total assets	104,334	23,157	3,020	6,092	4,898	4,977	589	8,143	-	155,210
Segment liabilities	46,724	10,267	800	3,512	31,935	2,489	113	(2,392)	-	93,448
Consolidated total liabilities	46,724	10,267	800	3,512	31,935	2,489	113	(2,392)	-	93,448

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76. Segment information (cont'd.)

2018

	Investment Holding	Infrastructure & Construction	Property	Financial Institution Group	Transportation & Logistics	Leisure & Tourism	Agrifood	Others	Elimination	Total
-----RM million-----										
REVENUE										
External sales	1,470	5,817	33	1,076	10,487	454	141	1,188	-	20,666
Inter-segment sales	2,919	-	-	-	-	-	-	-	(2,919)	-
Total revenue	4,389	5,817	33	1,076	10,487	454	141	1,188	(2,919)	20,666
RESULTS										
Operating profit/(loss)	(5,225)	665	(41)	(194)	(3,710)	(337)	(75)	3,064	-	(5,853)
Finance cost	(2,353)	(375)	(20)	-	(394)	(60)	(4)	(47)	-	(3,253)
Share of results from associates and joint venture	1,280	(62)	(4)	-	3	(5)	9	28	-	1,249
Profit/(loss) before tax	(6,298)	228	(65)	(194)	(4,101)	(402)	(70)	3,045	-	(7,857)
Taxation	(249)	(190)	-	(21)	(21)	(7)	(2)	17	-	(473)
Profit/(loss) after tax	(6,547)	38	(65)	(215)	(4,122)	(409)	(72)	3,062	-	(8,330)
Profit from discontinued operations, net of taxation	-	-	-	(321)	-	-	-	-	-	(321)
Non controlling interests	-	(9)	2	(71)	(4)	57	1	(1)	-	(25)
Net profit/(loss) for the year	(6,547)	29	(63)	(607)	(4,126)	(352)	(71)	3,061	-	(8,676)
ASSETS AND LIABILITIES										
Segment assets	35,176	24,069	2,664	5,464	9,235	5,118	410	2,415	-	84,551
Investment in associates	54,728	540	433	-	9,235	-	87	83	-	65,106
Investment in joint ventures	1,885	1,199	102	-	-	-	55	1,229	-	4,470
Consolidated total assets	91,789	25,808	3,199	5,464	18,470	5,118	552	3,727	-	154,127
Segment liabilities	55,913	13,963	801	2,897	24,008	2,242	142	(2,186)	-	97,780
Consolidated total liabilities	55,913	13,963	801	2,897	24,008	2,242	142	(2,186)	-	97,780

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77. Subsidiaries and associates of the Company

(A) Subsidiaries of the Company

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2019 %	2018 %	2019 %	2018 %	
Agrifood Resources Holdings Sdn. Bhd. ("ARHSB")	Malaysia	100.0	100.0	-	-	Investment holding
Atlantic Quantum Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Investment holding and provision of management services
Aur Investments (Cayman Islands) Limited #	Cayman Islands	100.0	100.0	-	-	Investment holding
Aur Ventures Sdn. Bhd. #	Malaysia	100.0	100.0	-	-	Investment holding
Balok Ventures Sdn. Bhd. #	Malaysia	100.0	100.0	-	-	Investment holding
Banggi Ventures Sdn. Bhd. #	Malaysia	100.0	100.0	-	-	Investment holding
Batu Hill Development Ltd. #	England and Wales	100.0	100.0	-	-	Dormant
Bombalai Hill Ventures Sdn. Bhd. #	Malaysia	100.0	100.0	-	-	Investment holding
Brinchang Ventures Sdn Bhd #	Malaysia	100.0	100.0	-	-	Investment holding
Broga Hill Investments Limited #	Malaysia	100.0	100.0	-	-	Investment holding
Bukit Bendera Investments Limited #	Malaysia	100.0	100.0	-	-	Investment holding
Bukit Chini Investments Limited #	Malaysia	100.0	100.0	-	-	Investment holding
Bukit Damar Investments Limited #	Malaysia	100.0	100.0	-	-	Investment holding

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77. Subsidiaries and associates of the Company (cont'd.)

(A) Subsidiaries of the Company (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2019 %	2018 %	2019 %	2018 %	
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	-	-	-	Fund raising on behalf of holding company
Cenviro Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Investment holding and provision of management services
Chendering Investments Limited #	Malaysia	100.0	100.0	-	-	Investment holding
Cosmos Friendship Limited #	Hong Kong	100.0	100.0	-	-	Investment holding
Dayang Bunting Ventures Sdn. Bhd. #	Malaysia	100.0	100.0	-	-	Investment holding
Dendana Investments (Mauritius) Limited #	Mauritius	100.0	100.0	-	-	Investment holding
Feringghi Capital Limited #	Malaysia	100.0	100.0	-	-	To provide funding for the operations of Special Purpose Vehicle on behalf of its holding company

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77. Subsidiaries and associates of the Company (cont'd.)
(A) Subsidiaries of the Company (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2019 %	2018 %	2019 %	2018 %	
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. (formerly known as ("fka") Pulau Gaya 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
Iskandar Investment Berhad ("IIB")	Malaysia	60.0	60.0	40.0	40.0	Investment holding, property investment, property and land development and the provision of shared services to the subsidiaries
Iskandar Ventures Sdn. Bhd. ("IVSB") #	Malaysia	100.0	100.0	-	-	Investment holding
Jerai Ventures Sdn. Bhd. #	Malaysia	100.0	100.0	-	-	Investment holding
Kelanang Ventures Sdn. Bhd. #	Malaysia	100.0	100.0	-	-	Investment holding

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

77. Subsidiaries and associates of the Company (cont'd.)

(A) Subsidiaries of the Company (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2019 %	2018 %	2019 %	2018 %	
Khazanah Americas Incorporated #	United States	100.0	100.0	-	-	Investment advisory
Khazanah Asset Management Sdn. Bhd. #	Malaysia	100.0	100.0	-	-	Dormant
Khazanah Europe Investment Limited #	United Kingdom	100.0	100.0	-	-	Provision of intra-group financial, legal and investment advisory services, related services to the group
Khazanah Nasional Consulting (Hong Kong) Company Limited #	Hong Kong	100.0	100.0	-	-	Investment holding
Klebang Capital Ltd. #	Malaysia	100.0	100.0	-	-	Investment holding
Kuala Perlis Ventures Sdn. Bhd. #	Malaysia	100.0	100.0	-	-	Investment holding
Kuala Selangor Ventures Sdn. Bhd. #	Malaysia	100.0	100.0	-	-	Investment holding
Layang-layang Ventures Sdn. Bhd. #	Malaysia	100.0	100.0	-	-	To manage, disburse and monitor the allocation of grant from Ministry of Finance to Allied Healthcare Centre of Excellence ("AH CoE").
Ledang Ventures Pte Ltd. #	Singapore	100.0	100.0	-	-	Investment holding
Lembong Ventures Sdn Bhd. #	Malaysia	100.0	100.0	-	-	Dormant

**Khazanah Nasional Berhad
(Incorporated in Malaysia)**
77. Subsidiaries and associates of the Company (cont'd.)
(A) Subsidiaries of the Company (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2019 %	2018 %	2019 %	2018 %	
Lido Capital Ltd. #	Malaysia	100.0	100.0	-	-	Fund raising on behalf of its holding company
Little Steps Sdn. Bhd. #	Malaysia	100.0	100.0	-	-	Childcare operator
Malaysian Airline System Berhad ("MAS")	Malaysia	100.0	100.0	-	-	In liquidation
Malaysia Aviation Group Berhad ("MAGB") *	Malaysia	100.0	100.0	-	-	Investment holding
Malaysian Technology Development Corporation Sdn. Bhd. *	Malaysia	100.0	100.0	-	-	Venture capital services activities, management of government grants, technology incubation management and technology support services
Mantanani Ventures Sdn Bhd. #	Malaysia	100.0	100.0	-	-	Investment holding
Mataking Ventures Sdn. Bhd. #	Malaysia	100.0	100.0	-	-	Investment holding
Mount Bintang Ventures Sdn. Bhd. #	Malaysia	100.0	100.0	-	-	Investment holding
Mount Gading Ventures Sdn. Bhd. #	Malaysia	100.0	100.0	-	-	Investment holding
Mount Hatton Investments Limited #	Malaysia	100.0	100.0	-	-	Investment holding

**Khazanah Nasional Berhad
(Incorporated in Malaysia)**
77. Subsidiaries and associates of the Company (cont'd.)
(A) Subsidiaries of the Company (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2019 %	2018 %	2019 %	2018 %	
Mount Irau Ventures Sdn. Bhd. #	Malaysia	100.0	100.0	-	-	Providing human capital services including recruitment services, secondment and redeployment of human capital.
Mount Rajah Ventures Limited #	Jersey	100.0	100.0	-	-	Dormant
Mount Raya Investments Limited #	Malaysia	100.0	100.0	-	-	Investment holding
Mount Reskit Investments Ltd. #	Malaysia	100.0	100.0	-	-	Investment Holding
Mount Serudum Ventures Sdn. Bhd. #	Malaysia	100.0	100.0	-	-	Leasing of properties
Mount Terra Investments Limited #	Malaysia	100.0	100.0	-	-	Investment holding
Noring Investments (Mauritius) Limited #	Mauritius	100.0	100.0	-	-	Investment holding
Ophir Ventures Sdn. Bhd. #	Malaysia	100.0	100.0	-	-	Investment holding
Pagon Hill Investments Limited #	Malaysia	100.0	100.0	-	-	Investment holding
Pangkor Investments (Cayman Islands) Ltd. #	Cayman Islands	100.0	100.0	-	-	Investment holding
Pantai Air Papan Investments Limited. #	Malaysia	100.0	100.0	-	-	Investment holding

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

77. Subsidiaries and associates of the Company (cont'd.)

(A) Subsidiaries of the Company (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2019 %	2018 %	2019 %	2018 %	
Pantai Barat Investments (Cayman Islands) Ltd. #	Cayman Islands	100.0	100.0	-	-	Investment holding
Pantai Cahaya Bulan Ventures Sdn. Bhd. #	Malaysia	100.0	100.0	-	-	Investment holding
Pantai Juara Investments Limited #	Malaysia	100.0	100.0	-	-	Investment holding
Pantai Melawi Ventures Sdn. Bhd. #	Malaysia	100.0	100.0	-	-	Dormant
Pantai Morib Ventures Sdn. Bhd. #	Malaysia	100.0	100.0	-	-	Dormant
Pantai Remis Investments Limited #	Malaysia	100.0	100.0	-	-	Dormant
Pantai Saujana Investments Limited. #	Malaysia	100.0	100.0	-	-	Investment holding
Pantai Sura Investments Limited #	Malaysia	100.0	100.0	-	-	Investment holding
Pasir Salak Investments Limited #	Malaysia	100.0	100.0	-	-	Investment holding
Payar Investments Ltd. #	Malaysia	100.0	100.0	-	-	Investment holding

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

77. Subsidiaries and associates of the Company (cont'd.)

(A) Subsidiaries of the Company (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2019 %	2018 %	2019 %	2018 %	
Penerbangan Malaysia Berhad ("PMB")	Malaysia	100.0	100.0	-	-	Carrying on business of acquiring, sale and leasing of aircraft and aircraft engines, investment holding, strategic management of the domestic airline business and other related services
Perhentian Investments (Mauritius) Ltd. #	Mauritius	100.0	100.0	-	-	Investment holding
Pine Tree Hill Investments Limited #	Malaysia	100.0	100.0	-	-	Investment holding
Ponorogo Investments Limited #	Malaysia	100.0	100.0	-	-	Investment holding
Pulau Dinawan Investments Limited #	Malaysia	100.0	100.0	-	-	Investment holding
Pulau Kaca Investments Limited #	Malaysia	100.0	100.0	-	-	Investment holding
Pulau Kendi Investments Limited #	Malaysia	100.0	100.0	-	-	Investment holding
Pulau Kukup Investments (Mauritius) Ltd. #	Mauritius	100.0	100.0	-	-	Investment holding

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

77. Subsidiaries and associates of the Company (cont'd.)

(A) Subsidiaries of the Company (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2019 %	2018 %	2019 %	2018 %	
Pulau Labas Ventures Sdn. Bhd. #	Malaysia	100.0	100.0	-	-	To assist the government of Malaysia to establish the Malaysian Aviation Commission pursuant to Act 771 Malaysian Aviation Commission Act 2015
Pulau Manukan Ventures Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Investment holding
Pulau Melaka Ltd. #	Malaysia	100.0	100.0	-	-	Investment holding
Pulau Memutik Ventures Sdn. Bhd. #	Malaysia	100.0	100.0	-	-	Investment holding
Pulau Segantang Ventures Sdn. Bhd. #	Malaysia	100.0	100.0	-	-	Investment holding
Pulau Selingan Investments Limited #	Malaysia	100.0	100.0	-	-	Investment holding
Pulau Sibn Ventures Sdn. Bhd. #	Malaysia	100.0	100.0	-	-	Investment holding
Pulau Tiga Ventures Sdn. Bhd. #	Malaysia	100.0	100.0	-	-	Investment holding
Rantau Abang Capital Berhad #	Malaysia	100.0	100.0	-	-	Fund raising on behalf of the company to issue Islamic Commercial Papers and Islamic Medium Term Notes Sukuk Musyarakah
Redang Investments Ltd. #	Malaysia	100.0	100.0	-	-	Investment holding

**Khazanah Nasional Berhad
(Incorporated in Malaysia)**
77. Subsidiaries and associates of the Company (cont'd.)
(A) Subsidiaries of the Company (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2019 %	2018 %	2019 %	2018 %	
Sampadi Investments Limited #	Malaysia	100.0	100.0	-	-	Investment holding
Santubong Ventures Sdn. Bhd. #	Malaysia	100.0	100.0	-	-	Investment holding
Satang Investments Ltd. #	Malaysia	100.0	100.0	-	-	Investment holding
Sebatik Investments Limited #	Malaysia	100.0	100.0	-	-	Investment holding
Silterra Malaysia Sdn. Bhd. ("Silterra") *	Malaysia	100.0	100.0	-	-	Manufacturing of semiconductor wafer
Sipadan Investments (Mauritius) Ltd. #	Mauritius	100.0	100.0	-	-	Investment holding
STLR Sdn. Bhd. #	Malaysia	100.0	100.0	-	-	Selling, leasing and renting of properties
Studios Film Office Sdn. Bhd. (fka Mount Cecil Ventures Sdn. Bhd.)	Malaysia	100.0	100.0	-	-	Film production services
Suluq Investments (Mauritius) Ltd. #	Mauritius	100.0	100.0	-	-	Investment holding
Sungai Pulai Investments (Mauritius) Ltd. #	Mauritius	100.0	100.0	-	-	Investment holding
Synapse Education Holdings Sdn. Bhd. #	Malaysia	100.0	100.0	-	-	Investment holding

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

77. Subsidiaries and associates of the Company (cont'd.)

(A) Subsidiaries of the Company (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2019 %	2018 %	2019 %	2018 %	
Taman Tugu Project Development Sdn. Bhd. (fka Taman Tugu Dataran Muzium 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)**
77. Subsidiaries and associates of the Company (cont'd.)
(A) Subsidiaries of the Company (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2019 %	2018 %	2019 %	2018 %	
Tanjung Tuan Investments Limited #	Malaysia	100.0	100.0	-	-	Investment holding
Tasik Pedu Investments Limited #	Malaysia	100.0	100.0	-	-	Investment holding
Teluk Bahang Investments Limited #	Malaysia	100.0	100.0	-	-	Investment holding
Teluk Belanga Investments Limited #	Malaysia	100.0	100.0	-	-	Investment holding
Teluk Cempedak Investments (Mauritius) Ltd. #	Mauritius	100.0	100.0	-	-	Investment holding
Teluk Dalam Investments Limited #	Malaysia	100.0	100.0	-	-	Investment holding
Teluk Gadong Investments Limited #	Malaysia	100.0	100.0	-	-	Investment holding
Teluk Intan Investments (Cayman Islands) Limited	Cayman Islands	100.0	100.0	-	-	Dormant
Teluk Kalung Investments Limited. #	Malaysia	100.0	100.0	-	-	Investment holding
Teluk Kemang Investments (Mauritius) Ltd. #	Mauritius	100.0	100.0	-	-	Investment holding
Teluk Kumbar Ventures Sdn. Bhd. #	Malaysia	100.0	100.0	-	-	Investment holding

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

77. Subsidiaries and associates of the Company (cont'd.)

(A) Subsidiaries of the Company (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2019 %	2018 %	2019	2018	
Teluk Nibong Ventures Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Provision of transition support services including outplacement support and training support services for the development of human capital
Teluk Nipah Investments (Cayman Islands) Ltd.	Cayman Islands	100.0	100.0	-	-	Dormant
Teluk Pauh Sdn. Bhd. #	Malaysia	100.0	100.0	-	-	Administration of collaboration with the Cruyff Foundation in Malaysia.
Teluk Rubiah Ventures Sdn. Bhd. #	Malaysia	100.0	100.0	-	-	Investment holding
Teluk Senangin Investments Limited #	Malaysia	100.0	100.0	-	-	Investment holding
Themed Attractions Resorts & Hotels Sdn. Bhd. ("TARHSB")	Malaysia	100.0	100.0	-	-	Investment holding and provision of management services
Think City Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Promoting and preserving the living culture and heritage areas including but not limited to initiating projects relating to the rejuvenation and transformation of George Town, Penang and elsewhere in Malaysia

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

77. Subsidiaries and associates of the Company (cont'd.)

(A) Subsidiaries of the Company (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2019 %	2018 %	2019	2018	
Tioman Investments (Mauritius) Ltd. #	Mauritius	100.0	100.0	-	-	Investment holding
Titiwangsa Investments (Mauritius) Ltd. #	Mauritius	100.0	100.0	-	-	Investment holding
Tulai Beach Ventures Sdn. Bhd. #	Malaysia	100.0	100.0	-	-	Investment holding
UEM Group Berhad ("UEM")	Malaysia	100.0	100.0	-	-	Project design, management and contracting in the fields of civil, electrical and mechanical engineering, undertaking of turnkey projects and investment holding
Western Hill Investments Limited #	Malaysia	100.0	100.0	-	-	Investment holding

(B) Associates of the Company

Name	Country of incorporation/ principal place of business	Effective interest~		Accounting model applied	Principal activities
		2019 %	2018 %		
Axiata Group Berhad *	Malaysia	36.8	37.2	Equity method	Telecommunication and related services
Bank Muamalat Malaysia Berhad	Malaysia	30.0	30.0	Equity method	Islamic commercial banking and finance

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

77. Subsidiaries and associates of the Company (cont'd.)

(B) Associates of the Company

Name	Country of incorporation/ principal place of business	Effective interest~		Accounting model applied	Principal activities
		2019 %	2018 %		
CIMB Group Holdings Berhad *	Malaysia	27.0	26.8	Equity method	Investment holding, management company, property management, provision of consultancy services and dealing in securities
Iskandar Capital Sdn. Bhd.	Malaysia	15.3	15.3	Equity method	Investment holding
Malaysia Airports Holdings Berhad	Malaysia	33.2	33.2	Equity method	Investment holding
Malaysia Electric Corporation Berhad *	Malaysia	30.0	30.0	Equity method	In liquidation
Pulau Kapas Ventures Sdn. Bhd. *	Malaysia	30.0	30.0	Equity method	Investment holding
Putrajaya Holdings Sdn Bhd	Malaysia	15.6	15.6	Equity method	Investment holding
Telekom Malaysia Berhad *	Malaysia	26.2	26.2	Equity method	Telecommunication and related services
Tenaga Nasional Berhad *	Malaysia	27.3	28.8	Equity method	Generation, transmission and distribution and sale of electricity
TIME dotCom Berhad * ^	Malaysia	11.2	11.2	Equity method	Investment holding, provision of management and marketing/promotional services and retailing of telecommunications products

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

77. Subsidiaries and associates of the Company (cont'd.)

(B) Associates of the Company

Name	Country of incorporation/ principal place of business	Effective interest~		Accounting model applied	Principal activities
		2019 %	2018 %		
Valuecap Sdn. Bhd. *	Malaysia	33.3	33.3	Equity method	Investment in marketable securities listed on Bursa Malaysia Berhad and provision of services to its two wholly owned subsidiaries.

* Subsidiaries and associates not audited by member firms of Ernst & Young Global.

SPV set up for investment or funding purposes, which are consolidated in the extended company financial statements of the Company as disclosed in Note 19(b).

~ Equals to proportion of voting rights held.

^ The Company has a total of 41.4% shareholding in TIME dotCom Berhad, comprising 11.2% held via the Company and 30.26% held by Pulau Kapas Ventures Sdn. Bhd.

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

78. Subsidiaries, associates and joint ventures of the Group

Other than the subsidiaries, associates and joint venture of the Company as listed in Note 77, the subsidiaries and associates of the Group are as listed below:

- (i) Subsidiaries, associates and joint ventures of UEM Group Berhad ("UEM"), are disclosed in Note 78(A).
- (ii) Subsidiaries of Malaysian Airline System Berhad ("MAS"), are disclosed in Note 78(B).
- (iii) Subsidiaries and associates of Malaysia Aviation Group Berhad ("MAGB"), are disclosed in Note 78(C).
- (iv) Subsidiaries, associates and joint ventures of Iskandar Investment Berhad ("IIB"), are disclosed in Note 78(D).
- (v) Subsidiaries, associates and joint ventures of Themed Attractions Resorts & Hotels Sdn. Bhd. ("TARHSB"), are disclosed in Note 78(E).
- (vi) Subsidiary of Malaysian Technology Development Corporation ("MTDC"), are disclosed in Note 78(F).
- (vii) Other subsidiaries, associates and joint ventures of the Group are disclosed in Note 78(G).

(A) Subsidiaries, associates and joint ventures of UEM Group Berhad

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2019	2018	2019	2018	
		%	%	%	%	
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	66.1	66.1	33.9	33.9	Investment holding and provision of shares services for its subsidiaries
UEM Builders Berhad ("UEM Builders")	Malaysia	100.0	100.0	-	-	Investment holding and provision of management services

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

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

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2019	2018	2019	2018	
		%	%	%	%	
Subsidiaries of UEM (cont'd.)						
Cement Industries of Malaysia Berhad ("CIMA")	Malaysia	100.0	100.0	-	-	Provision of management services and investment holding
UEM Edgenta Berhad ("UEM Edgenta")	Malaysia	69.1	69.1	30.9	30.9	Investment holding and provision of management services to its subsidiaries
Konsortium ProHAWK Sdn. Bhd.	Malaysia	65.0	65.0	35.0	35.0	Planning, design, financing, development, construction, landscaping, equipment, installation, completion, testing and commissioning of a hospital building, facilities and infrastructure at the identified project land and to carry out total asset and facilities management services at hospital or commercial or government buildings

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

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

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Accounting model applied	Principal activities
		2019 %	2018 %		
Associate of UEM					
UE Construction (Phil.) Inc.<	Phillipines	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 and provision of expressway operation services
UEM – Sabah Economic Development x	Unincorporated	70.0	70.0	Equity method	Construction and engineering works
UEM – Sarawak Economic Development x	Unincorporated	70.0	70.0	Equity method	Construction and engineering works
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
		2019 %	2018 %	2019 %	2018 %	
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)**

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

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2019	2018	2019	2018	
		%	%	%	%	

Subsidiaries of PEIB (cont'd.)

PLUS Plaza (Mauritius) Private Limited	Mauritius	100.0	100.0	-	-	Investment holding
PT Lintas Marga Sedaya ("LMS")	Indonesia	-	55.0	-	45.0	Disposed
PEIB Capital Sdn. Bhd. ("PEIB")	Malaysia	100.0	100.0	-	-	Investment holding

Name	Country of incorporation/ principal place of business	Effective interest~		Accounting model applied	Principal activities
		2019	2018		
		%	%		

Joint venture of PEIB

Jetpur Somnath Tollways Private Limited ("Jetpur") //xat	India	64.4	64.4	Equity method	Ceased operations
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Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2019	2018	2019	2018	
		%	%	%	%	

Subsidiary of PLUS Kalyan (Mauritius) Private Limited

PLUS BKSP Toll Limited *## α	India	94.1	94.1	5.9	5.9	Ceased operations
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**Khazanah Nasional Berhad
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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2019	2018	2019	2018	
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 Build, Operate and Transfer basis

Name	Country of incorporation/ principal place of business	Effective interest~		Accounting model applied	Principal activities
		2019	2018		
Joint venture of Ghir Investments (Mauritius) Limited					
Uniquet Infra Ventures Private Limited xat	India	80.1	80.1	Equity method	Developing, owning and managing road infrastructure projects in India

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

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

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2019 %	2018 %	2019 %	2018 %	
Subsidiary of Uniquet Infra Ventures Private Limited						
Khalghat Sendhwa Tollways Private Limited at	India	80.1	80.1	19.9	19.9	Undertake the design, engineering, finance, construction, operation and maintenance of Khalghat-MP/Maharashtra Border Section on NH-3 from Km84.700 to Km167.500 in the State of Madhya Pradesh under NHDP Phase IIIA through a concession on Build, Operate and Transfer (BOT) basis.
Subsidiaries of Plus Malaysia						
Projek Lebuh raya Usahasama Berhad	Malaysia	51.0	51.0	49.0	49.0	Provision of operation, maintenance and toll collection of the expressways
Teras Teknologi Sdn. Bhd.	Malaysia	51.0	51.0	49.0	49.0	Investment holding and engaged in supply, installation and maintenance of toll systems and equipment for expressway projects
PLUS Helicopter Services Sdn. Bhd.	Malaysia	-	51.0	-	49.0	Disposed
Expressway Lingkaran Tengah Sdn. Bhd.	Malaysia	51.0	51.0	49.0	49.0	Inactive
Linkedua (Malaysia) Berhad	Malaysia	51.0	51.0	49.0	49.0	Inactive

**Khazanah Nasional Berhad
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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2019 %	2018 %	2019 %	2018 %	
Subsidiaries of Plus Malaysia (cont'd.)						
Lebuhraya Pantai Timur 2 Sdn. Bhd.	Malaysia	51.0	51.0	49.0	49.0	Provision of operations, maintenance and toll collection of the East Coast Expressway Phase 2
Penang Bridge Sdn. Bhd.	Malaysia	51.0	51.0	49.0	49.0	Inactive
Projek Lebuhraya Utara- Selatan Berhad	Malaysia	51.0	51.0	49.0	49.0	Inactive
Terra Plus Sdn Bhd	Malaysia	51.0	-	49.0	-	Inactive
Zoom Interactive Sdn Bhd	Malaysia	51.0	-	49.0	-	Inactive
Subsidiaries of UEM Sunrise						
UEM Land Berhad ("UEM Land")	Malaysia	66.1	66.1	33.9	33.9	Property development, property investment, project procurement and management and strategic investment holding
Nusajaya Resort Sdn. Bhd.	Malaysia	66.1	66.1	33.9	33.9	Operator of the East Ledang Clubhouse
Sunrise Berhad ("Sunrise")	Malaysia	66.1	66.1	33.9	33.9	Property development and investment holding
UEM Sunrise (Australia) Sdn. Bhd.	Malaysia	66.1	66.1	33.9	33.9	Investment holding

**Khazanah Nasional Berhad
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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2019 %	2018 %	2019 %	2018 %	
Subsidiaries of UEM Sunrise (cont'd.)						
UEM Sunrise (Canada) Sdn. Bhd.	Malaysia	66.1	66.1	33.9	33.9	Investment holding, property development and general trading
UEM Sunrise Management Services Sdn. Bhd.	Malaysia	66.1	66.1	33.9	33.9	Investment holding
UEM Sunrise Properties Sdn. Bhd.	Malaysia	66.1	66.1	33.9	33.9	Investment holding, property development and general trading
Nusajaya Five O Sdn. Bhd.	Malaysia	66.1	66.1	33.9	33.9	Provision of security services.

Name	Country of incorporation/ principal place of business	Effective interest~		Accounting model applied	Principal activities
		2019 %	2018 %		

Associate of UEM Sunrise

UEM Sunrise Edgenta TMS Sdn. Bhd. β	Malaysia	68.2	68.2	Equity method	Investment holding and management of real estate
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Joint ventures of UEM Sunrise

Nusajaya Lifestyle Sdn. Bhd. x	Malaysia	36.4	36.4	Equity method	Property and real estate development, management and property management
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**Khazanah Nasional Berhad
(Incorporated in Malaysia)**

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

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Accounting model applied	Principal activities
		2019 %	2018 %		
Joint ventures of UEM Sunrise (cont'd.)					
Nusajaya Premier Sdn. Bhd. x	Malaysia	52.9	52.9	Equity method	Property development and investment holding.
Desaru South Course Residences Sdn. Bhd. ("DSCR") x	Malaysia	33.7	33.7	Equity method	Property development
Desaru North Course Residences Sdn. Bhd. ("DNCR") x	Malaysia	33.7	33.7	Equity method	Property development
Desaru South Course Land Sdn. Bhd. ("DSCL") x	Malaysia	33.7	33.7	Equity method	Property development
Malaysian Bio-Xcell Sdn. Bhd. *	Malaysia	26.4	26.4	Equity method	In receivership and liquidation

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2019 %	2018 %	2019 %	2018 %	

Subsidiaries of UEM Land

Bandar Nusajaya Development Sdn. Bhd. ("BND")	Malaysia	66.1	66.1	33.9	33.9	Investment holding, property development, land trading and an agent for its subsidiaries
Finwares Sdn. Bhd.	Malaysia	66.1	66.1	33.9	33.9	Investment holding
Fleet Group Sdn. Bhd.	Malaysia	66.1	66.1	33.9	33.9	Investment holding

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(Incorporated in Malaysia)**

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

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2019 %	2018 %	2019 %	2018 %	
Subsidiaries of UEM Land (cont'd.)						
Hatibudi Nominees (Tempatan) Sdn. Bhd.	Malaysia	66.1	66.1	33.9	33.9	In members' voluntary liquidation
Marina Management Sdn. Bhd.	Malaysia	66.1	66.1	33.9	33.9	Marina management and property management
Mahisa Sdn. Bhd.	Malaysia	66.1	66.1	33.9	33.9	Property developer and undertaking construction and turnkey development contracts
Marak Unggul Sdn. Bhd.	Malaysia	33.1	33.1	66.9	66.9	Dormant
Nusajaya Development Sdn. Bhd.	Malaysia	66.1	66.1	33.9	33.9	Property development
Nusajaya Medical Park Sdn. Bhd. *	Malaysia	66.1	66.1	33.9	33.9	Construct, manage and/or operate specialised buildings for long term lease and property development
Nusajaya Business Park Sdn. Bhd.	Malaysia	-	66.1	-	33.9	Dissolved
UEM Sunrise Nusantara Sdn. Bhd.	Malaysia	66.1	66.1	33.9	33.9	In members' voluntary liquidation
UEM Sunrise Overseas Corporation Sdn. Bhd.	Malaysia	66.1	66.1	33.9	33.9	Investment holding
UEM Sunrise Pacific Sdn. Bhd.	Malaysia	-	66.1	-	33.9	Dissolved

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

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

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2019 %	2018 %	2019 %	2018 %	
Subsidiaries of UEM Land (cont'd.)						
UEM Sunrise Ventures Sdn. Bhd.	Malaysia	-	66.1	-	33.9	Dissolved
Aura Muhibah Sdn. Bhd.	Malaysia	39.7	39.7	60.3	60.3	Property development
Name	Country of incorporation/ principal place of business	Effective interest~ 2019 %	Effective interest~ 2018 %	Accounting model applied	Principal activities	
Associates of UEM Land						
Setia Haruman Sdn. Bhd. *	Malaysia	16.5	16.5	Equity method	Township development, property development, project development and sale of land.	
Scope Energy Sdn. Bhd.*	Malaysia	26.4	26.4	Equity method	Property development	
Inneonusa Sdn Bhd *	Malaysia	25.8	25.8	Equity method	Provision of information communication (ICT) system security smart building services including smart tenant services for building owners, operators, residents and visitors	
Sarandra Malaysia Sdn. Bhd. €	Malaysia	26.4	26.4	Equity method	Investment holding, constructing, managing and developing of Club	

**Khazanah Nasional Berhad
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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Accounting model applied	Principal activities
		2019 %	2018 %		
Joint Ventures of UEM Land					
Cahaya Jauhar Sdn. Bhd. X	Malaysia	39.7	39.7	Equity method	Undertake the turnkey design and build for the development of Johor State New Administrative Centre known as Kota and State Government Staff Housing in Puteri, Johor, and provision of facilities maintenance and management services
Gerbang Leisure Park Sdn. Bhd. *	Malaysia	33.1	33.1	Equity method	Property development
Haute Property Sdn. Bhd. *	Malaysia	26.4	26.4	Equity method	Property development and property marketing
Horizon Hills Development Sdn. Bhd.	Malaysia	33.1	33.1	Equity method	Property development
Nusajaya Consolidated Sdn. Bhd.	Malaysia	33.1	33.1	Equity method	Property development and related activities
Nusajaya Tech Park Sdn. Bhd.	Malaysia	26.4	26.4	Equity method	Property development
FASTrack Iskandar Sdn. Bhd.	Malaysia	19.8	19.8	Equity method	Property development and to develop, construct, operate and manage motorsport city with related facilities and services

**Khazanah Nasional Berhad
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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2019 %	2018 %	2019 %	2018 %	
Subsidiaries of BND						
Nusajaya Industrial Park Sdn. Bhd.	Malaysia	66.1	66.1	33.9	33.9	Property development
Nusajaya Gardens Sdn. Bhd.	Malaysia	66.1	66.1	33.9	33.9	Land trading and investment holding
Nusajaya Greens Sdn. Bhd.	Malaysia	66.1	66.1	33.9	33.9	Property development, land trading and investment holding
Nusajaya Heights Sdn. Bhd.	Malaysia	66.1	66.1	33.9	33.9	Property development, land trading and investment holding
Nusajaya Rise Sdn. Bhd.	Malaysia	66.1	66.1	33.9	33.9	Property development, land trading and investment holding
Nusajaya Seaview Sdn. Bhd.	Malaysia	66.1	66.1	33.9	33.9	Land trading and investment holding
Nusajaya Land Sdn. Bhd.	Malaysia	66.1	66.1	33.9	33.9	Property development
Preferred Resources Sdn. Bhd. ++	Malaysia	-	76.3	-	23.7	Dissolved
Symphony Hills Sdn. Bhd.	Malaysia	66.1	66.1	33.9	33.9	Property development, land trading and investment holding

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**Khazanah Nasional Berhad
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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2019 %	2018 %	2019 %	2018 %	

Subsidiary of UEM Sunrise Nusantara Sdn. Bhd.

P.T. Bias Permata	Indonesia	66.1	66.1	33.9	33.9	Investment holding
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Subsidiary of UEM Sunrise Overseas Corporation Sdn. Bhd.

UEM Sunrise South Africa (Pty) Ltd. *	South Africa	66.1	66.1	33.9	33.9	Investment holding
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Subsidiaries of UEM Sunrise South Africa (Pty) Ltd

Roc-Union (Proprietary) Limited *	South Africa	53.1	53.1	46.9	46.9	Investment holding
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Subsidiary of Roc-Union (Proprietary) Limited

Rocpoint (Proprietary) Limited *	South Africa	53.1	53.1	46.9	46.9	Acquisition and development of land
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Name	Country of incorporation/ principal place of business	Effective interest~		Accounting model applied	Principal activities
		2019 %	2018 %		

Associate of Rocpoint (Proprietary) Limited

Durban Point Development Company (Proprietary) Limited	South Africa	26.6	26.6	Equity method	Property development
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**Khazanah Nasional Berhad
(Incorporated in Malaysia)**

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

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2019 %	2018 %	2019 %	2018 %	
Subsidiaries of Sunrise						
Arcoris Sdn. Bhd.	Malaysia	66.1	66.1	33.9	33.9	Property investment and development
Ascot Assets Sdn. Bhd.	Malaysia	66.1	66.1	33.9	33.9	Property development
Allevia Sdn Bhd (formerly known as Aston Star Sdn. Bhd.)	Malaysia	66.1	66.1	33.9	33.9	Property investment, development and construction
Aurora Tower at KLCC Sdn. Bhd.	Malaysia	66.1	66.1	33.9	33.9	Property development
Ibarat Duta Sdn. Bhd.	Malaysia	66.1	66.1	33.9	33.9	Property development
Laser Tower Sdn. Bhd.	Malaysia	66.1	66.1	33.9	33.9	Property development
Lembah Suria Sdn. Bhd.	Malaysia	66.1	66.1	33.9	33.9	Property development
Lucky Bright Star Sdn. Bhd.	Malaysia	66.1	66.1	33.9	33.9	Property investment and development
Mega Legacy (M) Sdn. Bhd.	Malaysia	33.1	-	66.9	-	Property development
Milik Harta Sdn. Bhd.	Malaysia	66.1	66.1	33.9	33.9	Property development
New Planet Trading Sdn. Bhd.	Malaysia	66.1	66.1	33.9	33.9	Property investment and development
Prinsip Eramaju Sdn. Bhd.	Malaysia	66.1	66.1	33.9	33.9	Property development
Saga Centennial Sdn. Bhd.	Malaysia	-	66.1	-	33.9	Dissolved

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

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2019 %	2018 %	2019 %	2018 %	
Subsidiaries of Sunrise (cont'd.)						
SCM Property Services Sdn. Bhd.	Malaysia	66.1	66.1	33.9	33.9	Provision of property management services
Solid Performance Sdn. Bhd.	Malaysia	66.1	66.1	33.9	33.9	Property development
Summer Suites Sdn. Bhd.	Malaysia	66.1	66.1	33.9	33.9	Property development
Sun Victory Sdn. Bhd.	Malaysia	66.1	66.1	33.9	33.9	Property investment and development and hotel operation
Sunrise Alliance Sdn. Bhd.	Malaysia	66.1	66.1	33.9	33.9	Property development
Sunrise Benchmark Sdn. Bhd.	Malaysia	66.1	66.1	33.9	33.9	Property development
Sunrise Century Sdn. Bhd.	Malaysia	66.1	66.1	33.9	33.9	Property development
Sunrise Hospitality and Leisure Sdn. Bhd.	Malaysia	66.1	66.1	33.9	33.9	Provision of ancillary services to property related projects
Sunrise Innovations Sdn. Bhd.	Malaysia	66.1	66.1	33.9	33.9	In members' voluntary liquidation
Sunrise Landmark Sdn. Bhd.	Malaysia	66.1	66.1	33.9	33.9	Property development
Sunrise Mersing Sdn. Bhd.	Malaysia	66.1	66.1	33.9	33.9	Property development

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

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2019 %	2018 %	2019 %	2018 %	
Subsidiaries of Sunrise (cont'd.)						
Sunrise Oscar Sdn. Bhd.	Malaysia	66.1	66.1	33.9	33.9	Investment holding
Sunrise Overseas Corporation Sdn. Bhd.	Malaysia	66.1	66.1	33.9	33.9	Investment holding and provision of management services
Sunrise Paradigm Sdn. Bhd.	Malaysia	66.1	66.1	33.9	33.9	Property development
Sunrise Pioneer Sdn. Bhd.	Malaysia	66.1	66.1	33.9	33.9	Property development
Sunrise Project Services Sdn. Bhd.	Malaysia	66.1	66.1	33.9	33.9	Property development and project management for property development projects
Sunrise Quality Sdn. Bhd.	Malaysia	66.1	66.1	33.9	33.9	Property development
Sunrise Region Sdn. Bhd.	Malaysia	66.1	66.1	33.9	33.9	Property development
Sunrise Sovereign Sdn. Bhd.	Malaysia	66.1	66.1	33.9	33.9	Property development and investment holding
Sunrise International Development Ltd	The Cayman Islands	66.1	66.1	33.9	33.9	Investment holding
Sunrise Overseas (S) Pte Ltd	Singapore	66.1	66.1	33.9	33.9	Promotion and management services relating to Sunrise Group's properties

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

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2019 %	2018 %	2019 %	2018 %	
Subsidiaries of Sunrise (cont'd.)						
Sunrise MS Pte Ltd	Singapore	66.1	66.1	33.9	33.9	Provision of consultancy, advisory and technical services in relation to project development
Name	Country of incorporation/ principal place of business	Effective interest~ 2019 %	Effective interest~ 2018 %	Accounting model applied		Principal activities
Joint Ventures of Sunrise						
Sime Darby Sunrise Development Sdn. Bhd.*at	Malaysia	33.1	33.1	Equity method		Property development
Sunrise MCL Land Sdn. Bhd.*	Malaysia	33.1	33.1	Equity method		Property development and property investment
Name	Country of incorporation/ principal place of business	Effective interest~ 2019 %	Effective interest~ 2018 %	Non-controlling interest~ 2019 %	Non-controlling interest~ 2018 %	Principal activities
Subsidiaries of UEM Sunrise (Australia) Sdn. Bhd.						
UEM Sunrise (Land) Pty Ltd	Australia	66.1	66.1	33.9	33.9	Holding and financing company
UEM Sunrise (Developments) Pty Ltd	Australia	66.1	66.1	33.9	33.9	Holding and financing company

**Khazanah Nasional Berhad
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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2019 %	2018 %	2019 %	2018 %	
Subsidiaries of UEM Sunrise (Land) Pty Ltd						
UEM Sunrise (Mackenzie Street) Pty Ltd	Australia	66.1	66.1	33.9	33.9	Trustee company
UEM Sunrise (Mackenzie Street) Unit Trust	Australia	66.1	66.1	33.9	33.9	Landowning entity
UEM Sunrise (La Trobe Street) Pty Ltd	Australia	66.1	66.1	33.9	33.9	Trustee company
UEM Sunrise (La Trobe Street) Unit Trust	Australia	66.1	66.1	33.9	33.9	Landowning entity
UEM Sunrise (St Kilda Road) Pty Ltd	Australia	66.1	66.1	33.9	33.9	Trustee company
UEM Sunrise (St Kilda Road) Unit Trust	Australia	66.1	66.1	33.9	33.9	Landowning entity
UEM Sunrise (Mackenzie Street Development) Pty Ltd	Australia	66.1	66.1	33.9	33.9	Development company
UEM Sunrise (La Trobe Street Development) Pty Ltd	Australia	66.1	66.1	33.9	33.9	Development company
UEM Sunrise (St Kilda Road Development) Pty Ltd	Australia	66.1	66.1	33.9	33.9	Development company
UEM Sunrise (Aurora Melbourne Central Property Management) Pty Ltd	Australia	66.1	66.1	33.9	33.9	Property management Service

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

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2019 %	2018 %	2019 %	2018 %	
Subsidiaries of UEM Sunrise (Land) Pty Ltd (cont'd.)						
UEM Sunrise (Conservatory Melbourne Property Management) Pty Ltd	Australia	66.1	66.1	33.9	33.9	Property management Service
Subsidiaries of UEM Sunrise Properties Sdn. Bhd.						
Nusajaya DCS Sdn. Bhd.	Malaysia	66.1	66.1	33.9	33.9	Provison of cooling plant facility services
Opera Retreat Sdn. Bhd.	Malaysia	66.1	66.1	33.9	33.9	Property investment
Puteri Harbour Convention Centre Sdn. Bhd.	Malaysia	66.1	66.1	33.9	33.9	Own and operate a convention centre
UEM Sunrise Nusajaya Properties Sdn. Bhd.	Malaysia	66.1	66.1	33.9	33.9	Property investment
Name	Country of incorporation/ principal place of business	Effective interest~ 2019 %	Effective interest~ 2018 %	Accounting model applied	Principal activities	
Joint venture of UEM Sunrise Properties Sdn. Bhd.						
UEM Sunrise WOTSO Malaysia Sdn Bhd	Malaysia	33.1	33.1	Equity method	Provision of co-working office and event space	

**Khazanah Nasional Berhad
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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2019 %	2018 %	2019 %	2018 %	
Subsidiary of UEM Sunrise (Canada) Sdn. Bhd.						
UEM Sunrise (Canada) Development Ltd	Canada	66.1	66.1	33.9	33.9	Real estate acquisition and development
Subsidiaries of UEM Sunrise Management Services Sdn. Bhd.						
Rise Digital Sdn Bhd (formerly known as UEM Sunrise Nusajaya Property Services Sdn. Bhd.)	Malaysia	66.1	66.1	33.9	33.9	Property management services
UEM Sunrise Project Services Sdn. Bhd.	Malaysia	66.1	66.1	33.9	33.9	Property management for property development
Subsidiary of Sunrise Oscar Sdn. Bhd.						
Sunrise DCS Sdn. Bhd.	Malaysia	66.1	66.1	33.9	33.9	Provision of cooling plant facility services
Subsidiary of Sunrise International Development Ltd						
Sunrise Holdings S.à.r.l.	The Grand Duchy of Luxembourg	66.1	66.1	33.9	33.9	Investment holding
Subsidiary of Sunrise Holdings S.à.r.l.						
Canada Sunrise Development Corp. *	Canada	66.1	66.1	33.9	33.9	Property investment and development

**Khazanah Nasional Berhad
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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2019 %	2018 %	2019 %	2018 %	
Subsidiaries of Canada Sunrise Development Corp.						
Canada Sunrise Developments (Richmond) Limited *	Canada	66.1	66.1	33.9	33.9	Property investment and development
IBS Iconsis Sdn. Bhd. *	Malaysia	100.0	100.0	-	-	In members' voluntary liquidation
Intria Bina Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Civil engineering and construction works
Hoto Stainless Steel Industries Sdn. Bhd.	Malaysia	97.9	97.9	2.1	2.1	Manufacturing and sale of stainless steel pipes
Pati Sdn. Bhd. ("PATI")	Malaysia	100.0	100.0	-	-	Civil engineering works and building construction
PATI Technologies Sdn Bhd *	Malaysia	100.0	100.0	-	-	Ceased operations
Total Trade Sdn. Bhd.	Malaysia	100.0	100.0	-	-	In members' voluntary liquidation
Subsidiaries of UEM Builders						
UEM Construction Sdn. Bhd. ("UEMC")	Malaysia	100.0	100.0	-	-	Contractors for the execution of construction and engineering works

**Khazanah Nasional Berhad
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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2019 %	2018 %	2019 %	2018 %	
Subsidiaries of UEM Builders (cont'd.)						
UEM Construction (B) Sdn. Bhd. <	Brunei	100.0	100.0	-	-	Civil, electrical, mechanical and industrial plant construction and general building and contracting
UEMB – MRCB JV Sdn. Bhd.	Malaysia	51.0	51.0	49.0	49.0	Master contractor for the execution of engineering and construction works
UEMB - Najcom JV	Unincorporated	65.0	65.0	35.0	35.0	Master contractor for the execution of engineering and construction works
UEMB-PROPEL Consortium	Unincorporated	100.0	100.0	-	-	Civil engineering works and building construction

Name	Country of incorporation/ principal place of business	Effective interest~		Accounting model applied	Principal activities
		2019 %	2018 %		

Associate of UEM Builders

Preferred Resources Sdn. Bhd. ++ *	Malaysia	-	76.3	Equity method	Dissolved
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**Khazanah Nasional Berhad
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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Accounting model applied	Principal activities
		2019 %	2018 %		
Joint Venture of UEM Builders					
Shimizu – Nishimatsu - UEMB – IJM JV	Unincorporated	20.0	20.0	Equity method	Water transfer tunnel and related works for Pahang-Selangor Raw Water Transfer project

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2019 %	2018 %	2019 %	2018 %	
Subsidiaries of UEMC						
UEM (Mauritius) Co Ltd ("UEMM") *	Mauritius	100.0	100.0	-	-	Investment holding
PT Karabha Gryamandiri μ	Indonesia	55.0	55.0	45.0	45.0	Subcontractor of construction of CPTR package
UEMC - PPES Works (Sarawak) Sdn. Bhd. JV	Unincorporated	70.0	70.0	30.0	30.0	Design and build for Hospital Lawas project

Name	Country of incorporation/ principal place of business	Effective interest~		Accounting model applied	Principal activities
		2019 %	2018 %		
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
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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Accounting model applied	Principal activities	
		2019 %	2018 %			
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
		2019 %	2018 %	2019 %	2018 %	
Subsidiaries of UEMM						
UE Development India Pvt Ltd ("UEDI") *	India	100.0	100.0	-	-	Construction works and maintenance of expressways
Pati International (India) Pvt. Ltd. *	India	100.0	100.0	-	-	Construction and engineering services
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
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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2019 %	2018 %	2019 %	2018 %	
Subsidiary of PT Karabha Gryamandiri						
PT Karabha Gryamandiri & PT Nusa Raya Cipta Consortium	Unincorporated	30.3	30.3	69.7	69.7	Design, development, construction, management, maintenance and operation of the CPTR package
Subsidiary of Pati International (India) Pvt Ltd						
Rushil Constructions (India) Pvt. Ltd. *	India	100.0	100.0	-	-	Maintain highways
Subsidiary of PATI Sdn. Bhd.						
Pati Pave Sdn. Bhd. *	Malaysia	100.0	100.0	-	-	In members' voluntary liquidation
Name	Country of incorporation/ principal place of business	Effective interest~		Accounting model applied	Principal activities	
		2019 %	2018 %			
Associate of PATI Sdn. Bhd.						
Pati Philippines Inc. *	Phillipines	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)**

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

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~ 2019 2018 % %		Accounting model applied	Principal activities
B. Seenayah & Co – Road Builder (M) Sdn. Bhd. – PATI Sdn. Bhd. JV	Unincorporated	25.0	25.0	Equity method	Construction and extension of roads
PATI - 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~ 2019 2018 % %		Non-controlling interest~ 2019 2018 % %		Principal activities
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Subsidiaries of CIMA

Cimaco Readymix Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Dormant
I-Mix Concrete Industries Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Inactive
Kuad Sdn. Bhd.	Malaysia	70.0	70.0	30.0	30.0	Quarrying business and its related activities
Kuari Pati Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Quarrying business and its related activities
Matang Pagar Sdn. Bhd.	Malaysia	80.0	80.0	20.0	20.0	Quarrying business and its related activities
Negeri Sembilan Cement Industries Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Manufacture and sale of cement
Pemasaran Simen Negara Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Inactive

**Khazanah Nasional Berhad
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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2019	2018	2019	2018	
		%	%	%	%	
Subsidiaries of CIMA (cont'd.)						
Profitlite Holdings Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Quarrying business and its related activities
Unipati Concrete Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Production and sale of ready-mixed concrete
Subsidiaries of Kuari Pati Sdn. Bhd.						
Pati Bukit Perak Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Quarrying business and its related activities
Pati Nilai Quarry Sdn. Bhd.	Malaysia	70.0	70.0	30.0	30.0	Quarrying business and its related activities
Name	Country of incorporation/ principal place of business	Effective interest~		Accounting model applied	Principal activities	
		2019	2018			
		%	%			
Associate of Kuari Pati Sdn. Bhd.						
Semenyih Quarry Sdn. Bhd. *	Malaysia	-	40.0	Equity method	Disposed	
Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2019	2018	2019	2018	
		%	%	%	%	
Subsidiaries of UEM Edgenta						
Opus Group Berhad ("Opus")	Malaysia	69.1	69.1	30.9	30.9	Investment holding

**Khazanah Nasional Berhad
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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2019 %	2018 %	2019 %	2018 %	
Subsidiaries of UEM Edgenta (cont'd.)						
Edgenta Propel Berhad ("Edgenta Propel")	Malaysia	69.1	69.1	30.9	30.9	Maintenance and repair of civil, mechanical and electrical works of roads, infrastructure and expressways and industrial cleaning services
Edgenta Environmental & Material Testing Sdn. Bhd.	Malaysia	69.1	69.1	30.9	30.9	Geotechnical investigation, instrumentation and pavement condition assessment works
Faber Development Holdings Sdn. Bhd.	Malaysia	69.1	69.1	30.9	30.9	Investment holding
Edgenta Healthcare Management Sdn. Bhd.	Malaysia	69.1	69.1	30.9	30.9	Investment holding
Faber Hotels Holdings Sdn. Bhd.	Malaysia	69.1	69.1	30.9	30.9	In liquidation
Faber LLC*	Emirates of Dubai	51.9	51.9	48.1	48.1	Facilities management services in United Arab Emirates
Edgenta Facilities Sdn. Bhd.	Malaysia	69.1	69.1	30.9	30.9	Investment holding and provision of integrated facilities management services
Edgenta Energy Services Sdn. Bhd.	Malaysia	48.4	48.4	51.6	51.6	Energy performance management services

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

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

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2019 %	2018 %	2019 %	2018 %	
Subsidiaries of UEM Edgenta (cont'd.)						
Edgenta Energy Projects Sdn. Bhd.	Malaysia	69.1	69.1	30.9	30.9	Providing energy management services and renewable energy services
Edgenta (Singapore) Pte. Ltd.	Singapore	69.1	69.1	30.9	30.9	Investment holding
Edgenta Township Management Services Sdn. Bhd.	Malaysia	69.1	69.1	30.9	30.9	Investment holding and management of real estate
Edgenta GreenTech Sdn Bhd (formerly known as KFM Holdings Sdn. Bhd.)	Malaysia	55.3	55.3	44.7	44.7	Cleaning contractors, improvers and other related activities
Sate Yaki Sdn. Bhd.	Malaysia	41.5	41.5	58.5	58.5	In liquidation
Subsidiaries of Opus						
Builders Credit & Leasing Sdn. Bhd.	Malaysia	69.1	69.1	30.9	30.9	Investment holding
Opus International (NZ) Limited	New Zealand	69.1	69.1	30.9	30.9	Investment holding
Opus International (M) Berhad ("OIM")	Malaysia	69.1	69.1	30.9	30.9	Management of the planning, design and construction of infrastructure projects and provision of facilities management services

**Khazanah Nasional Berhad
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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2019 %	2018 %	2019 %	2018 %	
Subsidiaries of OIM						
Opus Management Sdn. Bhd.	Malaysia	69.1	69.1	30.9	30.9	Management of the planning, design and construction of infrastructure projects and provision of facilities management services
Pengurusan LRT Sdn. Bhd.	Malaysia	69.1	69.1	30.9	30.9	In liquidation
Pengurusan Lantas Berhad	Malaysia	69.1	69.1	30.9	30.9	Provision of technical management support services for the planning, design and construction of projects
Opus International India Pte Ltd *	India	69.1	69.1	30.9	30.9	Provision of asset development and asset management services
Opus Al-Dauliyyah LLC **	Kingdom of Saudi Arabia	69.1	69.1	30.9	30.9	Engineering consultancy services
Name	Country of incorporation/ principal place of business	Effective interest~ 2019 %	Effective interest~ 2018 %	Accounting model applied	Principal activities	
Associate of OIM						
Opus Consultants (M) Sdn. Bhd.	Malaysia	20.7	20.7	Equity method	Engineering consultancy services	

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

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2019	2018	2019	2018	
		%	%	%	%	
Subsidiaries of Edgenta Propel						
Edgenta Infrastructure Services Sdn Bhd	Malaysia	69.1	69.1	30.9	30.9	Undertaking of water projects
PT Edgenta PROPEL Indonesia	Indonesia	68.9	68.9	31.1	31.1	Provision of management consultancy and advisory related to management of roads

Name	Country of incorporation/ principal place of business	Effective interest~		Accounting model applied	Principal activities
		2019	2018		
		%	%		

Jointly controlled operation of Edgenta Propel

Edgenta Propel-NRC JO	Unincorporated	38.0	38.0	Equity method	Providing highway maintenance services
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Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2019	2018	2019	2018	
		%	%	%	%	

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

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2019 %	2018 %	2019 %	2018 %	
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. @	Malaysia	69.1	69.1	30.9	30.9	Provision of hospital support services
Subsidiaries of EMS						
Cermin Cahaya Sdn. Bhd.	Malaysia	69.1	69.1	30.9	30.9	Provision of cleansing services to hospitals
Edgenta Healthtronics Sdn. Bhd.	Malaysia	69.1	69.1	30.9	30.9	Provision of biomedical electronic engineering maintenance services
Fresh Linen Services (Sabah) Sdn. Bhd.	Malaysia	-	41.5	-	58.5	Disposed
Edgenta Mediserve (Sarawak) Sdn. Bhd.	Malaysia	69.1	69.1	30.9	30.9	Investment holding
Edgenta Mediserve (Sabah) Sdn. Bhd.	Malaysia	69.1	69.1	30.9	30.9	Investment holding

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

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Accounting model applied	Principal activities
		2019	2018		
		%	%		
Associates of Edgenta Mediserve (Sarawak) Sdn. Bhd.					
One Medicare Sdn. Bhd.*	Malaysia	27.7	27.7	Equity method	Provision of hospital support services
Biomedix Solutions Sdn. Bhd. *	Malaysia	27.7	27.7	Equity method	Provision of biomedical engineering maintenance services

Associate of Edgenta Mediserve (Sabah) Sdn. Bhd.

Sedafiat Sdn. Bhd.*	Malaysia	27.7	27.7	Equity method	Provision of hospital support services
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Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2019	2018	2019	2018	
		%	%	%	%	

Subsidiaries of Edgenta Facilities Sdn. Bhd.

Edgenta Facilities Management Sdn. Bhd.	Malaysia	69.1	69.1	30.9	30.9	Facilities management services
General Field Sdn. Bhd.	Malaysia	69.1	69.1	30.9	30.9	Provision of energy performance management services
Faber Star Facilities Management Limited *	India	69.1	69.1	30.9	30.9	Facilities management in India

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

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Accounting model applied	Principal activities	
		2019 %	2018 %			
Associate of Edgenta Facilities Sdn. Bhd.						
Faber Sindoori Management Services Private Limited*	India	35.3	35.3	Equity method	Facilities management in India	
Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2019 %	2018 %	2019 %	2018 %	
Subsidiary of Edgenta Township Management Services Sdn Bhd						
UEM Sunrise Edgenta TMS Sdn Bhd β	Malaysia	68.2	68.2	31.8	31.8	Investment holding and management of real
Subsidiary of UEM Sunrise Edgenta TMS						
Edgenta TMS Sdn. Bhd.	Malaysia	47.7	47.7	52.3	52.3	Management of real estate
Subsidiaries of Edgenta GreenTech Sdn Bhd (formerly known as KFM Holdings Sdn Bhd)						
KFM Projects Sdn. Bhd.	Malaysia	55.3	55.3	44.7	44.7	Project management consulting services
KFM Systems Sdn. Bhd.	Malaysia	55.3	55.3	44.7	44.7	Consulting and contractor for building management systems for the built environment

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

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2019 %	2018 %	2019 %	2018 %	
Subsidiaries of Edgenta GreenTech Sdn Bhd (formerly known as KFM Holdings Sdn Bhd) (cont'd.)						
KFM Solutions Sdn. Bhd.	Malaysia	55.3	55.3	44.7	44.7	Consultancy services in green, smart and connected urban ecology and integrated facility management services
KFM Energy Services Sdn. Bhd.	Malaysia	55.3	55.3	44.7	44.7	Provision of consultancy and other services relating to conservation and renewable energy
Veridis PPP One Sdn. Bhd.	Malaysia	55.3	55.3	44.7	44.7	Concession holder specialising in retrofitting works of building utilising green technology
Operon Malaysia Sdn. Bhd.	Malaysia	55.3	55.3	44.7	44.7	Provision of supervising officer for activities related to green technology and other solutions for the built environment
Operon Consulting Sdn. Bhd.	Malaysia	38.7	38.7	61.3	61.3	Asset management consulting services
Operon Middle East Limited	British Virgin Islands	55.3	55.3	44.7	44.7	Facilities management and buildings cleaning services

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

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2019	2018	2019	2018	
		%	%	%	%	

Subsidiaries of Edgenta GreenTech Sdn Bhd (formerly known as KFM Holdings Sdn Bhd) (cont'd.)

KFM Middle East Limited *	British Virgin Islands	38.7	38.7	61.3	61.3	Dormant
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Name	Country of incorporation/ principal place of business	Effective interest~		Accounting model applied	Principal activities
		2019	2018		
		%	%		

Associate of Operon Consulting Sdn. Bhd.

Operon Asset Advisory Sdn. Bhd. *	Malaysia	19.0	19.0	Equity method	Asset management consulting services
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Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2019	2018	2019	2018	
		%	%	%	%	

Subsidiary of Edgenta (Singapore) Pte Ltd

UEMS Pte Ltd	Singapore	67.4	67.4	32.6	32.6	Investment holding
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Subsidiary of UEMS Pte Ltd

UEMS Solutions Pte Ltd	Singapore	67.4	67.4	32.6	32.6	Provision of facility management services
Edgenta UEMS Sdn Bhd	Malaysia	67.4	67.4	32.6	32.6	Provision of facility management services
Edgenta UEMS Ltd	Taiwan	67.4	67.4	32.6	32.6	Provision of facility management services

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

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2019 %	2018 %	2019 %	2018 %	
Subsidiary of UEMS Pte Ltd (cont'd.)						
ServiceMaster Hong Kong Limited	Hong Kong	67.4	67.4	32.6	32.6	Provision of facility
Subsidiary of Edgenta UEMS Ltd						
Edgenta UEMS SC Ltd	Taiwan	67.4	67.4	32.6	32.6	Provision of cleaning and consulting services for business enterprises, buildings and home service to individuals
Other subsidiaries of UEM						
First Impact Sdn. Bhd. ("FISB")	Malaysia	100.0	100.0	-	-	Investment property holding, provision of maintenance and other related activities of the office building owned by the company
Forte Tech Solutions Sdn. Bhd.	Malaysia	100.0	100.0	-	-	In members' voluntary liquidation
Intralogic Sdn. Bhd.	Malaysia	100.0	100.0	-	-	In members' voluntary liquidation
Hydron (M) Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Ceased operations
Infrared Advanced Technologies Sdn. Bhd.	Malaysia	75.0	75.0	25.0	25.0	Research, development design, manufacture, implementation, marketing, selling and supplying of electronic toll collection system

**Khazanah Nasional Berhad
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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2019 %	2018 %	2019 %	2018 %	
Other subsidiaries of UEM (cont'd.)						
MAVTRAC Sdn. Bhd.	Malaysia	100.0	100.0	-	-	In members' voluntary liquidation
Pantai Panorama Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Special purpose vehicle incorporated to facilitate the issuance of IMTN Programme by United Growth
Serayin Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Investment holding, trading and letting of properties
UEM Group Management Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Ceased operations
UEM International (West Asia) Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Investment holding
UEM International (Labuan) Limited	Labuan	-	100.0	-	-	Dissolved
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 Capital Limited	Labuan	100.0	100.0	-	-	Dissolved
UEM Suria Berhad	Malaysia	100.0	100.0	-	-	Investment holding

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

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2019	2018	2019	2018	

Subsidiary of UEM International (West Asia) Sdn. Bhd.

UEM Al-Dauliyah LLC ^	Kingdom of Saudi Arabia	100.0	100.0	-	-	Ceased operations
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Name	Country of incorporation/ principal place of business	Effective interest~		Accounting model applied	Principal activities
		2019	2018		

Other associates of UEM

Puncak Vista Sdn. Bhd.	Malaysia	30.0	30.0	Equity method	Under compulsory liquidation
Mekar Idaman Sdn Bhd *	Malaysia	45.0	45.0	Equity method	Liquidation by Court

Other joint venture of UEM

UEM MMC Joint Venture Sdn. Bhd.	Malaysia	50.0	50.0	Equity method	Investment holding
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Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2019	2018	2019	2018	

Subsidiaries of UEM Suria Berhad

Suria Legenda Development Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Dormant
Suria Siena Development Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Property development

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

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2019	2018	2019	2018	
		%	%	%	%	

Subsidiaries of UEM Suria Berhad (cont'd.)

Suria Siena Dua Development Sdn. Bhd.	Malaysia	-	100.0	-	-	Dissolved
Suria Azure Development Sdn. Bhd.	Malaysia	-	100.0	-	-	Dissolved

* Audited by firms other than Ernst & Young.

α Financial year end other than 31 December.

t For the purpose of applying the equity method of accounting for associate and joint ventures with financial year end other than 31 December, the last audited financial statements available and the management financial statements to the end of the accounting period of the associate and joint ventures have been used.

x Deemed to be joint ventures of the Group pursuant to FRS 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.

The Group has a total of 94.1% shareholding in PLUS BKSP comprising 0.1% held by PEIB and 94.0% held by PLUS Kalyan (Mauritius) Private Limited, a wholly-owned subsidiary of PEIB.

β The Group has a total of 68.2% shareholding in UEM Sunrise Edgenta TMS Sdn Bhd, comprising 19.8% held by UEM Sunrise and 48.4% held by Edgenta Township Management Services Sdn Bhd.

< Some of the shares in the company are held in trust by individuals.

++ The Group has a total of 76.3% shareholding in Preferred Resources Sdn Bhd comprising 30.0% held via UEM Builders and 46.3% held via BND.

m The non-controlling shareholders assign all their rights to the dividend to UEMC.

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

(A) Subsidiaries, associates and joint ventures of UEM (cont'd.)

- Ω The Group has a total of 60.0% shareholding in UEM Builders – Ansalapi Contracts Pvt Ltd comprising 50.0% held via UEM (Mauritius) Co Ltd and 10.0% held via UE Development India Pvt Ltd.
- & The Group had a total of 55.7% shareholding in Opus Consultants DMCC in previous year, comprising 21.1% held by Opus IC and 34.6% held by OIM.
- ∅ Opus International North American Principals Inc. P.S was incorporated on 2 February 2015 and had stock buy-sell agreements with Opus IC, giving Opus IC 100% accounting control over Opus International North America Principals Inc. P.S.
- v The Group had a total of 27.3% shareholding in Opus Middle East LLC in previous year, comprising 10.4% held by Opus IC and 16.9% held by OIM.
- @ The Group has a total of 69.1% shareholdings in Edgenta Mediserve Sdn Bhd, comprising 39.4% held by Edgenta Healthcare Management Sdn Bhd and 29.7% held by UEM Edgenta.
- ^ The Group holds 100.0% of the equity in UEM Al-Dauliyyah LLC, comprising 90.0% held by UEM International (West Asia) Sdn Bhd and 10.0% held directly by UEM.
- ** The Group holds 69.1% (2018: 69.1%) of the equity in Opus Al-Dauliyyah LLC, comprising 65.7% (2018: 65.7%) held directly by OIM, 3.4% (2018: 3.4%) held by Opus Management Sdn Bhd.
- e Previously a subsidiary.

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

(B) Subsidiaries of MAS

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2019 %	2018 %	2019 %	2018 %	
Subsidiaries						
Delima Insurance (Labuan) Limited	Malaysia	100.0	100.0	-	-	Captive insurance business. Ceased operations in prior year.
MASkargo Sdn. Bhd. ^^	Malaysia	100.0	100.0	-	-	Air cargo operations, charter freighter and all warehousing activities relating to air cargo operations. Ceased operations in 2015.
MAS Golden Boutiques Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Carried on the business related to travel retail and mail order. Ceased operations in 2015.
Malaysia Airlines Capital (L) Limited	Malaysia	100.0	100.0	-	-	Labuan leasing
Malaysia Airlines Capital II (L) Limited	Malaysia	100.0	100.0	-	-	Labuan leasing
Malaysia Airlines Capital III (L) Limited	Malaysia	100.0	100.0	-	-	Labuan leasing
Malaysia Airlines Capital IV (L) Limited	Malaysia	100.0	100.0	-	-	Labuan leasing
Kelip-Kelip Labuan Limited	Malaysia	100.0	100.0	-	-	Labuan leasing
Kelip-Kelip II Labuan Limited	Malaysia	100.0	100.0	-	-	Labuan leasing

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

(B) Subsidiaries of MAS (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2019 %	2018 %	2019 %	2018 %	
Subsidiaries (cont'd.)						
Kelip-Kelip II Cayman Limited	Cayman Islands	100.0	100.0	-	-	Leasing business
Kelip-Kelip III Labuan Limited	Malaysia	100.0	100.0	-	-	Labuan leasing
Kunang Kunang Labuan Limited	Malaysia	100.0	100.0	-	-	Dormant
Malaysia Airlines A330 Capital Labuan Limited	Malaysia	100.0	100.0	-	-	Labuan leasing
Malaysia Airlines B738 Capital Labuan Limited	Malaysia	100.0	100.0	-	-	Labuan leasing
Malaysia Airlines B738 II Capital Labuan Limited	Malaysia	100.0	100.0	-	-	Labuan leasing
Malaysia Airlines Capital IV Cayman Limited	Cayman Islands	100.0	100.0	-	-	Leasing business
Malaysia Airlines Capital V Cayman Limited	Cayman Islands	100.0	100.0	-	-	Leasing business
MAS Academy Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Dormant
Malaysian Aerospace Engineering Sdn. Bhd. ("MAE")	Malaysia	100.0	100.0	-	-	Dormant
MAS Aerotechnologies Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Dormant

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

(B) Subsidiaries of MAS (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2019	2018	2019	2018	
		%	%	%	%	

Subsidiaries (cont'd.)

MAS Golden Holidays Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Dormant
MH Loyalty Programme Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Dormant

^ On 25 May 2015, MASKargo Sdn. Bhd. was placed under Administration pursuant to the MAS Act.

(C) Subsidiaries and associates of MAGB

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2019	2018	2019	2018	
		%	%	%	%	

Subsidiaries of MAGB

Malaysia Airlines Berhad ("MAB")	Malaysia	100.0	100.0	-	-	Business of air transportation and the provision of related services
AeroDarat Services Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Ground services activities on airfields
FlyFirefly Sdn. Bhd. ("Firefly")	Malaysia	100.0	100.0	-	-	Air transportation and the provision of related
MAB Kargo Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Other cargo holding

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

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

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2019 %	2018 %	2019 %	2018 %	
Subsidiaries of MAGB (cont'd.)						
MAB Leasing Limited	Malaysia	100.0	100.0	-	-	To carry on business of purchase, sale, lease, obtaining lease financing and refinancing of commercial aircraft
MAB Pesawat Sdn. Bhd.	Malaysia	100.0	100.0	-	-	To carry on business of purchase, sale, lease, obtaining lease financing and refinancing of commercial aircraft
MASwings Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Air transportation and the provision of related services
Hijrah Biru Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Air transportation and the provision of related services
MAB Academy Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Other education
Malaysia Airlines Holidays Sdn Bhd	Malaysia	100.0	100.0	-	-	Dormant
Subsidiaries of Malaysia Airlines Berhad						
Bakawali (Labuan) Limited	Malaysia	100.0	100.0	-	-	Labuan leasing
MAB Engineering Services Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Other services activities incidental to air transportation

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

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

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2019 %	2018 %	2019 %	2018 %	
Subsidiaries of Malaysia Airlines Berhad (cont'd.)						
MAS Aero Services Sdn. Bhd.	Malaysia	51.0	51.0	49.0	49.0	Provision of laundry and cleaning related services
MAS Awana Services Sdn. Bhd.	Malaysia	60.0	60.0	40.0	40.0	Provision of catering and cabin handling services
Impeccable Vintage Properties Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Activities of holding companies
Subsidiary of FlyFirefly Sdn. Bhd.						
FlyFirefly Holiday Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Tour and travel related operation
Subsidiary of MAB Kargo Sdn. Bhd.						
MASKargo Logistics Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Providing trucking, clearance and warehousing services
Name	Country of incorporation/ principal place of business	Effective interest~		Accounting model applied	Principal activities	
Associates of MAGB						
Brahim's SATS Food Service Sdn Bhd	Malaysia	30.0	30.0	Equity method	Carry on airline catering related services	
Pan Asia Pacific Aviation Services Limited ("PAPAS")	Hong Kong	24.0	24.0	Equity method	Provision of aircraft maintenance services	

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

(D) Subsidiaries, associates and joint ventures of IIB

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2019 %	2018 %	2019 %	2018 %	
Subsidiaries of IIB						
Iskandar Coast Sdn. Bhd. ("ICSB")	Malaysia	80.0	80.0	20.0	20.0	Investment holding and property development
Iskandar Development Management Services Sdn. Bhd. ("IDMS")	Malaysia	100.0	100.0	-	-	Management services
SJIC Bina Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Construction
Peak Alpha Express Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Investment holding
Educity Iskandar Malaysia Sdn. Bhd. ("EIMSB")	Malaysia	100.0	100.0	-	-	Investment holding, property development and property management services
Iskandar Assets Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Property investment
Iskandar Harta Holdings Sdn. Bhd. ("IHHSB")	Malaysia	100.0	100.0	-	-	Property and investment holding
Medini Security Services Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Investment holding
Medini Land Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Property and investment holding
Iskandar Investment Pte. Ltd. w	Singapore	-	100.0	-	-	Dormant
Iskandar Innovations Sdn. Bhd. ("IISB")	Malaysia	100.0	100.0	-	-	Investment holding

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

(D) Subsidiaries, associates and joint ventures of IIB

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2019 %	2018 %	2019 %	2018 %	
Subsidiaries of IIB (cont'd.)						
Wurawari Ventures Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Investment holding
Iskandar Capital Sdn. Bhd. ("IskCap")	Malaysia	55.4	55.4	44.6	44.6	Investment holding
Subsidiary of ICSB						
River Retreat Sdn. Bhd.	Malaysia	80.0	80.0	20.0	20.0	Property development and investment
Teladan Tekun Sdn. Bhd.	Malaysia	80.0	80.0	20.0	20.0	Investment holding
Iskandar Medical Education Sdn. Bhd.	Malaysia	80.0	80.0	20.0	20.0	Investment holding
Subsidiaries of IDMS						
Iskandar Management Services Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Management services
Medini City Management Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Management services
Subsidiary of IHHSB						
Ujung Medini Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Property investment

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

(D) Subsidiaries, associates and joint ventures of IIB (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2019	2018	2019	2018	
		%	%	%	%	
Subsidiaries of EIMSB						
Iskandar Education Village Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Property development and management
Iskandar British Education Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Property development and management
Iskandar Education Enterprise Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Property development and management
Name	Country of incorporation/ principal place of business	Effective interest~		Accounting model applied	Principal activities	
		2018	2018			%
Associates of IIB						
Jasmine Acres Sdn. Bhd. ("JASB")	Malaysia	33.3	33.3	Equity method		Investment holding
Joint ventures of IIB						
Nusajaya Lifestyle Sdn. Bhd.	Malaysia	45.0	45.0	Equity method		Property development
Metrogold Assets Sdn. Bhd.	Malaysia	20.0	20.0	Equity method		Property development
Raffles Iskandar Sdn. Bhd.	Malaysia	20.0	20.0	Equity method		Property development
Sunway Iskandar Development Sdn. Bhd.	Malaysia	40.0	40.0	Equity method		Property development

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

(D) Subsidiaries, associates and joint ventures of IIB (cont'd.)

Name	Country of incorporation/ principal place of business	Effective interest~		Accounting model applied	Principal activities
		2019 %	2018 %		
Joint ventures of IIB (cont'd.)					
Nusajaya Premier Sdn. Bhd.	Malaysia	16.0	16.0	Equity method	Property development
Inneonusa Sdn Bhd ("ISB")	Malaysia	10.0	10.0	Equity method	Management services
Joint venture of JASB					
Medini Iskandar Malaysia Sdn. Bhd.	Malaysia	20.0	20.0	Equity method	Property investment holding and the provision of construction services

w All the companies are audited by Ernst & Young, Malaysia except that marked "w", which is audited by a member firm of Ernst & Young Global in Singapore.

**Khazanah Nasional Berhad
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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

(E) Subsidiaries, associates and joint ventures of TARHSB

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2019 %	2018 %	2019 %	2018 %	
Subsidiaries of TARHSB						
Themed Attractions and Resorts Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Investment holding
Destination Resorts and Hotels Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Investment holding
Themed Destination IP Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Investment holding
Subsidiaries of Themed Attractions and Resort Sdn. Bhd.						
Rakan Riang Sdn. Bhd.	Malaysia	80.0	80.0	20.0	20.0	Own and operate KidZania educational and entertainment facility
Malaysia Truly Asia Centre Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Dormant
TAR PH Holdings Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Investment holding and provision of management services
TAR Riverwalk Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Investment holding and to own and operate water park
Themed Attractions Berhad	Malaysia	100.0	100.0	-	-	Investment holding
LL Malaysia Attractions Holdings Sdn. Bhd. ("LLMAH")	Malaysia	100.0	100.0	-	-	Investment holding

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(Incorporated in Malaysia)**

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

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

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2019 %	2018 %	2019 %	2018 %	
Subsidiaries of Themed Attractions and Resort Sdn. Bhd. (cont'd.)						
Rakan Riang Pte Ltd.^	Singapore	80.0	80.0	20.0	20.0	Own and operate KidZania educational and entertainment facility
LL Resorts Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Dormant
Subsidiaries of Themed Attractions Berhad						
PH Family Theme Park Sdn. Bhd.	Malaysia	-	100.0	0.0	-	Investment holding company and provision of catering and management services
Subsidiaries of TAR PH Holdings Sdn. Bhd.						
TAR LBC Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Own and operate Thomas Town attraction
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	-	-	Own and lease retail properties
TAR Kittown Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Own and operate Sanrio Hello Kitty Town attraction
PH Marina Boulevard Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Investment holding and to own and lease retail properties

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

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

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2019 %	2018 %	2019 %	2018 %	
Subsidiaries of PH Marina Boulevard Sdn. Bhd.						
PH Marina Boulevard 1 Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Dormant
PH Marina Boulevard 2 Sdn. Bhd.	Malaysia	-	100.0	-	-	Own and lease retail properties
PH Marina Boulevard 3 Sdn. Bhd.	Malaysia	-	100.0	-	-	Own and lease retail properties
PH Marina Boulevard 4 Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Dormant
PH Marina Boulevard 5 Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Dormant
PH Marina Boulevard 6 Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Dormant
Subsidiaries of TAR Riverwalk Sdn. Bhd.						
Riverwalk Waterpark Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Dormant
Dolphin Attractions Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Dormant
Destination Attractions Sdn. Bhd.	Malaysia	-	100.0	-	-	Dormant
Park Three Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Own Land for park development

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

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

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2019 %	2018 %	2019 %	2018 %	
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
Subsidiaries of Destination Resorts and Hotels Sdn. Bhd.						
Stulang Ventures Sdn. Bhd.	Malaysia	78.5	78.5	21.5	21.5	Investment holding
Elite Sun Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Investment holding
Pantai Andaman Ventures Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Investment holding
Desaru Estate Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Own and operate hotel
Hijauan Desaru Sdn. Bhd.	Malaysia	-	100.0	-	-	Dormant
DRH Green Homes (M) Sdn. Bhd.	Malaysia	84.3	84.3	15.7	15.7	Property development

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

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

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2019 %	2018 %	2019 %	2018 %	
Subsidiaries of Destination Resorts and Hotels Sdn. Bhd. (cont'd.)						
Asia Pioneer Capital Sdn. Bhd. ("APC")	Malaysia	100.0	100.0	-	-	Dormant
ECM Golf Berhad	Malaysia	100.0	100.0	-	-	Dormant
Little Red Cube Sdn. Bhd.	Malaysia	-	100.0	-	-	Dormant
Datai Hotels and Resorts Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Hotel management
Desaru Beach Parks Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Chalet owner
Desaru Theme Hotel Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Dormant
Subsidiary of Stulang Ventures Sdn. Bhd.						
Desaru Development Corporation Sdn. Bhd. ("DDC")	Malaysia	55.0	55.0	45.0	45.0	Investment holding and master developer of Desaru Coast
Subsidiary of Elite Sun Sdn. Bhd.						
Crustacea Enterprise Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Dormant
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

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

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

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2019 %	2018 %	2019 %	2018 %	
Subsidiaries of DDC						
DDC Resort Sdn. Bhd. ("DDCR")	Malaysia	55.0	55.0	45.0	45.0	Investment holding and provision of management services
DDC Peladang Sdn. Bhd.	Malaysia	55.0	55.0	45.0	45.0	Investment holding
Desaru Development Holdings One Sdn. Bhd. ("DDH1")	Malaysia	66.5	66.5	33.5	33.5	Investment holding and property developer
Desaru Land 3 Sdn. Bhd.	Malaysia	55.0	55.0	45.0	45.0	Investment holding
Subsidiaries of DDH1						
Desaru Peace Holdings Sdn. Bhd. ("DPH")	Malaysia	33.9	33.9	66.1	66.1	Investment holding
Desaru North Course Sdn. Bhd.	Malaysia	66.5	66.5	33.5	33.5	Management of golf membership and own and operate golf course
Desaru South Course Sdn. Bhd.	Malaysia	66.5	66.5	33.5	33.5	Operation of golf course
Desaru Riverwalk Sdn. Bhd.	Malaysia	66.5	66.5	33.5	33.5	Operation of retail space
Desaru Convention Centre Sdn. Bhd.	Malaysia	82.9	82.9	17.1	17.1	Own and operate convention center
Desaru Corniche Sdn. Bhd.	Malaysia	82.9	82.9	17.1	17.1	Investment holding
Desaru Land Sdn. Bhd.	Malaysia	66.5	66.5	33.5	33.5	Investment holding

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

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

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2019 %	2018 %	2019 %	2018 %	
Subsidiaries of DDH1 (cont'd.)						
Desaru Ferry Sdn. Bhd.	Malaysia	66.5	66.5	33.5	33.5	Ferry terminal operators
DC Resort Marketing Sdn. Bhd. (fka Desaru Commercial Land 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
Desaru Beachfront 2 Sdn. Bhd.	Malaysia	66.5	66.5	33.5	33.5	Investment holding
Desaru Beachfront 3 Sdn. Bhd.	Malaysia	66.5	66.5	33.5	33.5	Investment holding
Desaru Beachfront 4 Sdn. Bhd.	Malaysia	66.5	66.5	33.5	33.5	Investment holding
Desaru Beachfront 5 Sdn. Bhd.	Malaysia	66.5	66.5	33.5	33.5	Investment holding
Desaru Land 2 Sdn. Bhd.	Malaysia	66.5	66.5	33.5	33.5	Investment holding
Desaru Boutique Hotel Sdn. Bhd.	Malaysia	66.5	66.5	33.5	33.5	Investment holding
Desaru Coast Cuisine Sdn. Bhd.	Malaysia	66.5	66.5	33.5	33.5	Own and operate food and beverage business

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

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

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2019 %	2018 %	2019 %	2018 %	
Subsidiaries of DPH						
Desaru Peace Holdings Club Sdn. Bhd.	Malaysia	33.9	33.9	66.1	66.1	Owner and operator of recreational Club
Desaru Peace Holdings Operator Sdn. Bhd.	Malaysia	-	33.9	-	66.1	Dormant
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
Subsidiaries of Desaru Corniche Sdn. Bhd.						
Desaru Corniche Hotel Sdn. Bhd.	Malaysia	82.9	82.9	17.1	17.1	Own and operate hotel
Desaru Corniche Property Sdn. Bhd.	Malaysia	82.9	82.9	17.1	17.1	Property development
Subsidiaries of DDC Resort Sdn. Bhd.						
DDC Corporate Services Sdn. Bhd.	Malaysia	55.0	55.0	45.0	45.0	Provision of general maintenance services, parking and recreation activities
Desaru Beach Sdn. Bhd. **	Malaysia	55.0	55.0	45.0	45.0	Dormant

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

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

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2019 %	2018 %	2019 %	2018 %	
Subsidiaries of DDC Resort Sdn. Bhd. (cont'd.)						
Desaru Golden Beach Hotel Sdn. Bhd.	Malaysia	55.0	55.0	45.0	45.0	Dormant
Desaru Golf & Country Club Berhad	Malaysia	54.95	54.95	45.1	45.1	Dormant
Desaru Golf & Country Resort Berhad	Malaysia	54.95	54.95	45.1	45.1	Dormant
Desaru Golf (Lake One) Sdn. Bhd.	Malaysia	54.95	54.95	45.1	45.1	Dormant
Desaru Health Spa Sdn. Bhd.	Malaysia	55.0	55.0	45.0	45.0	Dormant
Desaru Marina Sdn. Bhd.	Malaysia	55.0	55.0	45.0	45.0	Dormant
Desaru Marina Commercial Sdn. Bhd.	Malaysia	55.0	55.0	45.0	45.0	Dormant
Desaru Marina Hotel Sdn. Bhd.	Malaysia	55.0	55.0	45.0	45.0	Dormant
Desaru Palace Hotel Sdn. Bhd.	Malaysia	55.0	55.0	45.0	45.0	Dormant
Desaru Resort Homes Sdn. Bhd.	Malaysia	55.0	55.0	45.0	45.0	Dormant
Desaru Sunny Beach Hotel Sdn. Bhd.	Malaysia	55.0	55.0	45.0	45.0	Dormant

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

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

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2019	2018	2019	2018	
		%	%	%	%	

Subsidiaries of DDC Resort Sdn. Bhd. (cont'd.)

Desaru Tennis Ranch Hotel Sdn. Bhd.	Malaysia	55.0	55.0	45.0	45.0	Dormant
Variasi Kesuma Sdn. Bhd. **	Malaysia	55.0	55.0	45.0	45.0	Dormant

Subsidiaries of Teluk Datai Resorts Sdn. Bhd.

TDR Villas Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Property developer
Anak Datai Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Dormant
Kasturi Pasifika Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Owner of "The Datai" brand

Subsidiary of TDR Villas Sdn. Bhd.

TDR Golf Resorts Bhd.	Malaysia	100.0	100.0	-	-	Own and operate golf course
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Name	Country of incorporation/ principal place of business	Effective interest~		Accounting model applied	Principal activities
		2019	2018		
		%	%		

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

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

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

Name	Country of incorporation/ principal place of business	Effective interest~ 2019 2018 % %		Accounting model applied	Principal activities
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
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

+++ The Group's effective interest is 60.6%, comprising 33.7% held by UEM Sunrise and 26.9% held by DRH Group.

^ Incorporated under Companies Act, Cap. 50 of the Republic of Singapore, with shares issued in Singapore dollar ("SGD").

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

(F) Subsidiary of MTDC

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2019 %	2018 %	2019 %	2018 %	
Malaysian Technology Consultants Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Provision of technical consultancy and commercialisation of research and development ventures
MTDC-BSF Sdn Bhd	Malaysia	100.0	100.0	-	-	Management of start-up fund
MTDC-BGF Sdn Bhd	Malaysia	100.0	100.0	-	-	Management of growth fund

(G) Other subsidiaries, associates and joint ventures of the Group

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2019 %	2018 %	2019 %	2018 %	
Subsidiaries of ARHSB						
Agro Treasures Sdn. Bhd. ("ATSB")	Malaysia	100.0	100.0	-	-	Investment holding
Blue Archipelago Berhad ("BAB")	Malaysia	100.0	100.0	-	-	Investment holding and trading of shrimp aquaculture products
Biotropics Malaysia Berhad ("BMB")	Malaysia	100.0	100.0	-	-	Business in the research and development, marketing and sales of products based on Malaysia's biodiversity such as plants and other medicinal herbs

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

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

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2019 %	2018 %	2019 %	2018 %	
Subsidiaries of ARHSB (cont'd.)						
Malaysian Agrifood Corporation Berhad ("MAFC")	Malaysia	100.0	100.0	-	-	Investment holding, production and trading of agriculture products and management of food supply chain
Subsidiaries of BAB						
Arca Biru Sdn. Bhd.	Malaysia	100.0	100.0	-	-	To carry on the business of shrimp aquaculture
Isharp Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Trade and produce of aquaculture products
Subsidiaries of BMB						
Phytes Biotek Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Formulation and manufacturing of herbal extracts and other herbal products
Subsidiaries of Phytes Biotek Sdn. Bhd.						
Nu-Prep (M) Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Dormant
Plante Resources Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Dormant
Subsidiaries of MAFC						
Cameron Fresh Farms Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Investment in agriculture property
Lotus Logistics Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Dormant

**Khazanah Nasional Berhad
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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

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

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2019	2018	2019	2018	
		%	%	%	%	
Subsidiaries of MAFC (cont'd.)						
MAFC International (M) Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Trading of agricultural produce. The entity became dormant since 31 December 2016
Subsidiary of Aur Investments (Cayman Islands) Limited						
Tuba Investments W.L.L. * +	Kingdom of Bahrain	99.5	99.5	0.5	0.5	Investment holding
Subsidiary of Bukit Damar Investments Limited						
Gobi MAVCAP Asean Superseed Fund, L.P. *	Malaysia	67.0	67.0	33.0	33.0	Micro venture capital
Subsidiary of Bukit Frasers Ventures Sdn. Bhd.						
IDM Lab Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Internet and digital media lab
Subsidiary of Carey Investments Limited						
Tuba Investments W.L.L. * +	Kingdom of Bahrain	0.5	0.5	99.5	99.5	Investment holding
Subsidiaries of Cenviro Sdn. Bhd.						
Abu Dhabi Kualiti Alam Environmental Services LLC ("ADKA") *	Abu Dhabi	100.0	100.0	-	-	Under members voluntary liquidation
Cenviro Services Sdn Bhd ("CS") (fka Kualiti Khidmat Alam Sdn. Bhd.("KKA"))	Malaysia	100.0	100.0	-	-	Sole agent for collecting and scheduled waste

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

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

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2019	2018	2019	2018	
		%	%	%	%	
Subsidiaries of Cenviro Sdn. Bhd. (cont'd.)						
Cenviro Special Builders Sdn. Bhd. ("CSB")	Malaysia	100.0	100.0	-	-	Provision of project management consultant for integrated environmental solutions
Cenviro Recycling and Recovery Sdn. Bhd. ("CRR") (fka Kualiti Kitar Alam Sdn. Bhd. ("KKI"))	Malaysia	100.0	100.0	-	-	Provision of waste recycling and recovery services
Cenviro (Johor) Sdn. Bhd. ("CJSB")	Malaysia	100.0	100.0	-	-	Has not commenced business operations
Cenviro Green Energy Sdn. Bhd. ("CGE")	Malaysia	100.0	100.0	-	-	Investment holding
Environmental, Preservation and Innovation Centre Sdn. Bhd. ("EPIC")	Malaysia	100.0	100.0	-	-	Provision of training, consultancy, research and development, publication, innovation and commercialisation services
Kualiti Alam Sdn. Bhd. ("KASB")	Malaysia	100.0	100.0	-	-	Undertake the collection, transportation, treatment and disposal of scheduled waste
Recycle for Life Sdn. Bhd. ("RFL")	Malaysia	100.0	100.0	-	-	Undertake the collection and handling of recyclable items
Subsidiary of CGE						
Cenviro Green Energy Melaka Sdn. Bhd. ("CEGM")	Malaysia	100.0	100.0	-	-	Has not commenced business operations

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

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

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2019 %	2018 %	2019 %	2018 %	
Subsidiary of KASB						
Kualiti Alam Lahat Sdn. Bhd. ("KAL")	Malaysia	70.0	70.0	30.0	30.0	Has not commenced business operations
Subsidiary of Cosmos Friendship Limited						
KCS Green Energy International (Group) Investments Company Ltd.	Hong Kong	100.0	100.0	-	-	Investment holding
Subsidiaries of KCS Green Energy International						
KCS Jining Investments Company Limited	Hong Kong	100.0	100.0	-	-	Investment holding
KCS Huai'an Investments Company Limited	Hong Kong	100.0	100.0	-	-	Investment holding
Subsidiaries of Granatum Ventures Sdn. Bhd.						
Candelon Ventures Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Under members voluntary liquidation
Iskandar Malaysia Studios Sdn. Bhd. ("IMS")	Malaysia	100.0	99.4	-	0.6	Investment holding
Rhizophora Ventures Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Investment holding
Subsidiary of Candelon Ventures Sdn Bhd						
Imagica South East Asia Sdn. Bhd.	Malaysia	100.0	100.0	-	-	In members' voluntary liquidation

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

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

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2019 %	2018 %	2019 %	2018 %	
Subsidiary of Iskandar Ventures Sdn. Bhd.						
Jasmine Acres Sdn. Bhd.	Malaysia	66.7	66.7	33.3	33.3	Investment holding
Southview Hills Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Investment holding
Subsidiary of Khazanah Nasional Consulting (Hong Kong) Company Ltd						
Khazanah Nasional Consulting (Beijing) Company Ltd	China	100.0	100.0	-	-	Consultancy services on business, market information, project management, etc.
Khazanah Nasional Business Consulting (Shanghai) Co. Ltd	China	100.0	100.0	-	-	Consultancy services on business, market information, project management, etc.
Subsidiary of Mantanani Ventures Sdn. Bhd.						
Khazanah Turkey Regional Office Danismanlik Hizmetleri A.S.	Turkey	100.0	100.0	-	-	Investment holding
Subsidiary of Noring Investments (Mauritius) Limited						
Mostyn Investments (Mauritius) Limited	Mauritius	100.0	100.0	-	-	Investment holding
Subsidiary of Ophir Ventures Sdn. Bhd.						
ReGen Rehabilitation International Sdn. Bhd.	Malaysia	60.0	60.0	40.0	40.0	Provision of post-acute inpatient rehabilitation services

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

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

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2019 %	2018 %	2019 %	2018 %	
Subsidiaries of Payar Investments Limited						
Cenergi SEA Sdn. Bhd.	Malaysia	92.9	92.9	7.1	7.1	Investment holding and provision of advisory services
Subsidiaries of Cenergi SEA Sdn. Bhd.						
Lestari SEA Ltd.	Mauritius/ Malaysia	100.0	100.0	-	-	Investment holding
Cenergi Carbon Ltd.	Malaysia	100.0	100.0	-	-	Emission reduction project operations
Cenergi EE Holdings Sdn. Bhd. ("CEEH")	Malaysia	100.0	100.0	-	-	Renewable energy developers in solar and energy efficiency and investment holding
Cenergi RE Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Investment holding
Cenergi Operations and Maintenance Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Operation and maintenance of energy power plants
Cenergi Green Utilities Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Intended to develop renewable generation distribution

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

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

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2019 %	2018 %	2019 %	2018 %	
Subsidiaries of Cenergi SEA Sdn. Bhd. (cont'd.)						
Cenergi Refuel Sdn. Bhd.	Malaysia	100.0	-	-	-	Intended for development and operations of biomass pellet manufacturing facilities and conducting manufacturing activities to produce biomass pellet.
Subsidiary of Cenergi EE Holdings Sdn. Bhd.						
Cenergi EE Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Energy efficiency project operations
Subsidiaries of Cenergi RE Sdn. Bhd.						
Cenergi Palong Sdn. Bhd. (formerly known as ("f.k.a.") Biopower Climate Care Sdn. Bhd.)	Malaysia	100.0	100.0	-	-	Contracting and construction of a renewable energy plant
Cenergi Tanah Makmur Sdn. Bhd. (f.k.a. Metro Havana Sdn. Bhd.)	Malaysia	70.0	70.0	30.0	30.0	Contracting and construction of a renewable energy plant
GLT Energy Sdn. Bhd. ("GLTE")	Malaysia	60.0	60.0	40.0	40.0	Contracting and construction of a renewable energy plant
Cenergi Pantai Remis Sdn. Bhd. (f.k.a Pantai Remis Cenergi Sdn. Bhd.)	Malaysia	100.0	100.0	-	-	Intended to contract and construct a renewable energy plant

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

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

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2019 %	2018 %	2019 %	2018 %	
Subsidiaries of Cenergi RE Sdn. Bhd. (cont'd.)						
Cenergi EPC Sdn. Bhd.	Malaysia	100.0	100.0	-	-	To carry on business of engineering procurement and construction
Cenergi Hamparan Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Investment holding
Cenergi Refuel Sdn. Bhd. (f.k.a. Cenergi Eco Power Sdn. Bhd.)	Malaysia	-	100.0	-	-	Contracting and construction of a renewable energy plant
Cenergi Elphil Sdn. Bhd. (f.k.a. Cenergi Green Power Sdn. Bhd.)	Malaysia	100.0	100.0	-	-	Dormant
Cenergi Chersonese Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Intended to contract and construct a renewable energy plant
Cenergi West Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Intended to contract and construct a renewable energy plant
Cenergi Sri Ganda Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Intended to contract and construct a renewable energy plant
Cenergi Langkap Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Intended to contract and construct a renewable energy plant
Cenergi Endah Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Intended to contract and construct a renewable energy plant

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

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

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2019 %	2018 %	2019 %	2018 %	
Subsidiaries of Cenergi RE Sdn. Bhd. (cont'd.)						
Bell Cenergi YP Sdn. Bhd.	Malaysia	80.0	80.0	20.0	20.0	Intended to contract and construct a renewable energy plant
Bell Cenergi BP Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Intended to contract and construct a renewable energy plant
Bell Cenergi LD Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Intended to contract and construct a renewable energy plant
Subsidiary of Cenergi Hamparan Sdn. Bhd.						
PT Gree Hamparan^	Malaysia	95.0	95.0	-	-	Intended to contract and construct a renewable energy plant
Subsidiary of PMB						
Aircraft Business Malaysia Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Lease of aircraft and provision of related services
Subsidiaries of Pulau Manukan Ventures Sdn. Bhd.						
Pulau Manukan Ventures Labuan Ltd.	Malaysia	100.0	100.0	-	-	Investment holding / life sciences fund
Xeraya Capital Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Investment support
Subsidiary of Xeraya Capital Sdn. Bhd.						
Xeraya Capital Labuan Ltd.	Malaysia	100.0	100.0	-	-	Investment management services

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

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

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2019 %	2018 %	2019 %	2018 %	
Subsidiary of Xeraya Capital Sdn. Bhd. (cont'd.)						
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
Prince Court Medical Centre Sdn Bhd	Malaysia	100.0	100.0	-	-	Private healthcare
Subsidiary of Pulau Tiga Ventures Sdn. Bhd.						
Continuum Capital Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Venture capital fund
Subsidiary of Continuum Capital Sdn. Bhd.						
Encipta Ltd.	Malaysia	100.0	100.0	-	-	Investment holding
Subsidiaries of Rhizophora Ventures Sdn. Bhd.						
Angsana Production Services Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Film and television productions consultancy services and production of television series
Rhizophora Capital Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Funding assistance to film or television
Sonneratia Capital Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Investment holding

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

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

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2019 %	2018 %	2019 %	2018 %	
Subsidiaries of Rhizophora Ventures Sdn. Bhd. (cont'd.)						
Stylosa Production Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Investing in and co-production of media content
Apareiba Capital Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Under members' voluntary liquidation
Subsidiaries of Angsana Production Services Sdn. Bhd.						
Marco Polo Productions Asia Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Under members' voluntary liquidation
AGT Productions Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Under members' voluntary liquidation
Subsidiaries of Sonneratia Capital Sdn. Bhd.						
Elektra One Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Investing and co-production of media content
Elektra Two Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Investing and co-production of media content
Elektra Three Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Under members' voluntary liquidation
Subsidiaries of Santubong Ventures Sdn. Bhd.						
PT Pantai Damai	Indonesia	99.0	99.0	-	-	Under members' voluntary liquidation

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

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

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2019 %	2018 %	2019 %	2018 %	
Subsidiaries of Silterra						
Pembinaan Waferfab Sdn. Bhd. *	Malaysia	100.0	100.0	-	-	Dormant
Silterra Sales and Marketing Sdn. Bhd. ("SSM") *	Malaysia	100.0	100.0	-	-	Sale and marketing of advanced semiconductor products
Silterra Capital Berhad ("SCB") *	Malaysia	100.0	100.0	-	-	Providing funding to holding company
Subsidiary of SSM						
Silterra Sales and Marketing (L) Ltd. *	Malaysia	100.0	100.0	-	-	Sale and marketing of advanced semiconductor products
Subsidiary of Sungai Pulai Investments (Mauritius) Limited						
Sungai Pulai Investments (Singapore) Pte Ltd	Singapore	-	100.0	-	-	Struck off
Subsidiary of Synapse Education Holdings Sdn. Bhd.						
LeapEd Services Sdn. Bhd.	Malaysia	100.0	100.0	-	-	To provide educational services to the school sector in Malaysia.
Subsidiary of Tanjung Bidara Ventures Sdn. Bhd.						
Tanjong Aru Capital Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Provision of sports facilities

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

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

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2019 %	2018 %	2019 %	2018 %	
Subsidiary of Tanjong Aru Capital Sdn. Bhd.						
Mulu Ventures Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Provision of cricket facilities
Subsidiary of Teluk Belanga Investment Ltd.						
Bagan Lalang Ventures Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Investment holding
Subsidiary of Teluk Cempedak Investments (Mauritius) Limited						
Khazanah India Advisors Private Ltd. ***	India	100.0	100.0	-	-	Investment advisory
Subsidiary of Teluk Nibong Ventures Sdn. Bhd.						
CDC Advisory Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Provision of transition support services including advisory, outplacement and training support services
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
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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

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

Name	Country of incorporation/ principal place of business	Effective interest~		Non-controlling interest~		Principal activities
		2019 %	2018 %	2019 %	2018 %	
Subsidiaries of Avicennia Capital Sdn. Bhd.						
Renggis Ventures Sdn. Bhd.	Malaysia	96.0	96.0	4.0	4.0	Investment holding
Kuala Gula Ventures Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Investment holding
Pasir Kalong Investments Limited	Malaysia	100.0	100.0	-	-	Investment holding
Tanjung Piai Ventures Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Investment holding
Tasik Bera Ventures Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Investment holding
Burau Ventures Sdn. Bhd.	Malaysia	100.0	100.0	-	-	Investment holding
Subsidiaries of Renggis Ventures Sdn. Bhd.						
SunLife Malaysia Assurance Bhd. *	Malaysia	49.0	49.0	51.0	51.0	Underwriting of life insurance and investment-linked business
SunLife Malaysia Takaful Bhd. *	Malaysia	49.0	49.0	51.0	51.0	Management of family takaful, general takaful and investment-linked takaful business

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

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

Name	Country of incorporation/ principal place of business	Effective interest~ 2019 2018 % %		Accounting model applied	Principal activities
Associate of Atlantic Quantum Sdn. Bhd.					
Key Asic Bhd. *	Malaysia	-	9.9	Equity method	Liquidated
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	10.9	Equity method	Online credit analytics and lending platform
Associate of CRR					
Shan Poornam Sdn. Bhd. ("SPSB")	Malaysia	40.0	40.0	Equity method	Investment holding
Associate of Cosmos Friendship Limited					
Beijing Enterprises Environment Group Ltd *	Hong Kong	23.1	23.1	Equity method	Investment holding
Associate of Gemia Investments Limited					
Fajr Capital Limited *	Saudi Arabia	19.1	19.1	Equity method	Provision in Islamic finance services

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

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

Name	Country of incorporation/ principal place of business	Effective interest~ 2019 2018 % %		Accounting model applied	Principal activities
Associate of MAFC					
Monoluxury Sdn Bhd *	Malaysia	20.0	20.0	Equity method	Cultivation, processing and trading of vegetables and related vegetable products
Associate of Mataking Ventures Sdn. Bhd.					
General Fusion Inc. *	Canada	8.4	8.5	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 Raya Investment Limited					
Phunware, Inc *	Delaware, USA	5.7	7.29	Equity method	Software application services
Associate of Pantai Air Papan Ventures Sdn. Bhd.					
VTI Group *	Vietnam	16.9	16.9	Equity method	Operates leading local F&B chains and international modern retails brands
Associate of Pantai Cahaya Bulan Ventures Sdn. Bhd.					
Astro Malaysia Holdings Berhad ("AMHB") *	Malaysia	20.7	20.7	Equity method	Media entertainment

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

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

Name	Country of incorporation/ principal place of business	Effective interest~ 2019 2018 % %		Accounting model applied	Principal activities
Associates of Pantai Support Services Sdn. Bhd.					
Unitab Medic Sdn. Bhd. *	Malaysia	30.0	30.0	Equity method	Investment holding and supervision of medical examination of foreign workers in Malaysia
Associate of Panorama Investment (Mauritius) Ltd					
Actoserba Active Wholesale Private Limited *	India	22.5	22.5	Equity method	Online retailer of women innerwear in India.
Associate of Pasir Salak Investments Limited					
8990 Holdings Inc. *	Philippines	8.7	8.6	Equity method	Housing development
Associate of Pulau Kapas Ventures Sdn. Bhd.					
TIME dotCom Berhad *	Malaysia	30.3	30.4	Equity method	Investment holding, provision of management and marketing/promotional services and retailing of telecommunications products
Associate of Pulau Memutik Sdn. Bhd.					
IHH Healthcare Bhd. *	Malaysia	26.0	42.1	Equity method	Investment holding and healthcare service provider
First Floor Capital Sdn. Bhd. *	Malaysia	-	25.0	Equity method	Venture capital management company

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

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

Name	Country of incorporation/ principal place of business	Effective interest~		Accounting model applied	Principal activities
		2019 %	2018 %		
Associate of Pulau Tiga Ventures Sdn. Bhd. (cont'd.)					
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
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

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

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

Name	Country of incorporation/ principal place of business	Effective interest~ 2019 2018 % %		Accounting model applied	Principal activities
Associate of Shan Poornam Metals Sdn. Bhd. ("SPM") (cont'd.)					
Shan Poornam Metals (Johor) Sdn. Bhd.	Malaysia	40.0	40.0	Equity method	Collection, processing and recycling of scraps
Shan Poornam Green Tech Sdn. Bhd.	Malaysia	40.0	40.0	Equity method	Dormant
Associate of Tanjung Tuan Investments Limited					
Blippar.com Limited *	England and Wales	11.4	11.4	Equity method	Mobile visual-search app developer
Joint venture of ARHSB					
Commerce-KNB Agro Teroka Sdn. Bhd. ("CKAT") *	Malaysia	67.0	67.0	Equity method	Agriculture venture capital
The Holstein Milk Company Sdn. Bhd.	Malaysia	30.0	30.0	Equity method	Involved in dairy farming, processing and distribution of fresh dairy produce
Joint venture of BAB					
AB Hatchery Sdn. Bhd.	Malaysia	51.0	51.0	Equity method	Post larvae farming and trading
Joint venture of CenergiSEA					
Cenergi FJP Sdn. Bhd. ("CFJP")	Malaysia	51.0	51.0	Equity method	Operation of green power generation facilities and plants

**Khazanah Nasional Berhad
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78. Subsidiaries, associates and joint ventures of the Group (cont'd.)

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

Name	Country of incorporation/ principal place of business	Effective interest~ 2019 2018 % %		Accounting model applied	Principal activities
Joint venture of CenergiSEA (cont'd.)					
Cenergi Sunseap Energy Solutions Sdn. Bhd. ("CSES")	Malaysia	60.0	60.0	Equity method	Renewable energy developer in solar and energy efficiency
Joint venture of Cenviro Sdn Bhd					
E-Idaman Sdn. Bhd. ("EISB")	Malaysia	50.0	50.0	Equity method	Investment holding, provision of project management, consultancy and contracting services in the field of solid waste management
Joint venture of EISB					
Environment Idaman Sdn. Bhd.	Malaysia	50.0	50.0	Equity method	Provision of integrated solid waste and public cleansing management any other related business in the Northern Region of Peninsular Malaysia
Environment Idaman (Kedah and Perlis) Sdn. Bhd.	Malaysia	50.0	50.0	Equity method	Provision of integrated solid waste collection and public cleansing management services, including technical expert services in waste management

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

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

Name	Country of incorporation/ principal place of business	Effective interest~		Accounting model applied	Principal activities
		2019 %	2018 %		
Joint venture of EISB (cont'd.)					
Green Resources Recovery Sdn. Bhd.	Malaysia	50.0	50.0	Equity method	Provision of project management, consultancy and contracting services in the field of solid waste and public cleansing management services and dealing with recyclable items and facilities
Environment Idaman (Perak) Sdn. Bhd.	Malaysia	50.0	50.0	Equity method	Provision of integrated solid waste collection and public cleansing management services, including technical expert services in waste management
Joint venture of Dayang Bunting Ventures Sdn. Bhd.					
Sunway Iskandar Sdn. Bhd. *	Malaysia	40.0	40.0	Equity method	Investment holding
Joint venture of Desaru Investments (Cayman Islands) Limited					
Malaysian Shoaiba Consortium Sdn. Bhd. *	Malaysia	-	40.0	Equity method	Water and energy service provider
Joint Venture of Mostyn Investment (Mauritius) Limited					
Fractal Analytics Private Limited *	India	-	30.1	Equity method	Specializing in predictive analytics and decision sciences

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

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

Name	Country of incorporation/ principal place of business	Effective interest~		Accounting model applied	Principal activities
		2019 %	2018 %		
Joint venture of Pantai Cahaya Bulan Ventures Sdn. Bhd.					
Astro Holdings Sdn. Bhd. *	Malaysia	29.3	29.3	Equity method	Investment holding
Joint venture of Pulau Selangan Investments Limited					
DaVita Care Pte Ltd *	Singapore	20.0	20.0	Equity method	Healthcare service
Joint venture of Sungai Pulai Investments (Mauritius) Limited					
M+S Pte. Ltd.	Singapore	60.0	60.0	Equity method	Property development
Joint venture of Stylosa Productions Sdn. Bhd.					
Ideate Media Sdn. Bhd. *	Malaysia	50.0	50.0	Equity method	Create platforms to invest, develop, own and monetise intellectual property creative assets
Joint venture of Tanjung Bidara Ventures Sdn. Bhd.					
Southern Marina Development Sdn. Bhd. *	Malaysia	30.0	30.0	Equity method	Property development
Joint venture of Teluk Rubiah Ventures Sdn. Bhd.					
Pulau Indah Ventures Sdn. Bhd. *	Malaysia	50.0	50.0	Equity method	Township development
Joint ventures of Pulau Manukan Ventures Sdn. Bhd.					
Malaysian Life Sciences Capital Fund Management Co. Ltd.	Malaysia	-	50.0	Equity method	Under liquidation

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

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

Name	Country of incorporation/ principal place of business	Effective interest~		Accounting model applied	Principal activities
		2019 %	2018 %		
Joint ventures of Pulau Manukan Ventures Sdn. Bhd. (cont'd.)					
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

* Audited by firms of auditors other than Ernst & Young.

^ Although the Company does not hold ordinary shares in the associates, the Company exerts significant influence by virtue of the Company's holding in the preference shares in the respective associates which gives the Company the right to appoint directors on the board of the respective associates.

+ The Group's effective interest in Tuba Investments WLL is 100%, comprising 99.5% held by Aur Investments (Cayman Islands) Limited and 0.5% held by Carey Investments (Cayman Islands) Limited.

*** The Group's effective interest in Khazanah India Advisors Private Ltd. is 100%, comprising 99.9% held by Teluk Cempedak Investments (Mauritius) Limited and 0.1% held by Chendering Investments Ltd.

^ The Group's effective interest in Invendo Medical GmbH is 21.2%, which is held by Pulau Duyung Ventures (Cayman Islands) Ltd. And ISKA Holding S.à.r.l. of 10.6% each.

@ In accordance with the respective partnership agreements, the rights to participate in any distributions can only be exercised upon contribution of the partnership capital. As of the reporting date, the Group has yet to make any capital contribution.

**Khazanah Nasional Berhad
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79. Directors of subsidiaries

The names of the directors of the Company's subsidiaries in office since the beginning of the financial year to the date of this report (not including Directors of the Company who have been listed in the Directors' Report) are:

Abdul Rashid Karim Mohd Razha
Afizul Aezhar Sharifuddin
Ahmad Jauhari bin Yahya
Ahmad Luqman Bin Mohd Azmi
Ahmad Zulqarnain Bin Che On
Amalanathan Thomas
Aminah Binti Othman
Aminuddin Bin Zakaria
Amir Hamzah bin Nordin
Amirsham Bin A Aziz
Amiruddin Bin Daud
Amirul Fares Bin Wan Zahir
Amlah Binti Yassin
Amran Hafiz Affifudin
Andreas Weiss (Alternate Director to Helmuth Blasch)
Anil Thadani
Anoop Damodar Gupta
Aqilah Binti Che Azizuddin
Azman bin Mohd Hussein
Azmin Bin Isa
Azriee Wong Bin Abdul Karim
Babar Ali Khan
Badrul Hisham bin Dahalan
Ben Chan Wei Beng
Bhagat Chintamani Aniruddha
Boo Hui Yee
Bryan Foong Chee Yeong
Bryan Lim Tsin Lin
Budi Mahatma Kusumawardhana
Calvin Raqem R Jacob
Caroline Goergen
Chan Cheow Hong
Chen Yen-Yu
Chinta Madhav
Chong Yit Phin
Christina Foo
Daniel Tan Sze Hun
Datin Paduka Che Asmah Ibrahim
Datin Teh Ija Binti Mohd Jalil

**Khazanah Nasional Berhad
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79. Directors of subsidiaries (cont'd.)

Datin Zainabbi Binti Abubacker
Dato' Ahmad Omar
Dato' Ahmad Pardas Bin Senin
Dato' Azmir Merican Bin Azmi Merican
Dato' Boonler Somchit A/L Loy Somchit
Dato' Borhanuddin Bin Osman
Dato' Dr Nirmala Menon A/P Y.B. Menon
Dato' George Stewart LaBrooy
Dato' Haja Najmudeen K P M Abd Kader
Dato' Hj Noorazam bin Dato' Osman
Dato' Iskandar Mizal Bin Mahmood
Dato' Mohamed Nasri Sallehuddin
Dato' Mohd Izani Ghani
Dato' Mohd Khalis Bin Abd Rahim
Dato' Mohd Shukri Bin Hussin
Dato' Noorazman Abd Aziz
Dato' Norhalim bin Yunus
Dato' Ooi Sang Kuang
Dato' Quah Thain Khan
Dato' Richard Edwin Wroth Small
Dato' Roslan Ibrahim
Dato' Sr. Hisham Jafrey
Dato' Sri Ghazali Bin Mohd Ali
Dato' Tan Thean Thye
Dato' Tharuma Rajah A/L Kathiravelu
Datuk Akmal bin Ahmad
Datuk Dr Mohamed Arif Bin Nun
Datuk Dr Syed Muhamad Bin Syed Abdul Kadir
Datuk Ir. Khairil Anwar bin Ahmad
Datuk Nik Airina Nik Jaffar
Datuk Puteh Rukiah binti Abd Majid
Datuk Seri Dr. Mohd Azhar bin Hj. Yahaya
Datuk Shahril Ridza bin Ridzuan
David Lau Nai Pek
Doctor Javier Santiso Guimaras
Dr Mohamadon Bin Abdullah
Dr. Chan Tuck Leong
Dr. Mohd Nor Azman bin Hassan (Alternate to Datuk Seri Dr. Mohd Azhar bin
Hj. Yahaya)
Dumisani Blessing Mnganga
Dzulkifly Bin Hassan (Alternate Director to Tuan Haji Lukman Bin Abu Jari @ Abu Bakar)
Effizal Faiz bin ZUlkifly
Elakumari a/p Kantilal

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79. Directors of subsidiaries (cont'd.)

Emily Kok
Enita Azlina Binti Osman
Eysa Zulkifli
Faizal bin Mohd Yusof
Fardan Abdul Majeed
Faridah Binti Bakar Ali
Fatweena Uteene Mahamod
Fauzidah binti Abdul Rahman
Festus A Christ Dhas
Firdaus Bin Abdullah
Gan Hsiang Lin
Goh Keat Siang
Graeme Walwyn
Guna Segaran A/L Alagappan
Gurdip Singh Sidhu A/L Gurbachan Singh
Hamdan Abdul Majeed
Han Jun Siew
Hannah Lyana Lee Abdullah
Harman Faiz Habib Muhamad
Hau Yean Ching
Hazman Hilmi Bin Sallahuddin
Hazurin Harun
Helmuth Blasch
Huang Wan Hung
Ibrahim Bin Mohamed Salleh
Idjarmizuan bin Ibrahim
Idris Mohd Noh
Ir. Nurul Amani Rashid
Izham Ismail
Jalaluddin Bin Dato' Mohd Jarjis
Jamil Hajar bin Abdul Muttalib
Jehanne Goh Yen Qi
Jesudason Selvaraj
Jose Isidro Navato Camacho
Joseph Dominic
JTC Directors Limited
Juhana Binti Hamzah
Juniwati Rahmat Hussin
Justin Mahmud Hashim
Kamalam Pillay Rungapadiachy
Kamarudin Bin Kamilin
Kamarul Anuar Mohamad Kamar
Kar Peng Yeo

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79. Directors of subsidiaries (cont'd.)

Karina Binti Ridzuan
Khairuddin Hong bin Abdullah
Khairul Anwar Mohd Dewan
Kwan Joon Hoe
Latifah Binti M.Daud
Lau Yin May
Lee Heng Meng
Lee Jia Zhang
Lee Lin Chien
Lee Siow Woon
Lee Tong Hee
Lee Wen Ling
Leong Kar Yung
Lila Azmin Abdullah
Lim Kooi June
Lim Sooi San
Lim Tau Kien
Lim Tian Huat
Lim Tong Hee
Lim Wah Seng
Lim Wei Hsien
Lim Woong Bin
Liong Kok Kit
Loh Tzu Anne
Loh Wai Yee
Low Chee Yen
Low Guat Peng
Lynette Yeow Su-Yin
Marouf Moutairou
Marzuki Bin Hj Madon
Mat Sahwira bin Tamat (Alternate Director to Norliza binti Suleiman)
Mat Shawira bin Tamat (Alternate Director to Tan Sri Dato' Lim Knag Hoo)
Mazli Mohamed Ayob
Megat Shahir Bin Megat Mohamed Supian
Melanie Muhidin
Melinda Omar
Michael (Mike) Robert Ashburn
Michael Peter Lake
Mohamad Affendi Yusoff
Mohamad Faizal Mohamad
Mohamad Hanafi Bin Salehuddin
Mohamad Zamani Razali
Mohammad Izani Bin Ashari

**Khazanah Nasional Berhad
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79. Directors of subsidiaries (cont'd.)

Mohd Azharuddin bin Mat Sah
Mohd Fauzi Moh Sakroni
Mohd Nadziruddin Bin Mohd Basri
Mohd Nukman bin Abdul Rahman
Mohd Razif Mohd Yusoff
Mohd Salehoddin bin Abdul Hamid
Mohd Salleh Bin Ahmad Tabrani
Mohd Shahazwan Mohd Harris (Alternate Director to Dato' Noorazman Abd Aziz)
Mohd Zulkefly Bin Ujang
Muhammad Noor Abd Aziz @ Hashim
Muntasir Mohamad Zain
Muntasir Mohamad Zain
Naiken Veerasamy
Natazha Bin Hariss (Alternate Director to Tuan Haji Lukman Bin Abu Jari @ Abu Bakar)
Nik Marien Nik Ahmad Kamal
Nik Nazhah Binti Nik Abdul Aziz
Nik Rizal Kamil Bin Nik Ibrahim Kamil
Nor Din Abdullah
Norazalina Sham Binti Abdullah
Norliza binti Suleiman
Nubly Zainuham Ambotang
Nurolamin Abas
Nurul Iman Mohd Zaman
Ong Chee Wei
Ooi Say Teng
Park Jung Hoo
Patrick Cheah Gim Guan
Paul Sandanasamy Richard
Pee Boon Hooi
Philip anak Kevin Akeu
Philip See Yew Jin
Philippa Smith Lambert
Prakash Prasannan
Preamakanthan A/L D Kanapathy
Primoehadi Notowidigdo
Prof Dr Rofina Yasmin Binti Osman
Prof. Ir Dr Ahmad Fadzil Bin Mohamad Hani
Prof. Philip Sutton Cox
Prof. Tan Sri Dato' Dzulkifli Bin Abdul Razak
Puan Sri Datin Teng Siew Kean
Pushpanathan A/L S.A. Kanagarayar
Quek Pei Lynn
Rahimah Binti Farjan Ali @ Pasan Ali

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79. Directors of subsidiaries (cont'd.)

Ramlan Khamis
Razman Ismail
Reagan Chan Chung Cheng
Roli Shukla
Roni Lihawa Bin Abdul Wahab
Roslina Binti Arbak
Rosliza binti Zukkafli
Rosni Tarip
Rowina Ghazali Seth
Saeed Abdulla Omar Saeed Al Amoudi
Samir Balkrishna Pansare
Samuel Ooi Thean Aun
Savinilorna Payandi Pillay Ramen
Sawkut Oomarly Bundhoo
Selvendran Katheerayson
Shafidz Iswandi Azhar
Shahin Farouque Bin Jammal Ahmad
Shahira Binti Ahmed Bazari
Shahril Ibrahim
Shahrin Yong Azmi @ Shahryn Yong Azmi
Shamini a/p Veerasingam
Shankar Menon a/l Krishnan @ Vasuthavan
Sharmanand Jhurreea
Sharon Ruba A/P Krishnamurthy
Sharuddin Omar Hashim
Siti Aishah Binti Abdul Samad
Sitthambaranatha Gandhi Suppiah
Sivaramakrishnan Narayanan Ayakkad
Sofia Zakaria
Soh Choo Sen
Sophia Lim Siew Fay
Stephanie Saw Ai Lin
Steward Tew Peng Seng
Subashini Krishnan
Subimal Sen Gupta
Sugu Maran Kailasan
Suhaimi Bin Halim
Sundhiraj Sharma
Suriana Abdul Hamid
Suzanne Ng Bee June
Syed Ahmad Safarudin Syed Zainal Abidin
Tan Bee Eng
Tan Bun Poo

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79. Directors of subsidiaries (cont'd.)

Tan Cheh Tian
Tan Sri Bashir Ahmad Bin Abdul Majid
Tan Sri Dato Abdul Rahman bin Mamat
Tan Sri Dato' Chen Kooi Chiew @ Cheng Ngi Chong
Tan Sri Dato' Lim Kang Hoo
Tan Sri Dato Mohamed Nor bin Mahamed Yusof
Tan Sri Dato' Sri Zamzamzairani Mohd Isa
Tan Sri Dato' Yap Suan Chee
Tan Sri Datuk Chen Lok Loi
Tan Sri Dr. Azmil Khalili Dato' Khalid
Tan Sri Tan Boon Seng @ Krishnan
Tan Wan San (Alternate Director to Tan Sri Dato' Chen Kooi Chiew @ Cheng Ngi Chong)
Tee Mei Ling Diana
Tengku Dato' Sri Azmil Zahrudin Bin Raja Abdul Aziz
Vallo A/L Mutto
Victor John Zacharias
Vinod Kumar Saigal
Wan Ahmad Saifuddin bin Wan Ahmad Radzi
Wong Eugene
Wong Hee Chai
Wong Khai Shiun (Alternate Director to Tan Sri Dato' Lim Kang Hoo)
Wong Shu Hsien
Wong Wai Seng
Y.A.M. Tunku Ali Redhaudin Ibni Tuanku Muhriz
Y.M. Raja Tan Sri Dato' Seri Arshad Bin Raja Tun Uda
Yap Kheng Han
Yap Tze Khong
Yeoh Keat Seng
YM Ungku Suseelawati Ungku Omar
Yogesh Gauba
Zadil Hanief Mohamad Zaidi
Zafarin Abd Ghaffar
Zafer Sonmez
Zaida Khalida Binti Shaari
Zainul Rahim Bin Mohd Zain
Zaiviji Ismail Bin Abdullah
Zakaria Ahmad Zabidi
Zalinah binti A. Hamid
Zamri Yusof
Zane Qamariah Binti Ambotang
Zarina Ahmad
Zulfiqar Bin Zainuddin

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79. Directors of subsidiaries (cont'd.)

Ahmad Fadzli bin Zainudin	(appointed on 9 August 2019)
Ahmad Fariz Bin Ali	(appointed on 16 March 2020)
Ainee Adina Binti Noor Adlan	(appointed on 12 March 2020)
Alwin Tan Wee Giat	(appointed on 14 February 2020)
Aubrey Lim Ying Yueh	(appointed on 27 November 2019)
Chan Chee Yean	(appointed on 26 June 2019)
Chang Li Li	(appointed on 21 March 2019)
Cheah Jit Pen	(appointed on 26 June 2019)
Cheong Su Wei	(appointed on 27 November 2019)
Chew Poh Chuan	(appointed on 14 October 2019)
Conrad Roy Fernandez	(appointed on 12 March 2020)
Dato' Khodijah Binti Abdullah	(appointed on 1 August 2018)
Datuk Zainun Aishah Binti Ahmad	(appointed on 2 March 2020)
Diyana Binti Abdul Rahim	(appointed on 30 September 2019)
Dr Mahadevan A/L Thambirajah	(appointed on 1 August 2018)
Dr Sakina Sofia binti Baharom	(appointed on 9 August 2019)
Dr. Farid Mohamed Sani	(appointed on 6 May 2019)
Dr. Nik Fawaz Nik Abdul Aziz	(appointed on 1 January 2020)
Dzulkeflie bin Ja'apar	(appointed on 9 August 2019)
Erika Mushtarina Bin Mat Ariffin	(appointed on 16 December 2019)
Fizulin Binti Mohamed Zin (Alternate Director to Suhaimi Bin Halim)	(appointed on 28 June 2019)
Hafriz Bin Abdul Rahman	(appointed on 15 May 2019)
Imran Abdul Rahman	(appointed on 1 October 2019)
Johari Jalil	(appointed on 2 April 2019)
Johari Shukri bin Jamil	(appointed on 28 January 2019)
Koay Wen Hoong	(appointed on 15 May 2019)
Kutbuddin Asgar Ali	(appointed on 15 January 2019)
Lai Wei Ming	(appointed on 27 November 2019)
Lau May Yee	(appointed on 14 February 2020)
Leo Michel Grepin	(appointed on 13 August 2019)
Lim Chwee Muei	(appointed on 3 January 2020)
Lim Siew Li	(appointed on 14 February 2020)
Lim Teck Wee	(appointed on 1 January 2019)
Lock Jian Wah	(appointed on 31 December 2019)
Lok Ngai Heng	(appointed on 10 September 2019)
Marilyn Teoh May Lyn	(appointed on 8 August 2019)
Mas Adura Binti Awang @ Ab Majid	(appointed on 2 December 2019)
May Cheong Su Wei	(appointed on 27 November 2019)
Mohamad Rafiq Bin Mubarak Ali	(appointed on 15 May 2019)
Mohd Azarull Ahadi bin Abdullah	(appointed on 9 August 2019)
Mohd Hasri Bin Haron	(appointed on 19 September 2019)
Muhammad Syauqi Bin Ab Samad	(appointed on 31 December 2019)

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79. Directors of subsidiaries (cont'd.)

Ng Eu Gin	(appointed on 30 September 2019)
Nor Azree Bin Md Daros	(appointed on 27 September 2019)
Nor Suhaila binti Abdul Latif	(appointed on 1 January 2019)
Norhafizah binti Sahari	(appointed on 8 August 2019)
Norlymalis Jazmi Bin Kamarudin (Alternate Director to Datuk Zainun Aishah Binti Ahmad)	(appointed on 2 March 2020)
Nurazeyan Khalis Binti Mohd Khalis	(appointed on 7 January 2019)
Olivier Richard	(appointed on 1 August 2019)
Ong King How	(appointed on 13 January 2020)
Rakesh Devasish Jena (Alternate Director to Dr. Chan Tuck Leong)	(appointed on 29 August 2019)
Ronnie Khoo Boo Eam	(appointed on 22 July 2019)
Roslina Binti Abdul Rahman	(appointed on 11 January 2019)
Ruziah Binti Abdul Latif	(appointed on 16 October 2019)
Saw Seong Keat	(appointed on 15 January 2019)
Shahnaz Al-Sadat Bt Abdul Mohsein	(appointed on 12 March 2020)
Shatiran Bin Mohd Idrus	(appointed on 2 April 2019)
Siah Boon Kiat	(appointed on 19 August 2019)
Siegfriend Boerst	(appointed on 28 February 2020)
Siti Emilia Mamat	(appointed on 1 July 2019)
Suhaimi Jamal (Alternate Director to Afizul Aezhar Sharifuddin)	(appointed on 18 October 2019)
Suraya binti Mahmud	(appointed on 30 September 2019)
Tan Mei Shwen Serena	(appointed on 31 January 2019)
Tay Ting Nuan Fiona	(appointed on 15 May 2019)
Teo Ling Ling, Sharon	(appointed on 15 January 2019)
Virgine Guillaume	(appointed on 1 August 2019)
Wong Ah Kow	(appointed on 1 August 2019)
Wong Koon Keng	(appointed on 15 January 2019)
Yap Pooi Choo	(appointed on 2 December 2019)
Yaw Choon Yee	(appointed on 15 January 2019)
Yusnianti Binti Muhamed Yusoff	(appointed on 26 September 2019)
Yvonne Ho Wai Sum	(appointed on 15 May 2019)
Zul Bahari Abu Bakar	(appointed on 11 July 2018)
Zul Hisham Bin Hamzah	(appointed on 1 July 2019)
Zulfa Ashida Zulkifli	(appointed on 15 January 2019)
Zulhaimi bin Othman	(appointed on 7 March 2019)

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

79. Directors of subsidiaries (cont'd.)

Abang Rahmat Shobra	(resigned on 11 January 2019)
Abu Safian Talib (Alternate Director to Afizul Aezhar Sharifuddin)	(resigned on 3 September 2019)
Abdul Kadir Md Kassim	(resigned on 1 September 2019)
YM Tunku Dato' Ahmad Burhanuddin Tunku Datuk Seri Adnan	(resigned on 29 November 2019)
Ahmad Farouk Bin Mohamed	(resigned on 21 March 2019)
Ahmad Zamri Said	(resigned on 28 February 2020)
Alastair Douglas McCracken	(resigned on 21 June 2019)
Amir Hamzah Bin Azizan	(resigned on 1 March 2019)
Azzam bin Mohamed	(resigned on 21 February 2020)
Azmy Bin Mahbot	(resigned on 22 January 2020)
Carol Lyn Charmichael Edmuns (Alternate Director to Hans Aksel Pedersen)	(ceased on 28 February 2020)
Chin Chi Haw	(resigned on 19 July 2019)
Datuk Mohamad Hishammudin Bin Hamdan	
Dato' Noorizah Binti Abd Hamid	(resigned on 28 November 2019)
Datuk Ir. Mohd Zulastrri Mohd Amin	(resigned on 28 November 2019)
Datuk Joseph Dominic Silva	(resigned on 8 May 2019)
Datuk Khoo Boo Seng	(demised on 15 March 2020)
Datuk Narayanan A/L Santhan Kanan	(resigned on 4 Jun 2019)
Devamanokaran Poonagasu	(resigned on 1 November 2019)
Djap Tet Fa	(resigned in 2019)
Dr Zainul Fadziruddin Bin Zainuddin	(deceased on 16 August 2019)
Dr. Saman @ Saimy Ismail	(demised on 29 April 2019)
Dr. Tee Kim Siong	(resigned on 26 November 2019)
Erma Surianee binti Malek	(resigned on 31 December 2019)
Foo Shiou Voon (Alternate Director to Sheranjiv a/l M Sammanthan)	(appointed on 31 May 2019, resigned on 22 November 2019)
Firdaus Azis	(resigned on 2019)
Hafizuddin Bin Sulaiman	(resigned on 30 October 2019)
Halil Ucarer	(resigned on 20 September 2019)
Haris Hardi Bin Zakaria	(resigned on 10 January 2020)
Hidzir Yahya	(resigned on 26 June 2019)
How Seet Meng	(resigned on 2 October 2019)
Izlan bin Izhah	(resigned on 18 June 2019)
Jamilah Dato' Hashim	(resigned on 1 July 2019)
John Bong Kim Fook	(resigned on 30 September 2019)
Karim Gilani	(resigned on 13 August 2019)
Karine Pereira	(resigned on 1 August 2019)
Kazrin Bin Khairul Anuar	(appointed on 7 February 2019, resigned on 20 August 2019)

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(Incorporated in Malaysia)**

79. Directors of subsidiaries (cont'd.)

Kwon Oryung	(resigned on 7 August 2019)
Mazyu Sherina Mohamed Yusof	(resigned on 14 June 2019)
Meor Halil Bin Meor Nazri	(resigned on 14 June 2019)
Mohamed bin Rastam Shahrom	(resigned on 15 January 2020)
Mohd Asrul Bin Ab Rahim	(resigned on 15 May 2019)
Mohd Azlan Abas	(resigned on 30 November 2019)
Mohd Azmi bin Hitam	(resigned on 1 January 2019)
Mohd Khalil Dan	(appointed on 10 June 2019, resigned on 21 February 2020)
Mohd Nordin bin Jamaludin	(resigned on 1 January 2019)
(Director to Dato' Noorazman Abd Aziz)	(resigned on 28 February 2019)
Narayanan A/L Santhan Kanan	(resigned on 4 June 2019)
Ng Yan Chuan	(resigned on 30 April 2019)
Nik Azli bin Abu Zahar	(resigned on 30 October 2019)
Noor Aisah Tawab	(resigned on 16 April 2019)
Nor Azman Bin Abdul Aziz	(resigned on 23 January 2019)
Nordiana Binti Nordin	(resigned on 3 December 2019)
Norlida Abdul Azmi	(resigned on 28 February 2019)
Peter Tan Beow Teik	(resigned on 31 January 2019)
Radzulai Yahaya	(resigned on 26 June 2019)
Raja Norasikin Tengku Aziz	(resigned on 15 January 2019)
Red Shield Secretaries Limited	(resigned on 13 March 2019)
Shabniz Panawoolla-Jaulim	(resigned on 28 February 2019)
Shamsudin Yusof	(resigned on 15 January 2019)
Shazlin Helda Binti Ibrahim	(appointed on 31 May 2019, resigned on 14 October 2019)
Sheranjiv A/L M Sammanthan	(resigned on 31 December 2019)
Suzilawati Binti Azmi	(resigned on 30 September 2019)
Tahirah Mohd Nor	(appointed on 15 January 2019, resigned on 1 July 2019)
Tan Sri Dato' Ir. Omar Ibrahim	(resigned on 1 March 2019)
Tay Tuan Leng	(resigned on 21 August 2019)
Tan Thomas Kae Jye	(resigned on 2019)
Wiwiek Dianawati Santoso	(resigned on 2019)
Wong Yuen Ch'ang Kenneth	(resigned on 1 January 2019)
Yeow Tau Ling	(resigned on 1 January 2019)
Yong Choon Yan	(resigned on 28 November 2019)
Zohari Mahur	(resigned in 2019)
Zulkifly Garib	(appointed on 15 January 2019) resigned on 1 November 2019)



KHAZANAH
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