IMPORTANT PAGE

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NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION AND THE SECURITIES MAY NOT BE OFFERED OR SOLD IN THE UNITED STATES OR TO OR FOR THE ACCOUNT OR BENEFIT OF U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT ("**REGULATION S**")). ANY OFFERING PURSUANT HERETO IS MADE SOLELY TO NON-U.S. PERSONS IN OFFSHORE TRANSACTIONS PURSUANT TO REGULATION S UNDER THE SECURITIES ACT.

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Confirmation of your Representation: In order to be eligible to view this Offering Circular or make an investment decision with respect to the securities, investors must not be a U.S. person and must be located outside the United States. This Offering Circular is being sent at your request and by accepting the e-mail and accessing this Offering Circular you shall be deemed to have represented to us: (1) that you and any customers you represent are, and the electronic mail address that you provided us and to which this e-mail has been delivered is not located in the United States, its territories or possessions; (2) that you are not a U.S. person, or acting for, the account or benefit of a U.S. person (in each case as defined in Regulation S); and (3) that you consent to delivery of the attached Offering Circular and any amendments or supplements thereto by electronic transmission.

You are reminded that this Offering Circular has been delivered to you on the basis that you are a person into whose possession this Offering Circular may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver this Offering Circular, electronically or otherwise, to any other person. If you have gained access to this transmission contrary to the foregoing restrictions, you are not allowed to purchase any of the securities in this Offering Circular.

The materials relating to the offering of securities to which this Offering Circular relates do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and a dealer or any affiliate thereof is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by such dealer or such affiliate on behalf of Cagamas Global Sukuk Berhad in such jurisdiction.

This Offering Circular has been sent to you in an electronic format. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of Cagamas Global Sukuk Berhad, Cagamas Berhad, each of CIMB Investment Bank Berhad, HSBC Amanah Malaysia Berhad, RHB Investment Bank Berhad and Standard Chartered Bank (together, the "**Arrangers**"), and each of The Hongkong and Shanghai Banking Corporation Limited, AmInvestment Bank Berhad, Deutsche Bank AG, Singapore Branch and Malayan Banking Berhad (together with the Arrangers (other than HSBC Amanah Malaysia Berhad), the "**Dealers**"), any person who controls the Arrangers or Dealers, any director, officer, employee or agent of Cagamas Global Sukuk Berhad, Cagamas Berhad, the Arrangers or Dealers, or affiliate of any such person accepts any liability or responsibility whatsoever in respect of any discrepancies between the Offering Circular distributed to you in electronic format and the hard copy version available to you on request from the Arrangers or Dealers.

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

You are responsible for protecting against viruses and other destructive items. If you receive this Offering Circular by e-mail, your use of this e-mail is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

Cagamas Global Sukuk

CAGAMAS GLOBAL SUKUK BERHAD

(Registration No.: 201401016049 (1092135-D))

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

U.S.$2,500,000,000 Multicurrency Sukuk Issuance Programme

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*On 28 November 2014, Cagamas Global Sukuk Berhad (in its capacities as issuer and as trustee, the "**Trustee**") established a Multicurrency Sukuk Issuance Programme. Such Multicurrency Sukuk Issuance Programme is amended, supplemented or restated (as amended, supplemented or restated, the "**Programme**") as at the date of this offering circular (the "**Offering Circular**"). This Offering Circular supersedes all previous offering circulars and any supplements thereto. Any Sukuk (as defined below) issued under the Programme on or after the date of this Offering Circular are issued subject to the provisions described herein. This does not affect any Sukuk issued before the date of this Offering Circular.*

Under the Programme described in this Offering Circular, the Trustee, subject to compliance with all relevant laws, regulations and directives, may from time to time issue trust certificates (the "**Sukuk**"), each of which shall represent an undivided beneficial ownership interest in the relevant Trust Assets (as defined herein), denominated in any currency (other than Ringgit) agreed between the Trustee, Cagamas Berhad (the "**Obligor**" or "**Cagamas**") and the Relevant Dealer(s) (as defined below).

The Sukuk may only be issued in registered form. The maximum aggregate face amount of all Sukuk from time to time outstanding under the Programme will not at any time exceed U.S.$2,500,000,000 (or its equivalent in other currencies), subject to increase as described in the Dealer Agreement (as defined herein).

Each Series (as defined herein) of Sukuk issued under the Programme will be constituted by an amended and restated master trust deed dated 20 December 2022 entered into between the Trustee, Cagamas and The Hongkong and Shanghai Banking Corporation Limited as delegate of the Trustee (the "**Delegate**", which expression shall include all persons for the time being the delegate or delegates under such master trust deed) (the "**Master Trust Deed**") as supplemented by a supplemental trust deed entered into on the date of issue of the relevant Sukuk (the "**Issue Date**") in respect of the relevant Series (as defined herein) (the "**Supplemental Trust Deed**" and, together with the Master Trust Deed, the "**Trust Deed**"). Sukuk of each Series confer on the holders thereof from time to time (the "**Sukukholders**") the right to receive certain payments (as more particularly described herein) arising from the relevant Trust Assets. The Trustee holds the Trust Assets for each Series upon trust absolutely for and on behalf of the Sukukholders of such Series *pro rata* according to the face amount of Sukuk held by each Sukukholder.

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

Approval-in-principle has been obtained from the Labuan International Financial Exchange Inc. (the "**LFX**") for the listing of the Sukuk issued under the Programme and approval-in-principle has been obtained from the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for permission to deal in, list and for the quotation of any Sukuk that may be issued under the Programme and which are agreed at or prior to the time of issue thereof to be so listed on the LFX and the SGX-ST. Such permission will be granted when the Programme or such Sukuk have been admitted to listing on the LFX and the Official List of the SGX-ST. There is no assurance that an application for the listing of the Sukuk on the Official List of the SGX-ST will be approved. The SGX-ST and the LFX take no responsibility for the correctness of any of the statements made or opinions expressed or reports contained herein or the contents of this Offering Circular, make no representations as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon any part of the contents of this Offering Circular. The approval-in-principle for the listing and quotation of any Sukuk to be issued pursuant to the Programme, and the admission of any Sukuk to the LFX and the Official List of the SGX-ST is not to be taken as an indication of the merits of the Trustee, Cagamas, the Programme or the Sukuk.

Investors are advised to read and understand the contents of this document before investing. If in doubt, the investors should consult his or her adviser.

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

The Programme provides that Sukuk may be listed or admitted to trading, as the case may be, on such other or further stock exchanges or markets as may be agreed between the Trustee, Cagamas and the Relevant Dealer(s). The applicable Pricing Supplement in respect of the issue of any Sukuk will specify whether or not such Sukuk will be listed on the LFX, the SGX-ST or any other stock exchange. The Trustee may also issue unlisted Sukuk.

The Sukuk of each Series will be represented on issue by a global certificate in registered form (each a "**Global Certificate**"). Global Certificates may be deposited on the relevant Issue Date with a common depositary on behalf of Euroclear Bank S.A./N.V. ("**Euroclear**") and/or Clearstream Banking S.A. ("**Clearstream**") or with The Central Depository (Pte) Limited ("**CDP**") or with a sub-custodian for the Central Moneymarkets Unit (the "**CMU**") operated by the Monetary Authority pursuant to Section 5A of the Exchange Fund Ordinance (Cap. 66 of the laws of Hong Kong) or its successors (the "**HKMA**") or with such other clearing system (including, without limitation, RENTAS (as defined in the Conditions)) (or a depository, custodian or nominee thereof) specified in the applicable Pricing Supplement or as may otherwise be approved by the Trustee, the Obligor, the Principal Paying Agent (as defined herein) and the Delegate. The provisions governing the exchange of interests in Global Certificates for Sukuk in definitive form are described in "*Summary of Provisions Relating to the Sukuk while in Global Form*".

The Sukuk have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act") or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered, sold or delivered within the United States or to or for the account or benefit of U.S. persons (as defined in Regulation S under the Securities Act) unless an exemption from the registration requirements of the Securities Act is available and in accordance with all applicable security laws of any state of the United States. For a description of certain restrictions on offers, sales and transfers of Sukuk and on the distribution of this Offering Circular, see "*Subscription and Sale*".

The Trustee and Cagamas may agree with any Dealer that Sukuk may be issued in a form not contemplated by either the terms and conditions of the Management Wakala Sukuk or the Investment Wakala Sukuk set out herein under "*Terms and Conditions of the Management Wakala Sukuk*" and "*Terms and Conditions of the Investment Wakala Sukuk*" (each term therein a "**Condition**"), in which event a supplementary offering circular, if appropriate, will be made available which will describe the effect of the agreement reached in relation to such Sukuk.

The submission to the Securities Commission Malaysia ("**SC**") in respect of the Programme was made by CIMB Investment Bank Berhad and HSBC Amanah Malaysia Berhad as joint principal advisers ("**Joint Principal Advisers**"). The approval and authorisation of the SC for the Programme was obtained on 20 November 2014. The approval and authorisation of the SC shall not be taken to indicate that the SC recommends the subscription or purchase of the Sukuk under the Programme.

The Programme has been assigned a rating of A3 by Moody's Investors Service Singapore Pte. Ltd ("**Moody's**"). Series of Sukuk to be issued under the Programme will be rated or unrated. Where a Series of Sukuk is to be rated, such rating will not necessarily be the same as the rating assigned to the Programme or other Series of Sukuk. Where a Series of Sukuk is rated, the applicable rating(s) will be specified in the applicable Pricing Supplement. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

The Sukuk will be limited recourse obligations of the Trustee. No payment of any amount whatsoever shall be made in respect of the Sukuk except to the extent that funds for that purpose are available from the relevant Trust Assets. Sukukholders will otherwise have no recourse to any assets of the Trustee in respect of any shortfall in the expected amounts due under the relevant Trust Assets to the extent that the Trust Assets have been exhausted, following which all obligations of the Trustee shall be extinguished. Investing in Sukuk issued under the Programme involves certain risks and may not be suitable for all investors. Investors should have sufficient knowledge and experience in financial and business matters to evaluate the information contained in this Offering Circular and in the applicable Pricing Supplement and the merits and risks of investing in a particular issue of Sukuk in the context of their financial position and particular circumstances. Investors should also have the financial capacity to bear the risks associated with an investment in Sukuk. Investors should not purchase Sukuk unless they understand and are able to bear risks associated with the Sukuk. The principal risk factors that may affect the abilities of the Trustee and Cagamas to fulfil their respective obligations in respect of the Sukuk are discussed under "*Risk Factors*".

The transaction structure relating to the Sukuk (as described in this Offering Circular) has been approved by CIMB Islamic Bank Berhad, HSBC Global Shariah Supervisory Committee and Amanie Advisors Sdn Bhd. Prospective Sukukholders should not rely on such approval in deciding whether to make an investment in the Sukuk and should consult their own *Shariah* advisers as to whether the proposed transaction described in such approvals is in compliance with their individual standards of compliance with *Shariah* principles.

Joint Principal Advisers

CIMB **HSBC Amanah**

Arrangers

CIMB **HSBC Amanah** **RHB** **Standard Chartered**

Dealers

AmInvestment Bank **CIMB** **Deutsche Bank** **HSBC**

Maybank **RHB** **Standard Chartered**

The date of this Offering Circular is 30 September 2025

IMPORTANT NOTICE

Each of the Trustee and Cagamas, having made all reasonable enquiries, confirm that to the best of their knowledge and belief (i) this Offering Circular contains all information with respect to the Trustee, Cagamas and Cagamas' subsidiaries (Cagamas and its subsidiaries, collectively, the "**Group**"), and to the Sukuk (including all information which, according to the particular nature of the Trustee, Cagamas, the Group and of the Sukuk, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Trustee and Cagamas and of the rights attaching to the Sukuk); (ii) all statements of fact relating to the Trustee, Cagamas, the Group and to the Sukuk contained in this Offering Circular are in every material respect true and accurate and not misleading, and that there are no other facts in relation to the Trustee, Cagamas, the Group and to the Sukuk the omission of which would in the context of the issue of the Sukuk make any statement in this Offering Circular misleading in any material respect; (iii) the statements of intention, opinion, belief or expectation with regard to the Trustee, Cagamas and the Group contained in this Offering Circular are honestly made or held and have been reached after considering all relevant circumstances and have been based on reasonable assumptions; and (iv) all reasonable enquiries have been made by the Trustee and Cagamas to ascertain such facts and to verify the accuracy of all such statements. The Trustee and Cagamas accept full responsibility for the accuracy of the information contained in this Offering Circular.

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

Market data and certain industry forecasts and statistics in this Offering Circular have been obtained from third party sources, including internal surveys, market research, publicly available information and industry publications. Although the Trustee and the Obligor believe this information to be reliable, this information has not been independently verified by the Trustee or the Obligor, and none of the Trustee or the Obligor makes any representation as to the accuracy or completeness of that information. In addition, third party information providers may have obtained information from market participants and such information may not have been independently verified.

The distribution of this Offering Circular and any Pricing Supplement and the offering, sale and delivery of the Sukuk in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Circular comes are required by the Trustee, Cagamas, the Delegate, each of CIMB Investment Bank Berhad, HSBC Amanah Malaysia Berhad, RHB Investment Bank Berhad and Standard Chartered Bank (together, the "**Arrangers**"), and each of The Hongkong and Shanghai Banking Corporation Limited, AmInvestment Bank Berhad, Deutsche Bank AG, Singapore Branch and Malayan Banking Berhad (together with the Arrangers (other than HSBC Amanah Malaysia Berhad), the "**Dealers**") to inform themselves about and to observe any such restrictions. None of the Trustee, Cagamas, the Delegate, the Arrangers or the Dealers represents that this Offering Circular or any Pricing Supplement may be lawfully distributed, or that any Sukuk may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assumes any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Trustee, Cagamas, the Delegate, the Arrangers or the Dealers which would permit a public offering of any Sukuk or distribution of this Offering Circular or any Pricing Supplement in any jurisdiction where action for such purposes is required. Accordingly, no Sukuk may be offered or sold, directly or indirectly, and none of this Offering Circular, any Pricing Supplement or any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations.

If a jurisdiction requires that an offering be made by a licensed broker or dealer and a Dealer or any affiliate thereof is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by such Dealer or such affiliate on behalf of the Trustee in such jurisdiction.

There are restrictions on the offer and sale of the Sukuk and the circulation of documents relating thereto, in certain jurisdictions including, but not limited to, the United States of America, the European Economic Area, the United Kingdom, Japan, Malaysia, the Republic of Singapore, Hong Kong, the People's Republic of China, the United Arab Emirates (excluding the Dubai International Financial Centre), the Dubai International Financial Centre, the Abu Dhabi Global Market, the Kingdom of Saudi Arabia, the Kingdom of Bahrain and the State of Qatar and to persons connected therewith. See "*Subscription and Sale*" for a discussion of these restrictions.

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

Listing of the Sukuk on the LFX and/or the SGX-ST is not to be taken as an indication of the merits of the Trustee, Cagamas, the Group or the Sukuk. In making an investment decision, investors must rely on their own examination of the Trustee, Cagamas, the Group and the terms of the offering, including the merits and risks involved. See "*Risk Factors*" for a discussion of certain factors to be considered in connection with an investment in the Sukuk.

No person has been authorised by the Trustee or Cagamas to give any information or to make any representation not contained in or not consistent with this Offering Circular or any other document entered into in relation to the Programme and the sale of Sukuk and, if given or made, such information or representation should not be relied upon as having been authorised by the Trustee, Cagamas, the Delegate, the Arrangers or any Dealer.

Neither the delivery of this Offering Circular or any Pricing Supplement nor the offering, sale or delivery of any Sukuk shall, in any circumstances, create any implication that the information contained in this Offering Circular is true subsequent to the date hereof or the date upon which this Offering Circular has been most recently amended or supplemented or that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the prospects or financial or trading position of the Trustee or Cagamas since the date thereof or, if later, the date upon which this Offering Circular has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct at any time subsequent to the date indicated in the document containing the same.

This Offering Circular is highly confidential and has been prepared by the Trustee and Cagamas solely for use in connection with the Programme and the proposed offering of the Sukuk under the Programme as described herein. None of the Trustee and Cagamas has authorised its use for any other purpose. This Offering Circular may not be copied or reproduced in whole or in part. It may be distributed only to and its contents may be disclosed only to the prospective investors to whom it is provided. By accepting delivery of this Offering Circular each investor agrees to these restrictions.

Neither this Offering Circular nor any Pricing Supplement constitutes an offer or an invitation to subscribe for or purchase any Sukuk and (a) may not be used for the purpose of an offer to, or a solicitation by, anyone in any jurisdiction or in any circumstances in which such offer or solicitation is not authorised or is unlawful, and (b) should not be considered as a recommendation by the Trustee, Cagamas, the Delegate, the Arrangers, the Dealers or any director, officer, employee, agent or affiliate of any such person or any of them that any recipient of this Offering Circular or any Pricing Supplement should subscribe for or purchase any Sukuk. Each recipient of this Offering Circular or any Pricing Supplement shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the Trustee and Cagamas.

The maximum aggregate face amount of Sukuk outstanding at any one time under the Programme will not exceed U.S.$2,500,000,000 (and for this purpose, any Sukuk denominated in another currency shall be translated into United States Dollars at the date of the agreement to issue such Sukuk calculated in accordance with the provisions of the Dealer Agreement as defined under "*Subscription and Sale*"). The maximum aggregate face amount of Sukuk which may be outstanding at any one time under the Programme may be increased from time to time, subject to compliance with the relevant provisions of the Dealer Agreement.

In connection with the issue of any Series of Sukuk, the Dealer or Dealers (if any) named as the stabilisation coordinator(s) (the "Stabilisation Coordinator(s)") (or persons acting on behalf of a Stabilisation Coordinator) in the applicable Pricing Supplement may, to the extent permitted by applicable laws and rules, over-allot the Sukuk or effect transactions with a view to supporting the market price of the Sukuk at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilisation Coordinator(s) (or persons acting on behalf of a Stabilisation Coordinator) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Series of Sukuk is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Series of Sukuk and 60 days after the date of the allotment of the relevant Series of Sukuk. Any stabilisation or over-allotment must be conducted by the relevant Stabilisation Coordinator(s) (or any person acting on behalf of the relevant Stabilisation Coordinator) in accordance with all applicable laws and rules.

None of the Delegate, the Arrangers or the Dealers have independently verified the information contained or incorporated by reference in this Offering Circular and can give no assurance that this information is accurate, truthful or complete. To the fullest extent permitted by law, neither of the Delegate, the Arrangers nor any of the Dealers, or any director, officer, employee, agent or affiliate of any such persons make any representation, warranty or undertaking, express or implied, or accepts any responsibility, with respect to the accuracy, completeness or sufficiency of any of the information contained or incorporated in this Offering Circular or any other information provided by the Trustee or Cagamas in connection with the Programme, and nothing contained or incorporated in this Offering Circular is, or shall be relied upon as, a promise, representation or warranty by the Delegate, the Arrangers, the Dealers or any director, officer, employee, agent or affiliate of any such persons. To the fullest extent permitted by law, neither of the Delegate, the Arrangers nor the Dealers, or any director, officer, employee, agent or affiliate of any such persons, accept any responsibility for the contents of this Offering Circular or for any other statement made or purported to be made by any of the Delegate, the Arrangers, the Dealers, or any director, officer, employee, agent or affiliate of any such person or on its behalf in connection with the Trustee, Cagamas, the Group or the issue and offering of the Sukuk. Each of the Delegate, the Arrangers and each Dealer accordingly disclaim all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Offering Circular or any such statement.

This Offering Circular does not describe all of the risks and investment considerations (including those relating to each investor's particular circumstances) of an investment in Sukuk of a particular issue. Each potential purchaser of Sukuk should refer to and consider carefully the applicable Pricing Supplement for each particular issue of Sukuk, which may describe additional risks and investment considerations associated with such Sukuk. The risks and investment considerations identified in this Offering Circular and the applicable Pricing Supplement are provided as general information only. Investors should consult their own financial, legal, tax and *Shariah* advisers as to the risks and investment considerations arising from an investment in an issue of Sukuk and should possess the appropriate resources to analyse such investment and the suitability of such investment in their particular circumstances. Each person receiving this Offering Circular acknowledges that such person has not relied on the Delegate, the Arrangers, the Dealers or any director, officer, employee, agent or affiliate of any such persons in connection with its investigation of the accuracy of such information or its investment decision.

The Joint Shariah Advisers have confirmed that the Transaction Documents (as defined herein) are, in their opinion, *Shariah*-compliant. However, there can be no assurance that the Transaction Documents or any issue and trading of a Series of Sukuk will be deemed to be *Shariah*-compliant by any other *Shariah* board or *Shariah* scholars. None of the Trustee, Cagamas, the Delegate, the Arrangers or any of the Dealers makes any representation as to the *Shariah* compliance of any Series of Sukuk and potential investors are reminded that, as with any *Shariah* views, differences in opinion are possible. Potential investors should obtain their own independent *Shariah* advice as to the compliance of the Transaction Documents and the issue and trading of a Series of Sukuk with their individual standards of compliance with *Shariah* principles. Questions as to the *Shariah* permissibility of the structure or the issue and the trading of the Sukuk may limit the liquidity and adversely affect the market value of the Sukuk. See "*Risk Factors — Investors must make their own determination as to Shariah compliance*".

Neither this Offering Circular nor any other information provided or incorporated by reference in connection with the Programme are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Trustee, Cagamas, the Delegate, the Arrangers or the Dealers, or any director, officer, employee, agent or affiliate of any such persons, that any recipient of this Offering Circular or of any such information should purchase the Sukuk. Each potential purchaser of Sukuk should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Trustee, Cagamas and the Group. Each potential purchaser of Sukuk should determine for itself the relevance of the information contained in this Offering Circular and its purchase of Sukuk should be based upon such investigation with its own tax, legal and business advisers as it deems necessary. Neither the Arrangers nor the Dealers or any agent or affiliate of any such persons undertake to review the financial condition or affairs of the Trustee, Cagamas or the Group during the life of the arrangements contemplated by this Offering Circular nor to advise any investor or potential investor in the Sukuk of any information coming to the attention of any of the Arrangers or the Dealers or any of them.

EU MIFID II PRODUCT GOVERNANCE/TARGET MARKET — The Pricing Supplement in respect of any Sukuk may include a legend entitled "EU MiFID II Product Governance" which will outline the target market assessment in respect of the Sukuk and which channels for distribution of the Sukuk are appropriate. Any person subsequently offering, selling or recommending the Sukuk (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to Directive 2014/65/EU (as amended, "**EU MiFID II**") is responsible for undertaking its own target market assessment in respect of the Sukuk (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

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

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

A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR Product Governance Rules, any Dealer subscribing for any Sukuk is a manufacturer in respect of such

Sukuk, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MiFIR Product Governance Rules.

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

IMPORTANT — UK RETAIL INVESTORS — If the Pricing Supplement in respect of any Sukuk includes a legend entitled "Prohibition of Sales to UK Retail Investors", the Sukuk are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); or (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA (the "**UK Prospectus Regulation**"). Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Sukuk or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Sukuk or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

PRODUCT CLASSIFICATION PURSUANT TO SECTION 309B OF THE SECURITIES AND FUTURES ACT 2001 — The Pricing Supplement in respect of any Sukuk may include a legend entitled "Singapore Securities and Futures Act Product Classification" which will state the product classification of the Sukuk pursuant to section 309B(1) of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the "**SFA**"). If applicable, the Trustee will make a determination and provide the appropriate written notification to "relevant persons" in relation to each issue about the classification of the Sukuk being offered for the purposes of section 309B(1)(a) and section 309B(1)(c) of the SFA.

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

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

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

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

KINGDOM OF SAUDI ARABIA NOTICE

This Offering Circular may not be distributed in the Kingdom of Saudi Arabia except to such persons as are permitted under the Rules on the Offer of Securities and Continuing Obligations issued by the Capital Market Authority of the Kingdom of Saudi Arabia (the "**Capital Market Authority**").

The Capital Market Authority does not make any representations as to the accuracy or completeness of this Offering Circular, and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this Offering Circular. Prospective purchasers of the Sukuk offered hereby issued under the Programme should conduct their own due diligence on the accuracy of the information relating to the Sukuk. If a prospective purchaser does not understand the contents of this Offering Circular, he or she should consult an authorised financial advisor.

NOTICE TO RESIDENTS OF THE KINGDOM OF BAHRAIN

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

This Offering Circular does not constitute an offer of securities in the Kingdom of Bahrain pursuant to the terms of Article (81) of the Central Bank and Financial Institutions Law 2006 (decree Law No. 64 of 2006). This Offering Circular and any related offering documents have not been and will not be registered as a prospectus with the CBB. Accordingly, no Certificates may be offered, sold or made the subject of an invitation for subscription or purchase nor will this Offering Circular or any other related document or material be used in connection with any offer, sale or invitation to subscribe or purchase securities, whether directly or indirectly, to persons in the Kingdom of Bahrain, other than to accredited investors (as such term is defined by the CBB) for an offer outside the Kingdom of Bahrain.

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

NOTICE TO RESIDENTS OF THE STATE OF QATAR (INCLUDING THE QATAR FINANCIAL CENTRE)

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

INDUSTRY AND MARKET DATA

Except as otherwise indicated in this Offering Circular, all non-company specific statistics and data relating to the industry or to the economic development of certain regions within Malaysia have been extracted or derived from publicly available information and industry publications. The information has not been independently verified by the Trustee, Cagamas, the Delegate, the Arrangers, the Dealers or by their respective directors and advisers, and none of the Trustee, Cagamas, the Delegate, the Arrangers, the Dealers nor their respective directors and advisers make any representation as to the

correctness, accuracy or completeness of that information. In addition, third party information providers may have obtained information from market participants and such information may not have been independently verified. Accordingly, such information should not be unduly relied upon.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

The Trustee's financial statements (if any) are reported in Ringgit and presented in accordance with the Malaysian Companies Act 2016, the Malaysian Financial Reporting Standards ("**MFRS**") Accounting Standards and the International Financial Reporting Standards ("**IFRS**") Accounting Standards.

Cagamas' consolidated financial information as at and for the three years ended 31 December 2022, 31 December 2023 and 31 December 2024 are extracted from the consolidated financial statements of Cagamas as at and for the years ended 31 December 2023 and 31 December 2024 (the "**Cagamas Audited Financial Statements**"). The Cagamas Audited Financial Statements were audited by Ernst & Young PLT, are reported in Ringgit and are prepared and presented in accordance with the MFRS Accounting Standards, the IFRS Accounting Standards and the requirements of the Malaysian Companies Act 2016.

Cagamas' consolidated financial information as at and for the six months ended 30 June 2024 and 30 June 2025 are extracted from Cagamas' condensed interim financial statements as at and for the six months ended 30 June 2025 (the "**Cagamas Interim Financial Statements**"). The Cagamas Interim Financial Statements are prepared and presented in accordance with the MFRS 134: Interim Financial Reporting and the IFRS 34: Interim Financial Reporting. The Cagamas Interim Financial Statements have not been audited or reviewed by Ernst & Young PLT and should not be relied upon by investors to provide the same quality of information associated with information that has been subject to an audit or review. Neither the Arrangers nor the Dealers make any representation or warranty, express or implied, regarding the sufficiency of such unaudited and unreviewed interim consolidated financial information for an assessment of, and potential investors must exercise caution when using such data to evaluate the financial condition, operations and results of the Guarantor. See "*Summary Financial Information of Cagamas*" and "*Risk Factors — Interim financial information of Cagamas contained in this Offering Circular has not been audited or reviewed*".

FORWARD LOOKING STATEMENTS

Certain statements under "*Risk Factors*", "*Description of the Trustee*", "*Description of the Cagamas Group*" and elsewhere in this Offering Circular constitute "*forward-looking statements*". The words including "*believe*", "*expect*", "*plan*", "*anticipate*", "*schedule*", "*estimate*" and similar words or expressions identify forward-looking statements. In addition, all statements other than statements of historical facts included in this Offering Circular, including, but without limitation, those regarding the financial position, business strategy, prospects, capital expenditure and investment plans of the Group and the plans and objectives of the Group's management for its future operations (including development plans and objectives relating to the Group's operations), are forward-looking statements. Such forward- looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results or performance of the Group to differ materially from those expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Group's present and future business strategies and the environment in which the Group will operate in the future. The Trustee and Cagamas expressly disclaim any obligation or undertaking to release any updates or revisions to any forward-looking statements contained herein to reflect any change in the Trustee's, Cagamas' or the Group's expectations with regard thereto or any change of events, conditions or circumstances, on which any such statements were based. This Offering Circular discloses, under "*Risk Factors*" and elsewhere, important factors that could cause actual results to differ materially from the Trustee's or Cagamas' expectations. All subsequent written and forward- looking statements attributable to the Trustee or Cagamas or persons acting on behalf of the Trustee or Cagamas are expressly qualified in their entirety by such cautionary statements.

In addition, other factors that could cause actual results to differ materially from those estimated by the forward-looking statements contained in this Offering Circular include, but are not limited to, general economic and political conditions in Malaysia, South East Asia, and the other countries which have an impact on the Trustee's and Cagamas' business activities or investments, political or financial instability in Malaysia or any other country caused by any factor including any terrorist attacks in Malaysia, the United States or elsewhere or any other acts of terrorism worldwide, any anti-terrorist or other attacks by the United States, a United States-led coalition or any other country, the monetary and interest rate policies of Malaysia, political or financial instability in Malaysia or military armament or social unrest in any part of Malaysia, inflation, deflation, unanticipated turbulence in interest rates, changes in the value of the Ringgit, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets, changes in domestic and foreign laws, regulations and taxes, changes in competition and the pricing environment in Malaysia and regional or general changes in asset valuations.

CERTAIN TERMS AND CONVENTIONS

In this Offering Circular, unless otherwise specified, all references to the "**Government**" are to the Government of Malaysia; all references to "**Singapore**" are to the Republic of Singapore; all references to "**United States**" or "**U.S.**" are to the United States of America; references to "**China**", "**Mainland China**" and the "**PRC**" in this Offering Circular mean the People's Republic of China and for geographical reference only (unless otherwise stated) exclude Taiwan, Macau and Hong Kong; references to "**PRC Government**" mean the government of the PRC; references to "**Hong Kong**" are to the Hong Kong Special Administrative Region of the PRC; references to "**Macau**" are to the Macao Special Administrative Region of the PRC; and all references to "**United Kingdom**" are to the United Kingdom of Great Britain and Northern Ireland.

All references in this document to "**euro**" or "**€**" refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the functioning of the European Union, and as defined in Article 2 of Council Regulation (EC) No. 974/98 of 3 May 1998 on the introduction of the euro as amended and to "**Ringgit**" and "**RM**" refer to Malaysian Ringgit. In addition, references to "**sterling**" and "**£**" refer to pounds sterling, references to "**U.S. dollars**", "**US$**", "**U.S.$**", "**$**" and "**USD**" refer to United States dollars; all references to "**S$**" refer to Singapore dollars; all references to "**HK$**" and to "**HKD**" are to Hong Kong dollars; all references to "**yen**" are to Japanese yen; and all references to "**Renminbi**", "**CNH**", "**RMB**" and "**CNY**" are to the currency of the PRC.

The Sukuk issued under the Programme may be issued in a Management Wakala Series or an Investment Wakala Series, as specified in the applicable Pricing Supplement. Accordingly, unless the context requires or this Offering Circular states otherwise, references herein to associated terminology (including, but not limited to, Sukukholders, Sukuk, Conditions, Global Certificates, Series, Tranche, Transaction Documents and Wakala Assets) are to such terms as applicable to the Management Wakala Series and/or Investment Wakala Series.

EXCHANGE RATE INFORMATION

For the convenience of the readers, certain Ringgit amounts have been translated into U.S. dollar amounts, based on the prevailing exchange rate of RM 4.2125 = U.S.$1 as of 30 June 2025, being the closing exchange rate for Ringgit against U.S. dollars dealt on that date by Bank Negara Malaysia ("**BNM**"), the Central Bank of Malaysia. Such translations should not be construed as representations that the Ringgit or U.S. dollar amounts referred to could have been, or could be, converted into Ringgit or U.S. dollars, as the case may be, at that or any other rate or at all.

ROUNDING

In this Offering Circular, where information has been presented in thousands or millions of units, amounts may have been rounded up or down. Accordingly, totals of columns or rows of numbers in tables may not be equal to the apparent total of the individual items and actual numbers may differ from those contained herein due to rounding. Rounding adjustments have been made in calculating some of the financial and other numerical information included in this Offering Circular. As a result, numerical figures shown as totals in some tables may not be exact arithmetic aggregations of the figures that precede them.

SECURITIES COMMISSION MALAYSIA

In accordance with the Capital Markets and Services Act 2007 of Malaysia ("**CMSA**"), a copy of this Offering Circular will be deposited with the SC, which takes no responsibility for its contents. The issue, offer and invitation to subscribe and purchase the Sukuk in this Offering Circular or otherwise are subject to the fulfilment of various conditions precedent including, without limitation, the applicable approval and authorisation from the SC. The Programme is approved by the SC pursuant to Sections 212(4) and 214(1) and authorised by the SC pursuant to Sections 212(5) and 256C(1) of the CMSA, under the SC's deemed approval process and notification to the SC will be made in respect of the current update to the Programme in accordance with the Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework (first issued on 9 March 2015 and as amended from time to time). Please note that the approval and authorisation of the SC shall not be taken to indicate that the SC recommends the subscription or purchase of the Sukuk. The SC shall not be liable for any non-disclosure on the part of the Trustee and/ or Cagamas and assumes no responsibility for the correctness of any statements made or opinions or reports expressed in this Offering Circular.

INFORMATION INCORPORATED BY REFERENCE

This Offering Circular should be read and construed in conjunction with each (a) applicable Pricing Supplement, (b) the most recently published audited annual financial statements and any interim financial statements (whether audited or unaudited) published subsequently to such annual financial statements of the Trustee and Cagamas from time to time (if any), together with the audit or review reports in respect thereof, and (c) all amendments and supplements from time to time to this Offering Circular, which shall be deemed to be incorporated in, and to form part of, this Offering Circular and which shall be deemed to modify or supersede the contents of this Offering Circular to the extent that a statement contained in any such document is inconsistent with such contents.

Copies of all such documents which are so deemed to be incorporated in, and to form part of, this Offering Circular will be available free of charge during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) from the Specified Offices of the Paying Agents and the Specified Office of the Principal Paying Agent (as defined under "*Summary of the Programme*") (or such other Paying Agent for the time being) set out at the end of this Offering Circular.

Copies of the documents listed in (b) above which are deemed to be incorporated in, and to form part of this Offering Circular are available at the website of the SGX-ST at http://www.sgx.com/.

SUKUK ISSUED AS SUSTAINABILITY SUKUK

None of the Trustee, Cagamas, the Arrangers or the Dealers accepts any responsibility for any social, environmental and/or sustainability assessment of any Sukuk issued as Sustainability Sukuk ("**Sustainability Sukuk**") or makes any representation or warranty or assurance whether such Sukuk will meet any investor expectations or requirements regarding such "green", "sustainable", "social" or similar labels (including in relation to, but not limited to, Regulation (EU) 2020/852 on the

establishment of a framework to facilitate sustainable investment (the "**EU Taxonomy Regulation**") and any related technical screening criteria, the EuGB label or the optional disclosures for bonds marketed as environmentally sustainable and for sustainability-linked bonds under Regulation (EU) 2023/2631 (the "**EU Green Bond Regulation**"), Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector ("**SFDR**") and any implementing legislation and guidelines, or any similar legislation in the United Kingdom or any market standards or guidance, including green, sustainable or social bond principles or other similar principles or guidance published by the International Capital Market Association (the "**ICMA Principles**")) or any requirements of such labels or market standards as they may evolve from time to time. None of the Arrangers or the Dealers (i) is responsible for the use or allocation of proceeds for any Sukuk issued as Sustainability Sukuk, (ii) is responsible for the impact, monitoring or reporting in respect of such use or allocation of proceeds, (iii) is responsible for the alignment of any Sustainability Sukuk with the Cagamas Sustainability Bond/Sukuk Framework (as defined in "*Use of Proceeds*" below) or alignment of the Cagamas Sustainability Bond/Sukuk Framework with the applicable ICMA Principles (or any other equivalent principles), or (iv) undertakes to ensure that there are at any time sufficient Eligible Financing/Assets (as defined in "*Use of Proceeds*") to allow for allocation of a sum equal to the net proceeds of the issue of such Sustainability Sukuk in full.

In addition, none of the Trustee, Cagamas, the Arrangers or the Dealers is responsible for the assessment of the Cagamas Sustainability Bond/Sukuk Framework including the assessment of the applicable eligibility criteria in relation to Sustainability Sukuk set out in therein. Any Second Party Opinion (as defined in "*Use of Proceeds*") is not intended to address any credit, market or other aspects of an investment in any Sukuk, including without limitation market price, marketability, investor preference or suitability of any security. A Second Party Opinion is a statement of opinion, not a statement of fact. No representation or assurance is given by the Trustee, Cagamas, the Arrangers or the Dealers as to the suitability or reliability of any Second Party Opinion or any opinion, review or certification of any third party (including any post-issuance reports prepared by an external reviewer) made available in connection with an issue of Sukuk issued as Sustainability Sukuk. As at the date of this Offering Circular, the providers of such opinions, reviews, certifications and post-issuance reports are not subject to any specific regulatory or other regime or oversight. Whilst the EU Green Bond Regulation will introduce a supervisory regime of external reviewers of European Green Bonds, this is not due to take full effect until 21 June 2026 and would not apply to external reviewers in respect of an issue of Sustainability Sukuk. Any Second Party Opinion and any other such opinion, review, certification or post-issuance report is not, nor should be deemed to be, a recommendation by the Trustee, Cagamas, the Arrangers, the Dealers, or any other person to buy, sell or hold any Sukuk and is current only as of the date it is issued. Prospective investors must determine for themselves the relevance of any Second Party Opinion and any opinion, review, certification or post-issuance report and/or the information contained therein. The criteria and/or considerations that form the basis of any Second Party Opinion or any other opinion, review, certification or post-issuance report may change at any time and any Second Party Opinion or any other opinion, review, certification or post-issuance report may be amended, updated, supplemented, replaced and/or withdrawn. The Cagamas Sustainability Bond/Sukuk Framework may also be subject to review and change and may be amended, updated, supplemented, replaced and/or withdrawn from time to time and any subsequent version(s) may differ from any description given in this Offering Circular. None of the Cagamas Sustainability Bond/Sukuk Framework, any Second Party Opinion and any other such opinion, review, certification or post-issuance report forms part of, or is incorporated by reference in, this Offering Circular.

In the event any such Sukuk are, or are intended to be, listed, or admitted to trading on a dedicated "green", "sustainable", "social" or other equivalently-labelled segment of a stock exchange or securities market, no representation or assurance is given by the Trustee, Cagamas, the Arrangers or the Dealers that such listing or admission will be obtained or maintained for the lifetime of the Sukuk or that any such listing or admission will meet any criteria that an investor may require.

See "*Risk Factors – Risks relating to Sustainability Sukuk*".

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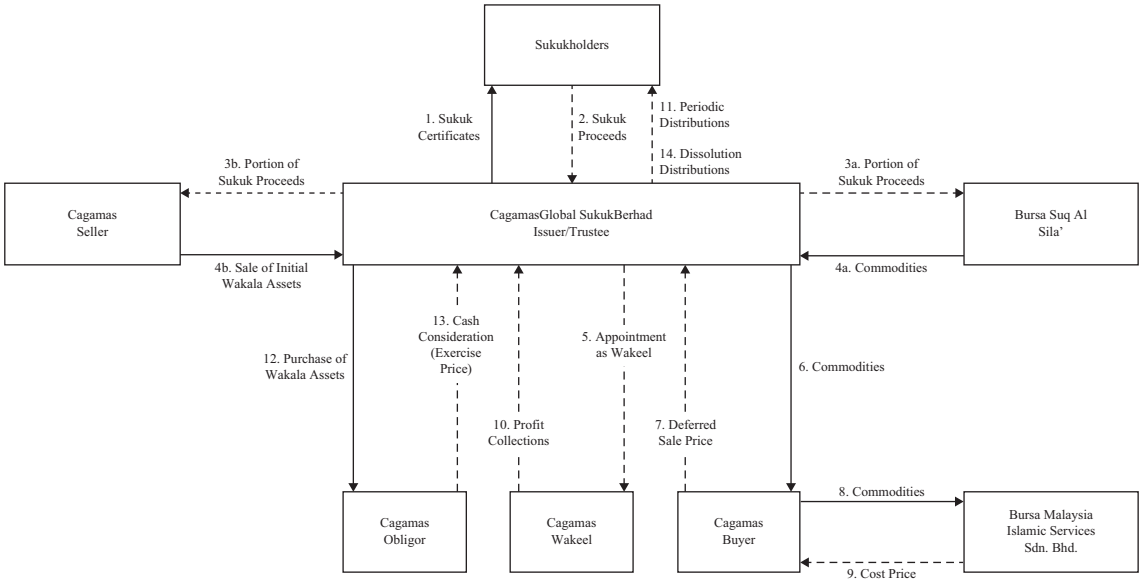
STRUCTURE DIAGRAM AND CASHFLOWS OF THE MANAGEMENT WAKALA SUKUK

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

The defined terms used in this section are applicable to the Management Wakala Sukuk only.

Structure Diagram



Payments by the Sukukholders and the Trustee

On the issue date of a Management Wakala Series (the "**Issue Date**"), the Sukukholders will pay the issue price in respect of the Management Wakala Sukuk (the "**Issue Price**") to the Trustee.

The Trustee will use the Issue Price of each Management Wakala Series as follows:

(a) no more than 66 per cent. of the Issue Price of that Management Wakala Series, as specified in the applicable Pricing Supplement (the "**Murabaha Investment Amount**"), will be used to purchase *Shariah*-compliant commodities (the "**Commodities**") from Bursa Suq Al-Sila' (through Cagamas as the commodity trading participant) and to sell such Commodities to the Obligor (in its capacity as buyer, the "**Buyer**") on a deferred payment basis for a sale price specified in a letter of offer and acceptance (the "**Deferred Sale Price**") pursuant to a murabaha contract (the "**Murabaha Contract**") (such sale of *Shariah*-compliant commodities by the Trustee to the Obligor and all of the Trustee's rights and entitlements against the Obligor (in its capacity as buyer) in connection therewith being the "**Commodity Murabaha Investment**"); and

(b) the remaining portion of the Issue Price, as specified in the applicable Pricing Supplement (the "**Purchase Price**"), will be used to purchase and accept the transfer and conveyance from the Obligor (in its capacity as seller, the "**Seller**") of the Seller's interests, rights, title, benefits and entitlements, present and future, in, to and under certain Eligible Wakala Assets specified in the relevant Management Wakala Supplemental Purchase Agreement (the "**Initial Wakala Assets**") pursuant to a Management Wakala Supplemental Purchase Agreement **provided that** the Purchase Price paid for the Eligible Wakala Assets is at least equal to 34 per cent. of the Issue Price.

The:

(a) Initial Wakala Assets (as may be substituted from time to time) and any additional Eligible Wakala Assets acquired from time to time in accordance with the Transaction Documents, all revenues from them which comprise amounts in the nature of sale, capital or principal payments (including, without limitation, any total loss and expropriation related insurance proceeds and any indemnity payments) and including any amounts payable by the Wakeel under certain provisions of the Amended and Restated Management Wakala Agreement and any amounts in respect of an Impaired Wakala Asset Exercise Price (as defined in the "Summary of the Principal Transaction Documents" section under the heading "Management Wakala Sukuk Documents") (the "**Principal Revenues**") and any investment deposit made with any *Shariah*-compliant financial institution (the "**Shariah-Compliant Investments**") in accordance with the Amended and Restated Management Wakala Agreement (together, the "**Wakala Assets**"); and

(b) (if applicable) the Commodity Murabaha Investment,

shall together constitute the assets of the Management Wakala Sukuk in respect of the relevant Management Wakala Series (the "**Management Wakala Sukuk Assets**").

The Trustee has, pursuant to the terms of the Amended and Restated Management Wakala Agreement, appointed the Obligor as its agent (in such capacity the "**Wakeel**") to perform certain services set out in the Amended and Restated Management Wakala Agreement (the "**Wakala Services**") in respect of the Wakala Assets of each Management Wakala Series.

Periodic Distribution Payments

The Wakeel will record: (i) all Principal Revenues from the Wakala Assets of each Management Wakala Series in a book-entry ledger account (the "**Management Wakala Principal Collection Account**"); and (ii) all revenues from the Wakala Assets of each Management Wakala Series that are not Principal Revenues (the "**Income Revenues**") in a book-entry ledger account (the "**Management Wakala Income Collection Account**"). On the business day prior to each Periodic Distribution Date, the Wakeel shall use amounts standing to the credit of the Management Wakala Income Collection Account to pay to the Transaction Account an amount which is intended to be sufficient to fund the Periodic Distribution Amount payable by the Trustee under the Management Wakala Sukuk of the relevant Series on the Periodic Distribution Date falling one business day after such date (the "**Required Amount**") and any such amount paid into the Transaction Account shall be applied by the Trustee for that purpose.

If on the business day prior to a Periodic Distribution Date the amounts standing to the credit of the Management Wakala Income Collection Account are greater than the relevant Required Amount, such excess returns shall, after payment of any claims, losses, costs and expenses properly incurred or suffered by the Wakeel or other payments made by the Wakeel on behalf of the Trustee (the "**Wakeel Liabilities Amount**") in providing the Wakala Services and repayment of any Liquidity Facility (as defined below), be credited by the Wakeel to a separate book-entry ledger account (such account, the "**Management Wakala Reserve Account**").

If on the business day prior to a Periodic Distribution Date the amounts standing to the credit of the Management Wakala Income Collection Account are less than the relevant Required Amount, the Wakeel shall deduct amounts standing to the credit of the Management Wakala Reserve Account towards funding such shortfall and, if such amounts standing to the credit of the Management Wakala Reserve Account are insufficient for such purpose, the Wakeel may provide to the Trustee *Shariah*-compliant funding in an amount equal to the remaining shortfall (a "**Liquidity Facility**").

Dissolution Payments

On the business day prior to the relevant Scheduled Dissolution Date in relation to each Management Wakala Series:

(a) the outstanding Deferred Sale Price shall be due and payable; and

(b) the Trustee will have the right under the Amended and Restated Management Wakala Purchase Undertaking to require the Obligor to purchase all of the Trustee's interests, rights, title, benefits and entitlements, present and future, in, to and under the Wakala Assets in consideration for payment by the Obligor of the Exercise Price.

The outstanding Deferred Sale Price payable by the Obligor under the Amended and Restated Management Wakala Master Murabaha Agreement and the Exercise Price payable by the Obligor under the Amended and Restated Management Wakala Purchase Undertaking, are intended to fund the Dissolution Distribution Amount payable by the Trustee under the Management Wakala Sukuk.

The Management Wakala Sukuk in relation to any Management Wakala Series may be redeemed in whole prior to the relevant Scheduled Dissolution Date for the following reasons:

(a) redemption following a Dissolution Event; and

(b) an early redemption for tax reasons.

In each case, the amounts payable by the Trustee on the due date for dissolution will be funded in the same manner as for the payment of the Dissolution Distribution Amount on the Scheduled Dissolution Date.

The Management Wakala Sukuk in relation to any Management Wakala Series may also be redeemed in whole or in part prior to the relevant Scheduled Dissolution Date for the following reasons:

(a) if so specified in the applicable Pricing Supplement, at the option of the Sukukholders;

(b) if so specified in the applicable Pricing Supplement, following a Change of Shareholding; and

(c) if so specified in the applicable Pricing Supplement, at the option of the Obligor.

Upon the exercise of such right, the Trustee shall redeem the relevant Management Wakala Sukuk for an amount equal to the sum of the face amounts of such Management Wakala Sukuk and the Periodic Distribution Amounts on such Management Wakala Sukuk (if any) accrued and unpaid to the date of redemption, together with any amounts specified in the applicable Pricing Supplement. Such redemption of the Management Wakala Sukuk will be funded in a similar manner to that described above for the payment of Periodic Distribution Amounts and the Dissolution Distribution Amount through: (i) a proportionate amount of the outstanding Deferred Sale Price becoming immediately due and payable; and (ii) the Trustee's interests, rights, title, benefits and entitlements, present and future, in, to and under a proportionate amount of the Wakala Assets being sold by the Trustee to the Obligor pursuant to the Amended and Restated Management Wakala Purchase Undertaking or the Amended and Restated Management Wakala Sale Undertaking at a purchase price such that the aggregate amounts received by the Trustee are sufficient to pay the amount payable in respect of the Management Wakala Sukuk being redeemed.

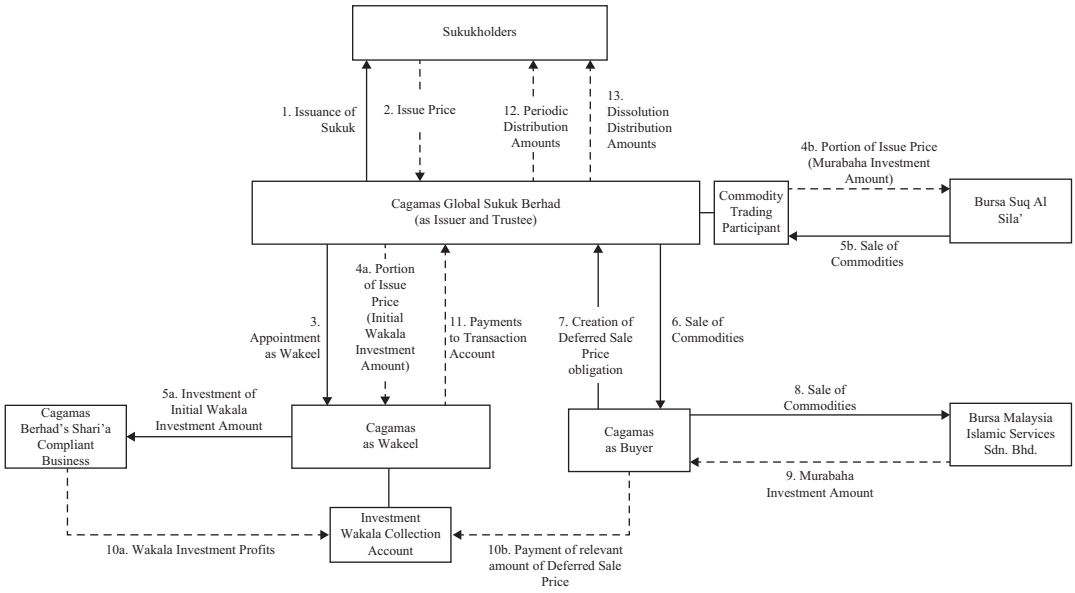
Following the redemption of the Management Wakala Sukuk in full, the Wakeel shall be entitled to retain any amounts standing to the credit of the Management Wakala Reserve Account for its own account as an incentive fee for acting as Wakeel.

STRUCTURE DIAGRAM AND CASHFLOWS OF THE INVESTMENT WAKALA SUKUK

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

The defined terms used in this section are applicable to the Investment Wakala Sukuk only.

Structure Diagram



Payments by the Sukukholders and the Trustee

On the issue date of an Investment Wakala Series (the "**Issue Date**"), the Sukukholders will pay the issue price in respect of the Investment Wakala Sukuk (the "**Issue Price**") to the Trustee.

The Trustee will use the Issue Price of each Investment Wakala Series as follows:

(a) no more than 49 per cent. of the Issue Price of that Investment Wakala Series, as specified in the applicable Pricing Supplement (the "**Murabaha Investment Amount**"), may be used to purchase *Shariah*-compliant commodities (the "**Commodities**") from Bursa Suq Al-Sila' (through Cagamas as the commodity trading participant) and to sell such Commodities to the Obligor (in its capacity as buyer, the "**Buyer**") on a deferred payment basis for a sale price specified in a letter of offer and acceptance (the "**Deferred Sale Price**") pursuant to a murabaha contract (the "**Murabaha Contract**") (such sale of *Shariah*-compliant commodities by the Trustee to the Obligor and all of the Trustee's rights and entitlements against the Obligor (in its capacity as buyer) in connection therewith being the "**Commodity Murabaha Investment**"); and

(b) the remaining portion of the Issue Price, which shall be equal to no less than 51 per cent. of the relevant Issue Price of that Investment Wakala Series, as specified in the applicable Pricing Supplement (the "**Purchase Price**") (the "**Initial Wakala Investment Amount**"), will be used made available by the Trustee to the Obligor (in its capacity as agent of the Trustee, the "**Wakeel**") for the Wakeel to invest, on behalf of the Trustee, in Cagamas Berhad's general *Shari'a* compliant business on an unrestricted basis as a Wakala bil Istithmar in accordance with

the terms of an investment wakala agreement dated 20 December 2022 between the Trustee and the Wakeel (the "**Investment Wakala Agreement**") and the relevant investment plan (the Trustee's share in Cagamas Berhad's general Shari'a compliant business as a result of such investment (and any further investment in accordance with the Wakala Agreement) in respect of each Investment Wakala Series being the "**Investment Wakala Investment Plan**").

The Wakeel shall:

(a) ensure that, on the Issue Date of the relevant Investment Wakala Series, and prior to the Commodity Murabaha Investment being entered into, the value of the Wakala Investment as determined by the Wakeel in accordance with its usual business practices and in consultation with the Shari'a adviser (the "**Wakala Investment Value**") shall be equal to no less than 51 per cent. of the aggregate outstanding face amount of the Investment Wakala Sukuk for that Investment Wakala Series;

(b) use reasonable endeavours to ensure that at all times after the Commodity Murabaha Investment relating to the relevant Investment Wakala Series has been entered into, the relevant Wakala Investment Value shall be equal to no less than 33 per cent. of the aggregate of the Wakala Investment Value and the outstanding Deferred Sale Price (the "**Investment Wakala Sukuk Asset Value**") for that Series at the relevant time; and

(c) use reasonable endeavours to ensure that, at all times, the Investment Wakala Sukuk Asset Value is at least equal to the aggregate face amount of the Investment Wakala Sukuk for that Investment Wakala Series then outstanding.

The Wakala Investment and (if applicable) the Commodity Murabaha Investment of a Series, shall together constitute the assets of the Investment Wakala Sukuk in respect of the relevant Investment Wakala Series (the "**Investment Wakala Sukuk Assets**").

*The Trustee has, pursuant to the terms of the Investment Wakala Agreement, appointed the Obligor as its agent (in such capacity the "**Wakeel**") to perform certain obligations set out in the Investment Wakala Agreement (the "**Wakala Services**") in respect of the Wakala Investment of each Series.*

Periodic Distribution Payments

If a Commodity Murabaha Investment has been entered into in respect of an Investment Wakala Series, the Buyer shall on the date falling two business days prior to each Periodic Distribution Date under the relevant Investment Wakala Series ensure that an amount of the relevant Deferred Sale Price equal to the Periodic Distribution Amount due on the relevant Periodic Distribution Date is paid to a book-entry ledger account (the "**Investment Wakala Collection Account**") maintained by the Wakeel in respect of the relevant Series.

The Wakeel will record: (i) all profits from the Investment Wakala Investment of each Series (the "**Investment Wakala Investment Profits**"); and (ii) all payment of the Deferred Sale Price of each Series in the Investment Wakala Collection Account of the relevant Series. On the business day prior to each Periodic Distribution Date, the Wakeel shall use amounts standing to the credit of the Investment Wakala Collection Account to pay to the relevant Transaction Account an amount which is intended to be sufficient to fund the Periodic Distribution Amount (and any prior payments required to be made in accordance with the Conditions) payable by the Trustee under the Investment Wakala Sukuk of the relevant Investment Wakala Series on the Periodic Distribution Date falling one business day after such date (the "**Required Amount**") and any such amount paid into the relevant Transaction Account shall be applied by the Trustee for that purpose.

If on the business day prior to a Periodic Distribution Date the amounts standing to the credit of the Investment Wakala Collection Account are greater than the relevant Required Amount, such excess

returns shall, after payment of any claims, losses, costs and expenses properly incurred or suffered by the Wakeel or other payments made by the Wakeel on behalf of the Trustee (the "**Wakeel Liabilities Amount**") in performing its obligations under the Investment Wakala Agreement in respect of the relevant Investment Wakala Series, be invested by the Wakeel in Cagamas Berhad's general Shari'a compliant business to grow the relevant Wakala Investment.

The Deferred Sale Price (if any) in respect of each Investment Wakala Series shall be an amount equal to the aggregate of: (i) the Murabaha Investment Amount of that Investment Wakala Series; (ii) the aggregate amount of all Periodic Distribution Amounts that will be payable under the Investment Wakala Sukuk of that Investment Wakala Series during the period from (and including) the relevant Issue Date to (and including) the relevant Scheduled Dissolution Date; (iii) the amount by which the Aggregate Face Amount of the relevant Investment Wakala Series exceeds the Commodity Purchase Price of that Investment Wakala Series and (iv) any other amount payable in relation to the redemption of the Investment Wakala Sukuk of the relevant Investment Wakala Series as specified in the applicable Pricing Supplement. As such, it is intended that the Deferred Sale Price in respect of an Investment Wakala Series will be sufficient to pay all Periodic Distribution Amounts payable under the Investment Wakala Sukuk of that Investment Wakala Series.

Dissolution Payments

On the date falling two business days prior to the relevant Scheduled Dissolution Date in relation to each Investment Wakala Series, the outstanding Deferred Sale Price in respect of that Series shall be due and payable to the Investment Wakala Collection Account.

On the business day prior to the relevant Scheduled Dissolution Date in relation to each Investment Wakala Series:

(a) the Wakeel shall liquidate the Investment Wakala Investment of that Investment Wakala Series at its market value (as determined by the Wakeel (acting reasonably)) and credit the proceeds of such liquidation (the "**Wakala Proceeds**") to the Investment Wakala Collection Account of the relevant Investment Wakala Series; and

(b) the Wakeel shall use amounts standing to the credit of the Investment Wakala Collection Account to pay to the Transaction Account an amount which is intended to be sufficient to fund the Dissolution Distribution Amount payable by the Trustee under the Investment Wakala Sukuk (and any prior payments required to be made in accordance with the Conditions).

Payment of the outstanding Deferred Sale Price payable by the Buyer under the Investment Wakala Master Murabaha Agreement and the Investment Wakala Proceeds payable by the Wakeel under the Investment Wakala Agreement, in each case to the Investment Wakala Collection Account of the relevant Series, are intended to fund the Dissolution Distribution Amount payable by the Trustee under the Investment Wakala Sukuk of the relevant Investment Wakala Series.

The Investment Wakala Sukuk in relation to any Investment Wakala Series may be redeemed in whole prior to the relevant Scheduled Dissolution Date for the following reasons:

(a) redemption following a Dissolution Event; and

(b) an early redemption for tax reasons.

In each case, the amounts payable by the Trustee on the due date for dissolution will be funded in the same manner as for the payment of the Dissolution Distribution Amount on the Scheduled Dissolution Date.

The Investment Wakala Sukuk in relation to any Investment Wakala Series may also be redeemed in whole or in part prior to the relevant Scheduled Dissolution Date for the following reasons:

(a) if so specified in the applicable Pricing Supplement, at the option of the Sukukholders;

(b) if so specified in the applicable Pricing Supplement, following a Change of Shareholding; and

(c) if so specified in the applicable Pricing Supplement, at the option of the Obligor.

Upon the exercise of such right, the Trustee shall redeem the relevant Investment Wakala Sukuk for an amount equal to the sum of the face amounts of such Investment Wakala Sukuk and the Periodic Distribution Amounts on such Investment Wakala Sukuk (if any) accrued and unpaid to the date of redemption, together with any amounts specified in the applicable Pricing Supplement. Such redemption of the Investment Wakala Sukuk will be funded in a similar manner to that described above for the payment of Periodic Distribution Amounts and the Dissolution Distribution Amount through: (i) a proportionate amount of the outstanding Deferred Sale Price becoming immediately due and payable; and (ii) a proportionate liquidation of the Wakala Investment of the relevant Investment Wakala Series in accordance with the Investment Wakala Agreement, such that the aggregate amounts received by the Trustee are sufficient to pay the amount payable in respect of the Investment Wakala Sukuk being redeemed.

Following the redemption of the Investment Wakala Sukuk in full, the Wakeel shall be entitled to retain any amounts standing to the credit of the Investment Wakala Collection Account for its own account as an incentive fee for acting as Wakeel.

SUMMARY OF THE PROGRAMME

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

Certain Transaction Documents are described in more detail in "*Summary of the Principal Transaction Documents*" below.

Trustee and Purchaser:	Cagamas Global Sukuk Berhad, which has been incorporated solely for the purpose of participating in the transactions contemplated by the Transaction Documents (as defined below) to which it is a party.
Seller, Obligor, Buyer and Wakeel:	Cagamas Berhad
Ownership of the Trustee:	The authorised share capital of the Trustee is RM100,000.00 divided into 100,000 ordinary shares of a face value of RM1.00 each. The Trustee's entire issued share capital is held by Cagamas.
Trustee LEI Code:	254900I17ALBY977K655
Programme Size:	U.S.$2,500,000,000 (or the equivalent in other currencies calculated as described in the Dealer Agreement) outstanding at any time. The Trustee and Cagamas may increase the amount of the Programme in accordance with the terms of the Dealer Agreement and subject to the consents of the relevant regulatory authorities and the relevant parties being obtained.
Risk Factors:	Investing in Sukuk issued under the Programme involves certain risks. The principal risk factors that may affect the abilities of the Trustee and Cagamas to fulfil their respective obligations in respect of the Sukuk are discussed under the section "*Risk Factors*".
Joint Principal Advisers:	CIMB Investment Bank Berhad ("**CIMB**") and HSBC Amanah Malaysia Berhad ("**HSBC**").
Joint Shariah Advisers:	CIMB Islamic Bank Berhad ("**CIMB Islamic**"), HSBC and Amanie Advisors Sdn Bhd
Arrangers:	CIMB and HSBC, RHB Investment Bank Berhad ("**RHB**") and Standard Chartered Bank ("**SCB**")
Dealers:	AmInvestment Bank Berhad ("**AmInvestment Bank**"), CIMB, Deutsche Bank AG, Singapore Branch ("**DB**"), The Hongkong and Shanghai Banking Corporation Limited ("**HSBC Limited**"), Malayan Banking Berhad ("**Maybank**"), RHB, SCB, and any other Dealer appointed from time to time by the Trustee and Cagamas either generally in respect of the Programme or in relation to a particular Series of Sukuk.

Delegate:	HSBC Limited. Pursuant to the Master Trust Deed, the Trustee shall delegate to the Delegate all of the present and future duties, powers, rights, authorities and discretions vested in the Trustee by certain provisions of the Master Trust Deed. In particular, the Delegate shall be entitled to (and, in certain circumstances, shall, subject to being indemnified and/or secured and/or pre-funded to its satisfaction, be obliged to) take enforcement action in the name of the Trustee against the Trustee and the Obligor following a Dissolution Event.
Principal Paying Agents, Paying Agents, Calculation Agents, Transfer Agents, Registrars:	HSBC Limited (in respect of Sukuk other than CMU Sukuk, CDP Sukuk and, as the case may be, ACS Sukuk), the CMU Lodging and Paying Agent (in respect of CMU Sukuk) and the CDP Lodging and Paying Agent (in respect of CDP Sukuk) and/or such other agent(s) as may be appointed from time to time and specified in the applicable Pricing Supplement.
CMU Lodging and Paying Agent:	HSBC Limited.
CDP Lodging and Paying Agent:	The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch.
Method of Issue:	The Sukuk will be issued on a syndicated or non-syndicated basis. The Sukuk will be issued in a Management Wakala Series or an Investment Wakala Series (each a "**Series**") and the Sukuk of each Series will comprise one tranche that have identical terms on issue and are expressed to have the same series number. The specific terms of each Series will be completed in the applicable Pricing Supplement. For the avoidance of doubt, Management Wakala Sukuk will not be interchangeable or fungible with any Investment Wakala Sukuk and *vice versa*.
Clearing Systems:	Euroclear, Clearstream, CMU, CDP and, in relation to any Series, such other clearing system (including, without limitation, RENTAS) specified in the applicable Pricing Supplement or as may otherwise be approved by the Trustee, the Obligor, the Principal Paying Agent and the Delegate.
Form of Sukuk:	Each Series of Sukuk will initially be represented by a Global Certificate, as described in "*Form of the Sukuk*".
Currencies:	Sukuk may be denominated in any currency or currencies (other than Ringgit) as may be agreed between the Trustee, Cagamas and the Relevant Dealer, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements.
Status of the Sukuk:	The Sukuk represent an undivided beneficial ownership interest in the relevant Trust Assets and are direct, unsubordinated, unsecured and limited recourse obligations of the Trustee. Each Sukuk shall, save for such exceptions as may be provided by applicable legislation that is both mandatory and of general application, at all times rank *pari*

	passu and without any preference or priority with all other Sukuk of the relevant Series. The payment obligations of the Obligor (in any capacity) under the Transaction Documents shall, save for such exceptions as may be provided by applicable legislation that is both mandatory and of general application and subject to the negative pledge provisions described in Condition 6.2 (*Negative Pledge*), at all times rank at least equally with all other unsecured and unsubordinated indebtedness and monetary obligations of the Obligor, present and future. In respect of each Series, the Trustee shall hold the relevant Trust Assets for such Series upon trust absolutely for and on behalf of the Sukukholders of such Series *pro rata* according to the face amount of Sukuk held by each holder of the relevant Series of Sukuk. The "**Trust Assets**" of the relevant Series will comprise: (a) the cash proceeds for the issue of the Sukuk, pending the application thereof in accordance with the terms of the relevant Transaction Documents; (b) the interests rights, title, benefits and entitlements, present and future of the Trustee in, to and under the Sukuk Assets from time to time (excluding any representations given by the Obligor to the Trustee and/or the Delegate under any documents constituting the Sukuk Assets from time to time); (c) the interest, rights, title, benefits and entitlements, present and future, of the Trustee in, to and under the Transaction Documents (excluding any representations given by the Obligor to the Trustee and/or the Delegate pursuant to any of the Transaction Documents or the covenant given to the Trustee pursuant to clause 16.1 of the Master Trust Deed); (d) all moneys standing to the credit of the Transaction Account from time to time; (e) the interests, rights, title, benefits and entitlements, present and future, of the Trustee in, to and under any other assets, rights, cash or investments as may be specified in the applicable Pricing Supplement; and (f) all proceeds of the foregoing.
Limited Recourse:	The Sukuk represent limited recourse obligations of the Trustee. No payment of any amount whatsoever shall be made in respect of the Sukuk except to the extent that funds are available therefor from the relevant Trust Assets. Sukukholders will otherwise have no recourse to any assets of the Trustee or Cagamas in respect of any shortfall in the expected amounts due under the relevant Trust Assets to the extent that the Trust Assets have been exhausted, following which all obligations of the Trustee shall be extinguished. See Condition 4.2 (*Limited Recourse*).
Negative Pledge:	The Sukuk will have the benefit of a negative pledge granted by Cagamas, as described in Condition 6.2 (*Negative Pledge*).
Issue Price:	The Sukuk may be issued on a fully-paid basis and at an issue price as specified in the applicable Pricing Supplement.
Maturities:	Any maturity as may be agreed between the Trustee, Cagamas and the Relevant Dealer(s), subject, in relation to specific currencies, to compliance with all applicable legal and/or regulatory and/or central bank requirements.

Scheduled Dissolution:	Unless the Sukuk are previously redeemed or purchased and cancelled in full, each Sukuk shall be finally redeemed at its Dissolution Distribution Amount and the Trust in relation to the relevant Series shall be dissolved by the Trustee on the Scheduled Dissolution Date specified in the applicable Pricing Supplement following the payment of all such amounts in full.
Dissolution Events:	Upon the occurrence of any Dissolution Event and following delivery of a Dissolution Notice in accordance with Condition 12 (*Dissolution Events*), the Sukuk shall be redeemed in full at the Dissolution Distribution Amount and the Trust in relation to the relevant Series shall be dissolved by the Trustee on the Dissolution Event Redemption Date. See Condition 12 (*Dissolution Events*).
Early Dissolution for Taxation Reasons:	Where the Trustee has or will become obliged to pay any additional amounts in respect of the Sukuk pursuant to Condition 10 (*Taxation*) or the Obligor has or will become obliged to pay any additional amounts pursuant to the terms of any Transaction Document, in each case as a result of any change in, or amendment to, the laws or regulations of Malaysia or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the relevant Series of Sukuk, and such obligation cannot be avoided by the Trustee or the Obligor (as the case may be) taking reasonable measures available to it, the Trustee shall on giving not less than 30 nor more than 60 days' notice to Sukukholders (which notice shall be irrevocable) (and in the case of Management Wakala Sukuk, following receipt of a duly completed Exercise Notice from the Obligor pursuant to the Management Wakala Sale Undertaking), redeem the Sukuk in whole but not in part at an amount equal to the relevant Dissolution Distribution Amount on the Early Tax Dissolution Date subject to and in accordance with Condition 8.2 (*Early Dissolution for Taxation Reasons*), and if the Sukuk to be redeemed are Floating Rate Sukuk, the Early Tax Dissolution Date must be a Periodic Distribution Date. See Condition 8.2 (*Early Dissolution for Taxation Reasons*).
Dissolution at the Option of the Obligor (Optional Dissolution Right):	If so specified in the applicable Pricing Supplement, the Obligor may in its sole discretion deliver to the Trustee a notice in accordance with the applicable provisions of the Management Wakala Conditions or, as applicable, the Investment Wakala Conditions and, on receipt of such notice, the Trustee shall, on giving not less than 30 nor more than 60 days' irrevocable notice to the Sukukholders (or such other notice period as may be specified in the applicable Pricing Supplement) redeem all or, if so provided, some of the Sukuk on any Optional Dissolution Date subject to and in accordance with Condition 8.3 (*Dissolution at the Option of the Obligor (Optional Dissolution Right)*). Any such redemption of Sukuk shall be at their Dissolution Distribution Amount. Any such redemption or exercise must relate to Sukuk of a face amount at least equal to the Minimum Optional Dissolution Amount to be redeemed and no greater than the Maximum Optional Dissolution Amount to be redeemed.

	For Shariah reasons, the Optional Dissolution Right and the Sukukholder Put Right cannot both be specified as applicable in the applicable Pricing Supplement in respect of any single Series.
Dissolution at the Option of the Sukukholders (Sukukholder Put Right):	If so specified in the applicable Pricing Supplement, the Trustee shall, at the option of the holder of any Sukuk, upon the holder of such Sukuk giving not less than 30 nor more than 60 days' notice to the Trustee (or such other notice period as may be specified in the applicable Pricing Supplement) redeem such Sukuk on the Sukukholder Put Right Date(s) at its Dissolution Distribution Amount subject to and in accordance with Condition 8.4 (*Dissolution at the Option of the Sukukholders (Sukukholder Put Right)*). *For Shariah reasons, the Optional Dissolution Right and the Sukukholder Put Right cannot both be specified as applicable in the applicable Pricing Supplement in respect of any single Series.*
Dissolution at the Option of the Sukukholders (Change of Shareholding Put Right):	If a Change of Shareholding occurs, and **provided that** Sukukholders elect to redeem all, but not some only, of their Sukuk in accordance with Condition 8.5 (*Dissolution at the Option of the Sukukholders (Change of Shareholding Put Right)*), the Trustee shall redeem such Sukuk on the Change of Shareholding Put Right Date at the Dissolution Distribution Amount. "**Change of Shareholding**" occurs when Bank Negara Malaysia or the Government of Malaysia, either through the Minister of Finance (Incorporated) or any other ministry or Government agency or body, ceases to be a shareholder, directly or indirectly, of Cagamas' issued share capital.
Periodic Distributions:	Sukukholders are entitled to receive Periodic Distribution Amounts calculated on the basis specified in the applicable Pricing Supplement.
Denominations:	Sukuk will be issued in such denominations as may be agreed between the Trustee, Cagamas and the Relevant Dealer(s) and specified in the applicable Pricing Supplement, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements. Sukuk having a maturity of less than one year will, if the proceeds of the issue are accepted in the United Kingdom, constitute deposits for the purposes of the prohibition on accepting deposits contained in section 19 of the Financial Services and Markets Act 2000 ("**FSMA**") unless they are issued to a limited class of professional investors and have a denomination of at least £100,000 (or if the Sukuk are denominated in a currency other than sterling, the equivalent amount in such currency). See "*Subscription and Sale*".
Cross Default:	The Sukuk will contain a cross default provision as further described in Condition 12 (*Dissolution Events*).

Purchase and Cancellation:	Pursuant to Condition 8.7 (*Purchases*), each of the Obligor and the Obligor's Subsidiaries may at any time purchase Sukuk in the open market or otherwise at any price and such Sukuk may be held, resold or, at the option of the Obligor, surrendered to the Registrar for cancellation. Pursuant to Condition 8.8 (*Cancellation*), subject to and in accordance with the standard procedures of Euroclear and Clearstream, CDP, the CMU and/or the relevant Alternative Clearing System (as defined herein and which, in respect of any Series of RENTAS Sukuk, shall be the RENTAS Depository Procedures), as applicable, all Sukuk which are redeemed will forthwith be cancelled. All Sukuk purchased and surrendered for cancellation by or on behalf of the Obligor or any of the Obligor's Subsidiaries may be surrendered for cancellation in accordance with the terms of the Transaction Documents and the Conditions. Any Sukuk cancelled pursuant to Condition 8.8 (*Cancellation*) shall be forwarded to the Registrar and cannot be reissued or resold.
Wakala Asset Substitution:	In relation to any Management Wakala Series, Cagamas may substitute Wakala Assets in accordance with the relevant provisions of the Amended and Restated Management Wakala Substitution Undertaking, and the Trustee may substitute Wakala Assets in accordance with the relevant provisions of the Amended and Restated Management Wakala Purchase Undertaking, in each case **provided that** the aggregate value of any new assets is equal to or greater than the aggregate value of the substituted assets.
Trustee Covenants:	The Trustee has agreed to certain restrictive covenants as set out in Condition 6.1 (*Trustee Covenants*).
Withholding Tax:	All payments in respect of the Sukuk by or on behalf of the Trustee shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of Malaysia or any political subdivision therein or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental chargers is required by law. In that event, the Trustee shall pay such additional amounts as shall result in receipt by the Sukukholders after such withholding or deduction of such amount as would have been received by them had no such withholding or deduction been required, subject to certain exceptions as set out in Condition 10 (*Taxation*). The Wakeel has undertaken in the Amended and Restated Management Wakala Agreement and the Investment Wakala Agreement to pay to the Trustee such additional amounts as will result in the receipt by the Trustee of such net amounts as would have been received by it if no withholding or deduction had been made. All payments by the Obligor (in any capacity) under the Amended and Restated Management Wakala Purchase Undertaking, the Amended and Restated Management Wakala Sale Undertaking, the Amended and Restated Management Wakala Agreement, the Amended and Restated Management Wakala Master Murabaha Agreement, the

	Investment Wakala Agreement and the Investment Wakala Master Murabaha Agreement shall be made without any withholding or deduction for, or on account of, any taxes, levies, imposts, duties, or other charges or withholdings of a similar nature unless such withholding or deduction is required by law. In that event, the Obligor has agreed to pay such additional amounts so that the Trustee will receive the full amounts that it would have received in the absence of such withholding or deduction.
Listing and Trading:	Approval-in-principle has been obtained from the Labuan International Financial Exchange Inc. (the "**LFX**") for the listing of the Sukuk issued under the Programme and approval-in-principle has been obtained from the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for the permission to deal in, list and for the quotation of any Sukuk that may be issued under the Programme and which are agreed at or prior to the time of issue thereof to be so listed on the LFX and the SGX-ST. Such permission will be granted when the Programme or such Sukuk have been admitted to listing on the LFX and the Official List of the SGX-ST. There is no assurance that an application for the listing of the Sukuk on the Official List of the SGX-ST will be approved. The SGX-ST and the LFX take no responsibility for the correctness of any of the statements made or opinions expressed or reports contained herein or the contents of this Offering Circular, make no representations as to it accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon any part of the contents of this Offering Circular. The approval-in-principle for the listing and quotation of any Sukuk to be issued pursuant to the Programme, and the admission of any Sukuk to, the LFX and the Official List of the SGX-ST is not to be taken as an indication of the merits of the Trustee, Cagamas, the Programme or the Sukuk. For so long as any Sukuk are listed on the SGX-ST and the rules of the SGX-ST so require, such Sukuk will be traded on the SGX-ST in a minimum board lot size of S$200,000 (or its equivalent in other currencies). However, unlisted Sukuk and Sukuk to be listed, traded or quoted on or by any other competent authority, stock exchange or quotation system may be issued pursuant to the Programme. The applicable Pricing Supplement in respect of the issue of any Sukuk will specify whether or not such Sukuk will be listed on the LFX or the SGX-ST or listed, traded or quoted on or by any other competent authority, exchange or quotation system. The applicable Pricing Supplement will state whether or not the relevant Sukuk are to be listed and/or admitted to trading and, if so, on which stock exchanges and/or markets.
Rating:	The Programme has been assigned a rating of A3 by Moody's. The Sukuk may be rated or unrated. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating agency.

Transaction Documents:	*Management Wakala Sukuk* The Master Trust Deed as supplemented by the relevant Supplemental Trust Deed, the Agency Agreement, the Amended and Restated Management Wakala Master Purchase Agreement as supplemented by the applicable Management Wakala Supplemental Purchase Agreement, the Amended and Restated Management Wakala Sale Undertaking (together with each relevant sale agreement executed upon exercise of the Amended and Restated Management Wakala Sale Undertaking), the Amended and Restated Management Wakala Purchase Undertaking (together with each relevant sale agreement executed upon exercise of the Amended and Restated Management Wakala Purchase Undertaking), the Amended and Restated Management Wakala Substitution Undertaking (together with each relevant sale agreement executed upon exercise of the Amended and Restated Management Wakala Substitution Undertaking), the Amended and Restated Management Wakala Agreement and, if applicable to a Series, the Amended and Restated Management Wakala Master Murabaha Agreement (together with all offers, acceptances and confirmations delivered pursuant thereto in connection with the relevant Management Wakala Series) (each a "**Management Wakala Transaction Document**" and, together, the "**Management Wakala Transaction Document**s"). *Investment Wakala Sukuk* The Master Trust Deed as supplemented by the relevant Supplemental Trust Deed, the Agency Agreement, the Investment Wakala Agreement and the Investment Wakala Master Murabaha Agreement (together with all offers, acceptances and confirmations delivered pursuant thereto in connection with the relevant Series) (each a "**Investment Wakala Transaction Document**", together, the "**Investment Wakala Transaction Documents**" and together with the Management Wakala Transaction Documents, the "**Transaction Documents**").
Governing Law:	The Sukuk and any non-contractual obligations arising out of or in connection with the Sukuk are governed by, and construed in accordance with, English law. The Master Trust Deed, each Supplemental Trust Deed, the Agency Agreement, the Amended and Restated Management Wakala Purchase Undertaking, the Amended and Restated Management Wakala Sale Undertaking, the Amended and Restated Management Wakala Substitution Undertaking, the Amended and Restated Management Wakala Agreement, the Amended and Restated Management Wakala Master Murabaha Agreement, the Investment Wakala Agreement and the Investment Wakala Master Murabaha Agreement are governed by, and construed in accordance with, English law. The Amended and Restated Management Wakala Master Purchase Agreement, each Management Wakala Supplemental Purchase

	Agreement and each sale agreement to be entered into pursuant to the Amended and Restated Management Wakala Purchase Undertaking, the Amended and Restated Management Wakala Sale Undertaking and/or Amended and Restated the Management Wakala Substitution Undertaking, as applicable, are governed by Malaysian law.
Selling Restrictions:	For a description of certain restrictions on offers, sales and deliveries of Sukuk and on the distribution of offering material in the United States of America, the European Economic Area, the United Kingdom, Japan, Malaysia, the Republic of Singapore, Hong Kong, the People's Republic of China, the United Arab Emirates (excluding the Dubai International Financial Centre), the Dubai International Financial Centre, the Abu Dhabi Global Market, the Kingdom of Saudi Arabia, the Kingdom of Bahrain and the State of Qatar (including the Qatar Financial Centre) and such other restrictions as may be required in connection with the offering and sale of a particular Series of Sukuk, see "*Subscription and Sale*".
United States Selling Restrictions:	Regulation S, Category 2
Initial Delivery of Sukuk:	On or before the Issue Date for each Series, the Global Certificate representing the Sukuk may be deposited with a common depositary for Euroclear and Clearstream, with CDP or deposited with a sub-custodian for the CMU or any other clearing system (including, without limitation, RENTAS) or may be delivered outside any clearing system **provided that** the method of such delivery has been agreed in advance by the Trustee, Cagamas, the Registrar and the Relevant Dealers. Sukuk that are to be credited to one or more clearing systems on issue will be registered in the name of, or in the name of nominees or a common nominee for, such clearing systems.

SUMMARY FINANCIAL INFORMATION OF CAGAMAS

The following tables set forth the summary consolidated financial information of Cagamas as at and for the periods indicated.

The summary consolidated financial information presented below as at and for the three years ended 31 December 2022, 31 December 2023 and 31 December 2024 are extracted from the consolidated financial statements of Cagamas as at and for the years ended 31 December 2023 and 31 December 2024 and should be read in conjunction with such audited consolidated financial statements and the notes thereto which are included elsewhere in this Offering Circular. The audited consolidated financial statement as at and for the financial year ended 31 December 2022 was audited by PricewaterhouseCoopers PLT and the audited consolidated financial statements as at and for the financial years ended 31 December 2023 and 31 December 2024 were audited by Ernst & Young PLT.

The summary consolidated financial information presented below as at and for the six months ended 30 June 2025 (which include the comparative financial information for the six months ended 30 June 2024) are extracted from Cagamas' condensed interim financial statements as at and for the six months ended 30 June 2025, which have not been audited or reviewed by Ernst & Young PLT and should be read in conjunction with such unaudited and unreviewed condensed interim financial statements and the notes thereto which are included elsewhere in this Offering Circular.

The summary consolidated financial information presented below as at and for the six months ended 30 June 2025 are unaudited and unreviewed should not be relied upon by investors to provide the same quality of information associated with information that has been subject to an audit or review. Neither the Arrangers nor the Dealers make any representation or warranty, express or implied, regarding the sufficiency of such summary unaudited and unreviewed interim consolidated financial information for an assessment of, and potential investors must exercise caution when using such data to evaluate the financial condition, operations and results of Cagamas. Such summary unaudited and unreviewed consolidated financial information should not be taken as an indication of the expected financial condition, results of operations and results of Cagamas for the full financial year ending 31 December 2025. See "*Risk Factors — Interim financial information of Cagamas contained in this Offering Circular has not been audited or reviewed*".

The audited consolidated financial statements as at and for the years ended 31 December 2022, 31 December 2023 and 31 December 2024 are prepared and presented in accordance with the MFRS Accounting Standards, the IFRS Accounting Standards and the requirements of the Malaysian Companies Act 2016.

The unaudited and unreviewed condensed interim financial statements as at and for the six months ended 30 June 2025 (which include the comparative financial information for the six months ended 30 June 2024) are prepared and presented in accordance with the MFRS 134: Interim Financial Reporting and the IFRS 34: Interim Financial Reporting.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 31 December			As at 30 June
	2022	2023	2024	2025
	(audited)	(audited)	(audited)	(unaudited)
	RM'000 (except for per share data)			
ASSETS				
Cash and cash equivalents	159,765	180,359	61,121	346,466
Deposits and placements with financial institutions	132,570	86,947	433,225	106,196
Financial asset at fair value through other comprehensive income ("**FVOCI**")	3,493,471	2,690,061	3,527,639	3,737,422
Financial assets at amortised cost	1,817,754	2,286,680	2,287,035	2,286,666
Derivative financial assets	102,583	207,659	15,403	41,428
Amount due from counterparties	17,097,746	19,987,790	16,833,422	17,706,313
Islamic financing assets	15,482,284	21,426,861	20,666,788	24,033,456
Mortgage assets				
— Conventional	3,426,761	3,021,850	2,600,891	2,404,802
— Islamic	4,275,424	3,881,528	3,498,719	3,318,481
Hire purchase assets				
— Islamic	50	55	40	40
Reverse mortgage assets	552	2,147	4,172	5,178
Amount due from related company	378	586	370	393
Other assets	33,261	20,476	13,689	8,905
Tax recoverable	51,501	—	—	—
Property and equipment	1,459	1,947	8,307	10,915
Intangible assets	18,586	16,804	13,594	12,110
Right-of-use asset	9,384	7,176	9,163	8,276
TOTAL ASSETS	**46,103,529**	**53,818,926**	**49,973,578**	**54,027,047**
LIABILITIES				
Short-term borrowings	812,339	648,790	506,132	914,442
Derivative financial liabilities	6,619	15,161	80,617	77,832
Other liabilities	201,371	150,411	105,612	75,964
Lease liability	11,384	9,308	11,311	10,387
Provision for taxation	—	10,205	3,888	13,848
Deferred taxation	213,063	198,371	213,964	233,583
Unsecured bearer bonds and notes	20,414,672	24,954,908	21,186,219	21,642,510
Sukuk	20,135,060	23,278,139	23,102,061	26,138,770
TOTAL LIABILITIES	**41,794,508**	**49,265,293**	**45,209,804**	**49,107,336**
Share capital	150,000	150,000	150,000	150,000
Reserves	4,159,021	4,403,633	4,613,774	4,769,711
SHAREHOLDER'S FUNDS	**4,309,021**	**4,553,633**	**4,763,774**	**4,919,711**
TOTAL LIABILITIES AND SHAREHOLDER'S FUNDS	**46,103,529**	**53,818,926**	**49,973,578**	**54,027,047**
NET TANGIBLE ASSETS PER SHARE (RM)	**28.60**	**30.25**	**31.67**	**32.72**

CONSOLIDATED INCOME STATEMENT

	For the year ended 31 December			For the six months ended 30 June	
	2022	2023	2024	2024	2025
	(audited)	(audited)	(audited)	(unaudited)	(unaudited)
	RM '000 (except for per share data)				
Interest income	881,187	1,071,757	1,088,396	549,463	515,333
Interest expense	(646,485)	(945,854)	(925,006)	(474,846)	(435,600)
Income from Islamic operations	128,238	186,292	195,398	99,836	114,075
Non-interest (expense)/income	(11,955)	38,940	11,066	5,744	(3,082)
	350,985	**351,135**	**369,854**	**180,197**	**190,726**
Personnel costs	(29,823)	(27,700)	(33,913)	(15,845)	(20,222)
Administration and general expenses	(28,248)	(30,760)	(33,711)	(15,878)	(19,113)
OPERATING PROFIT	**292,914**	**292,675**	**302,230**	**148,474**	**151,391**
Reversal of impairment losses, net	7,401	10,920	8,709	3,169	1,697
PROFIT BEFORE TAXATION AND ZAKAT	**300,315**	**303,595**	**310,939**	**151,643**	**153,088**
Taxation	(73,092)	(74,713)	(71,385)	(42,622)	(36,761)
Zakat	(2,828)	(2,534)	(1,561)	—	—
PROFIT FOR THE FINANCIAL YEAR/ PERIOD	**224,395**	**226,348**	**237,993**	**109,021**	**116,327**
EARNINGS PER SHARE (SEN)	**149.60**	**150.90**	**158.66**	**72.68**	**77.55**
DIVIDEND PER SHARE (SEN)	**20.00**	**20.00**	**20.00**	**15.00**	**15.00**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	For the year ended 31 December			For the six months ended 30 June	
	2022	2023	2024	2024	2025
	(audited)	(audited)	(audited)	(unaudited)	(unaudited)
			RM '000		
Profit for the financial year/period	224,395	226,348	237,993	109,021	116,327
Other comprehensive (loss)/income:					
Items that may be subsequently reclassified to income statement					
Financial asset at FVOCI					
— Net gain/(loss) from change in fair value	(49,085)	46,094	3,506	3,833	58,579
— (Reversal of)/allowance for impairment losses	61	5	(53)	(32)	(17)
— Deferred taxation	11,780	(11,063)	(841)	(920)	(14,059)
Cash flow hedge					
— Net (loss)/gain on cash flow hedge	(8,939)	17,405	(610)	(10,031)	23,167
— Deferred taxation	2,145	(4,177)	146	2,407	(5,560)
Other comprehensive income/(loss) for the financial year/period, net of taxation	(44,038)	48,264	2,148	(4,743)	62,110
Total comprehensive income for the financial year/period	**180,357**	**274,612**	**240,141**	**104,278**	**178,437**

RISK FACTORS

Each of the Trustee and Cagamas believes that the following factors may affect its ability to fulfil its obligations in respect of the Sukuk issued under the Programme. Most of these factors are contingencies which may or may not occur and neither the Trustee nor Cagamas is in a position to express a view on the likelihood of any such contingency occurring. References herein to the "Trustee" shall mean Cagamas Global Sukuk Berhad acting in any capacity, except where the context does not permit.

In addition, factors which are material for the purpose of assessing the market risks associated with the Sukuk issued under the Programme are also described below.

Each of the Trustee and Cagamas believes that the factors described below represent all the principal risks inherent in investing in the Sukuk issued under the Programme, but the inability of the Trustee or Cagamas to pay periodic distribution amounts, face or other amounts on or in connection with any Sukuk may occur for other reasons which may not be considered significant risks by the Trustee and Cagamas based on information currently available to them or which they may not currently be able to anticipate. Prospective investors should also read the detailed information set out elsewhere in this Offering Circular and reach their own views prior to making any investment decision.

RISKS RELATING TO THE TRUSTEE

The Trustee has no operating history and will depend on receipt of payments from Cagamas to make payments

The Trustee was established as a public limited company incorporated in Malaysia on 5 May 2014 and is deemed incorporated under the Malaysian Companies Act 2016. Since its incorporation and as at the date of this Offering Circular, the Trustee has conducted limited activities.

The Trustee will not engage in any business activity other than the issuance of Sukuk under the Programme, the issuance of shares in its capital and the other activities described herein or incidental or related to the foregoing as required under the Transaction Documents.

The ability of the Trustee to pay amounts due on any Sukuk will be dependent upon receipt by it from Cagamas of all amounts due under the Transaction Documents to which it is a party which, in the aggregate, may not be sufficient to meet all claims under the relevant Sukuk and the Transaction Documents. As a result, the Trustee is subject to all the risks to which Cagamas is subject, to the extent such risks could limit Cagamas' ability to satisfy in full and on a timely basis, its obligations under the Transaction Documents to which it is a party. See "*Risks relating to the operations of Cagamas and its Business*" below for a further description of these risks.

RISKS RELATING TO THE OPERATIONS OF CAGAMAS AND ITS BUSINESS

Volatility in the capital markets

Cagamas depends on accessing debt capital markets as one of its key funding avenues to fund the purchase of financial assets in the secondary market. Global markets have experienced, and may continue to experience, significant turbulence due to economic and political instability in several areas of the world. These global economic conditions have led to significant volatility in capital markets around the world, including Asia, and further volatility could significantly impact investor risk appetite and capital flows into the areas in which Cagamas operates. While Cagamas has several alternative funding sources to complement its existing funding from the bonds and sukuk markets to meet its funding needs, if the capital markets experience continuous volatility and the availability of funds is

limited, it is possible that Cagamas' ability to access the capital markets may be limited by this or other factors at a time when Cagamas would like, or needs, to do so, and its business, financial condition, results of operations and prospects would be adversely affected.

Further, geopolitical risks have continued to emerge globally, including, amongst others:

(a) the wide ranging trade tariffs imposed by the United States in 2025, and ongoing changes to these tariffs and international responses have contributed to increased volatility in global financial markets, and could keep inflationary pressures elevated and delay the pace of policy interest rate cuts by the United States Federal Reserve and other major central banks and pose negative effects particularly on external trade-dependent Asian economies such as Malaysia. There is no assurance that a permanent deal among the United States and its trading partners will be struck or that further tariffs or trade restrictions will not be introduced. Continued escalation of such trade tensions could result in a full-blown global trade war, which will upend global supply chains, raise costs and lead to a far sharper global economic slowdown. There could also be disruptions to the global disinflation process and rising recession risks in both advanced and emerging markets, leading to destabilised capital flows that could trigger latent vulnerabilities in banking and financial systems;

(b) the incursion of Ukraine by Russia, which has not only led to rising tensions and increased military activity in the Baltic Sea but has also caused a significant humanitarian crisis in Ukraine and broader Europe, as well as heightened tension between Russia, the United States and a number of European states. Global commodity and financial markets have been negatively impacted as a result, leading to a material increase in the prices of oil, gas, energy, certain agriculture inputs and other materials, and in turn, heightened inflationary pressures. There remains uncertainty surrounding the effects of Russia's military actions on the global commodity and financial markets, potentially precipitating a recession in certain segments of the global economy. The European Union, the United Kingdom, the United States and several other countries have also imposed a variety of sanctions on certain regions of Ukraine, Russia and various Russia-related parties. The persistent or escalating conflict could continue to further drive up commodity prices and costs of living;

(c) the recent outbreak of conflict in the Middle East between Israel and Iran, the Israel-Hamas armed conflict in Gaza and the incursion of Lebanon by Israel in October 2024 which, in each case, may result in heightened tensions and further outbreak of conflicts in the Middle East, and which could lead to disruptions in global trade as well as the imposition of trade and economic sanctions. Furthermore, negotiations between the United States and Iran in relation to the revival of a nuclear agreement have been unsuccessful, and any disruption of oil shipments from the Persian Gulf due to ongoing geopolitical strife may result in upside risk to oil prices;

(d) the increased nuclear capabilities of Iran and North Korea;

(e) the maritime claims in the South and East China Seas; and

(f) geopolitical tensions between China and Taiwan.

The global consequences of such geopolitical events are inherently unpredictable and have the potential to undermine the stability of economies worldwide. This instability could trigger a general economic downturn or recession on a global scale, which may, in turn, have a material adverse impact on the Malaysian economy. Consequently, Cagamas' business, financial condition, results of operations, and future prospects could be significantly affected.

Cagamas' hedging strategies may not prevent losses

Cagamas is constantly attempting to manage interest rate and other market related risks, as well as refinancing risks. If any of the variety of instruments and strategies Cagamas uses to hedge its exposure to these various types of risk is not effective, Cagamas may incur losses. This, in turn, may affect the ability of Cagamas and, ultimately, the Trustee to satisfy in full and on a timely basis its obligations in respect of a Series of Sukuk. Cagamas may not be able to obtain economically efficient hedging opportunities that will enable it to carry on its present policies with respect to new assets and liabilities.

Cagamas depends on key management for the growth and successful implementation of its strategy

Cagamas believes that the growth it has achieved to date, as well as its position as key liquidity provider in the Malaysian mortgage market, is to a large extent attributable to a strong and experienced senior management team and a skilled workforce. Cagamas believes that the continued growth of its business and the successful implementation of its strategy depend on senior management and key personnel. There can be no assurance that members of the senior management team will remain in Cagamas for the foreseeable future. Competition for key personnel in the financial industry is intense and there is limited availability of individuals with the requisite knowledge of the financial industry and relevant experience in the markets in which Cagamas operates. To date, Cagamas has been successful in its ability to attract, source and replace new members to its senior management team and workforce, however, this is no guarantee that Cagamas will be able to successfully recruit, train or retain the necessary qualified and skilled personnel in the future. Any failure to manage Cagamas' personnel needs successfully could have an adverse effect on its business, results of operations and prospects.

Cagamas' internal control system may be inadequate

In the course of its business activities, Cagamas is exposed to a variety of risks, the most significant of which are credit risk, market risk, liquidity risk, operational risk and reputational risk. While Cagamas believes that it has implemented the appropriate policies, systems and processes to control and mitigate these risks, investors should note that any failure to adequately control these risks may have an adverse effect on Cagamas' financial condition, results of operations, prospects and reputation.

Please refer to the sections on credit risk, market risk, liquidity risk, operational risk and reputational risk set out below in "*Description of the Cagamas Group — Risk Management*".

Cagamas is susceptible to deterioration in the credit quality of the Selling Institutions or the underlying borrowers/obligors of the purchased assets

Cagamas purchases assets from various counterparties through the Purchase With Recourse ("**PWR**") and Purchase Without Recourse ("**PWOR**") schemes. Under the PWR scheme, beneficial ownership of the assets passes to Cagamas and the assets are held on trust by financial institutions and non-financial institutions within Malaysia (collectively referred to as the "**Selling Institutions**") for Cagamas with legal title to the assets remaining with the Selling Institutions. Further, Cagamas relies on the Selling Institutions to administer, manage and collect the payments of the instalments due on the assets. A failure by one or more Selling Institutions with material exposure to honour the terms of its contract with Cagamas, including a Selling Institution's undertaking to repurchase or replace a significant number of ineligible loans or financings, could have an adverse effect on the business, results of operations and financial condition of Cagamas. However, Cagamas can exercise its power of attorney granted by the counterparties to enable it to legally transfer the assets to itself or a third party at any time.

Under the PWOR scheme, the assets are equitably assigned to Cagamas, such that the legal title to the assets remains with the counterparties while Cagamas carries the assets on its books and bears the full

credit risk of the portfolio of loans or financings purchased without recourse for default risk. The assets may also be transferred by way of a business transfer scheme which must be approved by BNM and the Minister of Finance. Upon receiving such approval, the Selling Institution together with Cagamas will make a joint application to the High Court for a vesting order which, *inter alia*, will transfer legal and beneficial title in the assets to Cagamas. Post sale of the assets, the counterparties acting as the appointed servicer will continue to administer the assets, and will collect and remit payments of the instalments due on the assets by the underlying borrowers/obligors of such assets to Cagamas in return for a servicer fee as agreed with Cagamas. As such, the performance of Cagamas' business under the PWOR scheme is directly dependent on the timely debt service by the underlying borrowers/obligors (which will depend on the terms of the obligation as well as on the financial condition of the underlying borrowers/obligors in respect thereof) and the collection and remittance by the relevant counterparties. A failure by the underlying borrowers/obligors to make payments to the relevant servicer when due, or poor collection discipline by the relevant servicer, will consequently impact the timely remittance of payment/repayments to Cagamas, and could have an adverse effect on the business, results of operations and financial condition of Cagamas. However, the credit risk of these borrowers/obligors is mitigated as the portfolio of assets purchased by Cagamas must first satisfy Cagamas' stringent eligibility criteria.

An adverse effect on the business, results of operations and financial condition of Cagamas as a result of counterparty risk/underlying borrower/obligor default under the PWR and PWOR schemes, respectively, may ultimately result in Cagamas and the Trustee being unable to meet their obligations in relation to the Sukuk issued under the Programme.

There is no assurance that the Government of Malaysia ("GOM") will continue to promote the broader spread of home ownership and the growth of the secondary mortgage market in Malaysia

Cagamas was established in 1986 to promote the broader spread of home ownership and growth of the secondary mortgage market in Malaysia, in line with the GOM's policy at such time. There is no assurance that the GOM will continue to pursue and support this policy. Any change in policy with regard to the promotion of home ownership in Malaysia (including, for example, an increase in the down payment requirement for mortgage financing) or changes in certain economic factors, such as an increase in interest rates and/or profit rates resulting in an increase in the cost of mortgage financing in Malaysia, may consequently reduce the attractiveness of mortgages as a source of financing for property purchases and which may in turn adversely affect the business, results of operations and financial condition of Cagamas.

Cagamas is dependent on the sale of assets by Malaysian financial institutions and non-financial institutions for the continuation of Cagamas' business

Cagamas' business is dependent on Malaysian Selling Institutions selling assets to it in the secondary market. Where there is strong competition in the origination of such assets in the primary market, interest margins may tighten, resulting in there being less of an incentive for such Selling Institutions to sell their assets to Cagamas. There can be no assurance that such Selling Institutions will continue to make available suitable loan or financing assets for purchase by Cagamas. Any reduction in the sale of assets to Cagamas may adversely affect the business, results of operations and financial condition of Cagamas.

BNM is a substantial shareholder in the Group but there can be no assurance that it will continue to maintain its shareholding or that the interest of any substantial shareholder will be aligned with the other shareholders of Cagamas Holdings Berhad

As at 30 June 2025, BNM was the registered holder of 20 per cent. of the issued share capital of Cagamas Holdings Berhad ("**Cagamas Holdings**"). There is no assurance that BNM will remain a substantial shareholder in Cagamas Holdings or that there will not be a change of control of Cagamas

Holdings or the entry of another major shareholder with the ability to exert significant influence on the direction or operations of the Group, or that the Group's business, financial condition, results of operations and prospects, including that of Cagamas, would not be adversely affected by such a change in control or influence.

Any substantial shareholder in Cagamas Holdings, including BNM, will be in a position to influence decisions requiring approval by Cagamas Holdings' shareholders, including the election of Cagamas Holdings' directors and the approval of significant corporate transactions. There is no assurance that the interests of such substantial shareholders will be aligned with those of Cagamas Holdings' other shareholders and as they own a significant portion of the shares of Cagamas Holdings, they could delay or prevent a change of control of Cagamas Holdings or veto corporate or other transactions, even if such transactions would be beneficial to Cagamas Holdings.

Cagamas is dependent upon its status as an "Approved Interbank Institution" as determined by BNM

Cagamas uses its status as an Approved Interbank Institution ("**AII**") being granted by BNM to assist with its liquidity requirements. This status allows Cagamas direct access to the interbank money market as stipulated in The Malaysian Code of Conduct for Malaysia Wholesale Financial Markets. Whilst the AII status provides Cagamas with a source of instant liquidity, Cagamas is also able to draw upon RM 2.975 billion worth of investment in high quality liquid assets and utilise the intraday credit facilities with BNM to satisfy any immediate liquidity needs as at 30 June 2025.

Interim financial information of Cagamas contained in this Offering Circular has not been audited or reviewed

The summary consolidated interim financial information of Cagamas as at and for the six months ended 30 June 2024 and 2025 included in this Offering Circular have not been audited or reviewed and such financial information should not be relied upon by investors to provide the same quality of information associated with information that has been subject to an audit or review. Potential investors must exercise caution when using such data to evaluate the financial condition, operations and results of Cagamas and should refer to the audited financial statements for the relevant periods when made available.

RISKS RELATING TO MALAYSIA

The Cagamas business model is focused in only one country which may result in a higher level of risk

As at 30 June 2025, 100 per cent. of the operating revenues of Cagamas were derived from within Malaysia and 100 per cent. of the assets of Cagamas were employed within Malaysia. As a result, Cagamas depends on the continued strength of Malaysia's economy to generate sufficient revenue to meet its payment obligations under the Sukuk issued under the Programme. The Malaysian economy is particularly affected by general economic and business conditions in the Asian region.

Due to the concentration of Cagamas' business in Malaysia, adverse developments in political, economic and regulatory conditions in Malaysia could adversely affect the financial position and business viability of Cagamas. These include, among other things, the political, economic and regulatory uncertainties, terrorist attacks, implementation of unfavourable industry regulations and laws by regulatory authorities, changes in the interest rate environment and legislation on taxation, currency exchange rules and controls, adverse foreign currency fluctuations, nationalisation and re-negotiation or nullification of existing orders. There can be no assurance that these developments will not adversely affect the business of Cagamas.

Furthermore, the monetary and fiscal policies of the GOM will be influenced by global and domestic developments. See further the risk factor entitled "— *Volatility in the capital markets*" above. The GOM policies may change in tandem with the economic climate, which may, in turn, adversely affect Cagamas.

Outbreaks of infectious diseases in Asia and elsewhere could affect the business, financial condition, results of operations or prospects of the Group

The outbreak of an infectious disease such as Influenza A (H1N1, H5N1), avian influenza, Severe Acute Respiratory Syndrome, or COVID-19 in Asia and elsewhere, together with any resulting restrictions on travel and/or imposition of quarantines, could have a negative impact on the economy, and business activities in Asia and could thereby impact Cagamas' business, financial condition and results of operations. Such an event could disrupt global supply chains, hinder trade, and negatively impact both the Malaysian and global economies, posing challenges to economic growth and business continuity.

There can be no assurance that any precautionary measures taken against prolonged infectious diseases or pandemic would be effective. A future outbreak of a prolonged infectious disease or any other serious public health concerns in Malaysia and/or globally could adversely affect the business, financial condition, results of operations and/or prospects of Cagamas.

Malaysian Ringgit may be subject to exchange rate fluctuations

BNM has in the past intervened in the foreign exchange market to stabilise the Ringgit, and had on 2 September 1998, maintained a fixed exchange rate of RM 3.80 to U.S.$1.00. Subsequently on 21 July 2005, BNM adopted a managed float system for the Ringgit exchange rate, which benchmarked the Ringgit to a currency basket to ensure that the Ringgit remains close to its fair value. However, since then, Malaysia has adopted a flexible exchange rate where movements in the Ringgit exchange rate are determined by the market. This flexibility in the exchange rate is critical to help the economy withstand external shocks by facilitating adjustments in Malaysia's international transactions. As an open economy that faces large cross-border capital flows, this flexibility can occasionally lead to significant volatility in the Ringgit exchange rate. In this respect, BNM plays an important role in regulating the Ringgit exchange rate market and ensuring that the volatility in the Ringgit exchange rate is not excessive and disruptive. This is to mitigate any negative impact to domestic economic activity as businesses are able to plan and undertake trade and investment transactions with more certainty. In addition, BNM supports the orderly functioning of the domestic foreign exchange market by ensuring sufficient liquidity through two-way foreign exchange interventions during periods of market stress. BNM also deepens the foreign exchange market and promotes access to hedging instruments to enable businesses to better manage their foreign exchange risks. However, there can be no assurance that BNM will, or would be able to continue to intervene in the foreign exchange market in the future or that any such intervention would be effective in achieving the objective of BNM's policy.

Impact of re-imposition of capital controls

As part of the package of policy responses to the 1997 economic crisis in South East Asia, the GOM introduced, on 1 September 1998, selective capital control measures. The GOM subsequently liberalised such selective capital control measures in 1999 to allow foreign investors to repatriate principal capital and profits, subject to an exit levy based on a percentage of profits repatriated. On 1 February 2001, the GOM revised the levy to apply only to profits made from portfolio investments retained in Malaysia for less than one year. On 2 May 2001, the GOM lifted all such controls in respect of the repatriation of foreign portfolio funds (largely consisting of proceeds from the sale of stocks listed on Bursa Securities).

There can be no assurance that the GOM will not re-impose these or other forms of capital controls in the future. If the GOM re-imposes or introduces foreign exchange controls, investors may not be able to repatriate the proceeds of the sale of the Sukuk and profit and principal paid on the Sukuk from Malaysia for a specified period of time or may only be able to do so after paying a tax or levy.

Inflation pressures in Malaysia and potential impact upon the Malaysian economy

Headline inflation, as measured by the annual percentage change in the Consumer Price Index (CPI), moderated to 1.5 per cent. in the first quarter of 2025 (2024: 1.8 per cent.), largely due to lower utilities inflation at 3.0 per cent., due to dissipated effects from higher tariff in 2024.

In 2025, headline inflation remains manageable and is projected to remain within a moderate range of 2.0 to 3.5 per cent., amid the easing global costs conditions and the absence of excessive demand pressures. Global commodity prices are expected to be lower, contributing to further downward pressure. The inflation outlook, however, continues to be subject to domestic policy measures, as well as global commodity price developments arising mainly from the ongoing military conflict in Ukraine and prolonged supply-related disruptions. Such inflationary pressures in the Malaysian economy could adversely affect the continued development of the housing market in Malaysia and the appetite of the Malaysian population to continue to take out housing loans and financings and invest in the property market. This could, in turn, adversely affect the business, financial condition and results of operations of Cagamas.

Exposure to the Malaysia property market

Cagamas has exposure to the Malaysia property market due to its portfolio of mortgage loans and financings. The Malaysia property market is inherently cyclical, with property prices affected by a number of factors, including the supply of, and demand for, comparable properties, as well as political and economic developments in Malaysia. Accordingly, any significant drop in property prices and/or liquidity in the Malaysia property market could adversely affect Cagamas' business, its financial condition and the results of its operations.

The Malaysian property market has registered its highest transaction volume and value in a decade and recorded year-on-year increases of approximately 5.4 per cent. and 18.0 per cent., respectively, in 2024. This robust performance is underpinned by a range of Government initiatives, including the full exemption from stamp duty on the instruments of transfer and loan agreements executed by Malaysian citizens in connection with the purchase of a first residential property priced at up to RM500,000, a measure that will remain in force until 31 December 2025. Although the property market conditions in Malaysia are expected to remain broadly stable, persistent increases in the cost of building materials and the general rise in the cost of living may impose significant headwinds on the sector and, consequently, could have an adverse effect on the business, financial condition and operations of Cagamas.

Certain foreign judgments may not be enforceable against the Trustee and Cagamas in Malaysia

Foreign judgments obtained in the superior courts of reciprocating countries as listed in the First Schedule of the Reciprocal Enforcement of Judgments Act 1958 (the "**REJA**") (other than a judgment of such a court given on appeal from a court which is not a superior court) in respect of any sum payable by the Trustee or Cagamas can be recognised and enforced in Malaysia if the said foreign judgment is registered with the Malaysian High Court. The judgment creditor under a judgment to which the REJA applies, may apply to the High Court at any time in accordance with the provisions of the REJA within six years after the date of the judgment or, where there have been proceedings by way of appeal against the judgment, after the date of the last judgment given in those proceedings, to have the judgment registered.

The registration of a foreign judgment dispenses with the need to re-litigate or re-examine the issues in dispute. A foreign judgment shall not be registered, if at the date of application for registration, it has been wholly satisfied or it could not be enforced by execution in the country of the original court.

A registered foreign judgment shall be set aside if:

- the judgment is not a judgment to which the REJA applies or the judgment was registered in contravention of it;
- the courts of the country of the original court had no jurisdiction in the circumstances of the case;
- the judgment debtor being the defendant in the original court, did not (notwithstanding that process may have been duly served on him in accordance with the law of the country of the original court) receive notice of those proceedings in sufficient time to enable it/him to defend the proceedings and did not appear;
- the judgment was obtained by fraud;
- enforcement of the judgment would be contrary to public policy in Malaysia; or
- the rights under the judgment are not vested in the person by whom the application for registration was made.

A registered foreign judgment may be set aside if the registering court is satisfied that the matter in dispute in the proceedings in the original court had previously to the date of the judgment in the original court been the subject of a final and conclusive judgment by a court having jurisdiction in the matter.

A person who has obtained a judgment against the Trustee and/or Cagamas in a court which is not listed in the First Schedule of the REJA will have to commence a fresh action in the Malaysian courts, where the foreign judgment may be relied on as evidence to support the claim. This is typically referred to as "common law enforcement".

The foreign judgment that is being enforced (under the REJA or under common law) must be a money judgment, and both the REJA and the common law exclude certain types of money judgments from being registered / enforced in Malaysia, including judgments for the recovery of taxes or other charges of a similar nature, or in respect of a fine or other penalty. In addition, declaratory orders and injunctions are also not enforceable.

Accounting and corporate disclosure standards in Malaysia may vary from those in other jurisdictions

There may be different publicly available information about Malaysian public companies, such as Cagamas, than is regularly made available by public companies in other jurisdictions. These differences include (i) the timing and content of disclosure of beneficial ownership of equity securities of officers, directors and significant shareholders; (ii) officer certification of disclosure and financial statements in periodic public reports; and (iii) disclosure of off-balance sheet transactions in management's discussion of results of operations in periodic public reports.

CONSIDERATIONS RELATING TO THE SUKUK

The Sukuk are limited recourse obligations

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

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

Following the enforcement, realisation and ultimate distribution of the net proceeds of the relevant Trust Assets in respect of the Sukuk of the relevant Series to the Sukukholders in accordance with the Conditions and the Master Trust Deed, the Trustee shall not be liable for any further sums in respect of such Series and, accordingly, Sukukholders may not take any action against the Trustee, the Delegate or any other person (including the Obligor) to recover any such sum in respect of the Sukuk or the relevant Trust Assets.

After enforcing the Trust Assets and distributing the net proceeds of such Trust Assets in accordance with Condition 5.2 (*Application of Proceeds from Trust Assets*), the obligations of the Trustee in respect of the Sukuk shall be satisfied and no Sukukholder may take any further steps against the Trustee (or any steps against the Delegate) to recover any further sums in respect of the Sukuk and the right to receive any such sums unpaid shall be extinguished. In particular, no Sukukholder shall be entitled in respect thereof to petition or to take any other steps for the winding up of the Trustee.

No third-party guarantees

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

Ability of defined majorities to bind all Sukukholders

The Master Trust Deed contains provisions for calling meetings of Sukukholders of a Series to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Sukukholders of such a Series including Sukukholders who did not attend and vote at the relevant meeting and Sukukholders who voted in a manner contrary to the majority. Furthermore, there is a risk that the decision of the majority of Sukukholders of such a Series may be adverse to the interest of the individual Sukukholder.

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

The Master Trust Deed provides that the Delegate may, without the consent of the Sukukholders (i) agree to any modification of any of the provisions of the Trust Deed or the Transaction Documents that is, in the sole opinion of the Delegate, of a formal, minor or technical nature or is made to correct a manifest error or is not materially prejudicial to the interests of the outstanding Sukukholders, or (ii)(A) agree to any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed or the Transaction Documents or (B) determine that any Dissolution Event shall not be treated as such, **provided that** such waiver, authorisation or determination is in the opinion of the Delegate not materially prejudicial to the interests of the Sukukholders and is other than in respect of a Reserved Matter (as defined in the Conditions) and not in contravention of any express direction by Extraordinary Resolution or request in writing by the holders of at least 25 per cent. of the outstanding aggregate face amount of a Series of Sukuk.

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

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

The Sukuk may not be a suitable investment for all investors

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

(a) have sufficient knowledge and experience to make a meaningful evaluation of the Sukuk, the merits and risks of investing in the Sukuk and the information contained or incorporated by reference in this Offering Circular or any applicable supplement;

(b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Sukuk and the impact the Sukuk will have on its overall investment portfolio;

(c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Sukuk, including where the currency for the face amount or any periodic distribution payments is different from the potential investor's currency;

(d) understand thoroughly the terms of the Sukuk and be familiar with the behaviour of any relevant indices and financial markets; and

(e) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Sukuk are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in the Sukuk which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Sukuk will perform under changing conditions, the resulting effects on the value of the Sukuk and the impact this investment will have on the potential investor's overall investment portfolio.

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

Because the Sukuk and Cagamas' payment obligations under the Transaction Documents are unsecured obligations, their payment may be compromised if:

(a) Cagamas enters into bankruptcy, liquidation, reorganisation or other winding-up procedures;

(b) there is a default in payment under Cagamas' future secured indebtedness or other unsecured indebtedness; or

(c) there is an acceleration of any of Cagamas' indebtedness.

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

The Sukuk may be subject to early dissolution by the Trustee

In certain circumstances, the Sukuk may be subject to early dissolution by the Trustee. If the Trustee has or will become liable to pay additional amounts in respect of the Sukuk and/or Cagamas is required to pay additional amounts pursuant to certain Transaction Documents, in each case as a result of certain changes affecting taxation in Malaysia or any political subdivision or any authority thereof or therein having power to tax, the Trustee may redeem all but not some only of the Sukuk upon giving notice in accordance with the Conditions.

If the Optional Dissolution Right is specified in the applicable Pricing Supplement, Cagamas may exercise its option under the Management Wakala Sale Undertaking to procure the Trustee to redeem the Sukuk in whole or in part on the relevant Optional Dissolution Date at the relevant Optional Dissolution Amount as specified in the applicable Pricing Supplement.

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

Investors must make their own determination as to Shariah compliance

The Joint Shariah Advisers have confirmed that, in their opinion, the Sukuk and the Transaction Documents are in compliance with *Shariah* principles. However, there can be no assurance as to the *Shariah* permissibility of the Transaction Documents or any issue and the trading of a Series of Sukuk will be deemed to be *Shariah*-compliant by any other *Shariah* board or *Shariah* scholars. None of the Trustee, Cagamas, the Delegate, the Agents, the Arrangers and the Dealers makes any representation as to the *Shariah* compliance of any Series of Sukuk. Investors are reminded that, as with any *Shariah* views, differences in opinion are possible. Investors are advised to obtain their own independent *Shariah* advice as to whether the structure and the Transaction Documents meet their individual standards of compliance and make their own determination as to the future tradeability of the Sukuk on any secondary market. Questions as to the *Shariah* permissibility of the structure or the issue and the trading of the Sukuk may limit the liquidity and adversely affect the market value of the Sukuk.

Shariah requirements in relation to interest awarded by a court

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

The Sukuk may be represented by Global Certificates and holders of a beneficial interest in a Global Certificate must rely on the procedures of the relevant Clearing System(s)

Sukuk issued under the Programme may be represented by one or more Global Certificates. Such Global Certificates will be deposited with CDP, a sub-custodian for the CMU or a common depositary for Euroclear and Clearstream, or with such other clearing system (including, without limitation, RENTAS) (or a depository, custodian or nominee thereof) specified in the applicable Pricing Supplement or as may otherwise be approved by the Trustee, the Obligor, the Principal Paying Agent and the Delegate (each such clearing system, a "**Clearing System**"). Except in the circumstances described in the relevant Global Certificate, investors will not be entitled to receive Sukuk in definitive form. The relevant Clearing System(s) will maintain records of their direct account holders in relation to the Global Certificates. While the Sukuk are represented by one or more Global Certificates, investors will be able to trade their beneficial interests only through the relevant Clearing System(s) and their participants.

While the Sukuk are represented by one or more Global Certificates, the Trustee or, as the case may be, Cagamas, will discharge its payment obligations under the Sukuk by making payments through the relevant Clearing System(s) for distribution to their account holders, or, in the case of the CMU, to the persons for whose account(s) interests in such Global Certificates are credited as being held in the CMU in accordance with the CMU rules and procedures as notified by the CMU to the CMU Lodging and Paying Agent in a relevant CMU Instrument Position Report or any other notification by the CMU.

A holder of a beneficial interest in a Global Certificate must rely on the procedures of the relevant Clearing System(s) and its participants to receive payments under the relevant Sukuk.

Neither the Trustee nor Cagamas has any responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Certificates. Holders of beneficial interests in the Global Certificates will not have a direct right to vote in respect of the relevant Sukuk. Instead, such holders will be permitted to act only to the extent that they are enabled by the relevant Clearing System(s) and its participants to appoint appropriate proxies.

Performance of contractual obligations

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

The value of the Sukuk could be adversely affected by a change in English law or administrative practice

The conditions of the Sukuk are based on English law in effect as at the date of this Offering Circular. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of this Offering Circular and any such change could materially adversely impact the value of any Sukuk affected by it.

The ratings of the Programme may be downgraded or withdrawn

The Programme has been assigned a rating of A3 by Moody's. The ratings represent the opinions of the rating agencies and their assessment of the ability of the Trustee and Cagamas to perform their respective obligations under the Transaction Documents and credit risks in determining the likelihood that payments will be made when due under the Transaction Documents. A rating is not a

recommendation to buy, sell or hold the Sukuk and may be subject to suspension, reduction or withdrawn at any time. A reduction or withdrawal of the ratings may adversely affect the market price of the Sukuk and the Trustee's or Cagamas' ability to access the debt capital markets.

The insolvency laws of Malaysia and other local insolvency laws may differ from those of another jurisdiction with which the Sukukholders are familiar

As the Trustee and Cagamas are incorporated under the laws of Malaysia, any insolvency proceedings relating to the Trustee and Cagamas would likely involve Malaysia insolvency laws, the procedural and substantive provisions of which may differ from comparable provisions of the local insolvency laws of jurisdictions with which the Sukukholders are familiar.

Sukukholders may be exposed to risks relating to Singapore taxation

Certain Sukuk to be issued from time to time under the Programme during the period from the date of this Offering Circular to 31 December 2028 may be intended to be qualifying debt securities ("**QDS**") for the purposes of the Income Tax Act 1947 of Singapore, as amended of modified from time to time (the "**Income Tax Act**"), subject to the fulfilment of certain conditions more particularly described in the section "*Taxation – Singapore*". However, there is no assurance that the conditions for QDS will be met or that such Sukuk will continue to enjoy the tax concessions for QDS should the relevant tax laws or MAS circulars be amended or revoked at any time or should the required conditions cease to be fulfilled.

Profit may not continue to accumulate on the Investment Wakala Sukuk after the Scheduled Dissolution Date if payment is improperly withheld or refused

The Transaction Documents in respect of the Investment Wakala Sukuk provide that, on the business day prior to the relevant Dissolution Date in relation to each Investment Wakala Series, (i) the Wakeel shall liquidate the Investment Wakala Investment of that Investment Wakala Series at its market value as determined by the Wakeel (acting reasonably) and credit the proceeds of such liquidation (the "**Investment Wakala Proceeds**") to the Investment Wakala Collection Account of the relevant Investment Wakala Series; and (ii) the Wakeel shall use amounts standing to the credit of the Investment Wakala Collection Account (including, for the avoidance of doubt, any amounts paid into the Investment Wakala Collection Account in accordance with the Investment Wakala Master Murabaha Agreement which remain to the credit of the Investment Wakala Collection Account) to pay to the Transaction Account an amount which is intended to be sufficient to fund the Dissolution Distribution Amount payable by the Trustee under the Investment Wakala Sukuk (and any prior payments required to be made in accordance with the Conditions). Payment of the outstanding Deferred Sale Price payable by the Buyer under the Investment Wakala Master Murabaha Agreement and the Investment Wakala Proceeds payable by the Wakeel under the Investment Wakala Agreement, in each case to the Investment Wakala Collection Account of the relevant Investment Wakala Series, are intended to fund the Dissolution Distribution Amount payable by the Trustee under the Sukuk of the relevant Investment Wakala Series. See "*Structure Diagram and Cashflows of the Investment Wakala Sukuk*."

Profit shall cease to accumulate in respect of each Investment Wakala Sukuk on the due date for redemption (including, without limitation, the Scheduled Dissolution Date) unless, upon due presentation, payment is improperly withheld or refused, in which event, profit shall only continue to accrue for any period up to the Relevant Date that falls on or prior to the Scheduled Dissolution Date. Profit may continue to accrue thereafter but only to the extent that the Wakala Assets continue to generate a return such that the Investment Wakala Proceeds standing to the credit of the Investment Wakala Collection Account are sufficient to fund such continued accumulation of profit. If and to the extent that the Investment Wakala Assets do not generate such returns, no profit shall continue to accumulate after the Scheduled Dissolution Date, even if payment continues to be improperly withheld or refused.

RISKS RELATED TO THE MARKET GENERALLY

Limited liquidity in the secondary market

The Sukuk may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Sukuk easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Sukuk that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Sukuk generally would have a more limited secondary market and more price volatility than conventional debt securities.

Exchange rate risks and exchange controls

The Trustee will pay principal and profit on the Sukuk and Cagamas will make any payments under the Transaction Documents in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease: (i) the Investor's Currency-equivalent yield on the Sukuk; (ii) the Investor's Currency-equivalent value of the principal payable on the Sukuk; and (iii) the Investor's Currency-equivalent market value of the Sukuk.

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

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

Investment in fixed rate Sukuk involves the risk that if market interest rates subsequently increase above the rate paid on the fixed rate Sukuk, this will adversely affect the value of the fixed rate Sukuk.

Credit ratings assigned to the Trustee, Cagamas or any Sukuk may not reflect all the risks associated with an investment in those Sukuk

One or more independent credit rating agencies may assign credit ratings to the Trustee, Cagamas or the Sukuk. Credit ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Sukuk. A credit rating is not a recommendation to buy, sell or hold securities and may be revised, suspended or withdrawn by the rating agency at any time.

The market value of the Sukuk may fluctuate

Trading prices of the Sukuk are influenced by numerous factors, including the operating results, business and/or financial condition of Cagamas, political, economic, financial and any other factors that can affect the capital markets, the business or Cagamas. Adverse economic developments, acts of war and health hazards in countries in which Cagamas operates could have a material adverse effect on Cagamas' operations, operating results, business, financial position, and performance. Any such developments may result in large and sudden changes in the volume and price at which the Sukuk will trade. There can be no assurance that these developments will not occur in the future.

Inflation risk

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

Legal risk factors may restrict certain investments

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

CONSIDERATIONS RELATING TO THE WAKALA ASSETS UNDER THE MANAGEMENT WAKALA SERIES

Ownership of the Wakala Assets

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

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

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

Transfer of the Wakala Assets

No investigation has been or will be made as to whether any interest in any Wakala Assets may be transferred as a matter of the law governing the contracts, the law of the jurisdiction where such assets are located or any other relevant law. No investigation will be made to determine if any Management Wakala Supplemental Purchase Agreement will have the effect of transferring an ownership interest in the relevant Wakala Assets. The Amended and Restated Management Wakala Master Purchase Agreement is, and each Management Wakala Supplemental Purchase Agreement will be, governed by

Malaysian law and, to the extent that such laws are applied in relation to any dispute, there are doubts whether an ownership interest in certain assets (in particular assets such as ijara or receivables under murabaha contracts) can be effectively transferred without notice of the transfer being given to the relevant obligor. Accordingly, no assurance is given that any ownership interest in any Wakala Assets will be transferred to the Trustee.

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

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

RISKS RELATING TO SUKUK DENOMINATED IN RENMINBI

Sukuk denominated in Renminbi ("**RMB Sukuk**") may be issued under the Programme. RMB Sukuk contain particular risks for potential investors, including:

Renminbi is not freely convertible and there are regulations on the remittance of Renminbi into and out of the PRC which may adversely affect the liquidity of RMB Sukuk

Renminbi is not freely convertible at present. The government of the PRC (the "**PRC Government**") continues to regulate conversion between Renminbi and foreign currencies, including the Hong Kong dollar.

However, there has been significant reduction in regulation by the PRC Government in recent years, particularly in respect of trade transactions involving import and export of goods and services as well as other frequent routine foreign exchange transactions. These transactions are known as current account items.

On the other hand, remittance of Renminbi into and out of the PRC for the settlement of capital account items, such as capital contributions, debt financing and securities investment is generally only permitted upon obtaining specific approvals from, or completing specific registrations or filings with, the relevant authorities on a case-by-case basis and is subject to a strict monitoring system. Regulations in the PRC on the remittance of Renminbi into and out of the PRC for settlement of capital account items are being adjusted from time to time to match the policies of the PRC Government.

Although the People's Bank of China (the "**PBOC**") has implemented policies improving accessibility to Renminbi to settle cross-border transactions in the past, there is no assurance that the PRC Government will liberalise cross-border remittance of Renminbi in the future, that the schemes for Renminbi cross-border utilisation will not be discontinued or that new regulations in the PRC will not be promulgated in the future which have the effect of restricting or eliminating the remittance of Renminbi into or out of the PRC. Despite Renminbi internationalisation pilot programme and efforts in recent years to internationalise the currency, there can be no assurance that the PRC Government will not impose interim or long-term regulations on the cross-border remittance of Renminbi. In the event that funds cannot be repatriated out of the PRC in Renminbi, this may affect the overall availability of Renminbi outside the PRC and the ability of the Trustee to source Renminbi to finance its obligations under RMB Sukuk.

Each investor should consult its own advisors to obtain a more detailed explanation of how the PRC regulations and rules may affect their investment decisions.

There is only limited availability of Renminbi outside the PRC, which may affect the liquidity of RMB Sukuk and the Trustee's ability to source Renminbi outside the PRC to service such RMB Sukuk

As a result of the regulations on cross-border Renminbi fund flows, the availability of Renminbi outside the PRC is limited. While the PBOC has entered into agreements (the "**Settlement Arrangements**") on the clearing of Renminbi business with financial institutions in a number of financial centres and cities (the "**RMB Clearing Banks**"), including but not limited to Hong Kong, Singapore and Taiwan, has established the Cross-Border Inter-Bank Payments System (CIPS) to facilitate cross-border Renminbi settlement and is in the process of establishing Renminbi clearing and settlement mechanisms in several other jurisdictions, the current size of Renminbi denominated financial assets outside the PRC is limited.

There are regulations imposed by the PBOC on Renminbi business participating banks in respect of cross-border Renminbi settlement, such as those relating to direct transactions with PRC enterprises. Furthermore, Renminbi business participating banks do not have direct Renminbi liquidity support from the PBOC, although the PBOC has gradually allowed participating banks to access the PRC's onshore inter-bank market for the purchase and sale of Renminbi. The RMB Clearing Banks only have limited access to onshore liquidity support from the PBOC for the purpose of squaring open positions of participating banks for limited types of transactions and are not obliged to square for participating banks any open positions resulting from other foreign exchange transactions or conversion services. In cases where the participating banks cannot source sufficient Renminbi through the above channels, they will need to source Renminbi from outside the PRC to square such open positions.

Although it is expected that the offshore Renminbi market will continue to grow in depth and size, its growth is subject to many constraints as a result of PRC laws and regulations on foreign exchange. There is no assurance that new PRC regulations will not be promulgated or the Settlement Arrangements will not be terminated or amended in the future which will have the effect of restricting the availability of Renminbi outside the PRC. The limited availability of Renminbi outside the PRC may affect the liquidity of the RMB Sukuk. To the extent the Trustee is required to source Renminbi outside the PRC to service the RMB Sukuk, there is no assurance that the Trustee will be able to source such Renminbi on satisfactory terms, if at all.

Investment in RMB Sukuk is subject to exchange rate risks

The value of Renminbi against the U.S. dollar and other foreign currencies fluctuates from time to time and is affected by changes in the PRC and international political and economic conditions and by many other factors. If an investor measures its investment returns by reference to a currency other than Renminbi, an investment in RMB Sukuk entails foreign exchange related risks, including possible significant change in the value of Renminbi relative to the currency by reference to which an investor measures its investment returns. The PBOC has in recent years implemented changes to the way it calculates the Renminbi's daily mid-point against the U.S. dollar to take into account market-maker quotes before announcing such daily mid-point. This change, and others that may be implemented, may increase the volatility in the value of the Renminbi against foreign currencies. Although the primary obligation of the Trustee is to make all payments/repayments of profit and principal with respect to RMB Sukuk in Renminbi, in the event access to Renminbi deliverable in the Renminbi Settlement Centre becomes restricted to the extent that, by reason of Inconvertibility, Non-transferability or Illiquidity (each as defined in the Conditions) the Trustee is not able to satisfy payments/repayments of principal or profit (in whole or in part) in respect of the RMB Sukuk when due in Renminbi, the terms of the RMB Sukuk allow the Trustee to make payment in U.S. dollars at the prevailing rate of exchange, all as provided in more detail in condition 9 of the Conditions. As a result, the value of these Renminbi payments in U.S. dollar terms may vary with the changes in the prevailing exchange rates in

the marketplace. If the value of Renminbi depreciates against the U.S. dollar or other foreign currencies, the value of investment in U.S. dollar or other applicable foreign currency terms will decline.

An investment in RMB Sukuk is subject to interest rate risk

The PRC Government has gradually liberalised the regulation of interest rates in recent years. Further liberalisation may increase interest rate volatility. In addition, the interest rate for Renminbi in markets outside the PRC may significantly deviate from the interest rate for Renminbi in the PRC as a result of PRC law and regulations on foreign exchange and prevailing market conditions.

RMB Sukuk may carry a fixed profit rate or a floating profit rate. Consequently, the trading price of RMB Sukuk will vary with the fluctuations in the Renminbi interest rates. If holders of RMB Sukuk try to sell any RMB Sukuk before their maturity, they may receive an offer that is less than the amount they have invested.

Payments in respect of RMB Sukuk will only be made to investors in the manner specified in the terms and conditions of the relevant Sukuk

All Renminbi payments to investors in respect of the RMB Sukuk will be made solely: (i) for so long as the RMB Sukuk are represented by Global Certificates held with CDP, a sub-custodian for the CMU or a common depositary for Euroclear and Clearstream, or with such other clearing system (including, without limitation, RENTAS) (or a depository, custodian or nominee thereof) specified in the applicable Pricing Supplement, by transfer to a Renminbi bank account maintained in the Renminbi Settlement Centre(s) specified in the applicable Pricing Supplement in accordance with prevailing rules and procedures of the relevant clearing system; or (ii) when the RMB Sukuk are in definitive form, by transfer to a Renminbi bank account maintained in the Renminbi Settlement Centre(s) specified in the applicable Pricing Supplement in accordance with prevailing rules and regulations. The Trustee cannot be required to make payment by any other means (including in any other currency or in bank notes, by cheque or draft or by transfer to a bank account in the PRC). In the case of RMB Sukuk held with RENTAS, it is a requirement for investors resident in Malaysia to have an account with Bank of China (Malaysia) Berhad if they elect to receive Renminbi payments through BNM.

RISKS RELATING TO SUSTAINABILITY SUKUK

Sukuk issued as Sustainability Sukuk with a specific use of proceeds, may not meet investor expectations or requirements

The Pricing Supplement relating to a specific Tranche of Sukuk may provide that it is Cagamas' intention to apply an amount, which at the issue date of the relevant Sukuk, is equal to the proceeds of the issue of such Sustainability Sukuk subsequently received by Cagamas in consideration for the transactions entered into with the Trustee as described in "*Use of Proceeds*" below, to purchase Eligible Financing/Assets in accordance with the Cagamas Sustainability Bond/Sukuk Framework. A prospective investor should have regard to the information set out in the "*Use of Proceeds*" section and determine for itself the relevance of such information for the purpose of an investment in such Sukuk together with any other investigation it deems necessary.

No assurance is given that such use of proceeds (or such amount equal to the proceeds) will satisfy any present or future investment criteria or guidelines with which an investor is required, or intends, to comply, in particular with regard to any direct or indirect environmental or sustainability impact of any project or uses, the subject of or related to, the Cagamas Sustainability Bond/Sukuk Framework (including in relation to, but not limited to, the EU Taxonomy Regulation and any related technical screening criteria, the EU Green Bond Regulation, SFDR, and any implementing legislation and guidelines, or any similar legislation in the United Kingdom or any market standards or guidance, including the ICMA Principles).

No assurance can be given that Eligible Financing/Assets will meet investor expectations or requirements regarding such "green", "sustainable", "social" or similar labels (including in relation to, but not limited to, the EU Taxonomy Regulation and any related technical screening criteria, the EU Green Bond Regulation, SFDR, and any implementing legislation and guidelines, or any similar legislation in the United Kingdom or any market standards or guidance, including the ICMA Principles) or any requirements of such labels or market standards as they may evolve from time to time. Any Sustainability Sukuk issued under the Programme will not be compliant with the EU Green Bond Regulation and are only intended to comply with the requirements and processes in the Cagamas Sustainability Bond/Sukuk Framework.

It is not clear if the establishment under the EU Green Bond Regulation of the EuGB label and the optional disclosure templates for bonds marketed as "environmentally sustainable" could have an impact on investor demand for, and pricing of, green/social/sustainable use of proceeds bonds that do not comply with the requirements of the EuGB label or the optional disclosures templates such as the Sustainability Sukuk issued under this Programme. It could result in reduced liquidity or lower demand or could otherwise affect the market price of any Sustainability Sukuk issued under the Programme that do not comply with the requirements of the EU Green Bond Regulation.

While it is the intention of Cagamas to apply the proceeds (or an amount equal to the proceeds) of any Sukuk issued as Sustainability Sukuk subsequently received by Cagamas in consideration for the transactions entered into with the Trustee as described in "*Use of Proceeds*" below to purchase Eligible Financing/Assets and to report on the use of proceeds or Eligible Financing/Assets as described in "*Use of Proceeds*" below and/or in the applicable Pricing Supplement, there is no contractual obligation to do so. There can be no assurance that any such Eligible Financing/Assets will be available and, accordingly, that Cagamas will be able to apply the proceeds (or an amount equal to the proceeds) of the issue of such Sustainability Sukuk subsequently received in consideration for the transactions entered into with the Trustee as described in "*Use of Proceeds*" below to purchase Eligible Financing/Assets as intended. In addition, there can be no assurance that Eligible Financing/Assets will achieve the impacts or outcomes (environmental, social or otherwise) originally expected or anticipated.

None of the Arrangers, the Dealers, Cagamas or the Trustee undertakes to ensure that there are at any time sufficient Eligible Financing/Assets to allow for allocation of an amount equal to the proceeds of the issue of such Sustainability Sukuk in full.

Each prospective investor should have regard to the factors described in the Cagamas Sustainability Bond/Sukuk Framework and the relevant information contained in this Offering Circular and seek advice from their independent financial adviser or other professional adviser regarding its purchase of any Sustainability Sukuk before deciding to invest. The Cagamas Sustainability Bond/Sukuk Framework may be subject to review and change and may be amended, updated, supplemented, replaced and/or withdrawn from time to time and any subsequent version(s) may differ from any description given in this Offering Circular. The Cagamas Sustainability Bond/Sukuk Framework does not form part of, nor is incorporated by reference, in this Offering Circular.

No assurance of suitability or reliability of any Second Party Opinion or any other opinion or certification of any third party relating to any Sustainability Sukuk

In connection with a specific Tranche of Sukuk, the Trustee may receive a Second Party Opinion. A Second Party Opinion is a statement of opinion, not a statement of fact. No representation or assurance is given as to the suitability or reliability of any Second Party Opinion or any opinion, review or certification of any third party (including any post-issuance reports prepared by an external reviewer) made available in connection with an issue of Sukuk issued as Sustainability Sukuk. Any Second Party Opinion and any other such opinion, review, certification or post-issuance report is not intended to address any credit, market or other aspects of any investment in any Sukuk, including without

limitation market price, marketability, investor preference or suitability of any security or any other factors that may affect the value of the Sukuk. Any Second Party Opinion and any other opinion, review, certification or post-issuance report is not a recommendation to buy, sell or hold any such Sukuk and is current only as of the date it was issued.

The criteria and/or considerations that formed the basis of any Second Party Opinion and any other such opinion, review or certification or post-issuance report may change at any time and any Second Party Opinion and any other opinion, review, certification or post-issuance report may be amended, updated, supplemented, replaced and/or withdrawn at any time. Any withdrawal of any Second Party Opinion or any other opinion, review, certification or post-issuance report may have a material adverse effect on the value of any Sustainability Sukuk in respect of which such opinion, review, certification or post-issuance report is given and/or result in adverse consequences for certain investors with portfolio mandates to invest in securities to be used for a particular purpose. As at the date of this Offering Circular, the providers of such opinions, reviews, certifications and post-issuance reports are not subject to any specific regulatory or other regime or oversight. Whilst the EU Green Bond Regulation will introduce a supervisory regime of external reviewers of European Green Bonds, this is not due to take full effect until 21 June 2026 and would not apply to external reviewers in respect of an issue of Sustainability Sukuk. Prospective investors must determine for themselves the relevance of any Second Party Opinion and any other opinion, review, certification, post-issuance report and/or the information contained therein. Any Second Party Opinion and any other such opinion, review, certification or post-issuance report does not form part of, nor is incorporated by reference, in this Offering Circular.

No assurance that Sustainability Sukuk will be admitted to trading on any dedicated "green", "sustainable", "social" (or similar) segment of any stock exchange or market, or that any admission obtained will be maintained

In the event that any such Sukuk are listed or admitted to trading on a dedicated "green", "sustainable", "social" or other equivalently-labelled segment of a stock exchange or securities market, no representation or assurance is given that such listing or admission satisfies any present or future investment criteria or guidelines with which such investor is required, or intends, to comply. Furthermore, it should be noted that the criteria for any such listings or admission to trading may vary from one stock exchange or securities market to another. No representation or assurance is given or made by that any such listing or admission to trading will be obtained in respect of any such Sukuk or that any such listing or admission to trading will be maintained during the life of the Sukuk.

No breach of contract or Event of Default

None of a failure by Cagamas or the Trustee (as applicable) to allocate the proceeds (or an amount equal to the proceeds) of any Sukuk issued as Sustainability Sukuk or to report on the use of proceeds or Eligible Financing/Assets as anticipated or a failure of a third party to issue (or to withdraw) an opinion, review, certification or post-issuance report in connection with an issue of Sustainability Sukuk or the failure of the Sukuk issued as Sustainability Sukuk to meet investors' expectations or requirements regarding any "green", "sustainable", "social" or similar labels (including in relation to, but not limited to, the EU Taxonomy Regulation and any related technical screening criteria, the EU Green Bond Regulation, SFDR, and any implementing legislation and guidelines, or any similar legislation in the United Kingdom or any market standards or guidance, including the ICMA Principles) will constitute a Dissolution Event or breach of contract with respect to any of the Sukuk issued as Sustainability Sukuk.

Sustainability Sukuk are not linked to the performance of the Eligible Financing/Assets, and do not benefit from any arrangements to enhance the performance of the Sukuk or any contractual rights derived solely from the intended use of proceeds of such Sukuk

The performance of the Sustainability Sukuk is not linked to the performance of the relevant Eligible Financing/Assets or the performance of Cagamas in respect of any environmental or similar targets.

There will be no segregation of assets and liabilities in respect of the Sustainability Sukuk and the Eligible Financing/Assets. Consequently, neither payments of distributions on the Sustainability Sukuk nor any rights of Sukukholders shall depend on the performance of the relevant Eligible Financing/Assets or the performance of Cagamas in respect of any such environmental or similar targets. Holders of any Sustainability Sukuk shall have no preferential rights or priority against the assets of any Eligible Financing/Assets nor benefit from any arrangements to enhance the performance of the Sukuk.

If any of the above risks outlined in these Sustainability Sukuk risk factors materialise this may have a material adverse effect on the value of such Sukuk and/or may have consequences for certain investors with portfolio mandates to invest in green, sustainable, social or other equivalently-labelled assets (which consequences may include the need to sell the Sukuk as a result of the Sukuk not falling within the investor's investment criteria or mandate).

USE OF PROCEEDS

The proceeds of each Management Wakala Series of Sukuk issued under the Programme will be applied by the Trustee pursuant to the terms of the relevant Transaction Documents to acquire: (a) Eligible Wakala Assets from Cagamas; and/or (b) acquire Commodities to be sold to Cagamas, in each case as specified in the applicable Pricing Supplement for the relevant Management Wakala Series, with rights under such Management Wakala Sukuk Assets to form part of the Trust Assets (as defined in the Management Wakala Conditions) for the relevant Management Wakala Series.

The net proceeds of each Investment Wakala Series of Investment Wakala Sukuk issued under the Programme will be applied by the Trustee pursuant to the terms of the relevant Transaction Documents to: (aa) fund the Initial Wakala Investment Amount for investment by Cagamas (as Wakeel) in accordance with the Investment Wakala Agreement; and/or (bb) acquire Commodities to be sold to Cagamas, in each case as specified in the applicable Pricing Supplement for the relevant Investment Wakala Series, with rights under such Investment Wakala Sukuk Assets to form part of the Trust Assets (as defined in the Investment Wakala Conditions) for the relevant Investment Wakala Series.

Unless otherwise specified in the applicable Pricing Supplement, the proceeds (or an amount equal to the proceeds) of such issue of Sukuk subsequently received by Cagamas in consideration for the transactions entered into with the Trustee as set out above, as applicable, including with respect to (b)/(bb) the proceeds received from the on-sale of the Commodities by Cagamas, will be applied by Cagamas for its *Shariah*-compliant working capital, general corporate purposes and general financing and refinancing requirements.

If "Sustainability Sukuk" is specified as "Applicable" in the Pricing Supplement, the proceeds (or an amount equal to the proceeds) of such issue of Sukuk subsequently received by Cagamas in consideration for the transactions entered into with the Trustee as set out above, as applicable, including with respect to (b)/(bb) the proceeds received from the on-sale of the Commodities by Cagamas, will be applied by Cagamas to purchase financing/assets that meet the eligibility financing categories set out in the Cagamas Sustainability Bond/Sukuk Framework (the "**Eligible Financing/ Assets**").

The Cagamas Sustainability Bond/Sukuk Framework dated 28 March 2023 (as may be amended, supplemented or replaced from time to time, the "**Cagamas Sustainability Bond/Sukuk Framework**") is available on Cagamas' website. In connection with a specific Tranche of Sukuk, the Trustee may receive second party opinion(s) by the relevant reviewer(s) (each as specified in the applicable Pricing Supplement) (a "**Second Party Opinion**").

The Cagamas Sustainability Bond/Sukuk Framework, any Second Party Opinion and any other documentation relevant to Sukuk issued as Sustainability Sukuk are subject to review and change and may be amended, updated, supplemented, replaced or withdrawn from time to time. Potential investors in Sukuk issued as Sustainability Sukuk should access the latest version of the relevant document on Cagamas' website.

None of the Cagamas Sustainability Bond/Sukuk Framework, any Second Party Opinion, or any other certification, report or opinion relating to the Cagamas Sustainability Bond/Sukuk Framework or Sukuk issued as Sustainability Sukuk are, or shall be deemed to be, incorporated in and/or form part of this Offering Circular. Also, see "*Risk Factors – Risks relating to Sustainability Sukuk*".

FORM OF THE SUKUK

Initial Issue of Sukuk

Each Series of Sukuk will initially be represented by a global certificate in registered form (each a "**Global Certificate**"). Global Certificates will be delivered on or prior to the issue date of the Series to a common depositary (a "**Common Depositary**") on behalf of Euroclear Bank S.A./N.V. ("**Euroclear**") and/or Clearstream Banking S.A. ("**Clearstream**") or The Central Depository (Pte) Limited ("**CDP**") or a sub-custodian for the Central Moneymarkets Unit (the "**CMU**") operated by the Hong Kong Monetary Authority (the "**HKMA**") or such other clearing system (including, without limitation, RENTAS) (an "**Alternative Clearing System**") (or a depository or nominee thereof) specified in the applicable Pricing Supplement or as may otherwise be approved by the Trustee, the Obligor, the Principal Paying Agent and the Delegate.

Upon the initial deposit of a Global Certificate with a Common Depositary or with CDP or with a sub-custodian for the CMU or registration of the Sukuk in the name of (i) any nominee for a Common Depositary, (ii) CDP, (iii) the HKMA as operator of the CMU or (iv) any relevant Alternative Clearing System or a central securities depository (or a nominee for such central securities depository) for such Alternative Clearing System and delivery of the relevant Global Certificate to the Common Depositary, CDP, the sub-custodian for the CMU or Alternative Clearing System (or a depository or nominee thereof) (as the case may be), Euroclear or Clearstream, CDP, the CMU or the relevant Alternative Clearing System (as the case may be) will credit each subscriber with a face amount of Sukuk equal to the face amount thereof for which it has subscribed and paid.

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

Exchange

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

Each Global Certificate will be exchangeable in whole (but not in part) for duly authenticated and completed Sukuk in definitive registered form ("**Individual Certificates**") in accordance with the Trust Deed in the following limited circumstances:

(a) if the Sukuk represented by a Global Certificate are held on behalf of Euroclear or Clearstream, CDP, the CMU, an Alternative Clearing System or any other relevant clearing system (a "**Back-Up Clearing System**") and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays (statutory or otherwise)) or announces an intention permanently to cease business or does in fact do so or, as the case may be, Euroclear, Clearstream, CDP, the relevant accountholder in the CMU or the relevant Alternative Clearing System has notified the Trustee that it is unable or unwilling to act as depositary for the Sukuk and to continue performing its duties as set out in its terms and conditions for the provision of depositary services, supplements thereto and/or restatements thereof from time to time, and no successor or Back-Up Clearing System satisfactory to the Trustee is available; or

(b) if a Dissolution Event has occurred and (in the case of a Global Certificate held on behalf of CDP) is continuing.

Terms and Conditions applicable to the Sukuk

The Global Certificates contain provisions that apply to the Sukuk that they represent, some of which modify the effect of the Conditions set out in this Offering Circular to the extent described under "*Summary of Provisions Relating to the Sukuk while in Global Form*" below.

TERMS AND CONDITIONS OF THE MANAGEMENT WAKALA SUKUK

*The following is the text of the terms and conditions of the Management Wakala Sukuk ("**Management Wakala Conditions**") that, subject to completion and amendment and as supplemented or varied in accordance with the provisions of the applicable Pricing Supplement, will apply to each Global Certificate and shall be applicable to the Management Wakala Sukuk in definitive form (if any) issued in exchange for the Global Certificate representing each Management Wakala Series.*

*Either (i) the full text of these terms and conditions together with the relevant provisions of the applicable Pricing Supplement or (ii) these terms and conditions as so completed, amended, supplemented or varied (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed on such Sukuk in definitive form. References in these terms and conditions to (i) "**Management Wakala Sukuk**" are to the Sukuk of one Management Wakala Series only, not to all Management Wakala Sukuk that may be issued under the Programme; and (ii) "Sukuk", "Series", "Holder" and "Sukukholder" are, unless the context specifies otherwise, to (or with respect to) the Sukuk of a Management Wakala Series only.*

1. Introduction

1.1 ***Programme***: Cagamas Global Sukuk Berhad (in its capacities as issuer and as trustee, the "**Trustee**") and Cagamas Berhad (in its capacity as obligor, the "**Obligor**") has established a multicurrency sukuk issuance programme (the "**Programme**") for the issuance of trust certificates (the "**Sukuk**") in a maximum aggregate face amount of U.S.$2,500,000,000 (or the equivalent in other currencies calculated as described in the dealer agreement between the Trustee, the Obligor and the Dealers (as defined and named therein) dated 28 November 2014, as amended and restated on 15 February 2016 and 20 December 2022 (the "**Dealer Agreement**")), or such other maximum aggregate face amount as increased in accordance with the terms of the Dealer Agreement.

1.2 ***Pricing Supplement***: Sukuk issued under the Programme are issued in Series (as defined below). Each Series is the subject of a pricing supplement (the "**Pricing Supplement**") which supplements these terms and conditions (the "**Management Wakala Conditions**"). The terms and conditions applicable to any particular Series of Management Wakala Sukuk are these Management Wakala Conditions as supplemented, amended and/or replaced by the applicable Pricing Supplement. In the event of any inconsistency between these Management Wakala Conditions and the applicable Pricing Supplement, the applicable Pricing Supplement shall prevail.

1.3 ***Trust Deed***: The Sukuk are constituted by a master trust deed dated 28 November 2014, as amended and restated on 20 December 2022 between the Trustee, the Obligor, and The Hongkong and Shanghai Banking Corporation Limited in its capacity as donee of certain powers and as the Trustee's delegate (the "**Delegate**", which expression shall include all persons for the time being the delegate or delegates under such master trust deed) (the "**Master Trust Deed**") as supplemented by a supplemental trust deed entered into on the date of issue of the relevant Sukuk (the "**Issue Date**") in respect of the relevant Series (the "**Supplemental Trust Deed**" and, together with the Master Trust Deed, the "**Trust Deed**").

1.4 ***Agency Agreement***: An agency agreement (as amended or supplemented as at the Issue Date, the "**Agency Agreement**") dated 28 November 2014, as amended and restated on 20 December 2022 has been entered into in relation to the Programme between the Trustee, the Obligor, the Delegate, The Hongkong and Shanghai Banking Corporation Limited as initial principal paying agent, paying agent and calculation agent, registrar and transfer agent (in the case of Sukuk other than CMU Sukuk, CDP Sukuk and, as the case may be, ACS Sukuk (each as defined below)), The Hongkong and Shanghai Banking Corporation Limited as initial CMU lodging and paying agent,

calculation agent, registrar and transfer agent (in the case of CMU Sukuk), The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch as initial CDP lodging and paying agent, calculation agent, registrar and transfer agent (in the case of CDP Sukuk) and the other agents named in it.

1.5 ***Other Transaction Documents***: These Management Wakala Conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed, the Agency Agreement and the remaining Management Wakala Transaction Documents (as defined below). The Sukukholders (as defined below) are bound by, and are deemed to have notice of, all the provisions applicable to them in the Management Wakala Transaction Documents. Copies of the Management Wakala Transaction Documents are available for inspection, upon prior written notice and satisfactory proof of holding, during normal business hours at the Specified Office of the Principal Paying Agent, the CMU Lodging and Paying Agent and the CDP Lodging and Paying Agent.

1.6 ***Authorisation***: Each initial Sukukholder, by its acquisition and holding of its interest in a Sukuk, shall be deemed to authorise and direct the Trustee, on behalf of the Sukukholders: (i) to apply the proceeds of the issue of the Sukuk towards the purchase of Eligible Wakala Assets (as defined below) and/or the entry into of a Commodity Murabaha Investment (in the proportions to be determined prior to the relevant Issue Date and otherwise in accordance with the provisions of the Management Wakala Transaction Documents); and (ii) to enter into each Management Wakala Transaction Document to which it is a party, subject to the terms and conditions of the Trust Deed and these Management Wakala Conditions.

2. **Definitions and Interpretation**

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

"**2006 ISDA Definitions**" means, in relation to a Series of Sukuk, the 2006 ISDA Definitions (as supplemented, amended and updated as at the date of issue of the first Tranche of the Sukuk of such Series) as published by ISDA (copies of which may be obtained from ISDA at www.isda.org);

"**2021 ISDA Definitions**" means, in relation to a Series of Sukuk, the latest version of the 2021 ISDA Interest Rate Derivatives Definitions (including each Matrix (and any successor Matrix thereto), as defined in such 2021 ISDA Interest Rate Derivatives Definitions) as at the date of issue of the first Tranche of Sukuk of such Series, as published by ISDA on its website (www.isda.org);

"**ACS Agents**" means, in respect of each Series of ACS Sukuk, the ACS Lodging Agent, the ACS Paying Agent, the ACS Calculation Agent, the ACS Registrar and the ACS Transfer Agent or any of them (as applicable);

"**ACS Calculation Agent**" means the institution specified as such in the applicable Pricing Supplement (including its successors in title and assigns and any successors acting in such capacity);

"**ACS Form**" means any application form, agreement, deed or other document (including, but not limited to, securities lodgement forms (including any RENTAS Securities Lodgement Form)), required to be entered into by the Trustee for the purposes of the acceptance for clearing and settlement of a Series of ACS Sukuk by the relevant Alternative Clearing System;

"**ACS Lodging Agent**" means the institution specified as such in the applicable Pricing Supplement (including its successors in title and assigns and any successors acting in such capacity);

"**ACS Paying Agent**" means the institution specified as such in the applicable Pricing Supplement which, for the avoidance of doubt, may, in respect of each Series of RENTAS Sukuk, be the RENTAS Paying Agent;

"**ACS Registrar**" means the institution specified as such in the applicable Pricing Supplement (including its successors in title and assigns and any successors acting in such capacity);

"**ACS Sukuk**" means any Sukuk which are cleared through an Alternative Clearing System including, without limitation, RENTAS Sukuk;

"**ACS Transfer Agent**" means the institution specified as such in the applicable Pricing Supplement (including its successors in title and assigns and any successors acting in such capacity);

"**Additional Business Centre(s)**" means the city or cities specified as such in the applicable Pricing Supplement;

"**Additional Financial Centre(s)**" means the city or cities specified as such in the applicable Pricing Supplement;

"**Agents**" means the Principal Paying Agent, the CMU Lodging and Paying Agent, the CDP Lodging and Paying Agent, the other Paying Agents, the Calculation Agents, the Registrars and the Transfer Agents, any ACS Agents or any of them and shall include such Agent or Agents as may be appointed from time to time under the Agency Agreement and/or any relevant ACS Forms (as applicable);

"**Alternative Clearing System**" means any additional or alternative clearing system (other than Euroclear, Clearstream, CDP and the CMU) specified in the applicable Pricing Supplement or as may otherwise be approved by the Trustee, the Obligor, the Principal Paying Agent and the Delegate including, without limitation, RENTAS;

"**BCH System**" means the Bursa Commodity House System, established, owned and operated by BMIS which provides the automated and computerised electronic trading system to carry out trades on the Market;

"**BMIS**" means Bursa Malaysia Islamic Services Sdn Bhd (Registration No. 200901010654 (853675 M)), a company incorporated under the laws of Malaysia, which operates the BCH System, and includes its successors in title, assigns and such other entities into which it is merged or amalgamated or to which its business or undertaking are transferred from time to time;

"**BNM**" means Bank Negara Malaysia, a body corporate established under the Central Bank of Malaysia Act, 2009, of Jalan Dato' Onn, 50480 Kuala Lumpur;

"**Broken Amount**" has the meaning given in the applicable Pricing Supplement; "**Business Day**" means:

(a) in relation to any sum payable in euro, a TARGET Settlement Day and a day on which commercial banks and foreign exchange markets settle payments generally in each (if any) Additional Business Centre;

(b) in relation to any sum payable in Renminbi, any day (other than a Saturday or a Sunday or a public holiday) on which commercial banks and foreign exchange markets settle payments generally in the relevant Renminbi Settlement Centre;

(c) in relation to any sum payable in Singapore dollars, a day (other than a Saturday or a Sunday or a gazetted public holiday) on which commercial banks and foreign exchange markets settle payments generally in Singapore; and

(d) in relation to any sum payable in a currency other than euro, Renminbi, and Singapore dollars, a day on which commercial banks and foreign exchange markets settle payments generally in the Principal Financial Centre of the relevant currency and in each (if any) Additional Business Centre;

"**Business Day Convention**" has the meaning given to it in Condition 7.7 (*Business Day Convention*);

"**Calculation Agent**" means, in relation to any Series of Sukuk, the institution appointed as calculation agent for the purposes of such Sukuk and named as such in the applicable Pricing Supplement, in the case of the Principal Paying Agent, the CMU Lodging and Paying Agent or the CDP Lodging and Paying Agent, pursuant to the Agency Agreement, in the case of a Dealer, pursuant to the Dealer Agreement and, in the case of any other institution (including any relevant ACS Calculation Agent) pursuant to a letter of appointment in, or substantially in, the form set out in Schedule 4 of the Agency Agreement and/or any relevant ACS Forms (as applicable) and, in any case, any successor to such institution in its capacity as such;

"**Calculation Amount**" has the meaning given in the applicable Pricing Supplement;

"**Cancellation Notice**" means a cancellation notice given pursuant to the terms of the Management Wakala Sale Undertaking;

"**CDP**" means The Central Depository (Pte) Limited;

"**CDP Lodging and Paying Agent**" means The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch or any successor appointed as CDP lodging and paying agent under the Programme pursuant to the Agency Agreement collectively in its capacities as: (i) the agent appointed by the Trustee for lodgement services with CDP for each Series of CDP Sukuk; and (ii) the account bank with which the Transaction Account for each such Series is established; "**CDP Sukuk**" means any Sukuk which are cleared through CDP;

"**Change of Shareholding**" has the meaning given to it in Condition 8.5 (Dissolution at the Option of the Sukukholders (Change of Shareholding Put Right));

"**Change of Shareholding Exercise Notice**" has the meaning given to it in Condition 8.5 (*Dissolution at the Option of the Sukukholders (Change of Shareholding Put Right)*);

"**Change of Shareholding Notice**" has the meaning given to it in Condition 8.5 (*Dissolution at the Option of the Sukukholders (Change of Shareholding Put Right)*);

"**Change of Shareholding Put Period**" has the meaning given to it in Condition 8.5 (*Dissolution at the Option of the Sukukholders (Change of Shareholding Put Right)*);

"**Change of Shareholding Put Right**" means the right specified in Condition 8.5 (*Dissolution at the Option of the Sukukholders (Change of Shareholding Put Right)*);

"**Change of Shareholding Put Right Date**" shall be the fourteenth day after the expiry of the Change of Shareholding Put Period;

"**Clearstream**" means Clearstream Banking, S.A.;

"**CMU Lodging and Paying Agent**" means The Hongkong and Shanghai Banking Corporation Limited or any successor appointed as CMU lodging and paying agent under the Programme pursuant to the Agency Agreement collectively in its capacities as: (i) the agent appointed by the Trustee for lodgement services with the CMU for each Series of CMU Sukuk; and (ii) the account bank with which the Transaction Account for each such Series is established;

"**CMU**" means the Central Moneymarkets Unit operated by the HKMA; "**CMU Sukuk**" means any Sukuk which are cleared through the CMU;

"**Commodities**" means any *Shariah*-compliant commodities that are traded on the Market (excluding currency, gold and silver);

"**Commodity Murabaha Investment**" means, in relation to a Management Wakala Series, the sale of certain Commodities by the Trustee to the Obligor (in its capacity as the Buyer (as defined in the Management Wakala Master Murabaha Agreement)), which Commodities were initially purchased by the Trustee using a proportion of the proceeds of the issue of the Management Wakala Sukuk, pursuant to the Management Wakala Master Murabaha Agreement;

"**CSDPAR**" means the Central Securities Depository and Paying Agency Rules, a uniform set of rules and procedures which govern the depository and paying agency services provided by BNM in relation to the securities deposited in RENTAS;

"**Day Count Fraction**" means, in respect of the calculation of an amount of profit on any Sukuk for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting a Return Accumulation Period, the "**Calculation Period**"), such day count fraction as may be specified in these Management Wakala Conditions or the applicable Pricing Supplement and:

(a) if "**Actual/Actual (ICMA)**" is so specified, means:

(i) where the Calculation Period is equal to or shorter than the Determination Period during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Determination Period; and (2) the number of Determination Periods in any year; and

(ii) where the Calculation Period is longer than one Determination Period, the sum of:

(A) the actual number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the actual number of days in such Determination Period; and (2) the number of Determination Periods in any year; and

(B) the actual number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the actual number of days in such Determination Period; and (2) the number of Determination Periods in any year,

where:

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

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

(b) if "**Actual/Actual (ISDA)**" is so specified, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366; and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);

(c) if "**Actual/365 (Fixed)**" is so specified, means the actual number of days in the Calculation Period divided by 365;

(d) if "**Actual/360**" is so specified, means the actual number of days in the Calculation Period divided by 360;

(e) if "**30/360**" is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

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

where:

"$\mathbf{Y_1}$" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"$\mathbf{Y_2}$" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"$\mathbf{M_1}$" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"$\mathbf{M_2}$" is the calendar month, expressed as number, in which the day immediately following the last day included in the Calculation Period falls;

"$\mathbf{D_1}$" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D_1 will be 30; and

"$\mathbf{D_2}$" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D_1 is greater than 29, in which case D_2 will be 30;

(f) if "**30E/360**" or "**Eurobond Basis**" is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

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

where:

"**Y_1**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y_2**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M_1**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M_2**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D_1**" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D_1 will be 30; and

"**D_2**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D_2 will be 30; and

(g) if "**30E/360 (ISDA)**" is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

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

where:

"**Y_1**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y_2**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M_1**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M_2**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D_1**" is the first calendar day, expressed as a number, of the Calculation Period, unless

(A) that day is the last day of February; or (B) such number would be 31, in which case D_1 will be 30; and

"**D_2**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (A) that day is the last day of February but not the Scheduled Dissolution Date or (B) such number would be 31, in which case D_2 will be 30,

provided, **however**, **that** in each such case the number of days in the Calculation Period is calculated from and including the first day of the Calculation Period to but excluding the last day of the Calculation Period;

"**Deferred Sale Price**" means the deferred sale price payable by the Obligor to the Trustee in respect of the Commodity Murabaha Investment in accordance with the terms of the Management Wakala Master Murabaha Agreement, if applicable to a Series;

"**Delegation**" has the meaning given to it in Condition 17.1 (*Delegation of Powers*);

"**Dissolution Date**" means, as the case may be:

(a) the Scheduled Dissolution Date;

(b) any Early Tax Dissolution Date;

(c) any Optional Dissolution Date;

(d) any Sukukholder Put Right Date;

(e) any Change of Shareholding Put Right Date;

(f) any Dissolution Event Redemption Date; or

(g) such other date as specified in the applicable Pricing Supplement for the redemption of Sukuk and dissolution of the Trust in whole or in part prior to the Scheduled Dissolution Date;

"**Dissolution Distribution Amount**" means, in relation to a particular Series:

(a) the sum of:

  (i) the outstanding face amount of such Series; and

  (ii) any due and unpaid Periodic Distribution Amounts for such Series; or

(b) such other amount specified in the applicable Pricing Supplement as being payable upon any Dissolution Date;

"**Dissolution Event**" means a Trustee Event or an Obligor Event;

"**Dissolution Event Redemption Date**" has the meaning given to it in Condition 12.1 (*Dissolution Event*);

"**Dissolution Notice**" has the meaning given to it in Condition 12.1 (*Dissolution Event*);

"**Early Tax Dissolution Date**" has the meaning given to it in Condition 8.2 (*Early Dissolution for Taxation Reasons*);

"**Eligible Wakala Assets**" has the meaning given to it in the Management Wakala Master Purchase Agreement;

"**Euroclear**" means Euroclear Bank SA/NV;

"**Exercise Notice**" means an exercise notice given pursuant to the terms of the Management Wakala Purchase Undertaking or the Management Wakala Sale Undertaking (as the case may be);

"**Expected Income Revenues Amount**" has the meaning given to it in the Management Wakala Agreement;

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

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

"**Fixed Rate Sukuk**" means a Series in respect of which Fixed Periodic Distribution Amounts are specified as applicable in the applicable Pricing Supplement;

"**Floating Rate Sukuk**" means a Series in respect of which Floating Periodic Distribution Amounts are specified as applicable in the applicable Pricing Supplement;

"**Global Certificate**" means a certificate in global form representing Sukuk of the same Series that are registered in the name of: (i) a nominee for a common depository for Euroclear and/or Clearstream; (ii) CDP; (iii) the HKMA as operator of the CMU and lodged with a sub-custodian for the CMU; and/or (iv) any relevant Alternative Clearing System or a central securities depository (or a nominee for such central securities depository) for such Alternative Clearing System which, for the avoidance of doubt, may be the RENTAS Depository;

"**HKMA**" means the Monetary Authority appointed pursuant to Section 5A of the Exchange Fund Ordinance (Cap. 66 of the laws of Hong Kong) or its successors;

"**Holder**" has the meaning given in Condition 3.2 (*Title to Sukuk*);

"**Hong Kong**" means the Hong Kong Special Administrative Region of the People's Republic of China;

"**Indebtedness**" means any indebtedness of any Person for money borrowed or raised including (without limitation) any indebtedness for or in respect of:

(a) amounts raised by acceptance under any acceptance credit facility;

(b) amounts raised under any note purchase facility;

(c) the amount of any liability in respect of leases or hire purchase contracts which would, in accordance with applicable law and generally accepted accounting principles, be treated as finance or capital leases;

(d) the amount of any liability in respect of any purchase price for assets or services the payment of which is deferred for a period in excess of 90 days; and

(e) amounts raised under any other transaction (including, without limitation, any forward sale or purchase agreement) having the commercial effect of a borrowing;

"**Individual Certificate**" means a trust certificate in definitive registered form issued by the Trustee in accordance with the provisions of the Master Trust Deed in exchange for a Global Certificate;

"**ISDA**" means the International Swaps and Derivatives Association, Inc. (or any successor);

"**ISDA Definitions**" has the meaning given in the relevant Pricing Supplement;

"**Liability**" means any loss, damage, cost, charge, claim, demand, expense, fee, judgment, action, proceeding or other liability whatsoever (including, without limitation in respect of taxes) and including any value added tax or similar tax charged or chargeable in respect thereof and legal or other fees and expenses on a full indemnity basis and references to "**Liabilities**" shall mean all of these;

"**Local Banking Day**" means a day (other than a Saturday or a Sunday) on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in the city in which the Principal Paying Agent has its Specified Office;

"**Management Wakala Agreement**" means the amended and restated management wakala agreement dated 20 December 2022 between the Trustee and the Obligor;

"**Management Wakala Master Murabaha Agreement**" means the amended and restated management wakala master murabaha agreement dated 20 December 2022 and made between the Trustee, Cagamas Berhad (as buyer) and Cagamas Berhad (as commodity trading participant);

"**Management Wakala Master Purchase Agreement**" means the amended and restated management wakala master purchase agreement dated 20 December 2022 between the Trustee (as purchaser) and the Obligor (as seller);

"**Management Wakala Purchase Undertaking**" means the amended and restated management wakala purchase undertaking dated 20 December 2022 and granted by the Obligor for the benefit of the Trustee and the Delegate;

"**Management Wakala Sale Undertaking**" means the amended and restated management wakala sale undertaking dated 20 December 2022 and granted by the Trustee for the benefit of the Obligor;

"**Management Wakala Substitution Undertaking**" means the amended and restated management wakala substitution undertaking dated 20 December 2022 and granted by the Trustee for the benefit of the Obligor;

"**Management Wakala Sukuk Assets**" means, in relation to each Management Wakala Series, the Wakala Assets and the Commodity Murabaha Investment (if any) in respect of that Management Wakala Series;

"**Management Wakala Supplemental Purchase Agreement**" means the supplemental purchase agreement to be dated the Issue Date in relation to each Management Wakala Series between the Trustee and the Obligor for the purchase of certain Eligible Wakala Assets;

"**Management Wakala Transaction Documents**" means, in relation to each Management Wakala Series:

(a) the Master Trust Deed as supplemented by the relevant Supplemental Trust Deed;

(b) the Agency Agreement;

(c) the Management Wakala Master Purchase Agreement as supplemented by the applicable Management Wakala Supplemental Purchase Agreement;

(d) the Management Wakala Sale Undertaking (together with each relevant sale agreement executed upon exercise of the Management Wakala Sale Undertaking);

(e) the Management Wakala Purchase Undertaking (together with each relevant sale agreement executed upon exercise of the Management Wakala Purchase Undertaking);

(f) the Management Wakala Substitution Undertaking (together with each relevant sale agreement executed upon exercise of the Management Wakala Substitution Undertaking);

(g) the Management Wakala Agreement; and

(h) in relation to a Management Wakala Series, if applicable, the Management Wakala Master Murabaha Agreement (together with all offers, acceptances and confirmations delivered pursuant thereto in connection with the relevant Series);

"**Margin**" has the meaning given in the applicable Pricing Supplement;

"**Market**" means the commodity market operated by BMIS for the trading of commodities;

"**Maximum Optional Dissolution Amount**" means the amount specified as such in the applicable Pricing Supplement;

"**Minimum Optional Dissolution Amount**" means the amount specified as such in the applicable Pricing Supplement;

"**Obligor Event**" means any of the following events:

(a) ***Non-payment***: the Obligor (acting in any capacity) fails to pay any amount in the nature of principal or profit payable by it pursuant to any Management Wakala Transaction Document to which it is a party on the due date for payment thereof; or

(b) ***Breach of other obligations***: the Obligor (acting in any capacity) defaults in the performance or observance of any of its other obligations under or in respect of the Sukuk or the Management Wakala Transaction Documents to which it is a party and, provided such default is, in the sole opinion of the Delegate, capable of remedy, such default remains unremedied for 30 days after written notice thereof, addressed to the Obligor by the Trustee or the Delegate, has been delivered to the Obligor; or

(c) ***Cross-default***:

(i) any Indebtedness or Sukuk Obligation of the Obligor or any Principal Subsidiary is not paid when due or (as the case may be) within any originally applicable grace period;

(ii) any Indebtedness or Sukuk Obligation of the Obligor or any Principal Subsidiary becomes (or becomes capable of being declared) due and payable prior to its stated maturity otherwise than at the option of the Obligor or (as the case may be) the relevant Principal Subsidiary or any person entitled to such Indebtedness or Sukuk Obligation; or

(iii) the Obligor or any Principal Subsidiary fails to pay when due any amount payable by it under any guarantee, or any indemnity, in respect of any Indebtedness or Sukuk Obligation,

and **provided that** the amount of Indebtedness or Sukuk Obligation referred to in sub-paragraph (i) and/or sub-paragraph (ii) above and/or the amount payable under any guarantee referred to in sub-paragraph (iii) above, individually or in the aggregate, exceeds U.S.$25,000,000 (or its equivalent in any other currency or currencies); or

(d) ***Unsatisfied judgment***: one or more judgment(s) or order(s) is rendered against a material part of the property, assets or turnover of the Obligor or any Principal Subsidiary and continue(s) unsatisfied and unstayed for a period of 60 days after the date(s) thereof or, if later, the date therein specified for payment; or

(e) ***Security enforced***: a secured party takes possession, or a receiver, manager or other similar officer is appointed, of the whole or a material part of the undertaking, assets and revenues of the Obligor or any Principal Subsidiary and such possession or appointment continues for a period of 60 days after the date thereof; or

(f) ***Insolvency etc.***: (i) the Obligor or any Principal Subsidiary becomes insolvent or is unable to pay its debts as they fall due; (ii) an administrator or liquidator of the Obligor or any Principal Subsidiary or the whole or a substantial part of the undertaking, assets and revenues of the Obligor or any Principal Subsidiary is appointed; or (iii) the Obligor or any Principal Subsidiary takes any action for a readjustment or deferment of any of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors or declares a moratorium in respect of all or a substantial part of its Indebtedness or Sukuk Obligations or any guarantee of any Indebtedness or Sukuk Obligation given by it; or

(g) ***Winding up etc.***: an order is made or an effective resolution is passed for the winding up, liquidation or dissolution of the Obligor or any Principal Subsidiary (otherwise than, in the case of a Principal Subsidiary (but not including the Trustee if it is a Principal Subsidiary), (i) for the purposes of or pursuant to an amalgamation, reorganisation or restructuring while solvent or (ii) as a result of disposal on arm's length terms or (iii) as approved by an Extraordinary Resolution of the Sukukholders) or the Obligor or any Principal Subsidiary ceases to carry on all or the substantial part of its business (otherwise than, in the case of a Principal Subsidiary (but not including the Trustee if it is a Principal Subsidiary), (x) for the purposes of or pursuant to an amalgamation, reorganisation or restructuring while solvent or (y) as a result of disposal on arm's length terms or (z) as approved by an Extraordinary Resolution of the Sukukholders); or

(h) ***Analogous event***: any event occurs which under the laws of Malaysia has an analogous effect to any of the events referred to in paragraphs (d) (*Unsatisfied judgment*) to (g) (*Winding up, etc.*) above; or

(i) ***Failure to take action, etc.***: any action, condition or thing at any time required to be taken, fulfilled or done in order: (i) to enable the Obligor lawfully to enter into, exercise its rights and perform and comply with its obligations under and in respect of the Sukuk and the Management Wakala Transaction Documents to which it is a party; (ii) to ensure that those obligations are legal, valid, binding and enforceable and; (iii) to make the Sukuk and the Management Wakala Transaction Documents to which it is a party admissible in evidence in the courts of Malaysia and England is not taken, fulfilled or done; or

(j) ***Unlawfulness***: it is or will become unlawful for the Obligor to perform or comply with any of its obligations under or in respect of the Sukuk and the Management Wakala Transaction Documents to which it is a party; or

(k) ***Government intervention***: (i) all or any substantial part of the undertaking, assets and revenues of the Obligor or any Principal Subsidiary is condemned, seized or otherwise appropriated by any Person acting under the authority of any national government; or (ii) the Obligor or any Principal Subsidiary is prevented by any such Person from exercising normal control over all or any substantial part of its undertaking, assets and revenues.

References in this definition to "Indebtedness", "indebtedness" and "debts" shall be deemed to include any debt or other financing arrangement issued (or intended to be issued) in compliance with the principles of *Shariah*, whether entered into directly or indirectly by the Obligor or any of its Principal Subsidiaries, as the case may be;

"**Optional Dissolution Date**" means, in relation to any exercise of the Optional Dissolution Right, the date(s) specified as such in the applicable Pricing Supplement and which must (if this Sukuk is a Floating Rate Sukuk) be a Periodic Distribution Date;

"**Optional Dissolution Right**" means the right specified in Condition 8.3 (*Dissolution at the Option of the Obligor (Optional Dissolution Right)*);

"**outstanding**" shall have the meaning given to it in the Trust Deed;

"**Paying Agents**" means the Principal Paying Agent, the CMU Lodging and Paying Agent, the CDP Lodging and Paying Agent, any relevant ACS Paying Agent (which, for the avoidance of doubt, may, in respect of each Series of RENTAS Sukuk, be the RENTAS Paying Agent) and such further or other paying agent or agents as may be appointed from time to time under the Agency Agreement and/or any relevant ACS Forms (as applicable);

"**Payment Business Day**" means:

(a) if the currency of payment is euro, any day which is:

(i) in the case where presentation and/or surrender of an Individual Certificate is required before payment can be made, a day on which banks in the relevant place of presentation and/or surrender are open for presentation and payment of securities and for dealings in foreign currencies; and

(ii) in the case of payment by transfer to an account, (A) a TARGET Settlement Day; and (B) a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or

(b) if the currency of payment is not euro, any day which is:

(i) in the case where presentation and/or surrender of an Individual Certificate is required before payment can be made, a day on which banks in the relevant place of presentation and/or surrender are open for presentation and payment of securities and for dealings in foreign currencies; and

(ii) in the case of payment by transfer to an account, a day on which dealings in foreign currencies (including, in the case of Sukuk denominated in Renminbi, settlement of Renminbi payments) may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre;

"**Periodic Distribution Amount**" has the applicable meanings given to it in Condition 7 (*Periodic Distribution Amounts*);

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

"**Person**" means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality;

"**Principal Financial Centre**" means, in relation to any currency, the principal financial centre for that currency **provided**, **however**, **that**:

(a) in relation to euro, it means the principal financial centre of such Member State of the European Communities as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent;

(b) in relation to Australian dollars, it means either Sydney or Melbourne and, in relation to New Zealand dollars, it means either Wellington or Auckland, in each case as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent; and

(c) in relation to Renminbi, it means the relevant Renminbi Settlement Centre;

"**Principal Paying Agent**" means The Hongkong and Shanghai Banking Corporation Limited or any successor appointed as principal paying agent under the Programme pursuant to the Agency Agreement in respect of each Series of Sukuk other than CMU Sukuk, CDP Sukuk and, as the case may be, ACS Sukuk collectively in its capacities: as (i) principal paying agent for such Series; and (ii) as the account bank with which the Transaction Account for each such Series is established. All references in these Management Wakala Conditions to the "**Principal Paying Agent**" shall be deemed to be references to: (i) with respect to CMU Sukuk, the CMU Lodging and Paying Agent; (ii) with respect to CDP Sukuk, the CDP Lodging and Paying Agent; and (iii) if applicable, with respect to ACS Sukuk, the relevant ACS Paying Agent (which, for the avoidance of doubt, may, in respect of each Series of RENTAS Sukuk, be the RENTAS Paying Agent), and (unless the context requires otherwise) all such references shall be construed accordingly;

"**Principal Subsidiary**" means Cagamas Global P.L.C. and any Subsidiary of the Obligor whose total assets, as shown by the accounts of such Subsidiary (consolidated in the case of a company which itself has Subsidiaries), based upon which the latest audited consolidated accounts of the Obligor have been prepared, are at least 10 per cent. of the consolidated total assets of the Obligor as shown by such audited consolidated accounts, **provided that** if any such Subsidiary (the "**transferor**") shall at any time transfer the whole or a substantial part of its business, undertaking or assets to another Subsidiary of the Obligor (the "**transferee**") then:

(i) if the whole of the business, undertaking and assets of the transferor shall be so transferred, the transferor shall thereupon cease to be a Principal Subsidiary and the transferee (unless it is the Trustee) shall thereupon become a Principal Subsidiary; and

(ii) if a substantial part only of the business, undertaking and assets of the transferor shall be so transferred, the transferor shall remain a Principal Subsidiary and the transferee (unless it is the Trustee) shall thereupon become a Principal Subsidiary.

Any Subsidiary which becomes a Principal Subsidiary by virtue of (i) above or which remains or becomes a Principal Subsidiary by virtue of (ii) above shall continue to be a Principal Subsidiary until the date of issue of the first audited consolidated accounts of the Obligor prepared as at a date later than the date of the relevant transfer which show the total assets as shown by the accounts of such Subsidiary (consolidated (if any) in the case of a company which itself has Subsidiaries), based upon which such audited consolidated accounts have been prepared, to be less than 10 per cent. of the consolidated total assets of the Obligor, as shown by such audited consolidated accounts;

"**Proceedings**" has the meaning given to it in Condition 21.4 (Rights of the Delegate and the Sukukholders to take proceedings outside England);

"**Profit Commencement Date**" means the Issue Date or such other date as may be specified in the applicable Pricing Supplement;

"**Profit Period Date**" means each Periodic Distribution Date unless otherwise specified in the applicable Pricing Supplement;

"**Profit Rate**" means the profit rate, either fixed or floating, payable from time to time in respect of the Sukuk and that is either specified in the applicable Pricing Supplement or calculated or determined in accordance with the provisions hereof;

"**Profit Rate Determination Date**" means, with respect to a Profit Rate and Return Accumulation Period, the date specified as such in the applicable Pricing Supplement or, if none is so specified, (i) the first day of such Return Accumulation Period if the Specified Currency is Sterling or Hong Kong Dollars or Renminbi or (ii) the day falling two Business Days in London for the Specified Currency prior to the first day of such Return Accumulation Period if the Specified Currency is neither Sterling nor euro nor Hong Kong Dollars nor Renminbi or (iii) the day falling two TARGET Business Days prior to the first day of such Return Accumulation Period if the Specified Currency is euro;

"**Record Date**" has the meaning given to it in Condition 9.4 (*Record Date*);

"**Reference Banks**" has the meaning given in the applicable Pricing Supplement or, if none, four major banks selected by the Trustee in the market that is most closely connected with the Reference Rate;

"**Reference Price**" has the meaning given in the applicable Pricing Supplement;

"**Reference Rate**" means the rate specified as such in the applicable Pricing Supplement;

"**Register**" has the meaning given to it in Condition 3.3 (*Ownership*);

"**Registrar**" means, in respect of each Series of Sukuk other than CMU Sukuk, CDP Sukuk and, as the case may be, ACS Sukuk, The Hongkong and Shanghai Banking Corporation Limited or, in respect of each Series of CMU Sukuk, The Hongkong and Shanghai Banking Corporation Limited or, in respect of each Series of CDP Sukuk, The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch, or any successors thereto in each case as registrar under the Agency Agreement (or such other registrar as may be appointed from time to time either generally in relation to the Programme or in relation to a specific Series, including, with respect to ACS Sukuk, the relevant ACS Registrar (if applicable));

"**Relevant Date**" means, in relation to any payment, whichever is the later of (a) the date on which the payment in question first becomes due; and (b) if the full amount payable has not been

received in the Principal Financial Centre of the currency of payment by the Principal Paying Agent on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Sukukholders;

"**Relevant Indebtedness**" means any Indebtedness which is in the form of or represented by any bond, note, debenture, debenture stock, loan stock, certificate or other instrument which is, or is capable of being, listed, quoted or traded on any stock exchange or in any securities market (including, without limitation, any over-the-counter market);

"**Relevant Powers**" has the meaning given to it in Condition 17.1 (*Delegation of Powers*);

"**Relevant Screen Page**" means the page, section or other part of a particular information service (including, without limitation, Reuters) specified as the Relevant Screen Page in the applicable Pricing Supplement, or such other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the Person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate;

"**Relevant Time**" has the meaning given in the applicable Pricing Supplement;

"**Renminbi**" means the lawful currency of the People's Republic of China;

"**Renminbi Settlement Centre**" means, in relation to any sum payable in Renminbi, Hong Kong, Singapore and/or any other relevant financial centre, as specified in the applicable Pricing Supplement;

"**RENTAS**" means the scripless book-entry securities settlement and funds transfer system known as Real Time Electronic Transfer of Funds and Securities operated and managed by BNM as varied, upgraded or substituted from time to time;

"**RENTAS Depository**" means BNM in its capacity as the depository and custodian of any RENTAS Sukuk who carries out its functions, duties and obligations under the CSDPAR as a central securities depository, and includes its successors in title and assigns and any successors appointed in such capacity;

"**RENTAS Depository Procedures**" means the procedures of the RENTAS Depository for transactions in the RENTAS Sukuk and for settlement of all payments to Holders of RENTAS Sukuk as provided in the CSDPAR, the Participation and Operation Rules for Payments and Securities Services, the Operational Procedures for Foreign Currency Settlement in RENTAS and the Operational Procedures for Securities Services, all issued by BNM and as modified or revised or substituted from time to time by BNM, and any other relevant rules, guidelines, codes and directives issued by BNM from time to time;

"**RENTAS Paying Agent**" means BNM who carries out its functions, duties and obligations under the CSDPAR as a paying agent for any RENTAS Sukuk and includes its successors in title and assigns and any successors acting in such capacity;

"**RENTAS Securities Lodgement Form**" means, in respect of each Series of RENTAS Sukuk, the securities lodgement form entered into by, *inter alios*, the Trustee, signifying the parties' agreement for the depository and payment arrangement for such RENTAS Sukuk to be made pursuant to the RENTAS Depository Procedures and confirming that the parties thereto and the RENTAS Paying Agent shall have the duties as agreed therein;

"**RENTAS Sukuk**" means any Sukuk which are cleared through RENTAS;

"**Reserved Matter**" has the meaning given to it in Condition 16.1 (*Meetings of Sukukholders*);

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

"**Scheduled Dissolution Date**" means the date specified as such in the applicable Pricing Supplement;

"**Security Interest**" means any mortgage, charge, pledge, lien or other security interest including, without limitation, anything analogous to any of the foregoing under the laws of any jurisdiction;

"**Series**" means a series of Sukuk comprising one tranche that have identical terms on issue and are expressed to have the same series number;

"**Specified Currency**" means the currency specified as such in the applicable Pricing Supplement or, if none is specified, the currency in which the Sukuk are denominated;

"**Specified Denominations**" means the amount(s) specified as such in the applicable Pricing Supplement;

"**Specified Office**" has the meaning given in the Agency Agreement and/or any relevant ACS Forms (as applicable);

"**Subsidiary**" means, in relation to any person (the "**first Person**") at any particular time, any other person (the "**second Person**"): (a) whose affairs and policies the first Person controls or has the power to control, whether this be through ownership of share capital, contract, the power to appoint or remove members of the governing body of the second Person or otherwise; or (b) whose financial statements are, in accordance with applicable law and generally accepted accounting principles, consolidated as a subsidiary with those of the first Person;

"**Sukuk Obligation**" means any undertaking or other obligation to pay any money given in connection with any issue of trust certificates or other securities intended to be issued in compliance with the principles of *Shariah*, whether or not in return for consideration of any kind, which for the time being are, or are intended to be, or are capable of being, quoted, listed or dealt in or traded on any stock exchange or over-the-counter or other securities market;

"**Sukukholder**" has the meaning given in Condition 3.2 (*Title to Sukuk*);

"**Sukukholder Put Exercise Notice**" has the meaning given to it in Condition 8.4 (*Dissolution at the Option of Sukukholders (Sukukholder Put Right)*);

"**Sukukholder Put Right**" means the right specified in Condition 8.4 (*Dissolution at the Option of Sukukholders (Sukukholder Put Right)*);

"**Sukukholder Put Right Date**" means, in relation to any exercise of the Sukukholder Put Right, the date(s) specified as such in the applicable Pricing Supplement and which must (if this Sukuk is a Floating Rate Sukuk) be a Periodic Distribution Date;

"**TARGET Business Day**" means a day on which TARGET2 is operating;

"**TARGET Settlement Day**" means any day on which TARGET2 is open for the settlement of payments in euro;

"**TARGET2**" means the Trans-European Automated Real-Time Gross Settlement Express Transfer payment system or any successor thereto;

"**Transaction Account**" means, in relation to a particular Series, the non-interest bearing transaction account established by the Trustee and held with The Hongkong and Shanghai Banking Corporation Limited (in the case of any transaction account in relation to a Series of Sukuk other than CMU Sukuk, CDP Sukuk and, as the case may be, ACS Sukuk) or, as applicable, The Hongkong and Shanghai Banking Corporation Limited (in the case of any transaction account in relation to a Series of CMU Sukuk) or, as applicable, The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch (in the case of any transaction account in relation to a Series of CDP Sukuk) or, as applicable, the relevant ACS Agent (in the case of any transaction account in relation to a Series of ACS Sukuk and, in the case of any transaction account in relation to a Series of RENTAS Sukuk, such ACS Agent may be the RENTAS Paying Agent) denominated in the Specified Currency, details of which are set out in the applicable Pricing Supplement into which, among other things, the Obligor will deposit all amounts due to the Trustee under the Management Wakala Transaction Documents;

"**Transaction Documents**" means the Management Wakala Transaction Documents and the Investment Wakala Transaction Documents and "**Investment Wakala Transaction Document**" has the meaning given to it pursuant to the "*Terms and Conditions of the Investment Wakala Sukuk*" as set out under Schedule 2 of the Master Trust Deed and applicable to Investment Wakala Sukuk thereunder;

"**Transfer Agent**" means, in respect of each Series of Sukuk other than CMU Sukuk, CDP Sukuk and, as the case may be, ACS Sukuk, The Hongkong and Shanghai Banking Corporation Limited, in respect of each Series of CMU Sukuk, The Hongkong and Shanghai Banking Corporation Limited and, in respect of each Series of CDP Sukuk, The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch, or any successors thereto in each case as transfer agent under the Agency Agreement (and such further or other transfer agents as may be appointed from time to time either generally in relation to the Programme or in relation to a specific Series, including, with respect to ACS Sukuk, the relevant ACS Transfer Agent (if applicable));

"**Trust**" means, in respect of a Series, the trust created by the Trustee over the Trust Assets pursuant to the Trust Deed;

"**Trust Assets**" has the meaning given to it in Condition 5.1 (*Trust Assets*);

"**Trustee Event**" means any of the following events:

(a) ***Non-payment***: the Trustee fails to pay any Dissolution Distribution Amount, any Periodic Distribution Amount or any other amount (whether in the nature of principal or profit or otherwise) in respect of the Sukuk on the due date for payment thereof; or

(b) ***Breach of other obligations***: the Trustee defaults in the performance or observance of any of its other obligations under or in respect of the Sukuk or the Management Wakala Transaction Documents to which it is a party and, provided such default is, in the sole opinion of the Delegate, capable of remedy, such default remains unremedied for 30 days after written notice thereof, addressed to the Trustee by the Delegate, has been delivered to the Trustee; or

(c) ***Unsatisfied judgment***: one or more judgment(s) or order(s) is rendered against a material part of the property, assets or turnover of the Trustee and continue(s) unsatisfied and unstayed for a period of 60 days after the date(s) thereof or, if later, the date therein specified for payment; or

(d) ***Security enforced***: a secured party takes possession, or a receiver, manager or other similar officer is appointed, of the whole or a material part of the undertaking, assets and revenues of the Trustee and such possession or appointment continues for a period of 60 days after the date thereof; or

(e) ***Insolvency etc.***: (i) the Trustee becomes insolvent or is unable to pay its debts as they fall due; (ii) an administrator or liquidator of the Trustee or the whole or a substantial part of the undertaking, assets and revenues of the Trustee is appointed; or (iii) the Trustee takes any action for a readjustment or deferment of any of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors or declares a moratorium in respect of all or a substantial part of its Indebtedness or Sukuk Obligations or any guarantee of any Indebtedness or Sukuk Obligation given by it; or

(f) ***Winding up etc.***: an order is made or an effective resolution is passed for the winding up, liquidation or dissolution of the Trustee or the Trustee ceases to carry on all or the substantial part of its business (otherwise than as approved by an Extraordinary Resolution of the Sukukholders); or

(g) ***Analogous event***: any event occurs which under the laws of Malaysia has an analogous effect to any of the events referred to in paragraphs (c) (*Unsatisfied judgment*) to (f) (*Winding up, etc.*) above; or

(h) ***Failure to take action, etc.***: any action, condition or thing at any time required to be taken, fulfilled or done in order (i) to enable the Trustee lawfully to enter into, exercise its rights and perform and comply with its obligations under and in respect of the Sukuk and the Management Wakala Transaction Documents to which it is a party; (ii) to ensure that those obligations are legal, valid, binding and enforceable and; (iii) to make the Sukuk and the Management Wakala Transaction Documents to which it is a party admissible in evidence in the courts of Malaysia and England is not taken, fulfilled or done; or

(i) ***Unlawfulness***: it is or will become unlawful for the Trustee to perform or comply with any of its obligations under or in respect of the Sukuk and the Management Wakala Transaction Documents to which it is a party; or

(j) ***Government intervention***: (i) all or any substantial part of the undertaking, assets and revenues of the Trustee is condemned, seized or otherwise appropriated by any Person acting under the authority of any national, regional or local government; or (ii) the Trustee is prevented by any such Person from exercising normal control over all or any substantial part of its undertaking, assets and revenues; or

(k) ***Controlling shareholder***: the Trustee ceases to be a Subsidiary which is wholly-owned and controlled, directly or indirectly, by the Obligor.

For the purpose of paragraph (a) (*Non-payment*) above of this definition, all amounts payable in respect of the Sukuk shall be considered due and payable (including any amounts expressed to be payable under Condition 7 (*Periodic Distribution Amounts*)) notwithstanding that the Trustee has at the relevant time insufficient funds or relevant Trust Assets to pay such amounts (whether as a result of the application of Condition 5.2 (*Application of Proceeds from Trust Assets*) or otherwise) subject always to Condition 4.2 (*Limited Recourse*);

"**Wakala Asset Obligor**" has the meaning given to it in the Management Wakala Agreement;

"**Wakala Assets**" has the meaning given to it in the Management Wakala Agreement;

"**Wakala Asset Revenues**" has the meaning given to it in the Management Wakala Agreement; and

"**Wakeel**" means the Obligor acting in its capacity as wakeel under the Management Wakala Agreement.

2.2 ***Interpretation***: In these Management Wakala Conditions:

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

(b) all references to "Periodic Distribution Amounts" shall be deemed to include any additional amounts in respect of profit distributions which may be payable under Condition 10 (*Taxation*) and any other amount in the nature of a profit distribution payable pursuant to these Management Wakala Conditions;

(c) all references to "ISDA" and related terms are only included for the purposes of benchmarking;

(d) if an expression is stated in Condition 2.1 (*Definitions*) to have the meaning given in the applicable Pricing Supplement, but the applicable Pricing Supplement gives no such meaning or specifies that such expression is "not applicable" then such expression is not applicable to the Sukuk; and

(e) any reference to any Transaction Document shall be construed as a reference to such Transaction Document as amended and/or supplemented up to and including the Issue Date of the Sukuk.

3. **Form, Denomination, Title and Transfer**

3.1 ***Sukuk***: The Sukuk are issued in registered form in the Specified Denomination(s), which may include a minimum denomination specified in the applicable Pricing Supplement and higher integral multiples of a smaller amount specified in the applicable Pricing Supplement, and, in the case of Sukuk in definitive form, are serially numbered.

These Management Wakala Conditions are modified by certain provisions contained in the Global Certificate. Except in limited circumstances, owners of interests in the Global Certificate will not be entitled to receive definitive certificates representing their holdings of Sukuk. In the case of Sukuk in definitive form, an Individual Certificate will be issued to each Sukukholder in respect of its registered holding of Sukuk.

3.2 ***Title to Sukuk***: Upon issue, the Sukuk will be represented by a Global Certificate which will be deposited with, and registered in the name of: (i) a nominee for a common depository for Euroclear and Clearstream; (ii) a central securities depository (or a nominee for such central securities depository, as appropriate) for any relevant Alternative Clearing System (which, for the avoidance of doubt, may be the RENTAS Depository); (iii) CDP; or (iv) the HKMA in its capacity as operator of the CMU and lodged with a sub-custodian for the CMU, as the case may be. For so long as any of the Sukuk is represented by a Global Certificate held on behalf of Euroclear, Clearstream, the relevant Alternative Clearing System, CDP and/or the CMU, ownership interests in the Global Certificate will be shown on, and transfers thereof will only be effected through, records maintained by Euroclear, Clearstream, the relevant Alternative Clearing

System, CDP and/or the CMU (as applicable) and their respective participants. Each person (other than the relevant clearing system) who is for the time being shown in such records as the holder of a particular face amount of Sukuk (in which regard any certificate or other document issued by the relevant clearing system as to the face amount of such Sukuk standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Trustee, the Obligor, the Delegate and the Agents as the holder of such face amount of such Sukuk for all purposes other than with respect to payment in respect of such Sukuk, for which purpose the registered holder of the Global Certificate shall be treated by the Trustee, the Obligor, the Delegate and any Agent as the holder of such face amount of such Sukuk in accordance with and subject to the terms of the relevant Global Certificate and the expressions "**Holder**" and "**Sukukholder**" in relation to any Sukuk and related expressions shall be construed accordingly.

3.3 ***Ownership***: The Registrar will maintain a register of Sukukholders outside the United Kingdom in accordance with the provisions of the Agency Agreement (the "**Register**"). The Trustee, the Obligor, the Delegate and the Agents may (to the fullest extent permitted by applicable laws) deem and treat the person in whose name any outstanding Sukuk is for the time being registered (as set out in the Register) as the Holder of such Sukuk or of a particular face amount of the Sukuk for all purposes (whether or not such Sukuk or face amount shall be overdue and notwithstanding any notice of ownership thereof or of trust or other interest with regard thereto, and any notice of loss or theft or any writing thereon), and the Trustee, the Obligor, the Delegate and the Agents shall not be affected by any notice to the contrary. All payments made to such registered Holder shall be valid and, to the extent of the sums so paid, effective to satisfy and discharge the liability for monies payable in respect of such Sukuk or face amount.

No person shall have any right to enforce any term or condition of any Sukuk under the Contracts (Rights of Third Parties) Act 1999. The Holder of a Sukuk will be recognised by the Trustee as entitled to his Sukuk free from any equity, set-off or counterclaim on the part of the Trustee against the original or any intermediate holder of such Sukuk.

3.4 **Transfers of Sukuk**:

Subject to Conditions 3.7 (Closed periods) and 3.8 (Regulations Concerning Transfers and Registration) below:

(a) ***Transfers of beneficial interests in the Global Certificate:*** Transfers of beneficial interests in the Global Certificate will be effected by Euroclear, Clearstream, any relevant Alternative Clearing System, CDP and/or the CMU, as the case may be, and, in turn, by other participants and, if appropriate, indirect participants in such clearing systems acting on behalf of transferors and transferees of such interests. An interest in the Global Certificate will, subject to compliance with all applicable legal and regulatory restrictions, be transferable for Sukuk in definitive form only in the Specified Denomination or integral multiples thereof and only in accordance with the rules and operating procedures for the time being of Euroclear, Clearstream, the relevant Alternative Clearing System, CDP and/or the CMU, as the case may be, and in accordance with the terms and conditions specified in the Trust Deed and the Agency Agreement.

(b) ***Transfers of Sukuk in definitive form:*** Upon the terms and subject to the conditions set forth in the Trust Deed and the Agency Agreement, a Sukuk in definitive form may be transferred in whole or in part (in the Specified Denomination or an integral multiple thereof). In order to effect any such transfer the Holder or Holders must: (i) surrender the Individual Certificate for registration of the transfer thereof (or the relevant part thereof) at the Specified Office of the Registrar or any Transfer Agent, with the form of transfer thereon duly executed by the Holder or Holders thereof or his or their attorney or

attorneys duly authorised in writing; and (ii) complete and deposit such other evidence to prove the title of the transferor and the authority of the individuals who have executed the form of transfer as may be reasonably required by the Registrar or (as the case may be) the relevant Transfer Agent. Any such transfer will be subject to such reasonable regulations as the Trustee, the Obligor, the Delegate and the Registrar may from time to time prescribe.

Subject as provided above, the Registrar or (as the case may be) the relevant Transfer Agent will, as soon as reasonably practicable, and in any event within five business days (being for this purpose a day on which commercial banks are open for general business (including dealings in foreign currencies) in the city where the Registrar or (as the case may be) the relevant Transfer Agent has its Specified Office) of the request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations), and following receipt of a signed new Individual Certificate from the Trustee, deliver at its Specified Office to the transferee or (at the risk of the transferee) send by regular uninsured first class mail (airmail if overseas) to such address as the transferee may request a new Individual Certificate of a like aggregate face amount to the Sukuk (or the relevant part of the Sukuk) transferred. In the case of the transfer of part only of an Individual Certificate, a new Individual Certificate in respect of the balance of the Sukuk not transferred will be so delivered or (at the risk of the transferor) sent to the transferor.

3.5 ***Exercise of Options or Partial Dissolution in Respect of Sukuk***: In the case of an exercise of the Obligor's or a Sukukholder's option in respect of, or a partial redemption of, a holding of Sukuk, the Registrar will update the entries on the Register accordingly and, in the case of Individual Certificates, new Individual Certificates shall be issued to the Holders to reflect the exercise of such option or in respect of the balance of the holding for which no payment was made. New Individual Certificates shall only be issued against surrender of the existing Individual Certificates to the Registrar or any Transfer Agent. In respect of any Series of RENTAS Sukuk, this Condition 3.5 shall at all times be subject to, and the obligations set out in this Condition 3.5 shall be performed in compliance with, the RENTAS Depository Procedures.

3.6 ***No Charge***: The transfer of a Sukuk, exercise of an option or partial dissolution will be effected without charge by or on behalf of the Trustee or the Registrar or any Transfer Agent but against such indemnity as the Registrar or (as the case may be) such Transfer Agent may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such transfer. Sukukholders will not be required to bear the costs and expenses of effecting any registration of transfer as provided above, except for any costs or expenses of delivery other than by regular uninsured first class mail (airmail if overseas).

3.7 ***Closed Periods***: Sukukholders may not require transfers to be registered:

(a) during the period of 15 days ending on (and including) the due date for payment of any Dissolution Distribution Amount or any other date on which any payment of the face amount in respect of the relevant Sukuk falls due;

(b) during the period of 15 days ending on (and including) any date on which the relevant Sukuk may be called for redemption by the Trustee or the Obligor at its option pursuant to Condition 8.2 (*Early Dissolution for Taxation Reasons*) or Condition 8.3 (*Dissolution at the Option of the Obligor (Optional Dissolution Right)*);

(c) after a Sukukholder Put Exercise Notice has been delivered in respect of the relevant Sukuk(s) in accordance with Condition 8.4 (*Dissolution at the Option of Sukukholders (Sukukholder Put Right)*);

(d) after a Change of Shareholding Exercise Notice has been delivered in respect of the relevant Sukuk in accordance with Condition 8.5 (*Dissolution at the Option of the Sukukholders (Change of Shareholding Put Right)*); or

(e) during the period of seven days ending on (and including) any Record Date.

3.8 ***Regulations Concerning Transfers and Registration***: All transfers of Sukuk and entries on the Register are subject to the detailed regulations concerning the transfer of Sukuk scheduled to the Agency Agreement. The regulations may be changed by the Trustee, with the prior written approval of the Registrar and the Delegate or by the Registrar with the prior written approval of the Delegate, **provided that** any such change is not materially prejudicial to the interests of the Sukukholders. A copy of the current regulations will be mailed (free of charge to the Sukukholder by uninsured first class mail (airmail if overseas)) by the Registrar to any Sukukholder who requests in writing a copy of such regulations.

4. **Status and Limited Recourse**

4.1 ***Status of the Sukuk***: The Sukuk represent an undivided beneficial ownership interest in the relevant Trust Assets and are direct, unsecured and limited recourse obligations of the Trustee. Each Sukuk shall, save for such exceptions as may be provided by applicable legislation that is both mandatory and of general application, at all times rank *pari passu* and without any preference or priority with all other Sukuk of the relevant Series. The payment obligations of the Obligor (in any capacity) under the Management Wakala Transaction Documents shall, save for such exceptions as may be provided by applicable legislation that is both mandatory and of general application and subject to the negative pledge provisions described in Condition 6.2 (*Negative Pledge*), at all times rank at least equally with all other unsecured and unsubordinated indebtedness and monetary obligations of the Obligor, present and future.

4.2 ***Limited Recourse***: Save as provided in this Condition 4.2, the Sukuk do not represent an interest in or obligation of any of the Trustee, the Delegate, the Obligor, any of the Agents or any of their respective affiliates. The proceeds of the relevant Trust Assets are the sole source of payments on the Sukuk of each Series. The net proceeds of the realisation of, or enforcement with respect to, the relevant Trust Assets may not be sufficient to make all payments due in respect of the Sukuk. Subject to Condition 12 (*Dissolution Events*), Sukukholders, by subscribing for or acquiring the Sukuk, acknowledge that notwithstanding anything to the contrary contained in these Management Wakala Conditions or any Management Wakala Transaction Document:

(a) no payment of any amount whatsoever shall be made by the Trustee or the Delegate or any directors, officers, employees or agents on their behalf except to the extent funds are available therefor from the relevant Trust Assets and further acknowledge and agree that no recourse shall be had for the payment of any amount due and payable hereunder or under any Management Wakala Transaction Document, whether for the payment of any fee or other amount hereunder or any other obligation or claim arising out of or based upon the Management Wakala Transaction Documents, against the Trustee or the Delegate to the extent the relevant Trust Assets have been exhausted, following which all obligations of the Trustee shall be extinguished;

(b) the Trustee may not sell, transfer, assign or otherwise dispose of the Management Wakala Sukuk Assets or any part thereof (save as permitted pursuant to the Management Wakala Sale Undertaking, the Management Wakala Purchase Undertaking and the Management Wakala Substitution Undertaking and the sale of any Commodities under the Management Wakala Master Murabaha Agreement) to a third party, and may only realise its interests, rights, title, benefits and entitlements, present and future, in, to and under the Management Wakala Sukuk Assets in the manner expressly provided in the Management Wakala Transaction Documents;

(c) if the proceeds of the Trust Assets are insufficient to make all payments due in respect of the Sukuk, Sukukholders will have no recourse to any assets of the Trustee (other than the relevant Trust Assets) or the Delegate or the Agents or any of their respective directors, officers, employees, agents, shareholders or affiliates, in respect of any shortfall or otherwise;

(d) no Sukukholders will be able to petition for, institute, or join with any other person in instituting proceedings for, the reorganisation, arrangement, liquidation, bankruptcy, winding-up or receivership or other proceedings under any bankruptcy or similar law against the Trustee (and/or its directors), the Delegate, the Agents or any of their respective directors, officers, employees, agents, shareholders or affiliates as a consequence of such shortfall or otherwise;

(e) no recourse (whether by institution or enforcement of any legal proceedings or assessment or otherwise) in respect of any breaches of any duty, obligation or undertaking of the Trustee or the Delegate arising under or in connection with the Management Wakala Transaction Documents by virtue of any customary law, statute or otherwise shall be had against any shareholder, officer, employee, agent or director in their capacity as such for any breaches by the Trustee or Delegate and any and all personal liability of every such shareholder, officer, employee, agent or director in their capacity as such for any breaches by the Trustee or the Delegate of any such duty, obligation or undertaking is expressly waived and excluded to the extent permitted by law. The obligations of the Trustee and the Delegate under the Management Wakala Transaction Documents are corporate or limited liability obligations of the Trustee and no personal liability shall attach to or be incurred by the shareholders, members, officers, employees, agents or directors of the Trustee or the Delegate (in their capacity as such), save in the case of their gross negligence, wilful default or fraud. Reference in these Management Wakala Conditions to gross negligence, wilful default or fraud means a finding to such effect by a court of competent jurisdiction in relation to the conduct of the relevant party;

(f) it shall not be entitled to claim or exercise any right of set-off, counterclaim, abatement or other similar remedy which it might otherwise have, under the laws of any jurisdiction, in respect of such Sukuk. No collateral is or will be given for the payment obligations under the Sukuk (without prejudice to the negative pledge provisions described in Condition 6.2 (*Negative Pledge*)); and

(g) the Management Wakala Agreement provides that the Expected Income Revenues Amount is an indicative amount only, and that neither the Wakeel nor any other party gives any guarantee of (a) any payment by a Wakala Asset Obligor or (b) the Wakala Asset Revenues that will be received in respect of the Wakala Assets, save that it is also acknowledged that if there is a shortfall between the Wakala Asset Revenues and the Periodic Distribution Amount payable on the immediately following Periodic Distribution Date, the Wakeel shall use amounts standing to the credit of the reserve account established pursuant to the Management Wakala Agreement, and the Wakeel may provide *Shariah*-compliant funding in an amount equal to the shortfall to the Trustee pursuant to the Management Wakala Agreement to fund any further shortfall.

Pursuant to the terms of the Management Wakala Transaction Documents, the Obligor is obliged to make payments under the relevant Management Wakala Transaction Documents to which it is a party directly to or to the order of the Trustee. Such payment obligations form part of the Trust Assets and the Trustee and the Delegate will thereby have direct recourse against the Obligor to recover payments due to the Trustee from the Obligor pursuant to such Management Wakala Transaction Documents notwithstanding any other provision of this Condition 4.2. Such right of the Trustee and the Delegate shall (subject to the negative pledge provisions described in

Condition 6.2 (*Negative Pledge*)) constitute an unsecured claim against the Obligor. None of the Sukukholders, the Trustee and the Delegate shall be entitled to claim any priority right in respect of any specific assets of the Obligor in connection with the enforcement of any such claim.

5. **The Trust**

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

(a) the cash proceeds of the issue of the Sukuk, pending the application thereof in accordance with the terms of the Management Wakala Transaction Documents;

(b) the interests, rights, title, benefits and entitlements, present and future, of the Trustee in, to and under the Management Wakala Sukuk Assets from time to time (excluding any representations given by the Obligor to the Trustee and/or the Delegate under any documents constituting the Management Wakala Sukuk Assets from time to time);

(c) the interests, rights, title, benefits and entitlements, present and future, of the Trustee in, to and under the Management Wakala Transaction Documents (excluding any representations given by the Obligor to the Trustee and/or the Delegate pursuant to any of the Management Wakala Transaction Documents or the covenant given to the Trustee pursuant to Clause 16.1 of the Master Trust Deed);

(d) all moneys standing to the credit of the Transaction Account from time to time;

(e) the interests, rights, title, benefits and entitlements, present and future, of the Trustee in, to and under any other assets, rights, cash or investments as may be specified in the applicable Pricing Supplement; and

(f) all proceeds of the foregoing.

5.2 ***Application of Proceeds from Trust Assets***: On each Periodic Distribution Date and on any Dissolution Date, the Principal Paying Agent shall apply the monies standing to the credit of the relevant Transaction Account in the following order of priority (in each case only if and to the extent that payments of a higher priority have been made in full):

(a) ***first***, (to the extent not previously paid) to the Delegate in respect of all amounts payable to it under the Management Wakala Transaction Documents in its capacity as Delegate (including any amounts payable to the Delegate in respect of its Appointees (as defined in the Master Trust Deed)) and to any receiver, manager or administrative receiver or any other analogous officer appointed in respect of the Trust by the Delegate in accordance with the Trust Deed;

(b) ***second***, only if such payment is due on a Periodic Distribution Date (to the extent not previously paid) to pay *pro rata* and *pari passu*: (i) the Trustee in respect of all properly incurred and documented (each in the sole opinion of the Delegate) amounts payable to it under the Management Wakala Transaction Documents in its capacity as Trustee; and (ii) each Agent in respect of all amounts payable to such Agent on account of its fees, costs, charges and expenses and the payment or satisfaction of any Liability incurred by such Agent pursuant to the Agency Agreement or the other Management Wakala Transaction Documents in its capacity as Agent;

(c) ***third***, to the Principal Paying Agent, the CMU Lodging and Paying Agent, the CDP Lodging and Paying Agent or the relevant ACS Agent, as the case may be, for application in or towards payment *pari passu* and rateably of all Periodic Distribution Amounts due but unpaid;

(d) ***fourth***, only if such payment is due on a Dissolution Date, to the Principal Paying Agent, the CMU Lodging and Paying Agent, the CDP Lodging and Paying Agent or the relevant ACS Agent, as the case may be, for application in or towards payment *pari passu* and rateably of the relevant Dissolution Distribution Amount; and

(e) ***fifth***, only on the Scheduled Dissolution Date (or any earlier date on which the Sukuk are redeemed in full) and **provided that** all amounts required to be paid on the Sukuk hereunder have been discharged in full, in payment of any residual amount to the Obligor in its capacity as Wakeel as an incentive fee for its performance under the Management Wakala Agreement.

5.3 ***Transaction Account***: The Trustee will establish a Transaction Account in respect of each Management Wakala Series by no later than the fifth Local Banking Day following the relevant Issue Date. The Transaction Account shall be operated by the Principal Paying Agent on behalf of the Trustee for the benefit of Sukukholders into which the Obligor will deposit all amounts payable by it to the Trustee pursuant to the terms of the Management Wakala Transaction Documents.

6. **Covenants**

6.1 ***Trustee Covenants***: The Trustee covenants that for so long as any Sukuk are outstanding, it shall not (without the prior written consent of the Delegate):

(a) incur any Indebtedness (including any Sukuk Obligation) in respect of financed, borrowed or raised money whatsoever (whether structured (or intended to be structured) in accordance with the principles of *Shariah* or otherwise), or give any guarantee or indemnity in respect of any obligation of any person or issue any shares (or rights, warrants or options in respect of shares or securities convertible into or exchangeable for shares) except, in all cases, as contemplated in the Transaction Documents;

(b) secure any of its present or future Indebtedness by any lien, pledge, charge or other Security Interest upon any of its present or future assets, properties or revenues (other than those arising by operation of law (if any) and other than under or pursuant to any of the Transaction Documents);

(c) sell, lease, transfer, assign, participate, exchange or otherwise dispose of, or pledge, mortgage, hypothecate or otherwise encumber (by Security Interest, preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever or otherwise) (or permit such to occur or suffer such to exist), any part of its interests in any of the Trust Assets (in respect of a Management Wakala Series) except pursuant to any of the Management Wakala Transaction Documents;

(d) except as provided in Condition 16 (*Meetings of Sukukholders, Modification and Waiver*), amend or agree to any amendment of any Transaction Document to which it is a party (other than in accordance with the terms thereof) or its constitutional documents;

(e) except as provided in the Trust Deed, act as trustee in respect of any trust other than the Trust (in respect of a Management Wakala Series and/or an Investment Wakala Series) or in respect of any parties other than the Sukukholders (in relation to a Management Wakala Series and/or an Investment Wakala Series);

(f) have any subsidiaries or employees;

(g) redeem or purchase any of its shares or pay any dividend or make any other distribution to its shareholders;

(h) use the proceeds of the issue of the Sukuk for any purpose other than as stated in the Management Wakala Transaction Documents;

(i) put to its directors or shareholders any resolution for, or appoint any liquidator for, its winding-up or any resolution for the commencement of any other bankruptcy or insolvency proceeding with respect to it; or

(j) enter into any contract, transaction, amendment, obligation or liability other than the Transaction Documents to which it is a party or as expressly contemplated, permitted or required thereunder or engage in any business or activity other than:

(i) as contemplated, provided for or permitted in the Transaction Documents;

(ii) the ownership, management and disposal of the Trust Assets as provided in the Transaction Documents; and

(iii) such other matters which are incidental thereto.

6.2 ***Negative Pledge***: So long as any Sukuk remains outstanding (as defined in the Master Trust Deed), the Obligor shall not, and shall procure that none of its Subsidiaries will, create or permit to subsist any Security Interest, upon the whole or any part of its present or future undertaking, assets or revenues (including uncalled capital) to secure any Relevant Indebtedness or Sukuk Obligation, or to secure any guarantee or indemnity in respect of any Relevant Indebtedness or Sukuk Obligation, without: (a) at the same time or prior thereto securing equally and rateably therewith its obligations under the Management Wakala Transaction Documents to which it is party (in whatever capacity); or (b) providing such other security or other arrangement for those obligations as may be approved by an Extraordinary Resolution of the Sukukholders, **save that** the Obligor, or any of its Subsidiaries, may create or permit to subsist a Security Interest over any part of its present or future undertaking, assets or revenues to secure any Relevant Indebtedness or Sukuk Obligation or guarantee, or indemnity, in respect of Relevant Indebtedness or Sukuk Obligation (without the obligation to provide to any person either an equal and rateable interest in the same or such other security or other arrangement as aforesaid), where:

(a) such Security Interest is created upon any assets or receivables pursuant to any securitisation, asset-backed financing, limited recourse financing or like arrangement under which payment obligations secured by such Security Interest, or having the benefit of such Security Interest, are to be discharged solely from such assets or revenues to be generated from such assets or receivables; or

(b) (i) such Security Interest is created pursuant to and to secure only Relevant Indebtedness in the form of asset-backed bonds issued by the Obligor or any of its Subsidiaries as "covered bonds" in compliance with all laws, rules and regulations (if any) in Malaysia and any other jurisdiction and any conditions of any licences or consents by any regulatory authority which may be applicable to it; (ii) the proceeds of such covered bonds are utilised only to purchase the assets which are backing such covered bonds ("**Supporting Assets**"); and (iii) the Supporting Assets shall not comprise any of the assets of the Obligor or any of its Subsidiaries existing as of the date of establishment of the Programme.

6.3 ***Use of Proceeds***: The Obligor also undertakes that it will only use the proceeds of issue of the Sukuk for *Shariah*-compliant purposes.

6.4 ***Information Covenant***: So long as any Sukuk remains outstanding (as defined in the Master Trust Deed), the Obligor shall make available to the Sukukholders for inspection at the Specified Office of the Principal Paying Agent, within nine months of the expiration of each financial year (ending on 31 December of each year), the annual audited accounts of the Obligor for that financial year.

7. **Periodic Distribution Amounts**

7.1 ***Fixed Rate Sukuk Provisions***

(a) ***Application***: This Condition 7.1 is applicable to the Sukuk only if the Fixed Rate Sukuk Provisions are specified in the applicable Pricing Supplement as being applicable.

(b) ***Periodic Distribution Dates***: Each Fixed Rate Sukuk bears profit on its outstanding face amount from the Profit Commencement Date at the rate per annum (expressed as a percentage) equal to the Profit Rate, such profit being payable in arrear on each Periodic Distribution Date. The amount of profit payable shall be a Fixed Amount, a Broken Amount or an amount determined in accordance with Condition 7.3 (*Calculation of Periodic Distribution Amount*). Each such amount of profit is referred to in these Management Wakala Conditions as a "**Periodic Distribution Amount**". Periodic Distribution Amounts shall be distributed to Sukukholders by the Principal Paying Agent, the CMU Lodging and Paying Agent, the CDP Lodging and Paying Agent or the relevant ACS Agent, as the case may be, on behalf of the Trustee, *pro rata* to their respective holdings, out of amounts transferred to the Transaction Account and subject to Condition 5.2 (*Application of Proceeds from Trust Assets*) and Condition 9 (*Payments*).

7.2 ***Floating Rate Sukuk Provisions***

(a) ***Application***: This Condition 7.2 is applicable to the Sukuk only if the Floating Rate Sukuk Provisions are specified in the applicable Pricing Supplement as being applicable.

(b) ***Periodic Distribution Dates***: Each Floating Rate Sukuk bears profit on its outstanding face amount from the Profit Commencement Date at the rate per annum (expressed as a percentage) equal to the Profit Rate, such profit being payable in arrear on each Periodic Distribution Date. The amount of profit payable shall be an amount determined in accordance with Condition 7.3 (*Calculation of Periodic Distribution Amount*). Each such amount of profit is referred to in these Management Wakala Conditions as a "**Periodic Distribution Amount**". Such Periodic Distribution Date(s) is/are either shown in the applicable Pricing Supplement as Specified Periodic Distribution Dates or, if no Specified Periodic Distribution Date(s) is/are shown in the applicable Pricing Supplement, Periodic Distribution Date shall mean each date which falls the number of months or other period shown in the applicable Pricing Supplement as the Return Accumulation Period after the preceding Periodic Distribution Date or, in the case of the first Periodic Distribution Date, after the Profit Commencement Date. Periodic Distribution Amounts shall be distributed to Sukukholders by the Principal Paying Agent, the CMU Lodging and Paying Agent, the CDP Lodging and Paying Agent or the relevant ACS Agent, as the case may be, on behalf of the Trustee, *pro rata* to their respective holdings, out of amounts transferred to the Transaction Account and subject to Condition 5.2 (*Application of Proceeds from Trust Assets*) and Condition 9 (*Payments*).

(c) ***Profit Rate for Floating Rate Sukuk***: The Profit Rate in respect of Floating Rate Sukuk for each Return Accumulation Period shall be determined in the manner specified in the applicable Pricing Supplement as being applicable and the provisions herein relating to either Screen Rate Determination or ISDA Determination shall apply (depending upon which is specified in the applicable Pricing Supplement as being applicable).

(d) ***Screen Rate Determination***: If Screen Rate Determination is specified in the applicable Pricing Supplement as the manner in which the Profit Rate(s) is/are to be determined, the Profit Rate applicable to the Sukuk for each Return Accumulation Period will be determined by the Calculation Agent on the following basis:

(i) if the Reference Rate is a composite quotation or customarily supplied by one entity, the Calculation Agent will determine the Reference Rate which appears on the Relevant Screen Page as of the Relevant Time on the relevant Profit Rate Determination Date;

(ii) in any other case, the Calculation Agent will determine the arithmetic mean of the Reference Rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Profit Rate Determination Date;

(iii) if, in the case of (i) above, such rate does not appear on that page or, in the case of (ii) above, fewer than two such rates appear on that page or if, in either case, the Relevant Screen Page is unavailable:

(A) the Trustee will request each of the Reference Banks to provide a quotation of the Reference Rate at approximately the Relevant Time on the Profit Rate Determination Date in an amount that is representative for a single transaction in that market at that time, and such rate shall be notified in writing to the Calculation Agent; and

(B) the Calculation Agent shall determine the arithmetic mean of such quotations; and

(iv) if fewer than two such quotations are provided to the Trustee as requested, the Calculation Agent will determine the arithmetic mean of the rates of one of more major banks selected by and quoted to the Trustee and notified in writing to the Calculation Agent in (in the case where the Reference Rate is not CNH HIBOR (as defined below)) the Principal Financial Centre of the Specified Currency or (in the case where the Reference Rate is CNH HIBOR) in Hong Kong, (in the case where the Reference Rate is not CNH HIBOR) at approximately 11.00 a.m. (local time in the Principal Financial Centre of the Specified Currency) or (in the case where the Reference Rate is CNH HIBOR) at approximately 11.15 a.m. (Hong Kong time) on the first day of the relevant Return Accumulation Period for loans in the Specified Currency for a period equal to the relevant Return Accumulation Period and in an amount that is representative for a single transaction in that market at that time,

and the Profit Rate for such Return Accumulation Period shall be the sum of the Margin and the rate or (as the case may be) the arithmetic mean so determined; **provided**, **however**, **that** if the Calculation Agent is unable to determine a rate or (as the case may be) an arithmetic mean in accordance with the above provisions in relation to any Return Accumulation Period, the Profit Rate applicable to the Sukuk during such Return Accumulation Period will be the sum of the Margin and the rate or (as the case may be) the arithmetic mean last determined in relation to the Sukuk in respect of a preceding Return Accumulation Period.

(e) ***ISDA Determination***: If ISDA Determination is specified in the applicable Pricing Supplement as the manner in which the Profit Rate(s) is/are to be determined, the Profit Rate applicable to the Sukuk for each Return Accumulation Period will be the sum of the Margin and the relevant ISDA Rate where "**ISDA Rate**" in relation to any Return Accumulation Period means a rate equal to the Floating Rate (as defined in the applicable ISDA Definitions) that would be determined by the Calculation Agent under a Swap Transaction (as defined in the ISDA Definitions) if the Calculation Agent were acting as Calculation Agent (as defined in the applicable ISDA Definitions) for that Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

(i) if the Pricing Supplement specify either "2006 ISDA Definitions" or "2021 ISDA Definitions" as the applicable ISDA Definitions:

(A) the Floating Rate Option (as defined in the applicable ISDA Definitions) is as specified in the applicable Pricing Supplement;

(B) the Designated Maturity (as defined in the applicable ISDA Definitions) is a period specified in the applicable Pricing Supplement; and

(C) the relevant Reset Date (as defined in the applicable ISDA Definitions) is either (A) if the relevant Floating Rate Option is based on, (w) the Eurozone inter-bank offered rate ("**EURIBOR**"), (x) the Hong Kong inter-bank offered rate ("**HIBOR**") or (y) the CNH Hong Kong inter-bank offered rate ("**CNH HIBOR**") for a currency, the first day of that Return Accumulation Period; or (B) in any other case, as specified in the applicable Pricing Supplement.

(ii) references in the ISDA Definitions to:

(A) "**Confirmation**" shall be references to the relevant Pricing Supplement;

(B) "**Calculation Period**" shall be references to the relevant Return Accumulation Period;

(C) "**Termination Date**" shall be references to the Scheduled Dissolution Date;

(D) "**Effective Date**" shall be references to the Profit Commencement Date; and

(iii) if the Pricing Supplement specify "**2021 ISDA Definitions**" as being applicable:

(A) "Administrator/Benchmark Event" shall be disapplied; and

(B) if the Temporary Non-Publication Fallback in respect of any specified Floating Rate Option is specified to be "Temporary Non-Publication Fallback — Alternative Rate" in the Floating Rate Matrix of the 2021 ISDA Definitions the reference to "Calculation Agent Alternative Rate Determination" in the definition of "Temporary Non-Publication Fallback — Alternative Rate" shall be replaced by "Temporary Non-Publication Fallback — Previous Day's Rate".

(iv) Unless otherwise defined capitalised terms used in this Condition 7.2(e) shall have the meaning ascribed to them in the ISDA Definitions.

(f) ***Maximum or Minimum Profit Rate***: If any Maximum Profit Rate or Minimum Profit Rate is specified in the applicable Pricing Supplement, then the Profit Rate shall in no event be greater than the maximum or be less than the minimum so specified.

(g) ***Benchmark Discontinuation***:

(aa) Independent Adviser

If a Benchmark Event occurs in relation to the Reference Rate when the Profit Rate(s) (or any component part thereof) for any Return Accumulation Period remains to be determined by reference to such Reference Rate, then the Obligor shall use its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to determine a Successor Rate, failing which an Alternative Rate (in accordance with Condition 7(g)) and, in either case, an Adjustment Spread, if any (in accordance with Condition 7(g)(cc)) and any Benchmark Amendments (in accordance with Condition 7(g)(dd)).

In making such determination, an Independent Adviser appointed pursuant to this Condition 7(g) as an expert shall act in good faith and in a commercially reasonable manner (in consultation with the Obligor). In the absence of bad faith or fraud, the Independent Adviser shall have no liability whatsoever to the Obligor, the Trustee, the Delegate or the Sukukholders for any determination made by it pursuant to this Condition 7(g) and the Delegate will not be liable for any loss, liability, cost, charge or expense which may arise as a result thereof.

If (i) the Obligor is unable to appoint an Independent Adviser or (ii) the Independent Adviser appointed by the Obligor fails to determine a Successor Rate or, failing which, an Alternative Rate in accordance with this Condition 7(g) prior to the relevant Profit Rate Determination Date, the Obligor (acting in good faith and in a commercially reasonable manner) may determine the Successor Rate, failing which an Alternative Rate (in accordance with Condition 7(g) and, in either case, an Adjustment Spread, if any (in accordance with Condition 7(g)(cc)) and any Benchmark Amendments (in accordance with Condition 7(dd)).

If the Obligor is unable to determine the Successor Rate or, failing which, an Alternative Rate prior to the relevant Profit Rate Determination Date, the Reference Rate applicable to the immediate following Return Accumulation Period shall be the Reference Rate applicable as at the last preceding Profit Rate Determination Date. If there has not been a first Profit Rate Payment Date, the Reference Rate shall be the Reference Rate applicable to the first Return Accumulation Period. Where a different Margin or Maximum or Minimum Profit Rate is to be applied to the relevant Return Accumulation Period from that which applied to the last preceding Return Accumulation Period, the Margin or Maximum or Minimum Profit Rate relating to the relevant Return Accumulation Period shall be substituted in place of the Margin or Maximum or Minimum Profit Rate relating to that last preceding Return Accumulation Period. For the avoidance of doubt, any adjustment pursuant to this Condition 7(g)(aa) shall apply to the immediately following Return Accumulation Period only. Any subsequent Return Accumulation Period may be subject to the subsequent operation of this Condition 7(g).

(bb) Successor Rate / Alternative Rate

If the Independent Adviser (in consultation with the Obligor) or the Obligor (in the circumstances set out in Condition 7(g) (aa)) determines in its discretion that:

(A) there is a Successor Rate, then such Successor Rate shall (subject to adjustment as provided in Condition 7(g)(cc)) subsequently be used in place of the Reference Rate to determine the Rate of Interest for the immediately following Return Accumulation Period and all following Return Accumulation Periods, subject to the subsequent operation of this Condition 7(g) in the event of a further Benchmark Event affecting the Successor Rate; or

(B) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate shall (subject to adjustment as provided in Condition 7(g)(cc)) subsequently be used in place of the Reference Rate to determine the Profit Rate for the immediately following Return Accumulation Period and all following Return Accumulation Periods, subject to the subsequent operation of this Condition 7(g) in the event of a further Benchmark Event affecting the Alternative Rate.

(cc) Adjustment Spread

If the Independent Adviser (in consultation with the Obligor) or the Obligor (in the circumstances set out in Condition 7(g)(aa)) (as the case may be) determines in its discretion (A) that an Adjustment Spread is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) and (B) the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall apply to the Successor Rate or the Alternative Rate (as the case may be).

(dd) Benchmark Amendments

If any relevant Successor Rate, Alternative Rate or Adjustment Spread is determined in accordance with this Condition 7(g) and the Independent Adviser (in consultation with the Obligor) or the Obligor (in the circumstances set out in Condition 7(g)(aa)) (as the case may be) determines in its discretion (i) that amendments to these Management Wakala Conditions are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread (such amendments, the "**Benchmark Amendments**") and (ii) the terms of the Benchmark Amendments, then the Trustee shall, subject to giving notice thereof in accordance with Condition 7(g)(ee), without any requirement for the consent or approval of relevant Sukukholders, vary these Management Wakala Conditions to give effect to such Benchmark Amendments with effect from the date specified in such notice (and for the avoidance of doubt, the Delegate shall, at the direction and expense of the Trustee, consent to and effect such consequential amendments to the Master Trust Deed and these Management Wakala Conditions as may be required in order to give effect to this Condition 7(g)) **provided that** the Delegate shall not be obliged so to concur if in the opinion of the Delegate doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to Delegate in these Conditions or the Trust Deed (including, for the avoidance of doubt, any supplemental trust deed) in any way.

(ee) Notices, etc.

Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 7(g) will be notified in writing promptly by the Trustee to the Delegate, the Calculation Agent, the Paying Agents and, in accordance with Condition 20 (*Notices*), the Sukukholders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any. Further, none of the Delegate, the Principal Paying Agent, the Calculation Agent, the Paying Agents, the Registrar or the Transfer Agents shall be responsible or liable to any person for any determinations or certifications made by the Trustee or the Independent Adviser with respect to any Successor Rate or Alternative Rate (as applicable) or any other changes and shall be entitled to rely conclusively on any certifications provided to each of them in this regard.

No later than notifying the Delegate of the same, the Trustee shall deliver to the Delegate a certificate signed by two authorised signatories of the Trustee:

(A) confirming (x) that a Benchmark Event has occurred, (y) the relevant Successor Rate, or, as the case may be, the relevant Alternative Rate and, (z) where applicable, any relevant Adjustment Spread and/or the specific terms of any relevant Benchmark Amendments, in each case as determined in accordance with the provisions of this Condition 7(g); and

(B) certifying that the relevant Benchmark Amendments are necessary to ensure the proper operation of such relevant Successor Rate, Alternative Rate and/or Adjustment Spread.

(ff) The Successor Rate or Alternative Rate and the Adjustment Spread (if any) and the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error or bad faith in the determination of such Successor Rate or Alternative Rate and such Adjustment Spread (if any) and such Benchmark Amendments (if any)) be binding on the Trustee, the Delegate, the Calculation Agent, the other Agents and the Sukukholders.

(gg) As used in this Condition 7(g):

"**Adjustment Spread**" means either a spread (which may be positive or negative), or the formula or methodology for calculating a spread, in either case, which the Independent Adviser (in consultation with the Obligor) or the Obligor (in the circumstances set out in Condition 7(g)(aa)) (as the case may be) determines is required to be applied to the relevant Successor Rate or the relevant Alternative Rate (as the case may be) and is the spread, formula or methodology which:

(A) in the case of a Successor Rate, is formally recommended, or formally provided as an option for parties to adopt, in relation to the replacement of the Reference Rate with the Successor Rate by any Relevant Nominating Body; or

(B) (if no such recommendation has been made, or in the case of an Alternative Rate), the Independent Adviser (in consultation with the Obligor) or the Obligor (in the circumstances set out in Condition

7(g)(aa)) (as the case may be), determines is customarily applied to the relevant Successor Rate or Alternative Rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for the Reference Rate; or

(C) (if no such determination has been made, or in the case of an Alternative Rate) the Independent Adviser (in consultation with the Obligor) or the Obligor (in the circumstances set out in Condition 7(g)(aa)) (as the case may be) determines, is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be); or

(D) (if the Independent Adviser (in consultation with the Obligor) or the Obligor (in the circumstances set out in Condition 7(g)(aa)) (as the case may be) determines that no such industry standard is recognised or acknowledged) the Independent Adviser (in consultation with the Obligor) or the Obligor (in the circumstances set out in Condition 7(g)(aa)) (as the case may be) determines to be appropriate to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Sukukholders as a result of the replacement of the Reference Rate with the Successor Rate or the Alternative Rate (as the case may be).

"**Alternative Rate**" means an alternative benchmark or screen rate which the Independent Adviser (in consultation with the Obligor) or the Obligor (in the circumstances set out in Condition 7(g)(aa)) (as the case may be) determines in accordance with this Condition 7(g) is customary in market usage in the international debt capital markets for the purposes of determining floating rates of interest (or the relevant component part thereof) in the Specified Currency.

"**Benchmark Event**" means:

(A) the relevant Reference Rate ceasing to be published on the Relevant Screen Page for a period of at least five Business Days or ceasing to exist; or

(B) a public statement by the administrator of the relevant Reference Rate that it has ceased or will, by a specified date within the following six months, cease publishing the relevant Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been or will be appointed that will continue publication of such Reference Rate), unless such cessation is reasonably expected by the Obligor to not occur prior to the Dissolution Date; or

(C) a public statement by the supervisor of the administrator of the relevant Reference Rate that such Reference Rate has been or will, by a specified future date within the following six months, be permanently or indefinitely discontinued, unless such discontinuation is reasonably expected by the Obligor to not occur prior to the Dissolution Date; or

(D) a public statement by the supervisor of the administrator of the relevant Reference Rate that as a consequence of which such Reference Rate has been prohibited from being used or that its use will be subject to

restrictions or adverse consequences, or that it will be prohibited from being used or that its use will be subject to restrictions or adverse consequences within the following six months, either generally or in respect of the Sukuk, unless such prohibition is reasonably expected by the Obligor to not occur prior to the Dissolution Date; or

(E) a public statement by the supervisor of the administrator of the relevant Reference Rate (as applicable) that such Reference Rate is no longer representative or will, by a specified date within the following six months, be deemed to be no longer representative; or

(F) it has or will, by a specified date within the following six months, become unlawful for the Calculation Agent to calculate any payments due to be made to any Sukukholder using the relevant Reference Rate (as applicable) (including, without limitation, under the Benchmarks Regulation (EU) 2016/1011, if applicable),

provided that the Benchmark Event shall be deemed to occur (a) in the case of sub-paragraph (B) and (C) above, on the date of the cessation of publication of the relevant Reference Rate or the discontinuation of the relevant Reference Rate, as the case may be, (b) in the case of sub-paragraph (D) above, on the date of the prohibition or restriction of use of the relevant Reference Rate and (c) in the case of paragraph (E) above, on the date with effect from which the relevant Reference Rate will no longer be (or will be deemed to no longer be) representative and which is specified in the relevant public statement, and in each case, not the date of the relevant public statement.

"**Benchmark Amendments**" has the meaning given to it in Condition 7(g)(dd).

"**Independent Adviser**" means an independent financial institution of international repute or other independent financial adviser experienced in the international debt capital markets, in each case appointed by the Trustee at its own expense under Condition 7(g).

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

(A) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or

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

"**Successor Rate**" means the rate that the Independent Advisor (in consultation with the Obligor) or the Obligor (in the circumstances set out in Condition 7(g)(aa) (as the case may be) determines is a successor to or replacement of the Reference Rate which is formally recommended by any Relevant Nominating Body.

7.3 ***Calculation of Periodic Distribution Amount***: The Periodic Distribution Amount will be calculated by the Calculation Agent by applying the Profit Rate for such Return Accumulation Period to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of the relevant Sukuk divided by the Calculation Amount. For this purpose a "**sub-unit**" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.

7.4 ***Determination and Publication of Profit Rates, Periodic Distribution Amounts and Dissolution Distribution Amounts***: The Calculation Agent shall, as soon as practicable on or after each Profit Rate Determination Date, or such other time on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, determine such rate and calculate the Periodic Distribution Amounts for the relevant Return Accumulation Period, calculate the relevant Dissolution Distribution Amount, obtain such quotation or make such determination or calculation, as the case may be, and cause the Profit Rate and the Periodic Distribution Amounts for each Return Accumulation Period and the relevant Periodic Distribution Date and, if required to be calculated, the relevant Dissolution Distribution Amount to be notified to the Delegate, the Trustee, the Obligor, each of the Paying Agents, the Sukukholders, any other Calculation Agent appointed in respect of the Sukuk that is to make a further calculation upon receipt of such information and, if the Sukuk are listed on a stock exchange and the rules of such exchange or other relevant authority so require, such exchange or other relevant authority as soon as possible after their determination **but in no event later than** (i) the commencement of the relevant Return Accumulation Period, if determined prior to such time, in the case of notification to such exchange of a Profit Rate and Periodic Distribution Amount, or (ii) in all other cases, the fourth Business Day after such determination. Where any Periodic Distribution Date or Profit Period Date is subject to adjustment pursuant to Condition 7.7 (*Business Day Convention*), the Periodic Distribution Amounts and the Periodic Distribution Date so published may subsequently be amended (or appropriate alternative arrangements made with the consent of the Delegate by way of adjustment) without notice in the event of an extension or shortening of the Return Accumulation Period. If the Sukuk become due and payable under Condition 12 (*Dissolution Events*), the accrued profit and the Profit Rate payable in respect of the Sukuk shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Profit Rate or the Periodic Distribution Amount so calculated need be made unless the Delegate otherwise requires. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties.

7.5 ***Determination or Calculation by the Delegate***: Subject to Condition 7.8 (*Calculation Agent*), if the Calculation Agent does not at any time for any reason determine or calculate the Profit Rate for a Return Accumulation Period or any Periodic Distribution Amount or Dissolution Distribution Amount, the Delegate shall do so or shall appoint an agent on behalf of the Trustee to do so and such determination or calculation shall be deemed to have been made by the Calculation Agent. In doing so, the Delegate or, as the case may be, such agent shall apply the foregoing provisions of this Condition, with any necessary consequential amendments, to the extent that, in its sole opinion, it can do so, and, in all other respects it shall do so in such manner as it shall deem fair and reasonable in all the circumstances.

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

7.7 ***Business Day Convention***: If any date referred to in these Management Wakala Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified in the applicable Pricing Supplement is:

(a) the "**Following Business Day Convention**", the relevant date shall be postponed to the first following day that is a Business Day;

(b) the "**Modified Following Business Day Convention**" or "**Modified Business Day Convention**", the relevant date shall be postponed to the first following day that is a Business Day unless that day falls in the next calendar month, in which case that date will be the first preceding day that is a Business Day;

(c) the "**Preceding Business Day Convention**", the relevant date shall be brought forward to the first preceding day that is a Business Day;

(d) the "**FRN Convention**", "**Floating Rate Convention**" or "**Eurodollar Convention**", each relevant date shall be the date which numerically corresponds to the preceding such date in the calendar month which is the number of months specified in the applicable Pricing Supplement as the Return Accumulation Period after the calendar month in which the preceding such date occurred **provided**, **however**, **that**:

(i) if there is no such numerically corresponding day in the calendar month in which any such date should occur, then such date will be the last day which is a Business Day in that calendar month;

(ii) if any such date would otherwise fall on a day which is not a Business Day, then such date will be the first following day which is a Business Day unless that day falls in the next calendar month, in which case it will be the first preceding day which is a Business Day; and

(iii) if the preceding such date occurred on the last day in a calendar month which was a Business Day, then all subsequent such dates will be the last day which is a Business Day in the calendar month which is the specified number of months after the calendar month in which the preceding such date occurred; and

(e) "**No Adjustment**", the relevant date shall not be adjusted in accordance with any Business Day Convention.

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

8. **Redemption and Dissolution of the Trust**

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

8.2 ***Early Dissolution for Taxation Reasons***: The Sukuk shall be redeemed by the Trustee in whole, but not in part, on any Periodic Distribution Date (if the Sukuk are Floating Rate Sukuk) or at any time (if the Sukuk are Fixed Rate Sukuk) (such dissolution date being an "**Early Tax Dissolution Date**"), on giving not less than 30 nor more than 60 days' notice to the Sukukholders (which notice shall be irrevocable) at their Dissolution Distribution Amount if the Trustee satisfies the Delegate immediately before the giving of such notice that:

(a) (A) the Trustee has or will become obliged to pay additional amounts as described under Condition 10 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of Malaysia or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the relevant Series, and (B) such obligation cannot be avoided by the Trustee taking reasonable measures available to it; or

(b) (A) the Obligor has or will become obliged to pay additional amounts pursuant to the terms of any Transaction Document as a result of any change in, or amendment to, the laws or regulations of Malaysia or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after the date on which agreement is reached to issue the relevant Series, and (B) such obligation cannot be avoided by the Obligor taking reasonable measures available to it,

provided, however, that no such notice of dissolution shall be given to Sukukholders:

(A) unless a duly completed Exercise Notice has been received by the Trustee from the Obligor pursuant to the Management Wakala Sale Undertaking; and

(B) where the Sukuk may be redeemed at any time, earlier than 90 days prior to the earliest date on which the Trustee or the Obligor, as the case may be, would be obliged to pay such additional amounts were a payment in respect of the Sukuk (in the case of the Trustee) or pursuant to any Transaction Document (in the case of the Obligor) then due; or

(C) where the Sukuk may be redeemed only on a Periodic Distribution Date, earlier than 60 days prior to the earliest date on which the Trustee or the Obligor, as the case may be, would be obliged to pay such additional amounts were a payment in respect of the Sukuk (in the case of the Trustee) or pursuant to any Transaction Document (in the case of the Obligor) then due.

Prior to the publication of any notice of dissolution pursuant to this Condition 8.2, the Trustee shall deliver or procure that there is delivered to the Delegate:

(1) a certificate signed by two directors of the Trustee (in the case of Condition 8.2(a)) or the Obligor (in the case of Condition 8.2(b)) stating that the Trustee is entitled to effect such

redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Trustee so to redeem (as set out in Condition 8.2(a) and Condition 8.2(b), as the case may be) have occurred; and

(2) an opinion of independent legal advisers or other professional advisers, in each case of recognised standing, to the effect that the Trustee or the Obligor, as the case may be, has or will become obliged to pay additional amounts as a result of such change or amendment,

and the Delegate shall be entitled to accept such certificate and legal opinion as sufficient evidence of the satisfaction of the condition precedent set out in Condition 8.2(a) or, as the case may be, Condition 8.2(b) above, in which event it shall be conclusive and binding on Sukukholders.

Upon expiry of any such notice given in accordance with this Condition 8.2, payment in full of the Dissolution Distribution Amount to Sukukholders and execution of a sale agreement pursuant to the Management Wakala Sale Undertaking, the Trustee shall be bound to dissolve the Trust.

8.3 ***Dissolution at the Option of the Obligor (Optional Dissolution Right)***: If the Optional Dissolution Right is specified in the applicable Pricing Supplement, the Obligor may in its sole discretion deliver to the Trustee a duly completed notice in accordance with the provisions of the Management Wakala Sale Undertaking and, on receipt of such notice, the Trustee shall, on giving not less than 30 nor more than 60 days' irrevocable notice to the Sukukholders (or such other notice period as may be specified in the applicable Pricing Supplement) redeem all or, if so specified in the relevant Exercise Notice, some of the Sukuk on any Optional Dissolution Date. Any such redemption of Sukuk shall be at their Dissolution Distribution Amount. Any such redemption or exercise must relate to Sukuk of a face amount at least equal to the Minimum Optional Dissolution Amount to be redeemed and no greater than the Maximum Optional Dissolution Amount to be redeemed.

All Sukuk in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition 8.3. If all (and not some only) of the Sukuk are to be redeemed on any Optional Dissolution Date in accordance with this Condition 8.3 then upon payment in full of the Dissolution Distribution Amount to all Sukukholders and execution of a sale agreement pursuant to the Management Wakala Sale Undertaking, the Trustee shall be bound to dissolve the Trust.

In the case of a partial redemption, the notice to Sukukholders shall also specify the face amount of Sukuk drawn and the holder(s) of such Sukuk to be redeemed, which shall have been drawn in such place and in such manner as may be fair and reasonable in the circumstances, taking account of prevailing market practices, subject to compliance with any applicable laws and stock exchange or other relevant authority requirements.

If the Sukuk are to be redeemed in part only on any date in accordance with this Condition 8.3 then each Sukuk shall be redeemed in part in the proportion which the aggregate principal amount of the outstanding Sukuk to be redeemed on the relevant Optional Dissolution Date bears to the aggregate principal amount of outstanding Sukuk on such date.

For Shariah reasons, the Optional Dissolution Right and the Sukukholder Put Right cannot both be specified as applicable in the applicable Pricing Supplement in respect of any single Series.

8.4 ***Dissolution at the Option of Sukukholders (Sukukholder Put Right)***: If the Sukukholder Put Right is specified in the applicable Pricing Supplement, the Trustee shall, at the option of the Holder of any Sukuk, upon the Holder of such Sukuk giving not less than 30 nor more than

60 days' notice to the Trustee (or such other notice period as may be specified in the applicable Pricing Supplement), redeem such Sukuk on the Sukukholder Put Right Date at its Dissolution Distribution Amount. For the purposes thereof, the Trustee shall deliver to the Obligor a duly completed Exercise Notice in accordance with the provisions of the Management Wakala Purchase Undertaking. If all (and not some only) of the Sukuk are to be redeemed on any Sukukholder Put Right Date in accordance with this Condition 8.4 then upon payment in full of the Dissolution Distribution Amount to all Sukukholders and execution of a sale agreement pursuant to the Management Wakala Purchase Undertaking, the Trustee shall be bound to dissolve the Trust.

To exercise the option in this Condition 8.4 the relevant Holder must, within the notice period, give notice to the Principal Paying Agent of such exercise (a "**Sukukholder Put Exercise Notice**") in accordance with the standard procedures of Euroclear and Clearstream, CDP, the CMU and/or the relevant Alternative Clearing System (which, in respect of any Series of RENTAS Sukuk, shall be the RENTAS Depository Procedures) in a form acceptable to the relevant clearing system from time to time (which shall, if acceptable to the relevant clearing system, be in the form of a duly completed Sukukholder Put Exercise Notice in the form set out in the Agency Agreement and obtainable from any Paying Agent, the Registrar or any Transfer Agent).

Any Sukukholder Put Exercise Notice or other notice given in accordance with the standard procedures of Euroclear and Clearstream, CDP, the CMU and/or any relevant Alternative Clearing System by a Holder of any Sukuk pursuant to this Condition 8.4 shall be irrevocable except where, prior to the due date of redemption, a Dissolution Event has occurred and the Delegate has declared the Sukuk due and payable pursuant to Condition 12 (*Dissolution Events*), in which event such Holder, at its option, may elect by notice to the Trustee to withdraw the notice given pursuant to this Condition 8.4.

For Shariah reasons, the Optional Dissolution Right and the Sukukholder Put Right cannot both be specified as applicable in the applicable Pricing Supplement in respect of any single Series.

8.5 ***Dissolution at the Option of the Sukukholders (Change of Shareholding Put Right)***: The Obligor has agreed in the Management Wakala Purchase Undertaking to notify the Trustee and the Delegate forthwith upon the occurrence of a Change of Shareholding and to provide a description of the Change of Shareholding. The Trustee, upon receipt of such notice from the Obligor or otherwise by not later than 14 days following the first day on which it becomes aware of the occurrence of a Change of Shareholding, shall give notice (a "**Change of Shareholding Notice**") of the occurrence of a Change of Shareholding to the Sukukholders in accordance with these Management Wakala Conditions. The Change of Shareholding Notice shall provide a description of the Change of Shareholding, and specify the procedure for exercise by the Sukukholders of their rights to require redemption of the Sukuk pursuant to this Condition 8.5, and shall require Sukukholders to elect within 30 days of the date on which the Change of Shareholding Notice is given (the "**Change of Shareholding Put Period**") if they wish all, but not some only, of their Sukuk to be redeemed.

If a Change of Shareholding occurs, and **provided that** Sukukholders elect to redeem their Sukuk in accordance with this Condition 8.5, the Trustee shall redeem such Sukuk on the Change of Shareholding Put Right Date at the Dissolution Distribution Amount. For the purposes thereof, the Trustee shall deliver to the Obligor a duly completed Exercise Notice in accordance with the provisions of the Management Wakala Purchase Undertaking. If all (and not some only) of the Sukuk are to be redeemed on any Change of Shareholding Put Right Date in accordance with this Condition 8.5 then upon payment in full of the Dissolution Distribution Amount to all Sukukholders and execution of a sale agreement pursuant to the Management Wakala Purchase Undertaking, the Trustee shall be bound to dissolve the Trust.

To exercise the option in this Condition 8.5 the relevant Holder must, within the Change of Shareholding Put Period, give notice to the Principal Paying Agent of such exercise (a "**Change of Shareholding Exercise Notice**") in accordance with the standard procedures of Euroclear and Clearstream, CDP, the CMU and/or the relevant Alternative Clearing System (which, in respect of any Series of RENTAS Sukuk, shall be the RENTAS Depository Procedures) in a form acceptable to the relevant clearing system from time to time (which shall, if acceptable to the relevant clearing system, be in the form of a duly completed Change of Shareholding Exercise Notice in the form set out in the Agency Agreement and obtainable from any Paying Agent, the Registrar or any Transfer Agent).

Any Change of Shareholding Exercise Notice or other notice given in accordance with the standard procedures of Euroclear and Clearstream, CDP, the CMU and/or any relevant Alternative Clearing System by a Holder of any Sukuk pursuant to this Condition 8.5 shall be irrevocable except where, prior to the due date of redemption, a Dissolution Event has occurred and the Delegate has declared the Sukuk due and payable pursuant to Condition 12 (*Dissolution Events*), in which event such Holder, at its option, may elect by notice to the Trustee to withdraw the notice given pursuant to this Condition 8.5.

A "**Change of Shareholding**" occurs when Bank Negara Malaysia or the Government of Malaysia, either through the Minister of Finance (Incorporated) or any other ministry or Government agency or body, ceases to be a shareholder, directly or indirectly, of the Obligor's issued share capital.

8.6 ***Dissolution following a Dissolution Event***: Upon the occurrence of a Dissolution Event, the Sukuk may be redeemed at the Dissolution Distribution Amount on the Dissolution Event Redemption Date and the Trustee may be required to dissolve the Trust, in each case as more particularly described in Condition 12 (*Dissolution Events*).

8.7 ***Purchases***: Each of the Obligor and the Obligor's Subsidiaries may at any time purchase Sukuk in the open market or otherwise and at any price and such Sukuk may be held, resold or, at the option of the Obligor, surrendered to the Registrar for cancellation.

8.8 ***Cancellation***: Subject to and in accordance with the standard procedures of Euroclear and Clearstream, CDP, the CMU and/or the relevant Alternative Clearing System (which, in respect of any Series of RENTAS Sukuk, shall be the RENTAS Depository Procedures), as applicable, all Sukuk which are redeemed will forthwith be cancelled. All Sukuk purchased and surrendered for cancellation by or on behalf of the Obligor or any of the Obligor's Subsidiaries shall be cancelled by surrendering the Global Certificate or Individual Certificates representing such Sukuk to the Registrar and by the Obligor delivering to the Trustee a duly completed Cancellation Notice in accordance with the terms of the Management Wakala Sale Undertaking. If all (and not some only) of the Sukuk are cancelled in accordance with this Condition 8.8, and upon execution of a sale agreement pursuant to the Management Wakala Sale Undertaking, the Trustee shall be bound to dissolve the Trust. All Sukuk cancelled pursuant to this Condition 8.8 shall be forwarded to the Registrar and cannot be reissued or resold.

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

9. **Payments**

9.1 ***Method of Payment***: Payments of any Dissolution Distribution Amount will only be made against surrender of the relevant Sukuk at the specified office of any of the Paying Agents. Each Dissolution Distribution Amount and each Periodic Distribution Amount will be paid to the Holder shown on the Register at the close of business on the relevant Record Date:

(a) in the case of Sukuk other than RENTAS Sukuk denominated in a currency other than Renminbi, upon application by the Holder of such Sukuk to the Specified Office of the Registrar, the other Transfer Agents or any Paying Agent before the Record Date, by transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency;

(b) in the case of Sukuk other than RENTAS Sukuk denominated in Renminbi, by transfer to an account denominated in that currency and maintained by the payee with a bank in the Principal Financial Centre of that currency; and

(c) in the case of any RENTAS Sukuk denominated in any currency, by transfer to an account denominated in that currency and maintained by the payee with a bank in the Principal Financial Centre of that currency.

9.2 ***Payments on Business Days***: Where payment is to be made by transfer to an account, payment instructions (for value the due date, or, if the due date is not Payment Business Day, for value the next succeeding Payment Business Day) will be initiated:

(a) (in the case of payments of any Dissolution Distribution Amount and Periodic Distribution Amounts payable on a Dissolution Date) on the later of the due date for payment and the day on which the relevant Sukuk is surrendered (or, in the case of part payment only, presented and endorsed) at the Specified Office of a Paying Agent; and

(b) (in the case of payments of Periodic Distribution Amounts payable other than on a Dissolution Date) on the due date for payment.

A Holder of Sukuk shall not be entitled to any additional distributions or other payment in respect of any delay in payment resulting from: the due date for a payment not being a Payment Business Day.

9.3 ***Partial Payments***: If the amount of any Dissolution Distribution Amount or Periodic Distribution Amount is not paid in full when due, the Registrar will annotate the Register with a record of the amount in fact paid.

9.4 ***Record Date***: Each payment in respect of Sukuk will be made:

(a) where the Sukuk is represented by a Global Certificate, to the person shown as the Holder in the Register at the close of business (in the relevant clearing system) on the Clearing System Business Day before the due date for such payment, where "**Clearing System Business Day**" means a day on which each clearing system for which the Global Certificate is being held is open for business; or

(b) where the Sukuk is in definitive form, to the person shown as the Holder in the Register at the close of business in the place of the Registrar's Specified Office (in the case of Sukuk denominated in a Specified Currency other than Renminbi) on the fifteenth day before the due date for such payment or (in the case of Sukuk denominated in Renminbi) on the fifth day before the due date for such payment (such day described in, as the case may be, Condition 9.4(a) above and in this Condition 9.4(b), the "**Record Date**").

9.5 ***Payments subject to Laws***: All payments in respect of the Sukuk will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 10 (*Taxation)* and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 10 (*Taxation*)) any law implementing an intergovernmental approach thereto.

9.6 ***Commissions or expenses***: No commissions or expenses shall be charged to the Sukukholders in respect of such payments.

9.7 ***Payment of U.S. Dollar Equivalent***: Notwithstanding anything in these Management Wakala Conditions, if by reason of Inconvertibility, Non-transferability or Illiquidity, the Trustee is not able to satisfy payments of any Dissolution Distribution Amount, any Periodic Distribution Amount or any other amount (whether in the nature of principal or otherwise) in respect of the Sukuk when due in Renminbi in the relevant Renminbi Settlement Centre, the Trustee may, on giving not less than five nor more than 30 calendar days' irrevocable notice to the Sukukholders prior to the due date for payment, settle any such payment in U.S. dollars on the due date at the U.S. Dollar Equivalent of any such Renminbi-denominated amount.

In such event, payments of the U.S. Dollar Equivalent of the relevant Dissolution Distribution Amount, any Periodic Distribution Amount or any other amount (whether in the nature of principal or otherwise) in respect of the Sukuk shall be made, upon application by the holder of the Sukuk to the Specified Office of the Registrar or any Transfer Agent before the Record Date, by transfer to a U.S. dollar denominated account maintained by the payee with a bank in New York City.

In this Condition 9.7:

"**Determination Business Day**" means a day (other than a Saturday or Sunday) on which commercial banks are open for general business (including dealings in foreign exchange) in the relevant Renminbi Settlement Centre, London and in New York City;

"**Determination Date**" means the day which is two Determination Business Days before the due date for any payment of the relevant amount under these Management Wakala Conditions;

"**Governmental Authority**" means any *de facto* or *de jure* government (or any agency or instrumentality thereof), court, tribunal, administrative or other governmental authority or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) of the relevant Renminbi Settlement Centre;

"**Illiquidity**" means where the general Renminbi exchange market in the relevant Renminbi Settlement Centre becomes illiquid and, as a result of which the Trustee cannot obtain sufficient Renminbi in order to satisfy its obligation to pay any Dissolution Distribution Amount, any Periodic Distribution Amount or any other amount (whether in the nature of principal or otherwise) (in whole or in part) in respect of the Sukuk as determined by the Trustee in good faith and in a commercially reasonable manner following consultation (if practicable) with two Renminbi Dealers;

"**Inconvertibility**" means the occurrence of any event that makes it impossible for the Trustee to convert any amount due in respect of the Sukuk in the general Renminbi exchange market in the relevant Renminbi Settlement Centre, other than where such impossibility is due solely to the failure of the Trustee to comply with any law, rule or regulation enacted by any Governmental

Authority (unless such law, rule or regulation is enacted after the pricing date of the relevant Series of Sukuk and it is impossible for the Trustee, due to an event beyond its control, to comply with such law, rule or regulation);

"**Non-transferability**" means the occurrence of any event that makes it impossible for the Trustee to transfer Renminbi between accounts inside the relevant Renminbi Settlement Centre or from an account inside the relevant Renminbi Settlement Centre to an account outside the relevant Renminbi Settlement Centre or from an account outside the relevant Renminbi Settlement Centre to an account inside the relevant Renminbi Settlement Centre, other than where such impossibility is due solely to the failure of the Trustee to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the pricing date for the relevant Series of Sukuk and it is impossible for the Trustee, due to an event beyond its control, to comply with such law, rule or regulation);

"**Renminbi Dealer**" means an independent foreign exchange dealer of international repute active in the Renminbi exchange market in the relevant Renminbi Settlement Centre;

"**Spot Rate**" means the spot CNY/U.S. dollar exchange rate for the purchase of U.S. dollars with Renminbi in the over-the-counter Renminbi exchange market in the relevant Renminbi Settlement Centre for settlement in two Determination Business Days, as determined by the Obligor at or around 11.00 a.m. (Hong Kong time) on the Determination Date, on a deliverable basis by reference to Reuters Screen Page TRADCNY3, or if no such rate is available, on a non-deliverable basis by reference to Reuters Screen Page TRADNDF. If neither rate is available, the Calculation Agent will determine the Spot Rate at or around 11.00 a.m. (Hong Kong time) on the Determination Date as the most recently available CNY/U.S. dollar official fixing rate for settlement in two Determination Business Days reported by The State Administration of Foreign Exchange of the PRC, which is reported on the Reuters Screen Page CNY=SAEC. Reference to a page on the Reuters Screen means the display page so designated on the Reuters Monitor Money Rates Service (or any successor service) or such other page as may replace that page for the purpose of displaying a comparable currency exchange rate. All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 9.7 by the Calculation Agent, will (in the absence of wilful default or fraud) be binding on the Trustee, the Obligor, the Paying Agents and all Sukukholders; and

"**U.S. Dollar Equivalent**" means the Renminbi amount converted into U.S. dollars using the Spot Rate for the relevant Determination Date.

10. **Taxation**

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

(a) held by or on behalf of a Holder which is liable to such taxes, duties, assessments or governmental charges in respect of such Sukuk by reason of its having some connection with the jurisdiction by which such taxes, duties, assessments or charges have been imposed, levied, collected, withheld or assessed other than the mere holding of the Sukuk; or

(b) where the relevant Sukuk is presented or surrendered for payment more than 30 days after the Relevant Date except to the extent that the Holder of such Sukuk would have been entitled to such additional amounts on presenting or surrendering such Sukuk for payment on the last day of such period of 30 days.

If the Trustee becomes subject at any time to any taxing jurisdiction other than or in addition to Malaysia, references in these Management Wakala Conditions to Malaysia shall be construed as references to Malaysia and/or such other jurisdiction.

Notwithstanding anything herein to the contrary, in no event will the Trustee (or any successor of the Trustee) pay any additional amounts in respect of any taxes, withholding or deduction imposed pursuant to the provisions of Sections 1471 through 1474 of the Code (including any successor provisions or amendments thereof), any current or future regulations or agreements thereunder, any official interpretations thereof or any law implementing an intergovernmental approach thereto.

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

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

11. **Prescription**

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

12. **Dissolution Events**

12.1 ***Dissolution Event***: Upon the occurrence of a Dissolution Event:

(a) the Delegate, upon receiving written notice thereof under the Trust Deed or otherwise upon becoming actually aware of a Dissolution Event, shall (subject to it being indemnified and/or secured and/or pre-funded to its satisfaction, if required by the Delegate in the circumstances) promptly give notice of the occurrence of the Dissolution Event to the Sukukholders in accordance with Condition 18 (*Notices*) with a request to Sukukholders to indicate to the Trustee and the Delegate if they wish the Sukuk to be redeemed and the Trust to be dissolved; and

(b) the Delegate in its sole discretion may, and shall if so requested in writing by the holders of at least 25 per cent. of the then aggregate face amount of the Series of Sukuk outstanding or if so directed by an Extraordinary Resolution, subject in each case to being indemnified and/or secured and/or pre-funded to its satisfaction, give notice (a "**Dissolution Notice**") to the Trustee, the Obligor and the Sukukholders in accordance

with Condition 18 (*Notices*) that the Sukuk are immediately due and payable at the Dissolution Distribution Amount, whereupon they shall become so due and payable. A Dissolution Notice may be given pursuant to this Condition 12.1(b) whether or not notice has been given to Sukukholders as provided in Condition 12.1(a).

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

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

12.2 ***Enforcement and Exercise of Rights***: Upon the occurrence of a Dissolution Event, to the extent that any amount payable in respect of the Sukuk of the relevant Series has not been paid in full (notwithstanding the provisions of Condition 12.1 (*Dissolution Event*)), the Delegate may (acting for the benefit of the Sukukholders), and shall if so requested in writing by the holders of at least 25 per cent. of the then outstanding aggregate face amount of the Series of Sukuk or if so directed by an Extraordinary Resolution (and, in each case, subject to it being indemnified and/or secured and/or pre-funded to its satisfaction against all Liabilities to which it may, in its opinion, render itself liable or which it may in its opinion incur by so doing), take one or more of the following steps:

(a) enforce the provisions of the Management Wakala Purchase Undertaking and, if applicable to a Series, the Management Wakala Master Murabaha Agreement against the Obligor; and/or

(b) start or join in legal proceedings against the Obligor or the Trustee to recover from the Obligor or the Trustee any amounts owed to the Sukukholders; and/or

(c) start or join in any other legal proceedings or take such other steps as the Trustee or the Delegate may consider necessary to recover amounts due to the Sukukholders.

13. **Realisation of Trust Assets**

13.1 The Delegate shall not be bound in any circumstances to take any action to enforce or to realise the relevant Trust Assets or take any action or steps or proceedings against the Trustee and/or the Obligor under any Transaction Document to which either of the Trustee or the Obligor is a party unless directed or requested to do so: (i) by an Extraordinary Resolution; or (ii) in writing by the holders of at least 25 per cent. of the then outstanding aggregate face amount of the Series of Sukuk and, in either case, only if it is indemnified and/or secured and/or pre-funded to its satisfaction against all Liabilities to which it may, in its opinion, thereby render itself liable or which it may, in its opinion, incur by so doing.

13.2 No Sukukholder shall be entitled to proceed directly against the Trustee or the Obligor under any Transaction Document to which either of them is a party unless the Delegate, having become bound so to proceed, fails to do so within a reasonable period and such failure is continuing. Under no circumstances shall the Delegate or any Sukukholder have any right to cause the sale or

other disposition of any of the relevant Trust Assets (other than as expressly contemplated in the Management Wakala Transaction Documents) and the sole right of the Delegate and the Sukukholders against the Trustee and the Obligor shall be to enforce their respective obligations under the Management Wakala Transaction Documents to which they are a party.

13.3 Conditions 12.2, 13.1 and 13.2 are subject to this Condition 13.3. After enforcing or realising the Trust Assets in respect of the Sukuk of the relevant Series and distributing the net proceeds of the Trust Assets in accordance with Condition 5.2 (*Application of Proceeds from Trust Assets*) and the Trust Deed, the obligations of the Trustee and the Delegate in respect of the Sukuk of the relevant Series shall be satisfied and the Trustee shall not be liable for any further sums in respect of such Series and, accordingly, no Sukukholder may take any further steps against the Trustee (to the extent that the Trust Assets have been exhausted) (or any steps against the Delegate) or any other person (including the Obligor (to the extent that it fulfils all of its obligations under the Management Wakala Transaction Documents)) to recover any further sums in respect of the Sukuk of the relevant Series and the right to receive from the Trustee or the Delegate any such sums remaining unpaid shall be extinguished. In particular, no Sukukholder shall be entitled in respect thereof to petition or to take any other steps for the winding-up of the Trustee.

14. **Replacement of Sukuk**

If any Global Certificate or Individual Certificate is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Registrar (and, if the Sukuk are then admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent or Transfer Agent in any particular place, the Paying Agent or Transfer Agent having its Specified Office in the place required by such competent authority, stock exchange and/or quotation system), subject to all applicable laws and competent authority, stock exchange and/or quotation system requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Trustee or any relevant Agent may reasonably require. A mutilated or defaced Global Certificate or Individual Certificate must be surrendered before replacements will be issued.

15. **Agents**

In acting under the Agency Agreement and/or any relevant ACS Forms (as applicable) and in connection with the Sukuk, the Agents act solely as agents of the Trustee and do not assume any obligations towards or relationship of agency or trust for or with any of the Sukukholders.

The Agents and their Specified Offices are set out in the Agency Agreement and/or any relevant ACS Forms (as applicable). In respect of each Series of Sukuk, the relevant Agents are specified in the applicable Pricing Supplement. The Trustee reserves the right at any time with the prior written approval of the Delegate to terminate the appointment of any Agent and to appoint additional or successor Agents; **provided**, **however**, **that**:

(a) the Trustee shall at all times maintain a principal agent, a registrar and a transfer agent;

(b) if a Calculation Agent is specified in the applicable Pricing Supplement, the Trustee shall at all times maintain a Calculation Agent;

(c) the Trustee shall at all times maintain a CMU Lodging and Paying Agent in respect of CMU Sukuk;

(d) the Trustee shall at all times maintain a CDP Lodging and Paying Agent in respect of CDP Sukuk;

(e) the Trustee shall, so long as any ACS Sukuk are outstanding, maintain the relevant ACS Agents in relation to such ACS Sukuk; and

(f) if and for so long as the Sukuk are admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent and/or a Transfer Agent in any particular place, the Trustee shall maintain a Paying Agent and/or a Transfer Agent having its Specified Office in the place required by such competent authority, stock exchange and/or quotation system.

Notice of any change in any of the Agents or in their Specified Offices shall promptly be given by the Trustee to the Sukukholders.

16. **Meetings of Sukukholders, Modification and Waiver**

16.1 ***Meetings of Sukukholders***: The Trust Deed contains provisions for convening meetings of Sukukholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of any of these Management Wakala Conditions or any provisions of the Trust Deed. Such a meeting may be convened by the Trustee, the Obligor or the Delegate, and shall be convened by the Trustee, or, subject to it being indemnified and/or secured and/or pre-funded to its satisfaction, the Delegate, if the Trustee or the Delegate (as the case may be) receives a request in writing from Sukukholders holding not less than 10 per cent. in aggregate face amount of the Sukuk of any Series for the time being outstanding. The quorum for any meeting convened to consider an Extraordinary Resolution shall be two or more Persons holding or representing more than 50 per cent. in aggregate face amount of the Sukuk for the time being outstanding, or at any adjourned meeting two or more Persons being or representing Sukukholders whatever the aggregate face amount of the Sukuk held or represented, unless the business of such meeting includes consideration of proposals to (each a "**Reserved Matter**"):

(a) amend any Dissolution Date in respect of the Sukuk or any date for payment of Periodic Distribution Amounts on the Sukuk;

(b) reduce or cancel the face amount of, or any premium payable on redemption of, the Sukuk;

(c) to reduce the rate or rates of profit in respect of the Sukuk or to vary the method or basis of calculating the rate or rates or amount of profit or the basis for calculating any Periodic Distribution Amount in respect of the Sukuk;

(d) if a Minimum Profit Rate and/or a Maximum Profit Rate is shown in the applicable Pricing Supplement, to reduce any such Minimum Profit Rate and/or Maximum Profit Rate;

(e) vary any method of, or basis for, calculating the Dissolution Distribution Amount;

(f) vary the currency of payment or denomination of the Sukuk;

(g) modify the provisions concerning the quorum required at any meeting of Sukukholders or the majority required to pass an Extraordinary Resolution;

(h) modify or cancel the payment obligations of the Obligor (in any capacity) and/or the Trustee under the Management Wakala Transaction Documents and/or the Sukuk (as the case may be);

(i) amend any of the Obligor's covenants included in the Management Wakala Purchase Undertaking;

(j) amend the order of application of monies set out in Condition 5.2 (*Application of Proceeds from Trust Assets*); or

(k) amend this definition,

in which case the necessary quorum shall be two or more persons holding or representing not less than 66 per cent., or at any adjourned meeting not less than 33 per cent., in aggregate face amount of the Sukuk for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on all Sukukholders (whether or not they were present at the meeting at which such resolution was passed).

Any such meeting of the Sukukholders may be convened at a physical location, or such other method (which may include, without limitation, a conference call or video conference) as the Delegate may approve in accordance with the provisions of the Trust Deed.

The Trust Deed provides that a resolution in writing signed by or on behalf of the holders of not less than 90 per cent. in aggregate face amount of the Sukuk outstanding shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Sukukholders duly convened and held. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Sukukholders.

The consent or approval of the Sukukholders shall not be required in the case of amendments to these Conditions pursuant to Condition 7.2(g) (*Benchmark Discontinuation*) to vary the method or basis of calculating the Reference Rate or the basis for calculating any Profit Rate(s) in respect of the Sukuk or for any other variation of these Conditions and/or the Trust Deed and/or the Agency Agreement and/or the Transaction Documents required to be made in the circumstances described in Condition 7.2(g) (*Benchmark Discontinuation*), where the requirements of Condition 7.2(g) (*Benchmark Discontinuation*) have been satisfied (including the provision of a certificate to the Delegate, where applicable).

16.2 ***Modification***: The Delegate may (but shall not be obliged to), without the consent of the Sukukholders: (i) agree to any modification of any of the provisions of the Trust Deed or the Management Wakala Transaction Documents that is, in the sole opinion of the Delegate, of a formal, minor or technical nature or is made to correct a manifest error or is not materially prejudicial to the interests of the outstanding Sukukholders; or (ii) (A) agree to any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed or the Management Wakala Transaction Documents or (B) determine that any Dissolution Event shall not be treated as such, **provided that** such waiver, authorisation or determination is in the sole opinion of the Delegate not materially prejudicial to the interests of the outstanding Sukukholders and is other than in respect of a Reserved Matter and not in contravention of any express direction by Extraordinary Resolution or request in writing by the holders of at least 25 per cent. of the outstanding aggregate face amount of that Series. Any such modification, authorisation, determination or waiver shall be binding on all Sukukholders and, unless the Delegate agrees otherwise, such modification, waiver, authorisation or determination shall be notified by the Trustee to the Sukukholders in accordance with Condition 18 (*Notices*) as soon as practicable.

16.3 ***Entitlement of the Delegate***: In connection with the exercise of its powers, authorities and discretions (including but not limited to those referred to in this Condition) the Delegate shall have regard to the general interests of the Sukukholders as a class and shall not have regard to the consequences of such exercise for individual Sukukholders and the Delegate shall not be entitled to require, nor shall any Sukukholder be entitled to claim, from the Trustee, the Obligor or the Delegate any indemnification or payment in respect of any tax consequence of any such exercise upon individual Sukukholders.

17. **Delegate**

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

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

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

17.2 ***Indemnification***: The Trust Deed contains provisions for the indemnification of the Delegate in certain circumstances and for its relief from responsibility, including provisions relieving it from taking action unless indemnified and/or secured and/or pre-funded to its satisfaction. In particular, but without limitation, in connection with the exercise of any of its rights in respect of the relevant Trust Assets or any other right it may have pursuant to the Trust Deed or the other Management Wakala Transaction Documents, the Delegate shall in no circumstances be bound to take any action unless directed to do so in accordance with Conditions 12 (*Dissolution Events*) or 13 (*Realisation of Trust Assets*), and then only if it shall also have been indemnified and/or secured and/or pre-funded to its satisfaction.

17.3 ***No liability***: The Delegate makes no representation and assumes no responsibility for the validity, sufficiency or enforceability of the obligations of the Obligor or the Trustee under the Management Wakala Transaction Documents to which it is a party and shall not under any circumstances have any liability or be obliged to account to Sukukholders in respect of any payments which should have been paid by the Obligor but are not so paid and shall not in any circumstances have any liability arising from the relevant Trust Assets other than as expressly provided in these Management Wakala Conditions or in the Trust Deed.

17.4 ***Reliance on certificates and/or reports***: The Delegate may rely, without liability to any Sukukholder or any other person, on any certificate or report of the auditors or insolvency officials (as applicable) of the Trustee, the Obligor or any other person called for by or provided to the Delegate (whether or not addressed to the Delegate) in accordance with or for the purposes of the Trust Deed or the other Management Wakala Transaction Documents and such certificate

or report may be relied upon by the Delegate as sufficient evidence of the facts stated therein notwithstanding that such certificate or report and/or any engagement letter or other document entered into by the Delegate in connection therewith contains a monetary or other limit on the liability of the auditors of the Trustee, the Obligor or such other person in respect thereof and notwithstanding that the scope and/or basis of such certificate or report may be limited by an engagement or similar letter or by the terms of the certificate or report itself and the Delegate shall not be bound in any such case to call for further evidence or be responsible for any liability or inconvenience that may be occasioned by its failure to do so.

17.5 ***Proper performance of duties***: Nothing shall, in any case in which the Trustee or the Delegate has failed to show the degree of care and diligence required of it as trustee, in the case of the Trustee (having regard to the provisions of the Trust Deed conferring on it any trusts, powers, authorities or discretions) or as donee and delegate, in the case of the Delegate (having regard to the powers, authorities and discretions conferred on it by the Trust Deed and to the Relevant Powers delegated to it), respectively exempt the Trustee or the Delegate from or indemnify either of them against any Liability for gross negligence, wilful default or fraud of which either of them may be guilty in relation to their duties under the Trust Deed.

17.6 ***Notice of events***: The Delegate shall not be responsible for monitoring or ascertaining whether or not a Dissolution Event or Change of Shareholding has occurred or exists and, unless and until it shall have received express written notice to the contrary, it will be entitled to assume that no such event or circumstance exists or has occurred (without any liability to Sukukholders or any other person for so doing).

18. **Notices**

18.1 ***Notices to the Holders:*** Notices to the Holders of Sukuk shall be sent to them by uninsured first class mail (or its equivalent) or (if posted to an overseas address) by airmail at their respective addresses on the Register. Any such notice shall be deemed to have been given on the fourth day (being a day other than a Saturday or a Sunday) after the date of mailing.

18.2 ***Listing authorities and clearing systems:*** The Trustee shall also ensure that notices are duly given in a manner which complies with the rules and regulations of any listing authority, stock exchange and/or quotation system on which the Sukuk are for the time being listed.

So long as the Sukuk are held by: (i) Euroclear or Clearstream, notices to the Holders of Sukuk of that Series may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders in substitution for mailing or publication as required by the Management Wakala Conditions; (ii) the CMU, notices to the Holders of Sukuk of that Series may be given by delivery of the relevant notice to the Persons shown in a CMU Instrument Position Report (as defined in the rules of the CMU) issued by the HKMA on the business day preceding the date of despatch of such notice as holding interests in the relevant Sukuk; (iii) CDP, notices to the Holders of Sukuk of that Series may be given by delivery of the relevant notice to the Persons shown in the records of CDP on the second business day preceding the date of despatch of such notice as holding interests in the relevant Sukuk; and (iv) any relevant Alternative Clearing System, notices to the Holders of Sukuk of that Series may be given in accordance with the rules and regulations of such Alternative Clearing System.

19. **Currency Indemnity**

If any sum due from the Trustee in respect of the Sukuk or any order or judgment given or made in relation thereto has to be converted from the currency (the "**first currency**") in which the same is payable under these Management Wakala Conditions or such order or judgment into another currency (the "**second currency**") for the purpose of: (a) making or filing a claim or

proof against the Trustee; (b) obtaining an order or judgment in any court or other tribunal; or (c) enforcing any order or judgment given or made in relation to the Sukuk, the Trustee shall indemnify each Sukukholder, on the written demand of such Sukukholder addressed to the Trustee and delivered to the Trustee or to the Specified Office of the Principal Paying Agent, against any loss suffered as a result of any discrepancy between: (i) the rate of exchange used for such purpose to convert the sum in question from the first currency into the second currency; and (ii) the rate or rates of exchange at which such Sukukholder may in the ordinary course of business purchase the first currency with the second currency upon receipt of a sum paid to it in satisfaction, in whole or in part, of any such order, judgment, claim or proof.

This indemnity constitutes a separate and independent obligation of the Trustee and shall give rise to a separate and independent cause of action. In no circumstances will the Delegate incur any liability by virtue of this Condition 19.

20. **Rounding**

For the purposes of any calculations referred to in these Management Wakala Conditions (unless otherwise specified in these Management Wakala Conditions or the applicable Pricing Supplement): (a) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 per cent. being rounded up to 0.00001 per cent.); (b) all United States dollar amounts used in or resulting from such calculations will be rounded to the nearest cent (with one half cent being rounded up); (c) all Japanese Yen amounts used in or resulting from such calculations will be rounded downwards to the next lower whole Japanese Yen amount; and (d) all amounts denominated in any other currency used in or resulting from such calculations will be rounded to the nearest two decimal places in such currency, with 0.005 being rounded upwards.

21. **Governing Law and Jurisdiction**

21.1 ***Governing law***: The Trust Deed, the Agency Agreement and the Sukuk (including these Management Wakala Conditions) and any non-contractual obligations arising out of or in connection with the same are governed by English law.

21.2 ***English courts***: The courts of England have non-exclusive jurisdiction to settle any dispute arising out of or in connection with the Trust Deed, the Agency Agreement and the Sukuk (including these Management Wakala Conditions) (including a dispute relating to the existence, validity or termination of the Sukuk or any non-contractual obligation arising out of or in connection with them) or the consequences of their nullity (a "**Dispute**").

21.3 ***Appropriate forum***: The Trustee agrees that the courts of England are the most appropriate and convenient courts to settle any Dispute and, accordingly, that it will not argue to the contrary.

21.4 ***Rights of the Delegate and the Sukukholders to take proceedings outside England***: Condition 21.2 (*English courts*) is for the benefit of the Delegate and the Sukukholders only. As a result, nothing in this Condition 21 prevents the Delegate or any Sukukholder (only where permitted so to do in accordance with the terms of the Master Trust Deed) from taking proceedings relating to a Dispute ("**Proceedings**") in any other courts with jurisdiction. To the extent allowed by law, the Delegate and/or the Sukukholders may take concurrent Proceedings in any number of jurisdictions.

21.5 ***Process agent***: The Trustee agrees that the documents which start any Proceedings and any other documents required to be served in relation to those Proceedings may be served on it by being delivered to Law Debenture Corporate Services Limited at its registered office at Eighth Floor, 100 Bishopsgate, London EC2N 4AG, United Kingdom. If such person is not or ceases to be

effectively appointed to accept service of process on behalf of the Trustee, the Trustee shall, on the written demand of the Delegate or any Sukukholder addressed and delivered to the Trustee or to the Specified Office of the Principal Paying Agent appoint a further person in England to accept service of process on its behalf and, failing such appointment within 15 days, the Delegate or any Sukukholder shall be entitled to appoint such a person by written notice addressed to the Trustee and delivered to the Trustee or to the Specified Office of the Principal Paying Agent. Nothing in this Condition 21.5 shall affect the right of the Delegate or any Sukukholder to serve process in any other manner permitted by law.

21.6 ***Waiver of immunity***: To the extent that the Trustee has or hereafter may acquire any immunity (sovereign or otherwise) from any legal action, suit or proceeding, from jurisdiction of any court or from set-off or any legal process (including any immunity from jurisdiction or from service of process or, except as provided below, from any execution to satisfy a final judgment or from attachment or in aid of such execution or otherwise) with respect to itself or any of its property, the Trustee irrevocably waives, to the fullest extent permitted under applicable law, any such right of immunity or claim thereto which may now or hereafter exist, and agrees not to assert any such right or claim in any action or proceeding against it arising out of or based on the Trust Deed, the Agency Agreement or the Sukuk.

21.7 ***Waiver of Interest***:

(a) Each of the Trustee, the Delegate and the Obligor has irrevocably agreed in the Trust Deed that no interest will be payable or receivable under or in connection therewith and if it is determined that any interest is payable or receivable in connection therewith by a party, whether as a result of any judicial award or by operation of any applicable law or otherwise, such party has agreed to waive any rights it may have to claim or receive such interest and has agreed that if any such interest is actually received by it, it shall hold such amount in a suspense account and promptly donate the same to a registered or otherwise officially recognised charitable organisation.

(b) For the avoidance of doubt, nothing in this Condition 21.7 shall be construed as a waiver of rights in respect of Periodic Distribution Amounts payable under the Management Wakala Sukuk, Deferred Sale Prices payable under the Management Wakala Master Murabaha Agreement (if applicable to a Management Wakala Series), Wakala Asset Revenues, exercise prices (howsoever defined) payable under the Management Wakala Purchase Undertaking or Management Wakala Sale Undertaking or profit of any kind howsoever described payable by the Obligor (in any capacity) or the Trustee (in any capacity) pursuant to the Management Wakala Transaction Documents and/or the Management Wakala Conditions, howsoever such amounts may be described or re-characterised by any court.

TERMS AND CONDITIONS OF THE INVESTMENT WAKALA SUKUK

*The following is the text of the terms and conditions of the Investment Wakala Sukuk ("**Investment Wakala Conditions**") that, subject to completion and amendment and as supplemented or varied in accordance with the provisions of the applicable Pricing Supplement, will apply to each Global Certificate and shall be applicable to the Investment Wakala Sukuk in definitive form (if any) issued in exchange for the Global Certificate representing each Investment Wakala Series.*

*Either (i) the full text of these terms and conditions together with the relevant provisions of the applicable Pricing Supplement or (ii) these terms and conditions as so completed, amended, supplemented or varied (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed on such Sukuk in definitive form. References in these terms and conditions to (i) "**Investment Wakala Sukuk**" are to the Sukuk of one Investment Wakala Series only, not to all Investment Wakala Sukuk that may be issued under the Programme; and (ii) "Sukuk", "Series", "Holder" and "Sukukholder" are, unless the context specifies otherwise, to (or with respect to) the Sukuk of an Investment Wakala Series only.*

1. Introduction

1.1 ***Programme***: Cagamas Global Sukuk Berhad (in its capacities as issuer and as trustee, the "**Trustee**") and Cagamas Berhad (in its capacity as obligor, the "**Obligor**") has established a multicurrency sukuk issuance programme (the "**Programme**") for the issuance of trust certificates (the "**Sukuk**") in a maximum aggregate face amount of U.S.$2,500,000,000 (or the equivalent in other currencies calculated as described in the dealer agreement between the Trustee, the Obligor and the Dealers (as defined and named therein) dated 28 November 2014, as amended and restated on 15 February 2016 and 20 December 2022 (the "**Dealer Agreement**")), or such other maximum aggregate face amount as increased in accordance with the terms of the Dealer Agreement.

1.2 ***Pricing Supplement***: Sukuk issued under the Programme are issued in Series (as defined below). Each Series is the subject of a pricing supplement (the "**Pricing Supplement**") which supplements these terms and conditions (the "**Investment Wakala Conditions**"). The terms and conditions applicable to any particular Series of Investment Wakala Sukuk are these Investment Wakala Conditions as supplemented, amended and/or replaced by the applicable Pricing Supplement. In the event of any inconsistency between these Investment Wakala Conditions and the applicable Pricing Supplement, the applicable Pricing Supplement shall prevail.

1.3 ***Trust Deed***: The Sukuk are constituted by a master trust deed dated 28 November 2014, as amended and restated on 20 December 2022 between the Trustee, the Obligor, and The Hongkong and Shanghai Banking Corporation Limited in its capacity as donee of certain powers and as the Trustee's delegate (the "**Delegate**", which expression shall include all persons for the time being the delegate or delegates under such master trust deed) (the "**Master Trust Deed**") as supplemented by a supplemental trust deed entered into on the date of issue of the relevant Sukuk (the "**Issue Date**") in respect of the relevant Series (the "**Supplemental Trust Deed**" and, together with the Master Trust Deed, the "**Trust Deed**").

1.4 ***Agency Agreement***: An agency agreement (as amended or supplemented as at the Issue Date, the "**Agency Agreement**") dated 28 November 2014 as amended and restated on 20 December 2022 has been entered into in relation to the Programme between the Trustee, the Obligor, the Delegate, The Hongkong and Shanghai Banking Corporation Limited as initial principal paying agent, paying agent and calculation agent, registrar and transfer agent (in the case of Sukuk other than CMU Sukuk, CDP Sukuk and, as the case may be, ACS Sukuk (each as defined below)), The Hongkong and Shanghai Banking Corporation Limited as initial CMU lodging and paying agent, calculation agent, registrar and transfer agent (in the case of CMU Sukuk), The Hongkong and

Shanghai Banking Corporation Limited, Singapore Branch as initial CDP lodging and paying agent, calculation agent, registrar and transfer agent (in the case of CDP Sukuk) and the other agents named in it.

1.5 ***Other Transaction Documents***: These Investment Wakala Conditions include summaries of and are subject to, the detailed provisions of the Trust Deed, the Agency Agreement and the remaining Investment Wakala Transaction Documents (as defined below). The Sukukholders (as defined below) are bound by, and are deemed to have notice of, all the provisions applicable to them in the Investment Wakala Transaction Documents. Copies of the Investment Wakala Transaction Documents are available for inspection, upon prior written request and satisfactory proof of holding, during normal business hours at the Specified Office of the Principal Paying Agent, the CMU Lodging and Paying Agent and the CDP Lodging and Paying Agent.

1.6 ***Authorisation***: Each initial Sukukholder, by its acquisition and holding of its interest in a Sukuk, shall be deemed to authorise and direct the Trustee, on behalf of the Sukukholders: (i) to apply the proceeds of the issue of the Sukuk towards funding of the Initial Wakala Investment Amount (as defined below) and/or the entry into of a Commodity Murabaha Investment (in the proportions to be determined prior to the relevant Issue Date and otherwise in accordance with the provisions of the Investment Wakala Transaction Documents); and (ii) to enter into each Investment Wakala Transaction Document to which it is a party, subject to the terms and conditions of the Trust Deed and these Investment Wakala Conditions.

2. **Definitions and Interpretation**

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

"**ACS Agents**" means, in respect of each Series of ACS Sukuk, the ACS Lodging Agent, the ACS Paying Agent, the ACS Calculation Agent, the ACS Registrar and the ACS Transfer Agent or any of them (as applicable);

"**ACS Calculation Agent**" means the institution specified as such in the applicable Pricing Supplement (including its successors in title and assigns and any successors acting in such capacity);

"**ACS Form**" means any application form, agreement, deed or other document (including, but not limited to, securities lodgement forms (including any RENTAS Securities Lodgement Form)), required to be entered into by the Trustee for the purposes of the acceptance for clearing and settlement of a Series of ACS Sukuk by the relevant Alternative Clearing System;

"**ACS Lodging Agent**" means the institution specified as such in the applicable Pricing Supplement (including its successors in title and assigns and any successors acting in such capacity);

"**ACS Paying Agent**" means the institution specified as such in the applicable Pricing Supplement which, for the avoidance of doubt, may, in respect of each Series of RENTAS Sukuk, be the RENTAS Paying Agent;

"**ACS Registrar**" means the institution specified as such in the applicable Pricing Supplement (including its successors in title and assigns and any successors acting in such capacity);

"**ACS Sukuk**" means any Sukuk which are cleared through an Alternative Clearing System including, without limitation, RENTAS Sukuk;

"**ACS Transfer Agent**" means the institution specified as such in the applicable Pricing Supplement (including its successors in title and assigns and any successors acting in such capacity);

"**Additional Business Centre(s)**" means the city or cities specified as such in the applicable Pricing Supplement;

"**Additional Financial Centre(s)**" means the city or cities specified as such in the applicable Pricing Supplement;

"**Agents**" means the Principal Paying Agent, the CMU Lodging and Paying Agent, the CDP Lodging and Paying Agent, the other Paying Agents, the Calculation Agents, the Registrars and the Transfer Agents, any ACS Agents or any of them and shall include such Agent or Agents as may be appointed from time to time under the Agency Agreement and/or any relevant ACS Forms (as applicable);

"**Alternative Clearing System**" means any additional or alternative clearing system (other than Euroclear, Clearstream, CDP and the CMU) specified in the applicable Pricing Supplement or as may otherwise be approved by the Trustee, the Obligor, the Principal Paying Agent and the Delegate including, without limitation, RENTAS;

"**BCH System**" means the Bursa Commodity House System, established, owned and operated by BMIS which provides the automated and computerised electronic trading system to carry out trades on the Market;

"**BMIS**" means Bursa Malaysia Islamic Services Sdn Bhd (Registration No. 200901010654 (853675 M)), a company incorporated under the laws of Malaysia, which operates the BCH System, and includes its successors in title, assigns and such other entities into which it is merged or amalgamated or to which its business or undertaking are transferred from time to time;

"**BNM**" means Bank Negara Malaysia, a body corporate established under the Central Bank of Malaysia Act, 2009, of Jalan Dato' Onn, 50480 Kuala Lumpur;

"**Broken Amount**" has the meaning given in the applicable Pricing Supplement; "**Business Day**" means:

(a) in relation to any sum payable in euro, a TARGET Settlement Day and a day on which commercial banks and foreign exchange markets settle payments generally in each (if any) Additional Business Centre;

(b) in relation to any sum payable in Renminbi, any day (other than a Saturday or a Sunday or a public holiday) on which commercial banks and foreign exchange markets settle payments generally in the relevant Renminbi Settlement Centre;

(c) in relation to any sum payable in Singapore dollars, a day (other than a Saturday or a Sunday or a gazetted public holiday) on which commercial banks and foreign exchange markets settle payments generally in Singapore; and

(d) in relation to any sum payable in a currency other than euro, Renminbi, and Singapore dollars, a day on which commercial banks and foreign exchange markets settle payments generally in the Principal Financial Centre of the relevant currency and in each (if any) Additional Business Centre;

"**Business Day Convention**" has the meaning given to it in Condition 7.7 (*Business Day Convention*);

"**Calculation Agent**" means, in relation to any Series of Sukuk, the institution appointed as calculation agent for the purposes of such Sukuk and named as such in the applicable Pricing Supplement, in the case of the Principal Paying Agent, the CMU Lodging and Paying Agent or the CDP Lodging and Paying Agent, pursuant to the Agency Agreement, in the case of a Dealer, pursuant to the Dealer Agreement and, in the case of any other institution (including any relevant ACS Calculation Agent) pursuant to a letter of appointment in, or substantially in, the form set out in Schedule 4 of the Agency Agreement and/or any relevant ACS Forms (as applicable) and, in any case, any successor to such institution in its capacity as such;

"**Calculation Amount**" has the meaning given in the applicable Pricing Supplement;

"**Cancellation Notice**" means a cancellation notice given pursuant to the terms of the Master Trust Deed;

"**CDP**" means The Central Depository (Pte) Limited;

"**CDP Lodging and Paying Agent**" means The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch or any successor appointed as CDP lodging and paying agent under the Programme pursuant to the Agency Agreement collectively in its capacities as: (i) the agent appointed by the Trustee for lodgement services with CDP for each Series of CDP Sukuk; and (ii) the account bank with which the Transaction Account for each such Series is established; "**CDP Sukuk**" means any Sukuk which are cleared through CDP;

"**Change of Shareholding**" has the meaning given to it in Condition 8.5 (Dissolution at the Option of the Sukukholders (Change of Shareholding Put Right));

"**Change of Shareholding Exercise Notice**" has the meaning given to it in Condition 8.5 (*Dissolution at the Option of the Sukukholders (Change of Shareholding Put Right)*);

"**Change of Shareholding Notice**" has the meaning given to it in Condition 8.5 (*Dissolution at the Option of the Sukukholders (Change of Shareholding Put Right)*);

"**Change of Shareholding Put Period**" has the meaning given to it in Condition 8.5 (*Dissolution at the Option of the Sukukholders (Change of Shareholding Put Right)*);

"**Change of Shareholding Put Right**" means the right specified in Condition 8.5 (*Dissolution at the Option of the Sukukholders (Change of Shareholding Put Right)*);

"**Change of Shareholding Put Right Date**" shall be the fourteenth day after the expiry of the Change of Shareholding Put Period;

"**Clearstream**" means Clearstream Banking, S.A.;

"**CMU Lodging and Paying Agent**" means The Hongkong and Shanghai Banking Corporation Limited or any successor appointed as CMU lodging and paying agent under the Programme pursuant to the Agency Agreement collectively in its capacities as: (i) the agent appointed by the Trustee for lodgement services with the CMU for each Series of CMU Sukuk; and (ii) the account bank with which the Transaction Account for each such Series is established;

"**CMU**" means the Central Moneymarkets Unit operated by the HKMA;

"**CMU Sukuk**" means any Sukuk which are cleared through the CMU;

"**Commodities**" means any *Shariah*-compliant commodities that are traded on the Market (excluding currency, gold and silver);

"**Commodity Murabaha Investment**" means, in relation to an Investment Wakala Series, the sale of certain Commodities by the Trustee to the Obligor (in its capacity as the Buyer (as defined in the Investment Wakala Master Murabaha Agreement)), which Commodities were initially purchased by the Trustee using a proportion of the proceeds of the issue of the Investment Wakala Sukuk, pursuant to the Investment Wakala Master Murabaha Agreement;

"**CSDPAR**" means the Central Securities Depository and Paying Agency Rules, a uniform set of rules and procedures which govern the depository and paying agency services provided by BNM in relation to the securities deposited in RENTAS;

"**Day Count Fraction**" means, in respect of the calculation of an amount of profit on any Sukuk for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting a Return Accumulation Period, the "**Calculation Period**"), such day count fraction as may be specified in these Investment Wakala Conditions or the applicable Pricing Supplement and:

(a) if "**Actual/Actual (ICMA)**" is so specified, means:

(i) where the Calculation Period is equal to or shorter than the Determination Period during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Determination Period; and (2) the number of Determination Periods in any year; and

(ii) where the Calculation Period is longer than one Determination Period, the sum of:

(A) the actual number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the actual number of days in such Determination Period; and (2) the number of Determination Periods in any year; and

(B) the actual number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the actual number of days in such Determination Period; and (2) the number of Determination Periods in any year,

where:

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

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

(b) if "**Actual/Actual (ISDA)**" is so specified, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366; and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);

(c) if "**Actual/365 (Fixed)**" is so specified, means the actual number of days in the Calculation Period divided by 365;

(d) if "**Actual/360**" is so specified, means the actual number of days in the Calculation Period divided by 360;

(e) if "**30/360**" is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

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

where:

"$\mathbf{Y_1}$" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"$\mathbf{Y_2}$" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"$\mathbf{M_1}$" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"$\mathbf{M_2}$" is the calendar month, expressed as number, in which the day immediately following the last day included in the Calculation Period falls;

"$\mathbf{D_1}$" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D_1 will be 30; and

"$\mathbf{D_2}$" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D_1 is greater than 29, in which case D_2 will be 30;

(f) if "**30E/360**" or "**Eurobond Basis**" is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

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

where:

"$\mathbf{Y_1}$" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"$\mathbf{Y_2}$" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"$\mathbf{M_1}$" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"$\mathbf{M_2}$" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"$\mathbf{D_1}$" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D_1 will be 30; and

"**D_2**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D_2 will be 30; and

(g) if "**30E/360 (ISDA)**" is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

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

where:

"**Y_1**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y_2**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M_1**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M_2**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D_1**" is the first calendar day, expressed as a number, of the Calculation Period, unless (A) that day is the last day of February; or (B) such number would be 31, in which case D_1 will be 30; and

"**D_2**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (A) that day is the last day of February but not the Scheduled Dissolution Date or (B) such number would be 31, in which case D_2 will be 30,

provided, **however**, **that** in each such case the number of days in the Calculation Period is calculated from and including the first day of the Calculation Period to but excluding the last day of the Calculation Period;

"**Deferred Sale Price**" means the deferred sale price payable by the Obligor to the Trustee in respect of the Commodity Murabaha Investment in accordance with the terms of the Investment Wakala Master Murabaha Agreement, if applicable to a Series;

"**Delegation**" has the meaning given to it in Condition 17.1 (*Delegation of Powers*);

"**Dissolution Date**" means, as the case may be:

(a) the Scheduled Dissolution Date;

(b) any Early Tax Dissolution Date;

(c) any Optional Dissolution Date;

(d) any Sukukholder Put Right Date;

(e) any Change of Shareholding Put Right Date;

(f) any Dissolution Event Redemption Date; or

(g) such other date as specified in the applicable Pricing Supplement for the redemption of Sukuk and dissolution of the Trust in whole or in part prior to the Scheduled Dissolution Date;

"**Dissolution Distribution Amount**" means, in relation to a particular Series:

(a) the sum of:

(i) the outstanding face amount of such Series; and

(ii) any due and unpaid Periodic Distribution Amounts for such Series; or

(b) such other amount specified in the applicable Pricing Supplement as being payable upon any Dissolution Date;

"**Dissolution Event**" means a Trustee Event or an Obligor Event;

"**Dissolution Event Redemption Date**" has the meaning given to it in Condition 12.1 (*Dissolution Event*);

"**Dissolution Notice**" has the meaning given to it in Condition 12.1 (*Dissolution Event*);

"**Early Tax Dissolution Date**" has the meaning given to it in Condition 8.2 (*Early Dissolution for Taxation Reasons*);

"**Euroclear**" means Euroclear Bank SA/NV;

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

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

"**Fixed Rate Sukuk**" means a Series in respect of which Fixed Periodic Distribution Amounts are specified as applicable in the applicable Pricing Supplement;

"**Global Certificate**" means a certificate in global form representing Sukuk of the same Series that are registered in the name of: (i) a nominee for a common depository for Euroclear and/or Clearstream; (ii) CDP; (iii) the HKMA as operator of the CMU and lodged with a sub-custodian for the CMU; and/or (iv) any relevant Alternative Clearing System or a central securities depository (or a nominee for such central securities depository) for such Alternative Clearing System which, for the avoidance of doubt, may be the RENTAS Depository;

"**HKMA**" means the Monetary Authority appointed pursuant to Section 5A of the Exchange Fund Ordinance (Cap. 66 of the laws of Hong Kong) or its successors;

"**Holder**" has the meaning given in Condition 3.2 (*Title to Sukuk*);

"**Hong Kong**" means the Hong Kong Special Administrative Region of the People's Republic of China;

"**Indebtedness**" means any indebtedness of any Person for money borrowed or raised including (without limitation) any indebtedness for or in respect of:

(a) amounts raised by acceptance under any acceptance credit facility;

(b) amounts raised under any note purchase facility;

(c) the amount of any liability in respect of leases or hire purchase contracts which would, in accordance with applicable law and generally accepted accounting principles, be treated as finance or capital leases;

(d) the amount of any liability in respect of any purchase price for assets or services the payment of which is deferred for a period in excess of 90 days; and

(e) amounts raised under any other transaction (including, without limitation, any forward sale or purchase agreement) having the commercial effect of a borrowing;

"**Individual Certificate**" means a trust certificate in definitive registered form issued by the Trustee in accordance with the provisions of the Master Trust Deed in exchange for a Global Certificate;

"**Initial Wakala Investment Amount**" has the meaning given to it in the Investment Wakala Agreement;

"**Investment Wakala Agreement**" means the investment wakala agreement dated 20 December 2022 between the Trustee and the Obligor;

"**Investment Wakala Collection Account**" has the meaning given to it in the Investment Wakala Agreement;

"**Investment Wakala Master Murabaha Agreement**" means the investment wakala master murabaha agreement dated 20 December 2022 and made between the Trustee, Cagamas Berhad (as buyer) and Cagamas Berhad (as commodity trading participant);

"**Investment Wakala Sukuk Assets**" means the Wakala Investment and the Commodity Murabaha Investment (if any) in respect of a Series;

"**Investment Wakala Transaction Documents**" means, in relation to each Investment Wakala Series:

(a) the Master Trust Deed as supplemented by the relevant Supplemental Trust Deed;

(b) the Agency Agreement;

(c) the Investment Wakala Agreement; and

(d) if applicable to an Investment Wakala Series, the Investment Wakala Master Murabaha Agreement (together with all offers, acceptances and confirmations delivered pursuant thereto in connection with the relevant Series);

"**Liability**" means any loss, damage, cost, charge, claim, demand, expense, fee, judgment, action, proceeding or other liability whatsoever (including, without limitation in respect of taxes) and including any value added tax or similar tax charged or chargeable in respect thereof and legal or other fees and expenses on a full indemnity basis and references to "**Liabilities**" shall mean all of these;

"**Local Banking Day**" means a day (other than a Saturday or a Sunday) on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in the city in which the Principal Paying Agent has its Specified Office;

"**Market**" means the commodity market operated by BMIS for the trading of commodities;

"**Maximum Optional Dissolution Amount**" means the amount specified as such in the applicable Pricing Supplement;

"**Minimum Optional Dissolution Amount**" means the amount specified as such in the applicable Pricing Supplement;

"**Obligor Event**" means any of the following events:

(a) ***Non-payment***: the Obligor (acting in any capacity) fails to pay any amount in the nature of principal or profit payable by it pursuant to any Investment Wakala Transaction Document to which it is a party (which shall include, for the avoidance of doubt, any payments from the relevant Investment Wakala Collection Account to the Transaction Account) on the due date for payment; or

(b) ***Breach of other obligations***: the Obligor (acting in any capacity) defaults in the performance or observance of any of its other obligations under or in respect of the Sukuk or the Investment Wakala Transaction Documents to which it is a party and, provided such default is, in the sole opinion of the Delegate, capable of remedy, such default remains unremedied for 30 days after written notice thereof, addressed to the Obligor by the Trustee or the Delegate, has been delivered to the Obligor; or

(c) ***Cross-default***:

(i) any Indebtedness or Sukuk Obligation of the Obligor or any Principal Subsidiary is not paid when due or (as the case may be) within any originally applicable grace period;

(ii) any Indebtedness or Sukuk Obligation of the Obligor or any Principal Subsidiary becomes (or becomes capable of being declared) due and payable prior to its stated maturity otherwise than at the option of the Obligor or (as the case may be) the relevant Principal Subsidiary or any person entitled to such Indebtedness or Sukuk Obligation; or

(iii) the Obligor or any Principal Subsidiary fails to pay when due any amount payable by it under any guarantee, or any indemnity, in respect of any Indebtedness or Sukuk Obligation,

and **provided that** the amount of Indebtedness or Sukuk Obligation referred to in sub-paragraph (i) and/or sub-paragraph (ii) above and/or the amount payable under any guarantee referred to in sub-paragraph (iii) above, individually or in the aggregate, exceeds U.S.$25,000,000 (or its equivalent in any other currency or currencies); or

(d) ***Unsatisfied judgment***: one or more judgment(s) or order(s) is rendered against a material part of the property, assets or turnover of the Obligor or any Principal Subsidiary and

continue(s) unsatisfied and unstayed for a period of 60 days after the date(s) thereof or, if later, the date therein specified for payment; or

(e) ***Security enforced***: a secured party takes possession, or a receiver, manager or other similar officer is appointed, of the whole or a material part of the undertaking, assets and revenues of the Obligor or any Principal Subsidiary and such possession or appointment continues for a period of 60 days after the date thereof; or

(f) ***Insolvency etc.***: (i) the Obligor or any Principal Subsidiary becomes insolvent or is unable to pay its debts as they fall due; (ii) an administrator or liquidator of the Obligor or any Principal Subsidiary or the whole or a substantial part of the undertaking, assets and revenues of the Obligor or any Principal Subsidiary is appointed; or (iii) the Obligor or any Principal Subsidiary takes any action for a readjustment or deferment of any of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors or declares a moratorium in respect of all or a substantial part of its Indebtedness or Sukuk Obligations or any guarantee of any Indebtedness or Sukuk Obligation given by it; or

(g) ***Winding up etc.***: an order is made or an effective resolution is passed for the winding up, liquidation or dissolution of the Obligor or any Principal Subsidiary (otherwise than, in the case of a Principal Subsidiary (but not including the Trustee if it is a Principal Subsidiary), (i) for the purposes of or pursuant to an amalgamation, reorganisation or restructuring while solvent or (ii) as a result of disposal on arm's length terms or (iii) as approved by an Extraordinary Resolution of the Sukukholders) or the Obligor or any Principal Subsidiary ceases to carry on all or the substantial part of its business (otherwise than, in the case of a Principal Subsidiary (but not including the Trustee if it is a Principal Subsidiary), (x) for the purposes of or pursuant to an amalgamation, reorganisation or restructuring while solvent or (y) as a result of disposal on arm's length terms or (z) as approved by an Extraordinary Resolution of the Sukukholders); or

(h) ***Analogous event***: any event occurs which under the laws of Malaysia has an analogous effect to any of the events referred to in paragraphs (d) (*Unsatisfied judgment*) to (g) (*Winding up, etc.*) above; or

(i) ***Failure to take action, etc.***: any action, condition or thing at any time required to be taken, fulfilled or done in order: (i) to enable the Obligor lawfully to enter into, exercise its rights and perform and comply with its obligations under and in respect of the Sukuk and the Investment Wakala Transaction Documents to which it is a party; (ii) to ensure that those obligations are legal, valid, binding and enforceable and; (iii) to make the Sukuk and the Investment Wakala Transaction Documents to which it is a party admissible in evidence in the courts of Malaysia and England is not taken, fulfilled or done; or

(j) ***Unlawfulness***: it is or will become unlawful for the Obligor to perform or comply with any of its obligations under or in respect of the Sukuk and the Investment Wakala Transaction Documents to which it is a party; or

(k) ***Government intervention***: (i) all or any substantial part of the undertaking, assets and revenues of the Obligor or any Principal Subsidiary is condemned, seized or otherwise appropriated by any Person acting under the authority of any national government; or (ii) the Obligor or any Principal Subsidiary is prevented by any such Person from exercising normal control over all or any substantial part of its undertaking, assets and revenues.

References in this definition to "Indebtedness", "indebtedness" and "debts" shall be deemed to include any debt or other financing arrangement issued (or intended to be issued) in compliance with the principles of *Shariah*, whether entered into directly or indirectly by the Obligor or any of its Principal Subsidiaries, as the case may be;

"**Optional Dissolution Date**" means, in relation to any exercise of the Optional Dissolution Right, the date(s) specified as such in the applicable Pricing Supplement;

"**Optional Dissolution Right**" means the right specified in Condition 8.3 (*Dissolution at the Option of the Obligor (Optional Dissolution Right)*);

"**outstanding**" shall have the meaning given to it in the Trust Deed;

"**Paying Agents**" means the Principal Paying Agent, the CMU Lodging and Paying Agent, the CDP Lodging and Paying Agent, any relevant ACS Paying Agent (which, for the avoidance of doubt, may, in respect of each Series of RENTAS Sukuk, be the RENTAS Paying Agent) and such further or other paying agent or agents as may be appointed from time to time under the Agency Agreement and/or any relevant ACS Forms (as applicable);

"**Payment Business Day**" means:

(a) if the currency of payment is euro, any day which is:

(i) in the case where presentation and/or surrender of an Individual Certificate is required before payment can be made, a day on which banks in the relevant place of presentation and/or surrender are open for presentation and payment of securities and for dealings in foreign currencies; and

(ii) in the case of payment by transfer to an account, (A) a TARGET Settlement Day; and (B) a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or

(b) if the currency of payment is not euro, any day which is:

(i) in the case where presentation and/or surrender of an Individual Certificate is required before payment can be made, a day on which banks in the relevant place of presentation and/or surrender are open for presentation and payment of securities and for dealings in foreign currencies; and

(ii) in the case of payment by transfer to an account, a day on which dealings in foreign currencies (including, in the case of Sukuk denominated in Renminbi, settlement of Renminbi payments) may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre;

"**Periodic Distribution Amount**" has the applicable meanings given to it in Condition 7 (*Periodic Distribution Amounts*);

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

"**Person**" means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality;

"**Principal Financial Centre**" means, in relation to any currency, the principal financial centre for that currency **provided**, **however**, **that**:

(a) in relation to euro, it means the principal financial centre of such Member State of the European Communities as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent;

(b) in relation to Australian dollars, it means either Sydney or Melbourne and, in relation to New Zealand dollars, it means either Wellington or Auckland, in each case as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent; and

(c) in relation to Renminbi, it means the relevant Renminbi Settlement Centre;

"**Principal Paying Agent**" means The Hongkong and Shanghai Banking Corporation Limited or any successor appointed as principal paying agent under the Programme pursuant to the Agency Agreement in respect of each Series of Sukuk other than CMU Sukuk, CDP Sukuk and, as the case may be, ACS Sukuk collectively in its capacities: as (i) principal paying agent for such Series; and (ii) as the account bank with which the Transaction Account for each such Series is established. All references in these Investment Wakala Conditions to the "**Principal Paying Agent**" shall be deemed to be references to: (i) with respect to CMU Sukuk, the CMU Lodging and Paying Agent; (ii) with respect to CDP Sukuk, the CDP Lodging and Paying Agent; and (iii) if applicable, with respect to ACS Sukuk, the relevant ACS Paying Agent (which, for the avoidance of doubt, may, in respect of each Series of RENTAS Sukuk, be the RENTAS Paying Agent), and (unless the context requires otherwise) all such references shall be construed accordingly;

"**Principal Subsidiary**" means Cagamas Global P.L.C. and any Subsidiary of the Obligor whose total assets, as shown by the accounts of such Subsidiary (consolidated in the case of a company which itself has Subsidiaries), based upon which the latest audited consolidated accounts of the Obligor have been prepared, are at least 10 per cent. of the consolidated total assets of the Obligor as shown by such audited consolidated accounts, **provided that** if any such Subsidiary (the "**transferor**") shall at any time transfer the whole or a substantial part of its business, undertaking or assets to another Subsidiary of the Obligor (the "**transferee**") then:

(i) if the whole of the business, undertaking and assets of the transferor shall be so transferred, the transferor shall thereupon cease to be a Principal Subsidiary and the transferee (unless it is the Trustee) shall thereupon become a Principal Subsidiary; and

(ii) if a substantial part only of the business, undertaking and assets of the transferor shall be so transferred, the transferor shall remain a Principal Subsidiary and the transferee (unless it is the Trustee) shall thereupon become a Principal Subsidiary.

Any Subsidiary which becomes a Principal Subsidiary by virtue of (i) above or which remains or becomes a Principal Subsidiary by virtue of (ii) above shall continue to be a Principal Subsidiary until the date of issue of the first audited consolidated accounts of the Obligor prepared as at a date later than the date of the relevant transfer which show the total assets as shown by the accounts of such Subsidiary (consolidated (if any) in the case of a company which itself has Subsidiaries), based upon which such audited consolidated accounts have been prepared, to be less than 10 per cent. of the consolidated total assets of the Obligor, as shown by such audited consolidated accounts;

"**Proceedings**" has the meaning given to it in Condition 21.4 (Rights of the Delegate and the Sukukholders to take proceedings outside England);

"**Profit Commencement Date**" means the Issue Date or such other date as may be specified in the applicable Pricing Supplement;

"**Profit Period Date**" means each Periodic Distribution Date unless otherwise specified in the applicable Pricing Supplement;

"**Profit Rate**" means the profit rate payable from time to time in respect of the Sukuk and that is either specified in the applicable Pricing Supplement or calculated or determined in accordance with the provisions hereof;

"**Profit Rate Determination Date**" means, with respect to a Profit Rate and Return Accumulation Period, the date specified as such in the applicable Pricing Supplement or, if none is so specified, (i) the first day of such Return Accumulation Period if the Specified Currency is Sterling or Hong Kong Dollars or Renminbi or (ii) the day falling two Business Days in London for the Specified Currency prior to the first day of such Return Accumulation Period if the Specified Currency is neither Sterling nor euro nor Hong Kong Dollars nor Renminbi or (iii) the day falling two TARGET Business Days prior to the first day of such Return Accumulation Period if the Specified Currency is euro;

"**Record Date**" has the meaning given to it in Condition 9.4 (*Record Date*); "**Register**" has the meaning given to it in Condition 3.3 (*Ownership*);

"**Registrar**" means, in respect of each Series of Sukuk other than CMU Sukuk, CDP Sukuk and, as the case may be, ACS Sukuk, The Hongkong and Shanghai Banking Corporation Limited or, in respect of each Series of CMU Sukuk, The Hongkong and Shanghai Banking Corporation Limited or, in respect of each Series of CDP Sukuk, The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch, or any successors thereto in each case as registrar under the Agency Agreement (or such other registrar as may be appointed from time to time either generally in relation to the Programme or in relation to a specific Series, including, with respect to ACS Sukuk, the relevant ACS Registrar (if applicable));

"**Relevant Date**" means, in relation to any payment, whichever is the later of (a) the date on which the payment in question first becomes due; and (b) if the full amount payable has not been received in the Principal Financial Centre of the currency of payment by the Principal Paying Agent on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Sukukholders;

"**Relevant Indebtedness**" means any Indebtedness which is in the form of or represented by any bond, note, debenture, debenture stock, loan stock, certificate or other instrument which is, or is capable of being, listed, quoted or traded on any stock exchange or in any securities market (including, without limitation, any over-the-counter market);

"**Relevant Powers**" has the meaning given to it in Condition 17.1 (*Delegation of Powers*);

"**Renminbi**" means the lawful currency of the People's Republic of China;

"**Renminbi Settlement Centre**" means, in relation to any sum payable in Renminbi, Hong Kong, Singapore and/or any other relevant financial centre, as specified in the applicable Pricing Supplement;

"**RENTAS**" means the scripless book-entry securities settlement and funds transfer system known as Real Time Electronic Transfer of Funds and Securities operated and managed by BNM as varied, upgraded or substituted from time to time;

"**RENTAS Depository**" means BNM in its capacity as the depository and custodian of any RENTAS Sukuk who carries out its functions, duties and obligations under the CSDPAR as a central securities depository, and includes its successors in title and assigns and any successors appointed in such capacity;

"**RENTAS Depository Procedures**" means the procedures of the RENTAS Depository for transactions in the RENTAS Sukuk and for settlement of all payments to Holders of RENTAS

Sukuk as provided in the CSDPAR, the Participation and Operation Rules for Payments and Securities Services, the Operational Procedures for Foreign Currency Settlement in RENTAS and the Operational Procedures for Securities Services, all issued by BNM and as modified or revised or substituted from time to time by BNM, and any other relevant rules, guidelines, codes and directives issued by BNM from time to time;

"**RENTAS Paying Agent**" means BNM who carries out its functions, duties and obligations under the CSDPAR as a paying agent for any RENTAS Sukuk and includes its successors in title and assigns and any successors acting in such capacity;

"**RENTAS Securities Lodgement Form**" means, in respect of each Series of RENTAS Sukuk, the securities lodgement form entered into by, *inter alios*, the Trustee, signifying the parties' agreement for the depository and payment arrangement for such RENTAS Sukuk to be made pursuant to the RENTAS Depository Procedures and confirming that the parties thereto and the RENTAS Paying Agent shall have the duties as agreed therein;

"**RENTAS Sukuk**" means any Sukuk which are cleared through RENTAS;

"**Reserved Matter**" has the meaning given to it in Condition 16.1 (*Meetings of Sukukholders*);

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

"**Scheduled Dissolution Date**" means the date specified as such in the applicable Pricing Supplement;

"**Security Interest**" means any mortgage, charge, pledge, lien or other security interest including, without limitation, anything analogous to any of the foregoing under the laws of any jurisdiction;

"**Series**" means a series of Sukuk comprising one tranche that have identical terms on issue and are expressed to have the same series number;

"**Specified Currency**" means the currency specified as such in the applicable Pricing Supplement or, if none is specified, the currency in which the Sukuk are denominated;

"**Specified Denominations**" means the amount(s) specified as such in the applicable Pricing Supplement;

"**Specified Office**" has the meaning given in the Agency Agreement and/or any relevant ACS Forms (as applicable);

"**Subsidiary**" means, in relation to any person (the "**first Person**") at any particular time, any other person (the "**second Person**"): (a) whose affairs and policies the first Person controls or has the power to control, whether this be through ownership of share capital, contract, the power to appoint or remove members of the governing body of the second Person or otherwise; or (b) whose financial statements are, in accordance with applicable law and generally accepted accounting principles, consolidated as a subsidiary with those of the first Person;

"**Sukuk Obligation**" means any undertaking or other obligation to pay any money given in connection with any issue of trust certificates or other securities intended to be issued in

compliance with the principles of *Shariah*, whether or not in return for consideration of any kind, which for the time being are, or are intended to be, or are capable of being, quoted, listed or dealt in or traded on any stock exchange or over-the-counter or other securities market;

"**Sukukholder**" has the meaning given in Condition 3.2 (*Title to Sukuk*);

"**Sukukholder Put Exercise Notice**" has the meaning given to it in Condition 8.4 (*Dissolution at the Option of Sukukholders (Sukukholder Put Right)*);

"**Sukukholder Put Right**" means the right specified in Condition 8.4 (*Dissolution at the Option of Sukukholders (Sukukholder Put Right)*);

"**Sukukholder Put Right Date**" means, in relation to any exercise of the Sukukholder Put Right, the date(s) specified as such in the applicable Pricing Supplement;

"**TARGET Business Day**" means a day on which TARGET2 is operating;

"**TARGET Settlement Day**" means any day on which TARGET2 is open for the settlement of payments in euro;

"**TARGET2**" means the Trans-European Automated Real-Time Gross Settlement Express Transfer payment system or any successor thereto;

"**Transaction Account**" means, in relation to a particular Series, the non-interest bearing transaction account established by the Trustee and held with The Hongkong and Shanghai Banking Corporation Limited (in the case of any transaction account in relation to a Series of Sukuk other than CMU Sukuk, CDP Sukuk and, as the case may be, ACS Sukuk) or, as applicable, The Hongkong and Shanghai Banking Corporation Limited (in the case of any transaction account in relation to a Series of CMU Sukuk) or, as applicable, The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch (in the case of any transaction account in relation to a Series of CDP Sukuk) or, as applicable, the relevant ACS Agent (in the case of any transaction account in relation to a Series of ACS Sukuk and, in the case of any transaction account in relation to a Series of RENTAS Sukuk, such ACS Agent may be the RENTAS Paying Agent) denominated in the Specified Currency, details of which are set out in the applicable Pricing Supplement into which, among other things, the Obligor will deposit all amounts due to the Trustee under the Investment Wakala Transaction Documents;

"**Transaction Documents**" means the Management Wakala Transaction Documents and the Investment Wakala Transaction Documents and "**Management Wakala Transaction Document**" has the meaning given to it pursuant to the "*Terms and Conditions of the Management Wakala Sukuk*" as set out under Schedule 3 of the Master Trust Deed and applicable to Management Wakala Sukuk thereunder;

"**Transfer Agent**" means, in respect of each Series of Sukuk other than CMU Sukuk, CDP Sukuk and, as the case may be, ACS Sukuk, The Hongkong and Shanghai Banking Corporation Limited, in respect of each Series of CMU Sukuk, The Hongkong and Shanghai Banking Corporation Limited and, in respect of each Series of CDP Sukuk, The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch, or any successors thereto in each case as transfer agent under the Agency Agreement (and such further or other transfer agents as may be appointed from time to time either generally in relation to the Programme or in relation to a specific Series, including, with respect to ACS Sukuk, the relevant ACS Transfer Agent (if applicable));

"**Trust**" means, in respect of a Series, the trust created by the Trustee over the Trust Assets pursuant to the Trust Deed;

"**Trust Assets**" has the meaning given to it in Condition 5.1 (*Trust Assets*);

"**Trustee Event**" means any of the following events:

(a) ***Non-payment***: the Trustee fails to pay any Dissolution Distribution Amount, any Periodic Distribution Amount or any other amount (whether in the nature of principal or profit or otherwise) in respect of the Sukuk on the due date for payment thereof; or

(b) ***Breach of other obligations***: the Trustee defaults in the performance or observance of any of its other obligations under or in respect of the Sukuk or the Investment Wakala Transaction Documents to which it is a party and, provided such default is, in the sole opinion of the Delegate, capable of remedy, such default remains unremedied for 30 days after written notice thereof, addressed to the Trustee by the Delegate, has been delivered to the Trustee; or

(c) ***Unsatisfied judgment***: one or more judgment(s) or order(s) is rendered against a material part of the property, assets or turnover of the Trustee and continue(s) unsatisfied and unstayed for a period of 60 days after the date(s) thereof or, if later, the date therein specified for payment; or

(d) ***Security enforced***: a secured party takes possession, or a receiver, manager or other similar officer is appointed, of the whole or a material part of the undertaking, assets and revenues of the Trustee and such possession or appointment continues for a period of 60 days after the date thereof; or

(e) ***Insolvency etc.***: (i) the Trustee becomes insolvent or is unable to pay its debts as they fall due; (ii) an administrator or liquidator of the Trustee or the whole or a substantial part of the undertaking, assets and revenues of the Trustee is appointed; or (iii) the Trustee takes any action for a readjustment or deferment of any of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors or declares a moratorium in respect of all or a substantial part of its Indebtedness or Sukuk Obligations or any guarantee of any Indebtedness or Sukuk Obligation given by it; or

(f) ***Winding up etc.***: an order is made or an effective resolution is passed for the winding up, liquidation or dissolution of the Trustee or the Trustee ceases to carry on all or the substantial part of its business (otherwise than as approved by an Extraordinary Resolution of the Sukukholders); or

(g) ***Analogous event***: any event occurs which under the laws of Malaysia has an analogous effect to any of the events referred to in paragraphs (c) (*Unsatisfied judgment*) to (f) (*Winding up, etc.*) above; or

(h) ***Failure to take action, etc.***: any action, condition or thing at any time required to be taken, fulfilled or done in order (i) to enable the Trustee lawfully to enter into, exercise its rights and perform and comply with its obligations under and in respect of the Sukuk and the Investment Wakala Transaction Documents to which it is a party; (ii) to ensure that those obligations are legal, valid, binding and enforceable and; (iii) to make the Sukuk and the Investment Wakala Transaction Documents to which it is a party admissible in evidence in the courts of Malaysia and England is not taken, fulfilled or done; or

(i) ***Unlawfulness***: it is or will become unlawful for the Trustee to perform or comply with any of its obligations under or in respect of the Sukuk and the Investment Wakala Transaction Documents to which it is a party; or

(j) ***Government intervention***: (i) all or any substantial part of the undertaking, assets and revenues of the Trustee is condemned, seized or otherwise appropriated by any Person

acting under the authority of any national, regional or local government; or (ii) the Trustee is prevented by any such Person from exercising normal control over all or any substantial part of its undertaking, assets and revenues; or

(k) ***Controlling shareholder***: the Trustee ceases to be a Subsidiary which is wholly-owned and controlled, directly or indirectly, by the Obligor.

For the purpose of paragraph (a) (*Non-payment*) above of this definition, all amounts payable in respect of the Sukuk shall be considered due and payable (including any amounts expressed to be payable under Condition 7 (*Periodic Distribution Amounts*)) notwithstanding that the Trustee has at the relevant time insufficient funds or relevant Trust Assets to pay such amounts (whether as a result of the application of Condition 5.2 (*Application of Proceeds from Trust Assets*) or otherwise) subject always to Condition 4.2 (*Limited Recourse*);

"**Wakala Investment**" has the meaning given to it in the Investment Wakala Agreement; and

"**Wakeel**" means the Obligor acting in its capacity as wakeel under the Investment Wakala Agreement.

2.2 ***Interpretation***: In these Investment Wakala Conditions:

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

(b) all references to "Periodic Distribution Amounts" shall be deemed to include any additional amounts in respect of profit distributions which may be payable under Condition 10 (*Taxation*) and any other amount in the nature of a profit distribution payable pursuant to these Investment Wakala Conditions;

(c) if an expression is stated in Condition 2.1 (*Definitions*) to have the meaning given in the applicable Pricing Supplement, but the applicable Pricing Supplement gives no such meaning or specifies that such expression is "not applicable" then such expression is not applicable to the Sukuk; and

(d) any reference to any Transaction Document shall be construed as a reference to such Transaction Document as amended and/or supplemented up to and including the Issue Date of the Sukuk.

3. Form, Denomination, Title and Transfer

3.1 ***Sukuk***: The Sukuk are issued in registered form in the Specified Denomination(s), which may include a minimum denomination specified in the applicable Pricing Supplement and higher integral multiples of a smaller amount specified in the applicable Pricing Supplement, and, in the case of Sukuk in definitive form, are serially numbered.

These Investment Wakala Conditions are modified by certain provisions contained in the Global Certificate. Except in limited circumstances, owners of interests in the Global Certificate will not be entitled to receive definitive certificates representing their holdings of Sukuk. In the case of Sukuk in definitive form, an Individual Certificate will be issued to each Sukukholder in respect of its registered holding of Sukuk.

3.2 ***Title to Sukuk***: Upon issue, the Sukuk will be represented by a Global Certificate which will be deposited with, and registered in the name of: (i) a nominee for a common depository for Euroclear and Clearstream; (ii) a central securities depository (or a nominee for such central securities depository, as appropriate) for any relevant Alternative Clearing System (which, for the avoidance of doubt, may be the RENTAS Depository); (iii) CDP; or (iv) the HKMA in its capacity as operator of the CMU and lodged with a sub-custodian for the CMU, as the case may be. For so long as any of the Sukuk is represented by a Global Certificate held on behalf of Euroclear, Clearstream, the relevant Alternative Clearing System, CDP and/or the CMU, ownership interests in the Global Certificate will be shown on, and transfers thereof will only be effected through, records maintained by Euroclear, Clearstream, the relevant Alternative Clearing System, CDP and/or the CMU (as applicable) and their respective participants. Each person (other than the relevant clearing system) who is for the time being shown in such records as the holder of a particular face amount of Sukuk (in which regard any certificate or other document issued by the relevant clearing system as to the face amount of such Sukuk standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Trustee, the Obligor, the Delegate and the Agents as the holder of such face amount of such Sukuk for all purposes other than with respect to payment in respect of such Sukuk, for which purpose the registered holder of the Global Certificate shall be treated by the Trustee, the Obligor, the Delegate and any Agent as the holder of such face amount of such Sukuk in accordance with and subject to the terms of the relevant Global Certificate and the expressions "**Holder**" and "**Sukukholder**" in relation to any Sukuk and related expressions shall be construed accordingly.

3.3 ***Ownership***: The Registrar will maintain a register of Sukukholders outside the United Kingdom in accordance with the provisions of the Agency Agreement (the "**Register**"). The Trustee, the Obligor, the Delegate and the Agents may (to the fullest extent permitted by applicable laws) deem and treat the person in whose name any outstanding Sukuk is for the time being registered (as set out in the Register) as the Holder of such Sukuk or of a particular face amount of the Sukuk for all purposes (whether or not such Sukuk or face amount shall be overdue and notwithstanding any notice of ownership thereof or of trust or other interest with regard thereto, and any notice of loss or theft or any writing thereon), and the Trustee, the Obligor, the Delegate and the Agents shall not be affected by any notice to the contrary. All payments made to such registered Holder shall be valid and, to the extent of the sums so paid, effective to satisfy and discharge the liability for monies payable in respect of such Sukuk or face amount.

No person shall have any right to enforce any term or condition of any Sukuk under the Contracts (Rights of Third Parties) Act 1999. The Holder of a Sukuk will be recognised by the Trustee as entitled to his Sukuk free from any equity, set-off or counterclaim on the part of the Trustee against the original or any intermediate holder of such Sukuk.

3.4 ***Transfers of Sukuk***: Subject to Conditions 3.7 (*Closed periods*) and 3.8 (*Regulations Concerning Transfers and Registration*) below:

(a) ***Transfers of beneficial interests in the Global Certificate:*** Transfers of beneficial interests in the Global Certificate will be effected by Euroclear, Clearstream, any relevant Alternative Clearing System, CDP and/or the CMU, as the case may be, and, in turn, by other participants and, if appropriate, indirect participants in such clearing systems acting on behalf of transferors and transferees of such interests. An interest in the Global Certificate will, subject to compliance with all applicable legal and regulatory restrictions, be transferable for Sukuk in definitive form only in the Specified Denomination or integral multiples thereof and only in accordance with the rules and operating procedures for the time being of Euroclear, Clearstream, the relevant Alternative Clearing System, CDP and/or the CMU, as the case may be, and in accordance with the terms and conditions specified in the Trust Deed and the Agency Agreement.

(b) ***Transfers of Sukuk in definitive form:*** Upon the terms and subject to the conditions set forth in the Trust Deed and the Agency Agreement, a Sukuk in definitive form may be transferred in whole or in part (in the Specified Denomination or an integral multiple thereof). In order to effect any such transfer the Holder or Holders must: (i) surrender the Individual Certificate for registration of the transfer thereof (or the relevant part thereof) at the Specified Office of the Registrar or any Transfer Agent, with the form of transfer thereon duly executed by the Holder or Holders thereof or his or their attorney or attorneys duly authorised in writing; and (ii) complete and deposit such other evidence to prove the title of the transferor and the authority of the individuals who have executed the form of transfer as may be reasonably required by the Registrar or (as the case may be) the relevant Transfer Agent. Any such transfer will be subject to such reasonable regulations as the Trustee, the Obligor, the Delegate and the Registrar may from time to time prescribe.

Subject as provided above, the Registrar or (as the case may be) the relevant Transfer Agent will, as soon as reasonably practicable, and in any event within five business days (being for this purpose a day on which commercial banks are open for general business (including dealings in foreign currencies) in the city where the Registrar or (as the case may be) the relevant Transfer Agent has its Specified Office) of the request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations), and following receipt of a signed new Individual Certificate from the Trustee, deliver at its Specified Office to the transferee or (at the risk of the transferee) send by regular uninsured first class mail (airmail if overseas) to such address as the transferee may request a new Individual Certificate of a like aggregate face amount to the Sukuk (or the relevant part of the Sukuk) transferred. In the case of the transfer of part only of an Individual Certificate, a new Individual Certificate in respect of the balance of the Sukuk not transferred will be so delivered or (at the risk of the transferor) sent to the transferor.

3.5 ***Exercise of Options or Partial Dissolution in Respect of Sukuk***: In the case of an exercise of the Obligor's or a Sukukholder's option in respect of, or a partial redemption of, a holding of Sukuk, the Registrar will update the entries on the Register accordingly and, in the case of Individual Certificates, new Individual Certificates shall be issued to the Holders to reflect the exercise of such option or in respect of the balance of the holding for which no payment was made. New Individual Certificates shall only be issued against surrender of the existing Individual Certificates to the Registrar or any Transfer Agent. In respect of any Series of RENTAS Sukuk, this Condition 3.5 shall at all times be subject to, and the obligations set out in this Condition 3.5 shall be performed in compliance with, the RENTAS Depository Procedures.

3.6 ***No Charge***: The transfer of a Sukuk, exercise of an option or partial dissolution will be effected without charge by or on behalf of the Trustee or the Registrar or any Transfer Agent but against such indemnity as the Registrar or (as the case may be) such Transfer Agent may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such transfer. Sukukholders will not be required to bear the costs and expenses of effecting any registration of transfer as provided above, except for any costs or expenses of delivery other than by regular uninsured first class mail (airmail if overseas).

3.7 ***Closed Periods***: Sukukholders may not require transfers to be registered:

(a) during the period of 15 days ending on (and including) the due date for payment of any Dissolution Distribution Amount or any other date on which any payment of the face amount in respect of the relevant Sukuk falls due;

(b) during the period of 15 days ending on (and including) any date on which the relevant Sukuk may be called for redemption by the Trustee or the Obligor at its option pursuant to Condition 8.2 (*Early Dissolution for Taxation Reasons*) or Condition 8.3 (*Dissolution at the Option of the Obligor (Optional Dissolution Right)*);

(c) after a Sukukholder Put Exercise Notice has been delivered in respect of the relevant Sukuk(s) in accordance with Condition 8.4 (*Dissolution at the Option of Sukukholders (Sukukholder Put Right)*);

(d) after a Change of Shareholding Exercise Notice has been delivered in respect of the relevant Sukuk in accordance with Condition 8.5 (*Dissolution at the Option of the Sukukholders (Change of Shareholding Put Right)*); or

(e) during the period of seven days ending on (and including) any Record Date.

3.8 ***Regulations Concerning Transfers and Registration***: All transfers of Sukuk and entries on the Register are subject to the detailed regulations concerning the transfer of Sukuk scheduled to the Agency Agreement. The regulations may be changed by the Trustee, with the prior written approval of the Registrar and the Delegate or by the Registrar with the prior written approval of the Delegate, **provided that** any such change is not materially prejudicial to the interests of the Sukukholders. A copy of the current regulations will be mailed (free of charge to the Sukukholder by uninsured first class mail (airmail if overseas)) by the Registrar to any Sukukholder who requests in writing a copy of such regulations.

4. **Status and Limited Recourse**

4.1 ***Status of the Sukuk***: The Sukuk represent an undivided beneficial ownership interest in the relevant Trust Assets and are direct, unsecured and limited recourse obligations of the Trustee. Each Sukuk shall, save for such exceptions as may be provided by applicable legislation that is both mandatory and of general application, at all times rank *pari passu* and without any preference or priority with all other Sukuk of the relevant Series. The payment obligations of the Obligor (in any capacity) under the Investment Wakala Transaction Documents shall, save for such exceptions as may be provided by applicable legislation that is both mandatory and of general application and subject to the negative pledge provisions described in Condition 6.2 (*Negative Pledge*), at all times rank at least equally with all other unsecured and unsubordinated indebtedness and monetary obligations of the Obligor, present and future.

4.2 ***Limited Recourse***: Save as provided in this Condition 4.2, the Sukuk do not represent an interest in or obligation of any of the Trustee, the Delegate, the Obligor, any of the Agents or any of their respective affiliates. The proceeds of the relevant Trust Assets are the sole source of payments on the Sukuk of each Series. The net proceeds of the realisation of, or enforcement with respect to, the relevant Trust Assets may not be sufficient to make all payments due in respect of the Sukuk.

Subject to Condition 12 (*Dissolution Events*), Sukukholders, by subscribing for or acquiring the Sukuk, acknowledge that notwithstanding anything to the contrary contained in these Investment Wakala Conditions or any Investment Wakala Transaction Document:

(a) no payment of any amount whatsoever shall be made by the Trustee or the Delegate or any directors, officers, employees or agents on their behalf except to the extent funds are available therefor from the relevant Trust Assets and further acknowledge and agree that no recourse shall be had for the payment of any amount due and payable hereunder or under any Investment Wakala Transaction Document, whether for the payment of any fee or other amount hereunder or any other obligation or claim arising out of or based upon the Investment Wakala Transaction Documents, against the Trustee or the Delegate to the extent the relevant Trust Assets have been exhausted, following which all obligations of the Trustee shall be extinguished;

(b) the Trustee may not sell, transfer, assign or otherwise dispose of the Investment Wakala Sukuk Assets or any part thereof (save for any liquidation permitted pursuant to the

Investment Wakala Agreement and the sale of any Commodities under the Investment Wakala Master Murabaha Agreement) to a third party, and may only realise its interests, rights, title, benefits and entitlements, present and future, in, to and under the Investment Wakala Sukuk Assets in the manner expressly provided in the Investment Wakala Transaction Documents;

(c) if the proceeds of the Trust Assets are insufficient to make all payments due in respect of the Sukuk, Sukukholders will have no recourse to any assets of the Trustee (other than the relevant Trust Assets) or the Delegate or the Agents or any of their respective directors, officers, employees, agents, shareholders or affiliates, in respect of any shortfall or otherwise;

(d) no Sukukholders will be able to petition for, institute, or join with any other person in instituting proceedings for, the reorganisation, arrangement, liquidation, bankruptcy, winding-up or receivership or other proceedings under any bankruptcy or similar law against the Trustee (and/or its directors), the Delegate, the Agents or any of their respective directors, officers, employees, agents, shareholders or affiliates as a consequence of such shortfall or otherwise;

(e) no recourse (whether by institution or enforcement of any legal proceedings or assessment or otherwise) in respect of any breaches of any duty, obligation or undertaking of the Trustee or the Delegate arising under or in connection with the Investment Wakala Transaction Documents by virtue of any customary law, statute or otherwise shall be had against any shareholder, officer, employee, agent or director in their capacity as such for any breaches by the Trustee or Delegate and any and all personal liability of every such shareholder, officer, employee, agent or director in their capacity as such for any breaches by the Trustee or the Delegate of any such duty, obligation or undertaking is expressly waived and excluded to the extent permitted by law. The obligations of the Trustee and the Delegate under the Investment Wakala Transaction Documents are corporate or limited liability obligations of the Trustee and no personal liability shall attach to or be incurred by the shareholders, members, officers, employees, agents or directors of the Trustee or the Delegate (in their capacity as such), save in the case of their gross negligence, wilful default or fraud. Reference in these Investment Wakala Conditions to gross negligence, wilful default or fraud means a finding to such effect by a court of competent jurisdiction in relation to the conduct of the relevant party; and

(f) it shall not be entitled to claim or exercise any right of set-off, counterclaim, abatement or other similar remedy which it might otherwise have, under the laws of any jurisdiction, in respect of such Sukuk. No collateral is or will be given for the payment obligations under the Sukuk (without prejudice to the negative pledge provisions described in Condition 6.2 (*Negative Pledge*)).

Pursuant to the terms of the Investment Wakala Transaction Documents, the Obligor is obliged to make payments under the relevant Investment Wakala Transaction Documents to which it is a party directly to or to the order of the Trustee. Such payment obligations form part of the Trust Assets and the Trustee and the Delegate will thereby have direct recourse against the Obligor to recover payments due to the Trustee from the Obligor pursuant to such Investment Wakala Transaction Documents notwithstanding any other provision of this Condition 4.2. Such right of the Trustee and the Delegate shall (subject to the negative pledge provisions described in Condition 6.2 (Negative Pledge)) constitute an unsecured claim against the Obligor. None of the Sukukholders, the Trustee and the Delegate shall be entitled to claim any priority right in respect of any specific assets of the Obligor in connection with the enforcement of any such claim.

5. **The Trust**

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

(a) the cash proceeds of the issue of the Sukuk, pending the application thereof in accordance with the terms of the Investment Wakala Transaction Documents;

(b) the interests, rights, title, benefits and entitlements, present and future, of the Trustee in, to and under the Investment Wakala Sukuk Assets from time to time (excluding any representations given by the Obligor to the Trustee and/or the Delegate under any documents constituting the Investment Wakala Sukuk Assets from time to time);

(c) the interests, rights, title, benefits and entitlements, present and future, of the Trustee in, to and under the Investment Wakala Transaction Documents (excluding any representations given by the Obligor to the Trustee and/or the Delegate pursuant to any of the Investment Wakala Transaction Documents or the covenant given to the Trustee pursuant to Clause 16.1 of the Master Trust Deed);

(d) all moneys standing to the credit of the Transaction Account from time to time;

(e) the interests, rights, title, benefits and entitlements, present and future, of the Trustee in, to and under any other assets, rights, cash or investments as may be specified in the applicable Pricing Supplement; and

(f) all proceeds of the foregoing.

5.2 ***Application of Proceeds from Trust Assets***: On each Periodic Distribution Date and on any Dissolution Date, the Principal Paying Agent shall apply the monies standing to the credit of the relevant Transaction Account in the following order of priority (in each case only if and to the extent that payments of a higher priority have been made in full):

(a) ***first***, (to the extent not previously paid) to the Delegate in respect of all amounts payable to it under the Investment Wakala Transaction Documents in its capacity as Delegate (including any amounts payable to the Delegate in respect of its Appointees (as defined in the Master Trust Deed)) and to any receiver, manager or administrative receiver or any other analogous officer appointed in respect of the Trust by the Delegate in accordance with the Trust Deed;

(b) ***second***, only if such payment is due on a Periodic Distribution Date (to the extent not previously paid) to pay *pro rata* and *pari passu*: (i) the Trustee in respect of all properly incurred and documented (each in the sole opinion of the Delegate) amounts payable to it under the Investment Wakala Transaction Documents in its capacity as Trustee; and (ii) each Agent in respect of all amounts payable to such Agent on account of its fees, costs, charges and expenses and the payment or satisfaction of any Liability incurred by such Agent pursuant to the Agency Agreement or the other Investment Wakala Transaction Documents in its capacity as Agent;

(c) ***third***, to the Principal Paying Agent, the CMU Lodging and Paying Agent, the CDP Lodging and Paying Agent or the relevant ACS Agent, as the case may be, for application in or towards payment *pari passu* and rateably of all Periodic Distribution Amounts due but unpaid;

(d) ***fourth***, only if such payment is due on a Dissolution Date, to the Principal Paying Agent, the CMU Lodging and Paying Agent, the CDP Lodging and Paying Agent or the relevant ACS Agent, as the case may be, for application in or towards payment *pari passu* and rateably of the relevant Dissolution Distribution Amount; and

(e) ***fifth***, only on the Scheduled Dissolution Date (or any earlier date on which the Sukuk are redeemed in full) and **provided that** all amounts required to be paid on the Sukuk hereunder have been discharged in full, in payment of any residual amount to the Obligor in its capacity as Wakeel as an incentive fee for its performance under the Investment Wakala Agreement.

5.3 ***Transaction Account***: The Trustee will establish a Transaction Account in respect of each Investment Wakala Series by no later than the fifth Local Banking Day following the relevant Issue Date. The Transaction Account shall be operated by the Principal Paying Agent on behalf of the Trustee for the benefit of Sukukholders into which the Obligor will deposit all amounts payable by it to the Trustee pursuant to the terms of the Investment Wakala Transaction Documents.

6. **Covenants**

6.1 ***Trustee Covenants***: The Trustee covenants that for so long as any Sukuk are outstanding, it shall not (without the prior written consent of the Delegate):

(a) incur any Indebtedness (including any Sukuk Obligation) in respect of financed, borrowed or raised money whatsoever (whether structured (or intended to be structured) in accordance with the principles of *Shariah* or otherwise), or give any guarantee or indemnity in respect of any obligation of any person or issue any shares (or rights, warrants or options in respect of shares or securities convertible into or exchangeable for shares) except, in all cases, as contemplated in the Transaction Documents;

(b) secure any of its present or future Indebtedness by any lien, pledge, charge or other Security Interest upon any of its present or future assets, properties or revenues (other than those arising by operation of law (if any) and other than under or pursuant to any of the Transaction Documents);

(c) sell, lease, transfer, assign, participate, exchange or otherwise dispose of, or pledge, mortgage, hypothecate or otherwise encumber (by Security Interest, preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever or otherwise) (or permit such to occur or suffer such to exist), any part of its interests in any of the Trust Assets (in respect of an Investment Wakala Series) except pursuant to any of the Investment Wakala Transaction Documents;

(d) except as provided in Condition 16 (*Meetings of Sukukholders, Modification and Waiver*), amend or agree to any amendment of any Transaction Document to which it is a party (other than in accordance with the terms thereof) or its constitutional documents;

(e) except as provided in the Trust Deed, act as trustee in respect of any trust other than the Trust (in respect of a Management Wakala Series and/or an Investment Wakala Series) or in respect of any parties other than the Sukukholders (in relation to a Management Wakala Series and/or an Investment Wakala Series);

(f) have any subsidiaries or employees;

(g) redeem or purchase any of its shares or pay any dividend or make any other distribution to its shareholders;

(h) use the proceeds of the issue of the Sukuk for any purpose other than as stated in the Investment Wakala Transaction Documents;

(i) put to its directors or shareholders any resolution for, or appoint any liquidator for, its winding-up or any resolution for the commencement of any other bankruptcy or insolvency proceeding with respect to it; or

(j) enter into any contract, transaction, amendment, obligation or liability other than the Transaction Documents to which it is a party or as expressly contemplated, permitted or required thereunder or engage in any business or activity other than:

(i) as contemplated, provided for or permitted in the Transaction Documents;

(ii) the ownership, management and disposal of the Trust Assets as provided in the Transaction Documents; and

(iii) such other matters which are incidental thereto.

6.2 ***Negative Pledge*****:** So long as any Sukuk remains outstanding (as defined in the Master Trust Deed), the Obligor shall not, and shall procure that none of its Subsidiaries will, create or permit to subsist any Security Interest, upon the whole or any part of its present or future undertaking, assets or revenues (including uncalled capital) to secure any Relevant Indebtedness or Sukuk Obligation, or to secure any guarantee or indemnity in respect of any Relevant Indebtedness or Sukuk Obligation, without: (a) at the same time or prior thereto securing equally and rateably therewith its obligations under the Investment Wakala Transaction Documents to which it is party (in whatever capacity); or (b) providing such other security or other arrangement for those obligations as may be approved by an Extraordinary Resolution of the Sukukholders, **save that** the Obligor, or any of its Subsidiaries, may create or permit to subsist a Security Interest over any part of its present or future undertaking, assets or revenues to secure any Relevant Indebtedness or Sukuk Obligation or guarantee, or indemnity, in respect of Relevant Indebtedness or Sukuk Obligation (without the obligation to provide to any person either an equal and rateable interest in the same or such other security or other arrangement as aforesaid), where:

(a) such Security Interest is created upon any assets or receivables pursuant to any securitisation, asset-backed financing, limited recourse financing or like arrangement under which payment obligations secured by such Security Interest, or having the benefit of such Security Interest, are to be discharged solely from such assets or revenues to be generated from such assets or receivables; or

(b) (i) such Security Interest is created pursuant to and to secure only Relevant Indebtedness in the form of asset-backed bonds issued by the Obligor or any of its Subsidiaries as "covered bonds" in compliance with all laws, rules and regulations (if any) in Malaysia and any other jurisdiction and any conditions of any licences or consents by any regulatory authority which may be applicable to it; (ii) the proceeds of such covered bonds are utilised only to purchase the assets which are backing such covered bonds ("**Supporting Assets**"); and (iii) the Supporting Assets shall not comprise any of the assets of the Obligor or any of its Subsidiaries existing as of the date of establishment of the Programme.

6.3 ***Use of Proceeds***: The Obligor also undertakes that it will only use the proceeds of issue of the Sukuk for *Shariah*-compliant purposes.

6.4 ***Information Covenant***: So long as any Sukuk remains outstanding (as defined in the Master Trust Deed), the Obligor shall make available to the Sukukholders for inspection at the Specified

Office of the Principal Paying Agent, within nine months of the expiration of each financial year (ending on 31 December of each year), the annual audited accounts of the Obligor for that financial year.

7. Periodic Distribution Amounts

7.1 *Fixed Rate Sukuk Provisions*

(a) ***Application***: This Condition 7.1 is applicable to the Sukuk only if the Fixed Rate Sukuk Provisions are specified in the applicable Pricing Supplement as being applicable.

(b) ***Periodic Distribution Dates***: Each Fixed Rate Sukuk bears profit on its outstanding face amount from the Profit Commencement Date at the rate per annum (expressed as a percentage) equal to the Profit Rate, such profit being payable in arrear on each Periodic Distribution Date. The amount of profit payable shall be a Fixed Amount, a Broken Amount or an amount determined in accordance with Condition 7.3 (*Calculation of Periodic Distribution Amount*). Each such amount of profit is referred to in these Investment Wakala Conditions as a "**Periodic Distribution Amount**". Periodic Distribution Amounts shall be distributed to Sukukholders by the Principal Paying Agent, the CMU Lodging and Paying Agent, the CDP Lodging and Paying Agent or the relevant ACS Agent, as the case may be, on behalf of the Trustee, *pro rata* to their respective holdings, out of amounts transferred to the Transaction Account and subject to Condition 5.2 (*Application of Proceeds from Trust Assets*) and Condition 9 (*Payments*).

7.2 [*Intentionally left blank]*

7.3 ***Calculation of Periodic Distribution Amount***: The Periodic Distribution Amount will be calculated by the Calculation Agent by applying the Profit Rate for such Return Accumulation Period to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of the relevant Sukuk divided by the Calculation Amount. For this purpose a "**sub-unit**" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.

7.4 ***Determination and Publication of Profit Rates, Periodic Distribution Amounts and Dissolution Distribution Amounts***: The Calculation Agent shall, as soon as practicable on or after each Profit Rate Determination Date, or such other time on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, determine such rate and calculate the Periodic Distribution Amounts for the relevant Return Accumulation Period, calculate the relevant Dissolution Distribution Amount, obtain such quotation or make such determination or calculation, as the case may be, and cause the Profit Rate and the Periodic Distribution Amounts for each Return Accumulation Period and the relevant Periodic Distribution Date and, if required to be calculated, the relevant Dissolution Distribution Amount to be notified to the Delegate, the Trustee, the Obligor, each of the Paying Agents, the Sukukholders, any other Calculation Agent appointed in respect of the Sukuk that is to make a further calculation upon receipt of such information and, if the Sukuk are listed on a stock exchange and the rules of such exchange or other relevant authority so require, such exchange or other relevant authority as soon as possible after their determination **but in no event later than** (i) the commencement of the relevant Return Accumulation Period, if determined prior to such time, in the case of notification to such exchange of a Profit Rate and Periodic Distribution Amount, or (ii) in all other cases, the fourth Business Day after such determination. Where any Periodic Distribution Date or Profit Period Date is subject to adjustment pursuant to Condition 7.7 (*Business Day Convention*), the Periodic Distribution Amounts and the Periodic Distribution Date so published may subsequently be amended (or appropriate alternative

arrangements made with the consent of the Delegate by way of adjustment) without notice in the event of an extension or shortening of the Return Accumulation Period. If the Sukuk become due and payable under Condition 12 (*Dissolution Events*), the accrued profit and the Profit Rate payable in respect of the Sukuk shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Profit Rate or the Periodic Distribution Amount so calculated need be made unless the Delegate otherwise requires. The determination of any rate or amount and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties.

7.5 ***Determination or Calculation by the Delegate***: Subject to Condition 7.8 (*Calculation Agent*), if the Calculation Agent does not at any time for any reason determine or calculate the Profit Rate for a Return Accumulation Period or any Periodic Distribution Amount or Dissolution Distribution Amount, the Delegate shall do so or shall appoint an agent on behalf of the Trustee to do so and such determination or calculation shall be deemed to have been made by the Calculation Agent. In doing so, the Delegate or, as the case may be, such agent shall apply the foregoing provisions of this Condition, with any necessary consequential amendments, to the extent that, in its sole opinion, it can do so, and, in all other respects it shall do so in such manner as it shall deem fair and reasonable in all the circumstances.

7.6 ***Cessation of Entitlement to Profit***: Profit shall cease to accumulate in respect of each Sukuk on the due date for redemption unless, upon due presentation, payment is improperly withheld or refused, in which event profit may, subject to the terms of the Investment Wakala Transaction Documents, continue to accumulate (both before and after judgment) at the Profit Rate in the manner provided in this Condition 7 to the Relevant Date. *See* "*Risk Factors — Considerations Relating to the Sukuk — Profit may not continue to accumulate on the Investment Wakala Sukuk after the Scheduled Dissolution Date if payment is improperly withheld or refused*".

7.7 ***Business Day Convention***: If any date referred to in these Investment Wakala Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified in the applicable Pricing Supplement is:

(a) the "**Following Business Day Convention**", the relevant date shall be postponed to the first following day that is a Business Day;

(b) the "**Modified Following Business Day Convention**" or "**Modified Business Day Convention**", the relevant date shall be postponed to the first following day that is a Business Day unless that day falls in the next calendar month, in which case that date will be the first preceding day that is a Business Day;

(c) the "**Preceding Business Day Convention**", the relevant date shall be brought forward to the first preceding day that is a Business Day; and

(d) "**No Adjustment**", the relevant date shall not be adjusted in accordance with any Business Day Convention.

7.8 ***Calculation Agent***: The Trustee shall procure that there shall at all times be one or more Calculation Agents if provision is made for them in the applicable Pricing Supplement and for so long as any Sukuk is outstanding. Where more than one Calculation Agent is appointed in respect of the Sukuk, references in these Investment Wakala Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under the Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Profit Rate for a Return Accumulation Period or to calculate any Periodic Distribution Amount or any Dissolution Distribution Amount, as the case may be, or to comply

with any other requirement, the Trustee shall (with the prior approval of the Delegate) appoint a leading bank or financial institution engaged in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the calculation or determination to be made by the Calculation Agent (acting through its principal London office or any other office actively involved in such market) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

8. **Redemption and Dissolution of the Trust**

8.1 ***Dissolution on the Scheduled Dissolution Date***: Unless previously redeemed, or purchased and cancelled, in full, as provided below, each Sukuk shall be finally redeemed at its Dissolution Distribution Amount and the Trust shall be dissolved by the Trustee on the Scheduled Dissolution Date specified in the applicable Pricing Supplement following the payment of all such amounts in full.

8.2 ***Early Dissolution for Taxation Reasons***: The Sukuk shall be redeemed by the Trustee in whole, but not in part, at any time (such dissolution date being an "**Early Tax Dissolution Date**"), on giving not less than 30 nor more than 60 days' notice to the Sukukholders (which notice shall be irrevocable) at their Dissolution Distribution Amount if the Trustee satisfies the Delegate immediately before the giving of such notice that:

(a) (A) the Trustee has or will become obliged to pay additional amounts as described under Condition 10 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of Malaysia or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the relevant Series, and (B) such obligation cannot be avoided by the Trustee taking reasonable measures available to it; or

(b) (A) the Obligor has or will become obliged to pay additional amounts pursuant to the terms of any Transaction Document as a result of any change in, or amendment to, the laws or regulations of Malaysia or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after the date on which agreement is reached to issue the relevant Series, and (B) such obligation cannot be avoided by the Obligor taking reasonable measures available to it,

provided, however, that no such notice of dissolution shall be given to Sukukholders where the Sukuk may be redeemed at any time, earlier than 90 days prior to the earliest date on which the Trustee or the Obligor, as the case may be, would be obliged to pay such additional amounts were a payment in respect of the Sukuk (in the case of the Trustee) or pursuant to any Transaction Document (in the case of the Obligor) then due.

Prior to the publication of any notice of dissolution pursuant to this Condition 8.2, the Trustee shall deliver or procure that there is delivered to the Delegate:

(1) a certificate signed by two directors of the Trustee (in the case of Condition 8.2(a)) or the Obligor (in the case of Condition 8.2(b)) stating that the Trustee is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Trustee so to redeem (as set out in Condition 8.2(a) and Condition 8.2(b), as the case may be) have occurred; and

(2) an opinion of independent legal advisers or other professional advisers, in each case of recognised standing, to the effect that the Trustee or the Obligor, as the case may be, has or will become obliged to pay additional amounts as a result of such change or amendment,

and the Delegate shall be entitled to accept such certificate and legal opinion as sufficient evidence of the satisfaction of the condition precedent set out in Condition 8.2(a) or, as the case may be, Condition 8.2(b) above, in which event it shall be conclusive and binding on Sukukholders.

Upon expiry of any such notice given in accordance with this Condition 8.2 and payment in full of the Dissolution Distribution Amount to Sukukholders, the Trustee shall be bound to dissolve the Trust.

8.3 ***Dissolution at the Option of the Obligor (Optional Dissolution Right)***: If the Optional Dissolution Right is specified in the applicable Pricing Supplement, the Obligor may in its sole discretion deliver to the Trustee a duly completed notice in accordance with the provisions of this Condition 8.3 and, on receipt of such notice, the Trustee shall, on giving not less than 30 nor more than 60 days' irrevocable notice to the Sukukholders (or such other notice period as may be specified in the applicable Pricing Supplement) redeem all or, if so specified in the relevant notice from the Obligor, some of the Sukuk on any Optional Dissolution Date. Any such redemption of Sukuk shall be at their Dissolution Distribution Amount. Any such redemption or exercise must relate to Sukuk of a face amount at least equal to the Minimum Optional Dissolution Amount to be redeemed and no greater than the Maximum Optional Dissolution Amount to be redeemed.

All Sukuk in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition 8.3. If all (and not some only) of the Sukuk are to be redeemed on any Optional Dissolution Date in accordance with this Condition 8.3 then upon payment in full of the Dissolution Distribution Amount to all Sukukholders, the Trustee shall be bound to dissolve the Trust.

In the case of a partial redemption, the notice to Sukukholders shall also specify the face amount of Sukuk drawn and the holder(s) of such Sukuk to be redeemed, which shall have been drawn in such place and in such manner as may be fair and reasonable in the circumstances, taking account of prevailing market practices, subject to compliance with any applicable laws and stock exchange or other relevant authority requirements.

If the Sukuk are to be redeemed in part only on any date in accordance with this Condition 8.3, each Sukuk shall be redeemed in part in the proportion which the aggregate principal amount of the outstanding Sukuk to be redeemed on the relevant Optional Dissolution Date bears to the aggregate principal amount of outstanding Sukuk on such date.

For Shariah reasons, the Optional Dissolution Right and the Sukukholder Put Right cannot both be specified as applicable in the applicable Pricing Supplement in respect of any single Series.

8.4 ***Dissolution at the Option of Sukukholders (Sukukholder Put Right)***: If the Sukukholder Put Right is specified in the applicable Pricing Supplement, the Trustee shall, at the option of the Holder of any Sukuk, upon the Holder of such Sukuk giving not less than 30 nor more than 60 days' notice to the Trustee (or such other notice period as may be specified in the applicable Pricing Supplement), redeem such Sukuk on the Sukukholder Put Right Date at its Dissolution Distribution Amount. If all (and not some only) of the Sukuk are to be redeemed on any Sukukholder Put Right Date in accordance with this Condition 8.4 then upon payment in full of the Dissolution Distribution Amount to all Sukukholders, the Trustee shall be bound to dissolve the Trust.

To exercise the option in this Condition 8.4 the relevant Holder must, within the notice period, give notice to the Principal Paying Agent of such exercise (a "**Sukukholder Put Exercise Notice**") in accordance with the standard procedures of Euroclear and Clearstream, CDP, the CMU and/or the relevant Alternative Clearing System (which, in respect of any Series of RENTAS Sukuk, shall be the RENTAS Depository Procedures) in a form acceptable to the relevant clearing system from time to time (which shall, if acceptable to the relevant clearing system, be in the form of a duly completed Sukukholder Put Exercise Notice in the form set out in the Agency Agreement and obtainable from any Paying Agent, the Registrar or any Transfer Agent).

Any Sukukholder Put Exercise Notice or other notice given in accordance with the standard procedures of Euroclear and Clearstream, CDP, the CMU and/or any relevant Alternative Clearing System by a Holder of any Sukuk pursuant to this Condition 8.4 shall be irrevocable except where, prior to the due date of redemption, a Dissolution Event has occurred and the Delegate has declared the Sukuk due and payable pursuant to Condition 12 (*Dissolution Events*), in which event such Holder, at its option, may elect by notice to the Trustee to withdraw the notice given pursuant to this Condition 8.4.

For Shariah reasons, the Optional Dissolution Right and the Sukukholder Put Right cannot both be specified as applicable in the applicable Pricing Supplement in respect of any single Series.

8.5 ***Dissolution at the Option of the Sukukholders (Change of Shareholding Put Right)***: The Obligor has agreed in the Investment Wakala Master Murabaha Agreement to notify the Delegate and the Trustee in writing of a Change of Shareholding, promptly upon becoming aware of its occurrence. The Trustee, upon receipt of such notice from the Obligor or otherwise by not later than 14 days following the first day on which it becomes aware of the occurrence of a Change of Shareholding, shall give notice (a "**Change of Shareholding Notice**") of the occurrence of a Change of Shareholding to the Sukukholders in accordance with these Investment Wakala Conditions. The Change of Shareholding Notice shall provide a description of the Change of Shareholding, and specify the procedure for exercise by the Sukukholders of their rights to require redemption of the Sukuk pursuant to this Condition 8.5, and shall require Sukukholders to elect within 30 days of the date on which the Change of Shareholding Notice is given (the "**Change of Shareholding Put Period**") if they wish all, but not some only, of their Sukuk to be redeemed.

If a Change of Shareholding occurs, and **provided that** Sukukholders elect to redeem their Sukuk in accordance with this Condition 8.5, the Trustee shall redeem such Sukuk on the Change of Shareholding Put Right Date at the Dissolution Distribution Amount. If all (and not some only) of the Sukuk are to be redeemed on any Change of Shareholding Put Right Date in accordance with this Condition 8.5 then upon payment in full of the Dissolution Distribution Amount to all Sukukholders, the Trustee shall be bound to dissolve the Trust.

To exercise the option in this Condition 8.5 the relevant Holder must, within the Change of Shareholding Put Period, give notice to the Principal Paying Agent of such exercise (a "**Change of Shareholding Exercise Notice**") in accordance with the standard procedures of Euroclear and Clearstream, CDP, the CMU and/or the relevant Alternative Clearing System (which, in respect of any Series of RENTAS Sukuk, shall be the RENTAS Depository Procedures) in a form acceptable to the relevant clearing system from time to time (which shall, if acceptable to the relevant clearing system, be in the form of a duly completed Change of Shareholding Exercise Notice in the form set out in the Agency Agreement and obtainable from any Paying Agent, the Registrar or any Transfer Agent).

Any Change of Shareholding Exercise Notice or other notice given in accordance with the standard procedures of Euroclear and Clearstream, CDP, the CMU and/or any relevant

Alternative Clearing System by a Holder of any Sukuk pursuant to this Condition 8.5 shall be irrevocable except where, prior to the due date of redemption, a Dissolution Event has occurred and the Delegate has declared the Sukuk due and payable pursuant to Condition 12 (*Dissolution Events*), in which event such Holder, at its option, may elect by notice to the Trustee to withdraw the notice given pursuant to this Condition 8.5.

A "**Change of Shareholding**" occurs when Bank Negara Malaysia or the Government of Malaysia, either through the Minister of Finance (Incorporated) or any other ministry or Government agency or body, ceases to be a shareholder, directly or indirectly, of the Obligor's issued share capital.

8.6 ***Dissolution following a Dissolution Event***: Upon the occurrence of a Dissolution Event, the Sukuk may be redeemed at the Dissolution Distribution Amount on the Dissolution Event Redemption Date and the Trustee may be required to dissolve the Trust, in each case as more particularly described in Condition 12 (*Dissolution Events*).

8.7 ***Purchases***: Each of the Obligor and the Obligor's Subsidiaries may at any time purchase Sukuk in the open market or otherwise and at any price and such Sukuk may be held, resold or, at the option of the Obligor, surrendered to the Registrar for cancellation.

8.8 ***Cancellation***: Subject to and in accordance with the standard procedures of Euroclear and Clearstream, CDP, the CMU and/or the relevant Alternative Clearing System (which, in respect of any Series of RENTAS Sukuk, shall be the RENTAS Depository Procedures), as applicable, all Sukuk which are redeemed will forthwith be cancelled. All Sukuk purchased and surrendered for cancellation by or on behalf of the Obligor or any of the Obligor's Subsidiaries shall be cancelled by surrendering the Global Certificate or Individual Certificates representing such Sukuk to the Registrar and by the Obligor delivering to the Trustee a duly completed Cancellation Notice in accordance with the terms of the Master Trust Deed. If all (and not some only) of the Sukuk are cancelled in accordance with this Condition 8.8 then the Trustee shall be bound to dissolve the Trust. All Sukuk cancelled pursuant to this Condition 8.8 shall be forwarded to the Registrar and cannot be reissued or resold.

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

9. **Payments**

9.1 ***Method of Payment***: Payments of any Dissolution Distribution Amount will only be made against surrender of the relevant Sukuk at the specified office of any of the Paying Agents. Each Dissolution Distribution Amount and each Periodic Distribution Amount will be paid to the Holder shown on the Register at the close of business on the relevant Record Date:

(a) in the case of Sukuk other than RENTAS Sukuk denominated in a currency other than Renminbi, upon application by the Holder of such Sukuk to the Specified Office of the Registrar, the other Transfer Agents or any Paying Agent before the Record Date, by transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency;

(b) in the case of Sukuk other than RENTAS Sukuk denominated in Renminbi, by transfer to an account denominated in that currency and maintained by the payee with a bank in the Principal Financial Centre of that currency; and

(c) in the case of any RENTAS Sukuk denominated in any currency, by transfer to an account denominated in that currency and maintained by the payee with a bank in the Principal Financial Centre of that currency.

9.2 ***Payments on Business Days***: Where payment is to be made by transfer to an account, payment instructions (for value the due date, or, if the due date is not Payment Business Day, for value the next succeeding Payment Business Day) will be initiated.

(a) (in the case of payments of any Dissolution Distribution Amount and Periodic Distribution Amounts payable on a Dissolution Date) on the later of the due date for payment and the day on which the relevant Sukuk is surrendered (or, in the case of part payment only, presented and endorsed) at the Specified Office of a Paying Agent; and

(b) (in the case of payments of Periodic Distribution Amounts payable other than on a Dissolution Date) on the due date for payment.

A Holder of Sukuk shall not be entitled to any additional distributions or other payment in respect of any delay in payment resulting from the due date for a payment not being a Payment Business Day.

9.3 ***Partial Payments***: If the amount of any Dissolution Distribution Amount or Periodic Distribution Amount is not paid in full when due, the Registrar will annotate the Register with a record of the amount in fact paid.

9.4 ***Record Date***: Each payment in respect of Sukuk will be made:

(a) where the Sukuk is represented by a Global Certificate, to the person shown as the Holder in the Register at the close of business (in the relevant clearing system) on the Clearing System Business Day before the due date for such payment, where "**Clearing System Business Day**" means a day on which each clearing system for which the Global Certificate is being held is open for business; or

(b) where the Sukuk is in definitive form, to the person shown as the Holder in the Register at the close of business in the place of the Registrar's Specified Office (in the case of Sukuk denominated in a Specified Currency other than Renminbi) on the fifteenth day before the due date for such payment or (in the case of Sukuk denominated in Renminbi) on the fifth day before the due date for such payment (such day described in, as the case may be, Condition 9.4(a) above and in this Condition 9.4(b), the "**Record Date**").

9.5 ***Payments subject to Laws***: All payments in respect of the Sukuk will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 10 (*Taxation)* and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 10 (*Taxation*)) any law implementing an intergovernmental approach thereto.

9.6 ***Commissions or expenses***: No commissions or expenses shall be charged to the Sukukholders in respect of such payments.

9.7 ***Payment of U.S. Dollar Equivalent***: Notwithstanding anything in these Investment Wakala Conditions, if by reason of Inconvertibility, Non-transferability or Illiquidity, the Trustee is not able to satisfy payments of any Dissolution Distribution Amount, any Periodic Distribution Amount or any other amount (whether in the nature of principal or otherwise) in respect of the Sukuk when due in Renminbi in the relevant Renminbi Settlement Centre, the Trustee may, on giving not less than five nor more than 30 calendar days' irrevocable notice to the Sukukholders prior to the due date for payment, settle any such payment in U.S. dollars on the due date at the U.S. Dollar Equivalent of any such Renminbi-denominated amount.

In such event, payments of the U.S. Dollar Equivalent of the relevant Dissolution Distribution Amount, any Periodic Distribution Amount or any other amount (whether in the nature of principal or otherwise) in respect of the Sukuk shall be made, upon application by the holder of the Sukuk to the Specified Office of the Registrar or any Transfer Agent before the Record Date, by transfer to a U.S. dollar denominated account maintained by the payee with a bank in New York City.

In this Condition 9.7:

"**Determination Business Day**" means a day (other than a Saturday or Sunday) on which commercial banks are open for general business (including dealings in foreign exchange) in the relevant Renminbi Settlement Centre, London and in New York City;

"**Determination Date**" means the day which is two Determination Business Days before the due date for any payment of the relevant amount under these Investment Wakala Conditions;

"**Governmental Authority**" means any *de facto* or *de jure* government (or any agency or instrumentality thereof), court, tribunal, administrative or other governmental authority or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) of the relevant Renminbi Settlement Centre;

"**Illiquidity**" means where the general Renminbi exchange market in the relevant Renminbi Settlement Centre becomes illiquid and, as a result of which the Trustee cannot obtain sufficient Renminbi in order to satisfy its obligation to pay any Dissolution Distribution Amount, any Periodic Distribution Amount or any other amount (whether in the nature of principal or otherwise) (in whole or in part) in respect of the Sukuk as determined by the Trustee in good faith and in a commercially reasonable manner following consultation (if practicable) with two Renminbi Dealers;

"**Inconvertibility**" means the occurrence of any event that makes it impossible for the Trustee to convert any amount due in respect of the Sukuk in the general Renminbi exchange market in the relevant Renminbi Settlement Centre, other than where such impossibility is due solely to the failure of the Trustee to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the pricing date of the relevant Series of Sukuk and it is impossible for the Trustee, due to an event beyond its control, to comply with such law, rule or regulation);

"**Non-transferability**" means the occurrence of any event that makes it impossible for the Trustee to transfer Renminbi between accounts inside the relevant Renminbi Settlement Centre or from an account inside the relevant Renminbi Settlement Centre to an account outside the relevant Renminbi Settlement Centre or from an account outside the relevant Renminbi Settlement Centre to an account inside the relevant Renminbi Settlement Centre, other than where such impossibility is due solely to the failure of the Trustee to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the pricing date for the relevant Series of Sukuk and it is impossible for the Trustee, due to an event beyond its control, to comply with such law, rule or regulation);

"**Renminbi Dealer**" means an independent foreign exchange dealer of international repute active in the Renminbi exchange market in the relevant Renminbi Settlement Centre;

"**Spot Rate**" means the spot CNY/U.S. dollar exchange rate for the purchase of U.S. dollars with Renminbi in the over-the-counter Renminbi exchange market in the relevant Renminbi Settlement Centre for settlement in two Determination Business Days, as determined by the Obligor at or around 11.00 a.m. (Hong Kong time) on the Determination Date, on a deliverable basis by reference to Reuters Screen Page TRADCNY3, or if no such rate is available, on a non-deliverable basis by reference to Reuters Screen Page TRADNDF. If neither rate is available, the Calculation Agent will determine the Spot Rate at or around 11.00 a.m. (Hong Kong time) on the Determination Date as the most recently available CNY/U.S. dollar official fixing rate for settlement in two Determination Business Days reported by The State Administration of Foreign Exchange of the PRC, which is reported on the Reuters Screen Page CNY=SAEC. Reference to a page on the Reuters Screen means the display page so designated on the Reuters Monitor Money Rates Service (or any successor service) or such other page as may replace that page for the purpose of displaying a comparable currency exchange rate. All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 9.7 by the Calculation Agent, will (in the absence of wilful default or fraud) be binding on the Trustee, the Obligor, the Paying Agents and all Sukukholders; and

"**U.S. Dollar Equivalent**" means the Renminbi amount converted into U.S. dollars using the Spot Rate for the relevant Determination Date.

10. **Taxation**

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

(a) held by or on behalf of a Holder which is liable to such taxes, duties, assessments or governmental charges in respect of such Sukuk by reason of its having some connection with the jurisdiction by which such taxes, duties, assessments or charges have been imposed, levied, collected, withheld or assessed other than the mere holding of the Sukuk; or

(b) where the relevant Sukuk is presented or surrendered for payment more than 30 days after the Relevant Date except to the extent that the Holder of such Sukuk would have been entitled to such additional amounts on presenting or surrendering such Sukuk for payment on the last day of such period of 30 days.

If the Trustee becomes subject at any time to any taxing jurisdiction other than or in addition to Malaysia, references in these Investment Wakala Conditions to Malaysia shall be construed as references to Malaysia and/or such other jurisdiction.

Notwithstanding anything herein to the contrary, in no event will the Trustee (or any successor of the Trustee) pay any additional amounts in respect of any taxes, withholding or deduction

imposed pursuant to the provisions of Sections 1471 through 1474 of the Code (including any successor provisions or amendments thereof), any current or future regulations or agreements thereunder, any official interpretations thereof or any law implementing an intergovernmental approach thereto.

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

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

11. **Prescription**

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

12. **Dissolution Events**

12.1 ***Dissolution Event***: Upon the occurrence of a Dissolution Event:

(a) the Delegate, upon receiving written notice thereof under the Trust Deed or otherwise upon becoming actually aware of a Dissolution Event, shall (subject to it being indemnified and/or secured and/or pre-funded to its satisfaction, if required by the Delegate in the circumstances) promptly give notice of the occurrence of the Dissolution Event to the Sukukholders in accordance with Condition 18 (*Notices*) with a request to Sukukholders to indicate to the Trustee and the Delegate if they wish the Sukuk to be redeemed and the Trust to be dissolved; and

(b) the Delegate in its sole discretion may, and shall if so requested in writing by the holders of at least 25 per cent. of the then aggregate face amount of the Series of Sukuk outstanding or if so directed by an Extraordinary Resolution, subject in each case to being indemnified and/or secured and/or pre-funded to its satisfaction, give notice (a "**Dissolution Notice**") to the Trustee, the Obligor and the Sukukholders in accordance with Condition 18 (*Notices*) that the Sukuk are immediately due and payable at the Dissolution Distribution Amount, whereupon they shall become so due and payable. A Dissolution Notice may be given pursuant to this Condition 12.1(b) whether or not notice has been given to Sukukholders as provided in Condition 12.1(a).

Upon receipt of such Dissolution Notice, the Trustee (failing which the Delegate) shall notify the Obligor that the Dissolution Distribution Amount is immediately due and payable from the relevant Investment Wakala Collection Account under the terms of the Investment Wakala Agreement. The Trustee (failing which the Delegate) shall use the proceeds thereof to redeem the Sukuk at the Dissolution Distribution Amount on the date specified in the relevant Dissolution Notice (the relevant "**Dissolution Event Redemption Date**") and the Trust shall be dissolved on the day after the last outstanding Sukuk has been so redeemed in full.

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

12.2 ***Enforcement and Exercise of Rights***: Upon the occurrence of a Dissolution Event, to the extent that any amount payable in respect of the Sukuk of the relevant Series has not been paid in full (notwithstanding the provisions of Condition 12.1 (*Dissolution Event*)), the Delegate may (acting for the benefit of the Sukukholders), and shall if so requested in writing by the holders of at least 25 per cent. of the then outstanding aggregate face amount of the Series of Sukuk or if so directed by an Extraordinary Resolution (and, in each case, subject to it being indemnified and/or secured and/or pre-funded to its satisfaction against all Liabilities to which it may, in its opinion, render itself liable or which it may in its opinion incur by so doing), take one or more of the following steps:

(a) enforce the provisions of the Investment Wakala Agreement and, if applicable to a Series, the Investment Wakala Master Murabaha Agreement against the Obligor; and/or

(b) start or join in legal proceedings against the Obligor or the Trustee to recover from the Obligor or the Trustee any amounts owed to the Sukukholders; and/or

(c) start or join in any other legal proceedings or take such other steps as the Trustee or the Delegate may consider necessary to recover amounts due to the Sukukholders.

13. **Realisation of Trust Assets**

13.1 The Delegate shall not be bound in any circumstances to take any action to enforce or to realise the relevant Trust Assets or take any action or steps or proceedings against the Trustee and/or the Obligor under any Transaction Document to which either of the Trustee or the Obligor is a party unless directed or requested to do so: (i) by an Extraordinary Resolution; or (ii) in writing by the holders of at least 25 per cent. of the then outstanding aggregate face amount of the Series of Sukuk and, in either case, only if it is indemnified and/or secured and/or pre-funded to its satisfaction against all Liabilities to which it may, in its opinion, thereby render itself liable or which it may, in its opinion, incur by so doing.

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

13.3 Conditions 12.2, 13.1 and 13.2 are subject to this Condition 13.3. After enforcing or realising the Trust Assets in respect of the Sukuk of the relevant Series and distributing the net proceeds of the Trust Assets in accordance with Condition 5.2 (*Application of Proceeds from Trust Assets*) and the Trust Deed, the obligations of the Trustee and the Delegate in respect of the Sukuk of the relevant Series shall be satisfied and the Trustee shall not be liable for any further sums in respect of such Series and, accordingly, no Sukukholder may take any further steps against the Trustee (to the extent that the Trust Assets have been exhausted) (or any steps against the Delegate) or any other person (including the Obligor (to the extent that it fulfils all of its obligations under the Investment Wakala Transaction Documents)) to recover any further sums in respect of the Sukuk of the relevant Series and the right to receive from the Trustee or the

Delegate any such sums remaining unpaid shall be extinguished. In particular, no Sukukholder shall be entitled in respect thereof to petition or to take any other steps for the winding-up of the Trustee.

14. **Replacement of Sukuk**

If any Global Certificate or Individual Certificate is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Registrar (and, if the Sukuk are then admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent or Transfer Agent in any particular place, the Paying Agent or Transfer Agent having its Specified Office in the place required by such competent authority, stock exchange and/or quotation system), subject to all applicable laws and competent authority, stock exchange and/or quotation system requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Trustee or any relevant Agent may reasonably require. A mutilated or defaced Global Certificate or Individual Certificate must be surrendered before replacements will be issued.

15. **Agents**

In acting under the Agency Agreement and/or any relevant ACS Forms (as applicable) and in connection with the Sukuk, the Agents act solely as agents of the Trustee and do not assume any obligations towards or relationship of agency or trust for or with any of the Sukukholders.

The Agents and their Specified Offices are set out in the Agency Agreement and/or any relevant ACS Forms (as applicable). In respect of each Series of Sukuk, the relevant Agents are specified in the applicable Pricing Supplement. The Trustee reserves the right at any time with the prior written approval of the Delegate to terminate the appointment of any Agent and to appoint additional or successor Agents; **provided**, **however**, **that**:

(a) the Trustee shall at all times maintain a principal agent, a registrar and a transfer agent;

(b) if a Calculation Agent is specified in the applicable Pricing Supplement, the Trustee shall at all times maintain a Calculation Agent;

(c) the Trustee shall at all times maintain a CMU Lodging and Paying Agent in respect of CMU Sukuk;

(d) the Trustee shall at all times maintain a CDP Lodging and Paying Agent in respect of CDP Sukuk;

(e) the Trustee shall, so long as any ACS Sukuk are outstanding, maintain the relevant ACS Agents in relation to such ACS Sukuk; and

(f) if and for so long as the Sukuk are admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent and/or a Transfer Agent in any particular place, the Trustee shall maintain a Paying Agent and/or a Transfer Agent having its Specified Office in the place required by such competent authority, stock exchange and/or quotation system.

Notice of any change in any of the Agents or in their Specified Offices shall promptly be given by the Trustee to the Sukukholders.

16. **Meetings of Sukukholders, Modification and Waiver**

16.1 ***Meetings of Sukukholders***: The Trust Deed contains provisions for convening meetings of Sukukholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of any of these Investment Wakala Conditions or any provisions of the Trust Deed. Such a meeting may be convened by the Trustee, the Obligor or the Delegate, and shall be convened by the Trustee, or, subject to it being indemnified and/or secured and/or pre-funded to its satisfaction, the Delegate, if the Trustee or the Delegate (as the case may be) receives a request in writing from Sukukholders holding not less than 10 per cent. in aggregate face amount of the Sukuk of any Series for the time being outstanding. The quorum for any meeting convened to consider an Extraordinary Resolution shall be two or more Persons holding or representing more than 50 per cent. in aggregate face amount of the Sukuk for the time being outstanding, or at any adjourned meeting two or more Persons being or representing Sukukholders whatever the aggregate face amount of the Sukuk held or represented, unless the business of such meeting includes consideration of proposals to (each a "**Reserved Matter**"):

(a) amend any Dissolution Date in respect of the Sukuk or any date for payment of Periodic Distribution Amounts on the Sukuk;

(b) reduce or cancel the face amount of, or any premium payable on redemption of, the Sukuk;

(c) to reduce the rate or rates of profit in respect of the Sukuk or to vary the method or basis of calculating the rate or rates or amount of profit or the basis for calculating any Periodic Distribution Amount in respect of the Sukuk;

(d) if a Minimum Profit Rate and/or a Maximum Profit Rate is shown in the applicable Pricing Supplement, to reduce any such Minimum Profit Rate and/or Maximum Profit Rate;

(e) vary any method of, or basis for, calculating the Dissolution Distribution Amount;

(f) vary the currency of payment or denomination of the Sukuk;

(g) modify the provisions concerning the quorum required at any meeting of Sukukholders or the majority required to pass an Extraordinary Resolution;

(h) modify or cancel the payment obligations of the Obligor (in any capacity) and/or the Trustee under the Investment Wakala Transaction Documents and/or the Sukuk (as the case may be);

(i) amend any of the Obligor's covenants included in the Investment Wakala Master Murabaha Agreement;

(j) amend the order of application of monies set out in Condition 5.2 (*Application of Proceeds from Trust Assets*); or

(k) amend this definition,

in which case the necessary quorum shall be two or more persons holding or representing not less than 66 per cent., or at any adjourned meeting not less than 33 per cent., in aggregate face amount of the Sukuk for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on all Sukukholders (whether or not they were present at the meeting at which such resolution was passed).

Any such meeting of the Sukukholders may be convened at a physical location, or such other method (which may include, without limitation, a conference call or video conference) as the Delegate may approve in accordance with the provisions of the Trust Deed.

The Trust Deed provides that a resolution in writing signed by or on behalf of the holders of not less than 90 per cent. in aggregate face amount of the Sukuk outstanding shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Sukukholders duly convened and held. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Sukukholders.

16.2 ***Modification***: The Delegate may (but shall not be obliged to), without the consent of the Sukukholders: (i) agree to any modification of any of the provisions of the Trust Deed or the Investment Wakala Transaction Documents that is, in the sole opinion of the Delegate, of a formal, minor or technical nature or is made to correct a manifest error or is not materially prejudicial to the interests of the outstanding Sukukholders; or (ii) (A) agree to any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed or the Investment Wakala Transaction Documents or (B) determine that any Dissolution Event shall not be treated as such, **provided that** such waiver, authorisation or determination is in the sole opinion of the Delegate not materially prejudicial to the interests of the outstanding Sukukholders and is other than in respect of a Reserved Matter and not in contravention of any express direction by Extraordinary Resolution or request in writing by the holders of at least 25 per cent. of the outstanding aggregate face amount of that Series. Any such modification, authorisation, determination or waiver shall be binding on all Sukukholders and, unless the Delegate agrees otherwise, such modification, waiver, authorisation or determination shall be notified by the Trustee to the Sukukholders in accordance with Condition 18 (*Notices*) as soon as practicable.

16.3 ***Entitlement of the Delegate***: In connection with the exercise of its powers, authorities and discretions (including but not limited to those referred to in this Condition) the Delegate shall have regard to the general interests of the Sukukholders as a class and shall not have regard to the consequences of such exercise for individual Sukukholders and the Delegate shall not be entitled to require, nor shall any Sukukholder be entitled to claim, from the Trustee, the Obligor or the Delegate any indemnification or payment in respect of any tax consequence of any such exercise upon individual Sukukholders.

17. **Delegate**

17.1 ***Delegation of powers***: The Trustee will in the Trust Deed irrevocably and unconditionally appoint the Delegate to be its attorney and in its name, on its behalf and as its act and deeds, to execute, deliver and perfect all documents, and to exercise all of the present and future duties, powers (including the power to sub-delegate), rights, authorities (including, but not limited to, the authority to request directions from any Sukukholders and the power to make any determinations to be made under the Investment Wakala Transaction Documents) and discretions vested in the Trustee by the Trust Deed, that the Delegate may consider to be necessary or desirable in order to, upon the occurrence of a Dissolution Event, and subject to its being indemnified and/or secured and/or pre-funded to its satisfaction, exercise all of the rights of the Trustee under the Investment Wakala Transaction Documents, take such other steps as the Trustee or the Delegate may consider necessary to recover amounts due to the Sukukholders and make such distributions from the relevant Trust Assets as the Trustee is bound to make in accordance with the Trust Deed (together the "**Delegation**" of the "**Relevant Powers**"), **provided that** no obligations, duties, liabilities or covenants of the Trustee pursuant to the Trust Deed or any other Transaction Document shall be imposed on the Delegate by virtue of this Delegation and **provided further that** in no circumstances will such Delegation result in the Delegate holding on trust the relevant Trust Assets and **provided further that** such Delegation and the

Relevant Powers shall not include any duty, power, trust, authority, rights or discretion to dissolve any of the trusts constituted by the Trust Deed following the occurrence of a Dissolution Event or to determine the remuneration of the Delegate. The Trustee shall ratify and confirm all things done and all documents executed by the Delegate in the exercise of all or any of the Relevant Powers.

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

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

17.2 ***Indemnification***: The Trust Deed contains provisions for the indemnification of the Delegate in certain circumstances and for its relief from responsibility, including provisions relieving it from taking action unless indemnified and/or secured and/or pre-funded to its satisfaction. In particular, but without limitation, in connection with the exercise of any of its rights in respect of the relevant Trust Assets or any other right it may have pursuant to the Trust Deed or the other Investment Wakala Transaction Documents, the Delegate shall in no circumstances be bound to take any action unless directed to do so in accordance with Conditions 12 (*Dissolution Events*) or 13 (*Realisation of Trust Assets*), and then only if it shall also have been indemnified and/or secured and/or pre-funded to its satisfaction.

17.3 ***No liability***: The Delegate makes no representation and assumes no responsibility for the validity, sufficiency or enforceability of the obligations of the Obligor or the Trustee under the Investment Wakala Transaction Documents to which it is a party and shall not under any circumstances have any liability or be obliged to account to Sukukholders in respect of any payments which should have been paid by the Obligor but are not so paid and shall not in any circumstances have any liability arising from the relevant Trust Assets other than as expressly provided in these Investment Wakala Conditions or in the Trust Deed.

17.4 ***Reliance on certificates and/or reports***: The Delegate may rely, without liability to any Sukukholder or any other person, on any certificate or report of the auditors or insolvency officials (as applicable) of the Trustee, the Obligor or any other person called for by or provided to the Delegate (whether or not addressed to the Delegate) in accordance with or for the purposes of the Trust Deed or the other Investment Wakala Transaction Documents and such certificate or report may be relied upon by the Delegate as sufficient evidence of the facts stated therein notwithstanding that such certificate or report and/or any engagement letter or other document entered into by the Delegate in connection therewith contains a monetary or other limit on the liability of the auditors of the Trustee, the Obligor or such other person in respect thereof and notwithstanding that the scope and/or basis of such certificate or report may be limited by an engagement or similar letter or by the terms of the certificate or report itself and the Delegate shall not be bound in any such case to call for further evidence or be responsible for any liability or inconvenience that may be occasioned by its failure to do so.

17.5 ***Proper performance of duties***: Nothing shall, in any case in which the Trustee or the Delegate has failed to show the degree of care and diligence required of it as trustee, in the case of the Trustee (having regard to the provisions of the Trust Deed conferring on it any trusts, powers, authorities or discretions) or as donee and delegate, in the case of the Delegate (having regard to the powers, authorities and discretions conferred on it by the Trust Deed and to the Relevant Powers delegated to it), respectively exempt the Trustee or the Delegate from or indemnify either of them against any Liability for gross negligence, wilful default or fraud of which either of them may be guilty in relation to their duties under the Trust Deed.

17.6 ***Notice of events***: The Delegate shall not be responsible for monitoring or ascertaining whether or not a Dissolution Event or Change of Shareholding has occurred or exists and, unless and until it

shall have received express written notice to the contrary, it will be entitled to assume that no such event or circumstance exists or has occurred (without any liability to Sukukholders or any other person for so doing).

18. **Notices**

18.1 ***Notices to the Holders:*** Notices to the Holders of Sukuk shall be sent to them by uninsured first class mail (or its equivalent) or (if posted to an overseas address) by airmail at their respective addresses on the Register. Any such notice shall be deemed to have been given on the fourth day (being a day other than a Saturday or a Sunday) after the date of mailing.

18.2 ***Listing authorities and clearing systems:*** The Trustee shall also ensure that notices are duly given in a manner which complies with the rules and regulations of any listing authority, stock exchange and/or quotation system on which the Sukuk are for the time being listed.

So long as the Sukuk are held by: (i) Euroclear or Clearstream, notices to the Holders of Sukuk of that Series may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders in substitution for mailing or publication as required by the Investment Wakala Conditions; (ii) the CMU, notices to the Holders of Sukuk of that Series may be given by delivery of the relevant notice to the Persons shown in a CMU Instrument Position Report (as defined in the rules of the CMU) issued by the HKMA on the business day preceding the date of despatch of such notice as holding interests in the relevant Sukuk; (iii) CDP, notices to the Holders of Sukuk of that Series may be given by delivery of the relevant notice to the Persons shown in the records of CDP on the second business day preceding the date of despatch of such notice as holding interests in the relevant Sukuk; and (iv) any relevant Alternative Clearing System, notices to the Holders of Sukuk of that Series may be given in accordance with the rules and regulations of such Alternative Clearing System.

19. **Currency Indemnity**

If any sum due from the Trustee in respect of the Sukuk or any order or judgment given or made in relation thereto has to be converted from the currency (the "**first currency**") in which the same is payable under these Investment Wakala Conditions or such order or judgment into another currency (the "**second currency**") for the purpose of: (a) making or filing a claim or proof against the Trustee; (b) obtaining an order or judgment in any court or other tribunal; or (c) enforcing any order or judgment given or made in relation to the Sukuk, the Trustee shall indemnify each Sukukholder, on the written demand of such Sukukholder addressed to the Trustee and delivered to the Trustee or to the Specified Office of the Principal Paying Agent, against any loss suffered as a result of any discrepancy between: (i) the rate of exchange used for such purpose to convert the sum in question from the first currency into the second currency; and (ii) the rate or rates of exchange at which such Sukukholder may in the ordinary course of business purchase the first currency with the second currency upon receipt of a sum paid to it in satisfaction, in whole or in part, of any such order, judgment, claim or proof.

This indemnity constitutes a separate and independent obligation of the Trustee and shall give rise to a separate and independent cause of action. In no circumstances will the Delegate incur any liability by virtue of this Condition 19.

20. **Rounding**

For the purposes of any calculations referred to in these Investment Wakala Conditions (unless otherwise specified in these Investment Wakala Conditions or the applicable Pricing Supplement): (a) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 per cent. being rounded

up to 0.00001 per cent.); (b) all United States dollar amounts used in or resulting from such calculations will be rounded to the nearest cent (with one half cent being rounded up); (c) all Japanese Yen amounts used in or resulting from such calculations will be rounded downwards to the next lower whole Japanese Yen amount; and (d) all amounts denominated in any other currency used in or resulting from such calculations will be rounded to the nearest two decimal places in such currency, with 0.005 being rounded upwards.

21. Governing Law and Jurisdiction

21.1 ***Governing law***: The Trust Deed, the Agency Agreement and the Sukuk (including these Investment Wakala Conditions) and any non-contractual obligations arising out of or in connection with the same are governed by English law.

21.2 ***English courts***: The courts of England have non-exclusive jurisdiction to settle any dispute arising out of or in connection with the Trust Deed, the Agency Agreement and the Sukuk (including these Investment Wakala Conditions) (including a dispute relating to the existence, validity or termination of the Sukuk or any non-contractual obligation arising out of or in connection with them) or the consequences of their nullity (a "**Dispute**").

21.3 ***Appropriate forum***: The Trustee agrees that the courts of England are the most appropriate and convenient courts to settle any Dispute and, accordingly, that it will not argue to the contrary.

21.4 ***Rights of the Delegate and the Sukukholders to take proceedings outside England***: Condition 21.2 (*English courts*) is for the benefit of the Delegate and the Sukukholders only. As a result, nothing in this Condition 21 prevents the Delegate or any Sukukholder (only where permitted so to do in accordance with the terms of the Master Trust Deed) from taking proceedings relating to a Dispute ("**Proceedings**") in any other courts with jurisdiction. To the extent allowed by law, the Delegate and/or the Sukukholders may take concurrent Proceedings in any number of jurisdictions.

21.5 ***Process agent***: The Trustee agrees that the documents which start any Proceedings and any other documents required to be served in relation to those Proceedings may be served on it by being delivered to Law Debenture Corporate Services Limited at its registered office at Eighth Floor, 100 Bishopsgate, London EC2N 4AG, United Kingdom. If such person is not or ceases to be effectively appointed to accept service of process on behalf of the Trustee, the Trustee shall, on the written demand of the Delegate or any Sukukholder addressed and delivered to the Trustee or to the Specified Office of the Principal Paying Agent appoint a further person in England to accept service of process on its behalf and, failing such appointment within 15 days, the Delegate or any Sukukholder shall be entitled to appoint such a person by written notice addressed to the Trustee and delivered to the Trustee or to the Specified Office of the Principal Paying Agent. Nothing in this Condition 21.5 shall affect the right of the Delegate or any Sukukholder to serve process in any other manner permitted by law.

21.6 ***Waiver of immunity***: To the extent that the Trustee has or hereafter may acquire any immunity (sovereign or otherwise) from any legal action, suit or proceeding, from jurisdiction of any court or from set-off or any legal process (including any immunity from jurisdiction or from service of process or, except as provided below, from any execution to satisfy a final judgment or from attachment or in aid of such execution or otherwise) with respect to itself or any of its property, the Trustee irrevocably waives, to the fullest extent permitted under applicable law, any such right of immunity or claim thereto which may now or hereafter exist, and agrees not to assert any such right or claim in any action or proceeding against it arising out of or based on the Trust Deed, the Agency Agreement or the Sukuk.

21.7 **Waiver of Interest:**

(a) Each of the Trustee, the Delegate and the Obligor has irrevocably agreed in the Trust Deed that no interest will be payable or receivable under or in connection therewith and if it is determined that any interest is payable or receivable in connection therewith by a party, whether as a result of any judicial award or by operation of any applicable law or otherwise, such party has agreed to waive any rights it may have to claim or receive such interest and has agreed that if any such interest is actually received by it, it shall hold such amount in a suspense account and promptly donate the same to a registered or otherwise officially recognised charitable organisation.

(b) For the avoidance of doubt, nothing in this Condition 21.7 shall be construed as a waiver of rights in respect of Periodic Distribution Amounts payable under the Investment Wakala Sukuk, Deferred Sale Prices payable under the Investment Wakala Master Murabaha Agreement (if applicable to an Investment Wakala Series), any amounts payable from any Investment Wakala Collection Account or profit of any kind howsoever described payable by the Obligor (in any capacity) or the Trustee (in any capacity) pursuant to the Investment Wakala Transaction Documents and/or the Investment Wakala Conditions, howsoever such amounts may be described or re-characterised by any court.

FORM OF PRICING SUPPLEMENT

The Pricing Supplement in respect of each Series of Sukuk will be substantially in the following form, duly supplemented (if necessary), amended (if necessary) and completed to reflect the particular terms of the relevant Sukuk and their issue.

Pricing Supplement dated [●]

[PROHIBITION OF SALES TO EEA RETAIL INVESTORS — The Sukuk are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**EU MiFID II**"); or (ii) a customer within the meaning of Directive (EU) 2016/97 (the "**EU Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of EU MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014 (the "**EU PRIIPs Regulation**") for offering or selling the Sukuk or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Sukuk or otherwise making them available to any retail investor in the EEA may be unlawful under the EU PRIIPs Regulation.]

[**PROHIBITION OF SALES TO UK RETAIL INVESTORS** — The Sukuk are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the Financial Services and Markets Act 2000 (the "**FSMA**") to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA. Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Sukuk or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Sukuk or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.]

[EU MIFID II product governance / Professional investors and ECPs only target market — Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Sukuk has led to the conclusion that: (i) the target market for the Sukuk is eligible counterparties and professional clients only, each as defined in [Directive 2014/65/EU (as amended, "**EU MiFID II**")][EU MiFID II]; and (ii) all channels for distribution of the Sukuk to eligible counterparties and professional clients are appropriate. [*Consider any negative target market.*] Any [person subsequently offering, selling or recommending the Sukuk (a "**distributor**")] should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to EU MiFID II is responsible for undertaking its own target market assessment in respect of the Sukuk (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

[UK MIFIR product governance / Professional investors and ECPs only target market — Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Sukuk has led to the conclusion that: (i) the target market for the Sukuk is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("**COBS**"), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**UK MiFIR**"); and (ii) all channels for distribution of the Sukuk to eligible counterparties and professional clients are appropriate. [*Consider*

any negative target market]. Any person subsequently offering, selling or recommending the Sukuk (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Sukuk (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

[**Singapore Securities and Futures Act Product Classification** — Solely for the purposes of its obligations pursuant to Sections 309B(1)(a) and 309B(1)(c) of the Securities and Futures Act 2001 of Singapore, as amended or modified from time to time (the "**SFA**"), the [Trustee] has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Sukuk are ["prescribed capital markets products"]/[capital markets products other than "prescribed capital markets products"] (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018).][1]

[Malaysian Selling Restrictions/ Sophisticated investors and excluded offers or invitations only target market — the Sukuk are not intended to be offered, and may not be offered for subscription or sale, or sold, transferred or otherwise disposed of, directly or indirectly, nor may any document or other material in connection therewith be distributed in Malaysia, other than to the persons, or other than in relation to an offer or invitation, falling within paragraph 1(a), (b) or (d) of Part I of Schedule 5 of the CMSA and Schedule 6 and Schedule 7 of the CMSA, respectively, read together with Schedule 9 (or Section 257(3)) of the CMSA, at issuance, and after issuance, paragraph 1(a), (b) or (d) of Part I of Schedule 5 of the CMSA and Schedule 6 (or Section 229(1)(b)) of the CMSA, read together with Schedule 9 (or Section 257(3)) of the CMSA, subject to any law, order, regulation or official directive of Bank Negara Malaysia, the Securities Commission and/or any other regulatory authority from time to time. The issuance of, offer for subscription or purchase of or invitation to subscribe for the Sukuk would also fall within paragraph 12, Schedule 8 (or Section 257 (1)) of the CMSA, on the basis that the Programme has received an international rating of A3 from Moody's Investors Services Singapore Pte. Ltd.

In addition, no approval from the Labuan Financial Services Authority (the "**LFSA**") has been or will be obtained for the offering of the Sukuk on the basis that the offer to purchase or invitation to subscribe for the Sukuk will fall within the categories of excluded offers or invitations set out in section 8(5) of the Labuan Financial Services and Securities Act 2010 (the "**LFSSA**"). The Offering Circular has not been nor will it be registered with the LFSA on the basis that any offer to purchase or invitation to subscribe for the Sukuk will be an excluded offer or invitation for the purposes of the LFSSA.]

[*The following language applies if the Sukuk is intended to be Qualifying Debt Securities for the purposes of the Income Tax Act 1947 of Singapore*.]

[Where the periodic distribution amount or any amount from the Sukuk is payable to, or any discount income, early redemption fee or redemption premium is derived from any of the Sukuk by, any person who is not resident in Singapore and who carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption available for qualifying debt securities (subject to certain conditions) under the Income Tax Act 1947 of Singapore (the **''Income Tax Act**"), shall not apply if such person acquires such Sukuk using the funds and profits of such person's operations through a permanent establishment in Singapore. Any person whose periodic distribution amount, discount income, early redemption fee, redemption premium or any other amount derived from the Sukuk is not exempt from tax (including for the reasons described above) shall include such income in a return of income made under the Income Tax Act.]

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[1] For any Sukuk to be offered to investors in Singapore to persons other than accredited investors and institutional investors, Trustee to provide the product classification notification pursuant to Section 309B of the SFA prior to the launch of the offer.

Cagamas Global Sukuk Berhad
Issue of [●] [*Title of Sukuk*]
under the U.S.$2,500,000,000 Multicurrency Sukuk Issuance Programme
LEI Number: 254900I17ALBY977K655

This document constitutes the Pricing Supplement relating to the issue of Sukuk described herein.

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth in the Offering Circular dated [*original date*]. This Pricing Supplement contains the final terms of the Sukuk and must be read in conjunction with such Offering Circular dated [*current date*] [and the supplemental Offering Circular dated [*date*]][, save in respect of the Conditions which are extracted from the Offering Circular dated [*original date*] and are attached hereto].

[Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or sub-paragraphs. Italics denote guidance for completing the Pricing Supplement.]

1.	(i)	Trustee and Purchaser:	Cagamas Global Sukuk Berhad
	(ii)	Seller, Obligor, Buyer and Wakeel:	Cagamas Berhad
	[(ii)]/[(iii)]	Delegate:	The Hongkong and Shanghai Banking Corporation Limited
	(iii)	Principal Paying Agent:	[●]
	(iv)	Transfer Agent:	[●]
	(v)	Registrar:	[●]
2.	Sukuk Series:		[Investment Wakala Series/Management Wakala Series]
3.	Series Number:		[●]
4.	Trade Date:		[●]
5.	Specified Currency or Currencies[2]:		[●]
6.	Aggregate Face Amount:		[●]
7.	(i)	Issue Price:	100 per cent. of the Aggregate Face Amount
	(ii)	[Murabaha Investment Amount]:	[●]/[Not Applicable]
	(iii)	[Purchase Price for Initial Wakala Assets / Initial Wakala Investment Amount]:	[●]

[2] This currency excludes Ringgit.

8.	(i)	Specified Denominations[3][4]:	[●]
	(ii)	Calculation Amount:	[●]
9.	(i)	Issue Date:	[●]
	(ii)	Profit Commencement Date:	[*Specify*/Issue Date/Not Applicable]
	[(iii)	Profit Period Dates:	[Each Periodic Distribution Date]/[●]]
10.	Scheduled Dissolution Date:		[*Specify date or (for Floating Rate Management Wakala Sukuk) Periodic Distribution Date falling in or nearest to the relevant month and year*][5]
11.	Periodic Distribution Amount Basis:		[[●] per cent. Fixed Periodic Distribution Amount] [[CNH HIBOR / EURIBOR] +/-[●] per cent. Floating Periodic Distribution Amount] (further particulars specified below)
12.	Dissolution Basis:		Dissolution at par
13.	Change of Periodic Distribution Basis:		[*Specify details of any provision for convertibility of Sukuk into another periodic distribution basis*]
14.	Put/Call Options:		[Not Applicable] [Optional Dissolution Right] [Sukukholder Put Right] Change of Shareholding Put Right (*For Shariah reasons, the Optional Dissolution Right and the Sukukholder Put Right cannot both be specified as applicable in the applicable Pricing Supplement in respect of any single Series*) [(further particulars specified below)]
15.	Status of the Sukuk:		Senior
16.	Listing:		[Labuan International Financial Exchange Inc./ Singapore Exchange Securities Trading Limited/Other (specify)/None] (For Sukuk to be listed on the [*Singapore Exchange Securities Trading Limited], insert the expected effective listing date of the Sukuk)*

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3 Sukuk (including Sukuk denominated in sterling) in respect of which the issue proceeds are to be accepted by the Trustee in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 of the FSMA and which have a maturity of less than one year, must have a minimum redemption value of £100,000 (or its equivalent in other currencies) and be issued to a limited class of professional investors.

4 If the specified denomination is expressed to be €100,000 or its equivalent and multiples of a lower principal amount (for example €1,000), insert the additional wording as follows: €100,000 and integral multiples of €1,000 in excess thereof up to and including €199,000. No Sukuk in definitive form will be issued with a denomination above €199,000.

5 Note that for Renminbi or Hong Kong dollar denominated Fixed Rate Sukuk where Periodic Distribution Dates are subject to modification it will be necessary to use the second option here.

Provisions Relating to Periodic Distribution Amounts Payable

17.	Fixed Rate Sukuk Provisions:	[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
	(i) Profit Rate:	[●] per cent. Per annum [payable [annually/semi-annually/quarterly/monthly/other (*specify*)] in arrear]
	(ii) Periodic Distribution Date(s):	[●] in each year [adjusted in accordance with [*specify Business Day Convention and any applicable Business Centre(s) for the definition of "Business Day"]/not adjusted*]
	(iii) Fixed Amount[(s)]:	[●] per Calculation Amount[6]
	(iv) Broken Amount(s):	[[●] per Calculation Amount, payable on the Periodic Distribution Date falling [in/on] [●]]/[Not Applicable]
	(v) Day Count Fraction:	[30/360/Actual/Actual (ICMA/ISDA)/other]
	(vi) Profit Rate Determination Dates:	[●] in each year (*insert regular periodic distribution dates, ignoring issue date or scheduled dissolution date in the case of a long or short first or last Return Accumulation Period*) (*N.B. This will need to be amended in the case of regular periodic distribution dates which are not of equal duration. Only relevant where Day Count Fraction is Actual/Actual (ICMA)*)
	(vii) Other terms relating to the method of calculating Periodic Distribution Amounts for Fixed Rate Sukuk:	[Not Applicable/*give details*]
18.	Floating Rate Sukuk Provisions:	[Applicable/Not Applicable] (*If not applicable (or for Investment Wakala Sukuk), delete the remaining sub-paragraphs of this paragraph*)
	(i) Return Accumulation Period:	[●]/[Not Applicable] (*Return Accumulation Period and Specified Periodic Distribution Dates are alternatives. A Return Accumulation Period, rather than Specified Periodic Distribution Dates, will only be relevant if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention. Otherwise, insert "Not Applicable"*)

[6] For Renminbi or Hong Kong dollar denominated Fixed Rate Sukuk where the Periodic Distribution Dates are subject to modification the following alternative wording is appropriate: "Each Fixed Amount shall be calculated by multiplying the product of the Profit Rate and the Calculation Amount by the Day Count Fraction and rounding the resultant figure, in the case of Renminbi denominated Fixed Rate Sukuk, to the nearest CNY0.01, CNY0.005 being rounded upwards, or, in the case of Hong Kong dollar denominated Fixed Rate Sukuk, to the nearest HK$0.01, HK$0.005 being rounded upwards."

(ii)	Specified Periodic Distribution Dates:	[●]/[Not Applicable] (*Return Accumulation Period and Specified Periodic Distribution Dates are alternatives. If the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention, insert "Not Applicable"*)
(iii)	Business Day Convention:	[FRN Convention/Floating Rate Convention/Eurodollar Convention/Following Business Day Convention/ Modified Following Business Day Convention/Modified Business Day Convention/Preceding Business Day Convention/ No Adjustment]
(iv)	Additional Business Centre(s):	[Not Applicable/give details]
(v)	Manner in which the Profit Rate(s) is/are to be determined:	[Screen Rate Determination/ISDA Determination/ other (*give details*)]
(vi)	Calculation Agent (party responsible for calculating the Profit Rate(s) and/or Periodic Distribution Amount(s)):	[*Name*]
(vii)	Screen Rate Determination:	
	• Reference Rate:	[CNH HIBOR / EURIBOR]
	• Profit Rate Determination Date(s):	[●]
	• Relevant Screen Page:	[●] (*For example, Reuters EURIBOR 01*)
	• Relevant Time:	[●] (*For example, 11.00 a.m. London time/Brussels time*)
	• Renminbi Settlement Centre:	[●]/[Not Applicable]
(viii)	ISDA Determination:	
	• ISDA Definitions:	[2006 ISDA Definitions / 2021 ISDA Definitions]
	• Floating Rate Option:	[●]
	• Designated Maturity:	[●]
	• Reset Date:	[●]
(ix)	Margin(s):	[+/-] [●] per cent. per annum
(x)	Minimum Profit Rate:	[●] per cent. per annum
(xi)	Maximum Profit Rate:	[●] per cent. per annum
(xii)	Day Count Fraction:	[●]

(xiii)	Fall-back provisions, rounding provisions, denominator and any other terms relating to the method of calculating profit on Floating Rate Sukuk, if different from those set out in the Conditions:	[●]

Provision Relating to Dissolution

19.	Optional Dissolution right:	[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
(i)	Optional Dissolution Date(s):	[●]/[Any Periodic Distribution Date]
(ii)	Dissolution Distribution Amount(s) of each Sukuk and method, if any of calculation of such amount(s):	[●] per Calculation Amount (*Note: This must be no less than par*)
(iii)	If redeemable in part:	
(a)	Minimum Optional Dissolution Amount:	[●] per Calculation Amount
(b)	Maximum Optional Dissolution Amount	[●] per Calculation Amount
(iv)	Notice period:	[●]
20.	Sukukholder Put Right:	[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
(i)	Sukukholder Put Right Date(s):	[●]
(ii)	Dissolution Distribution Amount(s) of each Sukuk and method, if any, of calculation of such amount(s):	[●] per Calculation Amount (*Note: This must be no less than par*)
(iii)	Notice period:	[●]
21.	Change of Shareholding Put Right:	
(i)	Dissolution Distribution Amount(s) of each Sukuk and method, if any, of calculation of such amount(s):	[●] per Calculation Amount (*Note: This must be no less than par*)
(ii)	Any other provisions relating to the Change of Shareholding Put Right:	[Not Applicable/*give details*]
(iii)	Notice period:	[●]

22.	Dissolution Distribution Amount on Scheduled Dissolution Date:	[●] per Calculation Amount (*Note: This must be no less than par*)
23.	Dissolution Distribution Amount of each Sukuk payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in the Conditions):	[●] per Calculation Amount (*Note: This must be no less than par*)

General Provisions Applicable to the Sukuk

24.	Form of Sukuk:	Global Certificate exchangeable for Individual Certificates in the limited circumstances specified in the Global Certificate
25.	Additional Financial Centre(s) or other special provisions relating to payment dates:	[Not Applicable/give details] (*Note that this paragraph relates to the date and place of payment*) (Where the Sukuk are in global form, "**Payment Business Day**" means a day on which dealings in foreign currencies may be carried out in: (a) [New York City][7] / [Hong Kong][8] / [Singapore][9] / [London][10] / [TARGET Settlement Day (being any day on which TARGET2 is open for the settlement of payments in euro)][11]; [and] (b) [give *details as per above if applicable*][12])
26.	Other terms or special conditions:	[Not Applicable/*give details*]

Provisions in respect of the Trust Assets

27.	Initial Wakala Assets on the Issue Date:[13]	[The Initial Wakala Assets as set out in the Management Wakala Supplemental Purchase Agreement specified below, a copy of which is set out in Annex 1 hereto, [and a Commodity Murabaha Investment with a Deferred Sale Price of [●]]/[Not Applicable]
28.	Wakala Investment on the Issue Date:[14]	[The Wakala Investment for an amount equal to the Initial Wakala Investment Amount as set out in the Wakala Investment Plan scheduled to the Supplemental Trust Deed] [and a Commodity Murabaha Investment with a Deferred Sale Price of [●]]/[Not Applicable]

7 For USD denominated Sukuk.
8 For HKD or RMB denominated Sukuk.
9 For S$ denominated Sukuk.
10 For sterling denominated Sukuk.
11 For euro denominated Sukuk.
12 Include where an Additional Financial Centre has been indicated for the drawdown.
13 For Management Wakala Sukuk only
14 For Investment Wakala Sukuk only

29.	Trust Assets on the Issue Date:	[Condition 5.1 (*Trust Assets*) applies] [*specify other*]
30.	Other Transaction Document information:	
	(i) Supplemental Trust Deed:	Supplemental Trust Deed dated [●] between (among others) the Trustee, Cagamas and the Delegate
	(ii) [Management Wakala Supplemental Purchase Agreement:]	[Management Wakala Supplemental Purchase Agreement dated [●] between the Trustee (as Purchaser) and Cagamas (as Seller). A copy of the list of assets under the Management Wakala Supplemental Purchase Agreement is appended as Annex 1]

Distribution

31.	Method of distribution:	[Syndicated/Non-syndicated]
32.	(i) If syndicated, names of Managers:	[Not Applicable/*give names*]
	(ii) Stabilisation Coordinator(s):	[Not Applicable/*give names*]
33.	If non-syndicated, name and address of Dealer:	[Not Applicable/*give name and address*]
34.	Total commission and concession:	[●] per cent. of the Aggregate Face Amount
35.	U.S. Selling Restrictions:	Reg. S Category 2
	TEFRA not applicable	
36.	Prohibition of Sales to EEA Retail Investors:	[Applicable/Not Applicable] (*If the Sukuk clearly do not constitute "packaged" products or the Sukuk do constitute "packaged" products and a key information document will be prepared in the EEA, "Not Applicable" should be specified. If the Sukuk may constitute "packaged" products and no key information document will be prepared, "Applicable" should be specified.*)
37.	Prohibition of Sales to UK Retail Investors:	[Applicable/Not Applicable] (*If the Sukuk clearly do not constitute "packaged" products or the Sukuk do constitute "packaged" products and a key information document will be prepared in the UK, "Not Applicable" should be specified. If the Sukuk may constitute "packaged" products and no key information document will be prepared, "Applicable" should be specified.*)
38.	Singapore Sales to Institutional Investors and Accredited Investors only:	[Applicable/Not Applicable]
39.	Additional selling restrictions:	[Not Applicable/*give details*]

40. Hong Kong SFC Code of Conduct:

	(i) Rebates:	[A rebate of [●] bps is being offered by the Trustee to all private banks for orders they place (other than in relation to Sukuk subscribed by such private banks as principal whereby it is deploying its own balance sheet for onward selling to investors), payable upon closing of this offering based on the principal amount of the Sukuk distributed by such private banks to investors. Private banks are deemed to be placing an order on a principal basis unless they inform the CMIs otherwise. As a result, private banks placing an order on a principal basis (including those deemed as placing an order as principal) will not be entitled to, and will not be paid, the rebate.] / [Not Applicable]
	(ii) Contact email addresses of the Overall Coordinators where underlying investor information in relation to omnibus orders should be sent:	[*Include relevant contact email addresses of the Overall Coordinators ("**OCs**") where the underlying investor information should be sent — OCs to provide*]/[Not Applicable]
	(iii) Marketing and Investor Targeting Strategy:	[*As indicated in the Offering Circular*] / [*Describe if different from the programme Offering Circular*]

Operational Information

41.	ISIN Code:	[●]
42.	Common Code:	[●]
43.	Clearing System:	[Euroclear/Clearstream] [CMU] [CDP] [Alternative Clearing System]
44.	Alternative Clearing System (any clearing system(s) other than Euroclear/Clearstream, the CMU and CDP and the relevant identification number(s)):	[Not Applicable/*give name(s) and number-(s)*]
	(i) ACS Lodging Agent:	[●]
	(ii) ACS Paying Agent:	[●]
	(iii) ACS Calculation Agent:	[●]
	(iv) ACS Transfer Agent:	[●]
	(v) ACS Registrar:	[●]
45.	CMU Instrument Number:	[●] [Not Applicable]
46.	Delivery:	Delivery [against/free of] payment
47.	Additional Paying Agent(s) (if any):	[Not Applicable/*give name and address*]

General

48.	[Ratings:	The Sukuk to be issued have been rated: [S&P: [●]] [Moody's: [●]] [Other: [●]] (*The above disclosure should reflect the rating allocated to Sukuk of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating*)]

Provisions relating to Sustainability Sukuk

49.	(i)	Sustainability Sukuk:	[Applicable/Not Applicable] (*If not Sustainability Sukuk, delete the remaining subparagraphs of this paragraph*)
	(ii)	[Reviewer(s):]	[*If applicable, specify name of reviewer*]
	(iii)	[Second Party Opinion:]	[*If applicable, specify name of document/details and date*]

Use of Proceeds

[*To include if the use of proceeds is different from that set out in the Offering Circular*]

[Stabilising

In connection with this issue, [*insert name of Stabilisation Coordinator(s)*] (the "**Stabilisation Coordinator(s)**") (or persons acting on behalf of any Stabilisation Coordinator) may over-allot Sukuk or effect transactions with a view to supporting the market price of the Sukuk at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilisation Coordinator(s) (or persons acting on behalf of a Stabilisation Coordinator) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Sukuk is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the Sukuk and 60 days after the date of the allotment of the Sukuk. Any stabilisation action or over-allotment must be conducted by the relevant Stabilisation Coordinator(s) (or persons acting on behalf of any Stabilisation Coordinator) in accordance with all applicable laws and rules.]

Purpose of Pricing Supplement

[This Pricing Supplement comprises the final terms required for issue and admission to trading on [the SGX-ST]/[the LFX] of the Sukuk described herein pursuant to the U.S.$2,500,000,000 Multicurrency Sukuk Issuance Programme.]

Responsibility

[The Labuan International Financial Exchange Inc (the "**LFX**") takes no responsibility for the contents of this document, makes no representations as to its accuracy or completeness and expressly disclaims

any liability whatsoever for any loss howsoever arising from or in reliance upon any part of the contents of this Pricing Supplement. The admission of the Sukuk to the LFX is not to be taken as an indication of the merits of the Trustee, Cagamas, the Programme or the Sukuk.]

[The Singapore Exchange Securities Limited (the "**SGX-ST**") takes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained in this Pricing Supplement. The admission of the Sukuk to the Official List of the SGX-ST is not to be taken as an indication of the merits of the Trustee, Cagamas, the Programme or the Sukuk.]

The Trustee and Cagamas accept responsibility for the information contained in this Pricing Supplement.

Signed on behalf of Cagamas Global Sukuk Berhad

By: _____
Duly authorised

Signed on behalf of Cagamas Berhad By:

By: _____
Duly authorised

[ANNEX 1
LIST OF ASSETS UNDER MANAGEMENT WAKALA SUPPLEMENTAL PURCHASE AGREEMENT]

[To be inserted upon completion of Pricing Supplement]

SUMMARY OF PROVISIONS RELATING TO THE SUKUK WHILE IN GLOBAL FORM

Clearing System Accountholders

In relation to any Series of Sukuk represented by a Global Certificate, references in the Conditions to "**Sukukholder**" are references to the person in whose name such Global Certificate is for the time being registered in the Register which, for so long as the Global Certificate is deposited with CDP or a common depositary (a "**Common Depositary**") for Euroclear, Clearstream, a subcustodian for the CMU operated by the HKMA and/or any relevant Alternative Clearing System, will be CDP or its nominee or a Common Depositary, or a nominee for such Common Depositary, the relevant sub-custodian or a central securities depository (or a nominee for such central securities depository) for the relevant Alternative Clearing System, as the case may be.

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

If a Global Certificate is lodged with a sub-custodian for or registered with the CMU, the person(s) for whose account(s) interests in such Global Certificate are credited as being held in the CMU in accordance with the rules of the CMU as notified by the CMU to the CMU Lodging and Paying Agent in a relevant CMU Instrument Position Report (as defined in the rules of the CMU) or any other relevant notification by the CMU (which notification, in either case, shall be conclusive evidence of the records of the CMU save in the case of manifest error) shall be the only person(s) entitled to receive payments in respect of Sukuk represented by such Global Certificate and the Trustee will be discharged by payment to, or to the order of, such person(s) for whose account(s) interests in such Global Certificate are credited as being held in the CMU in respect of each amount so paid. Each of the persons shown in the records of the CMU as the holder of a particular face amount of Sukuk represented by such Global Certificate must look solely to the CMU Lodging and Paying Agent for his share of each payment so made by the Trustee in respect of such Global Certificate, and the obligations of the Trustee to make each such payment will be discharged upon payment of the same by the CMU Lodging and Paying Agent to each such holder.

Conditions applicable to Global Certificates

Each Global Certificate contains provisions that apply to the Sukuk that they represent, some of which modify the effect of the terms and conditions of the Sukuk set out in this Offering Circular. The following is a summary of certain of those provisions:

Payments: All payments in respect of Sukuk represented by a Global Certificate (except with respect to a Global Certificate held through the CMU) will be made against presentation and, if no further payment falls to be made in respect of the Sukuk, surrender of that Global Certificate to or to the order of the Registrar or such other Paying Agent as shall have been notified to the Sukukholders for such purpose. All payments in respect of Sukuk represented by a Global Certificate (except with respect to a Global Certificate held through the CMU) will be made to, or to the order of, the person whose name is entered on the Register at the close of business (in the relevant clearing system) on the Record Date, which shall be the Clearing System Business Day immediately before the due date for payment, where "**Clearing System Business Day**" means a day on which each clearing system for which the Global Certificate is being held is open for business.

A record of each payment made will be noted on the relevant Register which shall be *prima facie* evidence that such payment has been made in respect of the Sukuk.

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

Meetings: The holder of Sukuk represented by a Global Certificate shall (unless such Global Certificate represents only one Sukuk) be treated as two persons for the purposes of any quorum requirements of a meeting of Sukukholders and as being entitled to one vote in respect of each integral currency unit of the Specified Currency of such Sukuk.

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

Optional Dissolution: In the event that any early dissolution right of the Trustee or Obligor is exercised in respect of some but not all of the Sukuk of any Series represented by a Global Certificate, the rights of accountholders with a clearing system in respect of the Sukuk will be governed by the standard procedures of CDP, Euroclear, Clearstream, the CMU or any relevant Alternative Clearing System (as the case may be).

Sukukholders' Dissolution Right: Any early dissolution right of the Sukukholders provided for in the Conditions of any Sukuk while such Sukuk are represented by a Global Certificate may be exercised by the holder of the Sukuk in accordance with the standard procedures of CDP, Euroclear, Clearstream, CMU or any relevant Alternative Clearing System (as the case may be).

Notices: So long as the Sukuk are represented by a Global Certificate and such Global Certificate is held by: (i) Euroclear or Clearstream, notices to the Holders of Sukuk of that Series may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders in substitution for mailing or publication as required by the Conditions; (ii) a sub-custodian for the CMU, notices to the Holders of Sukuk of that Series may be given by delivery of the relevant notice to the Persons shown in a CMU Instrument Position Report (as defined in the rules of the CMU) issued by the HKMA on the business day preceding the date of despatch of such notice as holding interests in the relevant Global Certificate; (iii) CDP, notices to the Holders of Sukuk of that Series may be given by delivery of the relevant notice to the Persons shown in the records of CDP on the second business day preceding the date of despatch of such notice as holding interests in the relevant Global Certificate; and (iv) any relevant Alternative Clearing System, notices to the Holders of Sukuk of that Series may be given in accordance with the rules and regulations of such Alternative Clearing System except that in the case of (i) to (iv), so long as the Sukuk are listed or quoted on any stock exchange or securities market, notices shall also be published in a manner which complies with the rules and regulations of the relevant listing authority, stock exchange, securities market and/or quotation system, and any such notice shall be deemed to have been given to the Holders of Sukuk of that Series on the business day on which such notice is delivered to the persons referred to above.

CAPITALISATION OF THE CAGAMAS GROUP

As at 30 June 2025, the issued share capital of Cagamas was RM 150,000,000 divided into 150,000,000 ordinary shares. All of Cagamas' issued share capital comprises fully paid shares.

The following table sets forth the unaudited and unreviewed capitalisation and indebtedness amounts of Cagamas, Cagamas Global P.L.C. and Cagamas Global Sukuk Berhad (together, the "**Cagamas Group**") as at 30 June 2025. This table should be read in conjunction with the financial statements of the Cagamas Group and related notes appearing elsewhere in this Offering Circular.

	30 June 2025 (unaudited)	
	RM million	**USD million***
Indebtedness		
Unsecured bearer bonds and notes[1]	21,642.5	5,137.7
Sukuk[2]	26,138.8	6,205.1
Short-term borrowings	914.4	217.1
Derivative financial instruments	77.8	18.5
Deferred taxation	233.6	55.5
Lease liability	10.4	2.5
Other liabilities	76.0	18.0
Provision for taxation	13.8	3.3
Total indebtedness	49,107.3	11,657.7
Capitalisation		
Share capital	150.0	35.6
Other reserves	4,769.7	1,132.3
Total capitalisation	4,919.7	1,167.9
Total capitalisation and indebtedness	54,027.0	12,825.6

* USD 1 = RM 4.2125 as at 30 June 2025 (Source: BNM)

[1] During the period between July 2025 and September 2025, the Cagamas Group has issued an additional RM 3,130.0 million in unsecured bearer bonds and notes as set out in the table below:

Unsecured bearer bonds and notes	**Type**	**RM million**
July 2025	CMTNs	750.0
August 2025	CMTNs & CCPs	760.0
September 2025	CMTNs & CCPs	1,620.0
Total		3,130.0

[2] During the period between July 2025 and September 2025, the Cagamas Group has issued an additional RM 3,240.0 million in Sukuk as set out in the table below:

Sukuk	**Type**	**RM million**
July 2025	IMTNs & ICPs	1,000.0
August 2025	IMTNs & ICPs	1,640.0
September 2025	IMTNs & ICPs	600.0
Total		3,240.0

(Source: : FAST BNM and Bloomberg)

Except as otherwise disclosed herein, there has been no material change in the capitalisation and indebtedness of the Cagamas Group since 30 June 2025.

DESCRIPTION OF THE TRUSTEE

Cagamas Global Sukuk Berhad (Registration No. 201401016049 (1092135-D)) was incorporated on 5 May 2014 in Malaysia and is deemed incorporated under the Malaysian Companies Act 2016 with its registered office at Level 32, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, Malaysia. The Trustee is a special purpose company and has been formed for the purpose of participating in the transactions contemplated by the Transaction Documents.

The issued and paid-up capital of the Trustee is RM 2.00 and is held by Cagamas. The directors of the Trustee and their designations are set out below:

1. Mr. Kameel Abdul Halim

2. Ms. Wan Yusniza Wan Yahya

Please refer to the biography of Mr. Kameel Abdul Halim set out below in "*Directors and Senior Management — Board of Directors of Cagamas — Mr. Kameel Abdul Halim — President / Chief Executive Officer / Non- Independent Executive Director*".

Please refer to the biography of Ms. Wan Yusniza Wan Yahya set out below in "*Directors and Senior Management — Senior Management* — Ms. Wan Yusniza Wan Yahya — *Chief Strategy Officer*".

The Trustee has not engaged since its incorporation, and will not engage, in any material activities other than those relating to or incidental to the issue of Sukuk and the matters contemplated in this Offering Circular and the Transaction Documents.

DESCRIPTION OF THE CAGAMAS GROUP

Overview

Cagamas, the National Mortgage Corporation of Malaysia, was incorporated in Malaysia on 2 December 1986, as a public limited company, and is deemed incorporated under the Malaysian Companies Act 2016. Cagamas has its registered office located at Level 32, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, Malaysia.

Cagamas is the main operating company of a group of companies held by Cagamas Holdings. Incorporated in 2007, Cagamas Holdings is the holding company for Cagamas, Cagamas MBS Berhad ("**Cagamas MBS**"), Cagamas SME Berhad ("**Cagamas SME**"), BNM Sukuk Berhad ("**BNM Sukuk**"), Cagamas SRP Berhad ("**Cagamas SRP**") and Cagamas MGP Berhad ("**Cagamas MGP**") (together with Cagamas Holdings, the "**Cagamas Holdings Group**"). On the other hand, Cagamas is the holding company of the Cagamas Global P.L.C. and the Trustee. Cagamas SME has been dormant since 10 October 2012, Cagamas MGP's business has been undertaken by Cagamas SRP since 1 January 2014 and thereafter has been dormant and BNM Sukuk has been dormant since 1 September 2015.

Cagamas was established by BNM with the objectives of supporting the national agenda of increasing home ownership and promoting the development of Malaysia's capital markets. As part of its development, Cagamas has expanded the scope of its initial objectives to encompass the development and promotion of Islamic finance within Malaysia. Through the issuance of conventional and Islamic securities ("**Sukuk**"), Cagamas is able to fund the purchase of housing loans and house financings from Selling Institutions through its PWR and PWOR schemes. In purchasing housing loans and house financings, Cagamas is able to provide liquidity to financial institutions at a competitive cost, encouraging them to provide additional housing loans and house financings to new applicants at an affordable price and thus assist with the continued expansion of home ownership within Malaysia. The PWR scheme has been expanded to include other loans and financings such as hire purchase/leasing receivables, personal loans and financings, small and medium enterprise ("**SME**") loans and financings and infrastructure development loans and financings, while the PWOR scheme includes hire purchase and leasing debts. (see "*Description of the Cagamas Group — Business Overview — Cagamas*" for additional information).

In addition to its PWR and PWOR schemes, the Cagamas Holdings Group:

(a) provides guarantees to mortgage providers/financiers through Cagamas SRP under the Mortgage Guarantee Programme (the "**MGP**") and Islamic Mortgage Guarantee Programme ("**MGP-i**") with a view of promoting home ownership as well as providing risk and capital management tool to mortgage lenders in Malaysia. MGP and MGP-i provide guarantee coverage to mortgage providers/financiers on a percentage of the loan value amount, enabling the mortgage providers/financiers to transfer the credit risk for this portion of the loan amount to Cagamas SRP. Through the use of mortgage guarantee, the mortgage providers/financiers will be able to reduce their regulatory capital requirements. The First Home Mortgage Guarantee Programme ("**FHMGP**") and Islamic First Home Mortgage Guarantee Programme ("**FHMGP-i**") are products under MGP and MGP-i, respectively, and were launched in June 2024. FHMGP and FHMGP-i replaced the GOM initiated *Skim Rumah Pertamaku* or "My First Home Scheme" (the "**SRP**") and *Skim Perumahan Belia* or "Youth Housing Scheme" (the "**SPB**") which were discontinued on 1 April 2023 and 1 October 2020, respectively;

(b) offers risks and capital management solutions to financial institutions via subscription of subordinated debt issuance;

(c) purchases staff housing loans and house financings (both conventional and Islamic) from the GOM, funded through the issuance of residential mortgage-backed securities and Islamic mortgage-backed securities by Cagamas MBS; and

(d) provides loan and financing through its reverse mortgage programme, *Skim Saraan Bercagar* and *Skim Saraan Bercagar Islamik*, that allows retired homeowners to convert their residential property into a source of fixed monthly income throughout their lifetime.

Since its incorporation in 1986 up to 30 September 2025, Cagamas has issued and raised an aggregate amount of approximately RM 458 billion through bonds, Sukuk and other funding avenues (out of a total of approximately RM 469 billion in aggregate amount of bonds, Sukuk and other funding avenues issued and raised by the Cagamas Holdings Group since October 1987 up to 30 September 2025). Cagamas is the second largest issuer of bonds and Sukuk after the GOM and the largest issuer of AAA corporate bonds and Sukuk in Malaysia as at 30 September 2025, based on cumulative total nominal value issued as calculated by Bond Pricing Agency Malaysia.

The Cagamas Group has received numerous awards as issuer of bonds and Sukuk, including:

- Top Issuance — Conventional, Top Traded Amount — Conventional and Top Issuance — Overall at the BPAM Bond Market Awards 2025;

- Best Issuer for Sustainable Finance (Malaysia) and Best Issuer (Malaysia) at the Asset Triple A Sustainable Finance Awards 2024 and Top Issuance — Conventional, Top Traded Amount — Conventional and Top Issuance — Overall at the BPAM Bond Market Awards 2024;

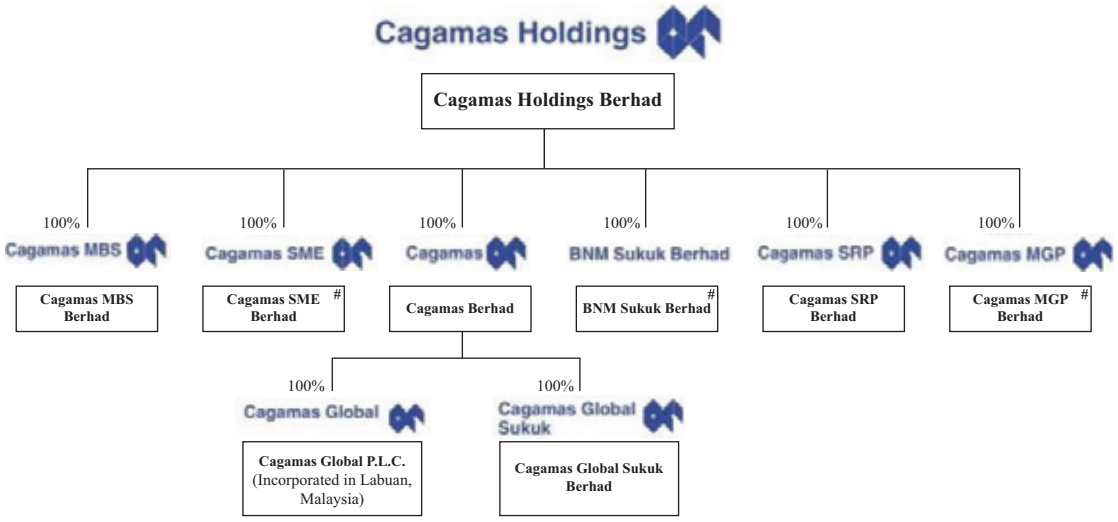
- Islamic Issuer of the Year — Quasi-Sovereign, Best ASEAN Social SRI Sukuk (Best in Sustainable Finance), Best ASEAN Social SRI Sukuk (Best Country Deal) and Lifetime Achievement Award at the Asset Triple A Islamic Finance Awards 2023, GIFA Market Leadership Award (Islamic Securitisation) at the Global Islamic Finance Awards 2023 and Top Issuance — Conventional, Top Traded Amount — Conventional and ESG (Environmental, Social and Governance) Top Traded Amount at the BPAM Bond Market Awards 2023; and

- Islamic Issuer of the Year — Quasi-Sovereign, Industry Leadership Award and Best Quasi-Sovereign Sukuk (1.5 billion Ringgit Triple-Tranche commodity Murabaha Sukuk) Award at the Asset Triple A Islamic Finance Awards 2022, GIFA Market Leadership Award (Islamic Securitisation) at the Global Islamic Finance Awards 2022 and Top Issuance — Conventional and Top Issuance — All at the BPAM Bond Market Awards 2022.

In addition to the recent awards, the Cagamas Holdings Group has consistently been recognised as a pioneer within the Malaysian capital markets arena and beyond, having achieved prominence for being the first issuer to undertake several innovative transactions and structures. Such transactions include the first Tiger Emas Bond (a renminbi bond issuance from Malaysia) and the first by a mortgage corporation, the first and largest residential mortgage backed securities transaction in Malaysia with a value of RM 1.56 billion (2004), the first rated Sukuk Musharakah residential mortgage backed securities transaction in the world (2005), the largest debt programme in the ASEAN region with a programme limit of RM 60 billion (2007), the first Sukuk al-Amanah Li al-Istithmar transaction in the world (2010), Cagamas Global P.L.C. issuance of its inaugural USD bond with a benchmark issue size of USD 500 million (2014), the first ASEAN Sustainability SRI Sukuk for affordable housing (2020), the issuance of the first floating rate bonds based on Malaysia overnight rate ("**MYOR**") reference (2022) and the entry into the first Social Repurchase Agreement in Malaysia (2024).

Cagamas Holdings Group Structure

The diagram below sets out the structure of the Cagamas Holdings Group of companies:



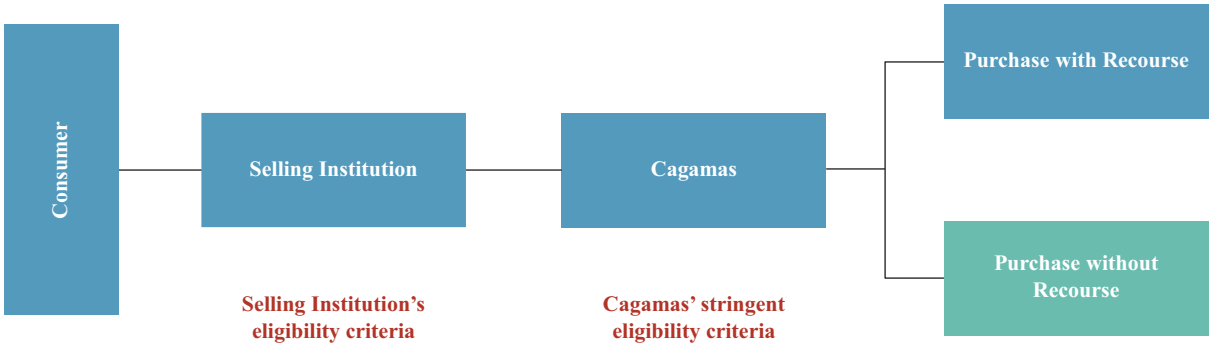
# indicates a dormant company.

Key Strengths

Cagamas considers that its key strengths include the following:

Strategic Business Model

Cagamas' business model is unique in that Cagamas acts as a secondary mortgage market conduit for the Selling Institutions within Malaysia. The business model permits Cagamas to screen potential loans and financings with its own rigorous eligibility criteria in addition to those imposed by the Selling Institutions.



The above diagram illustrates Cagamas' strategic business model which comprises two sets of eligibility criteria for the loans and financings sold to Cagamas. First, the Selling Institution will have applied its own eligibility criteria in granting the loan or financing to the consumer, and second, Cagamas will have applied its own stringent eligibility criteria in determining that the loan or financing to be purchased from the Selling Institution is of sufficient quality to maintain the high quality of Cagamas' assets. The eligibility criteria applied by Cagamas will depend upon the type of product being purchased, and whether the product is being purchased under the PWR scheme or PWOR scheme. The key criteria for individual products under each of the respective PWR and PWOR schemes can be found below in "*Business Overview — Cagamas*".

Strong Shareholding Structure

Cagamas is wholly owned by Cagamas Holdings. Cagamas Holdings benefits from a strong, stable shareholding structure, demonstrated by the infrequent disposals of shares by shareholders of Cagamas Holdings (which disposals were mainly as a result of the merger of two or more shareholders) since its incorporation in 2007. The largest shareholder of Cagamas Holdings is BNM with whom the Cagamas Holdings Group maintains close ties. The Chairmen of Cagamas Holdings and Cagamas are appointed by their respective Board of Directors, in consultation with BNM. Although the Cagamas Holdings Group operates independently of BNM, major strategic decisions are made in consultation with BNM. The remaining shareholders include major commercial and investment banks in Malaysia.

Systemically Important to the Domestic Financial System

Cagamas plays a systemically important role in the Malaysian domestic financial system, which is underscored by its dual function as a liquidity provider via the purchase of loans and financings from Selling Institutions and as a leading issuer of bonds and Sukuk. Since its incorporation in 1986 up to 30 September 2025, Cagamas has issued and raised an aggregate amount of approximately RM 458 billion through bonds, Sukuk and other funding avenues. In addition, Cagamas provides credit and portfolio risk management as well as capital management solutions to Selling Institutions. Cagamas also acts as a conduit to remove systemic risk in the financial sector.

Due to its systemically important role, it is anticipated that Cagamas would continue to receive the support of its shareholders during periods of stress in the financial markets.

Robust Asset Quality and Solid Capitalisation

Cagamas imposes strict limits on counterparty exposures based on the credit rating assigned to such counterparties and has exposure limits based on the type of counterparty, type of asset and property type. Malaysian commercial banks account for the majority of its counterparty exposures and, as at 31 December 2024, 87.4 per cent. of Cagamas' counterparties under the PWR scheme carried at least AA domestic ratings and, as at 30 June 2025, 86.5 per cent. of Cagamas' counterparties under the PWR scheme carried at least AA domestic ratings. As at 30 June 2025, there had been zero impairment losses for PWR assets.

The ratio of PWOR loans and financings in Cagamas' portfolio that are 90 days past their due date was 0.35 per cent. as at 31 December 2023, 0.30 per cent. as at 31 December 2024, and 0.30 per cent. as at 30 June 2025. This figure is lower than the Malaysian banking system's gross impaired loan ratio of 1.6, 1.4 and 1.4 per cent. for 31 December 2023, 31 December 2024 and 30 June 2025 respectively (Source: BNM Monthly Highlights and Statistics).

As at 31 December 2024, Cagamas had RM 50.0 billion of total assets, of which RM 37.5 billion representing 75.0 per cent. of total assets was under the PWR scheme and RM 6.1 billion representing 12.2 per cent. of total assets was under the PWOR scheme. As at 30 June 2025, Cagamas had RM 54.0 billion of total assets, of which RM 41.7 billion representing 77.2 per cent. of total assets was under the PWR scheme and RM 5.7 billion representing 10.6 per cent. of total assets was under the PWOR scheme.

Strong Risk Management Framework

Cagamas has a well-defined risk management strategy based on the Cagamas Holdings Group's Enterprise Risk Management Framework dealing with the risks and opportunities affecting value creation and preservation within its business (see "*Risk Management — Enterprise Risk Management Framework*" below for additional information). This provides for three lines of defence in managing risks within Cagamas, starting with the applicable business unit providing the first line of defence, then

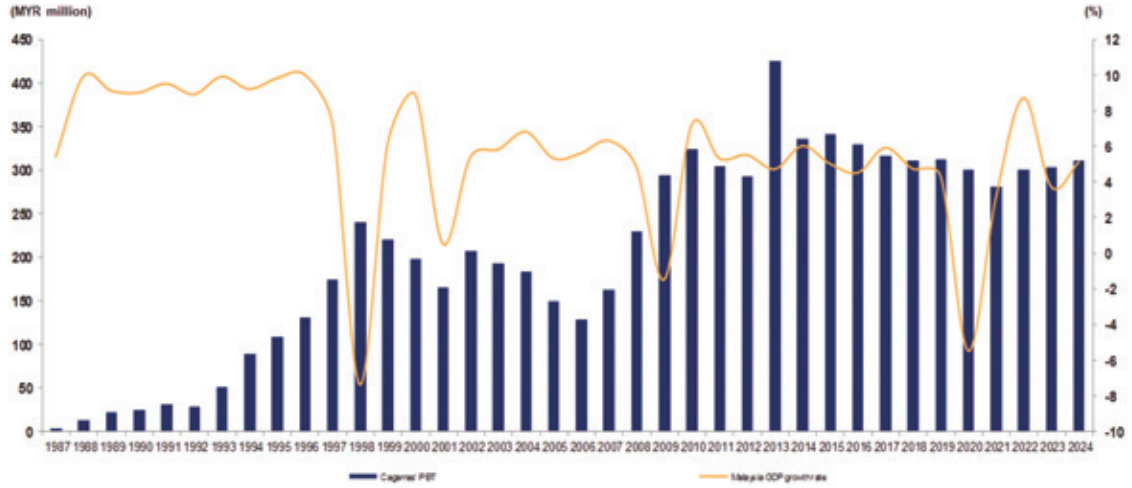
an independent Risk Management and Compliance Division to assess exposures and co-ordination of risk management on an enterprise-wide basis and finally the Internal Audit Division ("**IAD**") which is responsible for independently reviewing the adequacy and effectiveness of risk management processes, the system of internal controls and compliance with risk policies.

In addition, Cagamas has put in place Product Development Guidelines for all new business products and variations to existing products; the business units are responsible for the development of new product ideas, which are approved by various internal committees such as the Product Development and Review Committee (the "**PDRC**"), Management Executive Committee (the "**MEC**") and Board Risk Committee (the "**BRC**"), with final approval resting with the Board.

Sound and resilient financial position

Since its inception, Cagamas has consistently achieved strong and resilient profits throughout the economic cycles, demonstrating that its business is managed in a prudent and profitable manner. Cagamas has also maintained steady growth and stable profits over the years.

The graph below charts Cagamas' profits before tax (in MYR million) from 1987 to 2024 against the growth rate for Malaysia's GDP (in per cent.) for the same period.



Experienced management team with extensive industry experience

Cagamas has an experienced senior management team, which has on average more than 24 years' relevant industry experience. The senior management has an excellent track record, having managed and overseen the development of Cagamas into one of the most successful secondary mortgage liquidity facilities in the world, as recognised by the World Bank.

Strategy and Key Objectives

Cagamas commenced operations in 1987 with two distinct objectives: supporting the broader spread of home ownership within Malaysia by increasing liquidity and accessibility to long-term funds for mortgage originators at competitive prices; and spearheading the development of the local bonds and Sukuk market by being a credible issuer of high-quality securities. As part of its development, Cagamas has expanded the scope of its initial objectives to encompass the development and promotion of Islamic finance within Malaysia through the introduction of innovative products for liquidity and capital management purposes and established international bond and/or Sukuk structures for foreign currency issuances to attract a larger pool of regional and international investors.

Cagamas aims to be a leader in the provision of financial support in Malaysia's efforts to meet the housing needs of Malaysians, to spearhead the development of the bond and Sukuk market within Malaysia and to contribute towards the nation's sustainable and inclusive development.

In 2024, Cagamas launched its five-year strategic plan, Cagamas House of the Future ("**HOF**") with the aim of becoming the preferred market liquidity provider and centre of excellence in the housing finance ecosystem. Moving forward, Cagamas' initiatives will be anchored on the core pillars of the HOF, which include driving new business growth and expansion, enhancing solutions to better address the evolving needs of the industry, strengthening the talent pipeline, reinforcing its commitment to sustainability and the transition to net zero, and maintaining thought leadership in these areas.

Cagamas seeks to achieve these objectives by:

- developing the secondary mortgage market in Malaysia through the provision of innovative facilities and efficient service at a competitive cost to primary home lenders;
- enhancing the capital market, particularly the corporate bonds and Sukuk market, through widening and deepening the scope of securitisation including issuance of sustainability bonds and/ or Sukuk;
- continuing to support GOM's initiative to promote affordable home ownership in Malaysia;
- offering bespoke risk and capital management solutions in line with the company's objectives;
- embracing a culture of deploying sustainable initiatives;
- nurturing and maintaining a competent workforce of the highest integrity and professionalism;
- using technology to enhance productivity and efficiency;
- valuing its staff for their commitment and loyalty; and
- inculcating a caring and responsible corporate culture.

Cagamas' future plans for furthering its objectives are as follows:

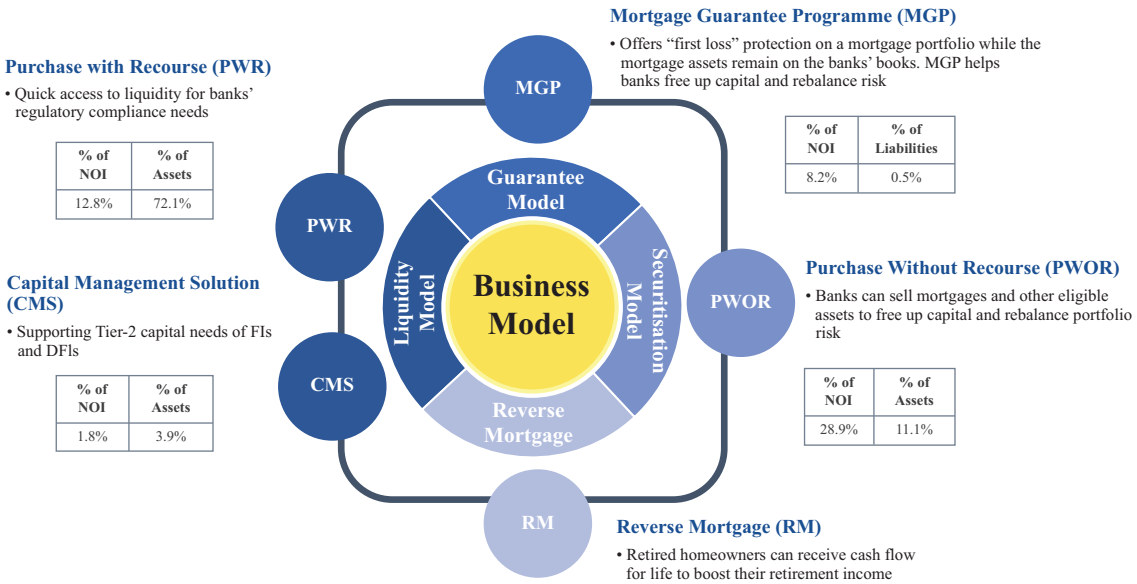
- remaining committed to its mandate of helping Malaysians gain access to affordable, competitive and innovative house financing through the following:
    - continuing to support the GOM's initiative in promoting affordable homes via MGP and MGP-i as well as provision of project financing to selected affordable housing developers; and
    - continuing to promote reverse mortgage product to provide alternative steady monthly cash pay out to retirees throughout their lifetime to supplement their retirement funds whilst maintaining the ability to age at home;
- continuing to undertake its primary role in the financial system to accelerate liquidity to the secondary mortgage market through the following:
    - enhancing its offerings to financial institutions including the new digital banks entrants through development of alternative liquidity and structured funding solutions as well as risk-transfer mechanism that are suited to meet individual institution needs and requirements; and
    - providing competitively priced funding, which is achieved through its diversification of funding sources and widening of its investor base;
- promoting the growth of affordable green and energy-efficient homes in the country through development of standards or taxonomy for green home and home improvement financing together with relevant stakeholders and exploring more ESG related issuances.

Business Overview

Cagamas is the main operating company of the Cagamas Holdings Group and is primarily engaged in the purchasing of loans and financings from Selling Institutions under the PWR and PWOR schemes. Both the PWR and PWOR schemes can be used to finance conventional housing loans, Islamic house financings, hire purchase and Islamic hire purchase and leasing receivables, while only the PWR scheme can be used to finance industrial property loans and financings, hire purchase/leasing, personal loans and financings, Rahn (collateral) receivables/financings, SME loans and financings and infrastructure development loans and financings. In addition to the two product lines offered by Cagamas, the Cagamas Holdings Group set up Cagamas MBS and Cagamas SME as special purpose companies to facilitate asset-securitisation transactions, Cagamas Global P.L.C. and the Trustee to facilitate foreign currency funding programmes and BNM Sukuk to undertake the issuance of Sukuk on behalf of BNM.

Cagamas Business Model

The diagram set out below illustrates how the various schemes offered by the Cagamas Holdings Group operate.



Note: All figures are as at 30 June 2025
NOI is Net Operating Income

Cagamas

Cagamas operates two schemes to purchase loans and financings from Selling Institutions: the PWR scheme and the PWOR scheme. The purchase of loans and financings is funded by the issue of bonds and Sukuk by Cagamas in the bonds and Sukuk markets. The purchase of loans and financings may also be funded by other funding mechanisms where Cagamas sees fit. All debt issued by Cagamas is unsecured and ranks *pari passu* amongst itself.

In the financial year ended 31 December 2024, Cagamas purchased new loans and financings amounting to RM 13.0 billion, a decrease of RM 7.5 billion when compared to the financial year ended 31 December 2023.

For the six months ended 30 June 2025, Cagamas purchased new loans and financings amounting to RM 12.9 billion, an increase of RM 8.4 billion when compared to the same period in 2024.

In 2024, no new purchases of loans and financing under the PWOR scheme were made. The run-down of loans and financing in the year resulted in total outstanding PWOR assets decreasing to RM6.1 billion from RM6.9 billion in 2023. Although PWOR assets carry higher credit risk, they are considered to have good credit quality as PWOR assets are mainly repaid via non-discretionary salary deductions from employees of the government and government-related entities. The deduction at source mitigates delinquency risk and this is reflected in the historically low default rate for PWOR assets.

Cagamas' PWOR assets decreased by 12.3 per cent. to RM 5.7 billion as at 30 June 2025 as compared with RM 6.5 billion in the same period the previous year. As at 30 June 2025, all of Cagamas' PWOR assets were purchased from GOM guaranteed rated entity.

Cagamas' PWR assets decreased by 9.5 per cent. to RM 37.5 billion as at 31 December 2024 as compared with the previous year in line with reduced liquidity requirements of the counterparties. In 2024, Cagamas purchased RM 13.0 billion worth of PWR assets as compared with RM 20.5 billion in 2023. PWR asset risk is limited to the counterparty risk of the originating financial institutions and corporates. Cagamas' strict eligibility criteria and stringent monitoring of exposures towards counterparties further mitigates the credit risk. As at 31 December 2024, about 99.0 per cent. of PWR assets were purchased from entities domestically rated AA and above.

Cagamas' PWR assets increased by 11.3 per cent. to RM 41.7 billion as at 30 June 2025 as compared with the previous year, reflecting higher requirements for the year and continuous demand for liquidity from financial institutions for Cagamas' liquidity provision services. For the six months ended 30 June 2025, Cagamas purchased RM 12.9 billion worth of PWR assets as compared with RM 4.5 billion in the same period in 2024. As at 30 June 2025, about 78.6 per cent. of PWR assets were purchased from entities domestically rated AA and above.

In the financial year ended 31 December 2024, Cagamas' net outstanding loans and financing decreased by 9.8 per cent. to RM 43.6 billion when compared with the financial year ended 31 December 2023. In the six months ended 30 June 2025, Cagamas' net outstanding loans and financing increased by 2.9 per cent. to RM 47.5 billion, an increase of RM1.3 billion when compared with the six months ended 30 June 2024.

Cagamas has no internal requirements to maintain a set proportion or ratio of PWR to PWOR assets. Cagamas operates the PWR and PWOR schemes independently; this allows Cagamas to react and issue in accordance with market demands.

PWR Scheme

Cagamas' PWR scheme was developed to assist Selling Institutions with liquidity and/or hedging requirements. PWR schemes can be used to finance various products, including housing loans and financings, hire purchase and leasing receivables, industrial property loans and financings, Rahn (collateral) receivables/financings, SME loans and financings and infrastructure development loans and financings. The PWR scheme comprises two sub-groups, one dealing with conventional loans ("**PWR**") and the other dealing with Islamic financings ("**Islamic PWR**").

As at 31 December 2024, outstanding PWR loans and financings held by Cagamas amounted to RM 37.5 billion, which was 86.0 per cent. of total outstanding loans and financings. As at 30 June 2025, outstanding PWR loans and financings held by Cagamas amounted to RM 41.7 billion, which was 87.9 per cent. of total outstanding loans and financings, an increase of 11.3 per cent. since 31 December 2024.

PWR

Under the PWR scheme, stringent eligibility criteria must be satisfied before Cagamas purchases loans and financings from Selling Institutions. As such, Cagamas assumes the counterparty credit risk of the relevant Selling Institution. For the key criteria used by Cagamas in relation to each product purchased under the PWR scheme, please see the section setting out the individual PWR products below.

Funds obtained by the Selling Institutions from the sale of conventional housing loans and Islamic house financings to Cagamas are fully exempted from the statutory reserve and liquidity requirements but are not entitled to capital relief benefits. Funds obtained by the Selling Institutions from the sale of industrial property loans and financings and hire purchase and leasing debts/Islamic hire purchase and leasing facilities are also exempted from the liquidity requirements and a certain portion of such funds will be included in the eligible liabilities for the computation of the statutory reserve requirement but are not entitled to capital relief benefits.

In utilising the PWR scheme, a Selling Institution is able to hedge its interest/profit rates risks, while gaining access to alternative funding to grow its asset base. With the availability of floating rate, fixed rate and convertible rate facilities, Selling Institutions are given additional flexibility to manage their interest/profit rates risks. For example, by selling their loans and financings to Cagamas under the fixed rate facility, the Selling Institutions would have a hedge against a rising interest/profit rates environment. Similarly, in a falling interest/profit rates environment, the Selling Institutions can sell their loans and financings under the floating rate facility.

A convertible rate facility (except for Islamic products) allows the Selling Institutions to convert fixed rate loans to floating rate loans or vice versa in view of changes in the interest rate environment during that period.

Under the PWR scheme, the loans and financings are purchased by Cagamas based on their book value (i.e. the principal balance outstanding on a date which is closest to the purchase date but not earlier than the end of the month preceding the purchase date) either at par or at a discount to its book value. Following such sale, the Selling Institution undertakes to conduct the Retained Functions (as defined below) at its own cost as a term of the sale. The scope of Retained Functions are set out in the relevant agreement selling the loans and financings to Cagamas and include tasks such as monitoring the performance of loans and financings sold to Cagamas, the collection of monthly instalments relating to the loans and financings (the "**Monthly Instalments**"), the remittance of the Cagamas instalment and any administrative duties and obligations arising in relation to the loans and financings (the "**Retained Functions**"). By undertaking the Retained Functions, each Selling Institution reduces the risk of Cagamas seeking recourse and/or indemnity from the Selling Institution. Cagamas will not purchase the loans and financings under the PWR scheme without the Selling Institutions undertaking the Retained Functions.

As a result of this arrangement, the duties undertaken by the Selling Institution are not deemed a service.

Following the sale of loans and financings to Cagamas under the PWR scheme, the Selling Institution remains responsible for any losses arising from defaults by the borrower/obligor, so that in the event the loans and financings sold to Cagamas fail any pre-determined Cagamas criteria and become ineligible, the Selling Institutions must offer new loans and financings to Cagamas of an equivalent value to replace the loans and financings sold which are then repurchased by the Selling Institutions during the contracted review period. At the end of the contracted review period (which coincides with the maturity date of the bonds and/or Sukuk issued to fund the purchase of the relevant loan and financings), Cagamas will provide the Selling Institution with a new Cagamas rate to continue holding the loans and financings for a new term. The Selling Institution can then either sign up for a further contracted review period or elect to repurchase the loans and financings from Cagamas if they decide the new Cagamas rate is not reasonable.

Where Cagamas does not have credit limits for a Selling Institution, under the PWR scheme, the Selling Institution can utilise an intermediary financial institution for the onward sale of the loans and financings to Cagamas. A purchase facility will be entered into between the Selling Institution and the intermediary financial institution and a separate purchase facility, on identical terms, will be entered into between the intermediary financial institution and Cagamas.

As part of Cagamas' ongoing efforts to offer competitive pricing to the Selling Institutions, it offers to purchase the loans and financings sold on a cost-plus basis in addition to the published rates. The cost-plus pricing is computed by Cagamas based on the effective cost of funds (i.e. Cagamas debts and/or other similar securities issued to fund the purchases) plus Cagamas' margin. This pricing approach may enable the Selling Institutions to enjoy lower rates as compared with the published Cagamas rates.

To assist Selling Institutions in meeting their credit requirements, Cagamas offers the Selling Institutions alternatives to cash settlement for the sale of loans and financings. On the purchase date, the relevant Selling Institution can choose to settle the purchase consideration by receiving debt and/or other similar securities issued by Cagamas, or by nominating such debts and/or other similar securities issued by Cagamas to be delivered to such other party chosen by the Selling Institution and approved by Cagamas, or partly in cash and partly by way of an issuance of Cagamas debt and/or other similar securities. As a result, the Selling Institutions have the option to sell their loans and financings to Cagamas without having to endure negative carry in an excess liquidity environment by receiving debt and/or other similar securities issued by Cagamas to fund such purchases instead of cash. In addition to the periodic remittance of principal and interest/profit by the Selling Institutions on the loans and financings sold to Cagamas with recourse, by way of the Cagamas instalment, the Selling Institution can now choose to remit only the interest/profit throughout the contracted review period with remittance of the principal by bullet payment on the review date.

As part of Cagamas' sustainability journey, Cagamas has established the Cagamas Sustainability Bond/Sukuk Framework in 2019 to purchase loans, assets and financings related to environmental and/or social impact projects via PWR, in line with the country's aspirations of transitioning to a more environmentally and socially friendly economy. The purchase of loans, assets and financings would be funded via the issuance of sustainability bonds and Sukuk. The Cagamas Sustainability Bond/Sukuk Framework was last updated on 28 March 2023. Since its incorporation in 1986 up to 30 September 2025, Cagamas had issued a total of RM 6.6 billion sustainability-related bonds and Sukuk to fund loans, assets and financings related to environmental and/or social impact projects.

Key PWR products and their individual criteria for purchase by Cagamas

In the event that the PWR/Islamic PWR loans/financing are related to sustainability, the PWR/Islamic PWR loans/financing must satisfy the sustainability eligibility criteria under the Cagamas Sustainability Bond/Sukuk Framework in addition to the core eligibility criteria as elaborated below.

PWR Housing Loans

Under the PWR scheme, Cagamas purchases conventional housing loans ("**PWR Housing Loans**") granted to borrowers for the purchase of residential houses by Selling Institutions. In order for PWR Housing Loans to be eligible for sale by the Selling Institution to Cagamas, they must each satisfy the following core eligibility criteria:

- the PWR Housing Loans must be secured by a first charge or assignment of rights over the secured property;

- the purpose of the PWR Housing Loans must be for the financing or refinancing of the purchase, construction or renovation of residential properties;

- the PWR Housing Loans must be fully disbursed;

- the monthly instalment of the PWR Housing Loans must not be more than one month in arrears at the time of the proposed sale of the PWR Housing Loans to Cagamas;

- the PWR Housing Loans must not expire before the end of the agreed contracted review period; and

- all other eligibility criteria contained in Cagamas' product guide, as updated from time to time (the "**Cagamas Guide**") (Mortgage/Housing) must be satisfied.

PWR Hire Purchase and Leasing Debts

Under the PWR scheme, Selling Institutions who are supervised by BNM are eligible to sell their hire purchase and leasing debts ("**PWR HPL Debts**") to Cagamas. The following core eligibility criteria must be satisfied in order for a PWR HPL Debt to be eligible for sale to Cagamas:

- the PWR HPL Debt must be in relation to the hire purchase, sale on credit terms, or the leasing of equipment;

- the PWR HPL Debt must be fully disbursed;

- the PWR HPL Debt must be an amortising debt;

- the monthly instalment of the PWR HPL Debt must not be more than one month in arrears at the time of the proposed sale;

- the PWR HPL Debt must not expire before the end of the agreed contracted review period;

- each PWR HPL Debt must, disregarding any unearned finance charges, have a book balance not exceeding RM 2 million; and

- all other eligibility criteria contained in the Cagamas Guide (PWR HPL Debts) must be satisfied.

PWR Industrial Property Loans

Under the PWR scheme, Cagamas purchases loans which have been granted for the purpose of financing or refinancing the purchase, construction or renovation of factories, warehouses or industrial complexes ("**Industrial Property Loans**") in the same manner it purchases PWR Housing Loans. The following core eligibility criteria must be satisfied in order for an Industrial Property Loan to be eligible for sale to Cagamas:

- the purpose of the Industrial Property Loan must be for the financing or refinancing of the purchase, construction or renovation of industrial properties;

- the Industrial Property Loan must be fully disbursed;

- the monthly instalment of the Industrial Property Loan must not be more than one month in arrears at the time of the proposed sale;

- each Industrial Property Loan, disregarding any unearned interest, must have a book balance not exceeding RM 20 million;

- the Industrial Property Loan must be secured by a first ranking charge over the secured property or an assignment of rights over the secured property; and

- all other eligibility criteria contained in the Cagamas Guide (Commercial and Industrial Property Loans) must be satisfied.

PWR Personal Loans

Under the PWR scheme, Cagamas purchases conventional personal loans ("**PWR Personal Loans**") granted for the purpose of personal consumption. The following core eligibility criteria must be satisfied in order for a PWR Personal Loan to be eligible for sale to Cagamas:

- the PWR Personal Loan must have arisen pursuant to an agreement entered into between the borrower and the Selling Institution or the vendor from whom the Selling Institution has purchased the personal loan;

- the PWR Personal Loan must be fully disbursed;

- the monthly instalment of the PWR Personal Loan must not be more than one month in arrears at the time of the proposed sale of the personal loan to Cagamas;

- the PWR Personal Loan must not expire before the end of the agreed contracted review period; and

- all other eligibility criteria contained in the Cagamas Guide (Personal Loans) must be satisfied.

PWR SME Loans

Under the PWR scheme, Cagamas purchases SME loans ("**SME Loans**") where the borrower is identified as an SME granted under PWR HPL Debts and Industrial Property Loans. The SME Loans must fulfil the following additional criteria in order to be eligible for sale to Cagamas:

- the SME Loans under PWR HPL Debts and Industrial Property Loans should not be in arrears at the time of sale in respect of principal and/or interest margin;

- the SME Loans under PWR HPL Debts and Industrial Property Loans must have been paid at least six monthly instalments as at the purchase date;

- the SME Loans under Industrial Property Loans are amortising loans;

- the SME Loans under Industrial Property Loans should at the time of sale, have a book balance less unearned interest, if any, not exceeding RM 10 million; and

- all other eligibility criteria contained in the Cagamas Guide (PWR HPL Debts and Commercial and Industrial Property Loans) must be satisfied.

PWR Infrastructure Loans

Under the PWR scheme, Cagamas purchases infrastructure loans ("**Infrastructure Loans**") granted for the education, healthcare and utilities facilities. The following core eligibility criteria must be satisfied in order to be eligible for sale to Cagamas:

- the Infrastructure Loans must be fully disbursed and amortised;

- the maximum project size of Infrastructure Loans is up to RM 500 million each;

- the properties under the Infrastructure Loans must be fully completed and lease rental have commenced with at least one month payment made;

- the Infrastructure Loans should at the time of sale, have a remaining life which expires on or after the review date; and

- all other eligibility criteria contained in the Cagamas Guide (Infrastructure Loans) must be satisfied.

PWR MSME Loans

Under the PWR scheme, Cagamas purchases micro, small and medium enterprise loans ("**PWR MSME Loans**") granted for working capital and business usage. The following core eligibility criteria must be satisfied in order for a PWR MSME Loan to be eligible for sale to Cagamas:

- the PWR MSME Loan must have arisen pursuant to an agreement entered into between the borrower and the Selling Institution or the vendor from whom the Selling Institution has purchased the PWR MSME Loan;

- the PWR MSME Loan must be fully disbursed;

- the monthly instalment of PWR MSME Loan must not be in arrears at the time of the sale of the PWR MSME Loan to Cagamas;

- the PWR MSME Loan must not expire before the end of the agreed contracted review period; and

- all other eligibility criteria contained in the Cagamas Guide (MSME Loans) must be satisfied.

Islamic PWR

Under the Islamic PWR scheme, Cagamas purchases Islamic facilities from Islamic financial institutions ("**IFIs**"), financial institutions ("**FIs**"), the Government or selected corporations based on the same principles as the conventional PWR scheme with the exception of certain amendments which need to be made in order to make the scheme suitable for Islamic financings. Pursuant to carrying out the Retained Functions, any money collected by the Selling Institution from sold financings on behalf of or belonging and/or payable to Cagamas is held on trust for Cagamas. Cagamas undertakes Wa'd to give Hibah by way of deduction and retention by the Selling Institution of an amount equal to the net difference in value (if any) between the Monthly Instalment received from customers and the Cagamas instalment provided that the Selling Institution continues to carry out the Retained Functions.

Under this scheme, Cagamas purchases debt-based financings using cash or commodities (i.e. the *Shariah* principles of Bai' al-Dayn (debt trading) and Bai' al-Dayn al-Sila'ii (exchange of debts with commodities) and it purchases asset based financings (such as Al-Ijarah Thumma Al-Bai' (lease to purchase) or Musharakah Mutanaqisah (diminishing partnership)) in the form of cash alone (i.e. the *Shariah* principles of Bai' al-A'yaan (asset trading)). For Rahn (collateral) receivables/financings, Cagamas purchases the receivables using cash under the *Shariah* principle of Hiwalah (transfer of debt).

Islamic PWR House Financing

Cagamas purchases Islamic house financings ("**IHF**") from IFIs under Bai' al-Dayn al-Sila'ii (exchange of debts with commodities) or Bai' al-Dayn (debts trading) and also purchases Islamic house financing assets from IFIs under Bai' al-A'yaan (asset trading). The following core eligibility criteria must be satisfied in order for an IHF to be eligible for sale to Cagamas:

- the IHF must be conducted under approved *Shariah* principles;
- the purpose of the IHF must be for the financing or refinancing of the purchase, construction or renovation of residential properties;
- the IHF must be fully disbursed;
- the monthly instalment of the IHF must not be more than one month in arrears at the time of the proposed sale of the Islamic PWR House Financings to Cagamas;
- the IHF must not expire before the end of the agreed contracted review period;
- the IHF must have a profit rate greater than Cagamas' required rate of return (not applicable for floating rate and purchase at a discount to its book value);
- the IHF must be secured by a first charge or assignment of rights over the secured property; and
- the IHF must comply with any other criteria contained in the Cagamas Guide (Islamic House Financing).

Islamic PWR Hire Purchase/Leasing

Under the PWR scheme, Cagamas purchases Islamic hire purchase/Islamic leasing ("**IHP/Islamic Leasing**") from IFIs under Bai' al-Dayn al-Sila'ii (exchange of debts with commodities) or Bai' al-Dayn (debts trading) and purchases Islamic hire purchase assets from IFIs under Bai' al-A'yaan (asset trading). The following core eligibility criteria must be satisfied in order for an IHP/Islamic Leasing to be eligible for sale to Cagamas:

- the IHP/Islamic Leasing must be conducted under approved *Shariah* principles;
- the IHP/Islamic Leasing must be fully disbursed;
- the monthly instalment of the IHP/Islamic Leasing must be no more than one month in arrears at the time of sale;
- the IHP/Islamic Leasing must not expire before the end of the agreed contracted review period;
- the IHP/Islamic Leasing must have a book balance (less unearned profit, if any) not exceeding RM 2 million per facility;
- the IHP/Islamic Leasing must have an effective rate greater than Cagamas' required rate of return (not applicable for floating rate and purchase at a discount to its book value); and
- the IHP/Islamic Leasing must comply with any other criteria contained in the Cagamas Guide (Islamic Hire Purchase/Islamic Leasing).

Islamic PWR Industrial Property Financings

Under the PWR scheme, Cagamas purchases financings which have been granted for the purpose of financing or refinancing the purchase, construction or renovation of factories, warehouses or industrial complexes ("**Industrial Property Financings**") in the same manner as it purchases Islamic house financings. The following core eligibility criteria must be satisfied in order for the Industrial Property Financings to be eligible for sale to Cagamas:

- the purpose of the Industrial Property Financings must be for the financing or refinancing of the purchase, construction or renovation of industrial properties;
- the Industrial Property Financings must be fully disbursed;
- the monthly instalment of the Industrial Property Financings must not be more than one month in arrears at the time of the proposed sale;
- each Industrial Property Financing, disregarding any unearned profit, must have a book balance not exceeding RM 20 million;
- the Industrial Property Financings must be secured by a first ranking charge over the secured property or an assignment of rights over the secured property; and
- all other eligibility criteria contained in the Cagamas Guide (Islamic Commercial and Industrial Property Financings) must be satisfied.

Islamic PWR Personal Financing

Under the PWR scheme, Cagamas purchases Islamic personal financing ("**IPF**") from IFIs under Bai' al-Dayn al-Sila'ii (exchange of debts with commodities) or Bai' al-Dayn (debts trading). The following core eligibility criteria must be satisfied in order for an IPF to be eligible for sale to Cagamas:

- the IPF must be conducted under approved *Shariah* principles;
- the IPF must be fully disbursed;
- the monthly instalment of the IPF must not be more than one month in arrears at the time of sale;
- the IPF must not expire before the end of the agreed contracted review period;
- the IPF must have an effective rate greater than Cagamas' required rate of return (not applicable for floating rate and purchase at a discount to its book value); and
- the IPF must comply with any other criteria contained in the Cagamas Guide (Islamic Personal Financing).

Islamic PWR Rahn receivables/financings

Under the PWR scheme, Cagamas purchases Rahn receivables/financings ("**RF**") from IFIs or selected corporations under the *Shariah* principle of Hiwalah (transfer of debt). The following core eligibility criteria must be satisfied in order for an RF to be eligible for sale to Cagamas:

- the RF must be conducted under approved *Shariah* principles;

- the RF must be fully disbursed;

- the RF must be placed with gold as collateral and must have been valued in accordance with the IFI's approved guidelines and policies;

- the RF accounts must not (a) be closed, terminated or frozen; (b) be written off; (c) be assigned, pledged or transferred to any other parties at the time of sale; and

- the RF must comply with any other criteria contained in the Cagamas Guide (Rahn Financing).

Islamic PWR SME Financings

Under the PWR scheme, Cagamas purchases SME financings ("**SME Financings**") where the customer is identified as an SME granted under IHP/Islamic Leasing and Industrial Property Financings. The following additional criteria must be satisfied in order to be eligible for sale to Cagamas:

- the SME Financings under IHP/Islamic Leasing and Industrial Property Financings should not be in arrears at the time of sale in respect of principal and/or profit margin;

- the SME Financings under IHP/Islamic Leasing and Industrial Property Financings must have been paid at least six monthly instalments as at the purchase date;

- the SME Financings under Industrial Property Financings are amortising financings;

- the SME Financings under Industrial Property Financings should at the time of sale, have a book balance less unearned profit, if any, not exceeding RM 10 million; and

- all other eligibility criteria contained in the Cagamas Guide (Islamic Hire Purchase/Islamic Leasing and Islamic Commercial and Industrial Property Financings) must be satisfied.

Islamic PWR Infrastructure Financings

Under the PWR scheme, Cagamas purchases infrastructure financings ("**Infrastructure Financings**") granted for the education, healthcare and utilities facilities. The following core eligibility criteria must be satisfied in order to be eligible for sale to Cagamas:

- the Infrastructure Financings must be fully disbursed and amortised;

- the maximum project size of Infrastructure Financings is up to RM 500 million each;

- the properties under the Infrastructure Financings must be fully completed and lease rental have commenced with at least one month payment made;

- the Infrastructure Financings should at the time of sale, have a remaining life which expires on or after the review date; and

- all other eligibility criteria contained in the Cagamas Guide (Islamic Infrastructure Facilities) must be satisfied.

Islamic PWR MSME Financing

Under the PWR scheme, Cagamas purchases micro, small medium enterprise financing ("**PWR MSME Financing**") granted for working capital and business usage. The following core eligibility criteria must be satisfied in order for a PWR MSME Financing to be eligible for sale to Cagamas:

- the PWR MSME Financing must have arisen pursuant to an agreement entered into between the borrower and the Selling Institution or the vendor from whom the Selling Institution has purchased the PWR MSME Financing;
- the PWR MSME Financing must be fully disbursed;
- the monthly instalment of PWR MSME Financing must not be in arrears at the time of the sale of the PWR MSME Financing to Cagamas;
- the PWR MSME Financing must not expire before the end of the agreed contracted review period; and
- all other eligibility criteria contained in the Cagamas Guide (Islamic MSME Financing) must be satisfied.

PWOR Scheme

Selling Institutions that seek capital, risk and/or portfolio management solutions may seek to participate in Cagamas' PWOR scheme. The PWOR scheme encompasses housing loans and house financings (both conventional and Islamic) and hire purchase and leasing receivables (both conventional and Islamic). The PWOR scheme comprises two sub-groups, one dealing with conventional financing ("**PWOR**") and one dealing with Islamic financing ("**Islamic PWOR**").

As at 31 December 2024, outstanding PWOR assets held by Cagamas amounted to RM 6.1 billion, which constituted 14.0 per cent. of total outstanding loans and financings. As at 30 June 2025, outstanding PWOR assets held by Cagamas amounted to RM 5.7 billion, which constituted 12.1 per cent. of total outstanding loans and financings, a change of 6.2 per cent. since 31 December 2024.

PWOR

Under the PWOR scheme, stringent eligibility criteria must be satisfied before Cagamas purchases loans and financings from Selling Institutions on a without recourse basis. The Selling Institution receives proceeds from the sale of loans and financings up-front and, post-sale, Cagamas does not have any recourse to the Selling Institution but takes on the credit risk of the underlying borrower/obligor. These loans and financings are purchased based on their book value (i.e. the principal outstanding on a date which is closest to the purchase date but not earlier than the end of the month preceding the purchase date). The valuation of each loan and financing can be at a premium, discount or par and this allows the Selling Institution to secure its profit upfront from the sale to Cagamas. Due to the increased risk profile of PWOR purchases, the eligibility criteria are far more stringent than those used for the purchase of similar asset classes under the PWR scheme. The eligibility criteria used by Cagamas in relation to housing loans and financings and hire purchase products under the PWOR scheme are set out in the relevant section below.

Following the sale, the relevant Selling Institution is appointed as the servicer/trustee for a fee, to administer the loans and financings on behalf of Cagamas. The Selling Institutions are required to remit the instalments paid by the borrower/obligor on the remittance date. Similar to the PWR scheme, Cagamas offers the Selling Institutions a variety of options in relation to the settlement of the purchase consideration, which include cash settlement, settlement by way of an issuance of debt and/or other similar securities by Cagamas to the Selling Institutions, or to such other party as may be nominated by the Selling Institutions and approved by Cagamas, or partly in cash and partly by way of an issuance of debt and/or other similar securities by Cagamas.

Regulatory treatment of a PWOR sale transaction allows for complete off-balance sheet treatment for the Selling Institution such that the Selling Institution will show a reduction in assets on its balance sheet. In addition, the Selling Institution will benefit from full capital relief on the sales proceeds received from Cagamas. Such treatment allows the Selling Institution to better manage its portfolio of concentration risk, as the Selling Institution is released from all outstanding credit risk for the loans and financings sold to Cagamas under the PWOR scheme and the Selling Institution will also benefit from a steady income stream in the form of regular payments of the servicer fee. A standardised product structure and legal documentation are some of the key features which allow the expedient completion of transactions under the PWOR scheme.

Key PWOR products and their individual criteria for purchase by Cagamas

PWOR Housing Loans

In order for a PWOR housing loan ("**PWOR Housing Loan**") to be purchased by Cagamas under the PWOR scheme, the following criteria must be satisfied:

- the PWOR Housing Loan must be secured by a first charge or assignment of rights over the secured property;

- the PWOR Housing Loan must be for the purchase of a completed residential unit or for the construction or renovation of a residential unit;

- the outstanding amount of the PWOR Housing Loan should not exceed RM 2 million for landed property and RM 1 million for non-landed property as at the proposed date of purchase by Cagamas;

- the PWOR Housing Loan must be repayable/payable in Ringgit;

- the maturity date of the PWOR Housing Loan must not be: (a) less than five years; or (b) more than 30 years, from the proposed date of purchase by Cagamas;

- in the 12 months prior to the proposed date of purchase by Cagamas, the repayment of interest/payment of profit or principal under the PWOR Housing Loan must not have been suspended, rescheduled or restructured;

- the monthly instalment payable under the PWOR Housing Loan must be greater than 110 per cent. of the interest/profit portion of the monthly instalment;

- the loan/financings-to-value ratio should be no more than 80 per cent. (i.e. the outstanding principal payable under the relevant loan and financings as at the date of purchase divided by the property value (defined as the lower of the price under the agreement for the purchase of the mortgaged property or the current market valuation of the mortgaged property (which valuation has not been made more than a year ago)));

- where the PWOR Housing Loan has been provided in relation to leasehold land, the remaining tenure of the lease must not be less than 20 years on the proposed date of sale to Cagamas; and

- all other eligibility criteria in relation to PWOR Housing Loans provided in the Cagamas Guide (PWOR Housing Loan) must be satisfied.

PWOR Hire Purchase and Leasing Debts

In order for hire purchase and leasing debts to be purchased by Cagamas under the PWOR scheme ("**PWOR HPL Debts**"), the following criteria must be satisfied:

- the PWOR HPL Debt must be taken in relation to private and non-commercial passenger car(s) only;
- the age of the car/equipment of the PWOR HPL Debt must not be more than seven years prior to the proposed date of sale to Cagamas;
- the initial amount financed under the PWOR HPL Debt must not exceed RM 400,000;
- the original margin of finance must not be more that 80 per cent. of the purchase price or market value;
- the maturity date of the PWOR HPL Debt must not be less than six months from the proposed date of sale of the PWOR HPL Debt to Cagamas;
- the monthly instalment payable under the PWOR HPL Debt must be greater than 110 per cent. of the interest/profit portion of the monthly instalment; and
- all other eligibility criteria in relation to PWOR HPL Debts provided in the Cagamas Guide (PWOR HPL Debts) must be satisfied.

Islamic PWOR

Under the Islamic PWOR scheme, Cagamas purchases Islamic facilities from IFIs, the Government or selected corporations based on the same principles as the conventional PWOR scheme with the exception of certain amendments which need to be made in order to make the scheme suitable for Islamic financing. Under the Islamic PWOR scheme, Cagamas appoints a Selling Institution as its agent and pays the Selling Institution a servicer fee for continuing to carry out services on its behalf. Under this scheme, Cagamas purchases debt-based financings using cash or commodities (i.e. the *Shariah* principles of Bai' al-Dayn (debt trading) and Bai' al-Dayn al-Sila'ii (exchange of debts with commodities) and it purchases asset based financings (such as Al-Ijarah Thumma Al-Bai (lease to purchase) or Musharakah Mutanaqisah (diminishing partnership)) in the form of cash alone (i.e. the *Shariah* principles of Bai' al-A'yaan (asset trading)). A flexible approach was introduced in 2024, permitting Cagamas to acquire asset-based financings using the Shariah principles of Bai' al-Dayn al-Sila'i. However, such acquisitions are restricted to the debt or receivable component of the asset only. By contrast, under the Shariah principles of Bai' al-A'yaan, Cagamas would be required to purchase both the debt and the underlying asset. The minimum eligibility criteria for products under the Islamic PWOR scheme is the same as the eligibility criteria adopted for the PWOR scheme. Products purchased under the Islamic PWOR scheme are also subject to any *Shariah* principles that need to be complied with.

Capital Management Solution (CMS)

CMS is designed to provide capital support to FIs and Development Financial Institutions ("**DFIs**") under the purview of the Financial Services Act 2013 of Malaysia and the Development Financial Institutions Act 2002 of Malaysia respectively. Within Cagamas' approved parameters, Cagamas will subscribe for debt securities issued by FIs/DFIs which comply with BNM's capital adequacy framework and may consider funding the purchase of such debt securities via issuance of bonds or other funding avenues. Through CMS, Cagamas assumes the counterparty credit risk associated with the issuer.

Islamic Capital Management Solution (CMS-i)

CMS-i is designed to provide capital support to Islamic FIs and Islamic DFIs under the purview of the Islamic Financial Services Act 2013 and the Development Financial Institutions Act 2002 respectively. Within Cagamas' approved parameters, Cagamas will subscribe for debt securities issued by Islamic FIs and Islamic DFIs which comply with BNM's capital adequacy framework and may consider funding the purchase of such debt securities via issuance of Sukuk or other funding avenues. Through CMS-i, Cagamas assumes the counterparty credit risk associated with the issuer.

Skim Saraan Bercagar (SSB)

SSB, a reverse mortgage loan scheme, was launched by the former Finance Minister, YB Senator Tengku Datuk Seri Utama Zafrul Tengku Abdul Aziz in December 2021. Through the scheme, retirees can continue staying in their family home whilst receiving a monthly payout from Cagamas without repayment during their lifetime. Retired homeowners can use the monthly payout amount for any purpose, such as medical-related expenses and other necessities to make their retirement years more comfortable.

The reverse mortgage loan only requires settlement upon the demise of the borrower or last surviving joint borrower where the property, which was charged to Cagamas at the onset, will be sold to settle the outstanding loan amount and any residual balance will be paid to their estate.

Skim Saraan Bercagar Islamik (SSB-i)

Cagamas introduced *Skim Saraan Bercagar Islamik* ("**SSB-i**") in October 2022, a global-first Islamic reverse mortgage financing for senior citizen homeowners, which is aimed to help them fund their retirement in compliance with *Shariah* principles. The introduction of SSB-i offers an alternative for senior homeowners who prefer a *Shariah* compliant financing solution.

SSB-i is an Islamic reverse mortgage financing facility which allows retirees aged 55 and above, to leverage against the value of their fully paid homes and convert it into a steady monthly cash payout to supplement their retirement funds up to the age of 120 years, without sacrificing home ownership.

SSB-i is a sale-based commodity transaction, structured under the *Shariah* principle of Murabahah (via Tawarruq arrangement).

Mortgage Guarantee Programme

First Home Mortgage Guarantee Programme and Islamic First Home Mortgage Guarantee Programme

FHMGP and FHMGP-i are products under MGP and MGP-i and were launched in June 2024, replacing the discontinued SRP and SPB. Offered through Cagamas SRP, the primary aim of FHMGP and FHMGP-i is to support eligible first-time home buyers in securing full home financing from FIs, thereby facilitating earlier access to home ownership. This initiative is in line with the GOM's aspiration to increase home ownership nationwide.

FHMGP offers mortgage guarantees for conventional home financing, while FHMGP-i offers mortgage guarantees for Islamic home financing. Both products offer "first loss" protection of up to 20 per cent. on the residential mortgage portfolios of FIs, thereby enabling FIs to provide home financing of up to 110 per cent. to eligible first-time home buyers in the B40 and M40 income segments.

As at 30 June 2025, Cagamas SRP had onboarded eight participating FIs, with a total of 991 financing applications approved with guarantee protection under FHMGP since its inception, amounting to a total financing value of RM 344.9 million.

Green Mortgage Guarantee Programme

In August 2025, the Cagamas Group launched the Green Mortgage Guarantee Programme ("**Green MGP**") and Islamic Green Mortgage Guarantee Programme ("**Green MGP-i**"). These products, developed under MGP and MGP-i, represent a significant milestone in Malaysia's journey towards sustainable and inclusive housing finance. Offered through Cagamas SRP, the Green MGP and Green MGP-i aim to support FIs in expanding their green lending portfolios while promoting environmentally conscious homeownership.

These innovative products offer mortgage guarantees for residential properties that are either certified as "green" or "sustainable," as well as for homes with green enhancements, thereby aligning housing finance with Malaysia's climate goals under the Twelfth Malaysia Plan and the national commitment to achieve net zero emissions by 2050. The Green MGP and Green MGP-i introduce a new dimension of environmental responsibility. By offering FIs with a risk mitigation tool that supports ESG-aligned lending practices, the Green MGP and Green MGP-i provide homebuyers better financing options for sustainable properties.

Issuances and Fundraising by the Cagamas Group

The Cagamas Group issues bonds and Sukuk and raises funds via other funding avenues to finance the purchase of housing loans and house financings as well as other consumer receivables for both conventional loans and Islamic financing. For the year ended 31 December 2024, the Cagamas Group raised a total of RM 21.3 billion, comprising RM 18.3 billion from the issuance bonds and Sukuk, with the remaining RM 3.0 billion sourced from other funding instruments. This represents a decrease of RM 8.0 billion in total funds raised by the Cagamas Group compared to the previous year. For the six months ended 30 June 2025, the Cagamas Group raised a total of RM 17.4 billion, comprising RM 14.7 billion from the issuance bonds and Sukuk, with the remaining RM 2.7 billion sourced from other funding instruments. This represents an increase of RM 9.2 billion in total funds raised by the Cagamas Group compared to the corresponding period in 2024.

The Cagamas Group has contributed and continues to contribute to the depth and breadth of Malaysian bond and Sukuk markets by being one of the largest bond and Sukuk issuers as at 30 June 2025 and structuring innovative products, such as the first and largest residential mortgage backed securities transaction in Malaysia with a value of RM 1.56 billion in 2004, the first rated Sukuk Musharakah residential mortgage backed securities transaction in the world in 2005, the largest debt programme in the ASEAN region with a programme limit of RM 60 billion in 2007, the first Sukuk al-Amanah Li al-Istithmar transaction in the world in 2010, the issuance of the first floating rate bonds based on MYOR in 2022, Malaysia's first corporate issuances relating to green housing loans and financing in 2023 and the first Social Repurchase Agreement in Malaysia (2024).

Below is a description of the existing securities issued by Cagamas.

Bonds issued by Cagamas

Cagamas issues bonds under its RM 20 billion Islamic/Conventional Commercial Paper programme (the "**RM 20 billion ICP/CCP Programme**"), RM 60 billion Islamic/Conventional Medium Term Notes programme (the "**RM 60 billion IMTN/CMTN Programme**"), and its recently launched RM 80 billion Islamic/Conventional Medium Term Notes programme (the "**RM 80 billion IMTN/CMTN Programme**"). The instruments issued under the programmes are as follows:

*Fixed Rate Medium Term Notes ("**MTNs**")*

MTNs issued by Cagamas have tenures of at least one year and carry a fixed coupon rate which is determined at the point of issuance. Interest on these MTNs is normally paid at half-yearly intervals. The redemption of the MTNs is at nominal value together with the interest due upon maturity.

*Floating Rate Notes ("**FRNs**")*

FRNs issued by Cagamas have an adjustable interest rate pegged to the Kuala Lumpur Interbank Offered Rate ("**KLIBOR**"), MYOR or such other reference benchmark rate which is determined at the point of issuance, or any other dates as agreed by the parties. Interest on these FRNs is paid at three or six-monthly intervals. The redemption of the FRNs is at face value together with the interest due upon maturity.

*Commercial Paper ("**CPs**")*

CPs are short-term instruments with maturities of between one to 12 months and may be issued with or without coupon. The CPs issued with coupon may be issued at par, at a premium or at a discount to its nominal value, whereas the CPs issued without coupon shall be issued at a discount to its nominal value.

Where permitted by the respective trust deeds, Cagamas may at any time purchase its debt securities and the repurchased debt securities shall be cancelled according to the requirements of the trust deeds.

Bonds issued by the Cagamas Group

*Notes issued under the USD 2.5 billion Multicurrency Medium Term Note Programme (the "**EMTN Programme**") ("**EMTN Notes**")*

Cagamas Global P.L.C. may from time to time issue EMTN Notes denominated in any currency (other than RM) which are unconditionally and irrevocably guaranteed by Cagamas.

The tenure of each series of EMTN Notes under the EMTN Programme shall be determined prior to each issuance, subject to such minimum and maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws and regulations applicable to Cagamas Global P.L.C., Cagamas or the relevant specified currency. The EMTN Notes may be interest-bearing or non-interest bearing. Interest (if any) may accrue at a fixed rate or a floating rate or any other variable rate and the method of calculating interest may vary between the issue date and the maturity date of the relevant series of EMTN Notes issued.

Cagamas Global P.L.C., Cagamas or any of their respective subsidiaries may at any time purchase the EMTN Notes in the open market or otherwise and at any price and such EMTN Notes may be held, resold or, at the option of Cagamas Global P.L.C., surrendered to any paying agent for cancellation.

The following table sets out the outstanding bonds and Sukuk of the Cagamas Group as at 30 June 2025.

Outstanding Cagamas Bonds°	**As at 30 June 2025**
	(RM million)*
Instrument issued by Cagamas	
Fixed Rate Medium Term Notes	14,820
Instrument guaranteed by Cagamas	
Conventional Multicurrency Bonds	
SGD notes	6,073
Total	20,893

° As at 30 June 2025, Cagamas Global P.L.C. has issued SGD 4,963 million (equivalent to RM 16,400 million), USD 1,376 million (equivalent to RM 5,796 million), HKD 3,261 million (equivalent to RM 1,750 million), CNH 1,500 million (equivalent to RM 882 million), and AUD 100 million (equivalent to RM 275 million) in unsecured bearer bonds and notes and the Trustee has issued SGD 363 million (equivalent to RM 1,199 million) in unsecured bearer bonds and notes (Source: Bloomberg)

* USD 1 = RM 4.2125, SGD 1 =RM 3.3044, HKD 100 = RM 53.6634, CNH 1 = RM 0.5879, AUD 1 = RM 2.7541 (Source: BNM as at 30 June 2025)

Sukuk issued by Cagamas

Cagamas issues Sukuk via its existing RM 20 billion ICP/CCP Programme, RM 60 billion IMTN/CMTN Programme and its recently launched RM 80 billion IMTN/CMTN Programme. The instruments issued under the programmes are as follows:

*Islamic Fixed Rate Medium Term Notes ("**IMTNs**")*

IMTNs issued by Cagamas have tenures of at least one year and carry a profit which is determined at the point of issuance. Profit on the Sukuk is paid at half-yearly intervals. The redemption of the IMTNs is at nominal value together with profit due on maturity.

*Variable Rate Sukuk ("**VRNs**")*

VRNs are Sukuk that have tenures of more than one year and variable profit rates pegged to the KLIBOR, Malaysia Islamic Overnight Rate (MYOR-i) or such other reference benchmark rate which is determined at the point of issuance or any other dates as agreed by the parties. Profit is paid at three or six-monthly intervals. At maturity, the face value of the Sukuk is redeemed with any outstanding profit amounts due on maturity.

*Islamic Commercial Papers ("**ICPs**")*

ICPs are short term Islamic instruments issued by Cagamas with maturities ranging from one to 12 months and may be issued with or without periodic distribution/periodic payment. The ICPs issued with periodic distribution/periodic payment may be issued at par, at a premium or at a discount to its nominal value, whereas the ICPs issued without periodic distribution/periodic payment shall be issued at a discount to its nominal value.

Cagamas may issue IMTNs based on but not limited to the following *Shariah* principles:

- Murabahah (via a Tawarruq arrangement);
- Ijarah;
- Mudharabah;
- Musharakah; and
- Wakalah Bil Istithmar.

Cagamas may issue ICPs under the following *Shariah* principles:

- Murabahah (via a Tawarruq arrangement);
- Ijarah; and
- Wakalah Bil Istithmar.

Where permitted by the respective trust deeds, Cagamas may at any time purchase its Sukuk from the open market and the repurchased Sukuk shall be cancelled according to the requirements of the trust deeds.

Sukuk issued by the Cagamas Group

*Sukuk issued under the USD 2.5 billion Multicurrency Sukuk Issuance Programme (the "**Programme**") ("**Multicurrency Sukuk**")*

The Trustee may from time to time issue Multicurrency Sukuk denominated in any currency (other than RM). The Multicurrency Sukuk represent Cagamas' direct, unsubordinated and unsecured obligations and will rank *pari passu* with Cagamas' existing and future unsecured and unsubordinated obligations.

The tenure of each series of Multicurrency Sukuk under the Programme shall be determined prior to each issuance, subject to such minimum and maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws and regulations applicable to the Trustee, Cagamas or the relevant specified currency. The Multicurrency Sukuk will be issued on a fully-paid basis and at a par issue price and the method of calculating the profit rate may vary between the issue date and the maturity date of the relevant series of Multicurrency Sukuk issued.

The Trustee, Cagamas or any of their respective subsidiaries may at any time purchase the Multicurrency Sukuk in the open market or otherwise and at any price and such Multicurrency Sukuk may be held, resold or, at the option of Cagamas, surrendered to the registrar for cancellation.

The following table sets out the outstanding Sukuk of the Cagamas Group as at 30 June 2025.

Outstanding Cagamas Sukuk°	**As at 30 June 2025**
	(RM million)
Instrument	
Islamic Fixed Rate Medium Term Notes	23,480
Instrument issued by the Cagamas Group	
Multicurrency Sukuk	—
Total	23,480

° As at 30 June 2025, The Trustee has issued SGD 363 million (equivalent to RM 1,199 million with SGD 1: RM 3.3058) in Multicurrency Sukuk (Source: Bloomberg)

The other Cagamas Holdings Group companies

Cagamas Global P.L.C.

Cagamas Global P.L.C. was incorporated on 4 April 2014 for the purpose of establishing the EMTN Programme. Cagamas Global P.L.C. conducted its inaugural Tiger Emas Bond issue on 22 September 2014.

Cagamas MBS

Cagamas MBS was incorporated on 8 June 2004 for the purpose of purchasing staff housing loans and house financings from the GOM and the issuance of residential mortgage-backed securities and Islamic residential mortgage-backed securities to finance the purchases.

Since its incorporation up to 30 June 2025, the Cagamas Holdings Group had issued RM 10.2 billion of residential mortgage backed securities ("**RMBS**") and Islamic residential mortgage backed securities ("**IRMBS**").

BNM Sukuk

BNM Sukuk was incorporated on 18 January 2006 for the purpose of undertaking the issuance of Islamic investment securities, namely BSI and BSM based on *Shariah* principles of Ijarah (leasing) and Murabahah (cost-plus sale). Issuances of BSI are used to facilitate the financing of BNM activities, namely the purchase of the beneficial interest in land and buildings from BNM and, thereafter to lease back the same land and buildings to BNM for a contractual period similar in tenure to the BSI. Issuances of BSM are based on a Murabahah contract which refers to a mark-up sale transaction. BSM is essentially a certificate of indebtedness arising from a deferred mark-up sale transaction to BNM of an asset, such as a commodity (mainly crude palm oil), which complies with *Shariah* principles.

BNM Sukuk has been dormant since 1 September 2015.

Cagamas SRP

Cagamas SRP was incorporated on 7 January 2011 to provide guarantees for residential mortgages under SRP, which was announced by the GOM in the 2011 Malaysian Budget. Cagamas SRP provided guarantees under SPB scheme, which was announced by the GOM on 1 October 2015. The provision of guarantees under both schemes is similar to MGP previously offered by Cagamas MGP to FIs, which is now undertaken by Cagamas SRP since 1 January 2014.

Prior to 1 January 2014, Cagamas MGP was responsible for providing financial institutions with a mortgage guarantee facility for their conventional and Islamic mortgage finance portfolio on a "first loss" basis, whilst allowing the mortgage assets to remain on the mortgage provider's books. MGP acts as a portfolio and risk management solution allowing financial institutions to improve their risk weighted capital ratio by reducing the mortgage provider's credit risk on a mortgage loan/financing portfolio, whilst continuing to maintain asset growth and provide affordable mortgage loans and financings to homebuyers. From 1 January 2014, MGP was transferred to Cagamas SRP, consolidating all mortgage guarantee operations under one entity. The provision of MGP by Cagamas SRP assists in strengthening the banking sector by removing systemic risk from the sector.

Cagamas SRP launched FHMGP and FHMGP-i in 2024 following the discontinuation of SRP and SPB in 2023 and 2020, respectively. FHMGP and FHMGP-i enable first time homebuyers to obtain up to 110 per cent. financing from participating FIs, and is a direct evolution of the earlier guarantee schemes underpinned by the MGP and MGP-i structure. Cagamas SRP continues to provide guarantees on the remaining outstanding exposures under the now-discontinued SRP and SPB.

The mortgage guarantees provided to FIs are aimed at encouraging mortgage providers to lend to deserving applicants, as the transfer of credit risk helps facilitate the management of portfolios. This is intended to further enhance the objective of the Cagamas Holdings Group to promote home ownership in Malaysia.

Cagamas MGP

Cagamas MGP was incorporated on 14 April 2008 to provide financial institutions with mortgage guarantee facilities for their conventional and Islamic mortgage finance portfolios. Cagamas MGP also offered a portfolio and risk management solution to these institutions to manage the credit risk exposure of their mortgage portfolios, whilst continuing to maintain asset growth and provide

affordable mortgage loans to homebuyers. In addition, Cagamas MGP assisted in the strengthening of the banking sector by removing systemic risk from the sector

Cagamas MGP was originally named Cagamas HKMC Berhad and was set up as a joint venture with the Hong Kong Mortgage Corporation Limited. Cagamas HKMC Berhad became a wholly owned subsidiary of Cagamas Holdings on 20 December 2012.

Cagamas MGP transferred its mortgage guarantee and mortgage indemnity business to Cagamas SRP with effect from 1 January 2014.

Cagamas MGP has been dormant since 1 January 2014.

Cagamas SME

Cagamas SME was incorporated on 17 February 2006 to undertake the purchase of SME loans and/or structured product transactions via cash or synthetic securitisations or a combination of both and the issuance of bonds to finance the purchases. Cagamas SME also entered into credit default swap transactions with financial institutions as counterparty, and issued fixed-rate credit linked notes in a synthetic securitisation transaction.

Cagamas SME has been dormant since 10 October 2012.

Employees

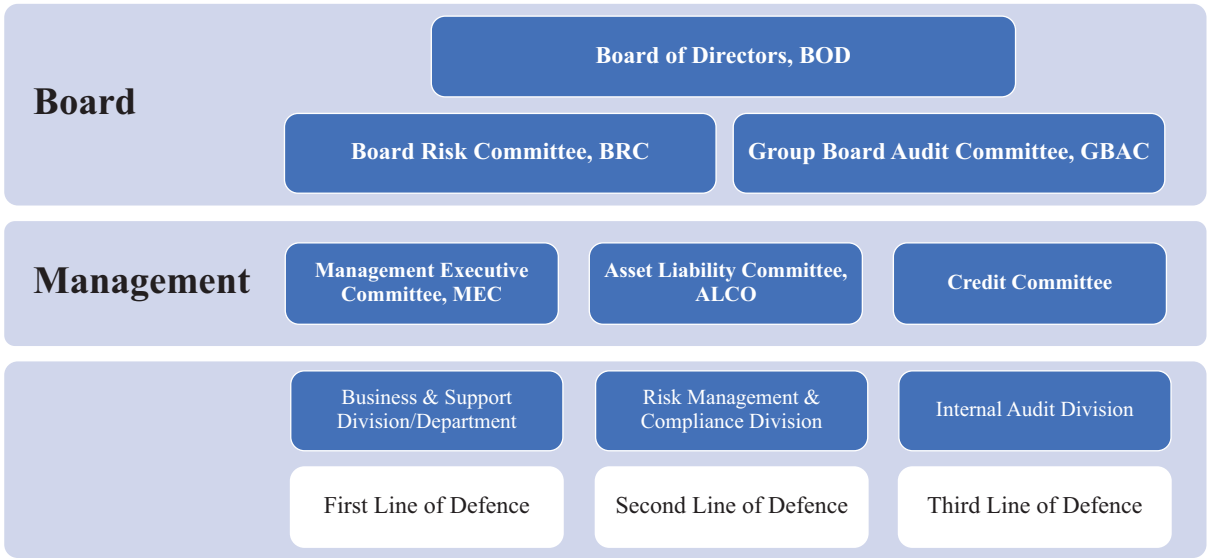
As at 30 June 2025, Cagamas has more than 130 employees (the "**Employees**") and no ongoing labour disputes. The Employees are not affiliated to any trade unions.

Risk Management

Enterprise Risk Management Framework

Cagamas takes a holistic and enterprise-wide view in managing risk. Cagamas' Board of Directors (the "**Board**") approved the Enterprise Management Framework ("**ERM**") which details the scopes of responsibility and accountability of the Board, the BRC, the President/Chief Executive Officer ("**CEO**"), the Chief Risk and Compliance Officer ("**CRCO**"), the MEC, the Asset Liability Committee ("**ALCO**"), the Credit Committee, the Risk Management and Compliance Division ("**RMD**"), the IAD and Cagamas employees.

In line with the ERM Framework, Cagamas employs three lines of defence when managing risk as illustrated in the diagram below.



The business units within Cagamas are the first line of defence, and have the primary responsibility of identifying, mitigating and managing risks within their line of business. They also ensure that their day-to-day activities are conducted in line with established risk policies and procedures, and that no limits are exceeded.

An independent RMD acts as Cagamas' second line of defence by providing specialised resources to proactively manage risks. This includes assessment of risk exposures and the coordination of risk management on an enterprise-wide basis. The RMD is also responsible for ensuring that risk policies are implemented accordingly.

The IAD is Cagamas' third line of defence and is responsible for independently reviewing the adequacy and effectiveness of risk management processes, the system of internal controls and compliance with risk policies.

Risk Governance Structure

The Board sets the overall strategic direction for Cagamas. It provides ultimate oversight to ensure that management has set up appropriate risk management systems to manage risks associated with Cagamas' operations and activities. The Board sets the risk appetite and tolerance level to be consistent with Cagamas' overall business objectives and desired risk profile. The Board also reviews and approves all significant risk management policies and risk exposures.

The BRC assists the Board by ensuring that there is effective oversight and development of strategies, policies and infrastructure to manage Cagamas' risks. The BRC is supported by a management committee addressing one or more of the key risks identified.

The MEC, ALCO and Credit Committee, which comprise senior management of the Cagamas, are chaired by the CEO and undertake the oversight function for business strategy, capital allocation and overall risk limits, aligning them to the risk appetite set by the Board. Management is responsible for the implementation of the policies laid down by the Board by ensuring that there are adequate and effective operational procedures, internal controls and systems.

The RMD is independent of other departments involved in risk-taking activities and reports directly to the BRC. It is responsible for identifying, measuring, analysing, controlling, monitoring and reporting risk exposures independently and coordinating the management of risk on an enterprise-wide basis.

Key Areas of Risk Management

Strategic Risk Management

Strategic risk within Cagamas is the risk of not achieving its corporate strategy goals which reflect Cagamas' vision. This may be caused by internal factors such as performance planning, execution and monitoring, and external factors such as market environment.

Strategic risk management is addressed by the Board's involvement in the setting of Cagamas' strategic goals. The Board is regularly updated on matters affecting corporate strategy implementation and corporate transactions.

Credit Risk

Credit risk is defined as the potential for financial loss resulting from the failure of a borrower or counterparty to fulfil its financial or contractual obligations. Credit risk within Cagamas arises from its PWR and PWOR business, reverse mortgages and investment activities including capital management solution and treasury hedging activities.

The primary objective of credit risk management is to proactively manage credit risk and by ensuring that appropriate limits and thresholds are established so that all exposures to credit risk are kept within parameters approved by the Board to withstand potential losses. Investment activities and credit approvals are guided by internal credit policies and guidelines, including eligibility criteria that are approved by the Board. Overall, all credit approval and monitoring processes are carried out in line with the internal credit risk management policy, ensuring a consistent and robust approach to managing credit risk across the organisation.

Market Risk

Market risk is defined as the potential loss arising from movements of market prices and rates. Within Cagamas, market risk exposure is limited to interest/profit rate risk and foreign exchange risk as Cagamas does not engage in any equity or commodity trading activities. Involvement in the purchase and sale of commodities is solely to facilitate the issuance of Sukuk. Interest rate risk is minimal as trading is prohibited. Foreign exchange risk arising from the issuance of foreign currency denominated bonds is largely hedged.

Cagamas manages its market risk exposure by imposing threshold limits and entering into derivative hedging contracts, guided by its risk appetite and risk-return considerations. These limits are subject to regular review and ongoing monitoring to ensure they remain appropriate. In addition, Cagamas employs an Asset Liability Management System, which offers a range of analytical tools, including duration gap analysis, interest or profit sensitivity analysis, and income simulations under various scenarios. These tools assist in the effective management and monitoring of interest or profit rate risk. Furthermore, Cagamas utilises derivative instruments to manage and hedge its exposure to market risk, particularly in relation to fluctuations in interest or profit rates and foreign currency exchange rates.

Liquidity and Funding Risk

Funding liquidity risk arises when Cagamas is unable to meet financial obligations as they fall due arising from the inability to liquidate assets or obtain adequate funding. Meanwhile, market liquidity risk arises when Cagamas is unable to easily unwind or offset specific exposures without significantly lowering market prices because of inadequate market depth or market disruptions.

Cagamas manages liquidity risk through a dynamic funding approach, which includes a matching strategy whereby asset purchases are financed by bonds or Sukuk that are closely matched in both size and duration. In addition, threshold limits are imposed and approved by Cagamas' management, within parameters set by the Board, based on a risk-return assessment. In addition, a forward-looking liquidity mechanism is implemented to facilitate effective cash flow management and to prevent any potential funding concentrations. This involves comprehensive cash flow planning and monitoring, with every business transaction being closely observed to guarantee that sufficient funds are available to meet operational requirements. Furthermore, a reserve of liquidity is established in the form of marketable debt securities, which provides a safeguard to address any unexpected shortfall in cash flow or to mitigate the impact of adverse economic conditions in the financial markets.

Operational Risk

Operational risk is the potential loss resulting from the disruption in business operations by failed or flawed internal processes, people and systems, or from external events. The impact of operational risks may result in direct or indirect financial losses which may eventually adversely affect the reputation of Cagamas. Each business/support unit undertakes self-assessment of the risk and control environment to identify, assess and manage its operational risks. Additionally, each business/support unit maintains robust internal controls, systems and procedures that are subject to regular review by both internal and external auditors. Business continuity plans are in place to minimise unexpected disruption and reduce time to restore operations.

Technology Risk

Technology risk may arise from various sources, including legacy systems, cyber-attacks, software malfunctions, hardware failures and data integrity issues. Such risks may have the potential to cause significant operational disruptions, financial losses, and damage to Cagamas' reputation, particularly when failures or security breaches occur within its technology ecosystems.

Cagamas has embedded robust governance practices and effective management of technology risk, which encompass strong information technology security, reliability, resiliency, and recoverability. These measures are designed to ensure the availability, accuracy, accessibility, and agility of systems and data. A critical component of Cagamas' technology risk management strategy is Data Loss Prevention ("**DLP**"), which plays a key role in upholding data governance. DLP achieves this by identifying, monitoring, and protecting data across various platforms, including on-premises systems, cloud environments and endpoint devices.

Regulatory Compliance Risk

Failure to observe relevant laws and regulations may expose Cagamas to significant risks, including the possibility of incurring fines, penalties, and reputational damage.

To manage regulatory and compliance risks effectively, Cagamas has established group-wide policies that outline overarching principles and guidelines for managing such risks within the Group. These policies address key areas such as anti-bribery, anti-money laundering, data protection, and cybersecurity, ensuring a comprehensive approach to regulatory compliance.

Periodic regulatory compliance reviews are independently conducted by the RMD. These reviews evaluate the adequacy of existing controls and Cagamas' adherence to relevant laws and regulatory requirements. Through this process, any gaps or weaknesses are proactively identified, enabling timely resolution. The findings from these reviews are communicated to relevant stakeholders, supporting the ongoing refinement of policies, procedures, and business practices.

Incidents of non-compliance, along with any identified deficiencies and the corresponding corrective measures, are reported to the Board via the BRC. This reporting process provides the Board with a comprehensive overview of compliance matters, ensuring accountability at the highest level and facilitating informed decision-making regarding compliance risks across the Cagamas Holding Group. Cagamas remains committed to integrating insights gained from compliance reviews into its broader risk management framework. This approach fosters a culture of continuous improvement, with clear timelines, accountability, and tracking mechanisms in place to ensure that any issues of non-compliance are resolved both effectively and efficiently.

Reputational Risk

Cagamas' reputation and image as perceived by shareholders, investors, counterparties, customers, market analysts, regulators, employees and other pertinent stakeholders is of utmost importance to the continued growth and success of Cagamas' businesses and operations. Invariably, reputational risk is dependent on the nature/model of business, selection of clients and counterparties and reliability and effectiveness of business processes and any adverse impact on Cagamas' reputation may have the potential to undermine the Group's ability to maintain existing business relationships or to establish new ones.

To address these challenges, Cagamas has implemented a comprehensive Reputational Risk Framework. This framework sets out a structured process, supported by specific tools and controls, to effectively identify, manage, and mitigate reputational risks throughout the organisation's operations. The framework is built upon a three-stage approach: risk assessment, early detection and escalation,

and ongoing risk monitoring and control, with a focus on continuous improvement. In addition, clear timelines, defined accountability, and robust tracking mechanisms have been established to ensure that any instances of non-compliance are addressed promptly and efficiently, thereby safeguarding Cagamas' reputation and stakeholder confidence.

Shariah Non-Compliance Risk

Cagamas consults and obtains endorsements/clearance from an independent *Shariah* adviser for all its Islamic products, transactions, and operations to ensure compliance with relevant *Shariah* requirements. From a regulatory standpoint, Cagamas does not have direct access to the Shariah Advisory Council of BNM and/or Securities Commission of Malaysia ("**SC**") (collectively referred as "**SACs**") for *Shariah* ruling/advice. Where applicable, Cagamas will obtain approval of the SACs through the counterparty or intermediary that falls under the purview of BNM, and/ or through the principal adviser of the Sukuk programmes.

Periodic *Shariah* reviews/audits are performed to verify that Islamic products and operations of Cagamas are in compliance with the decisions endorsed by the independent *Shariah* adviser and the *Shariah* Advisers for any Sukuk programmes, where applicable. Any incidences of *Shariah* non-compliance are reported to the independent *Shariah* adviser, the BRC and the Group Board Audit Committee. Remedial actions are presented for the endorsement of the independent *Shariah* adviser and for notification to the BRC or the Board.

Implementation of Basel II and Basel III

In line with the industry's best practice, Cagamas has implemented Basel II Pillar 1 Risk-Weighted Capital Adequacy Framework (RWCAF), Basel II Pillar 2 Internal Capital Adequacy Assessment Process (ICAAP) and Basel II Pillar 3 Disclosure Policy. Additionally, Cagamas monitors its liquidity coverage ratio and net stable funding ratio as per Basel III requirements.

Corporate Social Responsibility (CSR)

Cagamas advocates corporate social responsibility ("**CSR**") in line with the GOM's policy of nurturing a caring society. Beneficiaries of Cagamas' CSR activities include charitable, non-profit organisations registered with the Social Welfare Department or the Inland Revenue Board i.e., welfare homes, homes for the elderly, orphanages, etc. established in Malaysia. Cagamas' CSR programmes aim to create a positive and sustainable societal impact on local communities resulting in a more inclusive and caring society through education and training, civic and community, and health and human services.

Recent Financings and Issuances

Cagamas Issuance of RM 1.3 billion (in aggregate) IMTNs and ICPs

In January 2022, Cagamas completed the respective sales of RM 100 million 1-year IMTNs, RM 930 million 3-year IMTNs and RM 300 million ICPs under the RM 60 billion IMTN/CMTN Programme and the RM 20 billion ICP/CCP Programme.

The issuances will be redeemed at their full nominal value upon maturity, and are unsecured obligations of Cagamas, ranking *pari passu* with all other existing unsecured obligations of Cagamas.

Cagamas Issuance of RM 1.6 billion (in aggregate) CMTNs, ICPs and CCPs

In February 2022, Cagamas completed the respective sales of RM 550 million 2-year CMTNs, RM 645 million ICPs and RM 400 million CCPs under the RM 60 billion IMTN/ CMTN Programme and the RM 20 billion ICP/CCP Programme.

The issuances will be redeemed at their full nominal value upon maturity, and are unsecured obligations of Cagamas, ranking *pari passu* with all other existing unsecured obligations of Cagamas.

Cagamas' Issuance of RM 1.3 Billion (in aggregate) CMTNs, ASEAN Sustainability SRI Sukuk and CPs

On 23 March 2022, Cagamas completed the respective sales of RM 200 million 3-year "ASEAN Sustainability SRI Sukuk", RM 330 million 2-year CMTNs, RM 200 million 2-year IMTNs, RM 300 million 3-month CCPs and SGD 100 million 2-year fixed rate EMTNs under the RM 60 billion IMTN/CMTN Programme, RM 20 billion ICP/CCP and the EMTN Programme.

The SGD denominated bonds, issued via Cagamas' wholly-owned subsidiary, Cagamas Global P.L.C., are fully and unconditionally guaranteed by Cagamas, ranking *pari passu* with all other existing unsecured obligations of Cagamas. The Ringgit issuances, which will be redeemed at their full nominal value upon maturity, are unsecured obligations of Cagamas, ranking *pari passu* as with all other existing unsecured obligations of Cagamas.

Cagamas' Issuance of RM 1.9 Billion (in aggregate) CMTNs and IMTNs

In April 2022, Cagamas completed the sale of RM 1 billion 5-year CMTNs, RM 300 million 1-year floating profit rate IMTNs and RM 600 million 1-year and 3-year IMTNs under the RM 60 billion IMTN/CMTN Programme.

The issuances which will be redeemed at their full nominal value upon maturity, are unsecured obligations of Cagamas, ranking *pari passu* with all other existing unsecured obligations of Cagamas.

Cagamas' Issuance of RM 1.0 Billion (in aggregate) IMTNs and CMTNs

In May 2022, Cagamas completed the respective sales of RM 345 million 1-year floating rate IMTNs and RM 680 million 1-year floating rate CMTNs under the RM 60 billion IMTN/CMTN Programme.

The issuances, which will be redeemed at their full nominal value upon maturity, are unsecured obligations of Cagamas, ranking *pari passu* with all other existing unsecured obligations of Cagamas.

Cagamas' Issuance of RM 350 Million (in aggregate) IMTNs, CMTNs and ASEAN Social SRI Sukuk

In June 2022, Cagamas completed the sale of RM 100 million 3-year IMTNs, RM 50 million 1-year CMTNs, RM 50 million 2-year CMTNs and RM 150 million 3-year ASEAN Social SRI Sukuk under the RM 60 billion IMTN/CMTN Programme.

The issuances will be redeemed at their full nominal value upon maturity, and are unsecured obligations of Cagamas, ranking *pari passu* with all other existing unsecured obligations of Cagamas.

Cagamas' Issuance of RM 400 Million (in aggregate) CMTNs

In July 2022, Cagamas completed the sale of RM 200 million 1-year floating rate CMTNs and RM 200 million 5-year CMTNs under the RM 60 billion IMTN/CMTN Programme. The CMTNs, which referenced the MYOR rate, is the first of its kind in Malaysia.

The CMTNs will be redeemed at their full nominal value upon maturity, and are unsecured obligations of Cagamas, ranking *pari passu* with all other existing unsecured obligations of Cagamas.

Cagamas' Issuance of RM 1.6 Billion (in aggregate) IMTNs, CMTNs, Asean Social SRI Sukuk and ASEAN Social Bonds

In August 2022, Cagamas completed the respective sales of RM 25 million 1-year IMTNs, RM 85 million 1-year CMTNs, RM 285 million 2-year "ASEAN Social SRI Sukuk", RM 115 million 2-year IMTNs, RM 155 million 2-year "ASEAN Social Bonds", RM 100 million 3-year IMTNs and RM 390 million 3-year CMTNs, RM 205 million 2-year CMTNs and RM 250 million 3-year CMTNs under the RM 60 billion IMTN/CMTN Programme.

The issuances will be redeemed at their full nominal value upon maturity, and are unsecured obligations of Cagamas, ranking *pari passu* with all other existing unsecured obligations of Cagamas.

Cagamas' Issuance of RM2.0 billion (in aggregate) IMTNs, CMTNs and SGD EMTNs

In September 2022, Cagamas completed the sale of RM 560 million 1-year IMTNs, RM 100 million multi-tenured CMTNs, and SGD 450 million 1-year fixed rate EMTNs under the RM 60 billion IMTN/CMTN Programme and the EMTN Programme.

The SGD denominated bonds, issued via Cagamas' wholly-owned subsidiary, Cagamas Global P.L.C., are fully and unconditionally guaranteed by Cagamas, ranking *pari passu* with all other existing unsecured obligations of Cagamas. The Ringgit issuances, which will be redeemed at their full nominal value upon maturity, are unsecured obligations of Cagamas, ranking *pari passu* as with all other existing unsecured obligations of Cagamas.

Cagamas' Issuance of RM 100 Million CMTNs

In October 2022, Cagamas completed the sale of RM 100 million 5-year CMTNs under the RM 60 billion IMTN/CMTN Programme.

The CMTNs will be redeemed at their full nominal value upon maturity, and are unsecured obligations of Cagamas, ranking *pari passu* with all other existing unsecured obligations of Cagamas.

Cagamas' Issuance of RM 5.2 Billion (in aggregate) CMTNs, IMTNs, ASEAN Social SRI Sukuk, ASEAN Social Bonds and SGD EMTNs

In November 2022, Cagamas completed the sale of RM 500 million 3-year "ASEAN Social SRI Sukuk", RM 300 million 3-year "ASEAN Social Bonds", RM 2 billion 5-year CMTNs, RM 2.29 billion combined multi-tenured IMTNs and 1-year SGD 65 million EMTNs under the RM 60 billion IMTN/CMTN Programme and the EMTN Programme.

The SGD denominated bonds, issued via Cagamas' wholly-owned subsidiary, Cagamas Global P.L.C., are fully and unconditionally guaranteed by Cagamas, ranking *pari passu* with all other existing unsecured obligations of Cagamas. The Ringgit issuances will be redeemed at their full nominal value upon maturity and are unsecured obligations of Cagamas, ranking *pari passu* with all other existing unsecured obligations of Cagamas.

Cagamas' Issuance of RM 1.085 Billion (in aggregate) IMTNs and CMTNs

In December 2022, Cagamas completed the sale of RM 1.085 billion worth of bonds and Sukuk, comprising RM 735 million 1-year IMTNs, RM 200 million 3-year IMTNs and RM 150 million 5-year CMTNs.

The issuances will be redeemed at their full nominal value upon maturity, and are unsecured obligations of Cagamas, ranking *pari passu* with all other existing unsecured obligations of Cagamas.

Cagamas Issuance of RM 550 million (in aggregate) IMTNs and CMTNs

In January 2023, Cagamas completed the respective sales of RM 500 million 5-year IMTNs and RM 50 million 5-year CMTNs.

The issuances will be redeemed at their full nominal value upon maturity, and are unsecured obligations of Cagamas, ranking *pari passu* with all other existing unsecured obligations of Cagamas.

Cagamas' Issuance of RM 1.3 billion (in aggregate) IMTNs, SGD EMTNs and HKD EMTNs

In February 2023, Cagamas completed the sale of RM 120 million 2-year IMTNs, SGD 230 million (RM 754 million equivalent) 1-year EMTNs and HKD 800 million (RM 448 million equivalent) 1-year EMTNs.

The SGD and HKD denominated bonds, issued via Cagamas' wholly-owned subsidiary, Cagamas Global P.L.C., are fully and unconditionally guaranteed by Cagamas, ranking *pari passu* with all other existing unsecured obligations of Cagamas. The Ringgit issuances will be redeemed at their full nominal value upon maturity and are unsecured obligations of Cagamas, ranking *pari passu* with all other existing unsecured obligations of Cagamas.

Cagamas' Issuance of RM 1.7 billion (in aggregate) VRNs, IMTNs, CMTNs, ICPs and CCPs

In March 2023, Cagamas completed the respective sales of RM 300 million 1-year VRNs, RM 300 million 3-year IMTNs, RM 115 million 5-year IMTNs, RM 600 million 2-year CMTNs, RM 100 million ICPs and RM 300 million CCPs under the RM 20 billion ICP/CCP Programme and the RM 60 billion IMTN/CMTN Programme.

The issuances will be redeemed at their full nominal value upon maturity, and are unsecured obligations of Cagamas, ranking *pari passu* with all other existing unsecured obligations of Cagamas.

Cagamas' Issuance of RM 1.8 billion (in aggregate) IMTNs, ICPs and SGD EMTNs

In April 2023, Cagamas completed the respective sales of RM 200 million 2-year IMTNs, RM 500 million 3-year IMTNs, RM 300 million ICPs, SGD 60 million (RM 200 million equivalent) 1-year SGD EMTNs, SGD 90 million (RM299 million equivalent) 2-year SGD EMTNs and SGD 90 million (RM 299 million equivalent) 3-year SGD EMTNs under the RM 20 billion ICP/CCP Programme, the RM 60 billion IMTN/CMTN Programme and the EMTN Programme.

The SGD denominated bonds, issued via Cagamas' wholly-owned subsidiary, Cagamas Global P.L.C., are fully and unconditionally guaranteed by Cagamas, ranking *pari passu* with all other existing unsecured obligations of Cagamas. The Ringgit issuances will be redeemed at their full nominal value upon maturity and are unsecured obligations of Cagamas, ranking *pari passu* with all other existing unsecured obligations of Cagamas.

Cagamas' Issuance of RM 3.3 billion (in aggregate) CMTNs, ICPs, CCPs and SGD EMTNs

In May 2023, Cagamas completed the respective sales of RM 450 million 1-year CMTNs, RM 700 million 2-year CMTNs, RM 780 million 3-year CMTNs, RM 200 million 10-year CMTNs, RM 100 million ICPs, RM 695 million CCPs and SGD 103 million (RM350 million equivalent) 1-year SGD EMTNs under the RM 20 billion ICP/CCP Programme, the RM 60 billion IMTN/CMTN Programme and the EMTN Programme.

The SGD denominated bonds, issued via Cagamas' wholly-owned subsidiary, Cagamas Global P.L.C., are fully and unconditionally guaranteed by Cagamas, ranking *pari passu* with all other existing

unsecured obligations of Cagamas. The Ringgit issuances will be redeemed at their full nominal value upon maturity and are unsecured obligations of Cagamas, ranking *pari passu* with all other existing unsecured obligations of Cagamas.

Cagamas' Issuance of RM 1.9 billion (in aggregate) IMTNs, CMTNs, CCPs and SGD EMTNs

In June 2023, Cagamas completed the respective sales of RM 300 million 2.5-year IMTNs, RM 500 million 5-year IMTNs, RM 150 million 3-year CMTNs, RM 390 million CCPs and SGD 150 million (RM 512 million equivalent) 1-year SGD EMTNs under the RM 20 billion ICP/CCP Programme, the RM 60 billion IMTN/CMTN Programme and the EMTN Programme.

The SGD denominated bonds, issued via Cagamas' wholly-owned subsidiary, Cagamas Global P.L.C., are fully and unconditionally guaranteed by Cagamas, ranking *pari passu* with all other existing unsecured obligations of Cagamas. The Ringgit issuances will be redeemed at their full nominal value upon maturity and are unsecured obligations of Cagamas, ranking *pari passu* with all other existing unsecured obligations of Cagamas.

Cagamas' Issuance of RM 1.0 billion (in aggregate) IMTNs and ICPs

In July 2023, Cagamas completed the respective sales of RM 735 million 1-year IMTNs and RM 300 million ICPs under the RM 20 billion ICP/CCP Programme and the RM 60 billion IMTN/CMTN Programme.

The issuances will be redeemed at their full nominal value upon maturity, and are unsecured obligations of Cagamas, ranking *pari passu* with all other existing unsecured obligations of Cagamas.

Cagamas' Issuance of RM 1.7 billion (in aggregate) IMTNs, CMTNs, ICPs and CCPs

In August 2023, Cagamas completed the respective sales of RM 200 million 3-year IMTNs, RM 500 million 5-year IMTNs, RM 170 million 1-year CMTNs, RM 100 million ICPs and RM 695 million CCPs under the RM 20 billion ICP/CCP Programme and the RM 60 billion IMTN/CMTN Programme.

The issuances will be redeemed at their full nominal value upon maturity, and are unsecured obligations of Cagamas, ranking *pari passu* with all other existing unsecured obligations of Cagamas.

Cagamas' Issuance of RM 1.9 billion (in aggregate) CMTNs, ICPs, CCPs, ASEAN Green SRI Sukuk, ASEAN Green Bonds and SGD EMTNs

In September 2023, Cagamas completed the respective sales of RM 250 million 2-year CMTNs, RM 360 million ICPs, RM 390 million CCPs, RM 90 million ASEAN Green SRI Sukuk, RM 210 million ASEAN Green Bonds and SGD 150 million (RM 515 million equivalent) 2-year SGD EMTNs under the RM 20 billion ICP/CCP Programme, the RM 60 billion IMTN/CMTN Programme and the EMTN Programme.

The SGD denominated bonds, issued via Cagamas' wholly-owned subsidiary, Cagamas Global P.L.C., are fully and unconditionally guaranteed by Cagamas, ranking *pari passu* with all other existing unsecured obligations of Cagamas. The Ringgit issuances will be redeemed at their full nominal value upon maturity and are unsecured obligations of Cagamas, ranking *pari passu* with all other existing unsecured obligations of Cagamas.

Cagamas' Issuance of RM 2.9 billion (in aggregate) IMTNs, CMTNs, ICPs and SGD EMTNs

In October 2023, Cagamas completed the respective sales of RM 305 million 1-year IMTNs, RM 270 million 2-year IMTNs, RM 540 million 3-year IMTNs, RM 610 million 5-year IMTNs,

RM 125 million 1-year CMTNs, RM 340 million 5-year CMTNs, RM 180 million ICPs and SGD 150 million (RM 520 million equivalent) 1-year SGD EMTNs under the RM 20 billion ICP/CCP Programme, the RM 60 billion IMTN/CMTN Programme and the EMTN Programme.

The SGD denominated bonds, issued via Cagamas' wholly-owned subsidiary, Cagamas Global P.L.C., are fully and unconditionally guaranteed by Cagamas, ranking *pari passu* with all other existing unsecured obligations of Cagamas. The Ringgit issuances will be redeemed at their full nominal value upon maturity and are unsecured obligations of Cagamas, ranking *pari passu* with all other existing unsecured obligations of Cagamas.

Cagamas' Issuance of RM 1.9 billion (in aggregate) IMTNs, CMTNs, ICPs, CCPs, ASEAN Social SRI Sukuk and SGD EMTNs

In November 2023, Cagamas completed the respective sales of RM 250 million 3-year IMTNs, RM 460 million 5-year CMTNs, RM 100 million ICPs, RM 615 million CCPs, RM 150 million ASEAN Social SRI Sukuk and SGD 100 million (RM 349 million equivalent) 1-year SGD EMTNs under the RM 20 billion ICP/CCP Programme, the RM 60 billion IMTN/CMTN Programme and the EMTN Programme.

The SGD denominated bonds, issued via Cagamas' wholly-owned subsidiary, Cagamas Global P.L.C., are fully and unconditionally guaranteed by Cagamas, ranking *pari passu* with all other existing unsecured obligations of Cagamas. The Ringgit issuances will be redeemed at their full nominal value upon maturity and are unsecured obligations of Cagamas, ranking *pari passu* with all other existing unsecured obligations of Cagamas.

Cagamas' Issuance of RM 2.7 billion (in aggregate) IMTNs, CMTNs, ICPs, CCPs, ASEAN Social SRI Sukuk and SGD EMTNs

In December 2023, Cagamas completed the respective sales of RM 275 million 3-year IMTNs, RM 500 million 5-year IMTNs, RM 200 million 1-year CMTNs, RM 360 million ICPs, RM 390 million CCPs, RM 325 million ASEAN Social SRI Sukuk and SGD 200 million (RM 700 million equivalent) 1-year SGD EMTNs under the RM 20 billion ICP/CCP Programme, the RM 60 billion IMTN/CMTN Programme and the EMTN Programme.

The SGD denominated bonds, issued via Cagamas' wholly-owned subsidiary, Cagamas Global P.L.C., are fully and unconditionally guaranteed by Cagamas, ranking *pari passu* with all other existing unsecured obligations of Cagamas. The Ringgit issuances will be redeemed at their full nominal value upon maturity and are unsecured obligations of Cagamas, ranking *pari passu* with all other existing unsecured obligations of Cagamas.

Cagamas' Issuance of RM 230 million (in aggregate) ICPs

In January 2024, Cagamas completed the sales of RM 230 million ICPs under the RM 20 billion ICP/CCP Programme.

The issuances will be redeemed at their full nominal value upon maturity, and are unsecured obligations of Cagamas, ranking *pari passu* with all other existing unsecured obligations of Cagamas.

Cagamas' Issuance of RM 1.2 billion (in aggregate) IMTNs, CMTNs, ICPs and CCPs

In February 2024, Cagamas completed the respective sales of RM 300 million 1-year IMTNs, RM 460 million 1-year CMTNs, RM 200 million 2-year CMTNs, RM 100 million ICPs and RM 145 million CCPs under the RM 60 billion IMTN/CMTN Programme and RM 20 billion ICP/CCP Programme.

The issuances will be redeemed at their full nominal value upon maturity, and are unsecured obligations of Cagamas, ranking *pari passu* with all other existing unsecured obligations of Cagamas.

Cagamas' Issuance of RM 980 million (in aggregate) IMTNs, CMTNs, ICPs and CCPs

In March 2024, Cagamas completed the respective sales of RM 80 million 5-year IMTNs, RM 90 million 3-year CMTNs, RM 60 million 5-year CMTNs, RM 660 million ICPs and RM 90 million CCPs under the RM 60 billion IMTN/CMTN Programme and RM 20 billion ICP/CCP Programme.

The issuances will be redeemed at their full nominal value upon maturity, and are unsecured obligations of Cagamas, ranking *pari passu* with all other existing unsecured obligations of Cagamas.

Cagamas' Issuance of RM 730 million (in aggregate) IMTNs, CMTNs and ICPs

In April 2024, Cagamas completed the respective sales of RM 200 million 1-year IMTNs, RM 100 million 10-year CMTNs and RM 430 million ICPs under the RM 60 billion IMTN/CMTN Programme and RM 20 billion ICP/CCP Programme.

The issuances will be redeemed at their full nominal value upon maturity, and are unsecured obligations of Cagamas, ranking *pari passu* with all other existing unsecured obligations of Cagamas.

Cagamas' Issuance of RM 1.1 billion (in aggregate) CMTNs, ICPs and ICPs

In May 2024, Cagamas completed the respective sales of RM 670 million 7-year CMTNs, RM 300 million ICPs and RM 145 million CCPs under the RM 60 billion IMTN/CMTN Programme and RM 20 billion ICP/CCP Programme.

The issuances will be redeemed at their full nominal value upon maturity, and are unsecured obligations of Cagamas, ranking *pari passu* with all other existing unsecured obligations of Cagamas.

Cagamas' Issuance of RM 2.6 billion (in aggregate) IMTNs, CMTNs, ICPs, CCPs and SGD EMTNs

In June 2024, Cagamas completed the respective sales of RM 260 million 1-year IMTNs, RM 800 million 10-year IMTNs, RM 500 million 1-year CMTNs, RM 660 million ICPs, RM 130 million CCPs and SGD 70 million (RM 245 million equivalent) EMTNs under the RM 60 billion IMTN/CMTN Programme, RM 20 billion ICP/CCP Programme and the EMTN Programme.

The SGD denominated bonds, issued via Cagamas' wholly-owned subsidiary, Cagamas Global P.L.C., are fully and unconditionally guaranteed by Cagamas, ranking *pari passu* with all other existing unsecured obligations of Cagamas. The Ringgit issuances will be redeemed at their full nominal value upon maturity and are unsecured obligations of Cagamas, ranking *pari passu* with all other existing unsecured obligations of Cagamas.

Cagamas' Issuance of RM 1.7 billion (in aggregate) IMTNs, ICPs, ASEAN Sustainable Bonds, ASEAN Social SRI Sukuk and SGD EMTNs

In July 2024, Cagamas completed the respective sales of RM 245 million 1-year IMTNs, RM 105 million 5-year IMTNs, RM 430 million ICPs, RM 100 million ASEAN Sustainable Bonds, RM 145 million 3-month ASEAN Social SRI Sukuk, RM 145 million 6-month ASEAN Social SRI Sukuk and SGD 150 million (RM 522 million equivalent) SGD EMTNs under the RM 60 billion IMTN/CMTN Programme, RM 20 billion ICP/CCP Programme and the EMTN Programme.

The SGD denominated bonds, issued via Cagamas' wholly-owned subsidiary, Cagamas Global P.L.C., are fully and unconditionally guaranteed by Cagamas, ranking *pari passu* with all other existing

unsecured obligations of Cagamas. The Ringgit issuances will be redeemed at their full nominal value upon maturity and are unsecured obligations of Cagamas, ranking *pari passu* with all other existing unsecured obligations of Cagamas.

Cagamas' Issuance of RM 1.3 billion (in aggregate) IMTNs, CMTNs, ICPs and CCPs

In August 2024, Cagamas completed the respective sales of RM 440 million 1-year IMTNs, RM 300 million 2-year CMTNs, RM 390 million ICPs and RM 200 million CCPs under the RM 60 billion IMTN/CMTN Programme and RM 20 billion ICP/CCP Programme.

The issuances will be redeemed at their full nominal value upon maturity, and are unsecured obligations of Cagamas, ranking *pari passu* with all other existing unsecured obligations of Cagamas.

Cagamas' Issuance of RM 890 million (in aggregate) CMTNs, ICPs and CCPs

In September 2024, Cagamas completed the respective sales of RM 100 million 1-year CMTNs, RM 660 million ICPs and RM 130 million CCPs under the RM 60 billion IMTN/CMTN Programme and RM 20 billion ICP/CCP Programme.

The issuances will be redeemed at their full nominal value upon maturity, and are unsecured obligations of Cagamas, ranking *pari passu* with all other existing unsecured obligations of Cagamas.

Cagamas' Issuance of RM 2.1 billion (in aggregate) IMTNs, ICPs, CCPs and SGD EMTNs

In October 2024, Cagamas completed the respective sales of RM 400 million 5-year IMTNs, RM 575 million ICPs, RM 150 million CCPs and SGD 305 million (RM 1 billion equivalent) 1-year SGD EMTNs under the RM 60 billion IMTN/CMTN Programme, RM 20 billion ICP/CCP Programme and the EMTN Programme.

The SGD denominated bonds, issued via Cagamas' wholly-owned subsidiary, Cagamas Global P.L.C., are fully and unconditionally guaranteed by Cagamas, ranking *pari passu* with all other existing unsecured obligations of Cagamas. The Ringgit issuances will be redeemed at their full nominal value upon maturity and are unsecured obligations of Cagamas, ranking *pari passu* with all other existing unsecured obligations of Cagamas.

Cagamas' Issuance of RM 3.3 billion (in aggregate) IMTNs, CMTNs, ICPs, CCPs and ASEAN Social SRI Sukuk

In November 2024, Cagamas completed the respective sales of RM 160 million 1-year IMTNs, RM 500 million 3-year IMTNs, RM 1.3 billion 5-year IMTNs, RM 240 million 1-year CMTNs, RM 590 million ICPs, RM 245 million CCPs and RM 250 million 3-year ASEAN Social SRI Sukuk under the RM 60 billion IMTN/CMTN Programme and RM 20 billion ICP/CCP Programme.

The issuances will be redeemed at their full nominal value upon maturity, and are unsecured obligations of Cagamas, ranking *pari passu* with all other existing unsecured obligations of Cagamas.

Cagamas' Issuance of RM 2.1 billion (in aggregate) ICPs, CCPs, ASEAN Social Bonds and SGD EMTNs

In December 2024, Cagamas completed the respective sales of RM 660 million ICPs, RM 130 million CCPs, RM 500 million 3-year ASEAN Social Bonds and SGD 250 million (RM826 million equivalent) 2-year SGD EMTNs under the RM 60 billion IMTN/CMTN Programme, RM 20 billion ICP/CCP Programme and the EMTN Programme.

The SGD denominated bonds, issued via Cagamas' wholly-owned subsidiary, Cagamas Global P.L.C., are fully and unconditionally guaranteed by Cagamas, ranking *pari passu* with all other existing unsecured obligations of Cagamas. The Ringgit issuances will be redeemed at their full nominal value upon maturity and are unsecured obligations of Cagamas, ranking *pari passu* with all other existing unsecured obligations of Cagamas.

Cagamas' Issuance of RM 1.5 billion (in aggregate) ICPs and SGD EMTNs

In January 2025, Cagamas completed the respective sales of RM 980 million ICPs and SGD 152 million (RM 500 million equivalent) 1-year SGD EMTNs under the RM 20 billion ICP/CCP Programme and the EMTN Programme.

The SGD denominated bonds, issued via Cagamas' wholly-owned subsidiary, Cagamas Global P.L.C., are fully and unconditionally guaranteed by Cagamas, ranking *pari passu* with all other existing unsecured obligations of Cagamas. The Ringgit issuances will be redeemed at their full nominal value upon maturity and are unsecured obligations of Cagamas, ranking *pari passu* with all other existing unsecured obligations of Cagamas.

Cagamas' Issuance of RM 2.3 billion (in aggregate) IMTNs, ICPs and SGD EMTNs

In February 2025, Cagamas completed the respective sales of RM 1 billion 3-year IMTNs, RM 850 million ICPs and SGD 153 million (RM 502 million equivalent) 1-year SGD EMTNs under the RM 60 billion IMTN/CMTN Programme, RM 20 billion ICP/CCP Programme and the EMTN Programme.

The SGD denominated bonds, issued via Cagamas' wholly-owned subsidiary, Cagamas Global P.L.C., are fully and unconditionally guaranteed by Cagamas, ranking *pari passu* with all other existing unsecured obligations of Cagamas. The Ringgit issuances will be redeemed at their full nominal value upon maturity and are unsecured obligations of Cagamas, ranking *pari passu* with all other existing unsecured obligations of Cagamas.

Cagamas' Issuance of RM 4.0 billion (in aggregate) IMTNs, ICPs, CCPs and SGD EMTNs

In March 2025, Cagamas completed the respective sales of RM 1.6 billion 3-year IMTNs, RM 900 million 5-year IMTNs, RM 940 million ICPs, RM 120 million CCPs and SGD 150 million (RM 499 million equivalent) 1-year SGD EMTNs under the RM 60 billion IMTN/CMTN Programme, RM 20 billion ICP/CCP Programme and the EMTN Programme.

The SGD denominated bonds, issued via Cagamas' wholly-owned subsidiary, Cagamas Global P.L.C., are fully and unconditionally guaranteed by Cagamas, ranking *pari passu* with all other existing unsecured obligations of Cagamas. The Ringgit issuances will be redeemed at their full nominal value upon maturity and are unsecured obligations of Cagamas, ranking *pari passu* with all other existing unsecured obligations of Cagamas.

Cagamas' Issuance of RM 2.4 billion (in aggregate) IMTNs, ICPs and SGD EMTNs

In April 2025, Cagamas completed the respective sales of RM 1.5 billion 3-year IMTNs, RM 520 million ICPs and SGD 120 million (RM 399 million equivalent) 1-year SGD EMTNs under the RM 60 billion IMTN/CMTN Programme, RM 20 billion ICP/CCP Programme and the EMTN Programme.

The SGD denominated bonds, issued via Cagamas' wholly-owned subsidiary, Cagamas Global P.L.C., are fully and unconditionally guaranteed by Cagamas, ranking *pari passu* with all other existing unsecured obligations of Cagamas. The Ringgit issuances will be redeemed at their full nominal value upon maturity and are unsecured obligations of Cagamas, ranking *pari passu* with all other existing unsecured obligations of Cagamas.

Cagamas' Issuance of RM 2.2 billion (in aggregate) IMTNs, CMTNs, ICPs, CCPs and SGD EMTNs

In May 2025, Cagamas completed the respective sales of RM 200 million 1-year IMTNs, RM 100 million 1-year CMTNs, RM 800 million ICPs, RM 460 million CCPs and SGD 193 million (RM 640 million equivalent) 1-year SGD EMTNs under the RM 60 billion IMTN/CMTN Programme, RM 20 billion ICP/CCP Programme and the EMTN Programme.

The SGD denominated bonds, issued via Cagamas' wholly-owned subsidiary, Cagamas Global P.L.C., are fully and unconditionally guaranteed by Cagamas, ranking *pari passu* with all other existing unsecured obligations of Cagamas. The Ringgit issuances will be redeemed at their full nominal value upon maturity and are unsecured obligations of Cagamas, ranking *pari passu* with all other existing unsecured obligations of Cagamas.

Cagamas' Issuance of RM 2.2 billion (in aggregate) IMTNs, CMTNs, ICPs, CCPs, ASEAN Social SRI Sukuk, ASEAN Social Bonds and SGD EMTNs

In June 2025, Cagamas completed the respective sales of RM 250 million 5-year IMTNs, RM 50 million 3-year CMTNs, RM 560 million ICPs, RM 120 million CCPs, RM 500 million 3-year ASEAN Social SRI Sukuk, RM 300 million 3-year ASEAN Social Bonds and SGD 125 million (RM 414 million equivalent) 1-year SGD EMTNs under the RM 80 billion IMTN/CMTN Programme, RM 20 billion ICP/CCP Programme and the EMTN Programme.

The SGD denominated bonds, issued via Cagamas' wholly-owned subsidiary, Cagamas Global P.L.C., are fully and unconditionally guaranteed by Cagamas, ranking *pari passu* with all other existing unsecured obligations of Cagamas. The Ringgit issuances will be redeemed at their full nominal value upon maturity and are unsecured obligations of Cagamas, ranking *pari passu* with all other existing unsecured obligations of Cagamas.

Cagamas' Issuance of RM 1.8 billion (in aggregate) IMTNs, CMTNs and ICPs

In July 2025, Cagamas completed the respective sales of RM 400 million 7-year IMTNs, RM 300 million 7-year CMTNs, RM 450 million 1-year CMTNs and RM 600 million ICPs under the RM 80 billion IMTN/CMTN Programme and RM 20 billion ICP/CCP Programme.

The issuances will be redeemed at their full nominal value upon maturity and are unsecured obligations of Cagamas, ranking *pari passu* with all other existing unsecured obligations of Cagamas.

Cagamas' Issuance of RM 2.4 billion (in aggregate) IMTNs, CMTNs, ICPs, CCPs, ASEAN Social SRI Sukuk and ASEAN Social SRI Sukuk VRNs.

In August 2025, Cagamas completed the respective sales of RM 455 million 3-year IMTNs, RM 485 million 3-year ASEAN Social SRI Sukuk, RM 300 million 1-year CMTNs, RM 200 million 1-year ASEAN Social SRI Sukuk VRNs, RM 460 million CCPs and RM 500 million ICPs under the RM 80 billion IMTN/CMTN Programme and RM 20 billion ICP/CCP Programme.

The issuances will be redeemed at their full nominal value upon maturity and are unsecured obligations of Cagamas, ranking *pari passu* with all other existing unsecured obligations of Cagamas.

Cagamas' Issuance of RM 2.2 billion (in aggregate) IMTNs, CMTNs, ICPs, CCPs and ASEAN Social Bonds.

In September 2025, Cagamas completed the respective sales of RM 1.2 billion 5-year CMTNs, RM 300 million 3-year ASEAN Social Bonds, RM 400 million 1-year IMTNs, RM 120 million CCPs and RM 200 million ICPs under the RM 80 billion IMTN/CMTN Programme and RM 20 billion ICP/CCP Programme.

The issuances will be redeemed at their full nominal value upon maturity and are unsecured obligations of Cagamas, ranking *pari passu* with all other existing unsecured obligations of Cagamas.

SHAREHOLDERS

Cagamas is a wholly owned subsidiary of Cagamas Holdings.

The following table sets out the number of shareholders constituting each of the three classes of institutional shareholders, and their total shareholding as a class within Cagamas Holdings as at 30 June 2025.

Class of Institutional Shareholders	Shareholding Percentage (%)	Number of Shareholders	Range of Shareholding (%)
Central Bank of Malaysia	20.0	1	20.0
Commercial Banks	78.3	17	0.2-16.5
Investment Banks	1.7	3	0.4-0.8
Total	100.0	21	—

The following table sets out the individual shareholders in Cagamas Holdings as at 30 June 2025.

Name of Shareholder	Total Number of Shares Held	Shareholding Percentage (%)
Bank Negara Malaysia	**30,000,000**	**20.0**
CIMB Bank Berhad	**24,684,000**	**16.5**
Malayan Banking Berhad	**21,279,000**	**14.2**
RHB Bank Group	**12,932,400**	**8.6**
RHB Bank Berhad	11,732,400	7.8
RHB Investment Bank Berhad	1,200,000	0.8
AmBank (M) Berhad	**12,066,000**	**8.0**
Public Bank Group	**10,485,600**	**7.0**
Public Bank Berhad	9,885,600	6.6
Public Investment Bank Berhad	600,000	0.4
Hong Leong Bank Berhad	**8,958,000**	**6.0**
HSBC Bank Malaysia Berhad	**6,201,000**	**4.1**
Alliance Bank Malaysia Berhad	**5,583,000**	**3.7**
Standard Chartered Bank Malaysia Berhad	**4,590,000**	**3.1**
Affin Bank Group	**4,410,000**	**2.9**
Affin Bank Berhad	3,660,000	2.4
Affin Hwang Investment Bank Berhad	750,000	0.5
United Overseas Bank (Malaysia) Berhad	**3,330,000**	**2.2**
OCBC Bank (Malaysia) Berhad	**2,997,000**	**2.0**
MUFG Bank (Malaysia) Berhad	**738,000**	**0.5**
Bangkok Bank Berhad	**696,000**	**0.5**
SIBB Berhad	**450,000**	**0.3**
Deutsche Bank (Malaysia) Berhad	**300,000**	**0.2**
Bank of China (Malaysia) Berhad	**300,000**	**0.2**
Total	**150,000,000**	**100.0**

Board of Directors of Cagamas

As at the date of this Offering Circular, the Board consists of six Non-Executive Directors and one Executive Director. The seven members constituting the Board as at the date of this Offering Circular are set out in the table below:

Name	Nationality	Designation
Dato' Bakarudin Ishak	Malaysian	Independent Non-Executive Chairman
Ms. Ho Chai Huey	Malaysian	Independent Non-Executive Director
Tan Sri Tajuddin Atan	Malaysian	Independent Non-Executive Director
Mr. Abdul Rahman Hussein	Malaysian	Independent Non-Executive Director
Ms. Sophia Ch'ng Sok Heang	Malaysian	Independent Non-Executive Director
Dato' Hamidah Moris	Malaysian	Independent Non-Executive Director
Mr. Kameel Abdul Halim	Malaysian	President/ Chief Executive Officer/ Non-Independent Executive Director

The biographies of the Directors of Cagamas are set out below:

Dato' Bakarudin Ishak — Independent Non-Executive Chairman

Dato' Bakarudin Ishak, Malaysian, was appointed to the Board on 26 March 2019 as an Independent Non-Executive Director. He is also a member of the Board Staff Compensation and Organisation Committee. Dato' Bakarudin Ishak is the Chairman of Cagamas Holdings Berhad and Cagamas SRP Berhad.

Dato' Bakarudin Ishak is the Director of Hong Leong MSIG Takaful Berhad.

Prior to that, Dato' Bakarudin Ishak was Assistant Governor of BNM as well as a member of the BNM Monetary Policy Committee, a Director of the Foreign Exchange Administration Department and a Director of the Islamic Banking and Takaful Department. Dato' Bakarudin Ishak was the Chief Executive Officer of Malaysian Electronic Clearing Corporation Sdn. Bhd. (MyClear). Dato' Bakarudin Ishak was a member of the Governing Council of the International Centre for Education in Islamic Finance. Dato' Bakarudin Ishak was previously on the Investment Panel for Employees' Provident Fund. Dato' Bakarudin Ishak was a Director of ACE Money Exchange Sdn. Bhd.. Dato' Bakarudin Ishak was also a Director of Affin Islamic Bank Berhad.

Dato' Bakarudin Ishak graduated from the University of Malaya with a Bachelor's degree in Economics (Honours).

Ms. Ho Chai Huey — Independent Non-Executive Director

Ms. Ho Chai Huey, Malaysian, was appointed to the Board on 1 February 2019 as an Independent Non-Executive Director. She is also a member of the Board Risk Committee and the Board Staff Compensation and Organisation Committee.

Ms. Ho Chai Huey is currently a Director of AEON Bank (M) Berhad and Private Pension Administrator Malaysia and is also a Senior IT Consultant for STF Resources Sdn. Bhd (STFR) supporting its group entities namely Asian Institute of Chartered Bankers (AICB) and Asian Banking School (ASB) in the financial education sector.

Ms. Ho Chai Huey previously served as a Director at HSBC Amanah Malaysia Berhad. She was also a former IT System Analyst for Treasury, Accounting, Settlement and Clearing Systems in the Information Technology (IT) Services Department of BNM. She then became a Manager for System Development and Project Management for Financial Accounting, Treasury and Financial Market Systems, and End User Computing Systems for BNM. Ms. Ho Chai Huey was then promoted to Deputy Director, in-charge of Payments, Investment and Treasury Management Systems, and Financial Market Systems including technology risk management and subsequently became Director for Information Technology (IT) Services Department of BNM where she was responsible for providing technology solutions and IT direction as well as managing technology risk and IT governance.

Ms. Ho Chai Huey received her Bachelor of Economics (Honours Class 1 Statistics) from the University of Malaya.

Tan Sri Tajuddin Atan — Independent Non-Executive Director

Tan Sri Tajuddin Atan, Malaysian, was appointed to the Board on 1 May 2020 as an Independent Non-Executive Director. He is also Chairman of the Board Risk Committee.

Tan Sri Tajuddin Atan is currently the Chairman of MMC Corporation Berhad, Honda Malaysia Sdn. Bhd., the Asian Institute of Chartered Bankers (AICB) Disciplinary Panel and Bank Muamalat Malaysia Berhad and a Director of MMC Gamuda KVMRT (PDP SSP) Sdn. Bhd., MMC Gamuda KVMRT (T) Sdn. Bhd. and MMC Gamuda KVMRT (PDP) Sdn. Bhd. He was also a member of the Malaysian Communications and Multimedia Commission (MCMC).

Tan Sri Tajuddin Atan was previously Chief Executive Officer/Executive Director of Bursa Malaysia Berhad and Chief Executive Officer of Bank Simpanan Nasional. He has also been Chairman of the Board of Governors of Bursa Malaysia Foundation, the Exchange Committee of Labuan International Finance Exchange Inc., Bursa Malaysia Derivatives Berhad and Bursa Malaysia Derivatives Clearing Berhad. Tan Sri Tajuddin Atan was also Group Managing Director at RHB Capital Berhad, Managing Director at RHB Bank Berhad, President/Group Managing Director of Bank Pembangunan Malaysia Berhad and Managing Director of Chase Perdana Berhad. He has also been Senior General Manager of Corporate Finance at Penang Shipbuilding Group, Head of the Treasury Division at Bank Bumiputra Commerce Berhad and a Non-Independent Executive Director in all subsidiary companies within the Bursa Malaysia Group. Tan Sri Tajuddin Atan has also been Director of Capital Markets Development Fund and Securities Industry Development Corporation, as well as a member of the Executive Committee of the Financial Reporting Foundation and the Malaysia International Islamic Financial Centre.

He holds a Bachelor of Science (Agribusiness) degree and an Honorary Degree of Doctorate in Finance from University Putra Malaysia. He also has a Master in Business Administration from Ohio University. He is also a Fellow Chartered Banker of the Asian Institute of Chartered Bankers (AICB). Tan Sri Tajuddin Atan also has a Malaysian Futures and Options Registered Representative (MFORR).

Mr. Abdul Rahman Hussein — Independent Non-Executive Director

Mr. Abdul Rahman Hussein, Malaysian, was appointed to the Board on 1 April 2022 as an Independent Non-Executive Director. He is a member of the Board Risk Committee.

Mr. Abdul Rahman bin Hussein has previously worked at BNM in various positions. He has been a Member of the Financial Market Committee, a Director of Investment Operation and Financial Market and a Director of the Risk Management Department and Secretary to the Board Risk Committee of BNM. Mr. Abdul Rahman bin Hussein has also been Deputy Director of Treasury Risk Management, Investment Operations and Financial Market Department as well as a Portfolio Manager for the London Representative Office. Mr. Abdul Rahman bin Hussein was also appointed on an interim basis as a

board member of Kumpulan Wang Amanah Persaraan (KWAP), representing BNM from January to September 2018. Mr. Abdul Rahman bin Hussein has also been a Director of Sukuk Kijang Berhad and Chairman of BNM Sukuk Berhad. Separately, Mr. Abdul Rahman bin Hussein has represented BNM as a member of the Working Group on Financial Markets at the Executive Meeting of Asia-Pacific Central Banks (EMEAP) and as a member of the Board Risk Management Committee of the International Islamic Liquidity Management Corporation (IILM).

Mr. Abdul Rahman bin Hussein holds a Bachelor of Land Economy (Hons) degree from the University of Aberdeen, Scotland.

Ms. Sophia Ch'ng Sok Heang — Independent Non-Executive Director

Ms. Sophia Ch'ng Sok Heang, Malaysian, was appointed to the Board on 1 April 2022 as an Independent Non-Executive Director. She is a member of the Board Risk Committee.

Ms. Sophia Ch'ng Sok Heang is currently a Director at Nicholas Actuarial Solutions, Syarikat Takaful Malaysia Keluarga Berhad and Private Pension Administrator Malaysia. She is also a seasoned Consulting Actuary and In-House Actuary at Sunway University's Centre for Actuarial & Analytics Research (CAAARE). She has previously been Senior Vice President and Head, Finance, Strategic Planning, Actuarial, Products and Pricing at Great Eastern Life Insurance (Malaysia) Berhad. Ms. Sophia Ch'ng Sok Heang was also Chief Financial Officer (CFO) at Zurich Insurance Malaysia Berhad and AmMetlife Insurance Berhad.

Ms. Sophia Ch'ng Sok Heang holds a Bachelor of Economics degree from Macquarie University, Australia. She is also a Fellow of the Chartered Institute of Management Accountants, UK, the Institute and Faculty of Actuaries, UK, and the Actuarial Society of Malaysia. She was also previously President of the Actuarial Society of Malaysia.

Dato' Hamidah Moris — Independent Non-Executive Director

Dato' Hamidah Moris, Malaysian, was appointed to the Board on 1 July 2025 as an Independent Non-Executive Director. She is a member of the Board Staff Compensation and Organisation Committee.

Currently, Dato' Hamidah serves as the Group Managing Director at Cypark Resources Berhad. In the past, Dato' Hamidah held several significant positions, including Chief Executive Officer, Chief Operating Officer, and Regional Head of Equities at Maybank Investment Banking Group. She has also been a board member at various Maybank Securities entities in Thailand, Singapore, Hong Kong, and Vietnam. Additionally, Dato' Hamidah served as a Commissioner at Suruhanjaya Perkhidmatan Air Negara (SPAN), the Water Commission of Malaysia, and as a board member at Universiti Malaya. She was also the Chairman of the 30% Club Malaysia and held the position of Head of Institutional Dealing at Kenanga Investment Bank.

Dato' Hamidah holds a Master's degree in the History and Philosophy of Social and Political Science and a Bachelor of Arts in Mathematics and Politics from the University of Essex, United Kingdom.

Mr. Kameel Abdul Halim — President / Chief Executive Officer / Non- Independent Executive Director

Mr. Kameel Abdul Halim, Malaysian, was appointed to the Board on 11 September 2023 as a Non-Independent Executive Director. He is the President and Chief Executive Officer of Cagamas.

Mr. Kameel Abdul Halim is currently the Chairman of Cagamas Global P.L.C., Cagamas Global Sukuk Berhad, Cagamas SME Berhad and Cagamas MGP Berhad. He is also a Director at Cagamas MBS Berhad, Cagamas SRP Berhad and BNM Sukuk Berhad.

Mr. Kameel Abdul Halim was formerly the Chief Operating Officer at Affin Hwang Investment Bank Berhad. Prior to that, he also held roles as the Chief Operating Officer of Bank Simpanan Nasional, Deputy Director of BNM and Resident Manager at HSBC (M) Berhad.

Mr. Kameel Abdul Halim holds a Bachelor of Arts (Hons) in Business Administration from Coventry University, United Kingdom (1997)and a Masters in Risk Management with Merit from the University of Nottingham, United Kingdom (2007).

Senior Management

The key personnel of Cagamas' management, as at the date of this Offering Circular, are set out below:

Name	Nationality	Designation
Mr. Kameel Abdul Halim	Malaysian	President/ Chief Executive Officer/ Non-Independent Executive Director
Dr. Mazatul 'Aini Shahar Abdul Malek Shahar	Malaysian	Chief Financial Officer
Mr. Abdul Hakim Amir Zainol	Malaysian	Chief Business Officer
Mr. Delvin Chong	Malaysian	Chief Treasury and Investment Officer
Ms. Wan Yusniza Wan Yahya	Malaysian	Chief Strategy Officer
Mr. Ridzuan Shah Alladin	Malaysian	Chief Human Capital Officer
Mr. Tan Yong Nien	Malaysian	Chief Technology Officer
Y.M. Raja Shahriman Raja Harun Al Rashid	Malaysian	Chief Risk and Compliance Officer
Mr. Ravivarma Vasan	Malaysian	Chief Internal Auditor

The biographies of the management are set out below:

Mr. Kameel Abdul Halim — President / Chief Executive Officer / Non-Independent Executive Director

Please refer to the biography of Mr. Kameel Abdul Halim set out above in "*Board of Directors of Cagamas — Mr. Kameel Abdul Halim — President / Chief Executive Officer / Non-Independent Executive* Director".

Dr. Mazatul 'Aini Shahar Abdul Malek Shahar – Chief Financial Officer

Dr. Mazatul 'Aini Shahar Abdul Malek Shahar is the Chief Financial Officer. She leads the finance division which oversees the asset & liability management, reporting & taxation, planning & analysis and procurement & settlement departments. Dr. Mazatul 'Aini Shahar has 27 years of hands-on experience in finance, mergers and acquisitions, fund-raising, strategic planning, turnaround & transformation, and investment. She is a strong advocate of digitalisation and AI and is passionate about ESG initiatives. She was the editor of the 1st Islamic Finance Accounting Textbook (MIA).

Dr. Mazatul 'Aini Shahar is a Fellow of ICAEW (FCA). She holds a PhD in Economics & Islamic Finance, MPHIL in Islamic Banking from the University of East London (UEL) and BA (Hons) Industrial Economics from the University of Nottingham, United Kingdom.

Mr. Abdul Hakim Amir Zainol — Chief Business Officer

Mr. Abdul Hakim Amir Zainol is the Chief Business Officer, overseeing the client coverage, core & structured business and islamic business departments. He sits on the Board of Directors of Cagamas SME Berhad, Cagamas MGP Berhad, Cagamas Global P.L.C. and Cagamas Global Sukuk Berhad.

Mr. Abdul Hakim Amir has more than 20 years of experience in financial services industry and trained with KPMG and Ernst & Young. His initial exposure in Audit and Assurance was with the Kuala Lumpur office before being seconded to the London office. He then transitioned into the banking space with a challenger bank in the UK, Aldermore Bank and played an important role in setting the finance infrastructure and preparing the Bank for the IPO in 2015. Following a successful IPO, he also facilitated the takeover by a South African bank in 2018. He then moved to a private bank, C. Hoare & Co in 2019. In 2021 he completed a Masters (MSc) in Leadership & Strategy at the London Business School prior to joining Cagamas.

Mr. Abdul Hakim Amir holds a BSc (Hons) Accounting & Finance from the London School of Economics and Political Science. He is a Fellow of the Association of Chartered Certified Accountants (ACCA), a member of Malaysian Institute of Accountants (MIA) and a Fellow of the Association of Corporate Treasurers (ACT) in the UK.

Mr Delvin Chong — Chief Treasury and Investment Officer

Mr. Delvin Chong, Chief Treasury and Investment Officer, oversees the funding, liquidity management and investment operations for Cagamas. He is also the Head of regulated activities for Cagamas.

Mr. Delvin Chong has over 28 years of experience in treasury, structured finance, debt capital markets and pricing analytics. He was the Senior Vice President, Corporate Strategy and Analytics before being appointed as the Chief Treasury & Investment Officer in 2018.

Mr. Delvin Chong holds a Bachelor of Arts majoring in Business Administration and Finance from the University of Strathclyde, Glasgow, United Kingdom. He is also a member of Persatuan Pasaran Kewangan Malaysia (PPKM).

Ms. Wan Yusniza Wan Yahya — Chief Strategy Officer

Ms. Wan Yusniza Wan Yahya is the Chief Strategy Officer overseeing the ESG & Strategic Management and Research and Credit Management departments.

Ms. Yusniza has more than 23 years of experience across strategic planning, economic regulation, corporate finance and asset management. Career highlights include leading the organisational strategy and business planning process, developing a 5-year capital market masterplan and leading the development of the national aeronautical charges framework for the airports industry. Prior to joining Cagamas, she was the General Manager, Corporate Planning & Strategy for the Securities Commission of Malaysia.

Ms. Yusniza is a Chartered Financial Analyst (CFA) and holds a Bachelor of Engineering (Hons) in Materials with Management from Imperial College, London, United Kingdom.

Mr. Ridzuan Shah Alladin — Chief Human Capital Officer

Mr. Ridzuan Shah Alladin, Chief Human Capital Officer, oversees the Human Capital and Administration departments.

Mr. Ridzuan Shah Alladin has over 18 years of experience in human resources and strategic talent management. He started his career with Ogilvy & Mather Group, Malaysia and later he joined Procter & Gamble (Malaysia) Sdn. Bhd. Prior to joining Cagamas, he was the Senior Consultant for Korn Ferry Hay Group, Malaysia.

Mr. Ridzuan Shah Alladin holds a Bachelor of Business Administration from Northwood University, Michigan, United States of America with triple majors in Marketing, International Business and Management.

Mr. Tan Yong Nien — Chief Technology Officer

Mr. Tan Yong Nien, Chief Technology Officer, oversees the Information Technology and Operation departments.

Mr. Tan Yong Nien has 27 years of experiences in the technology sector with over 18 years in leadership positions across a wide span of industries including financial, manufacturing, telecommunication and e-government. He had pioneered two IT shared services centres from ground up covering applications development, support and infrastructure management supporting global locations such as the United States of America (USA), Australia, China and Southeast Asia. Prior to joining Cagamas, he was the Head of IT & Transformation for a major insurance company.

Mr. Tan Yong Nien holds a Master of Science in Information Systems and Technology from Johns Hopkins University, USA and a Bachelor of Science in Computer Science from Iowa State University, USA.

Y.M. Raja Shahriman Raja Harun Al Rashid — Chief Risk and Compliance Officer

Y.M. Raja Shahriman Raja Harun Al Rashid, Chief Risk and Compliance Officer, oversees the Credit Risk Management, Business Continuity Management and Compliance departments.

Y.M. Raja Shahriman has 22 years of experience in the financial services industry, particularly in audit. He was attached to various organisations including banking, regulatory bodies and audit firms. Prior to joining Cagamas, he was the Chief Operating Officer for SME Bank Berhad.

Y.M. Raja Shahriman holds a Master of Business Administration from Charles Sturt University, Australia, a Bachelor of Commerce majoring in Accounting from the University of Queensland, Australia and he is a Chartered Banker from the Asian Institute of Chartered Bankers.

Mr. Ravivarma Vasan — Chief Internal Auditor

Mr. Ravivarma Vasan is the Chief Internal Auditor at Cagamas Berhad. He oversees and leads the Internal Audit department of Cagamas Berhad.

Mr. Ravivarma brings over 18 years of experience in financial supervision, internal audit, and risk management. Throughout his career, Mr. Ravivarma has held key leadership roles at Cagamas, the Employees Provident Fund, and Bank Negara Malaysia. He has led initiatives in credit risk analytics, reputational risk, Shariah audit, and financial conglomerate supervision. His expertise spans across banking operations, compliance, and strategic risk governance.

Mr. Ravivarma holds a Master of Science in Accounting and Finance from the University of Leeds, UK.

SUMMARY OF THE PRINCIPAL TRANSACTION DOCUMENTS

The following is a summary of certain provisions of the principal Transaction Documents and is qualified in its entirety by reference to the detailed provisions of the principal Transaction Documents. Copies of the Transaction Documents will be available for inspection at the offices of the Principal Paying Agent (as defined in the Conditions). Defined terms used below have the meaning given to them in the Conditions and the glossary of defined terms set out below (see "— Defined Terms" below).

Management Wakala Sukuk Documents

Amended and Restated Management Wakala Master Purchase Agreement

The master purchase agreement entered into on 28 November 2014 was amended and restated on 20 December 2022 between the Trustee (in its capacity as "**Purchaser**") and the Obligor (in its capacity as "**Seller**") (the "**Amended and Restated Management Wakala Master Purchase Agreement**") and is governed by the laws of Malaysia. A Management Wakala Supplemental Purchase Agreement between the same parties will be entered into on the Issue Date of each Series and will also be governed by the laws of Malaysia.

Pursuant to the Amended and Restated Management Wakala Master Purchase Agreement, the Seller may, in connection with the issue of a Management Wakala Series, from time to time, agree to sell, transfer and convey to the Purchaser, and the Purchaser may, from time to time, agree to purchase and accept the transfer and conveyance from the Seller of the Seller's interests, rights, title, benefits and entitlements, present and future, in, to and under the Initial Wakala Assets. On each occasion which any such agreement is reached, the Seller and the Purchaser will enter into a Management Wakala Supplemental Purchase Agreement on the relevant Issue Date which will, among other things, specify the Initial Wakala Assets and the Purchase Price to be paid to the Seller by the Purchaser on the relevant Issue Date. The Purchaser will use no less than 34 per cent. of the proceeds of issue of a Management Wakala Series to purchase Eligible Wakala Assets pursuant to the Amended and Restated Management Wakala Master Purchase Agreement and the relevant Management Wakala Supplemental Purchase Agreement.

The proportion of the Purchase Price payable in respect of each such Initial Wakala Asset shall be an amount in the Specified Currency equal to the Value of that Initial Wakala Asset.

Amended and Restated Management Wakala Agreement

The wakala agreement entered into on 28 November 2014 was amended and restated on 20 December 2022 between the Trustee and Cagamas (in its capacity as Wakeel) (the "**Amended and Restated Management Wakala Agreement**") and is governed by English law.

Pursuant to the Amended and Restated Management Wakala Agreement, the Trustee will appoint the Wakeel as its agent to manage the Wakala Assets relating to each Management Wakala Series. In relation to each Management Wakala Series, the Wakeel undertakes to the Trustee that it shall provide the following services during the relevant Wakala Ownership Period:

(a) it shall complete the Management Wakala Investment Plan on the Issue Date for the Management Wakala Series;

(b) it shall manage the relevant Wakala Assets in accordance with the Management Wakala Investment Plan and the terms of the Amended and Restated Management Wakala Agreement;

(c) it shall use its best endeavours to ensure that, on the Issue Date of the Management Wakala Series and at all times thereafter, the Value of the Wakala Assets that are Asset Based Financings

or Qualifying Sukuk shall be equal to no less than 33 per cent. of the Value of the overall Management Wakala Sukuk Assets for that Management Wakala Series (the "**Tangible Ratio Requirement**");

(d) in the event that there are Principal Revenues standing to the credit of the Management Wakala Principal Collection Account:

(i) to the extent that Cagamas has Eligible Wakala Assets available for sale to the Trustee, the Wakeel shall promptly notify the Trustee of:

(A) the amount standing to the credit of the Management Wakala Principal Collection Account which can be used for the purposes of purchasing the Eligible Wakala Assets (which amount shall not be greater than the Value of such Eligible Wakala Assets); and

(B) the details and Value of such Eligible Wakala Assets,

to allow the Trustee to have sufficient information to enable it to exercise the Amended and Restated Management Wakala Purchase Undertaking; and

(ii) to the extent that Cagamas does not have any Eligible Wakala Assets available for sale to the Trustee, the Wakeel shall invest such Principal Revenues in *Shariah*-Compliant Investments **provided that** such *Shariah*-Compliant investments are liquidated as soon as reasonably practicable if Eligible Wakala Assets become available for purchase;

(e) it shall do all acts and things (including execution of such documents, issue of notices and commencement of any proceedings) that it considers reasonably necessary to ensure the assumption of, and compliance by each Wakala Asset Obligor with its covenants, undertakings or other obligations under the relevant Wakala Asset in accordance with applicable law and the terms of the Wakala Asset;

(f) it shall discharge or procure the discharge of all obligations to be discharged by the Trustee in respect of any of the Wakala Assets, it being acknowledged that the Wakeel may appoint one or more agents to discharge these obligations on its behalf;

(g) it shall pay on behalf of the Trustee any actual costs, expenses, losses and Taxes which would otherwise be payable by the Trustee as a result of the Trustee's ownership of the Wakala Assets;

(h) it shall use its best endeavours to ensure the timely receipt of all Wakala Asset Revenues (free and clear of, and without withholding or deduction for, Taxes), investigate non payment of Wakala Asset Revenues and generally make all efforts to collect or enforce the collection of such Wakala Asset Revenues under all Wakala Assets as and when the same shall become due;

(i) it shall use its best endeavours to ensure that the Income Revenues are at least equal to the Expected Income Revenues Amount;

(j) it shall maintain the Management Wakala Collection Accounts and the Management Wakala Reserve Account, in each case in accordance with clause 5 (*Accounts*) of the Amended and Restated Management Wakala Agreement;

(k) it shall obtain and maintain all necessary authorisations in connection with any of the Wakala Assets and its obligations under or in connection with the Amended and Restated Management Wakala Agreement;

(l) if, following payment of amounts standing to the credit of the Management Wakala Reserve Account, a Shortfall Amount remains on any Wakala Distribution Determination Date, it may provide Shariah-compliant funding to the Trustee to the extent necessary to ensure that the Trustee receives on each Wakala Distribution Determination Date the Required Amount payable by it in accordance with the Management Wakala Conditions of the relevant Management Wakala Series on the immediately following Periodic Distribution Date, by payment of the same into the Transaction Account and on the terms that such funding is repayable (i) in accordance with the terms of the Amended and Restated Management Wakala Agreement or (ii) on the relevant Dissolution Date (such funding in relation to a Series, a "**Liquidity Facility**");

(m) it shall notify the Trustee promptly if:

(i) in respect of any Wakala Asset any of the representations and warranties contained in clause 5.2 of the Amended and Restated Management Wakala Master Purchase Agreement cease to be true and correct;

(ii) any Wakala Asset becomes subject to an Adverse Claim; or

(iii) the Wakeel (in any capacity whatsoever) receives notice of enforcement of any Encumbrance, foreclosure or other similar action or intended enforcement, foreclosure or similar action in respect of any Wakala Asset from any third party or otherwise reasonably expects that a third party may enforce an Encumbrance, foreclose or take any other similar action in respect of any Wakala Asset,

(the occurrence of each such event or circumstance being an "**Impaired Wakala Asset Event**");

(n) it shall, together with any notice delivered in accordance with paragraph (m) above, notify the Trustee of the availability (if any), together with all necessary details, of any Eligible Wakala Assets for the purposes of substituting the Wakala Asset in respect of which an Impaired Wakala Asset Event has occurred in accordance with the terms of the Amended and Restated Management Wakala Purchase Undertaking; and

(o) it shall carry out any incidental matters relating to any of the above.

The Wakeel shall perform its duties under the Amended and Restated Management Wakala Agreement in accordance with all applicable laws and regulations and with the degree of skill and care that it would exercise in respect of its own assets.

Cagamas shall be entitled to receive a fee for acting as Wakeel which will comprise a fee of U.S.$100 (the receipt and adequacy of which is acknowledged by the Wakeel under the Amended and Restated Management Wakala Agreement) and may also receive incentive payments (subject to and in accordance with the terms of the Amended and Restated Management Wakala Agreement).

The Wakeel acknowledges that in the event that it fails to notify the Trustee of any Impaired Wakala Asset Event in accordance with the terms of the Amended and Restated Management Wakala Agreement and a third party takes ownership or possession of the relevant Wakala Asset or otherwise sells, transfer or otherwise disposes of the relevant Wakala Asset (in each case, either directly, indirectly or through a court, receiver, administrator or other entity) (a "**Third Party Event**"):

(a) it will have failed to comply with its obligation to notify the Trustee set out in the Amended and Restated Management Wakala Agreement; and

(b) as a result of its failure to comply with its obligation, the Trustee will have suffered loss in an amount equal to the Value of the relevant Wakala Asset,

and the Wakeel irrevocably and unconditionally undertakes to indemnify the Trustee for such loss by crediting an amount equal to the Value of the relevant Wakala Asset to the Management Wakala Principal Collection Account promptly upon becoming aware of the occurrence of the relevant Third Party Event.

In relation to each of the Wakala Assets, the Wakeel shall ensure that:

(a) such Wakala Assets are insured at all times against total loss and expropriation in an amount at least equal to the Value of that Wakala Asset (the "**Insurance Coverage Amount**") and that such insurance policies are maintained on a *Shariah*-compliant takaful basis and with reputable insurers in good financial standing; and

(b) in the event of a total loss or expropriation of any such Wakala Assets, the insurance policies relating to such Wakala Assets provide for an amount at least equal to the Insurance Coverage Amount of the relevant Wakala Asset to be paid to the Wakeel to the Management Wakala Principal Collection Account in US Dollars by no later than close of business on the date falling 60 calendar days after the occurrence of such total loss or expropriation.

Without prejudice to the requirements of the following paragraph, the Wakeel and the Trustee acknowledge that a failure by the Wakeel to comply with the obligations set out above shall not constitute a Dissolution Event and the sole remedy of the Trustee for any failure by the Wakeel to comply with the provisions set out above shall be to claim against the Wakeel for any Insurance Shortfall Amount pursuant to the following paragraph.

In the event that the relevant insurance company fails to pay the Insurance Coverage Amount relating to a Wakala Asset to the Wakeel, by crediting such amount to the Management Wakala Principal Collection Account, within 60 calendar days of a total loss or expropriation of that Wakala Asset and the Wakeel is unable to unequivocally prove that it complied with all of its obligations set out above or where the Wakeel has failed to maintain or ensure the maintenance of any insurances over the Wakala Assets in breach of its obligations set out above:

(a) the Wakeel acknowledges that it shall have failed to comply with its obligations set out above; and

(b) the Wakeel irrevocably and unconditionally undertakes to pay in US Dollars on the 61st calendar day after the occurrence of the total loss or expropriation, in same day funds (free and clear of any withholding or deduction or any set off or any counterclaim), an amount equal to the difference between the insurance proceeds credited to the Management Wakala Principal Collection Account and the Insurance Coverage Amount, in each case, in respect of the relevant Wakala Asset, directly into the Management Wakala Principal Collection Account (the "**Insurance Shortfall Amount**").

In relation to each Management Wakala Series, the Wakeel will maintain three book-entry ledger accounts (such accounts being referred to in the Amended and Restated Management Wakala Agreement as the "**Management Wakala Income Collection Account**, "**Management Wakala Principal Collection Account**" and the "**Management Wakala Reserve Account**") in its books, each of which shall be denominated in the Specified Currency.

All Wakala Asset Revenues relating to a Management Wakala Series will be recorded as follows:

(a) if any such amounts comprise Income Revenues, in the Management Wakala Income Collection Account; and

(b) if any such amounts comprise Principal Revenues, in the Management Wakala Principal Collection Account.

The Wakeel will be entitled to deduct amounts standing to the credit of the Management Wakala Income Collection Account of each Management Wakala Series at any time during the relevant Wakala Ownership Period and to use such amounts for its own account, **provided that** any Income Revenues so deducted are re-credited to the Management Wakala Income Collection Account on or prior to each relevant Wakala Distribution Determination Date for the purposes of application by the Wakeel pursuant to the paragraph below.

Subject to the terms of the Amended and Restated Management Wakala Agreement, amounts standing to the credit of the Management Wakala Income Collection Account will be applied by the Wakeel on each Wakala Distribution Determination Date in the following order of priority:

(a) *first*, in payment into the Transaction Account an amount equal to the Required Amount payable on the Periodic Distribution Date falling one Business Day after such Wakala Distribution Determination Date;

(b) *second*, in payment to the Wakeel on behalf of the Trustee of any Wakeel Liabilities Amounts for the Wakala Distribution Period ending on the immediately following Wakala Distribution Date and (if applicable) any Wakeel Liabilities Amounts for any previous Wakala Distribution Period that remains unpaid;

(c) *third*, in repayment to the Wakeel of any amounts advanced by it to the Trustee by way of a Liquidity Facility; and

(d) *fourth*, to the Management Wakala Reserve Account.

On the date falling one Business Day prior to a Dissolution Date where all of the Management Wakala Sukuk of a Management Wakala Series are being redeemed in full, the Wakeel shall transfer all amounts standing to the credit of the relevant Management Wakala Income Collection Account to the Transaction Account.

Amounts standing to the credit of the Management Wakala Reserve Account of each Management Wakala Series of Management Wakala Sukuk shall be applied by the Wakeel as follows:

(a) if there will be a shortfall on a Wakala Distribution Determination Date (after payment into the Transaction Account of the relevant amount in accordance with the terms of the Amended and Restated Management Wakala Agreement) between (i) the amount standing to the credit of the Transaction Account and (b) the Required Amount payable on the Periodic Distribution Date falling one business day after such Wakala Distribution Determination Date (the difference between such amounts being referred to in the Amended and Restated Management Wakala Agreement as a "**Shortfall Amount**"), by paying into the Transaction Account on that Wakala Distribution Determination Date from the amounts standing to the credit of the Management Wakala Reserve Account (if any) an amount equal to the Shortfall Amount (or such lesser amount as is then standing to the credit of the Management Wakala Reserve Account);

(b) the Wakeel will be entitled to deduct amounts standing to the credit of the Management Wakala Reserve Account at any time during the Wakala Ownership Period and use such amounts for its own account, **provided that** such amounts shall be immediately repaid by it if so required to fund a Shortfall Amount in accordance with paragraph (a) above; and

(c) following payment of all amounts due and payable under the Management Wakala Sukuk of a Management Wakala Series, the Wakeel shall be entitled to retain any amounts that remain standing to the credit of the Management Wakala Reserve Account for that Management Wakala Series for its own account as an incentive payment for acting as Wakeel.

The Wakeel shall, in respect of each Management Wakala Series, use its best endeavours to keep detailed records of all movements in the Management Wakala Collection Accounts and Management Wakala Reserve Accounts and, if so requested, and except to the extent it is under any duty or obligation imposed by applicable law or regulation to keep such information confidential, provide the Trustee with copies of such records and any other information or details in relation to the Management Wakala Collection Accounts or the Management Wakala Reserve Accounts as the Trustee may request.

Except as provided in the terms of the Amended and Restated Management Wakala Agreement, all payments by the Wakeel to the Trustee under the Amended and Restated Management Wakala Agreement will be made without any deduction or withholding for or on account of any Taxes unless required by law and without set-off or counterclaim of any kind. If there is any such deduction or withholding, the Wakeel shall pay all additional amounts as will result in the receipt by the Trustee of such net amounts as would have been received by it if no deduction or withholding had been made and accordingly the Wakeel undertakes to pay to the Trustee or such other persons as the Trustee may direct such additional amounts forthwith upon demand and in the manner and currency prescribed hereunder. In addition, if additional amounts are payable by the Trustee in respect of the Management Wakala Sukuk in accordance with Management Wakala Condition 10 (*Taxation*), the Wakeel will pay to the Trustee an amount equal to such additional amounts by payment to the Transaction Account in the Specified Currency by wire transfer for same day value so that the full amount which would otherwise have been due and payable under the Management Wakala Sukuk is received by the Trustee.

The payment obligations of the Wakeel under the Amended and Restated Management Wakala Agreement will be direct, unsubordinated and unsecured obligations of the Wakeel and shall, save for such exceptions as may be provided by applicable legislation and subject to the negative pledge provisions described in Management Wakala Condition 6.2 (*Negative Pledge*), at all times rank at least equally with all other unsecured and unsubordinated indebtedness and monetary obligations of the Wakeel, present and future.

Amended and Restated Management Wakala Purchase Undertaking

The purchase undertaking executed as a deed on 28 November 2014 was amended and restated on 20 December 2022 by Cagamas as obligor in favour of the Trustee and the Delegate (the "**Amended and Restated Management Wakala Purchase Undertaking**") and is governed by English law.

Cagamas, in relation to each Management Wakala Series, irrevocably undertakes in favour of the Trustee and the Delegate to purchase and accept the transfer and conveyance of all of the Trustee's interests, rights, title, benefits and entitlements, present and future, in, to and under the Wakala Assets on the Scheduled Dissolution Date or on the Dissolution Event Redemption Date specified in the Exercise Notice (following the occurrence of a Dissolution Event and **provided that** a Dissolution Notice has been delivered in accordance with the Management Wakala Conditions), as the case may be, at the Exercise Price.

In relation to each Management Wakala Series, the Trustee will also be entitled to exercise the Amended and Restated Management Wakala Purchase Undertaking following any exercise by the Sukukholders of the Change of Shareholding Put Right following the occurrence of a Change of Shareholding, in which case Cagamas will be required to purchase and accept the transfer and conveyance on the Change of Shareholding Put Right Date of all of the Trustee's interests, rights, title, benefits and entitlements, present and future, in, to and under the Change of Shareholding Wakala Assets at the Change of Shareholding Exercise Price.

In relation to each Management Wakala Series, the Trustee will also be entitled to exercise the Amended and Restated Management Wakala Purchase Undertaking following the occurrence of a Change of Shareholding and any exercise by the Sukukholders of the Sukukholder Put Right in accordance with the Management Wakala Conditions, in which case Cagamas will be required to

purchase and accept the transfer and conveyance on the Sukukholder Put Right Date of all of the Trustee's interests, rights, title, benefits and entitlements, present and future, in, to and under the Sukukholder Put Right Wakala Assets at the Sukukholder Put Right Exercise Price.

In relation to each Management Wakala Series, the Trustee will also be entitled to exercise the Amended and Restated Management Wakala Purchase Undertaking if the Trustee has received notice, or otherwise become aware, of the occurrence of an Impaired Wakala Asset Event in accordance with the terms of the Amended and Restated Management Wakala Purchase Undertaking or the Amended and Restated Management Wakala Agreement, in which case Cagamas shall purchase and accept the transfer and conveyance on the relevant Impaired Wakala Asset Exercise Date all of the Trustee's interests, rights, benefits and entitlements, present and future, in, to and under the relevant Impaired Wakala Assets:

(a) against the transfer and conveyance to the Trustee of all of Cagamas' interests, rights, title, benefits and entitlements, present and future, in, to and under certain New Assets; or

(b) in the event that Cagamas does not have New Assets available for such purpose, payment of the Impaired Wakala Asset Exercise Price.

In relation to each Management Wakala Series, the Trustee will also be entitled to exercise the Amended and Restated Management Wakala Purchase Undertaking following the occurrence of an Additional Wakala Asset Event, in which case Cagamas shall sell, transfer and convey to the Trustee on the relevant Additional Wakala Asset Date all of Cagamas' interests, rights, title, benefits and entitlements, present and future, in, to and under certain New Assets against the payment by the Trustee of an amount equal to the Additional Wakala Asset Purchase Price.

Except as provided in terms of the Amended and Restated Management Wakala Purchase Undertaking, all payments by Cagamas under the Amended and Restated Management Wakala Purchase Undertaking will be made without any deduction or withholding for or on account of Taxes unless required by law and without set off or counterclaim of any kind. If there is any such deduction or withholding, Cagamas shall pay all additional amounts as will result in the receipt by the Trustee of such net amounts as would have been received by it if no such deduction or withholding had been made and accordingly Cagamas will undertake to pay to the Trustee or such other persons as the Trustee may direct such additional amounts forthwith upon demand and in the manner and currency prescribed in the Amended and Restated Management Wakala Purchase Undertaking. In addition, if additional amounts are payable by the Trustee in respect of the Management Wakala Sukuk in accordance with Management Wakala Condition 10 (*Taxation*), Cagamas will pay to the Trustee an amount equal to such additional amounts by payment to the Transaction Account in the Specified Currency by wire transfer for same day value so that the full amount which would otherwise have been due and payable under the Management Wakala Sukuk is received by the Trustee.

The payment obligations of Cagamas under the Amended and Restated Management Wakala Purchase Undertaking will be direct, unsubordinated and unsecured obligations of Cagamas and shall, save for such exceptions as may be provided by applicable legislation and subject to the negative pledge provisions described in Management Wakala Condition 6.2 (*Negative Pledge*), at all times rank at least equally with all other unsecured and unsubordinated indebtedness and monetary obligations of Cagamas, present and future.

Cagamas undertakes to comply with all provisions of the Management Wakala Conditions and the Transaction Documents (as defined in the Management Wakala Conditions) to which it is a party and which are expressed to be applicable to it including, without limitation the negative pledge provisions described in Management Wakala Condition 6.2 (*Negative Pledge*) and the use of proceeds provisions described in Management Wakala Condition 6.3 (*Use of Proceeds*).

Cagamas acknowledges and agrees that, where the proportion of a Wakala Asset forming part of the relevant Sukukholder Put Right Wakala Assets or Change of Shareholding Wakala Assets is less than the whole of that Wakala Asset, and without affecting the amount of the Exercise Price, Sukukholder Put Right Exercise Price or Change of Shareholding Exercise Price payable (as applicable), a sale agreement shall not be entered into in respect of part of that Wakala Asset and the possible sale, transfer and conveyance to Cagamas of such proportion of that Wakala Asset shall be deferred until the next Dissolution Date for the relevant Management Wakala Series **provided that** such proportion can be sold, transferred and conveyed as part of the relevant Wakala Assets being sold, transferred and conveyed on that Dissolution Date.

Amended and Restated Management Wakala Sale Undertaking

The sale undertaking executed as a deed on 28 November 2014 was amended and restated on 20 December 2022 by the Trustee in favour of Cagamas (the "**Amended and Restated Management Wakala Sale Undertaking**") and is governed by English law.

Pursuant to the Amended and Restated Management Wakala Sale Undertaking, the Trustee, in relation to each Management Wakala Series, irrevocably grants to Cagamas each of the following rights:

(a) **provided that** a Tax Event has occurred, to require the Trustee to sell, transfer and convey to Cagamas on the Early Tax Dissolution Date specified in the relevant Exercise Notice all of the Trustee's interests, rights, title, benefits and entitlements, present and future, in, to and under the Wakala Assets at the Exercise Price;

(b) if and to the extent that any Management Wakala Sukuk have been purchased and are to be cancelled pursuant to Conditions 8.7 (*Purchases*) and 8.8 (*Cancellation*), to require the Trustee to sell, transfer and convey to Cagamas on the Cancellation Date specified in the Cancellation Notice all of the Trustee's interests, rights, title, benefits and entitlements, present and future, in, to and under the Cancellation Wakala Assets, in consideration for cancellation of the Cancelled Sukuk pursuant to Condition 8.8 (*Cancellation*); and

(c) **provided that** Optional Dissolution Right is specified as applicable in the applicable Pricing Supplement, to require the Trustee, at any time prior to the relevant Optional Dissolution Date, to sell, transfer and convey to Cagamas on the Optional Dissolution Date specified in the Exercise Notice all of the Trustee's interests, rights, title, benefits and entitlements, present and future, in, to and under the Optional Dissolution Wakala Assets at the Optional Dissolution Exercise Price,

in each case, on an "as is" basis (without any warranty express or implied as to condition, fitness for purpose, suitability for use or otherwise and if any warranty is implied by law, it shall be excluded to the fullest extent permitted by law) and otherwise on the terms and subject to the conditions of the Amended and Restated Management Wakala Sale Undertaking.

Where the proportion of a Wakala Asset forming part of the relevant Cancellation Wakala Assets or Optional Dissolution Wakala Assets is less than the whole of that Wakala Asset, and without affecting the amount of the Exercise Price or Optional Dissolution Exercise Price payable (as applicable), a Management Wakala Sale Agreement shall not be entered into in respect of part of that Wakala Asset and the possible sale, transfer and conveyance to Cagamas of such proportion of that Wakala Asset shall be deferred until the next Dissolution Date for the relevant Management Wakala Series **provided that** such proportion can be sold, transferred and conveyed as part of the relevant Wakala Assets being sold, transferred and conveyed on that Dissolution Date.

Upon exercise of the rights granted to Cagamas under the Amended and Restated Management Wakala Sale Undertaking and outlined in paragraphs (a) and (c) above, Cagamas will agree in the relevant Exercise Notice that it will make payment of the Exercise Price or Optional Dissolution Exercise Price

(as applicable) in full without any deduction or withholding for or on account of Taxes unless required by law and without set off (except for an amount which represents Wakeel Liabilities Amounts and the Outstanding Liquidity Amount component of the Exercise Price or Optional Dissolution Exercise Price (as applicable) which shall be set off against the Wakeel Liabilities Amounts and Outstanding Liquidity Amounts payable to the Wakeel under the Amended and Restated Management Wakala Agreement) or counterclaim of any kind. If there is any such deduction or withholding, Cagamas shall pay all additional amounts as will result in the receipt by the Trustee of such net amounts as would have been received by it if no deduction or withholding had been made.

Amended and Restated Management Wakala Substitution Undertaking

The substitution undertaking executed as a deed on 28 November 2014 was amended and restated on 20 December 2022 by the Trustee in favour of Cagamas (the "**Amended and Restated Management Wakala Substitution Undertaking**") and is governed by English law.

Pursuant to the Amended and Restated Management Wakala Substitution Undertaking, the Trustee irrevocably grants to Cagamas the right to oblige, from time to time at Cagamas' sole discretion, the Trustee to sell, transfer and convey on any Substitution Date all of the Trustee's interests, rights, title, benefits and entitlements, present and future, in, to and under any or all of the Wakala Assets specified as such in a Substitution Notice (the "**Substituted Assets**") in exchange for the transfer and conveyance by Cagamas to the Trustee of all of its interests, rights, title, benefits and entitlements, present and future, in, to and under the New Assets **provided that**:

(a) the New Assets are of a Value which is equal to or greater than the Value of the Substituted Assets as certified by Cagamas in the relevant Substitution Notice; and

(b) the New Assets are Eligible Wakala Assets,

on an "as is" basis (without any warranty express or implied as to condition, fitness for purpose, suitability for use or otherwise and if any warranty is implied by law, it shall be excluded to the fullest extent permitted by law), and otherwise on the terms and subject to the conditions of the Amended and Restated Management Wakala Substitution Undertaking.

The substitution of the Substituted Assets with the New Assets will take place pursuant to a Management Wakala Sale Agreement between the Trustee and Cagamas, which will become effective on the Substitution Date. The New Assets will constitute the Wakala Assets for the relevant Management Wakala Series for the purposes of the Amended and Restated Management Wakala Agreement and the other Transaction Documents.

Amended and Restated Management Wakala Master Murabaha Agreement

The master murabaha agreement entered into on 28 November 2014 was amended and restated on 20 December 2022 between the Trustee and Cagamas (in its capacity as "**Buyer**" and "**Commodity Trading Participant**") (the "**Amended and Restated Management Wakala Master Murabaha Agreement**") and is governed by the English law.

In connection with each Management Wakala Series of Management Wakala Sukuk, the Trustee may desire to enter into a Commodity Murabaha Investment with the Buyer using a portion of the issue proceeds of the Management Wakala Series which is no more than 66 per cent. of the issue proceeds of that Management Wakala Series.

The Trustee agrees and undertakes that, on receipt of a Purchase Order from the Buyer, the Trustee shall on the Issue Date for the relevant Management Wakala Series procure that the Commodity Trading Participant will, pursuant to a Purchase Transaction Authorisation Letter on the terms set out

in such Purchase Order enter into Purchase Transactions no later than 4.00pm Kuala Lumpur time (or such other time as may be agreed between the Buyer and the Trustee) on the Issue Date with Commodity Suppliers to purchase Commodities at the Commodity Purchase Price for and on behalf of the Trustee. The Commodity Trading Participant shall immediately notify the Trustee of the purchase of such Commodities.

Following the purchase of the Commodities by the Commodity Trading Participant for and on behalf of the Trustee and notification of such purchase by the Commodity Trading Participant to the Trustee, and **provided that** the Trustee (or the Commodity Trading Participant acting in its capacity as agent of the Trustee) has acquired title to, and possession of, the Commodities, the Trustee shall deliver no later than 4.30pm Kuala Lumpur time (or such other time as may be agreed between the Buyer and the Trustee) on the Issue Date a Letter of Offer and Acceptance to the Buyer indicating the Trustee's acceptance of the terms of the Purchase Order made by the Buyer and detailing the terms of the offer for the sale of the relevant Commodities to the Buyer from the Trustee on the Issue Date.

The Buyer irrevocably and unconditionally undertakes to accept the terms of, countersign and deliver to the Trustee any Letter of Offer and Acceptance delivered to it in accordance with the Amended and Restated Management Wakala Master Murabaha Agreement and (as a result of the Trustee having acted on the request of the Buyer set out in the Purchase Order) purchase the Commodities acquired by the Trustee (or acquired by the Commodity Trading Participant acting in its capacity as agent of the Trustee) in accordance with the terms of the Amended and Restated Management Wakala Master Murabaha Agreement from the Trustee for the applicable Deferred Sale Price in accordance with the terms of the Amended and Restated Management Wakala Master Murabaha Agreement, in each case no later than 5.30pm Kuala Lumpur time (or such other time as may be agreed between the Buyer and the Trustee) on the Issue Date.

As soon as the Buyer has countersigned the Letter of Offer and Acceptance in accordance with the terms of the Amended and Restated Management Wakala Master Murabaha Agreement, (i) a Murabaha Contract shall be created between the Trustee and the Buyer upon the terms of the Letter of Offer and Acceptance and incorporating the terms and conditions set out in the Amended and Restated Management Wakala Master Murabaha Agreement, (ii) the Trustee shall sell and the Buyer shall buy the Commodities on the terms set out in the Letter of Offer and Acceptance and (iii) ownership of and all risks in and to the relevant Commodities shall immediately pass to and be vested in the Buyer, together with all rights and obligations relating thereto.

The Buyer may following the purchase of the Commodities by the Buyer from the Trustee, and **provided that** the Buyer has acquired title to, and possession of, the Commodities, sell those Commodities to a third party.

In connection with each Murabaha Contract, the Buyer irrevocably and unconditionally undertakes in the Amended and Restated Management Wakala Master Murabaha Agreement to pay (a) the outstanding Deferred Sale Price in full to the Trustee on the Business Day falling immediately prior to the Scheduled Dissolution Date or upon the occurrence of a Dissolution Event and if a Dissolution Notice has been delivered in accordance with the Conditions, on the Business Day immediately preceding the Dissolution Event Redemption Date and (b) the outstanding Deferred Sale Price in full to the Trustee on the Business Day prior to the relevant Early Tax Dissolution Date, in each case, by crediting such amount to the Transaction Account no later than 10.00 am (London time) on such dates.

All payments made by the Buyer to the Trustee under the Amended and Restated Management Wakala Master Murabaha Agreement will be made without any deduction or withholding for or on account of Taxes unless required by law and without set-off or counterclaim of any kind. If there is any such deduction or withholding, the Buyer shall pay all additional amounts as will result in the receipt by the Trustee of such net amounts as would have been received by it if no such deduction or withholding had been made and accordingly the Buyer undertakes to pay to the Trustee or such other persons as the

Trustee may direct such additional amounts forthwith upon demand and in the manner and currency prescribed under the Amended and Restated Management Wakala Master Murabaha Agreement. In addition, if additional amounts are payable by the Trustee in respect of the Management Wakala Sukuk in accordance with Management Wakala Condition 10 (*Taxation*), the Buyer will agree to pay to the Trustee an amount equal to such additional amounts by payment to the Transaction Account in the Specified Currency by wire transfer for so that the full amount which would otherwise have been due and payable under the Management Wakala Sukuk is received by the Trustee no later than the due date for payment of such amounts under the Management Wakala Sukuk.

The payment obligations of the Buyer under the Amended and Restated Management Wakala Master Murabaha Agreement and each Murabaha Contract will be direct, unsubordinated and unsecured obligations of the Buyer and shall, save for such exceptions as may be provided by applicable legislation and subject to the negative pledge provisions described in Management Wakala Condition 6.2 (*Negative Pledge*), at all times rank at least equally with all other unsecured and unsubordinated indebtedness and monetary obligations of the Buyer, present and future.

The Change of Shareholding Proportion or Sukukholder Put Right Proportion of the outstanding Deferred Sale Price shall be paid by the Buyer on the Business Day prior to a Change of Shareholding Put Right Date or on the Business Day prior to any relevant Sukukholder Put Right Date (as applicable) by crediting such amounts to the Transaction Account no later than 10.00 am (London time) on such dates.

In connection with each Murabaha Contract, the Trustee and the Buyer have agreed that the Cancellation Proportion of the outstanding Deferred Sale Price shall be deemed to be cancelled with effect from the Cancellation Date.

Defined Terms for Management Wakala Sukuk Documents

"**Additional Wakala Asset Date**" means the date specified as such in an Additional Wakala Asset Exercise Notice;

"**Additional Wakala Asset Event**" means at any time the Obligor has Eligible Wakala Assets available for sale to the Trustee and there are either Principal Revenues standing to the credit of the Principal Collection Account or *Shariah*-Compliant Investments which can be liquidated, in each case, for the purposes of purchasing such Eligible Wakala Assets;

"**Additional Wakala Asset Exercise Notice**" means a notice substantially in the form set out in Schedule 3 (*Form of Additional Wakala Asset Exercise Notice*) of the Amended and Restated Management Wakala Purchase Undertaking;

"**Additional Wakala Asset Purchase Price**" means the amount specified as such in an Additional Wakala Asset Exercise Notice which shall be no greater than the Value of the New Asset(s) specified in such Additional Wakala Asset Exercise Notice;

"**Adverse Claim**" means any claim of ownership or any other right or claim of any person other than as a result of having the benefit of, or otherwise enforcing, an Encumbrance over the relevant asset;

"**Asset Based Financing**" means:

(a) financing contracts where a lessor leases a property to a lessee and in respect of which regular payments are due from the lessee together with the beneficial ownership interest in the underlying property and all rights to receive payments thereunder; and

(b) financing contracts where an obligor enters into a partnership (*musharakah*) with another party in order to acquire an asset and that asset is subsequently leased by the partnership to the obligor in

return for regular payments together with the beneficial ownership interest in the underlying asset and all rights to receive payments thereunder,

and, in each case, which have been acquired by the Seller;

"**BCH System**" means the Bursa Commodity House System, established, owned and operated by BMIS which provides the automated and computerised electronic trading system to carry out trades on the Market;

"**BMIS**" means Bursa Malaysia Islamic Services Sdn Bhd (Registration No. 200901010654 (853675-M)), a company incorporated under the laws of Malaysia,, which operates the BCH System, and includes its successors in title, assigns and such other entities into which it is merged or amalgamated or to which its business or undertaking are transferred from time to time;

"**Business Day**" means:

(a) in relation to any sum payable in euro, a TARGET Settlement Day and a day on which commercial banks and foreign exchange markets settle payments generally in each (if any) Additional Business Centre;

(b) in relation to any sum payable in Renminbi, any day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments generally in the relevant Renminbi Settlement Centre;

(c) in relation to any sum payable in Singapore dollars, a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments generally in Singapore; and

(d) in relation to any sum payable in a currency other than euro, Renminbi, and Singapore dollars, a day on which commercial banks and foreign exchange markets settle payments generally in the Principal Financial Centre of the relevant currency and in each (if any) Additional Business Centre;

"**Cancellation Date**" means, in respect of an exercise of the right granted under the Amended and Restated Management Wakala Sale Undertaking, the date specified as such in the relevant Cancellation Notice;

"**Cancellation Notice**" means a notice substantially in the form set out in Schedule 2 (*Form of Cancellation Notice*) of the Amended and Restated Management Wakala Sale Undertaking;

"**Cancellation Proportion**" means such proportion of the relevant Deferred Sale Price as is determined by dividing (i) the aggregate face amount of the Cancelled Sukuk by (ii) the aggregate outstanding face amount of the Management Wakala Sukuk of the relevant Management Wakala Series immediately prior to cancelling the Cancelled Sukuk;

"**Cancellation Wakala Assets**" means, in respect of an exercise of the right granted under the Amended and Restated Management Wakala Sale Undertaking, the Wakala Assets specified as such in the relevant Cancellation Notice, where the Value of such Wakala Assets represents a proportion of the aggregate Value of all of the Wakala Assets not exceeding the Cancellation Proportion, each as determined on the relevant exercise date;

"**Cancelled Sukuk**" means, in respect of an exercise of the right granted under the Amended and Restated Management Wakala Sale Undertaking, the Management Wakala Sukuk which are the subject of the relevant Cancellation Notice;

"**Change of Shareholding Exercise Price**" means, in relation to each Series, the aggregate of:

(a) the aggregate outstanding face amount of the Management Wakala Sukuk being redeemed pursuant to the Change of Shareholding Put Right for the relevant Management Wakala Series; plus

(b) all accrued but unpaid Periodic Distribution Amounts (if any) relating to such Management Wakala Sukuk being redeemed; plus

(c) if all of the Management Wakala Sukuk of a Management Wakala Series are being redeemed, an amount equal to the Outstanding Liquidity Amount (if any) relating to such Management Wakala Series; plus

(d) if all of the Management Wakala Sukuk of a Management Wakala Series are being redeemed, without duplication or double counting, an amount representing any amounts payable by the Trustee (in any capacity) in relation to such Management Wakala Series under the Transaction Documents (including but not limited to costs and expenses due but unpaid to the Delegate, any unpaid Wakeel Liabilities Amounts and any other Priority Amounts which remain outstanding as at the Change of Shareholding Put Right Date); plus

(e) any other amounts payable in relation to the Management Wakala Sukuk being redeemed on the exercise of the Change of Shareholding Put Right as specified in the applicable Pricing Supplement;

less

(f) if a Commodity Murabaha Investment forms part of the relevant Management Wakala Series, all amounts in respect of the Deferred Sale Price which have been paid into the Transaction Account in accordance with clause 8.1.4 of the Amended and Restated Management Wakala Master Murabaha Agreement and which remain available to pay a proportion of the aggregate amounts payable on redemption of the Management Wakala Sukuk being redeemed following exercise of the Change of Shareholding Put Right;

"**Change of Shareholding Proportion**" means such proportion of the relevant Deferred Sale Price as is determined by dividing (i) the aggregate outstanding face amount of the Management Wakala Sukuk being redeemed pursuant to the Change of Shareholding Put Right by (ii) the aggregate outstanding face amount of the Management Wakala Sukuk of the relevant Management Wakala Series immediately prior to redeeming the Management Wakala Sukuk pursuant to the Change of Shareholding Put Right;

"**Change of Shareholding Wakala Assets**" means, in respect of an exercise of the right granted under the Amended and Restated Management Wakala Purchase Undertaking, the Wakala Assets specified as such in the relevant Exercise Notice, where the Value of such Wakala Assets represents a proportion of the aggregate Value of all of the Wakala Assets not exceeding the Change of Shareholding Proportion, each as determined on the relevant exercise date;

"**Commodities**" means any *Shariah*-compliant commodities that are traded on the Market (excluding currency, gold and silver);

"**Commodity Murabaha Investment**" means, in relation to a Management Wakala Series, the sale of certain Commodities by the Trustee to the Buyer, which Commodities were initially purchased by the Trustee (through the Commodity Trading Participant) using a proportion of the proceeds of the issue of the Management Wakala Sukuk, pursuant to the Amended and Restated Management Wakala Master Murabaha Agreement and having the terms set out in the relevant Murabaha Contract;

"**Commodity Purchase Price**" means, in relation to each Management Wakala Series and the corresponding Murabaha Contract and Purchase Transaction, the aggregate amount payable in the Specified Currency to the relevant Commodity Supplier by or on behalf of the Trustee for the purchase of the Commodities from the relevant Commodity Supplier by the Trustee, specified as such in the relevant Purchase Transaction Authorisation Letter and Purchase Order and which amount shall be equal to the relevant Murabaha Investment Amount;

"**Commodity Supplier**" means a person for the time being admitted as a participant of BMIS, who supplies the Commodities on the Market and whose functions include those referred to in Rule 302.2 of the Rules;

"**Commodity Trading Participant**" means Cagamas in its capacity as commodity trading participant under the Amended and Restated Management Wakala Master Murabaha Agreement;

"**Deferred Sale Price**" means, in relation to a Murabaha Contract, the aggregate of the applicable Commodity Purchase Price and Murabaha Profit and specified as such in the Letter of Offer and Acceptance and Purchase Order;

"**Eligibility Criteria**" in respect of any Wakala Assets shall be satisfied if the relevant Wakala Asset is an asset:

(a) which constitutes legal, valid, binding and enforceable obligations of the obligor thereof in the jurisdiction in which such obligor is located and, in the case of an Asset Based Financing, in the jurisdiction in which the related asset in respect of such Asset Based Financing is located;

(b) in respect of which no additional steps are required to be undertaken by the Seller in order to make any amounts due under and in respect thereof payable to the Purchaser;

(c) in respect of which the Seller is entitled to receive all payments or proceeds of sale (as the case may be);

(d) which was originated and/or acquired by the Seller in a manner consistent with its usual credit and origination and/or investment policies;

(e) which is free from any adverse interest (other than any Encumbrance) which may affect the rights of the Purchaser thereto or in respect of any payments to be made thereunder or in respect thereof;

(f) in respect of which there has not occurred any event of default or analogous event nor any event which is subsisting and which, following the giving of any applicable notice and/or the lapse of any applicable grace period and/or the making of any determination and/or the giving of any certificate, would constitute an event of default or analogous event under any relevant documentation; and

(g) which is capable of being transferred to the Purchaser by the Seller in accordance with the terms set out in the Amended and Restated Management Wakala Master Purchase Agreement and which does not and will not contravene any applicable law, rule or regulation;

"**Eligible Wakala Asset**" means Asset Based Financings and Qualifying Sukuk which comply with the Eligibility Criteria;

"**Encumbrance**" means any lien, pledge, mortgage, security interest, deed of trust, charge or other encumbrance or arrangement having a similar effect;

"**Exercise Notice**" means:

(a) in connection with the Amended and Restated Management Wakala Purchase Undertaking, a notice substantially in the form set out in Schedule 1 (*Form of Exercise Notice*) of the Amended and Restated Management Wakala Purchase Undertaking; and

(b) in connection with the Amended and Restated Management Wakala Sale Undertaking, a notice substantially in the form set out in Schedule 1 (*Form of Exercise Notice*) of the Amended and Restated Management Wakala Sale Undertaking;

"**Exercise Price**" means, in relation to each Management Wakala Series, the aggregate of:

(a) the aggregate face amount of Management Wakala Sukuk then outstanding for the relevant Management Wakala Series; plus

(b) all accrued but unpaid Periodic Distribution Amounts (if any) relating to such Management Wakala Sukuk; plus

(c) an amount equal to the Outstanding Liquidity Amount (if any) relating to such Management Wakala Series; plus

(d) without duplication or double counting, an amount representing any amounts payable by the Trustee (in any capacity) in relation to Management Wakala such Series under the Transaction Documents (including but not limited to costs and expenses due but unpaid to the Delegate, any unpaid Wakeel Liabilities Amounts and any other Priority Amounts which remain outstanding as at the Dissolution Event Redemption Date or Scheduled Dissolution Date (as the case may be)); plus

(e) any other amounts payable on redemption of the Management Wakala Sukuk as specified in the applicable Pricing Supplement;

less

(f) if a Commodity Murabaha Investment forms part of the relevant Management Wakala Series, all amounts in respect of the Deferred Sale Price which have been paid into the Transaction Account in accordance with the terms of the Amended and Restated Management Wakala Master Murabaha Agreement and which remain available to pay a proportion of the aggregate amounts payable on redemption of the Management Wakala Sukuk;

"**Expected Income Revenues Amount**" means, in relation to each Management Wakala Series, the amount specified as such in the Wakala Investment Plan;

"**First Wakala Distribution Date**" means, in relation to each Series, the date specified as such in the relevant Wakala Investment Plan;

"**Impaired Wakala Asset**" means the Wakala Assets in respect of which an Impaired Wakala Asset Event has occurred and specified as such in an Impaired Wakala Asset Exercise Notice;

"**Impaired Wakala Asset Event**" has the meaning given to it in "*Summary of the Principal Transaction Documents — Amended and Restated Management Wakala Agreement*";

"**Impaired Wakala Asset Exercise Date**" means the date specified as such in an Impaired Wakala Asset Exercise Notice;

"**Impaired Wakala Asset Exercise Notice**" means a notice substantially in the form set out in Schedule 2 (*Form of Impaired Wakala Asset Exercise Notice*) of the Amended and Restated Management Wakala Purchase Undertaking;

"**Impaired Wakala Asset Exercise Price**" means the amount specified as such in an Impaired Wakala Asset Exercise Notice which shall be no less than the Value of the Impaired Wakala Asset(s) specified in such Impaired Wakala Asset Exercise Notice;

"**Income Revenues**" means, in relation to a Management Wakala Series, all revenues in respect of the relevant Wakala Assets other than Principal Revenues;

"**Initial Wakala Assets**" means, in relation to each Management Wakala Series, the Eligible Wakala Assets specified as such in the relevant Management Wakala Supplemental Purchase Agreement;

"**Issue Date**" has the meaning given to in the applicable Pricing Supplement;

"**Letter of Offer and Acceptance**" means the letter to be issued by the Trustee to the Buyer substantially in the form set out in Schedule 3 (*Form of Letter of Offer and Acceptance*) of the Amended and Restated Management Wakala Master Murabaha Agreement;

"**Management Wakala New Asset Sale Agreement**" means an agreement substantially in the form set out in Schedule 5 of the Amended and Restated Management Wakala Purchase Undertaking;

"**Management Wakala Sale Agreement**" means a sale agreement in the form set out in the relevant schedules of the Amended and Restated Management Wakala Purchase Undertaking, Amended and Restated Management Wakala Sale Undertaking and Amended and Restated Management Wakala Substitution Undertaking;

"**Management Wakala Supplemental Purchase Agreement**" means, in respect of a Management Wakala Series, an agreement substantially in the form set out in Schedule 1 of the Amended and Restated Management Wakala Master Purchase Agreement;

"**Management Wakala Sukuk Assets**" means, in relation to each Management Wakala Series, the Wakala Assets and the Commodity Murabaha Investment (if any) in respect of that Management Wakala Series;

"**Market**" means the commodity market operated by BMIS for the trading of commodities;

"**Murabaha Contract**" means an individual contract for the sale of Commodities at a deferred sale price and made pursuant to the Amended and Restated Management Wakala Master Murabaha Agreement by the delivery of a Letter of Offer and Acceptance by the Trustee to the Buyer and the subsequent countersignature of such Letter of Offer and Acceptance by the Buyer in accordance with the terms of the Amended and Restated Management Wakala Master Murabaha Agreement;

"**Murabaha Investment Amount**" means, in relation to a Management Wakala Series, the relevant proportion of the proceeds of the issue of the Management Wakala Sukuk of that Management Wakala Series which are to be applied in the acquisition of Commodities by or on behalf of the Trustee for the purposes of the entry into of a Murabaha Contract pursuant to the terms of the Amended and Restated Management Wakala Master Murabaha Agreement and specified as such in the applicable Pricing Supplement;

"**Murabaha Profit**" means, in relation to each Management Wakala Series and the corresponding Murabaha Contract, an amount equal to the Aggregate Face Amount of the Management Wakala Sukuk of that Management Wakala Series multiplied by one per cent. (1%);

"**New Assets**" means Eligible Wakala Assets specified as such in a New Asset Sale Agreement, the identity of which shall be determined by the Obligor in its sole and absolute discretion subject to the terms of the Amended and Restated Management Wakala Purchase Undertaking or Amended and Restated Management Wakala Sale Undertaking (as applicable);

"**Optional Dissolution Date**" means, in respect of an exercise of the right granted under the Amended and Restated Management Wakala Sale Undertaking, the date specified as such in the relevant Exercise Notice;

"**Optional Dissolution Exercise Price**" means, in relation to each Management Wakala Series, the aggregate of:

(a) the aggregate outstanding face amount of the Optional Dissolution Sukuk; plus

(b) all accrued but unpaid Periodic Distribution Amounts (if any) relating to the Optional Dissolution Sukuk; plus

(c) if all of the Management Wakala Sukuk of a Management Wakala Series are being redeemed, an amount equal to the Outstanding Liquidity Amount (if any) relating to such Management Wakala Series; plus

(d) if all of the Management Wakala Sukuk of a Management Wakala Series are being redeemed, without duplication or double counting, an amount representing any amounts payable by the Trustee (in any capacity) under the Transaction Documents (including but not limited to costs and expenses due but unpaid to the Delegate, any unpaid Wakeel Liabilities Amounts and any other Priority Amounts which remain outstanding as at the Optional Dissolution Date); plus

(e) any other amounts payable in relation to the Management Wakala Sukuk being redeemed on the exercise of the Optional Dissolution Right as specified in the applicable Pricing Supplement;

less

(f) if a Commodity Murabaha Investment forms part of the relevant Management Wakala Series, all amounts in respect of the Deferred Sale Price which have been paid into the Transaction Account in accordance with clause 8.1.6 of the Amended and Restated Management Wakala Master Murabaha Agreement and which remain available to pay a proportion of the aggregate amounts payable on redemption of the Management Wakala Sukuk being redeemed following exercise of the Optional Dissolution Right;

"**Optional Dissolution Proportion**" means such proportion of the relevant Deferred Sale Price as is determined by dividing (i) the aggregate outstanding face amount of the Management Wakala Sukuk being redeemed pursuant to the Optional Dissolution Right by (ii) the aggregate outstanding face amount of the Management Wakala Sukuk of the relevant Management Wakala Series immediately prior to redeeming the Management Wakala Sukuk pursuant to the Optional Dissolution Right;

"**Optional Dissolution Wakala Assets**" means, in respect of an exercise of the right granted under the Amended and Restated Management Wakala Sale Undertaking, the Wakala Assets specified as such in the relevant Exercise Notice, where the Value of such Wakala Assets represents a proportion of the aggregate Value of all of the Wakala Assets not exceeding the Optional Dissolution Proportion each as determined on the relevant exercise date;

"**Outstanding Liquidity Amount**" means, in relation to each Management Wakala Series, the amount (if any) of funding provided under a liquidity facility pursuant to the terms of the Amended and Restated Management Wakala Agreement for the relevant Series and which has not been repaid in accordance with the provisions of the Amended and Restated Management Wakala Agreement;

"**Pricing Supplement**" means, in relation to each Management Wakala Series, the pricing supplement of that Management Wakala Series as completed by the Trustee at the time of issue of the Management Wakala Series;

"**Principal Revenues**" means, in relation to a Management Wakala Series, all revenues in respect of the relevant Wakala Assets which comprise amounts in the nature of sale, capital or principal payments (including, without limitation, any total loss and expropriation related insurance proceeds and indemnity payments) and including any amounts payable by the Wakeel under certain provisions of the Amended and Restated Management Wakala Agreement and amounts in respect of payments of Impaired Wakala Asset Exercise Prices;

"**Priority Amounts**" means any amounts described in Management Wakala Condition 5.2(a) and/or 5.2(b);

"**Purchase Order**" means the purchase order to be delivered by the Buyer to the Trustee substantially in the form set out in Schedule 1 (*Form of Purchase Order*) of the Amended and Restated Management Wakala Master Murabaha Agreement;

"**Purchase Transaction**" means an agreement between the Commodity Trading Participant and one or more Commodity Suppliers for the spot purchase of Commodities through the BCH System;

"**Purchase Transaction Authorisation Letter**" means the letter to be delivered to the Commodity Trading Participant by the Trustee for the purchase of Commodities from one or more Commodity Suppliers, substantially in the form set out in Schedule 2 (*Form of Purchase Transaction Authorisation Letter*) of the Amended and Restated Management Wakala Master Murabaha Agreement;

"**Qualifying Sukuk**" means sukuk that are based on either an ijara or wakala bil istithmar structure, in each case having at least 33 per cent. underlying tangible assets and which are owned by the Seller;

"**Required Amount**" means, in relation to each Management Wakala Series and each relevant Periodic Distribution Date, an amount equal to the Periodic Distribution Amount payable on the relevant Periodic Distribution Date;

"***Shariah*-Compliant Investment**" means any investment deposit with a *Shariah*-compliant financial institution or investments which are structured to comply with *Shariah* (and are not based on *bai al-bithaman ajil*, *bai al-dayn*, or parallel *istisna'* instruments);

"**Substituted Assets**" means any or all of the Wakala Assets specified as such in a Substitution Notice;

"**Substitution Date**" means the date specified as such in a Substitution Notice;

"**Substitution Notice**" means, in relation to a Management Wakala Series, a notice substantially in the form set out in Schedule 1 (*Form of Substitution Notice*) of the Amended and Restated Management Wakala Sale Undertaking;

"**Sukukholder Put Right Exercise Price**" means, in relation to each Management Wakala Series, the aggregate of:

(a) the aggregate outstanding face amount of the Management Wakala Sukuk being redeemed pursuant to the Sukukholder Put Right for the relevant Management Wakala Series; plus

(b) all accrued but unpaid Periodic Distribution Amounts (if any) relating to such Management Wakala Sukuk being redeemed; plus

(c) if all of the Management Wakala Sukuk of a Management Wakala Series are being redeemed, an amount equal to the Outstanding Liquidity Amount (if any) relating to such Management Wakala Series; plus

(d) if all of the Management Wakala Sukuk of a Management Wakala Series are being redeemed, without duplication or double counting, an amount representing any amounts payable by the Trustee (in any capacity) in relation to such Management Wakala Series under the Transaction Documents (including but not limited to costs and expenses due but unpaid to the Delegate, any unpaid Wakeel Liabilities Amounts and any other Priority Amounts which remain outstanding as at the Sukukholder Put Right Date); plus

(e) any other amounts payable in relation to the Management Wakala Sukuk being redeemed on the exercise of the Sukukholder Put Right as specified in the applicable Pricing Supplement;

less

(f) if a Commodity Murabaha Investment forms part of the relevant Management Wakala Series, all amounts in respect of the Deferred Sale Price which have been paid into the Transaction Account in accordance with clause 8.1.5 of the Amended and Restated Management Wakala Master Murabaha Agreement and which remain available to pay a proportion of the aggregate amounts payable on redemption of the Management Wakala Sukuk being redeemed following exercise of the Sukukholder Put Right;

"**Sukukholder Put Right Wakala Assets**" means, in respect of an exercise of the rights granted under the Amended and Restated Management Wakala Purchase Undertaking, the Wakala Assets specified as such in the relevant Exercise Notice, where the Value of such Wakala Assets represents a proportion of the aggregate Value of all of the Wakala Assets not exceeding the Sukukholder Put Right Proportion, each as determined on the relevant exercise date;

"**Tax Event**" has the meaning given to it in the Amended and Restated Management Wakala Sale Undertaking;

"**Taxes**" means any tax, levy, impost, duty or other charge or withholding of a similar nature;

"**Transaction Account**" has the meaning given to it in the Management Wakala Conditions;

"**Value**" means, on any date, the amount in the Specified Currency determined by the Wakeel on the relevant date as being equal to, in respect of:

(a) the Management Wakala Sukuk Assets, the aggregate of (i) the Value (as determined in accordance with paragraphs (b) to (f) of this definition) of each Wakala Asset and (ii) the Value (as determined in accordance with paragraph (g) of this definition) of the Commodity Murabaha Investment (if any);

(b) an Asset Based Financing the aggregate of all outstanding amounts payable by the lessee or the obligor in respect of the relevant asset and under the contractual arrangements relating to the relevant asset, on or after the relevant date;

(c) a Qualifying Sukuk, the aggregate of the outstanding amounts payable on or after the relevant date in respect of such Qualifying Sukuk;

(d) any Principal Revenues, the amount of such Principal Revenues held by the Wakeel on the relevant date;

(e) any *Shariah*-Compliant Investments, the aggregate amount of cash held on deposit on the relevant date or (in the case of an investment product) the net asset value of the relevant investment as notified to the Wakeel by the provider of the relevant investment product; and

(f) a Commodity Murabaha Investment, the aggregate of all outstanding amounts of Deferred Sale Price remaining to be paid in respect of such Commodity Murabaha Investment on or after the relevant date,

and for such purposes, any amounts not expressed in the Specified Currency shall be converted (for the purposes of this determination only) into the Specified Currency at the Wakala Exchange Rate;

"**Wakala Assets**" means, in relation to each Management Wakala Series:

(a) the Initial Wakala Assets related to that Management Wakala Series;

(b) any Eligible Wakala Assets acquired by the Trustee or on the Trustee's behalf in accordance with the terms of the Amended and Restated Management Wakala Agreement, the Amended and Restated Management Wakala Substitution Undertaking or the Amended and Restated Management Wakala Purchase Undertaking;

(c) the Principal Revenues from time to time; and

(d) the *Shariah*-Compliant Investments from time to time;

but excluding any Wakala Asset that has been substituted, sold or transferred and conveyed to Cagamas in accordance with the terms of the Amended and Restated Management Wakala Agreement, the Amended and Restated Management Wakala Sale Undertaking, the Amended and Restated Management Wakala Purchase Undertaking or the Amended and Restated Management Wakala Substitution Undertaking;

"**Wakala Asset Obligor**" means the entity or entities obliged to make payments in respect of a Wakala Asset in accordance with applicable laws and the terms of the Wakala Asset;

"**Wakala Asset Revenues**" means, in relation to a Management Wakala Series, all Income Revenues and all Principal Revenues relevant to that Management Wakala Series;

"**Wakala Distribution Determination Date**" means, in relation to a Series, the Business Day immediately preceding each Wakala Distribution Date;

"**Wakala Distribution Period**" means, in relation to a Management Wakala Series, the period beginning on (and including) the Issue Date and ending on (but excluding) the First Wakala Distribution Date and each successive period beginning on (and including) a Wakala Distribution Date and ending on (but excluding) the next succeeding Wakala Distribution Date;

"**Wakala Exchange Rate**" means, in the case of any amount in respect of a Wakala Asset, Eligible Wakala Asset or Commodity Murabaha Investment that is in a currency (the "**Asset Currency**") other than the Specified Currency, the spot rate of exchange at which the Wakeel is able to purchase the Specified Currency with such amount of the Asset Currency on the date on which the Asset Currency is required to be exchanged into the Specified Currency in accordance with the relevant Transaction Document or the date on which the Value of an Eligible Wakala Asset or Wakala Asset is to be determined (or, if it was not practicable to make such purchase on such date, on the immediately following date on which it would have been so practicable), without taking into account any premium or other costs of exchange;

"**Management Wakala Investment Plan**" means, in relation to a Management Wakala Series, the investment plan substantially in the form set out in Schedule 1 (*Wakala Investment Plan*) of the Amended and Restated Management Wakala Agreement;

"**Wakeel Liabilities Amount**" means, in relation to each Management Wakala Series and each corresponding Wakala Distribution Determination Date, the amount of any claims, losses, costs and expenses properly incurred or suffered by the Wakeel or other payments made by the Wakeel on behalf of the Trustee, in each case in providing the Wakala Services during the Wakala Distribution Period ending on such Wakala Distribution Determination Date, but, for the avoidance of doubt, does not include any amount due to the Wakeel under the Amended and Restated Management Wakala Agreement in respect of any Liquidity Facility; and

"**Wakala Ownership Period**" means, in relation to a Management Wakala Series, the period commencing on the relevant Issue Date and ending on the date on which all of the Management Wakala Sukuk of that Management Wakala Series are redeemed in full.

Master Trust Deed, as supplemented by each Supplemental Trust Deed

See "Summary of Principal Transaction Documents – Master Trust Deed"

Investment Wakala Sukuk Documents

Investment Wakala Agreement

The Investment Wakala Agreement was entered into on 20 December 2022 between the Trustee and Cagamas (in its capacity as Wakeel) and is governed by English law.

Pursuant to the Investment Wakala Agreement, the Trustee will appoint the Wakeel to manage the Wakala Investment relating to each Investment Wakala Series. In particular, the Wakeel, in relation to each Investment Wakala Series:

(a) it shall complete the Investment Wakala Investment Plan on the Issue Date for the Investment Wakala Series;

(b) it shall use the "**Initial Wakala Investment Amount"** (being the amount, in relation to each Investment Wakala Series, specified as such in the relevant Investment Wakala Investment Plan) to make the Wakala Investment in accordance with the terms of the Investment Wakala Agreement and the applicable Investment Wakala Investment Plan;

(c) it shall manage the relevant Wakala Investment in accordance with the Wakala Investment Plan and the terms of the Investment Wakala Agreement;

(d) shall:

(i) ensure that on the Issue Date of the relevant Investment Wakala Series, and prior to the relevant Commodity Murabaha Investment being entered into, the relevant Wakala Investment Value shall be equal to no less than 51 per cent. of the aggregate outstanding face amount of the Investment Wakala Sukuk for that Investment Wakala Series;

(ii) use reasonable endeavours to ensure that at all times after the Commodity Murabaha Investment relating to the relevant Investment Wakala Series has been entered into, the relevant Wakala Investment Value shall be equal to no less than 33 per cent. of the Investment Wakala Sukuk Asset Value for that Investment Wakala Series at the relevant time (the "**Tangible Ratio Requirement"**); and

(iii) use reasonable endeavours to ensure that at all times the Investment Wakala Sukuk Asset Value is at least equal to the aggregate face amount of the Investment Wakala Sukuk then outstanding.

(e) it shall discharge or procure the discharge of all obligations to be discharged by the Trustee in respect of the Wakala Investment, it being acknowledged that the Wakeel may appoint one or more agents to discharge these obligations on its behalf;

(f) it shall pay on behalf of the Trustee any actual costs, expenses, losses and Taxes which would otherwise be payable by the Trustee as a result of the Wakala Investment; and

(g) it shall maintain a book-entry ledger account (referred to as the "**Investment Wakala Collection Account")** which shall be denominated in the Specified Currency in accordance with clause 6 (*Accounts*) of the Wakala Agreement.

The Wakeel shall ensure that the Initial Wakala Investment Amount is (and any excess Wakala Investment Profits to be reinvested in accordance with the Investment Wakala Agreement) are invested in accordance with the Investment Wakala Investment Plan in *Shari'a* compliant income (whether by appreciation, monetary return or otherwise) generating or yielding assets in Cagamas' Shariah compliant business. For the avoidance of doubt, the Trustee acknowledges that there is no guarantee of any return from the Wakala Investment. The Wakeel shall exercise such rights, powers, authorities and discretions as arise under the Investment Wakala Agreement (together with any other incidental rights, powers, authorities and discretions), and shall take such action as it deems appropriate, in each case:

(a) in accordance with applicable laws and regulations;

(b) with the degree of skill and care that it would exercise in respect of its own assets;

(c) in a manner that is not repugnant to *Shari'a,* as determined by the Shari'a Adviser.

The Wakeel shall not be responsible for any losses to the Wakala Investment suffered by the Trustee unless such losses are caused by: (i) the Wakeel's breach of the Investment Wakala Agreement; or (ii) the Wakeel's negligence, wilful misconduct or fraud.

All Wakala Investment Profits relating to a Investment Wakala Series will be recorded in the Investment Wakala Collection Account as and when received by the Wakeel. Additionally, any amount of the relevant outstanding Deferred Sale Price which is expressed to be payable to the Investment Wakala Collection Account in accordance with the Investment Wakala Master Murabaha Agreement, will be recorded in the Investment Wakala Collection Account.

The Wakeel will be entitled to deduct amounts standing to the credit of the Investment Wakala Collection Account of each Investment Wakala Series at any time during the relevant Wakala Investment Period and to use such amounts for its own account, **provided that** any such amounts so deducted are re-credited to the Investment Wakala Collection Account on or prior to each relevant Investment Wakala Distribution Determination Date and on or prior to the Business Day prior to any Dissolution Date for the purposes of application by the Wakeel pursuant to the paragraphs below.

In relation to each Investment Wakala Series, amounts standing to the credit of the Investment Wakala Collection Account will be applied by the Wakeel on each Investment Wakala Distribution Determination Date in the following order of priority:

(i) *firstly,* in payment into the Transaction Account of an amount equal to the Required Amount payable on the Periodic Distribution Date falling one (1) business day after such Wakala Distribution Determination Date;

(ii) *secondly,* in payment to the Wakeel on behalf of the Trustee of any Wakeel Liabilities Amounts in respect of the relevant Investment Wakala Series and for the Wakala Distribution Period ending on the immediately following Wakala Distribution Date and (if applicable) any Wakeel Liabilities Amounts for any previous Wakala Distribution Period that remain unpaid; and

(iii) *thirdly,* any remaining balance in the Investment Wakala Collection Account shall be debited from the Investment Wakala Collection Account and shall be invested by the Wakeel in Cagamas' general Shari'a compliant business to grow the Wakala Investment.

The Wakeel undertakes in the Investment Wakala Agreement, in relation to each Investment Wakala Series, that:

(a) it shall keep, in accordance with its usual practices, all documents, books, records and other information necessary or advisable for monitoring the performance of, and amounts received in respect of, the applicable Wakala Investment; and

(b) except to the extent it is under any duty or obligation imposed by applicable law, regulation or contract to keep such information confidential, it shall provide the Trustee (or such other person as the Trustee may specify) with copies of any such documents, books, records and other information relating to the performance of the applicable Wakala Investment and copies of the Investment Wakala Collection Account ledger of any Investment Wakala Series as the Trustee may request.

Except as provided in the terms of the Investment Wakala Agreement, all payments by the Wakeel to the Trustee under the Investment Wakala Agreement will be made without any deduction or withholding for or on account of any Taxes unless required by law and without set-off or counterclaim of any kind. If there is any such deduction or withholding, the Wakeel shall pay all additional amounts as will result in the receipt by the Trustee of such net amounts as would have been received by it if no deduction or withholding had been made and accordingly the Wakeel undertakes to pay to the Trustee or such other persons as the Trustee may direct such additional amounts forthwith upon demand and in the manner and currency prescribed hereunder. In addition, if additional amounts are payable by the Trustee in respect of the Investment Wakala Sukuk in accordance with Investment Wakala Condition 10 (*Taxation*), the Wakeel will pay to the Trustee an amount equal to such additional amounts by payment to the Investment Wakala Transaction Account in the Specified Currency by wire transfer for same day value so that the full amount which would otherwise have been due and payable under the Sukuk is received by the Trustee.

1. ORGANIZATION AND BUSINESS

(a) Company Information

On the business day prior to: (i) the relevant Scheduled Dissolution Date in relation to each Investment Wakala Series; (ii) redemption of the Investment Wakala Sukuk following a Dissolution Event; (iii) an early redemption of the Sukuk for taxation reasons; or (iv) redemption of all of the Investment Wakala Sukuk at the option of the Sukukholders of the relevant Investment Wakala Series or at the option of Cagamas (in each case, if so specified in the relevant Pricing Supplement) or pursuant to a Change of Shareholding Put Right, the Wakeel shall liquidate the Wakala Investment at its market value (as determined by the Wakeel (acting reasonably)) and the proceeds of such liquidation shall be credited to the Collection Account and any amounts standing to the credit of the Investment Wakala Collection Account (including, for the avoidance of doubt, any amounts paid into the Investment Wakala Collection Account in accordance with the Investment Wakala Master Murabaha Agreement which remain to the credit of the Investment Wakala Collection Account) (the "**Wakala Proceeds")** shall be applied in the following order of priority:

(a) *firstly*, by paying into the Transaction Account on the Business Day prior to the relevant Dissolution Date from the Wakala Proceeds standing to the credit of the Investment Wakala

Collection Account of the relevant Investment Wakala Series, an amount equal to the aggregate of:

(i) the Dissolution Distribution Amount; and

(ii) any amounts to be paid on the relevant Dissolution Date in respect of the relevant Investment Wakala Series; and

(b) *secondly*, in payment to the Wakeel on behalf of the Trustee of any unpaid Wakeel Liabilities Amounts in respect of the relevant Investment Wakala Series.

On the business day prior to a redemption of the relevant Investment Wakala Sukuk in part: (i) at the option of the Sukukholders of the relevant Investment Wakala Series; (ii) at the option of Cagamas (in each case, if so specified in the relevant Pricing Supplement); or (iii) pursuant to a Change of Shareholding Put Right, at the option of the Sukukholders of the relevant Investment Wakala Series, the Wakeel shall liquidate the Investment Wakala Investment (in whole or, as applicable, in proportion to the aggregate face amount of Investment Wakala Sukuk being so redeemed) at its market value (as determined by the Wakeel (acting reasonably)) and the proceeds of such liquidation shall be credited to the Investment Wakala Collection Account of the relevant Investment Wakala Series and any amounts standing to the credit of the relevant Investment Wakala Collection Account (including, for the avoidance of doubt, any amounts paid into the Investment Wakala Collection Account in accordance with the Investment Wakala Master Murabaha Agreement which remain to the credit of the Investment Wakala Collection Account) shall be applied in accordance with the terms of the Investment Wakala Agreement in order to fund the redemption of the relevant Investment Wakala Sukuk.

On a Cancellation Date, following the cancellation of the relevant Cancelled Sukuk in accordance with the Conditions, the Master Trust Deed and the relevant Supplemental Declaration of Trust, the Wakala Investment of the relevant Investment Wakala Series shall be reduced by an amount equal to the relevant Cancellation Proportion specified in the relevant Cancellation Notice.

If, in respect of an Investment Wakala Series, the Wakeel fails to make any of the payments set out above in relation to a redemption of Investment Wakala Sukuk in full to the Transaction Account on the applicable date and within the time specified therein, then, the Wakeel acknowledges and agrees that the Wakala Investment (or the relevant portion thereof, as applicable) in respect of the relevant Investment Wakala Series shall automatically be deemed to have not been liquidated by the Wakeel in the relevant circumstances and the Wakeel shall, amongst other requirements, irrevocably, unconditionally and automatically (without the need for any notice or other action) continue to manage the relevant Wakala Investment in accordance with the terms of the Investment Wakala Agreement until such time that all amounts due and payable under the Investment Wakala Sukuk of the relevant Investment Wakala Series have been paid in full.

Cagamas shall be entitled to receive a fee for acting as Wakeel which will comprise a fee of U.S.$100 (the receipt and adequacy of which is acknowledged by the Wakeel under the Investment Wakala Agreement) and may also receive Incentive Payments (as described below).

Following payment in full of all amounts due and payable under the relevant Investment Wakala Sukuk, the Wakeel shall be entitled to retain any amounts that remain standing to the credit of the relevant Investment Wakala Collection Account of that Investment Wakala Series for its own account as an incentive payment for acting as Wakeel (in relation to each Investment Wakala Series, an "**Incentive Payment**").

The payment obligations of the Wakeel under the Investment Wakala Agreement will be direct, unsubordinated and unsecured obligations of the Wakeel and shall, save for such exceptions as may be provided by applicable legislation and subject to the negative pledge provisions described in Condition

6.2 (*Negative Pledge)* of the Investment Wakala Conditions, at all times rank at least equally with all other unsecured and unsubordinated indebtedness and monetary obligations of the Wakeel, present and future.

Investment Wakala Master Murabaha Agreement

The Investment Wakala Master Murabaha Agreement was entered into on 20 December 2022 between the Trustee and Cagamas (in its capacity as "**Buyer**" and "**Commodity Trading Participant")** and is governed by the English law.

In connection with each Investment Wakala Series of Investment Wakala Sukuk, the Trustee may desire to enter into a Commodity Murabaha Investment with the Buyer using a portion of the issue proceeds of the Investment Wakala Series which is no more than 49 per cent. of the issue proceeds of that Investment Wakala Series.

The Trustee agrees and undertakes that, on receipt of a Purchase Order from the Buyer, the Trustee shall on the Issue Date for the relevant Investment Wakala Series procure that the Commodity Trading Participant will, pursuant to a Purchase Transaction Authorisation Letter on the terms set out in such Purchase Order enter into Purchase Transactions no later than 4.00pm Kuala Lumpur time (or such other time as may be agreed between the Buyer and the Trustee) on the Issue Date with Commodity Suppliers to purchase Commodities at the Commodity Purchase Price for and on behalf of the Trustee. The Commodity Trading Participant shall immediately notify the Trustee of the purchase of such Commodities.

Following the purchase of the Commodities by the Commodity Trading Participant for and on behalf of the Trustee and notification of such purchase by the Commodity Trading Participant to the Trustee, and **provided that** the Trustee (or the Commodity Trading Participant acting in its capacity as agent of the Trustee) has acquired title to, and possession of, the Commodities, the Trustee shall deliver no later than 4.30pm Kuala Lumpur time (or such other time as may be agreed between the Buyer and the Trustee) on the Issue Date a Letter of Offer and Acceptance to the Buyer indicating the Trustee's acceptance of the terms of the Purchase Order made by the Buyer and detailing the terms of the offer for the sale of the relevant Commodities to the Buyer from the Trustee on the Issue Date.

The Buyer irrevocably and unconditionally undertakes to accept the terms of, countersign and deliver to the Trustee any Letter of Offer and Acceptance delivered to it in accordance with the Investment Wakala Master Murabaha Agreement and (as a result of the Trustee having acted on the request of the Buyer set out in the Purchase Order) purchase the Commodities acquired by the Trustee (or acquired by the Commodity Trading Participant acting in its capacity as agent of the Trustee) in accordance with the terms of the Investment Wakala Master Murabaha Agreement from the Trustee for the applicable Deferred Sale Price in accordance with the terms of the Investment Wakala Master Murabaha Agreement, in each case no later than 5.30pm Kuala Lumpur time (or such other time as may be agreed between the Buyer and the Trustee) on the Issue Date.

As soon as the Buyer has countersigned the Letter of Offer and Acceptance in accordance with the terms of the Investment Wakala Master Murabaha Agreement, (i) a Murabaha Contract shall be created between the Trustee and the Buyer upon the terms of the Letter of Offer and Acceptance and incorporating the terms and conditions set out in the Master Murabaha Agreement, (ii) the Trustee shall sell and the Buyer shall buy the Commodities on the terms set out in the Letter of Offer and Acceptance and (iii) ownership of and all risks in and to the relevant Commodities shall immediately pass to and be vested in the Buyer, together with all rights and obligations relating thereto.

The Buyer may following the purchase of the Commodities by the Buyer from the Trustee, and **provided that** the Buyer has acquired title to, and possession of, the Commodities, sell those Commodities to a third party.

In connection with each Murabaha Contract, the Buyer irrevocably and unconditionally undertakes in the Investment Wakala Master Murabaha Agreement to pay to the Trustee:

(1) on the date falling two (2) Business Days prior to each Periodic Distribution Date under the relevant Series, an amount of the applicable outstanding Deferred Sale Price equal to the applicable Murabaha Profit Instalment by crediting such amount to the Collection Account on such date; and

(2) on the date falling two (2) Business Days prior to (i) the relevant Scheduled Dissolution Date in relation to each Investment Wakala Series; (ii) redemption of the Investment Wakala Sukuk following a Dissolution Event; (iii) an early redemption of the Investment Wakala Sukuk for taxation reasons; or (iv) redemption of all or some of the Investment Wakala Sukuk at the option of the Sukukholders of the relevant Investment Wakala Series in connection with the exercise of a Change of Shareholding Put Right or at the option of Cagamas (in each case, if so specified in the relevant Pricing Supplement), all or the relevant proportion (as applicable) of the outstanding Deferred Sale Price of the relevant Investment Wakala Series by crediting such amount to the Investment Wakala Collection Account of the relevant Series on such date;

On each Cancellation Date, an amount of the outstanding Deferred Sale Price equal to the relevant Cancellation Proportion specified in the relevant Cancellation Notice shall be deemed to be cancelled with effect from the Cancellation Date.

All payments made by the Buyer to the Trustee under the Investment Wakala Master Murabaha Agreement will be made without any deduction or withholding for or on account of Taxes unless required by law and without set-off or counterclaim of any kind. If there is any such deduction or withholding, the Buyer shall pay all additional amounts as will result in the receipt by the Trustee of such net amounts as would have been received by it if no such deduction or withholding had been made and accordingly the Buyer undertakes to pay to the Trustee or such other persons as the Trustee may direct such additional amounts forthwith upon demand and in the manner and currency prescribed under the Investment Wakala Master Murabaha Agreement. In addition, if additional amounts are payable by the Trustee in respect of the Investment Wakala Sukuk in accordance with Investment Wakala Condition 10 (*Taxation*), the Buyer will agree to pay to the Trustee an amount equal to such additional amounts by payment to the Transaction Account in the Specified Currency by wire transfer so that the full amount which would otherwise have been due and payable under the Investment Wakala Sukuk is received by the Trustee no later than the due date for payment of such amounts under the Investment Wakala Sukuk.

The payment obligations of the Buyer under the Master Murabaha Agreement and each Murabaha Contract will be direct, unsubordinated and unsecured obligations of the Buyer and shall, save for such exceptions as may be provided by applicable legislation and subject to the negative pledge provisions described in Investment Wakala Condition 6.2 (*Negative Pledge)*, at all times rank at least equally with all other unsecured and unsubordinated indebtedness and monetary obligations of the Buyer, present and future.

Cagamas undertakes to comply with all provisions of the Investment Wakala Conditions and the Transaction Documents (as defined in the Investment Wakala Conditions) to which it is a party and which are expressed to be applicable to it including, without limitation the negative pledge provisions described in Investment Wakala Condition 6.2 (*Negative Pledge)* and the use of proceeds provisions described in Investment Wakala Condition 6.3 (*Use of Proceeds)*.

For the avoidance of doubt, it is intended that the Deferred Sale Price in respect of an Investment Wakala Series will be sufficient to pay all Periodic Distribution Amounts payable under the Investment Wakala Investment Wakala Sukuk of that Investment Wakala Series.

Master Trust Deed, as supplemented by each Supplemental Trust Deed

See "Summary of Principal Transaction Documents – Master Trust Deed"

Defined Terms for Investment Wakala Sukuk Documents

"**Additional Murabaha Profit"** means, in relation to an Investment Wakala Series, an amount by which the Aggregate Face Amount of the relevant Investment Wakala Series exceeds the Commodity Purchase Price of that Investment Wakala Series.

"**BCH System"** means the Bursa Commodity House System, established, owned and operated by BMIS which provides the automated and computerised electronic trading system to carry out trades on the Market;

"**BMIS"** means Bursa Malaysia Islamic Services Sdn Bhd (Registration No. 200901010654 (853675-M)), a company incorporated under the laws of Malaysia, which operates the BCH System, and includes its successors in title, assigns and such other entities into which it is merged or amalgamated or to which its business or undertaking are transferred from time to time;

"**Business Day**" means:

(a) in relation to any sum payable in euro, a TARGET Settlement Day and a day on which commercial banks and foreign exchange markets settle payments generally in each (if any) Additional Business Centre;

(b) in relation to any sum payable in Renminbi, any day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments generally in the relevant Renminbi Settlement Centre;

(c) in relation to any sum payable in Singapore dollars, a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments generally in Singapore; and

(d) in relation to any sum payable in a currency other than euro, Renminbi, and Singapore dollars, a day on which commercial banks and foreign exchange markets settle payments generally in the Principal Financial Centre of the relevant currency and in each (if any) Additional Business Centre;

"**Cancellation Date"** means, the date specified as such in the relevant Cancellation Notice;

"**Cancellation Notice"** means a notice substantially in the form set out in Schedule 2 (*Form of Cancellation Notice)* of the Master Trust Deed;

"**Cancellation Proportion"** means the proportion (expressed as a percentage) determined by dividing (i) the aggregate face amount of the Cancellation Certificates by (ii) the aggregate outstanding face amount of the Sukuk of the relevant Series immediately prior to cancelling the Cancellation Certificates;

"**Cancelled Sukuk"** means the Investment Wakala Sukuk which are the subject of the relevant Cancellation Notice;

"**Commodities**" means any *Shariah*-compliant commodities that are traded on the Market (excluding currency, gold and silver);

"**Commodity Murabaha Investment"** means, in relation to an Investment Wakala Series, the sale of certain Commodities by the Trustee to the Buyer, which Commodities were initially purchased by the Trustee (through the Commodity Trading Participant) using a proportion of the proceeds of the issue of the Investment Wakala Sukuk, pursuant to the Master Murabaha Agreement and having the terms set out in the relevant Murabaha Contract;

"**Commodity Purchase Price"** means, in relation to each Investment Wakala Series and the corresponding Murabaha Contract and Purchase Transaction, the aggregate amount payable in the Specified Currency to the relevant Commodity Supplier by or on behalf of the Trustee for the purchase of the Commodities from the relevant Commodity Supplier by the Trustee, specified as such in the relevant Purchase Transaction Authorisation Letter and Purchase Order and which amount shall be equal to the relevant Murabaha Investment Amount;

"**Commodity Supplier"** means a person for the time being admitted as a participant of BMIS, who supplies the Commodities on the Market and whose functions include those referred to in Rule 302.2 of the Rules;

"**Commodity Trading Participant"** means Cagamas in its capacity as commodity trading participant under the Investment Wakala Master Murabaha Agreement;

"**Deferred Sale Price"** means, in relation to a Murabaha Contract in respect of an Investment Wakala Series, the aggregate of (1) the applicable Commodity Purchase Price; (2) the applicable Murabaha Profit; (3) the applicable Additional Murabaha Profit; and (4) any other amounts payable in relation to the redemption of the Investment Wakala Sukuk of the relevant Investment Wakala Series as specified in the applicable Pricing Supplement, and specified as such in the Letter of Offer and Acceptance;

"**First Wakala Distribution Date"** means, in relation to each Series, the date specified as such in the relevant Investment Wakala Investment Plan;

"**Investment Wakala Investment Plan"** means, in relation to an Investment Wakala Series, the investment plan schedule to the relevant Supplemental Trust Deed, which will be substantially in the form set out in Schedule 1 (*Investment Wakala Investment Plan)* of the Investment Wakala Agreement.

"**Investment Wakala Sukuk Asset Value"** means, at any time, the aggregate of the Wakala Investment Value and the outstanding Deferred Sale Price at that time;

"**Issue Date"** has the meaning given to in the applicable Pricing Supplement;

"**Letter of Offer and Acceptance"** means the letter to be issued by the Trustee to the Buyer substantially in the form set out in Schedule 3 (*Form of Letter of Offer and Acceptance)* of the Investment Wakala Master Murabaha Agreement;

"**Market**" means the commodity market operated by BMIS for the trading of commodities;

"**Murabaha Contract"** means, in relation to an Investment Wakala Series, an individual contract for the sale of Commodities at a deferred sale price and made pursuant to the Wakala Agreement in respect of the relevant Investment Wakala Series by the delivery of a Letter of Offer and Acceptance by the Trustee to the Buyer and the subsequent countersignature of such Letter of Offer and Acceptance by the Buyer in accordance with the terms of the Investment Wakala Master Murabaha Agreement;

"**Murabaha Investment Amount"** means, in relation to an Investment Wakala Series, the relevant proportion of the proceeds of the issue of the Investment Wakala Sukuk of that Investment Wakala Series which are to be applied in the acquisition of Commodities by or on behalf of the Trustee for the purposes of the entry into of a Murabaha Contract pursuant to the terms of the Investment Wakala Master Murabaha Agreement and specified as such in the applicable Pricing Supplement;

"**Murabaha Profit"** means, in relation to each Investment Wakala Series and the corresponding Murabaha Contract, an amount equal to the aggregate of the Periodic Distribution Amounts that will be payable under the Investment Wakala Sukuk in respect of the relevant Investment Wakala Series during the period from (and including) the Issue Date of the relevant Investment Wakala Series to (and including) the Scheduled Dissolution Date of the relevant Investment Wakala Series;

"**Murabaha Profit Instalment"** means, in relation to the Murabaha Contract of an Investment Wakala Series, an amount equal to: (a) the Murabaha Profit for that Murabaha Contract as at the relevant Issue Date; divided by (b) the number of Periodic Distribution Dates falling during the period from (and including) the Issue Date of that Investment Wakala Series to (and including) the Scheduled Dissolution Date;

"**Pricing Supplement**" means, in relation to each Investment Wakala Series, the pricing supplement of that Investment Wakala Series as completed by the Trustee at the time of issue of the Investment Wakala Series;

"**Priority Amounts**" means any amounts described in Investment Wakala Condition 5.2(a) and/or 5.2(b);

"**Purchase Order**" means the purchase order to be delivered by the Buyer to the Trustee substantially in the form set out in Schedule 1 (*Form of Purchase Order*) of the Investment Wakala Master Murabaha Agreement;

"**Purchase Transaction**" means an agreement between the Commodity Trading Participant and one or more Commodity Suppliers for the spot purchase of Commodities through the BCH System;

"**Purchase Transaction Authorisation Letter**" means the letter to be delivered to the Commodity Trading Participant by the Trustee for the purchase of Commodities from one or more Commodity Suppliers, substantially in the form set out in Schedule 2 (*Form of Purchase Transaction Authorisation Letter*) of the Investment Wakala Master Murabaha Agreement;

"**Required Amount**" means, in relation to each Investment Wakala Series and each Periodic Distribution Date, an amount equal to the aggregate of (1) the Periodic Distribution Amount payable on the relevant Periodic Distribution Date; and (2) any Priority Amounts to be paid on the Periodic Distribution Date in respect of the relevant Investment Wakala Series.

"**Shari'a Committee**" means any external Shari'a advisor appointed by Cagamas from time to time.

"**Taxes**" means any tax, levy, impost, duty or other charge or withholding of a similar nature;

"**Transaction Account**" has the meaning given to it in the Investment Wakala Conditions;

"**Wakala Distribution Date**" means, in relation to an Investment Wakala Series, each Periodic Distribution Date;

"**Wakala Distribution Determination Date**" means, in relation to an Investment Wakala Series, the Business Day immediately preceding each Wakala Distribution Date;

"**Wakala Distribution Period**" means, in relation to an Investment Wakala Series, the period beginning on (and including) the Issue Date and ending on (but excluding) the First Wakala Distribution Date and each successive period beginning on (and including) a Wakala Distribution Date and ending on (but excluding) the next succeeding Wakala Distribution Date;

"**Wakala Investment**" means, in relation to each Investment Wakala Series, the Trustee's share in Cagamas' general Shari'a compliant business from time to time arising as a result of the Wakeel

investing the relevant Initial Wakala Investment Amount and any additional amounts to be invested in accordance with the Investment Wakala Agreement, pursuant to the terms of the Investment Wakala Agreement and the relevant Investment Wakala Investment Plan, in Cagamas' general Shari'a compliant business on an unrestricted basis as a *Wakala bil Istithmar*.

"**Wakala Investment Period**" means, in relation to each Investment Wakala Series, the period commencing on the relevant Issue Date and ending on the date on which all of the Investment Wakala Sukuk of that Investment Wakala Series are redeemed in full.

"**Wakala Investment Profits**" means, in relation to an Investment Wakala Series, all profits generated by the Wakala Investment which, for the avoidance of doubt, will be determined after taking into account the deductions specified in clause 3.2 of the Investment Wakala Agreement;

"**Wakala Investment Value**" means, at any time, in relation to each Investment Wakala Series, the value of the relevant Wakala Investment at that time, as determined by the Wakeel in accordance with its usual business practices and in consultation with the Shari'a Committee;

"**Wakeel Liabilities Amount**" means, in relation to each Investment Wakala Series and each corresponding Wakala Distribution Determination Date, the amount of any claims, losses, costs and expenses properly incurred or suffered by the Wakeel or other payments made by the Wakeel on behalf of the Trustee, in each case in performing its obligations under the Investment Wakala Agreement in respect of the relevant Investment Wakala Series during the Wakala Distribution Period ending on such Wakala Distribution Determination Date; and

Master Trust Deed, as supplemented by each Supplemental Trust Deed

The Master Trust Deed was entered into on 28 November 2014 and amended and restated on 20 December 2022 between the Trustee, the Obligor and the Delegate and is governed by English law. A Supplemental Trust Deed between the same parties will be entered into on or prior to the Issue Date of each Series of Sukuk and will also be governed by English law.

Upon execution of the applicable series Documents and upon the issue of a Global Certificate initially representing the Sukuk of the relevant Series in accordance with the Master Trust Deed and the Agency Agreement, such Sukuk shall forthwith be constituted by the Master Trust Deed without any further formality.

The Trust Assets in respect of each Series of Sukuk comprises (unless otherwise specified in the relevant Supplemental Trust Deed), amongst other things, the cash proceeds of the issue of the Sukuk, the interests, rights, title, benefits and entitlements, present and future, of the Trustee in, to and under the Management Wakala Sukuk Assets and the Investment Wakala Sukuk Assets from time to time (excluding any representations given by the Obligor to the Trustee and/or the Delegate under any documents constituting the Sukuk Assets from time to time) and all moneys standing to the credit of the relevant Transaction Account from time to time, as more particularly described in Condition 5.1 (*Trust Assets*).

Pursuant to the Master Trust Deed as supplemented by the relevant Supplemental Trust Deed, the Trustee will, in relation to each Series of Sukuk, *inter alia*:

(a) hold the relevant Trust Assets on trust absolutely for the holders of the Sukuk as beneficiaries *pro rata* according to the face amount of Sukuk of that Series held by each holder of the Sukuk; and

(b) act as trustee in respect of the Trust Assets, distribute the income from the Trust Assets and perform its duties in accordance with the provisions of the Master Trust Deed as supplemented by the relevant Supplemental Trust Deed.

The Trustee irrevocably and unconditionally appoints the Delegate to be its attorney and to execute, deliver and perfect all documents, and to exercise all of the present and future duties, powers (including the power to sub-delegate), rights, authorities (including, but not limited to, the authority to request directions from any holders of the Sukuk and the power to make any determinations to be made under the Transaction Documents) and discretions vested in the Trustee by the Master Trust Deed, that the Delegate may consider to be necessary or desirable in order to, upon the occurrence of a Dissolution Event, and subject to its being indemnified and/or secured and/or pre-funded to its satisfaction, to exercise all of the rights of the Trustee under the Transaction Documents, take such other steps as the Trustee or the Delegate may consider necessary to recover amounts due to the holders of the Sukuk and make such distributions from the relevant Trust Assets as the Trustee is bound to make in accordance with the Master Trust Deed (together the "**Delegation**" of the "**Relevant Powers**"), **provided that** no obligations, duties, liabilities or covenants of the Trustee pursuant to the Master Trust Deed or any other Transaction Document shall be imposed on the Delegate by virtue of such Delegation and **provided further that** in no circumstances will such Delegation result in the Delegate holding on trust the relevant Trust Assets and **provided further that** such Delegation and the Relevant Powers shall not include any duty, power, trust, authority, rights or discretion to dissolve any of the trusts constituted by the Master Trust Deed as supplemented by the relevant Supplemental Trust Deed following the occurrence of a Dissolution Event or to determine the remuneration of the Delegate. The appointment of such delegate is intended to be in the interests of the Sukukholders and does not affect the Trustee's continuing role and obligations as sole trustee.

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

A non-interest bearing Transaction Account will be established in respect of each Series of Sukuk. Monies received in the Transaction Account in respect of each Series will, *inter alia,* comprise revenues from the Wakala Assets other than in the nature of sale, capital or principal payments, and amounts of the Deferred Sale Price paid by the Obligor pursuant to a Commodity Murabaha Investment (see "*Summary of the Principal Transaction Documents — Wakala Agreement"* and "*Summary of the Principal Transaction Documents — Master Murabaha Agreement"*). Each of the Trustee and the Delegate, to the extent it receives any amounts in respect of the Trust Assets, shall pay such amounts into the relevant Transaction Account for payment in accordance with the order of priority set out in Condition 5.2 (*Application of Proceeds from Trust Assets*) to the relevant holders of the Sukuk on the relevant Periodic Distribution Date or Dissolution Date.

Defined Terms for Master Trust Deed

"**accountholders**" means each person (other than another clearing system) who is for the time being shown in the records of Euroclear, Clearstream, CDP, the CMU or any relevant Alternative Clearing System, as the case may be, as entitled to a particular face amount of the Sukuk (in which regard any certificate or other document issued by Euroclear, Clearstream, CDP, the CMU or the relevant Alternative Clearing System as to the face amount of such Sukuk standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error);

"**ACS Agents**" means, in respect of each Series of ACS Sukuk, the ACS Lodging Agent, the ACS Paying Agent, the ACS Calculation Agent, the ACS Registrar and the ACS Transfer Agent or any of them (as applicable);

"**ACS Calculation Agent**" means the institution specified as such in the applicable Pricing Supplement (including its successors in title and assigns and any successors acting in such capacity);

"**ACS Form**" means any application form, agreement, deed or other document (including, but not limited to, securities lodgement forms (including any RENTAS Securities Lodgement Form)), required

to be entered into by the Trustee for the purposes of the acceptance for clearing and settlement of a Series of ACS Sukuk by the relevant Alternative Clearing System;

"**ACS Lodging Agent**" means the institution specified as such in the applicable Pricing Supplement (including its successors in title and assigns and any successors acting in such capacity);

"**ACS Paying Agent**" means the institution specified as such in the applicable Pricing Supplement which, for the avoidance of doubt, may, in respect of each Series of RENTAS Sukuk, be the RENTAS Paying Agent;

"**ACS Registrar**" means the institution specified as such in the applicable Pricing Supplement (including its successors in title and assigns and any successors acting in such capacity);

"**ACS Sukuk**" means any Sukuk which are cleared through an Alternative Clearing System including, without limitation, RENTAS Sukuk;

"**ACS Transfer Agent**" means the institution specified as such in the applicable Pricing Supplement (including its successors in title and assigns and any successors acting in such capacity);

"**Agency Agreement**" means the amended and restated agency agreement relating to the Programme dated 20 December 2022 between the Trustee, the Obligor, the Delegate, the Principal Paying Agent, the CMU Lodging and Paying Agent, the CDP Lodging and Paying Agent, the Registrar and the other Agents named in it;

"**Agents**" means the Principal Paying Agent, the CMU Lodging and Paying Agent, the CDP Lodging and Paying Agent, the other Paying Agents, the Calculation Agents, the Registrars and the Transfer Agents, any ACS Agents or any of them and shall include such Agent or Agents as may be appointed from time to time under the Agency Agreement and/or any relevant ACS Forms (as applicable);

"**Alternative Clearing System**" means any additional or alternative clearing system (other than Euroclear, Clearstream, CDP and the CMU) specified in the applicable Pricing Supplement or as may otherwise be approved by the Trustee, the Obligor, the Principal Paying Agent and the Delegate including, without limitation, RENTAS;

"**Appointee**" means any attorney, manager, agent, delegate, nominee, custodian or other person appointed by the Delegate in accordance with these presents;

"**Authorisation**" means an authorisation, consent, approval, resolution, licence, exemption, filing, notarisation or registration;

"**Authorised Amount**" means, at any time, the amount of U.S.$2,500,000,000 subject to any increase as may have been authorised pursuant to clause 15 (*Increase in Authorised Amount*) of the Dealer Agreement;

"**Authorised Signatory**" means any person authorised by the Trustee or the Obligor (as the case may be) to sign documents on its behalf and whose name and specimen signature has been provided in accordance with clause 17.7 (*List of Authorised Persons*) of the Agency Agreement;

"**BNM**" means Bank Negara Malaysia, a body corporate established under the Central Bank of Malaysia Act, 2009, of Jalan Dato' Onn, 50480 Kuala Lumpur;

"**Business Day**" has the meaning given to it in the Conditions;

"**Calculation Agent**" means, in relation to any Series of Sukuk, the institution appointed as calculation agent for the purposes of such Sukuk and named as such in the applicable Pricing Supplement, in the case of the Principal Paying Agent, the CMU Lodging and Paying Agent or the CDP Lodging and Paying Agent, pursuant to the Agency Agreement, in the case of a Dealer, pursuant to the Dealer Agreement and, in the case of any other institution (including any relevant ACS Calculation Agent) pursuant to a letter of appointment in, or substantially in, the form set out in Schedule 4 of the Agency Agreement and/or any relevant ACS Forms (as applicable) and, in any case, any successor to such institution in its capacity as such;

"**Cancellation Notice**" means a notice substantially in the form set out in Schedule 5 (Form *of Cancellation Notice)* and given for the purposes of sub-Clause 2.2. (*Cancellation of Certificates held by the Obligor*);

"**Cancelled Sukuk**" means, in relation to a particular Series, the Sukuk specified as such in a Cancellation Notice for such Series;

"**CDP**" means The Central Depository (Pte) Limited;

"**CDP Lodging and Paying Agent**" means The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch or any successor appointed as CDP lodging and paying agent under the Programme pursuant to the Agency Agreement collectively in its capacities as: (i) the agent appointed by the Trustee for lodgement services with CDP for each Series of CDP Sukuk; and (ii) the account bank with which the Transaction Account for each such Series is established;

"**CDP Sukuk**" means any Sukuk which are cleared through CDP;

"**Clearstream**" means Clearstream Banking S.A.;

"**CMU Issue Position Report**" shall have the meaning specified in the CMU Rules;

"**CMU Lodging and Paying Agent**" means The Hongkong and Shanghai Banking Corporation Limited or any successor appointed as CMU lodging and paying agent under the Programme pursuant to the Agency Agreement collectively in its capacities as: (i) the agent appointed by the Trustee for lodgement services with the CMU for each Series of CMU Sukuk; and (ii) the account bank with which the Transaction Account for each such Series is established;

"**CMU Member**" means any member of the CMU;

"**CMU Reference Manual**" means the reference manual relating to the operation of the CMU issued by the HKMA to CMU Members, as amended from time to time;

"**CMU Rules**" means all requirements of the CMU for the time being applicable to a CMU Member and includes: (a) all the obligations for the time being applicable to a CMU Member under or by virtue of its membership agreement with the CMU and the CMU Reference Manual; (b) all the operating procedures as set out in the CMU Reference Manual for the time being in force in so far as such procedures are applicable to a CMU Member; and (c) any directions for the time being in force and applicable to a CMU Member given by the HKMA through any operational circulars or pursuant to any provision of its membership agreement with the HKMA or the CMU Reference Manual;

"**CMU**" means the Central Moneymarkets Unit operated by the HKMA;

"**CMU Sukuk**" means any Sukuk which are cleared through the CMU;

"**Conditions**" means the Investment Wakala Conditions or the Management Wakala Conditions, as the case may be and any reference to a "**Condition**" shall be to the relevant Management Wakala Condition or Investment Wakala Condition, as applicable for each Series;

"**CSDPAR**" means the Central Securities Depository and Paying Agency Rules, a uniform set of rules and procedures which govern the depository and paying agency services provided by BNM in relation to the securities deposited in RENTAS;

"**Dealer Agreement**" means the amended and restated dealer agreement dated 20 December 2022 between the Trustee, the Obligor and the financial institutions named therein as arrangers and dealers concerning the purchase of the Sukuk under the Programme;

"**Euroclear**" means Euroclear Bank SA/NV;

"**Extraordinary Resolution**" has the meaning set out in Schedule 3 (*Provisions for Meetings of Sukukholders*);

"**FATCA**" means:

(a) Sections 1471 to 1474 of the us internal revenue code of 1986 or any associated regulation, instruction or other official guidance, as amended from time to time;

(b) any treaty, law, regulation, instruction or other official guidance enacted or amended in any other jurisdiction, or relating to an intergovernmental agreement between the united states and any other jurisdiction, which (in either case) facilitates the implementation of paragraph (a) above;

(c) any agreement pursuant to the implementation of paragraphs (a) or (b) above with the us internal revenue service, the us government or any governmental or taxation authority in any other jurisdiction; or

(d) any treaty, law, regulation, instruction or other official guidance analogous to paragraphs (a) or (b) enacted or amended in any other jurisdiction from time to time, and any agreement pursuant to the implementation of any such treaty, law, regulation, instruction or other official guidance with any governmental or taxation authority in any jurisdiction;

"**FSMA**" means the Financial Services and Markets Act 2000 of the United Kingdom;

"**Global Certificate**" means a certificate in global form representing Sukuk of the same Series that are registered in the name of: (i) a nominee for a common depository for Euroclear and/or Clearstream; (ii) CDP; (iii) the HKMA as operator of the CMU and lodged with a sub-custodian for the CMU; and/or (iv) any relevant Alternative Clearing System or a central securities depository (or a nominee for such central securities depository) for such Alternative Clearing System which, for the avoidance of doubt, may be the RENTAS Depository;

"**HKMA**" means the Monetary Authority appointed pursuant to Section 5A of the Exchange Fund Ordinance (Cap. 66 of the laws of Hong Kong) or its successors;

"**HSBC Group**" means HSBC Holdings plc together with its subsidiary undertakings from time to time;

"**Indemnified Person**" shall have the meaning given to it in Clause 17.5 (*Obligor Indemnity for Costs and Expenses*)*;*

"**Individual Certificate**" means a trust certificate in definitive registered form issued by the Trustee in accordance with the provisions of this Master Trust Deed in exchange for a Global Certificate;

"**Investment Wakala Conditions**" means, in relation to the Investment Wakala Sukuk of any Investment Wakala Series, the terms and conditions endorsed on or incorporated by reference into the

Sukuk constituting such Series, such terms and conditions being in the form set out in Schedule 2 (*Terms and Conditions of the Investment Wakala Sukuk*), as the same may from time to time be modified in accordance with this Master Trust Deed and the relevant Supplemental Trust Deed and as completed by the applicable Pricing Supplement, and any reference in these presents to a specified Investment Wakala Condition or paragraph of an Investment Wakala Condition shall be construed accordingly;

"**Investment Wakala Series Documents**" means, in relation to each Investment Wakala Series, the Investment Wakala Supplemental Trust Deed and any other related document in connection with the foregoing and relating to the same

"**Investment Wakala Transaction Documents**" means, in relation to each Investment Wakala Series:

(a) the Master Trust Deed as supplemented by the relevant Investment Wakala Supplemental Trust Deed;

(b) the Agency Agreement;

(c) the Investment Wakala Agreement; and

(d) if applicable to an Investment Wakala Series, the Investment Wakala Master Murabaha Agreement (together with all offers, acceptances and confirmations delivered pursuant thereto in connection with the relevant Investment Wakala Series);

"**LFX**" means the Labuan International Financial Exchange Inc.;

"**Liability**" has the meaning given to it in the Conditions;

"**Local Banking Day**" means a day (other than a Saturday or a Sunday or a public holiday) on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in the city in which the Principal Paying Agent has its Specified Office;

"**Local Time**" means the time in the city in which the relevant Principal Paying Agent has its Specified Office;

"**Management Wakala Conditions**" means, in relation to the Management Wakala Sukuk of any Management Wakala Series, the terms and conditions endorsed on or incorporated by reference into the Sukuk constituting such Series, such terms and conditions being in the form set out in Schedule 3 (*Terms and Conditions of the Management Wakala Sukuk*), as the same may from time to time be modified in accordance with this Master Trust Deed and the relevant Supplemental Trust Deed and as completed by the applicable Pricing Supplement, and any reference in these presents to a specified Management Wakala Condition or paragraph of a Management Wakala Condition shall be construed accordingly

"**Management Wakala Series Documents**" means, in relation to each Management Wakala Series, the Management Wakala Supplemental Trust Deed, the Management Wakala Supplemental Purchase Agreement and any other related document in connection with the foregoing and relating to the same

"**Management Wakala Transaction Documents**" means, in relation to each Management Wakala Series:

(a) the Master Trust Deed as supplemented by the relevant Management Wakala Supplemental Trust Deed;

(b) the Agency Agreement;

(c) the Management Wakala Master Purchase Agreement, as supplemented by the applicable Management Wakala Supplemental Purchase Agreement; and

(d) the Management Wakala Sale Undertaking (together with each relevant sale agreement executed upon exercise of the Management Wakala Sale Undertaking);

(e) the Management Wakala Purchase Undertaking (together with each relevant sale agreement executed upon exercise of the Management Wakala Purchase Undertaking);

(f) the Management Wakala Substitution Undertaking (together with each relevant sale agreement executed upon exercise of the Management Wakala Substitution Undertaking);

(g) the Management Wakala Agreement; and

(h) if applicable to a Management Wakala Series, the Management Wakala Master Murabaha Agreement (together with all offers, acceptances and confirmations delivered pursuant thereto in connection with the relevant Management Wakala Series);

"**Meetings of Sukukholders**" means meetings of Sukukholders, as more particularly described in Schedule 4 (*Provisions for Meetings of Sukukholders*);

"**Offering Circular**" means the offering circular dated the date of this Master Trust Deed prepared by each of the Trustee and the Obligor in connection with the Programme, which expression includes any replacement or supplementary offering circular prepared;

"**outstanding**" means, in relation to the Sukuk of any Series, all the Sukuk of that Series issued other than:

(a) those Sukuk which have been redeemed in full, or purchased under Condition 8.7 (*Purchases*), and in either case have been cancelled in accordance with Condition 8.8 (*Cancellation*);

(b) those Sukuk in respect of which the due date for their redemption in full has occurred and all sums due in respect of such Sukuk (including all Periodic Distribution Amounts payable in respect thereof) have been duly paid to the Delegate, the Principal Paying Agent, the CMU Lodging and Paying Agent, the CDP Lodging and Paying Agent or the relevant ACS Agent, as applicable, in the manner provided in the Agency Agreement and remain available for payment against presentation of the relevant Sukuk;

(c) those Sukuk in respect of which all claims for payment have become void under Condition 11 (*Prescription*);

(d) any Global Certificate or Individual Certificates which have been mutilated or defaced, and which have been surrendered and cancelled or are alleged to have been lost, stolen or destroyed, and have been replaced pursuant to Condition 14 (*Replacement of Sukuk*); and

(e) any Global Certificate to the extent that it shall have been exchanged for Individual Certificate(s) pursuant to its provisions,

provided that for each of the following purposes, namely:

(i) the right to attend and vote at any meeting of the Sukukholders of a particular Series or any of them and any direction or request by the holders of the Sukuk of any Series;

(ii) the determination of how many and which Sukuk are for the time being outstanding for the purposes of sub-clauses 7.1.1, 7.2.3 and Clauses 7.3 and 18 of this Master Trust Deed, Conditions 12 (*Dissolution Events*), 13 (*Realisation of Trust Assets*), 16 (*Meetings of Sukukholders, Modification and Waiver*) and 17 (*Delegate*) and Schedule 4 (*Provisions for Meetings of Sukukholders)* of this Master Trust Deed;

(iii) any discretion, power or authority (whether contained in this Master Trust Deed or vested by operation of law) which the Trustee or the Delegate, as the case may be, is required, expressly or impliedly, to exercise in or by reference to the interests of the Sukukholders of any Series; and

(iv) the determination by the Delegate whether any event, circumstance, matter or thing is, in its opinion, materially prejudicial to the interests of the Sukukholders of any Series,

those Sukuk of the relevant Series (if any) which are for the time being held by or on behalf of or for the benefit of the Trustee or the Obligor or any of the Trustee's Subsidiaries or the Obligor's Subsidiaries shall (unless and until ceasing to be so held) be deemed not to remain outstanding;

"**Paying Agents**" means the Principal Paying Agent, the CMU Lodging and Paying Agent, the CDP Lodging and Paying Agent, any relevant ACS Paying Agent (which, for the avoidance of doubt, may, in respect of each Series of RENTAS Sukuk, be the RENTAS Paying Agent) and such further or other paying agent or agents as may be appointed from time to time under the Agency Agreement and/or any relevant ACS Forms (as applicable);

"**Pricing Supplement**" means, in relation to each Series, the pricing supplement (substantially in the form set out in Schedule 3 (*Form of Pricing Supplement*) of the Programme Manual) of that Series as completed by the Trustee at the time of issue of the Series;

"**Principal Paying Agent**" means The Hongkong and Shanghai Banking Corporation Limited or any successor appointed as principal paying agent under the Programme pursuant to the Agency Agreement in respect of each Series of Sukuk other than CMU Sukuk, CDP Sukuk and, as the case may be, ACS Sukuk collectively in its capacities: as (i) principal paying agent for such Series; and (ii) as the account bank with which the Transaction Account for each such Series is established. All references in this Master Trust Deed to the **"Principal Paying Agent"** shall be deemed to be references to: (i) with respect to CMU Sukuk, the CMU Lodging and Paying Agent; (ii) with respect to CDP Sukuk, the CDP Lodging and Paying Agent; and (iii) if applicable, with respect to ACS Sukuk, the relevant ACS Paying Agent (which, for the avoidance of doubt, may, in respect of each Series of RENTAS Sukuk, be the RENTAS Paying Agent), and (unless the context requires otherwise) all such references shall be construed accordingly;

"**Principal Subsidiary**" means Cagamas Global P.L.C. and any Subsidiary of the Obligor whose total assets, as shown by the accounts of such Subsidiary (consolidated in the case of a company which itself has Subsidiaries), based upon which the latest audited consolidated accounts of the Obligor have been prepared, are at least 10 per cent. of the consolidated total assets of the Obligor as shown by such audited consolidated accounts, **provided that** if any such Subsidiary (the **"transferor"**) shall at any time transfer the whole or a substantial part of its business, undertaking or assets to another Subsidiary of the Obligor (the **"transferee"**) then:

(a) if the whole of the business, undertaking and assets of the transferor shall be so transferred, the transferor shall thereupon cease to be a Principal Subsidiary and the transferee (unless it is the Trustee) shall thereupon become a Principal Subsidiary; and

(b) if a substantial part only of the business, undertaking and assets of the transferor shall be so transferred, the transferor shall remain a Principal Subsidiary and the transferee (unless it is the Trustee) shall thereupon become a Principal Subsidiary.

Any Subsidiary which becomes a Principal Subsidiary by virtue of (a) above or which remains or becomes a Principal Subsidiary by virtue of (b) above shall continue to be a Principal Subsidiary until the date of issue of the first audited consolidated accounts of the Obligor prepared as at a date later than the date of the relevant transfer which show the total assets as shown by the accounts of such Subsidiary (consolidated (if any) in the case of a company which itself has Subsidiaries), based upon which such audited consolidated accounts have been prepared, to be less than 10 per cent. of the consolidated total assets of the Obligor, as shown by such audited consolidated accounts;

"**Programme Manual**" means the programme manual (containing suggested forms and operating procedures for the Programme) dated 20 December 2022, as the same may be amended or supplemented from time to time by agreement between the Trustee, the Obligor, the Delegate, the Principal Paying Agent, the Registrar, the CMU Lodging and Paying Agent, the CDP Lodging and Paying Agent and the Arrangers;

"**Receiver**" means any receiver, manager or administrative receiver or any other analogous officer appointed in respect of the Trustee by the Delegate in accordance with this Master Trust Deed;

"**Register**" means the register maintained by the Registrar in accordance with Condition 3.3 (*Ownership*) and the Agency Agreement;

"**Registrar**" means, in respect of each Series of Sukuk other than CMU Sukuk, CDP Sukuk and, as the case may be, ACS Sukuk, The Hongkong and Shanghai Banking Corporation Limited or, in respect of each Series of CMU Sukuk, The Hongkong and Shanghai Banking Corporation Limited or, in respect of each Series of CDP Sukuk, The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch, or any successors thereto in each case as registrar under the Agency Agreement (or such other registrar as may be appointed from time to time either generally in relation to the Programme or in relation to a specific Series, including, with respect to ACS Sukuk, the relevant ACS Registrar (if applicable));

"**RENTAS**" means the scripless book-entry securities settlement and funds transfer system known as Real Time Electronic Transfer of Funds and Securities operated and managed by BNM as varied, upgraded or substituted from time to time;

"**RENTAS Depository**" means BNM in its capacity as the depository and custodian of any RENTAS Sukuk who carries out its functions, duties and obligations under the CSDPAR as a central securities depository, and includes its successors in title and assigns and any successors appointed in such capacity;

"**RENTAS Depository Procedures**" means the procedures of the RENTAS Depository for transactions in the RENTAS Sukuk and for settlement of all payments to Holders of RENTAS Sukuk as provided in the CSDPAR, the Participation and Operation Rules for Payments and Securities Services, the Operational Procedures for Foreign Currency Settlement in RENTAS and the Operational Procedures for Securities Services, all issued by BNM and as modified or revised or substituted from time to time by BNM, and any other relevant rules, guidelines, codes and directives issued by BNM from time to time;

"**RENTAS Paying Agent**" means BNM in its capacity as the paying agent for any RENTAS Sukuk and includes its successors in title and assigns and any successors acting in such capacity;

"**RENTAS Securities Lodgement Form**" means, in respect of each Series of RENTAS Sukuk, the securities lodgement form entered into by, *inter alios*, the Trustee, signifying the parties' agreement for the depository and payment arrangement for such RENTAS Sukuk to be made pursuant to the RENTAS Depository Procedures and confirming that the parties thereto and the RENTAS Paying Agent shall have the duties as agreed therein;

"**RENTAS Sukuk**" means any Sukuk which are cleared through RENTAS;

"**Series**" means a series of Sukuk comprising one tranche that have identical terms on issue and are expressed to have the same series number;

"**Series Documents**" means the Investment Wakala Series Documents and the Management Wakala Series Documents and **"relevant Series Documents"** means either the Investment Wakala Series Documents or the Management Wakala Series Documents, as the context requires;

"**SGX-ST**" means the Singapore Exchange Securities Trading Limited;

"**Specified Office**" has the meaning given in the Agency Agreement and/or any relevant ACS Forms (as applicable);

"**this Master Trust Deed**" means, in relation to each Series, this Master Trust Deed and the Schedules hereto as supplemented by the relevant Supplemental Trust Deed and the Schedules thereto, the relevant Sukuk and the Conditions, all as from time to time supplemented and/or modified in accordance with the provisions contained herein or therein;

"**Transaction Account**" means, in relation to a particular Series, the non-interest bearing transaction account established by the Trustee and held with The Hongkong and Shanghai Banking Corporation Limited (in the case of any transaction account in relation to a Series of Sukuk other than CMU Sukuk, CDP Sukuk and, as the case may be, ACS Sukuk) or, as applicable, The Hongkong and Shanghai Banking Corporation Limited (in the case of any transaction account in relation to a Series of CMU Sukuk) or, as applicable, The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch (in the case of any transaction account in relation to a Series of CDP Sukuk) or, as applicable, the relevant ACS Agent (in the case of any transaction account in relation to a Series of ACS Sukuk and, in the case of any transaction account in relation to a Series of RENTAS Sukuk, such ACS Agent may be the RENTAS Paying Agent) denominated in the Specified Currency, details of which are set out in the applicable Pricing Supplement into which, among other things, the Obligor will deposit all amounts due to the Trustee under the Transaction Documents;

"**Transaction Documents**" means the Investment Wakala Transaction Documents and the Management Wakala Transaction Documents and the **"relevant Transaction Documents"** means either the Investment Wakala Transaction Documents or the Management Wakala Transaction Documents, as the context requires;

"**Transfer Agent**" means, in respect of each Series of Sukuk other than CMU Sukuk, CDP Sukuk and, as the case may be, ACS Sukuk, The Hongkong and Shanghai Banking Corporation Limited, in respect of each Series of CMU Sukuk, The Hongkong and Shanghai Banking Corporation Limited and, in respect of each Series of CDP Sukuk, The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch, or any successors thereto in each case as transfer agent under the Agency Agreement (and such further or other transfer agents as may be appointed from time to time either generally in relation to the Programme or in relation to a specific Series, including, with respect to ACS Sukuk, the relevant ACS Transfer Agent (if applicable));

"**Trust Assets**" has the meaning given to it in Condition 5.1 (*Trust Assets*);

"**trust corporation**" means a trust corporation (as defined in the Law of Property Act 1925) or a corporation entitled to act as a trustee pursuant to applicable foreign legislation relating to trustees; and

"**Trustee Acts**" means the Trustee Act 1925 and the Trustee Act 2000.

TAXATION

Malaysia

All payments by the Trustee in respect of the Sukuk shall be made free and clear of, and without withholding or deduction for or on account of any present or future tax, duty or charge of whatever nature imposed, levied, collected, withheld or assessed by or within Malaysia or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. In that event, the Trustee shall pay such additional amounts (the "**Additional Amounts**") as will result in receipt by the Sukukholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such Additional Amounts shall be payable in respect of any Sukuk:

(a) to or on behalf of a Sukukholder who is treated as a resident of Malaysia or a permanent establishment in Malaysia for tax purposes;

(b) to or on behalf of a Sukukholder who is liable to such taxes, duties, assessments or governmental charges in respect of such Sukuk by reason of his having some connection with Malaysia other than a mere holding of such Sukuk; and

(c) presented for payment by or on behalf of a Sukukholder who would not be liable or subject to such withholding or deduction by making a declaration of residence in Malaysia or other similar claim for exemption to the relevant tax authority and has failed to do so within the time prescribed by law or at all.

Under paragraph 33B of Schedule 6 of the Income Tax Act, 1967 of Malaysia (the "**Income Tax Act**"), the profit paid by the Trustee on the Sukuk to any person, whether Malaysian resident or non-resident is exempt from income tax, provided such profit is not paid to a company in the same group of companies as the Issuer or to a bank licensed under the Financial Services Act 2013, an Islamic bank licensed under the Islamic Financial Services Act 2013 or a development financial institution prescribed under the Development Financial Institutions Act 2002.

The Proposed Financial Transactions Tax ("FTT")

On 14 February 2013, the European Commission published a proposal (the "**Commission's Proposal**") for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**participating Member States**"). However, Estonia has since stated that it will not participate.

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in the Sukuk (including secondary market transactions) in certain circumstances. The issuance and subscription of Sukuk should, however, be exempt.

Under the Commission's Proposal, the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Sukuk where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective holders of the Sukuk are advised to seek their own professional advice in relation to the FTT.

Foreign Account Tax Compliance Act ("FATCA")

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a "foreign financial institution" may be required to withhold on certain payments it makes ("**foreign passthru payments**") to persons that fail to meet certain certification, reporting or related requirements. The Trustee may be a foreign financial institution for these purposes. A number of jurisdictions (including Malaysia) have entered into, or have agreed in substance to intergovernmental agreements with the United States to implement FATCA ("**IGAs**"), which modify the way in which FATCA applies in their jurisdictions.

Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Sukuk, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Sukuk, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Sukuk, such withholding would not apply prior to the date that is two years after the publication of the final regulations defining "foreign passthru payment" and Sukuk issued on or prior to the date that is six months after the date on which final regulations defining "foreign passthru payments" are filed with the U.S. Federal Register generally would be "grandfathered" for purposes of FATCA withholding unless materially modified after such date.

Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Sukuk. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Sukuk, no person will be required to pay additional amounts as a result of the withholding.

Singapore

The following summary is based on tax laws of Singapore as in effect on the date of this Offering Circular, and is subject to changes in Singapore laws, including changes that could have retroactive effect. The following summary does not take into account or discuss the tax laws of any countries other than Singapore. Prospective purchasers in all jurisdictions are advised to consult their own tax advisers as to Singapore or other tax consequence of the acquisition, ownership and disposition of the Sukuk.

*The statements below are general in nature and are based on certain aspects of current tax laws in Singapore and administrative guidelines and circulars issued by the Inland Revenue Authority of Singapore ("**IRAS**") and the Monetary Authority of Singapore ("**MAS**") in force as at the date of this Offering Circular, and are subject to any changes in such laws, administrative guidelines or circulars, or the interpretation of those laws, guidelines or circulars, occurring after such date, which changes could be made on a retroactive basis, including amendments to the Income Tax (Qualifying Debt Securities) Regulations to include the conditions for the income tax and withholding tax exemptions under the qualifying debt securities scheme for early redemption fee (as defined in the Income Tax Act 1947) and redemption premium (as such term has been amended by the Income Tax Act). These laws, guidelines and circulars are also subject to various interpretations and the relevant tax authorities or the courts could later disagree with the explanations or conclusions set out below. Neither these statements nor any other statements in this Offering Circular are intended or are to be regarded as advice on the tax position of any holder of the Sukuk or of any person acquiring, selling or otherwise dealing with the Sukuk or on any tax implications arising from the acquisition, sale or other dealings in respect of the Sukuk. The statements made herein do not purport to be a comprehensive or*

exhaustive description of all the tax considerations that may be relevant to a decision to subscribe for, purchase, own or dispose of the Sukuk and do not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or financial institutions in Singapore which have been granted the relevant Financial Sector Incentive(s) or hold a specified licence) may be subject to special rules or tax rates. The statements herein should not be regarded as advice on the tax position of any person and should be treated with appropriate caution. Prospective holders of the Sukuk are advised to consult their own professional tax advisers as to the Singapore or other tax consequences of the acquisition, ownership or disposal of the Sukuk, including, in particular, the effect of any foreign, state or local tax laws to which they are subject. It is emphasised that none of the Trustee, the Guarantor, the Arrangers, the Dealers or any other persons involved in the issuance of the Sukuk accepts responsibility for any tax effects or liabilities resulting from the subscription for, purchase, holding or disposal of the Sukuk.

Periodic Distribution Amounts and Other Payments

Subject to the following paragraphs, under Section 12(6) of the Income Tax Act, the following payments are deemed to be derived from Singapore:

(a) any interest, commission, fee or any other payment in connection with any loan or indebtedness or with any arrangement, management, guarantee, or service relating to any loan or indebtedness which is (i) borne, directly or indirectly, by a person resident in Singapore or a permanent establishment in Singapore (except in respect of any business carried on outside Singapore through a permanent establishment outside Singapore or any immovable property situated outside Singapore) or (ii) deductible against any income accruing in or derived from Singapore; or

(b) any income derived from loans where the funds provided by such loans are brought into or used in Singapore.

Such payments, where made to a person not known to the paying party to be a resident in Singapore for tax purposes, are generally subject to withholding tax in Singapore. The rate at which tax is to be withheld for such payments (other than those subject to the 15 per cent. final withholding tax described below) to non-resident persons (other than non-resident individuals) is currently 17 per cent. The applicable rate for non-resident individuals is currently 24 per cent. However, if the payment is derived by a person not resident in Singapore otherwise than from any trade, business, profession or vocation carried on or exercised by such person in Singapore and is not effectively connected with any permanent establishment in Singapore of that person, the payment is subject to a final withholding tax of 15 per cent. The rate of 15 per cent. may be reduced by applicable tax treaties.

However, certain Singapore-sourced investment income derived by individuals from financial instruments is exempt from tax, including interest, discount income (not including discount income arising from secondary trading), early redemption fee and redemption premium from debt securities, except where such income is derived through a partnership in Singapore or is derived from the carrying on of a trade, business or profession.

Section 43H(4) of the Income Tax Act defines the term "Islamic debt securities" to mean debt securities and trust certificates (a) which are endorsed by any Shari'ah council or body, or by any committee formed for the purpose of providing guidance on compliance with Shari'ah law, and (b) the amounts payable from such securities and trust certificates are periodic and supported by a regular stream of receipts from underlying assets.

On the basis that the Sukuks are regarded as "Islamic debt securities" under Section 43H(4) of the Income Tax Act, with respect to any tranche of Sukuk issued as Islamic debt securities under this Programme (the "**Relevant Sukuk**") during the period from the date of this Offering Circular to 31 December 2028 where, pursuant to the Income Tax Act, more than half of the issue of such

Relevant Sukuk is distributed by one or more Specified Licensed Entities (as defined below), such Relevant Sukuk would be QDS for the purposes of the Income Tax Act, to which the following treatments shall apply

(a) subject to certain prescribed conditions having been fulfilled (including the furnishing by the Trustee, or such other person as MAS may direct, to MAS of a return on debt securities for the Relevant Sukuk in the prescribed format within such period as MAS may specify and such other particulars in connection with the Relevant Sukuk as MAS may require, and the inclusion by the Trustee in all offering documents relating to the Relevant Sukuk of a statement to the effect that where periodic distribution amount and any amount from the Relevant Sukuk is payable to, or discount income, early redemption fee or redemption premium from the Relevant Sukuk is derived by, a person who is not resident in Singapore and who carries on any operation in Singapore through a permanent establishment in Singapore, the tax exemption for qualifying debt securities shall not apply if the non-resident person acquires the Relevant Sukuk using funds from that person's operations through the Singapore permanent establishment), periodic distribution amount, discount income (not including discount income arising from secondary trading), early redemption fee and redemption premium (collectively, the "**Qualifying Income**") from the Relevant Sukuk paid by the Trustee and, derived by a holder who is not resident in Singapore and who (aa) does not have any permanent establishment in Singapore or (bb) carries on any operation in Singapore through a permanent establishment in Singapore but the funds used by that person to acquire the Relevant Sukuk are not obtained from such person's operation through a permanent establishment in Singapore, are exempt from Singapore tax;

(b) subject to certain conditions having been fulfilled (including the furnishing by the Trustee, or such other person as MAS may direct, to MAS of a return on debt securities for the Relevant Sukuk in the prescribed format within such period as MAS may specify and such other particulars in connection with the Relevant Sukuk as MAS may require), Qualifying Income from the Relevant Sukuk derived by any company or body of persons (as defined in the Income Tax Act) in Singapore is subject to income tax at a concessionary rate of 10 per cent. (except for holders of the relevant Financial Sector Incentive(s) who may be taxed at different rates); and

(c) subject to:

(i) the Trustee including in all offering documents relating to the Relevant Sukuk a statement to the effect that any person whose periodic distribution amount, any amount from the Relevant Sukuk, discount income, early redemption fee or redemption premium derived from the Relevant Sukuk is not exempt from tax shall include such income in a return of income made under the Income Tax Act; and

(ii) the furnishing by the Trustee, or such other person as MAS may direct, to MAS of a return on debt securities for the Relevant Sukuk in the prescribed format within such period as MAS may specify and such other particulars in connection with the Relevant Sukuk as MAS may require,

payments of Qualifying Income derived from the Relevant Sukuk are not subject to withholding of tax by the Trustee.

However, notwithstanding the foregoing:

(a) if during the primary launch of any tranche of the Relevant Sukuk, the Relevant Sukuk of such tranche are issued to less than four persons and 50 per cent. or more of the issue of such Relevant Sukuk is beneficially held or funded, directly or indirectly, by related parties of the Trustee, such Relevant Sukuk would not qualify as QDS; and

(b) even though a particular tranche of Relevant Sukuk are QDS, if, at any time during the tenure of such Relevant Sukuk, 50 per cent. or more of such Relevant Sukuk which are outstanding at any time during the life of their issue is beneficially held or funded, directly or indirectly, by any related party(ies) of the Trustee, Qualifying Income derived from the Relevant Sukuk held by:

(i) any related party of the Trustee; or

(ii) any other person where the funds used by such person to acquire such Relevant Sukuk are obtained, directly or indirectly, from any related party of the Trustee,

shall not be eligible for the tax exemption or concessionary rate of tax as described above.

Pursuant to the Income Tax Act, the reference to the term "**Specified Licensed Entity**" above means:

(a) a bank or merchant bank licensed under the Banking Act 1970 of Singapore;

(b) a finance company licensed under the Finance Companies Act 1967 of Singapore; or

(c) a person who holds a capital markets services licence under the SFA to carry on a business in any of the following regulated activities: advising on corporate finance or dealing in capital markets products

The term "**related party**", in relation to a person (*A*), means any other person (a) who, directly or indirectly, controls *A*, (b) who is being controlled directly or indirectly by *A*, or (c) who, together with *A*, is directly or indirectly under the control of a common person.

The terms "**early redemption fee**" and "**redemption premium**" are defined in the Income Tax Act as follows:

(a) "**early redemption fee**", in relation to debt securities, qualifying debt securities or qualifying project debt securities, means any fee payable by the issuer of the securities on the early redemption of the securities; and

(b) "**redemption premium**", in relation to debt securities, qualifying debt securities or qualifying project debt securities, means any premium payable by the issuer of the securities on the redemption of the securities upon their maturity or the early redemption of the securities.

References to "early redemption fee" and "redemption premium" in this Singapore tax disclosure have the same meaning as defined in the Income Tax Act.

Where periodic distribution amount or any amount payable from any Relevant Sukuk is payable to, or discount income, early redemption fee or redemption premium (i.e. the Qualifying Income) is derived from the Relevant Sukuk by, any person who is not resident in Singapore and who carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption available for QDS under the Income Tax Act (as mentioned above) shall not apply if such person acquires such Sukuk using the funds and profits of such person's operations through a permanent establishment in Singapore. Any person whose periodic distribution amount or any other amount payable from the Relevant Sukuk or discount income, early redemption fee, redemption premium derived from the Relevant Sukuk is not exempt from tax is required to include such income in a return of income made under the Income Tax Act.

Capital Gains

Any gains considered to be in the nature of capital made from the sale of the Sukuk will generally not be taxable in Singapore. However, any gains derived by any person from the sale of the Sukuk which are gains from any trade, business, profession or vocation carried on by that person, if accruing in or derived from Singapore, may be taxable as such gains are considered revenue in nature.

Holders of the Sukuk who apply or who are required to apply Singapore Financial Reporting Standard 39 ("**FRS 39**"), 109 ("**FRS 109**") or Singapore Financial Reporting Standard (International) 9 ("**SFRS(I) 9**") (as the case may be) may for Singapore income tax purposes be required to recognise gains or losses (not being gains or losses in the nature of capital) on the Sukuk, irrespective of disposal, in accordance with FRS 39, FRS 109 or SFRS(I) 9 (as the case may be) (as modified by the applicable provisions of Singapore income tax law). Please see the section below on "*Adoption of FRS 39, FRS 109 or SFRS(I) 9 Treatment for Singapore Income Tax Purposes*".

Adoption of FRS 39, FRS 109 or SFRS(I) 9 for Singapore Income Tax Purposes

Section 34A of the Income Tax Act provides for the tax treatment for financial instruments in accordance with FRS 39 (subject to certain exceptions and "**opt-out**" provisions) to taxpayers who are required to comply with FRS 39 for financial reporting purposes. The IRAS has also issued a circular entitled "*Income Tax Implications Arising from the Adoption of FRS 39 – Financial Instruments: Recognition and Measurement*".

FRS 109 or SFRS(I) 9 (as the case may be) is mandatorily effective for annual periods beginning on or after 1 January 2018, replacing FRS 39. Section 34AA of the Income Tax Act requires taxpayers who comply or who are required to comply with FRS 109 or SFRS(I) 9 (as the case may be) for financial reporting purposes to calculate their profit, loss or expense for Singapore income tax purposes in respect of financial instruments in accordance with FRS 109 or SFRS(I) 9 (as the case may be), subject to certain exceptions. The IRAS has also issued a circular entitled "*Income Tax: Income Tax Treatment Arising from Adoption of FRS 109 – Financial Instruments*".

Holders of the Sukuk who may be subject to the tax treatment under Sections 34A or 34AA of the Income Tax Act should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding or disposal of the Sukuk.

Estate Duty

Singapore estate duty has been abolished with respect to all deaths occurring on or after 15 February 2008.

SUBSCRIPTION AND SALE

Summary of Dealer Agreement

The Dealers have, in an amended and restated dealer agreement dated 20 December 2022 and as supplemented by a supplemental dealer agreement dated 30 September 2025 (together, the "**Dealer Agreement**"), agreed with the Trustee and Cagamas a basis upon which they or any of them may from time to time agree to purchase Sukuk. Any such agreement will extend to those matters stated under "*Form of the Sukuk*" and "*Terms and Conditions of the Sukuk*". The Trustee (failing which, Cagamas) will pay each Relevant Dealer a commission as agreed between them in respect of Sukuk subscribed by it. The Trustee (failing which, Cagamas) has agreed to reimburse the Arrangers for certain of its expenses incurred in connection with the establishment, and any future update, of the Programme and the Dealers for certain of their activities in connection with the Programme. The Trustee may also, in connection with each Series of Sukuk issued under the Programme, agree with the Relevant Dealers that private banks be paid a rebate in connection with the purchase of such Series of Sukuk by their private bank clients, which rebate may be deducted from the purchase price for the Sukuk payable by such private banks upon settlement.

The Trustee and Cagamas have jointly and severally agreed to indemnify the Dealers against certain liabilities in connection with the offer and sale of the Sukuk. The Dealer Agreement entitles the Dealers to terminate any agreement that they make to subscribe for Sukuk in certain circumstances prior to payment for such Sukuk being made to the Trustee.

The Dealers and certain of their affiliates are full service financial institutions engaged in various activities which may include securities trading, commercial and investment banking, financial advice, investment management, principal investment, hedging, financing and brokerage activities. In connection with each Series of Sukuk issued under the Programme, the Dealers or certain of their affiliates may purchase Sukuk and be allocated Sukuk for asset management and/or proprietary purposes but not with a view to distribution. Further, in the ordinary course of their business activities, the Dealers or their respective affiliates may make or hold (on their own account, on behalf of their clients or in their capacity as investment advisers) a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the account of their customers, and enter into transactions, including credit derivatives, such as asset swaps, repackaging and credit default swaps relating to such Sukuk and/or other securities of the Trustee, Cagamas or their respective subsidiaries or affiliates at the same time as the offer and sale of each Series of Sukuk or in secondary market transactions. Such transactions, investments and securities activities may involve securities and instruments of the Trustee or its subsidiaries, including Sukuk issued under the Programme and may be entered into at the same time or proximate to offers and sales of Sukuk or at other times in the secondary market and be carried out with counterparties that are also purchasers, holders or sellers of Sukuk. As a result of such transactions, a Dealer or its affiliates may hold long or short positions relating to the Sukuk. Each of the Dealers and its affiliates may also engage in investment or commercial banking and other dealings in the ordinary course of business with the Trustee or its affiliates from time to time and may receive fees and commissions for these transactions. In addition to the transactions noted above, each Dealer and its affiliates may engage in other transactions with, and perform services for, the Trustee, Cagamas or their affiliates in the ordinary course of their business. Each Dealer or its affiliates may also purchase Sukuk for asset management and/or proprietary purposes but not with a view to distribution or may hold Sukuk on behalf of clients or in the capacity of investment advisors. While each Dealer and its affiliates have policies and procedures to deal with conflicts of interests, any such transactions may cause a Dealer or its affiliates or its clients or counterparties to have economic interests and incentives which may conflict with those of an investor in the Sukuk. Each Dealer may receive returns on such transactions and has no obligation to take, refrain from taking or cease taking any action with respect to any such transactions based on the potential effect on a prospective investor in the Sukuk.

Important Notice to CMIs (including private banks)

This notice to CMIs (including private banks) is a summary of certain obligations the SFC Code imposes on CMIs, which require the attention and cooperation of other CMIs (including private banks). Certain CMIs may also be acting as OCs for the relevant CMI Offering and are subject to additional requirements under the SFC Code. The application of these obligations will depend on the role(s) undertaken by the relevant Dealer(s) in respect of each CMI Offering.

Prospective investors who are the directors, employees or major shareholders of the Trustee, Obligor, a CMI or its group companies would be considered under the SFC Code as having an Association with the Trustee, Obligor, the CMI or the relevant group company. CMIs should specifically disclose whether their investor clients have any Association when submitting orders for the relevant Sukuk. In addition, private banks should take all reasonable steps to identify whether their investor clients may have any Associations with the Trustee, Obligor or any CMI (including its group companies) and inform the relevant Dealers accordingly.

CMIs are informed that, unless otherwise notified, the marketing and investor targeting strategy for the relevant CMI Offering includes institutional investors, sovereign wealth funds, pension funds, hedge funds, family offices and high net worth individuals, in each case, subject to the selling restrictions and any EU MiFID II product governance language or any UK MiFIR product governance language set out elsewhere in this Offering Circular and/or the applicable Pricing Supplement.

CMIs should ensure that orders placed are *bona fide*, are not inflated and do not constitute duplicated orders (i.e. two or more corresponding or identical orders placed via two or more CMIs). CMIs should enquire with their investor clients regarding any orders which appear unusual or irregular. CMIs should disclose the identities of all investors when submitting orders for the relevant Sukuk (except for omnibus orders where underlying investor information may need to be provided to any OCs when submitting orders). Failure to provide underlying investor information for omnibus orders, where required to do so, may result in that order being rejected. CMIs should not place "X-orders" into the order book.

CMIs should segregate and clearly identify their own proprietary orders (and those of their group companies, including private banks as the case may be) in the order book and book messages.

CMIs (including private banks) should not offer any rebates to prospective investors or pass on any rebates provided by the Trustee or Cagamas. In addition, CMIs (including private banks) should not enter into arrangements which may result in prospective investors paying different prices for the relevant Sukuk. CMIs are informed that a private bank rebate may be payable as stated above and in the applicable Pricing Supplement, or otherwise notified to prospective investors.

The SFC Code requires that a CMI disclose complete and accurate information in a timely manner on the status of the order book and other relevant information it receives to targeted investors for them to make an informed decision. In order to do this, those Dealers in control of the order book should consider disclosing order book updates to all CMIs.

When placing an order for the relevant Sukuk, private banks should disclose, at the same time, if such order is placed other than on a "principal" basis (whereby it is deploying its own balance sheet for onward selling to investors). Private banks who do not provide such disclosure are hereby deemed to be placing their order on such a "principal" basis. Otherwise, such order may be considered to be an omnibus order pursuant to the SFC Code. Private banks should be aware that placing an order on a "principal" basis may require the relevant affiliated Dealer(s) (if any) to categorise it as a proprietary order and apply the "proprietary orders" requirements of the SFC Code to such order and will result in that private bank not being entitled to, and not being paid, any rebate.

In relation to omnibus orders, when submitting such orders, CMIs (including private banks) that are subject to the SFC Code should disclose underlying investor information in respect of each order constituting the relevant omnibus order (failure to provide such information may result in that order being rejected). Underlying investor information in relation to omnibus orders should consist of:

- The name of each underlying investor;
- A unique identification number for each investor;
- Whether an underlying investor has any "Associations" (as used in the SFC Code);
- Whether any underlying investor order is a "Proprietary Order" (as used in the SFC Code);
- Whether any underlying investor order is a duplicate order.

Underlying investor information in relation to omnibus order should be sent to the Dealer(s) named in the relevant Pricing Supplement.

To the extent information being disclosed by CMIs and investors is personal and/or confidential in nature, CMIs (including private banks) agree and warrant: (A) to take appropriate steps to safeguard the transmission of such information to any OCs; and (B) that they have obtained the necessary consents from the underlying investors to disclose such information to any OCs. By submitting an order and providing such information to any OCs, each CMI (including private banks) further warrants that they and the underlying investors have understood and consented to the collection, disclosure, use and transfer of such information by any OCs and/or any other third parties as may be required by the SFC Code, including to the Trustee, Obligor, relevant regulators and/or any other third parties as may be required by the SFC Code, for the purpose of complying with the SFC Code, during the bookbuilding process for the relevant CMI Offering. CMIs that receive such underlying investor information are reminded that such information should be used only for submitting orders in the relevant CMI Offering. The relevant Dealers may be asked to demonstrate compliance with their obligations under the SFC Code, and may request other CMIs (including private banks) to provide evidence showing compliance with the obligations above (in particular, that the necessary consents have been obtained). In such event, other CMIs (including private banks) are required to provide the relevant Dealer with such evidence within the timeline requested.

By placing an order, prospective investors (including any underlying investors in relation to omnibus orders) are deemed to represent to the Dealers that it is not a Sanctions Restricted Person. A "**Sanctions Restricted Person**" means an individual or entity (a "**Person**"): (a) that is, or is directly or indirectly owned or controlled by a Person that is, described or designated in (i) the most current "Specially Designated Nationals and Blocked Persons" list (which as of the date hereof can be found at: http://www.treasury.gov/ofac/downloads/sdnlist.pdf) or (ii) the Foreign Sanctions Evaders List (which as of the date hereof can be found at: http://www.treasury.gov/ofac/downloads/fse/fselist.pdf) or (iii) the most current "Consolidated list of persons, groups and entities subject to EU financial sanctions" (which as of the date hereof can be found at: https://data.europa.eu/data/ datasets/ consolidated-list-of-persons-groups-and-entities-subject-to-eu-financial-sanctions?locale=en); or (b) that is otherwise the subject of any sanctions administered or enforced by any Sanctions Authority, other than solely by virtue of the following (i) – (vi) to the extent that it will not result in violation of any sanctions by the CMIs: (i) their inclusion in the most current "Sectoral Sanctions Identifications" list (which as of the date hereof can be found at: https://www.treasury.gov/ofac/downloads/ssi/ ssilist.pdf) (the "**SSI List**"), (ii) their inclusion in Annexes 3, 4, 5 and 6 of Council Regulation No. 833/2014, as amended by Council Regulation No. 960/2014 (the "**EU Annexes**"), (iii) their inclusion in any other list maintained by a Sanctions Authority, with similar effect to the SSI List or the EU Annexes, (iv) them being the subject of restrictions imposed by the U.S. Department of Commerce's Bureau of Industry and Security ("**BIS**") under which BIS has restricted exports,

re-exports or transfers of certain controlled goods, technology or software to such individuals or entities; (v) them being an entity listed in the Annex to the new Executive Order of 3 June 2021 entitled "Addressing the Threat from Securities Investments that Finance Certain Companies of the People's Republic of China" (known as the Non-SDN Chinese Military- Industrial Complex Companies List), which amends the Executive Order 13959 of 12 November 2020 entitled "Addressing the threat from Securities Investments that Finance Chinese Military Companies"; or (vi) them being subject to restrictions imposed on the operation of an online service, Internet application or other information or communication services in the United States directed at preventing a foreign government from accessing the data of U.S. persons; or (c) that is located, organised or a resident in a comprehensively sanctioned country or territory, including Cuba, Iran, North Korea, Russia and the Crimea and other non-government controlled areas of Ukraine. "**Sanctions Authority**" means: (a) the United Nations; (b) the United States; (c) the European Union (or any of its member states); (d) the United Kingdom; (e) the People's Republic of China; (f) any other equivalent governmental or regulatory authority, institution or agency which administers economic, financial or trade sanctions; and (g) the respective governmental institutions and agencies of any of the foregoing including, without limitation, the Office of Foreign Assets Control of the U.S. Department of the Treasury, the United States Department of State, the United States Department of Commerce and His Majesty's Treasury.

Selling Restrictions

United States of America

The Sukuk have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

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

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that, except as permitted by the Dealer Agreement, it will not offer, sell or deliver Sukuk, (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of the Sukuk comprising the relevant Tranche within the United States or to, or for the account or benefit of, U.S. persons, and such Dealer will have sent to each dealer to which it sells Sukuk during the distribution compliance period relating thereto a confirmation or other notice setting forth the restrictions on offers and sales of the Sukuk within the United States or to, or for the account or benefit of, U.S. persons.

In addition, until 40 days after the commencement of the offering of Sukuk comprising any Tranche, any offer or sale of Sukuk within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

Prohibition of Sales to EEA Retail Investors

If the Pricing Supplement in respect of any Sukuk includes a legend entitled "Prohibition of Sales to EEA Retail Investors", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Sukuk which are the subject of the offering contemplated by this Offering Circular as completed by the Pricing Supplement in relation

thereto to any retail investor in the European Economic Area. For the purposes of this provision the expression "**retail investor**" means a person who is one (or more) of the following:

(i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**EU MiFID II**"); or

(ii) a customer within the meaning of Directive (EU) 2016/97 ("**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of EU MiFID II.

If the Pricing Supplement in respect of any Sukuk does not include a legend entitled "Prohibition of Sales to EEA Retail Investors", in relation to each Member State of the European Economic Area, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Sukuk which are the subject of the offering contemplated by this Offering Circular as completed by the Pricing Supplement in relation thereto to the public in that Member State except that it may make an offer of such Sukuk to the public in that Member State:

(a) *Qualified investors*: at any time to any legal entity which is a qualified investor as defined in the EU Prospectus Regulation;

(b) *Fewer than 150 offerees:* at any time to fewer than 150, natural or legal persons (other than qualified investors as defined in the EU Prospectus Regulation), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Trustee for any such offer; or

(c) *Other exempt offers:* at any time in any other circumstances falling within Article 1(4) of the EU Prospectus Regulation.

provided that no such offer of Sukuk referred to in (a) to (c) above shall require the Trustee or any Dealer to publish a prospectus pursuant to Article 3 of the EU Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the EU Prospectus Regulation.

For the purposes of this provision, the expression an "**offer of Sukuk to the public**" in relation to any Sukuk in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Sukuk to be offered so as to enable an investor to decide to purchase or subscribe for the Sukuk and the expression "**EU Prospectus Regulation**" means Regulation (EU) 2017/1129.

United Kingdom

Prohibition of Sales to UK Retail Investors

If the Pricing Supplement in respect of any Sukuk incudes the legend "Prohibition of Sales to UK Retail Investors", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Sukuk which are the subject of the offering contemplated by this Offering Circular as completed by the Pricing Supplement in relation thereto to any retail investor in the United Kingdom. For the purposes of this provision:

(a) the expression "**retail investor**" means a person who is one (or more) of the following:

(i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("EUWA"); or

(ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA.

If the Pricing Supplement in respect of any Sukuk does not include the legend "Prohibition of Sales to UK Retail Investors", each Dealer has represented and agreed that it has not made and will not make an offer of Sukuk which are the subject of the offering contemplated by this Prospectus as completed by the Pricing Supplement in relation thereto to the public in the United Kingdom except that it may make an offer of such Sukuk to the public in the United Kingdom:

(A) at any time to any legal entity which is a qualified investor as defined in Article 2 of the UK Prospectus Regulation;

(B) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in Article 2 of the UK Prospectus Regulation) in the United Kingdom subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Trustee for any such offer; or

(C) at any time in any other circumstances falling within section 86 of the FSMA,

provided that no such offer of Sukuk referred to in (A) to (C) above shall require the Trustee or any Dealer to publish a prospectus pursuant to section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision, the expression an "**offer of Sukuk to the public**" in relation to any Sukuk means the communication in any form and by any means of sufficient information on the terms of the offer and the Sukuk to be offered so as to enable an investor to decide to purchase or subscribe for the Sukuk and the expression "**UK Prospectus Regulation**" means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA.

Other regulatory restrictions

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

(a) *No deposit-taking*: in relation to any Sukuk having a maturity of less than one year:

(i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and

(ii) it has not offered or sold and will not offer or sell any Sukuk other than to persons:

(A) whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses; or

(B) who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or as agent) for the purposes of their businesses,

where the issue of the Sukuk would otherwise constitute a contravention of Section 19 of the FSMA by the Trustee;

(b) *Financial promotion*: it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Sukuk in circumstances in which section 21(1) of the FSMA does not apply to the Trustee or Cagamas; and

(c) *General compliance*: it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Sukuk in, from or otherwise involving the United Kingdom.

Japan

The Sukuk have not been and will not be registered under Article 4, paragraph 1 of the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948), as amended (the "**FIEA**"). Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Sukuk in Japan or to, or for the benefit of, a resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident in Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and other relevant laws and regulations of Japan.

Malaysia

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Offering Circular has not been registered as a prospectus with the SC under the CMSA. Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that the Sukuk have not been and will not be offered for subscription or sale, sold, transferred or otherwise disposed of, directly or indirectly, nor may any document or other material in connection therewith be distributed in Malaysia, other than to the persons, or other than in relation to an offer or invitation, falling within paragraph 1(a), (b) or (d) of Part I of Schedule 5 of the CMSA and Schedule 6 and Schedule 7 of the CMSA, respectively, read together with Schedule 9 (or Section 257(3)) of the CMSA at issuance, and after issuance, paragraph 1(a), (b) or (d) of Part I of Schedule 5 of the CMSA and Schedule 6 (or Section 229(1)(b)) of the CMSA, read together with Schedule 9 (or Section 257(3)) of the CMSA, subject to any law, order, regulation or official directive of BNM, SC and/or any other regulatory authority from time to time. The issuance of, offer for subscription or purchase of or invitation to subscribe for the Sukuk would also fall within paragraph 12, Schedule 8 (or Section 257(1)) of the CMSA, on the basis that the Programme has received an international rating of A3 from Moody's Investors Services Singapore Pte. Ltd. Prospective investors should note that residents of Malaysia may be required to obtain regulatory approvals including approval from the BNM to purchase the Sukuk. The onus is on the residents of Malaysia concerned to obtain such regulatory approvals and none of the Dealers or the Trustee or Cagamas is responsible for any invitation, offer, sale or purchase of the Sukuk as aforesaid without the necessary approvals being in place.

In addition, no approval from the LFSA has been or will be obtained for the offering of the Sukuk on the basis that the offer to purchase or invitation to subscribe for the Sukuk will fall within the category of excluded offer or invitation set out in section 8(5) of the LFSSA. The Offering Circular has not been nor will it be registered with the LFSA on the basis that any offer to purchase or invitation to subscribe for the Sukuk will be an excluded offer or invitation for the purposes of the LFSSA.

Singapore

Unless the Pricing Supplement in respect of any Sukuk specifies "Singapore Sales to Institutional Investors and Accredited Investors only" as "Not Applicable", each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented and agreed, and each future Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold any Sukuk or caused the Sukuk to be made the subject of an invitation for subscription or purchase and will not offer or sell any Sukuk or cause the Sukuk to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of any Sukuk, whether directly or indirectly, to any person in Singapore other than (a) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the "**SFA**")) pursuant to Section 274 of the SFA or (b) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA.

If the Pricing Supplement in respect of any Sukuk specifies "Singapore Sales to Institutional Investors and Accredited Investors only" as "Not Applicable", each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented and agreed, and each future Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold any Sukuk or caused the Sukuk to be made the subject of an invitation for subscription or purchase and will not offer or sell any Sukuk or cause the Sukuk to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of any Sukuk, whether directly or indirectly, to any person in Singapore other than: (a) to an institutional investor (as defined in Section 4A of the SFA) under Section 274 of the SFA, (b) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1), or to any person pursuant to Section 275(1A), of the SFA and in accordance with the conditions specified in Section 275 of the SFA or (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Hong Kong

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

(a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Sukuk except for Sukuk that are "structured products" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "**SFO**") other than (i) to "professional investors" defined in the SFO and any rules made under the SFO; or (ii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding-Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the "**C(WUMP)O**") or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and

(b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Sukuk, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to Sukuk which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the SFO and any rules made under the SFO.

PRC

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that the Sukuk may not be offered or sold directly or indirectly in the People's Republic of China (the "**PRC**") (which, for the sole purpose herein, does not include Hong Kong, Macau or Taiwan). This Offering Circular, the Sukuk and any material or information contained or incorporated by reference herein relating to the Sukuk have not been, and will not be, submitted to or approved/verified by or registered with the China Securities Regulatory Commission ("**CSRC**") or other relevant governmental and regulatory authorities in the PRC pursuant to relevant laws and regulations and thus may not be supplied to the public in the PRC or used in connection with any offer for the subscription or sale of the Sukuk in the PRC. Neither this Offering Circular nor any material or information contained or incorporated by reference herein relating to the Sukuk constitutes an offer to sell or the solicitation of an offer to buy any securities in the PRC.

The Sukuk may only be invested by PRC investors that are authorised to engage in the investment in the Sukuk of the type being offered or sold. PRC investors are responsible for informing themselves about and observing all legal and regulatory restrictions, obtaining all relevant government regulatory approvals/licenses, verification and/or registrations themselves, including, but not limited to, any which may be required from the People's Bank of China, the State Administration of Foreign Exchange, CSRC, the National Financial Regulatory Administration and other relevant regulatory bodies or successors of the aforementioned regulatory bodies, and complying with all relevant PRC regulations, including, but not limited to, all relevant foreign exchange regulations and/or overseas investment regulations.

United Arab Emirates (excluding the Abu Dhabi Global Market and the Dubai International Financial Centre)

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that the Sukuk to be issued under the Programme have not been and will not be offered, sold or publicly promoted or advertised by it in the United Arab Emirates (the "**UAE**") (excluding the Abu Dhabi Global Market and the Dubai International Financial Centre) other than in compliance with any laws applicable in the UAE (excluding the Abu Dhabi Global Market and the Dubai International Financial Centre) governing the issue, offering or sale of securities.

Dubai International Financial Centre

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered and will not offer the Sukuk to be issued under the Programme to any person in the Dubai International Financial Centre unless such offer is:

(a) an "**Exempt Offer**" in accordance with the Markets Rules (MKT) Module of the Dubai Financial Services Authority (the **"DFSA**") Rulebook; and

(b) made only to persons who meet the Professional Client criteria set out in Rule 2.3.3 of the DFSA Conduct of Business Module of the DFSA Rulebook.

Abu Dhabi Global Market

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered and will not offer the Sukuk to any person in the Abu Dhabi Global Market unless such offer is:

(a) an "**Exempt Offer**" in accordance with the Markets Rulebook of the Financial Services Regulatory Authority (the "**FSRA**");

(b) made only to persons who meet the Professional Client criteria set out in Rule 2.4.1 of the Conduct of Business Rulebook of the FSRA rulebook; and

(c) made only in circumstances in which the "Financial Promotion Restriction" set out in section 18(1) of the Financial Services and Markets Regulations 2015 does not apply.

Kingdom of Saudi Arabia

No action has been or will be taken in the Kingdom of Saudi Arabia that would permit a public offering of the Sukuk. Any investor in the Kingdom of Saudi Arabia or who is a Saudi person (a "**Saudi Investor**") who acquires any Sukuk pursuant to an offering should note that the offer of Sukuk is a private placement under the "Rules on the Offer of Securities and Continuing Obligations" as issued by the Board of the Capital Market Authority of the Kingdom of Saudi Arabia (the "**CMA**") resolution number 3-123-2017 dated 09/04/1439H (corresponding to 27 December 2017), as 1-53-2025 dated 21/11/1146H (corresponding to 19 May 2025), as amended from time to time (the "**KSA Regulations**"), made through a capital market institution licensed to carry out arranging activities by the CMA in each case in accordance with the KSA Regulations.

The Sukuk may thus not be advertised, offered or sold to any person in the Kingdom of Saudi Arabia other than to "institutional and qualified clients" under Article 8(a)(1) of the KSA Regulations or by way of a limited offer under Article 9 of the KSA Regulations or, as otherwise required or permitted by, the KSA Regulations. Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that any offer of Sukuk made by it to a Saudi Investor will be made in compliance with Article 10 and either Article 8(a)(1) or Article 9 of the KSA Regulations.

Each offer of Certificates shall not therefore constitute a "public offer", an "exempt offer" or a "parallel market offer" pursuant to the KSA Regulations, but is subject to the restrictions on secondary market activity under Article 14 of the KSA Regulations.

Kingdom of Bahrain

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold, and will not offer or sell, any Sukuk except on a private placement basis, to persons in the Kingdom of Bahrain who are "accredited investors".

For this purpose, an "**accredited investor**" means:

(a) an individual who has a minimum net worth (either singly or jointly with their spouse) of U.S.$1,000,000 (excluding that person's principal place of residence);

(b) a company, partnership, trust or other commercial undertaking which has financial assets available for investment of not less than U.S.$1,000,000;

(c) a government, supranational organisation, central bank or other national monetary authority or a state organisation whose main activity is to invest in financial instruments (such as a state pension fund); or

(d) any other entity which is an "accredited investor" as defined in the Central Bank of Bahrain Rulebook.

State of Qatar (including the Qatar Financial Centre)

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, delivered or sold, and will not offer, sell or deliver at any time, directly or indirectly, any Sukuk in the State of Qatar (including the Qatar Financial Centre), except: (i) in compliance with all applicable laws and regulations of the State of Qatar (including the Qatar Financial Centre); and (ii) through persons or corporate entities authorised and licensed to provide investment advice and/or engage in brokerage activity and/or trade in respect of foreign securities in the State of Qatar (including the Qatar Financial Centre).

Each Dealer acknowledges that this Offering Circular: (i) has not been filed with, reviewed or approved by the Qatar Financial Markets Authority, the Qatar Central Bank or the Qatar Financial Centre Regulatory Authority or any other relevant Qatar governmental body or securities exchange; (ii) is intended for the original recipient only and must not be provided to any other person; and (iii) is not for general circulation in the State of Qatar (including the Qatar Financial Centre) and may not be reproduced or used for any other purpose.

General

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has complied and will comply with all applicable laws and regulations in each country or jurisdiction in or from which it purchases, offers, sells or delivers Sukuk or possesses, distributes or publishes this Offering Circular or any Pricing Supplement or any related offering material, in all cases at its own expense. Other persons into whose hands this Offering Circular or any Pricing Supplement comes are required by the Trustee, Cagamas and the Dealers to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Sukuk or possess, distribute or publish this Offering Circular or any Pricing Supplement or any related offering material, in all cases at their own expense.

The Dealer Agreement provides that the Dealers shall not be bound by any of the restrictions relating to any specific jurisdiction (set out above) to the extent that such restrictions shall, as a result of change(s) or change(s) in official interpretation, after the date hereof, of applicable laws and regulations, no longer be applicable but without prejudice to the obligations of the Dealers described in the paragraph headed "*General*" above.

Selling restrictions may be supplemented or modified with the agreement of the Trustee. Any such supplement or modification may be set out in the relevant Pricing Supplement (in the case of a supplement or modification relevant only to a particular Tranche of Sukuk) or in a supplement to this Offering Circular.

None of the Trustee, Cagamas or the Dealers represents that Sukuk may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

No representation is made that any action has been taken in any jurisdiction that would permit a public offering of any of the Sukuk, or possession or distribution of this Offering Circular or any other offering material or any Pricing Supplement, in any country or jurisdiction where action for that purpose is required.

The Dealers and certain of their affiliates have performed certain commercial banking, investment banking and advisory services for the Trustee, Cagamas and/or their respective affiliates from time to time, for which they have received customary fees and expenses and may, from time to time, engage in transactions with and perform such or other services for the Trustee, Cagamas and/or their respective affiliates in the ordinary course of their business.

GENERAL INFORMATION

1. Listing

Approval-in-principle has been received from the Labuan International Financial Exchange Inc. (the "**LFX**") for the listing of the Sukuk issued under the Programme and approval-in-principle has been received from the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for permission to deal in, list and for the quotation of any Sukuk that may be issued under the Programme and that are agreed at or prior to the time of issue thereof to be so listed on the LFX and the SGX-ST. Such permission will be granted when the Programme or such Sukuk have been admitted to listing on the LFX and the Official List of the SGX-ST. There is no assurance that an application for the listing of the Sukuk on the Official List of the SGX-ST will be approved. The SGX-ST and the LFX take no responsibility for the correctness of any of the statements made or opinions expressed or reports contained herein or the contents of this Offering Circular, make no representations as to its accuracy of completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon any part of the contents of this Offering Circular. The approval-in-principle for the listing and quotation of any Sukuk to be issued pursuant to the Programme, and the admission of any Sukuk to the LFX and the Official List of the SGX-ST is not to be taken as an indication of the merits of the Trustee, Cagamas, the Programme or the Sukuk.

The applicable Pricing Supplement in respect of any Series will specify whether or not such Sukuk will be listed and, if so, on which exchange(s) the Sukuk are to be listed. For so long as any Sukuk are listed on the SGX-ST and the rules of the SGX-ST so require, the Sukuk will trade on the SGX-ST in a minimum board lot size of S$200,000 (or its equivalent in other currencies).

So long as the Sukuk are listed on the SGX-ST and the rules of the SGX-ST so require, the Trustee is to appoint and maintain a paying agent in Singapore, where the Sukuk may be presented or surrendered for payment or redemption, in the event that the Global Certificate(s) representing such Sukuk are exchanged for definitive form. In addition, if such event occurs, an announcement of such exchange will be made through the SGX-ST and such announcement shall include all material information with respect to the delivery of the definitive Sukuk, including details of the paying agent in Singapore.

2. Authorisation

The establishment of the Programme, the issue of the Sukuk and the updates of the Programme thereunder were authorised (i) by a resolution of the board of directors of the Trustee passed on 25 June 2014 and (ii) by a resolution of the board of directors of Cagamas passed on 26 May 2014. Each of the Trustee and Cagamas has obtained or will obtain from time to time all necessary consents, approvals and authorisations in connection with the issue and performance of the Sukuk.

3. Legal and Arbitration Proceedings

None of the Trustee, Cagamas and any other member of the Group is or has been involved in any governmental, legal or arbitration proceedings, (including any such proceedings which are pending or threatened, of which the Trustee or Cagamas is aware), which may have, or have had during the 12 months prior to the date of this Offering Circular, a significant effect on the financial position or profitability of the Trustee, Cagamas or the Group.

4. Significant/Material Change

Since 31 December 2024, there has been no material adverse change in the financial position or prospects or any significant change in the financial or trading position of the Trustee, Cagamas and the Group.

5. Auditors

Ernst & Young PLT, Cagamas' independent auditors, have audited, and rendered an unqualified audit report on, the financial statements of Cagamas as at and for the year ended 31 December 2024.

6. Documents on Display

Copies of the following documents may be inspected during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) at the Specified Offices of the Trustee and the Principal Paying Agent for so long as the Sukuk are capable of being issued under the Programme:

(i) the memorandum and articles of association of the Trustee and Cagamas;

(ii) the audited financial statements of Cagamas for the financial years ended 31 December 2024 and 31 December 2023;

(iii) the unaudited and unreviewed financial statements of Cagamas for the six months ended 30 June 2025;

(iv) copies of the latest annual consolidated financial statements, and any consolidated interim financial statements (whether audited or unaudited) published subsequently to such audited annual financial statements, of the Trustee or Cagamas;

(v) each Pricing Supplement (save that a Pricing Supplement relating to a Sukuk which is neither admitted to trading on a regulated market within the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Regulation) will only be available for inspection by a holder of such Sukuk and such holder must produce evidence satisfactory to the Trustee and the Principal Paying Agent as to its holding of Sukuk and identity;

(vi) a copy of this Offering Circular, together with any supplement to this Offering Circular; and

(vii) each Transaction Document.

7. Clearing of the Sukuk

The Sukuk may be accepted for clearance through Euroclear and Clearstream and the CMU, CDP and/or any relevant Alternative Clearing System. The appropriate common code and the International Securities Identification Number in relation to the Sukuk of each Series will be specified in the applicable Pricing Supplement. The applicable Pricing Supplement shall specify any other clearing system as shall have accepted the relevant Sukuk for clearance together with any further appropriate information.

8. Conflict of Interest Situations

(i) ***CIMB***

As at the date hereof and after making enquiries as were reasonable in the circumstances, CIMB is not aware of any circumstances that would give rise to a conflict-of-interest in its capacity as, amongst others, Joint Principal Adviser, Arranger and Dealer in relation to the Programme, other than as highlighted below.

The Trustee is wholly-owned by the Obligor which is, in turn, a wholly-owned subsidiary of Cagamas Holdings. CIMB Bank Berhad ("**CIMB Bank**") holds 16.5% of the shareholding in Cagamas Holdings as of the date hereof. In addition, as of the date hereof, Dato' Lee Kok Kwan is a non- independent non-executive director on the Board of Directors of Cagamas Holdings. He is also the non-independent director of CIMB, CIMB Bank and CIMB Group Holdings Berhad.

CIMB and CIMB Bank are subsidiaries of CIMB Group Holdings Berhad.

CIMB has considered the factors involved and it believes that objectivity and independence in carrying out its role as Joint Principal Adviser, Arranger and Dealer in relation to the Programme, have been and will be maintained at all times for the following reasons:

(a) CIMB is a licensed investment bank and its appointment as Joint Principal Adviser, Arranger and Dealer in relation to the Programme is in the ordinary course of its business;

(b) the roles of CIMB will be governed by the relevant agreements and documentations which shall clearly set out the rights, duties and responsibilities of CIMB in its capacity as Joint Principal Adviser, Arranger and Dealer in relation to the Programme and shall be carried out on an arms-length basis; and

(c) the conduct of CIMB is regulated strictly by the Financial Services Act 2013 (the "**FSA**") and the CMSA and by its own internal controls and checks.

The Board has been informed and is fully aware of the above. Notwithstanding the above, the Board is agreeable to proceed with the implementation of the Programme based on the present arrangement and terms.

(ii) ***CIMB Islamic***

As at the date hereof and after making enquiries as were reasonable in the circumstances, CIMB Islamic is not aware of any circumstances that would give rise to a conflict-of-interest in its capacity as Joint Shariah Adviser in relation to the Programme, other than as highlighted below.

The Trustee is wholly-owned by the Obligor, which is in turn, wholly-owned by Cagamas Holdings. CIMB Bank holds 16.5% of the shareholding in the Obligor as at the date hereof. In addition, as of the date hereof, Dato' Lee Kok Kwan is a non-independent non-executive director on the Board of Directors of Cagamas Holdings. He is also the non-independent director of CIMB Group Holdings Berhad and CIMB Bank.

CIMB Islamic is wholly-owned by CIMB Bank. CIMB Islamic and CIMB Bank are subsidiaries of CIMB Group Holdings Berhad.

CIMB Islamic has considered the factors involved and it believes that objectivity and independence in carrying out its role as Joint Shariah Adviser in relation to the Programme, have been and will be maintained at all times for the following reasons:

(a) CIMB Islamic is a licensed Islamic bank and its appointment as Joint Shariah Adviser in relation to the Programme is in the ordinary course of its business;

(b) the roles of CIMB Islamic will be governed by the relevant agreements and documentations which shall clearly set out the rights, duties and responsibilities of CIMB Islamic in its capacity as Joint Shariah Adviser in relation to the Programme and shall be carried out on an arms-length basis; and

(c) the conduct of CIMB Islamic is regulated strictly by the Islamic Financial Services Act ("**IFSA**") and by its own internal controls and checks.

The Board has been informed and is fully aware of the above. Notwithstanding the above, the Board is agreeable to proceed with the implementation of the Programme based on the present arrangement and terms.

(iii) ***HSBC***

The Trustee is wholly-owned by the Obligor which, in turn, is a wholly-owned subsidiary of Cagamas Holdings. HSBC Bank Malaysia Berhad ("**HSBC Bank**") holds 4.1% of the shareholding in Cagamas Holdings as of the date hereof. In addition, Ms. Ho Chai Huey is an independent non-executive director on the Board. She is also the independent non-executive director of HSBC.

HSBC is wholly-owned by HSBC Bank.

As at the date hereof and after making enquiries as were reasonable in the circumstances, HSBC is not aware of any circumstances that would give rise to a conflict-of-interest in its capacity as, amongst others, Joint Principal Adviser, Arranger and Joint Shariah Adviser in relation to the Programme.

HSBC has considered the factors involved and it believes that objectivity and independence in carrying out its roles as Joint Principal Adviser, Arranger and Joint Shariah Adviser in relation to the Programme, have been and will be maintained at all times for the following reasons:

(a) HSBC is a licensed Islamic bank and its appointment as, amongst others, Joint Principal Adviser, Arranger and Joint Shariah Adviser in relation to the Programme is in the ordinary course of its business;

(b) the roles of HSBC will be governed by the relevant agreements and documentations which shall clearly set out the rights, duties and responsibilities of HSBC in its capacity as, amongst others, Joint Principal Adviser, Arranger and Joint Shariah Adviser in relation to the Programme and shall be carried out on an arms-length basis; and

(c) the conduct of HSBC is regulated strictly by the IFSA and the CMSA and by its own internal controls and checks.

The Board has been informed and is fully aware of the above. Notwithstanding the above, the Board is agreeable to proceed with the implementation of the Programme based on the present arrangement and terms.

(iv) ***HSBC Limited***

The Trustee is wholly-owned by the Obligor which, in turn, is a wholly-owned subsidiary of Cagamas Holdings. HSBC Bank holds 4.1% of the shareholding in Cagamas Holdings as of the date hereof.

HSBC Bank is wholly-owned by HSBC Limited.

As at the date hereof and after making enquiries as were reasonable in the circumstances, HSBC Limited is not aware of any circumstances that would give rise to a

conflict-of-interest in its capacity as, amongst others, Dealer, the Delegate, the Transfer Agent, the Registrar, the Principal Paying Agent, the Calculation Agent, the Paying Agent, the CMU Lodging and Paying Agent, the CDP Lodging and Paying Agent and the Principal Paying Agent in relation to the Programme.

HSBC Limited has considered the factors involved and it believes that objectivity and independence in carrying out its role as Dealer, the Delegate, the Transfer Agent, the Registrar, the Principal Paying Agent, the Calculation Agent, the Paying Agent, the CMU Lodging and Paying Agent, the CDP Lodging and Paying Agent and the Principal Paying Agent in relation to the Programme, have been and will be maintained at all times for the following reasons:

(a) HSBC Limited is a licensed bank and its appointment as Dealer, the Delegate, the Transfer Agent, the Registrar, the Principal Paying Agent, the Calculation Agent, the Paying Agent, the CMU Lodging and Paying Agent, the CDP Lodging and Paying Agent and the Principal Paying Agent in relation to the Programme is in the ordinary course of its business;

(b) the role of HSBC Limited will be governed by the relevant agreements and documentations which shall clearly set out the rights, duties and responsibilities of HSBC Limited in its capacity as Dealer, the Delegate, the Transfer Agent, the Registrar, the Principal Paying Agent, the Calculation Agent, the Paying Agent, the CMU Lodging and Paying Agent, the CDP Lodging and Paying Agent and the Principal Paying Agent in relation to the Programme and shall be carried out on an arms-length basis; and

(c) the conduct of HSBC Limited is regulated strictly by the HKMA and by its own internal controls and checks.

The Board has been informed and is fully aware of the above. Notwithstanding the above, the Board is agreeable to proceed with the implementation of the Programme based on the present arrangement and terms.

(v) ***RHB***

The Trustee is wholly-owned by the Obligor which, in turn, is a wholly-owned subsidiary of Cagamas Holdings. RHB and RHB Bank Berhad collectively hold 8.6% of the shareholding in Cagamas Holdings as of the date hereof.

RHB is wholly-owned by RHB Bank Berhad.

As at the date hereof and after making enquiries as were reasonable in the circumstances, RHB is not aware of any circumstances that would give rise to a conflict-of-interest in its capacity as, amongst others, Arranger and Dealer in relation to the Programme.

RHB has considered the factors involved and it believes that objectivity and independence in carrying out its roles as Arranger and Dealer in relation to the Programme, have been and will be maintained at all times for the following reasons:

(a) RHB is a licensed investment bank and its appointment as, amongst others, Arranger and Dealer in relation to the Programme is in the ordinary course of its business;

(b) the roles of RHB will be governed by the relevant agreements and documentations which shall clearly set out the rights, duties and responsibilities of RHB in its capacity as, amongst others, Arranger and Dealer in relation to the Programme and shall be carried out on an arms-length basis; and

(c) the conduct of RHB is regulated strictly by the FSA and the CMSA and by its own internal controls and checks.

The Board has been informed and is fully aware of the above. Notwithstanding the above, the Board is agreeable to proceed with the implementation of the Programme based on the present arrangement and terms.

(vi) ***SCB***

The Trustee is wholly-owned by the Obligor which, in turn, is a wholly-owned subsidiary of Cagamas Holdings. Standard Chartered Bank Malaysia Berhad ("**SCB Malaysia**") holds 3.1% of the shareholding in Cagamas Holdings as of the date hereof.

SCB Malaysia and SCB are ultimately wholly-owned by Standard Chartered PLC.

As at the date hereof and after making enquiries as were reasonable in the circumstances, SCB is not aware of any circumstances that would give rise to a conflict-of-interest in its capacity as, amongst others, Arranger and Dealer in relation to the Programme.

SCB has considered the factors involved and it believes that objectivity and independence in carrying out its roles as Arranger and Dealer in relation to the Programme, have been and will be maintained at all times for the following reasons:

(a) SCB is a licensed bank and its appointment as, amongst others, Arranger and Dealer in relation to the Programme is in the ordinary course of its business;

(b) The roles of SCB will be governed by the relevant agreements and documentations which shall clearly set out the rights, duties and responsibilities of SCB in its capacity as, amongst others, Arranger and Dealer in relation to the Programme and shall be carried out on an arms-length basis; and

(c) SCB is a firm authorised by Prudential Regulation Authority of the United Kingdom and regulated by the Financial Conduct Authority and the Prudential Regulation Authority of the United Kingdom and also by its own internal controls and checks.

The Board has been informed and is fully aware of the above. Notwithstanding the above, the Board is agreeable to proceed with the implementation of the Programme based on the present arrangement and terms.

(vii) ***AmInvestment Bank***

The Trustee is wholly-owned by the Obligor which is, in turn, a wholly-owned subsidiary of Cagamas Holdings. AmBank (M) Berhad ("**AmBank**") holds 8.0% of the shareholding in Cagamas Holdings as of the date hereof.

AmInvestment Bank, AmBank and AmIslamic Bank Berhad ("**AmBank Islamic**") are entities within the same group of companies which is the AmBank group of companies.

As at the date hereof and after making enquiries as were reasonable in the circumstances, AmInvestment Bank is not aware of any circumstances that would give rise to a conflict-of-interest and/or potential conflict-of-interest in its capacity as a Dealer in relation to the Programme.

AmInvestment Bank has considered the factors involved and it believes that objectivity and independence in carrying out its roles as a Dealer in relation to the Programme, have been and will be maintained at all times throughout the tenure of the Programme for the following reasons:

(a) AmInvestment Bank is a licensed investment bank regulated by various government authorities and agencies including BNM under, *inter alia*, the FSA and the SC under, *inter alia*, the CMSA and its appointment as a Dealer in relation to the Programme is in the ordinary course of its business;

(b) AmInvestment Bank is also governed by its own internal controls and checks and balances with AmInvestment Bank's employees being competent and skilled to carry out in a professional manner and in the best interest of its clients, the functions required of the role of a Dealer;

(c) AmInvestment Bank's Dealer role will be governed by relevant agreements and documentation which shall clearly set out the rights, duties and responsibilities of AmInvestment Bank in its capacity as a Dealer in relation to the Programme and such agreements and documentation shall be entered into on an arms' length basis; and

(d) the conduct of AmBank and AmBank Islamic are regulated strictly by the FSA and the IFSA respectively and by their own internal controls and checks and balances.

The Board has been informed and is fully aware of the above. Notwithstanding the above, the Board is agreeable to proceed with the implementation of the Programme based on the present arrangement and terms.

(viii) ***DB***

The Trustee is wholly-owned by the Obligor which is, in turn, a wholly-owned subsidiary of Cagamas Holdings. Deutsche Bank (Malaysia) Berhad holds 0.2% of the shareholding in Cagamas Holdings as of the date hereof.

DB and Deutsche Bank (Malaysia) Berhad are ultimately owned by Deutsche Bank AG.

As at the date hereof and after making enquiries as were reasonable in the circumstances, DB is not aware of any circumstances that would give rise to a conflict-of-interest in its capacity as a Dealer in relation to the Programme.

DB has considered the factors involved and it believes that objectivity and independence in carrying out its roles as a Dealer in relation to the Programme, have been and will be maintained at all times for the following reasons:

(a) DB is a licensed commercial bank and its appointment as, amongst others, Dealer in relation to the Programme is in the ordinary course of its business;

(b) the roles of DB will be governed by the relevant agreements and documentations which shall clearly set out the rights, duties and responsibilities of DB in its capacity as, amongst others, Dealer in relation to the Programme and shall be carried out on an arms-length basis; and

(c) the conduct of DB is regulated strictly by the Monetary Authority of Singapore (MAS) and by its own internal controls and checks.

The Board has been informed and is fully aware of the above. Notwithstanding the above, the Board is agreeable to proceed with the implementation of the Programme based on the present arrangement and terms.

(ix) ***Maybank***

The Trustee is wholly-owned by the Obligor which is, in turn, a wholly-owned subsidiary of Cagamas Holdings. Maybank holds 14.2% of the shareholding in Cagamas Holdings as of the date hereof. In addition, Dato' Khairussaleh Ramli is a non-executive director on the Board of Directors of Cagamas Holdings. He is currently the Group President & Chief Executive Officer and a non-independent executive director of Maybank.

As at the date hereof and after making enquiries as were reasonable in the circumstances, Maybank is not aware of any circumstances that would give rise to a conflict-of-interest in its capacity as a Dealer in relation to the Programme.

Maybank has considered the factors involved and it believes that objectivity and independence in carrying out its roles as a Dealer in relation to the Programme, have been and will be maintained at all times for the following reasons:

(a) Maybank is a licensed bank and its appointment as, amongst others, Dealer in relation to the Programme is in the ordinary course of its business;

(b) the roles of Maybank will be governed by the relevant agreements and documentations which shall clearly set out the rights, duties and responsibilities of Maybank in its capacity as, amongst others, Dealer in relation to the Programme and shall be carried out on an arms-length basis; and

(c) the conduct of Maybank is regulated strictly by the FSA and the CMSA and by its own internal controls and checks.

The Board has been informed and is fully aware of the above. Notwithstanding the above, the Board is agreeable to proceed with the implementation of the Programme based on the present arrangement and terms.

(x) ***Messrs Christopher & Lee Ong***

As at the date hereof and after making enquiries as were reasonable in the circumstances, Messrs Christopher & Lee Ong confirms that, to the best of its knowledge and belief, there is no existing or potential conflict-of-interest in its capacity as the legal counsel to the Trustee and the Obligor in relation to the Programme.

(xi) ***Messrs Adnan, Sundra & Low***

As at the date hereof and after making enquiries as were reasonable in the circumstances, Messrs Adnan, Sundra & Low confirms that, to the best of its knowledge and belief, there is no existing or potential conflict of interest in its capacity as the legal counsel to the Joint Principal Advisers, Arrangers and Dealers in relation to the Programme.

(xii) ***Allen Overy Shearman Sterling LLP***

As at the date hereof and after making enquiries as were reasonable in the circumstances, Allen Overy Shearman Sterling LLP confirms that, to the best of its knowledge and belief, there is no existing or potential conflict-of-interest in its capacity as the international legal counsel to the Trustee and Obligor in relation to the Programme.

(xiii) ***Clifford Chance Pte. Ltd.***

As at the date hereof and after making enquiries as were reasonable in the circumstances, Clifford Chance Pte Ltd confirms that, to the best of its knowledge and belief, there is no existing or potential conflict-of-interest in its capacity as the international legal counsel to the Joint Principal Advisers, Arrangers and Dealers in relation to the Programme.

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* The audited financial statements set out herein have been reproduced from the audited financial statements of Cagamas and its subsidiaries as at and for the financial years ended 31 December 2023 and 31 December 2024, including the page numbers and page references set forth in such financial statements. The audited financial statements have not been specifically prepared for inclusion in this Offering Circular.

** The unaudited condensed interim financial statements set out herein has been reproduced from the unaudited condensed interim financial statements of Cagamas and its subsidiaries as at and for the six months ended 30 June 2025, including the page numbers and page references set forth in such interim report. The unaudited condensed interim financial statements have not been specifically prepared for inclusion in this Offering Circular.

CAGAMAS BERHAD
Company No. 198601008739 (157931-A)
AND ITS SUBSIDIARY COMPANIES
(Incorporated in Malaysia)

CONDENSED INTERIM FINANCIAL STATEMENTS
30 JUNE 2025

Domiciled in Malaysia.
Registered Office:
Level 32, The Gardens North Tower,
Mid Valley City, Lingkaran Syed Putra,
59200 Kuala Lumpur.

Registration No.
198601008739 (157931 A)

CAGAMAS BERHAD
(Incorporated in Malaysia)

STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2025

	Note	Group		Company	
		30 Jun 2025 RM'000	31 Dec 2024 RM'000	30 Jun 2025 RM'000	31 Dec 2024 RM'000
ASSETS					
Cash and cash equivalents	1	346,466	61,121	346,431	61,086
Deposits and placements with financial institutions	2	106,196	433,225	106,196	433,225
Financial assets at fair value through other comprehensive income ("FVOCI")	3	3,737,422	3,527,639	3,737,422	3,527,639
Financial assets at amortised cost	4	2,286,666	2,287,035	2,286,666	2,287,035
Derivative financial assets	5	41,428	15,403	41,428	15,403
Amount due from counterparties	6	17,706,313	16,833,422	17,706,313	16,833,422
Islamic financing assets	7	24,033,456	20,666,788	24,033,456	20,666,788
Mortgage assets					
- Conventional	8	2,404,802	2,600,891	2,404,802	2,600,891
- Islamic	9	3,318,481	3,498,719	3,318,481	3,498,719
Islamic hire purchase assets	10	40	40	40	40
Reverse mortgage assets		5,178	4,172	5,178	4,172
Amount due from					
- Related company		393	370	393	370
- Subsidiaries		-	-	4,284	4,294
Other assets	11	8,905	13,689	8,899	13,667
Investment in subsidiaries		-*	-*	-*	-*
Property and equipment		10,915	8,307	10,915	8,307
Intangible assets		12,110	13,594	12,110	13,594
Right-of-use asset	12	8,276	9,163	8,276	9,163
TOTAL ASSETS		54,027,047	49,973,578	54,031,290	49,977,815
LIABILITIES					
Short-term borrowings		914,442	506,132	914,442	506,132
Derivative financial liabilities	5	77,832	80,617	77,832	80,617
Other liabilities	13	75,964	105,612	75,825	105,549
Lease liability	14	10,387	11,311	10,387	11,311
Provision for taxation		13,848	3,888	13,848	3,888
Deferred taxation		233,583	213,964	233,583	213,964
Loans from subsidiary	15	-	-	6,114,379	3,653,829
Unsecured bearer bonds and notes	16	21,642,510	21,186,219	15,528,105	17,532,365
Sukuk	17	26,138,770	23,102,061	26,138,770	23,102,061
TOTAL LIABILITIES		49,107,336	45,209,804	49,107,171	45,209,716
Share capital		150,000	150,000	150,000	150,000
Reserves		4,769,711	4,613,774	4,774,119	4,618,099
SHAREHOLDER'S FUNDS		4,919,711	4,763,774	4,924,119	4,768,099
TOTAL LIABILITIES AND SHAREHOLDER'S FUNDS		54,027,047	49,973,578	54,031,290	49,977,815
NET TANGIBLE ASSETS PER SHARE (RM)		32.72	31.67	32.75	31.70

* Denotes USD1 in Cagamas Global P.L.C. ("CGP") and RM2 in Cagamas Global Sukuk Berhad ("CGS")

The condensed interim financial statements should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 December 2024 and the accompanying explanatory notes on pages 8 to 70 attached to the condensed interim financial statements

Registration No.
198601008739 (157931 A)

CAGAMAS BERHAD
(Incorporated in Malaysia)

INCOME STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025

	Note	Group		Company	
		6 Months to 30 Jun 2025 RM'000	6 Months to 30 Jun 2024 RM'000	6 Months to 30 Jun 2025 RM'000	6 Months to 30 Jun 2024 RM'000
Interest income	18	515,333	549,463	515,333	549,463
Interest expense	19	(435,600)	(474,846)	(435,600)	(474,730)
Income from Islamic operations		114,075	99,836	114,075	99,836
Non-interest (expense)/income	20	(3,082)	5,744	(3,082)	5,744
NET OPERATING INCOME		190,726	180,197	190,726	180,313
Personnel costs		(19,113)	(15,878)	(19,113)	(15,878)
Administration and general expenses		(20,222)	(15,845)	(20,139)	(15,778)
OPERATING PROFIT		151,391	148,474	151,474	148,657
Reversal of impairment losses, net		1,697	3,169	1,697	3,169
PROFIT BEFORE TAXATION		153,088	151,643	153,171	151,826
Taxation		(36,761)	(42,622)	(36,761)	(42,622)
PROFIT FOR THE FINANCIAL PERIOD		116,327	109,021	116,410	109,204
EARNINGS PER SHARE (SEN)		77.55	72.68	77.61	72.80
DIVIDEND PER SHARE (SEN)		15.00	15.00	15.00	15.00

The condensed interim financial statements should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 December 2024 and the accompanying explanatory notes on pages 8 to 70 attached to the condensed interim financial statements

Registration No.
198601008739 (157931 A)

CAGAMAS BERHAD
(Incorporated in Malaysia)

STATEMENTS OF OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025

	Group		Company	
	6 Months to 30 Jun 2025 RM'000	6 Months to 30 Jun 2024 RM'000	6 Months to 30 Jun 2025 RM'000	6 Months to 30 Jun 2024 RM'000
Profit for the financial period	116,327	109,021	116,410	109,204
Other comprehensive income/(loss):				
Items that may be subsequently reclassified to profit or loss				
Financial assets at FVOCI				
- Net gain on fair value changes before taxation	58,579	3,833	58,579	3,833
- FVOCI ECL	(17)	(32)	(17)	(32)
- Deferred taxation	(14,059)	(920)	(14,059)	(920)
Cash flow hedge				
- Net gain/(loss) on cash flow hedge	23,167	(10,031)	23,167	(10,031)
- Deferred taxation	(5,560)	2,407	(5,560)	2,407
Other comprehensive income/(loss) for the financial period, net of taxation	62,110	(4,743)	62,110	(4,743)
Total comprehensive income for the financial period	178,437	104,278	178,520	104,461

The condensed interim financial statements should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 December 2024 and the accompanying explanatory notes on pages 8 to 70 attached to the condensed interim financial statements

Registration No.
198601008739 (157931 A)

CAGAMAS BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025

	Issued and fully paid ordinary shares of RM1 each	Non-distributable			Distributable	
Group	Share capital RM'000	Financial assets at FVOCI reserves RM'000	Cash flow hedge reserves RM'000	Regulatory reserves RM'000	Retained profits RM'000	Total equity RM'000
Balance as at 1 January 2025	150,000	460	10,383	52,798	4,550,133	4,763,774
Profit for the financial period	-	-	-	-	116,327	116,327
Other comprehensive income	-	44,503	17,607	-	-	62,110
Total comprehensive income for the financial period	-	44,503	17,607	-	116,327	178,437
Transfer to retained profits	-	-	-	(3,192)	3,192	-
Dividends paid	-	-	-	-	(22,500)	(22,500)
Balance as at 30 June 2025	150,000	44,963	27,990	49,606	4,647,152	4,919,711
Balance as at 1 January 2024	150,000	(2,152)	10,847	47,919	4,347,019	4,553,633
Profit for the financial period	-	-	-	-	109,021	109,021
Other comprehensive income/(loss)	-	2,881	(7,624)	-	-	(4,743)
Total comprehensive income/(loss) for the financial period	-	2,881	(7,624)	-	109,021	104,278
Transfer from retained profits	-	-	-	204	(204)	-
Dividends paid	-	-	-	-	(22,500)	(22,500)
Balance as at 30 June 2024	150,000	729	3,223	48,123	4,433,336	4,635,411

The condensed interim financial statements should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 December 2024 and the accompanying explanatory notes on pages 8 to 70 attached to the condensed interim financial statements

CAGAMAS BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025 (CONTINUED)

	Issued and fully paid ordinary shares of RM1 each	Non-distributable			Distributable	
Company	Share capital RM'000	Financial assets at FVOCI reserves RM'000	Cash flow hedge reserves RM'000	Regulatory reserves RM'000	Retained profits RM'000	Total equity RM'000
Balance as at 1 January 2025	150,000	460	10,383	52,798	4,554,458	4,768,099
Profit for the financial period	-	-	-	-	116,410	116,410
Other comprehensive income	-	44,503	17,607	-	-	62,110
Total comprehensive income for the financial period	-	44,503	17,607	-	116,410	178,520
Transfer to retained profits	-	-	-	(3,192)	3,192	-
Dividends paid	-	-	-	-	(22,500)	(22,500)
Balance as at 30 June 2025	150,000	44,963	27,990	49,606	4,651,560	4,924,119
Balance as at 1 January 2024	150,000	(2,152)	10,847	47,919	4,351,087	4,557,701
Profit for the financial period	-	-	-	-	109,204	109,204
Other comprehensive income/(loss)	-	2,881	(7,624)	-	-	(4,743)
Total comprehensive income/(loss) for the financial period	-	2,881	(7,624)	-	109,204	104,461
Transfer from retained profits	-	-	-	204	(204)	-
Dividends paid	-	-	-	-	(22,500)	(22,500)
Balance as at 30 June 2024	150,000	729	3,223	48,123	4,437,587	4,639,662

The condensed interim financial statements should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 December 2024 and the accompanying explanatory notes on pages 8 to 70 attached to the condensed interim financial statements

Registration No.
198601008739 (157931 A)

CAGAMAS BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025

	Group		Company	
	6 Months to 30 Jun 2025 RM'000	6 Months to 30 Jun 2024 RM'000	6 Months to 30 Jun 2025 RM'000	6 Months to 30 Jun 2024 RM'000
OPERATING ACTIVITIES				
Profit before taxation	153,088	151,643	153,171	151,826
Adjustments for non-cash items	(184,355)	(184,350)	(183,555)	(184,466)
Operating loss before working capital changes	(31,267)	(32,707)	(30,384)	(32,640)
Net changes in operating assets and liabilities	(2,113,056)	3,422,835	(2,113,939)	3,422,762
Zakat paid	(1,561)	(2,534)	(1,561)	(2,534)
Tax paid	(26,801)	(24,635)	(26,801)	(24,635)
Net cash flows (used in)/ generated from operating activities	(2,172,685)	3,362,959	(2,172,685)	3,362,953
INVESTING ACTIVITIES				
Net purchase of financial assets at FVOCI	(153,953)	(526,033)	(153,953)	(526,033)
Purchase of:				
- Property and equipment	(3,527)	(1,393)	(3,527)	(1,393)
- Intangible assets	(826)	(1,153)	(826)	(1,153)
Income received from:				
- Financial assets at FVOCI	70,703	53,671	70,703	53,671
Proceeds from disposal of PPE	12	-	12	-
Net cash flows used in investing activities	(87,591)	(474,908)	(87,591)	(474,908)
FINANCING ACTIVITIES				
Dividends paid to shareholders	(22,500)	(22,500)	(22,500)	(22,500)
Proceeds from issuance:				
- Unsecured bearer bonds and notes	4,102,752	2,833,798	1,150,417	2,590,000
- Sukuk	10,563,551	4,020,000	10,563,551	4,020,000
Proceeds from loans from subsidiary	-	-	2,952,335	243,798
Redemption of:				
- Unsecured bearer bonds and notes	(3,667,213)	(5,790,225)	(3,135,000)	(3,040,000)
- Sukuk	(7,555,000)	(2,765,000)	(7,555,000)	(2,765,000)
Repayment of loans from subsidiary	-	-	(532,213)	(2,750,225)
Interest paid	(417,624)	(502,360)	(417,624)	(502,360)
Profit paid to Sukuk holders	(457,206)	(450,454)	(457,206)	(450,454)
Lease rental paid	(1,139)	(911)	(1,139)	(911)
Net cash flows generated from/(used in) financing activities	2,545,621	(2,677,652)	2,545,621	(2,677,652)

The condensed interim financial statements should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 December 2024 and the accompanying explanatory notes on pages 8 to 70 attached to the condensed interim financial statements

CAGAMAS BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025 (CONTINUED)

	Group		Company	
	6 Months to 30 Jun 2025 RM'000	6 Months to 30 Jun 2024 RM'000	6 Months to 30 Jun 2025 RM'000	6 Months to 30 Jun 2024 RM'000
Net change in cash and cash equivalents	285,345	210,399	285,345	210,393
Cash and cash equivalents as at 1 January	61,121	180,359	61,086	180,332
Cash and cash equivalents as at 30 June	346,466	390,758	346,431	390,725

The condensed interim financial statements should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 December 2024 and the accompanying explanatory notes on pages 8 to 70 attached to the condensed interim financial statements

Explanatory notes to the Condensed Interim Financial Statements as at 30 June 2025

A1 General information

The principal activities of Cagamas Berhad ("the Company") consist of the purchases of mortgage loans, personal loans and hire purchase and leasing debts from primary lenders approved by the Company and the issuance of bonds and notes to finance these purchases. The Company also purchases Islamic financing facilities such as home financing, personal financing and hire purchase financing and funded by issuance of Sukuk. The ultimate holding company is Cagamas Holdings Berhad, a company incorporated in Malaysia. Subsidiary companies of the Company are Cagamas Global P.L.C. ("CGP") and Cagamas Global Sukuk Berhad ("CGS"):

- CGP is a conventional fund raising vehicle incorporated in Labuan. Its main principal activity is to undertake the issuance of bonds and notes in foreign currency; and
- CGS is an Islamic fund raising vehicle. Its main principal activity is to undertake the issuance of Sukuk in foreign currency.

The Company is a public limited liability company, incorporated and domiciled in Malaysia.

The address of the registered office and principal place of business is Level 32, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200, Kuala Lumpur.

The ultimate holding company is Cagamas Holdings Berhad, a company incorporated in Malaysia.

There were no significant changes in the nature of these activities of the Company and its subsidiaries ("the Group") during the financial period.

The condensed interim financial statements of the Group and the Company were approved for issue by the Board of Directors on 19 August 2025.

A2 Basis of preparation

The unaudited condensed interim financial statements for the financial period ended 30 June 2025 have been prepared under the historical cost convention except for the following assets and liabilities which are stated at fair values: financial assets at fair value through other comprehensive income ("FVOCI"), derivative financial instruments and reverse mortgage assets.

The unaudited condensed interim financial statements of the Group and the Company for the financial period 30 June 2025 have been prepared in accordance with the MFRS 134: Interim Financial Reporting ("MFRS 134") issued by the Malaysian Accounting Standards Board ("MASB") and IFRS 34: Interim Financial Reporting ("IAS 34") issued by International Accounting Standards Board ("IASB"). The unaudited condensed interim financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the audited financial statements of the Group and the Company for the financial year ended 31 December 2024. The explanatory notes attached in the unaudited condensed interim financial statements provide an explanation of events and transactions that are significant for an understanding of the changes in the financial position and performance of the Group and the Company since financial year ended 31 December 2024. The Group's and the Company's unaudited condensed interim financial statements include the financial statements of the Company and its subsidiaries.

All material accounting policy information and methods of computation applied in the unaudited condensed interim financial statements are consistent with those adopted in the most recent audited annual financial statements for the year ended 31 December 2024.

Explanatory notes to the Condensed Interim Financial Statements as at 30 June 2025 (Continued)

A3 Economic entities in the Group

Subsidiaries

The Group's financial statements consolidate the financial statements of the Company and its subsidiaries. Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Under the purchase method of accounting, subsidiaries are fully consolidated from the date on which control is transferred to the Group and are de-consolidated from the date that control ceases.

The Group has taken advantage of the exemption provided by MFRS 1, MFRS 3 and FRS 122_{2004} to apply these Standards prospectively. Accordingly, business combinations entered into prior to the respective dates have not been restated to comply with these Standards.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interest issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in the business combination are measured initially at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with MFRS 9 either in income statements or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Intragroup transactions, balances and unrealised gains in transactions between group of companies are eliminated. Unrealised losses are also eliminated but considered an impairment indicator of the assets transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The gain or loss on disposal of a subsidiary is the difference between net disposal proceeds and the Group's share of its net assets as of the date of disposal including the cumulative amount of any exchange differences that relate to the subsidiary companies and is recognised in the consolidated income statements.

A4 Amount due from counterparties and Islamic financing assets

Note A1 to the financial statements describes the principal activities of the Group and the Company, which are inter alia, the purchases of mortgage loans, personal loans and hire purchase and leasing debts. These activities are also set out in the object clauses of the Memorandum of Association of the Company.

As at the statements of financial position date, amount due from counterparties/Islamic financing assets in respect of mortgage loans, personal loans and hire purchase and leasing debts are stated at their unpaid principal balances due to the Group and the Company. Interest/profit income on amount due from counterparties/Islamic financing assets is recognised on an accrual basis and computed at the respective interest/profit rates based on monthly rest.

Explanatory notes to the Condensed Interim Financial Statements as at 30 June 2025 (Continued)

A5 Mortgage assets and hire purchase assets/Islamic mortgage assets and Islamic hire purchase assets

Mortgage assets and hire purchase assets/Islamic mortgage assets and Islamic hire purchase assets are acquired by the Group and the Company from the originators at fair values. The originator acts as a servicer and remits the principal and interest/profit income from the assets to the Group and the Company at specified intervals as agreed by both parties.

As at the statements of financial position date, mortgage assets and hire purchase assets/Islamic mortgage assets and Islamic hire purchase assets acquired are stated at their unpaid principal balances due to the Group and the Company and adjusted for unaccreted discount. Interest/Profit income on the assets is recognised on an accrual basis and computed at the respective interest/profit rates based on monthly rest. The discount arising from the difference between the purchase price and book value of the mortgage assets and hire purchase assets/Islamic mortgage assets and Islamic hire purchase assets acquired is accreted to the income statements over the term of the assets using the internal rate of return method.

A6 Reverse mortgage assets

Reverse mortgage assets introduced by the Group and the Company are a type of loan and financing which are targeted for the elderly people or retirees who own a home and allow them to convert their residential property into a fixed monthly income stream throughout their lifetime. The Group and the Company classify and measure the reverse mortgage assets as financial assets at its fair value through profit or loss ("FVTPL") as the reverse mortgage assets did not meet the criteria for amortised cost or FVOCI. The details of the measurement for financial assets at FVTPL are stated in Note A9 (c) (iii).

A7 Investment in subsidiaries

Investment in subsidiaries is shown at cost. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. Note A11 describes the Group’s and the Company’s accounting policy on impairment of assets.

A8 Property and equipment and depreciation

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight line basis to write-off the cost of the assets over their estimated useful lives, with the exception of work-in-progress which is not depreciated. Depreciation rates for each category of property and equipment are summarised as follows:

Office equipment – mobile devices	100%
Office equipment – others	20% – 25%
Furniture and fittings	10%
Motor vehicles	20%

Subsequent costs are included in the asset's carrying amount or recognised as separate assets, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statements during the financial period/year in which they are incurred.

Explanatory notes to the Condensed Interim Financial Statements as at 30 June 2025 (Continued)

A8 Property and equipment and depreciation (continued)

At each statement of financial position date, the Group and the Company assess whether there is any indication of impairment. If such indications exist, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. A write-down is made if the carrying amount exceeds the recoverable amount. See accounting policy on impairment of non-financial assets in Note A11.2.

Gains and losses on disposals are determined by comparing proceeds with carrying amounts and are included in the income statements.

A9 Financial assets

(a) Classification

The Group and the Company classify their financial assets in the following measurement categories:

- Those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss); and
- Those to be measured at amortised cost.

(b) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group and the Company commit to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group and the Company have transferred substantially all the risks and rewards of ownership.

(c) Measurement

At initial recognition, the Group and the Company measure financial assets at its fair value plus transaction costs, unless it is carried at FVTPL. Transaction costs of financial assets carried at FVTPL are expensed in income statements.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest ("SPPI")/principal and profit ("SPPP").

Debt instruments

Subsequent measurement of debt instruments depends on the Group's and the Company's business model for managing the asset and the cash flow characteristics of the asset. The Group and the Company reclassify debt investments when and only when its business model for managing those assets changes.

Explanatory notes to the Condensed Interim Financial Statements as at 30 June 2025 (Continued)

A9 Financial assets (continued)

(c) Measurement (continued)

Debt instruments (continued)

There are three measurement categories into which the Group and the Company classify their debt instruments:

(i) Amortised cost ("AC")

Cash and cash equivalents, deposits and placements with financial institutions, financial assets at amortised cost, amount due from counterparties, Islamic financing debt, mortgage assets/Islamic mortgage assets and Islamic hire purchase assets, other assets, amount due to related companies and amount due to subsidiaries that are held for collection of contractual cash flows where those cash flows represent SPPI/SPPP are measured at amortised cost. Interest/profit income from these financial assets is included in the income statements using the effective interest rate ("EIR") and effective profit rate ("EPR") method. Any gain or loss arising on derecognition is recognised directly in income statements and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the income statements.

(ii) Fair value through other comprehensive income ("FVOCI")

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent SPPI/SPPP, are measured at FVOCI. Movements in the carrying amount are taken through other comprehensive income ("OCI"), except for the recognition of impairment gains or losses, interest/profit income and foreign exchange gains and losses which are recognised in income statements. When the financial assets are derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to income statements and recognised in non-interest income/(expense).

Interest/Profit income from these financial assets is included in interest income using the EIR/EPR method. Foreign exchange gains and losses are presented in the non-interest income/(expense) and allowance/(reversal) of impairment losses are presented as separate line item in the income statements.

(iii) Fair value through profit or loss ("FVTPL")

Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. The Group and the Company may also irrevocably designate financial assets at FVTPL if doing so significantly reduces or eliminates a mismatch created by assets and liabilities being measured on different bases. Fair value changes are recognised in income statements and presented net within non-interest income/(expense) in the period which it arises.

Equity instruments

The Group and the Company subsequently measure all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to income statements following the derecognition of the investment. Dividends from such investments continue to be recognised in income statements as other income when the Group's or the Company's right to receive payments is established.

Explanatory notes to the Condensed Interim Financial Statements as at 30 June 2025 (Continued)

A10 Financial liabilities

Financial liabilities are measured at amortised cost unless it is a financial liability held for trading or designated at FVTPL. Financial liabilities are recognised at fair value plus transaction costs and are derecognised when extinguished.

(a) Financial liabilities at fair value through profit or loss

This category comprises two sub-categories: financial liabilities as held-for-trading, and financial liabilities designated at fair value through profit or loss upon initial recognition. A financial liability is classified as held-for-trading if it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term or if it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. Derivatives are categorised as held-for-trading unless they are designated as hedges. Refer for accounting policy Note A19 on hedge accounting.

(b) Borrowings measured at amortised cost

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost, any difference between initial recognised amount and the redemption value is recognised in income statements over the period of the borrowings using the EIR/EPR method. All other borrowing costs are recognised in income statements in the period in which they are incurred.

Borrowings measured at amortised cost are short-term borrowings, unsecured bearer bonds and notes and Sukuk.

Included in short-term borrowings is obligations on securities sold under repurchase agreements are securities which the Group and the Company have sold from its portfolio, with a commitment to repurchase at future dates.

(c) Other financial liabilities measured at amortised cost

Other financial liabilities are initially recognised at fair value plus transaction costs. Subsequently, other financial liabilities are re-measured at amortised cost using the EIR method.

A11 Impairment of assets

A11.1 Financial assets

The Group and the Company assess on a forward-looking basis the expected credit loss (“ECL”) associated with its debt instruments carried at amortised cost and at FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk (“SICR”). Any loss arising from the SICR will result to the carrying amount of the asset being reduced and the amount of the loss is recognised in the income statements.

The Group and the Company have the following financial assets that are subject to the ECL model:

- Amount due from counterparties and Islamic financing assets;
- Mortgage assets and hire purchase assets/Islamic mortgage assets and Islamic hire purchase assets;
- Financial assets at FVOCI;
- Financial assets at amortised cost; and
- Money market instruments.

Explanatory notes to the Condensed Interim Financial Statements as at 30 June 2025 (Continued)

A11 Impairment of assets (continued)

A11.1 Financial assets (continued)

ECL represents a probability-weighted estimate of the difference between present value of cash flows according to contract and present value of cash flows the Group and the Company expect to receive, over the remaining life of the financial instrument.

The measurement of ECL reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

Under MFRS 9, impairment model requires the recognition of ECL for all financial assets, except for financial assets classified or designated as FVTPL and equity securities classified under FVOCI, which are not subject to impairment assessment.

General approach

ECL will be assessed using an approach which classifies financial assets into three stages which reflects the changes in credit quality of the financial assets since initial recognition:

- Stage 1: 12-month ECL – not credit impaired

  For credit exposures where there has not been a SICR since initial recognition or which has low credit risk at reporting date and that are not credit impaired upon origination, the ECL associated with the probability of default events occurring within the next 12 months will be recognised.

- Stage 2: Lifetime ECL – not credit impaired

  For credit exposures where there has been a SICR since initial recognition but that are not credit impaired, the ECL associated with the probability of default events occurring within the lifetime ECL will be recognised. Unless identified at an earlier stage, all financial assets are deemed to have suffered a SICR when 30 days past due.

- Stage 3: Lifetime ECL – credit impaired

  Financial assets are assessed as credit impaired when one or more objectives evidence of defaults that have a detrimental impact on the estimated future cash flows of that asset have occurred. A lifetime ECL will be recognised for financial assets that have become credit impaired. Generally, all financial assets that are 90 days past due or more are classified under Stage 3.

Simplified approach

For all other financial instruments, a loss allowance at an amount equal to lifetime ECL is required.

Explanatory notes to the Condensed Interim Financial Statements as at 30 June 2025 (Continued)

A11 Impairment of assets (continued)

A11.1 Financial assets (continued)

Significant increase in credit risk ("SICR")

The Group and the Company consider the probability of default upon initial recognition of asset and whether there has been a SICR on an ongoing basis throughout each reporting period. To assess whether there is a SICR, the Group and the Company compare the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. The Group and the Company consider available, reasonable and supportable forward-looking information.

The following indicators are incorporated:

- internal credit rating;
- external credit rating (as far as available);
- actual or expected significant adverse changes in business, financial or economic conditions; that are expected to cause a significant change to the counterparties' ability to meet its obligations;
- actual or expected significant changes in the operating results of the counterparties;
- significant increases in credit risk on other financial instruments of the same counterparty; and
- significant changes in the expected performance and behaviour of the counterparty, including changes in the payment status of counterparty in the group and changes in the operating results of the counterparty.

Macroeconomic information (such as market interest rates or growth rates) is incorporated as part of the internal rating model.

Regardless of the analysis above, a SICR is presumed if a debtor is more than 30 days past due in making a contractual payment.

Definition of default and credit impaired financial assets

The Group and the Company define a financial instrument as default, which is fully aligned with the definition of credit-impaired, when it meets one or more of the following criteria:

Quantitative criteria:

The Group and the Company define a financial instrument as default, when the counterparty fails to make contractual payment within 90 days of when they fall due.

Qualitative criteria:

The debtor meets unlikeliness to pay criteria, which indicates the debtor is in significant financial difficulty. The Group and the Company consider the following instances:

- the debtor is in breach of financial covenants;
- concessions have been made by the lender relating to the debtor's financial difficulty;
- it is becoming probable that the debtor will enter bankruptcy or other financial reorganisation; and
- the debtor is insolvent.

Explanatory notes to the Condensed Interim Financial Statements as at 30 June 2025 (Continued)

A11 Impairment of assets (continued)

A11.1 Financial assets (continued)

Definition of default and credit impaired financial assets (continued)

For the purpose of ECL measurement, mortgage assets and hire purchase assets/Islamic mortgage assets and Islamic hire purchase assets have been grouped based on shared credit risk characteristics and the days past due. Mortgage assets/Islamic mortgage assets and Islamic hire purchase assets have substantially the same risk characteristics and the Group and the Company have therefore concluded that these assets to be assessed on a collective basis.

Financial assets at FVOCI, financial assets at amortised cost, amount due from counterparties, Islamic financing assets and debt instruments which are in default or credit impaired are assessed individually.

A11.2 Non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. The impairment loss is charged to the income statements, unless it reverses a previous revaluation in which it is charged to the revaluation surplus. Any subsequent increase in recoverable amount is recognised in the income statements.

A12 Write-off

The Group and the Company write-off financial assets, in whole or in part, when they have exhausted all practicable recovery efforts and have concluded that there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on unavailability of debtor’s sources of income or assets to generate sufficient future cash flows to repay the amount. Impairment losses are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off will result in impairment gains which is credited against the same line item.

A13 Income recognition on mortgage assets and hire purchase assets/Islamic mortgage assets and Islamic hire purchase assets

Interest income for conventional assets and profit income on Islamic assets are recognised using the EIR/EPR method. Accretion of discount is recognised using the effective yield method.

A14 Premium and discount on unsecured bearer bonds, notes and Sukuk

Premium on unsecured bearer bonds and notes/Sukuk represents the excess of the issue price over the redemption value of the bonds and notes/Sukuk are accreted to the income statements over the life of the bonds and notes/Sukuk on an effective yield basis. Where the redemption value exceeds the issue price of the bonds and notes/Sukuk, the difference, being the discount is amortised to the income statements over the life of the bonds and notes/Sukuk on an effective yield basis.

Explanatory notes to the Condensed Interim Financial Statements as at 30 June 2025 (Continued)

A15 Current and deferred tax

Current tax expense represents taxation at the current rate based on taxable profit earned during the financial period.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences or unused tax losses can be utilised.

Deferred tax is determined using tax rates (and tax laws) that have been enacted or substantially enacted by the statements of financial position date and are expected to apply when the related deferred tax asset is realised or deferred tax liability is settled.

Deferred and income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

A16 Cash and cash equivalents

For the purpose of statements of cash flows, cash and cash equivalents comprise cash and bank balances and deposits that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

A17 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statements of financial position when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy.

A18 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting used by the chief operating decision maker. The chief operating decision maker is the person or group that allocated resources and assesses the performance of the operating segments of the Group and the Company. The Group and the Company have determined the Chief Executive Officer of the Company to be the chief operating decision maker.

A19 Derivative financial instruments and hedge accounting

Derivative financial instruments consist of interest rate swaps (“IRS”), Islamic profit rate swaps ("IPRS"), cross currency swaps (“CCS”). Derivative financial instruments are used by the Group and the Company to hedge the issuance of its bond/Sukuk from potential movements in interest rates, profit rates or foreign currency exchange rates. Further details of the derivatives financial instruments are disclosed in Note 5 to the financial statements.

Fair value of derivative financial instruments is recognised at inception on the statements of financial position, and subsequent changes in fair value as a result of fluctuation in market interest rates, profit rates or foreign currency exchange rates are recorded as derivative assets (favourable) or derivative liabilities (unfavourable).

Explanatory notes to the Condensed Interim Financial Statements as at 30 June 2025 (Continued)

A19 Derivative financial instruments and hedge accounting (continued)

For derivatives that are not designated as hedging instruments, losses and gains from the changes in fair value are taken to the income statements.

For derivatives that are designated as hedging instruments, the method of recognising fair value gain or loss depends on the type of hedge.

The Group's and Company's documents at the inception of the hedge relationship, the economic relationship between hedging instruments and hedged items including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items. The Group and the Company also document their risk management objective and strategy for its hedge transactions and its assessment, both at hedge inception and on an ongoing basis, on whether the derivative is highly effective in offsetting changes in the fair value or cash flows of the hedged items.

Cash flow hedge

The effective portion of changes in the fair value of a derivative designated and qualifying as a hedge of future cash flows is recognised directly in the cash flow hedge reserve and taken to the income statements in the periods when the hedged item affects gain or loss. The ineffective portion of the gain or loss is recognised immediately in the income statements under "Non-interest income/(expense)".

Amounts accumulated in equity are reclassified to income statements in the periods when the hedged item affects profit or loss. The gain or loss relating to the effective portion of interest rate swaps hedging variable rate borrowings is recognised in income statements within the line item "Non-interest income/(expense)" at the same time as the interest expense on the hedged borrowings.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, the accounting of any cumulative deferred gain or loss depends on the nature of the underlying hedged transaction. For cash flow hedge which resulted in the recognition of a non-financial asset, the cumulative amount in equity shall be included in the initial cost of the asset. For other cash flow hedges, the cumulative amount in equity is reclassified to income statements in the same period that the hedged cash flows affect income statements. When hedged future cash flows or forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred cost of hedging that was reported in equity is immediately reclassified to income statements under "Non-interest (expense)/income".

A20 Provisions

Provisions are recognised when the Group and the Company have a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount can be made. Where the Group and the Company expect a provision to be reimbursed (for example, under an insurance contract) the reimbursement is recognised as separate asset but only when the reimbursement is virtually certain. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Explanatory notes to the Condensed Interim Financial Statements as at 30 June 2025 (Continued)

A20 Provisions (continued)

Provisions are measured as the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflect current market assessment of the time value of money and the risk specific to obligation. The increase in the provision due to passage of time is recognised as interest expense.

A21 Employee benefits

(a) Short-term employee benefits

Wages, salaries, paid annual leave, bonuses and non-monetary benefits are accrued in the financial period in which the associated services are rendered by the employees of the Group and the Company.

(b) Defined contributions plans

The Group and the Company contribute to the Employees' Provident Fund ("EPF"), the national defined contribution plan. The contributions to EPF are charged to the income statements in the financial period to which they relate to. Once the contributions have been paid, the Group and the Company have no further payment obligations in the future. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

A22 Intangible assets

(a) Computer software

Acquired computer software and computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Costs associated with developing or maintaining computer software programmes are recognised when the costs are incurred. Costs that are directly associated with identifiable and unique software products controlled by the Group and the Company, which will generate probable economic benefits exceeding costs beyond one year, are recognised as intangible assets. Costs include employee costs incurred as a result of developing software and an appropriate portion of relevant overheads.

The computer software and computer software licenses are amortised over their estimated useful lives of three to ten years.

(b) Service rights to transaction administrator and administrator fees (“Service Rights”)

Service Rights represents secured rights to receive expected future economic benefits by way of transaction administrator and administrator fees for Residential Mortgage-Backed Securities ("RMBS") and Islamic Residential Mortgage-Backed Securities ("IRMBS") issuances.

Service rights are recognised as intangible assets at cost and amortised using the straight line method over the tenure of RMBS and IRMBS.

Explanatory notes to the Condensed Interim Financial Statements as at 30 June 2025 (Continued)

A23 Share capital

(a) Classification

Ordinary shares are classified as equity. Other shares are classified as equity and/or liability according to the economic substance of the particular instrument.

Distributions to holders of a financial instrument classified as an equity instrument are charged directly to equity.

(b) Dividends to the shareholder of the Company

Dividends on ordinary shares are recognised as liabilities when declared before the statements of financial position date. A dividend proposed or declared after the statements of financial position date, but before the financial statements are authorised for issue, is not recognised as a liability at the statements of financial position date. Upon the dividend becoming payable, it will be accounted for as a liability.

A24 Currency translations

(a) Functional and presentation currency

Items included in the financial statements of the Group and the Company are measured using the currency of the primary economic environment in which the entity operates (the "functional currency").

The financial statements are presented in Ringgit Malaysia (“RM”), which is the Group’s and the Company's functional and presentation currency.

(b) Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains or losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statements, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

A25 Contingent liabilities and contingent assets

The Group and the Company do not recognise a contingent liability but disclose its existence in the financial statements. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group and the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in the extremely rare case where there is a liability that cannot be recognised because it cannot be measured reliably.

The Group and the Company do not recognise contingent assets but disclose its existence where inflows of economic benefits are probable, but not virtually certain. A contingent asset is a possible asset that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group and the Company.

Explanatory notes to the Condensed Interim Financial Statements as at 30 June 2025 (Continued)

A26 Deferred financing fees

Deferred financing fees consist of expenses incurred in relation to the unsecured bonds and notes/Sukuk issuance. Upon unsecured bonds and notes/Sukuk issuance, deferred financing fees will be deducted from the carrying amount of the unsecured bonds and notes/Sukuk and amortised using the EIR/EPR method.

A27 Leases

Leases are recognised as right-of-use ("ROU") asset and a corresponding lease liability at the date on which the leased asset is available for use by the Group and the Company (i.e. the commencement date).

Contracts may contain both lease and non-lease components. The Group and the Company allocate the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of properties for which the Group and the Company are a lessee, they have elected the practical expedient provided in MFRS 16: Leases not to separate lease and non-lease components. Both components are accounted for as a single lease component and payments for both components are included in the measurement of lease liability.

Lease term

In determining the lease term, the Group and the Company consider all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not to be terminated).

The Group and the Company reassess the lease term upon the occurrence of a significant event or change in circumstances that is within the control of the Group and the Company and affect whether the Group and the Company are reasonably certain to exercise an option not previously included in the determination of lease term, or not to exercise an option previously included in the determination of lease term. A revision in lease term results in remeasurement of the lease liability.

ROU asset

ROU asset is initially measured at cost comprising the followings:

- The amount of the initial measurement of lease liability;
- Any lease payments made at or before the commencement date less any lease incentive received;
- Any initial direct costs; and
- Decommissioning or restoration costs.

ROU asset that is not investment properties is subsequently measured at cost, less accumulated depreciation and impairment loss (if any). The ROU asset is generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group and the Company are reasonably certain to exercise a purchase option, the ROU asset is depreciated over the underlying asset's useful life. In addition, the ROU asset is adjusted for certain remeasurement of the lease liability. ROU asset is presented as a separate line item in the statements of financial position.

Explanatory notes to the Condensed Interim Financial Statements as at 30 June 2025 (Continued)

A27 Leases (continued)

Lease liability

Lease liability is initially measured at the present value of the lease payments that are not paid at that date. The lease payments include the following:

- Fixed payments (including in-substance fixed payments), less any lease incentive receivable;
- Variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable by the Group and the Company under residual value guarantees;
- The exercise price of a purchase options if the Group and the Company are reasonably certain to exercise that option; and
- Payments of penalties for terminating the lease, if the lease term reflects the Group and the Company exercising that option.

Lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group and the Company, the lessee's incremental borrowing is used. This is the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the ROU in a similar economic environment with similar term, security and conditions.

Lease payments are allocated between principal and finance cost. The finance cost is charged to income statements over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Variable lease payments that depend on sales are recognised in the income statements in the period in which the condition that triggers those payments occurs.

The Group and the Company present the lease liability as a separate line item in the statements of financial position. Interest expense on the lease liability is presented within the non-interest expense in the income statements.

Reassessment of lease liability

The Group and the Company are also exposed to potential future increases in variable lease payments that depend on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is remeasured and adjusted against the ROU assets.

Short-term leases and leases of low value assets

Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture. Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in income statements.

Explanatory notes to the Condensed Interim Financial Statements as at 30 June 2025 (Continued)

A28 Auditors' report on preceding Annual Financial Statements

The auditors' report on the audited financial statements for the financial year ended 31 December 2024 was not subject to any qualification.

A29 Seasonality or Cyclical factors

The business operations of the Group and the Company are not subject to material seasonal or cyclical fluctuations.

A30 Unusual items due to their nature, size or incidence

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group and the Company for the financial period ended 30 June 2025.

A31 Changes in estimates

There were no changes in estimates of amounts reported in prior financial years that have a material effect on the financial results and position of the Group and the Company for the financial period 30 June 2025.

A32 Dividend

A single tier final dividend of 15 sen per ordinary share on 150,000,000 ordinary shares amounting to RM22,500,000 in respect of the financial year ended 31 December 2024 was paid on 8 May 2025.

A33 Subsequent events

There were no material events subsequent to the end of the reporting date that require disclosure or adjustments to the interim financial statements.

A34 Changes in the composition of the Group

There were no material changes in the composition of the Group during the financial period ended 30 June 2025.

Explanatory notes to the Condensed Interim Financial Statements as at 30 June 2025 (Continued)

1. CASH AND CASH EQUIVALENTS

	Group		Company	
	30 Jun 2025 RM'000	31 Dec 2024 RM'000	30 Jun 2025 RM'000	31 Dec 2024 RM'000
Cash and balances with banks and other financial institutions	1,055	1,112	1,020	1,077
Money at call and deposits and placements maturing with original maturity less than three months	74,034	28,032	74,034	28,032
Mudharabah money at call and deposits and placements maturing with original maturity less than three months	271,378	31,978	271,378	31,978
	346,467	61,122	346,432	61,087
Less: Allowance for impairment losses	(1)	(1)	(1)	(1)
	346,466	61,121	346,431	61,086

The gross carrying value of cash and cash equivalents and the impairment allowance are within Stage 1. Movement in impairment allowance that reflects the ECL model on impairment are as follows:

	Group and Company	
	30 Jun 2025 RM'000	31 Dec 2024 RM'000
Stage 1		
At 1 January	1	-
Allowance during the period/year on new assets purchased	1	1
Financial assets derecognised during the period/year due to maturity of assets	(1)	-
At 30 June/31 December	1	1

2. DEPOSITS AND PLACEMENTS WITH FINANCIAL INSTITUTIONS

	Group and Company	
	30 Jun 2025 RM'000	31 Dec 2024 RM'000
Licensed banks	106,217	433,228
Less: Allowance for impairment losses	(21)	(3)
	106,196	433,225

Explanatory notes to the Condensed Interim Financial Statements as at 30 June 2025 (Continued)

2. DEPOSITS AND PLACEMENTS WITH FINANCIAL INSTITUTIONS (CONTINUED)

The gross carrying value of deposits and placements with financial institutions and the impairment allowances are within Stage 1. Movement in impairment allowances that reflect the ECL model on impairment are as follows:

	Group and Company	
	30 Jun 2025	31 Dec 2024
	RM'000	RM'000
Stage 1		
At 1 January	3	-
Allowance during the period/year on new assets purchased	21	3
Financial assets derecognised during the period/year due to maturity of assets	(3)	-
At 30 June/31 December	21	3

3. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME ("FVOCI")

	Group and Company	
	30 Jun 2025	31 Dec 2024
	RM'000	RM'000
Debt instruments:		
Malaysian Government securities	803,144	769,818
Corporate bonds	440,887	391,067
Government investment issues	1,373,941	1,348,557
Corporate Sukuk	979,775	864,207
Quasi Government Sukuk	139,675	153,990
	3,737,422	3,527,639

The maturity structure of financial assets at FVOCI are as follows:		
Maturing within one year	309,127	327,929
One to three years	615,986	537,090
Three to five years	665,966	521,634
More than five years	2,146,343	2,140,986
	3,737,422	3,527,639

The carrying amount of debt instruments at FVOCI is equivalent to their fair value. The ECL is recognised in other comprehensive income and does not reduce the carrying amount in the statements of financial position.

Explanatory notes to the Condensed Interim Financial Statements as at 30 June 2025 (Continued)

3. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME ("FVOCI") (CONTINUED)

The gross carrying value of financial assets at FVOCI by stage are as follows:

	Gross carrying value	Impairment allowance
	RM'000	RM'000
30 June 2025		
Stage 1 (12-month ECL; non-credit impaired)	3,737,422	300
31 December 2024		
Stage 1 (12-month ECL; non-credit impaired)	3,527,639	317

Movement in impairment allowance that reflect the ECL model on impairment are as follows:

	Group and Company	
	30 Jun 2025	31 Dec 2024
	RM'000	RM'000
Stage 1		
At 1 January	317	370
Allowance during the period/year on new assets purchased	29	60
Financial assets derecognised during the period/year due to maturity of assets	(37)	(76)
Reversal during the period/year due to changes in credit risk	(9)	(37)
At 30 June/31 December	300	317

4. FINANCIAL ASSETS AT AMORTISED COST

	Group and Company	
	30 Jun 2025	31 Dec 2024
	RM'000	RM'000
Corporate bonds	1,604,734	1,605,037
Corporate Sukuk	681,932	681,998
	2,286,666	2,287,035

The maturity structure of financial assets at amortised cost are as follows:

More than five years	2,290,270	2,290,640
Less: Allowance for impairment losses	(3,604)	(3,605)
	2,286,666	2,287,035

Explanatory notes to the Condensed Interim Financial Statements as at 30 June 2025 (Continued)

4. FINANCIAL ASSETS AT AMORTISED COST (CONTINUED)

The gross carrying value of financial assets at amortised cost by stage are as follows:

	Gross carrying value	Impairment allowance
	RM'000	RM'000
30 June 2025		
Stage 1 (12-month ECL; non-credit impaired)	2,290,270	3,604
31 December 2024		
Stage 1 (12-month ECL; non-credit impaired)	2,290,640	3,605

Movement in impairment allowances that reflect the ECL model on impairment are as follows:

	Group and Company	
	30 Jun 2025	31 Dec 2024
	RM'000	RM'000
Stage 1		
At 1 January	3,605	3,768
Reversal during the period/year due to changes in credit risk	(1)	(163)
At 30 June/31 December	3,604	3,605

Explanatory notes to the Condensed Interim Financial Statements as at 30 June 2025 (Continued)

5. DERIVATIVE FINANCIAL ASSETS/LIABILITIES

Derivative financial assets/liabilities measured at their fair values together with their corresponding contract/notional amounts are as follows:

Designated as cash flow hedges

	Group and Company					
	30 Jun 2025			31 Dec 2024		
	Contract/ Notional amount RM'000	Assets RM'000	Liabilities RM'000	Contract/ Notional amount RM'000	Assets RM'000	Liabilities RM'000
IRS/IPRS						
Maturing within one year	1,035,000	57	(701)	1,180,000	391	(357)
One to three years	740,000	-	(3,773)	350,000	-	(1,716)
Three to five years	-	-	-	90,000	-	(176)
More than five years	260,000	21,541	-	260,000	15,012	-
	2,035,000	21,598	(4,474)	1,880,000	15,403	(2,249)
CCS						
Maturing within one year	5,735,331	13,607	(73,358)	2,581,812	-	(68,044)
One to three years	825,900	6,223	-	1,124,520	-	(10,324)
	6,561,231	19,830	(73,358)	3,706,332	-	(78,368)
	8,596,231	41,428	(77,832)	5,586,332	15,403	(80,617)

Explanatory notes to the Condensed Interim Financial Statements as at 30 June 2025 (Continued)

6. AMOUNT DUE FROM COUNTERPARTIES

	Group and Company	
	30 Jun 2025	31 Dec 2024
	RM'000	RM'000
Relating to:		
Mortgage loans	17,394,481	16,466,653
Hire purchase and leasing debts	311,832	366,769
	17,706,313	16,833,422
The maturity structure of amount due from counterparties are as follows:		
Maturing within one year	6,517,851	4,505,015
One to three years	10,051,869	11,191,790
More than five years	1,136,613	1,136,633
	17,706,333	16,833,438
Less: Allowance for impairment losses	(20)	(16)
	17,706,313	16,833,422

The gross carrying value of amount due from counterparties and the impairment allowances are within Stage 1 (12-month ECL). Movement in impairment allowances that reflect the ECL model on impairment are as follows:

	Group and Company	
	30 Jun 2025	31 Dec 2024
	RM'000	RM'000
Stage 1		
At 1 January	16	25
Allowance during the period/year on new assets purchased	7	5
Financial assets derecognised during the period/year due to maturity of assets	(2)	(8)
Reversal during the period/year due to changes in credit risk	(1)	(6)
At 30 June/31 December	20	16

7. ISLAMIC FINANCING ASSETS

	Group and Company	
	30 Jun 2025	31 Dec 2024
	RM'000	RM'000
Relating to:		
Islamic house financing	22,580,362	19,205,889
Islamic personal financing	948,486	956,288
Islamic hire purchase	504,608	504,611
	24,033,456	20,666,788

Explanatory notes to the Condensed Interim Financial Statements as at 30 June 2025 (Continued)

7. ISLAMIC FINANCING ASSETS (CONTINUED)

	Group and Company	
	30 Jun 2025	31 Dec 2024
	RM'000	RM'000
The maturity structure of Islamic financing assets are as follows:		
Maturing within one year	6,265,810	8,386,753
One to three years	12,315,539	6,928,456
Three to five years	4,651,911	4,551,354
More than five years	800,277	800,276
	24,033,537	20,666,839
Less: Allowance for impairment losses	(81)	(51)
	24,033,456	20,666,788

The gross carrying value of Islamic financing assets and the impairment allowance are within Stage 1 (12-month ECL). Movement in impairment allowance that reflects the ECL model on impairment are as follows:

	Group and Company	
	30 Jun 2025	31 Dec 2024
	RM'000	RM'000
Stage 1		
At 1 January	51	96
Allowance during the period/year on new assets purchased	48	13
Loans derecognised during the period/year due to maturity of assets	(8)	(29)
Reversal during the period/year due to changes in credit risk	(10)	(29)
At 30 June/ 31 Dec	81	51

8. MORTGAGE ASSETS – CONVENTIONAL

	Group and Company	
	30 Jun 2025	31 Dec 2024
	RM'000	RM'000
Purchase without Recourse ("PWOR")	2,404,802	2,600,891
The maturity structure of mortgage assets - conventional are as follows:		
Maturing within one year	412,050	449,989
One to three years	718,438	723,466
Three to five years	564,665	596,689
More than five years	716,813	838,579
	2,411,966	2,608,723
Less: Allowance for impairment losses	(7,164)	(7,832)
	2,404,802	2,600,891

Explanatory notes to the Condensed Interim Financial Statements as at 30 June 2025 (Continued)

8. MORTGAGE ASSETS – CONVENTIONAL (CONTINUED)

The gross carrying value of mortgage assets by stage are as follows:

	Gross carrying value RM'000	Impairment allowance RM'000
30 June 2025		
Stage 1 (12-month ECL; non-credit impaired)	2,401,367	4,693
Stage 2 (Lifetime ECL; non-credit impaired)	2,676	370
Stage 3 (Lifetime ECL; credit impaired)	7,923	2,101
At 30 June	2,411,966	7,164
Impairment allowance over gross carrying value (%)		0.30
31 December 2024		
Stage 1 (12-month ECL; non-credit impaired)	2,597,345	5,132
Stage 2 (Lifetime ECL; non-credit impaired)	2,923	448
Stage 3 (Lifetime ECL; credit impaired)	8,455	2,252
At 31 December	2,608,723	7,832
Impairment allowance over gross carrying value (%)		0.30

9. MORTGAGE ASSETS – ISLAMIC

	Group and Company	
	30 Jun 2025 RM'000	31 Dec 2024 RM'000
Purchase without Recourse ("PWOR")	3,318,481	3,498,719
The maturity structure of mortgage assets - Islamic are as follows:		
Maturing within one year	425,953	438,693
One to three years	735,695	757,423
Three to five years	629,365	655,939
More than five years	1,536,047	1,655,836
	3,327,060	3,507,891
Less: Allowance for impairment losses	(8,579)	(9,172)
	3,318,481	3,498,719

Explanatory notes to the Condensed Interim Financial Statements as at 30 June 2025 (Continued)

9. MORTGAGE ASSETS – ISLAMIC (CONTINUED)

The gross carrying value of Islamic mortgage assets by stage are as follows:

	Gross carrying value RM'000	Impairment allowance RM'000
30 June 2025		
Stage 1 (12-month ECL; non-credit impaired)	3,316,640	6,040
Stage 2 (Lifetime ECL; non-credit impaired)	1,244	154
Stage 3 (Lifetime ECL; credit impaired)	9,176	2,385
At 30 June	3,327,060	8,579
Impairment allowance over gross carrying value (%)		0.26
31 December 2024		
Stage 1 (12-month ECL; non-credit impaired)	3,496,598	6,423
Stage 2 (Lifetime ECL; non-credit impaired)	1,628	236
Stage 3 (Lifetime ECL; credit impaired)	9,665	2,513
At 31 December	3,507,891	9,172
Impairment allowance over gross carrying value (%)		0.26

10. ISLAMIC HIRE PURCHASE ASSETS

	Group and Company	
	30 Jun 2025 RM'000	31 Dec 2024 RM'000
Purchase without Recourse ("PWOR")	40	40
The maturity structure of hire purchase assets - Islamic are as follows:		
Maturing within one year	40	40
	40	40

Explanatory notes to the Condensed Interim Financial Statements as at 30 June 2025 (Continued)

10. ISLAMIC HIRE PURCHASE ASSETS (CONTINUED)

The gross carrying value of Islamic hire purchase assets by stage are as follows:

	Gross carrying value RM'000	Impairment allowance RM'000
30 June 2025		
Stage 1 (12-month ECL; non-credit impaired)	40	-
At 30 June	40	-
Impairment allowance over gross carrying value (%)		-
31 December 2024		
Stage 1 (12-month ECL; non-credit impaired)	40	-
At 31 December	40	-
Impairment allowance over gross carrying value (%)		-

11. OTHER ASSETS

	Group		Company	
	30 Jun 2025 RM'000	31 Dec 2024 RM'000	30 Jun 2025 RM'000	31 Dec 2024 RM'000
Compensation receivable from originator on mortgage assets	16	22	16	22
Deposits	917	969	916	968
Collateral receivable	811	6,365	811	6,365
Staff loans and financing	2,034	2,094	2,034	2,094
Management fee receivable	781	971	781	971
Prepayments	4,309	3,227	4,304	3,206
Other receivables	37	41	37	41
	8,905	13,689	8,899	13,667

Explanatory notes to the Condensed Interim Financial Statements as at 30 June 2025 (Continued)

12. RIGHT-OF-USE ASSET

Right-of-use asset comprises of rental of office building and is being amortised over the tenure of rental period.

	Group and Company	
	30 Jun 2025 RM'000	31 Dec 2024 RM'000
Cost		
At 1 January	19,294	15,461
Modification arising from extension of lease term	-	3,833
At 30 June/31 December	19,294	19,294
Accumulated amortisation		
At 1 January	(10,131)	(8,285)
Charge for the period/year	(887)	(1,846)
At 30 June/31 December	(11,018)	(10,131)
Net book value		
At 30 June/31 December	8,276	9,163

13. OTHER LIABILITIES

	Group		Company	
	30 Jun 2025 RM'000	31 Dec 2024 RM'000	30 Jun 2025 RM'000	31 Dec 2024 RM'000
Amount due to GOM*	49,631	78,277	49,631	78,277
Provision for zakat	-	1,561	-	1,561
Accruals	25,468	24,984	25,343	24,922
Other payables	865	790	851	789
	75,964	105,612	75,825	105,549

* Refers to fund provided by the Government for Mortgage Guarantee Programme under Cagamas SRP Berhad

Explanatory notes to the Condensed Interim Financial Statements as at 30 June 2025 (Continued)

14. LEASE LIABILITY

	Group and Company	
	30 Jun 2025	31 Dec 2024
	RM'000	RM'000
At 1 January	11,311	9,308
Modification arising from extension of lease term	-	3,833
Lease obligation interest expense	215	448
Lease obligation repayment	(1,139)	(2,278)
At 30 June/31 December	10,387	11,311
The maturity structure of lease liability are as follows:		
Due in one year or less	2,139	2,097
Due in two to five years	8,248	9,214
Total present value of minimum lease payments	10,387	11,311

15. LOANS FROM SUBSIDIARY

Loans from subsidiary outstanding at financial period that are not in the functional currency of the Group are as follows:

	Company	
	30 Jun 2025	31 Dec 2024
	RM'000	RM'000
SGD	6,114,379	3,653,829
	6,114,379	3,653,829

Loans from subsidiary are unsecured and subject to interest rates ranging from 2.25% to 4.25% per annum (2024: 3.00% to 4.25% per annum). The maturity structure of loans from subsidiary are as follows:

	Company	
	30 Jun 2025	31 Dec 2024
	RM'000	RM'000
Maturing within one year	5,288,841	2,537,355
One to three years	825,538	1,116,474
	6,114,379	3,653,829

Explanatory notes to the Condensed Interim Financial Statements as at 30 June 2025 (Continued)

16. UNSECURED BEARER BONDS AND NOTES

		Group			
		30 Jun 2025		31 Dec 2024	
	Year of maturity	Amount outstanding RM'000	Effective interest rate %	Amount outstanding RM'000	Effective interest rate %
(a) Commercial Papers	2025	580,000	3.450-3.650	725,000	3.550-3.730
Add: Interest payable		2,167		4,793	
		582,167		729,793	
(b) Conventional Medium-term Notes	2025	4,547,803	3.250-4.850	7,352,066	3.250-4.850
	2026	7,596,555	2.250-3.940	4,541,474	3.000-3.940
	2027	6,315,000	3.750-4.900	6,315,000	3.750-4.900
	2028	1,240,000	3.450-4.280	890,000	3.970-4.280
	2029	60,000	3.860	60,000	3.860
	2031	670,000	4.030	670,000	4.030
	2033	200,000	4.200	200,000	4.200
	2034	100,000	4.040	100,000	4.040
	2035	160,000	5.070	160,000	5.070
		20,889,358		20,288,540	
Add:					
Unaccreted premium		1,604		2,723	
Interest payable		170,459		166,003	
Less:					
Deferred financing fees		(1,078)		(840)	
		21,060,343		20,456,426	
Total		21,642,510		21,186,219	

Explanatory notes to the Condensed Interim Financial Statements as at 30 June 2025 (Continued)

16. UNSECURED BEARER BONDS AND NOTES (CONTINUED)

		Company			
		30 Jun 2025		31 Dec 2024	
	Year of maturity	Amount outstanding RM'000	Effective interest rate %	Amount outstanding RM'000	Effective interest rate %
(a) Commercial Papers	2025	580,000	3.450-3.650	725,000	3.550-3.730
Add: Interest payable		2,167		4,793	
		582,167		729,793	
(b) Conventional Medium-term notes	2025	2,550,000	3.470-4.850	4,840,000	3.470-4.850
	2026	3,525,000	3.480-3.940	3,425,000	3.580-3.940
	2027	6,315,000	3.750-4.900	6,315,000	3.750-4.900
	2028	1,240,000	3.450-4.280	890,000	3.970-4.280
	2029	60,000	3.860	60,000	3.860
	2031	670,000	4.030	670,000	4.030
	2033	200,000	4.200	200,000	4.200
	2034	100,000	4.040	100,000	4.040
	2035	160,000	5.070	160,000	5.070
		14,820,000		16,660,000	
Add:					
Unaccreted premium		1,604		2,723	
Interest payable		125,412		140,689	
Less:					
Deferred financing fees		(1,078)		(840)	
		14,945,938		16,802,572	
Total		15,528,105		17,532,365	

The maturity structure of unsecured bearer bonds and notes are as follows:

	Group		Company	
	30 Jun 2025 RM'000	31 Dec 2024 RM'000	30 Jun 2025 RM'000	31 Dec 2024 RM'000
Maturing within one year	10,627,206	8,250,174	5,338,340	5,712,794
One to three years	8,985,304	10,856,045	8,159,765	9,739,571
Three to five years	900,000	950,000	900,000	950,000
More than five years	1,130,000	1,130,000	1,130,000	1,130,000
	21,642,510	21,186,219	15,528,105	17,532,365

Explanatory notes to the Condensed Interim Financial Statements as at 30 June 2025 (Continued)

16. UNSECURED BEARER BONDS AND NOTES (CONTINUED)

Cagamas issues debt securities, inclusive of sustainability, green and social bonds to finance the purchase of mortgages and other consumer receivables for conventional loans.

(a) Commercial Papers ("CPs")

CPs are Ringgit denominated short-term instruments with maturities ranging from one to twelve months, issued with or without coupon, either at a discount from the face value where the relevant CPs are redeemable at their nominal value upon maturity or at par with interest paid on a semi-annual basis or on such other periodic basis as determined by Cagamas.

(b) Fixed Rate Conventional Medium-term Notes ("CMTNs")

CMTNs are Ringgit denominated bonds with fixed coupon rate with tenures of more than one year and are issued either at a premium, par or at a discount, with or without a coupon rate. Interest distributions of the CMTNs are normally made on half-yearly basis. The redemption of the CMTNs are at nominal value together with the interest due upon maturity.

Apart from Ringgit CMTNs, Cagamas also issued CMTNs in foreign currency. Under the USD2.5 billion Multicurrency Medium Term Notes ("EMTNs") Programme, CGP may from time to time issue EMTNs in any currency (other than Ringgit Malaysia) which are unconditionally and irrevocably guaranteed by Cagamas.

The unsecured bearer bonds and notes outstanding at the end of financial period/year which are not in the functional currency of the Group are as follows:

	Group	
	30 Jun 2025 RM'000	31 Dec 2024 RM'000
SGD	6,114,405	3,653,854
	6,114,405	3,653,854

Explanatory notes to the Condensed Interim Financial Statements as at 30 June 2025 (Continued)

17. SUKUK

			Group and Company			
			30 Jun 2025		31 Dec 2024	
		Year of maturity	Amount outstanding RM'000	Effective profit rate %	Amount outstanding RM'000	Effective profit rate %
(a)	Islamic Commercial Papers	2025	2,470,000	3.450-3.700	2,360,000	3.540-3.730
	Add: Profit payable		14,923		14,632	
			2,484,923		2,374,632	
(b)	Islamic Medium-term Notes	2025	3,880,000	3.500-4.650	6,895,000	3.100-4.650
		2026	3,870,000	3.150-4.920	3,670,000	3.150-4.920
		2027	2,705,000	3.710-4.620	2,705,000	3.710-4.620
		2028	8,225,000	3.450-4.260	3,665,000	3.970-4.260
		2029	1,885,000	3.790-3.920	1,885,000	3.790-3.920
		2030	1,615,000	3.500-4.230	465,000	4.230
		2033	500,000	4.310	500,000	4.310
		2034	800,000	4.000	800,000	4.000
			23,480,000		20,585,000	
	Add:					
	Unaccreted premium		3,658		1,005	
	Profit payable		170,189		141,424	
			23,653,847		20,727,429	
			26,138,770		23,102,061	

The maturity structure of Sukuk are as follows:

	Group and Company	
	30 Jun 2025 RM'000	31 Dec 2024 RM'000
Maturing within one year	8,250,440	9,412,073
One to three years	10,538,330	6,374,988
Three to five years	5,585,000	5,550,000
More than five years	1,765,000	1,765,000
	26,138,770	23,102,061

Explanatory notes to the Condensed Interim Financial Statements as at 30 June 2025 (Continued)

17. SUKUK (CONTINUED)

Cagamas issues debt securities, inclusive of sustainability, green and social Sukuk, to finance the purchase of mortgages and other consumer receivables for Islamic financing.

(a) Islamic Commercial Papers ("ICPs")

ICPs are Ringgit denominated short-term Islamic instruments with maturities ranging from one to twelve months, issued with or without profit paid, at either a discount from the face value where the relevant ICPs are redeemable at their nominal value upon maturity or at par with profit is paid on a semi-annual basis or on such other periodic basis as determined by Cagamas.

(b) Fixed Profit Rate Islamic Medium-term Notes ("IMTNs")

IMTNs are Ringgit denominated Sukuk with fixed profit rate with tenures of more than one year and are issued either at a premium, par or at a discount, with or without a profit rate. Profit distribution of the IMTNs are normally made on half-yearly basis. The redemption of the relevant IMTNs are at nominal value together with the profit due upon maturity.

18. INTEREST INCOME

	Group and Company	
	30 Jun 2025	30 Jun 2024
	RM'000	RM'000
Amount due from counterparties	348,295	382,251
Mortgage assets	51,250	60,085
Compensation from mortgage assets	-	1
Financial assets at amortised cost	33,701	33,880
Reverse mortgage assets	121	87
Financial assets at FVOCI	53,654	43,468
Deposits and placements with financial institutions	6,933	2,551
	493,954	522,323
Accretion of discount less amortisation of premium (net)	21,379	27,140
	515,333	549,463

Explanatory notes to the Condensed Interim Financial Statements as at 30 June 2025 (Continued)

19. INTEREST EXPENSE

	Group		Company	
	30 Jun 2025 RM'000	30 Jun 2024 RM'000	30 Jun 2025 RM'000	30 Jun 2024 RM'000
Medium-term Notes	407,444	451,843	324,035	368,017
Commercial Papers	9,040	9,500	9,040	9,500
Loans from subsidiary	-	-	83,409	83,761
Deposits and placements of financial institutions	18,102	12,629	18,102	12,629
Lease liability	215	135	215	135
Deferred financing and guarantee fees	799	739	799	688
	435,600	474,846	435,600	474,730

20. NON-INTEREST (EXPENSE)/INCOME

	Group and Company	
	30 Jun 2025 RM'000	30 Jun 2024 RM'000
Net (loss)/gain arising from derivatives	(5,432)	12,235
Gain on disposal of:		
- Financial assets at FVOCI	511	124
- Property and equipment	12	1
Net amount reclassified into profit or loss – cash flow hedge	(7,613)	(45,994)
Unrealised gain on foreign exchange	7,433	45,069
Income from repo collateral	66	69
Other non-interest income/(expense)	1,941	(5,760)
	(3,082)	5,744

Explanatory notes to the Condensed Interim Financial Statements as at 30 June 2025 (Continued)

21. FAIR VALUE OF FINANCIAL INSTRUMENTS

21.1 Fair value of financial instruments carried at fair value

Financial instruments comprise financial assets, financial liabilities and off statement of financial position 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 information presented herein represents the estimates of fair values as at the date of the statement of financial position.

The face value of financial assets (less any estimated credit adjustments) and financial liabilities with a maturity period of less than one year is assumed to approximate their fair values.

Where available, quoted and observable market prices are used as the measure of fair values. Where such quoted and observable market prices are not available, fair values are estimated based on a number of methodologies and assumptions regarding risk characteristics of various financial instruments, discount rates, estimates of future cash flows and other factors. Changes in the assumptions could materially affect these estimates and the corresponding fair values.

The derivatives financial instruments become favourable (assets) or unfavourable (liabilities) as a result of fluctuations in market interest/profit rates relative to their terms. The extent to which instruments are favourable or unfavourable and the aggregate fair values of derivative financial assets and liabilities can fluctuate significantly from time to time.

The fair value of the financial assets at FVTPL and FVOCI is derived from market indicative quotes or observable market prices at the date of the statement of financial position.

The estimated fair value of the IRS, IPRS and CCS are based on the estimated cash flows discounted using the market interest/profit rate, taking into account the effect of the entity's net exposure to the credit risk of the counterparty at the statements of financial position date.

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Explanatory notes to the Condensed Interim Financial Statements as at 30 June 2025 (Continued)

21. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

21.1 Fair value of financial instruments carried at fair value (continued)

	Group and Company			
	Level 1	Level 2	Level 3	Total
	RM'000	RM'000	RM'000	RM'000
30 June 2025				
Assets				
Financial assets at FVOCI	-	3,737,422	-	3,737,422
Derivative financial assets	-	41,428	-	41,428
Liabilities				
Derivative financial liabilities	-	77,832	-	77,832
31 December 2024				
Assets				
Financial assets at FVOCI	-	3,527,639	-	3,527,639
Derivative financial assets	-	15,403	-	15,403
Liabilities				
Derivative financial liabilities	-	80,617	-	80,617

21.2 Fair value of financial instruments carried other than fair value

The following methods and assumptions were used to estimate the fair value of financial instruments as at the statements of financial position date:

(a) Cash and cash equivalents and deposits and placements with financial institutions

The carrying amount of cash and cash equivalents and deposits and placements with financial institutions are used as reasonable estimate of fair values as the maturity is less than or equal to one year.

(b) Other financial assets

Other financial assets include other assets. The fair value of other financial assets is estimated at their carrying amount due to short tenure of less than one year.

(c) Amount due from related company and subsidiaries

The fair value of amount due from related company is estimated at their carrying amount due to short tenure of less than one year.

Explanatory notes to the Condensed Interim Financial Statements as at 30 June 2025 (Continued)

21. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

21.2 Fair value of financial instruments carried other than fair value (continued)

(d) Other financial liabilities

Other financial liabilities include creditors and accruals. The fair value of other financial liabilities is estimated at their carrying amount due to short tenure of less than one year.

The estimated fair values of the Group's and the Company's financial instruments approximated their carrying values in the statements of financial position except for the following:

	30 June 2025		31 December 2024	
	Carrying value RM'000	Fair value RM'000	Carrying value RM'000	Fair value RM'000
Group				
Financial assets				
Financial assets at amortised cost	2,286,666	2,308,377	2,287,035	2,314,926
Amount due from counterparties	17,706,313	18,245,981	16,833,422	17,089,698
Islamic financing assets	24,033,456	24,279,834	20,666,788	20,852,317
Mortgage assets:				
- Conventional	2,404,802	2,668,007	2,600,891	2,869,702
- Islamic	3,318,481	3,656,946	3,498,719	3,819,459
Islamic hire purchase assets	40	40	40	40
	49,749,758	51,159,185	45,886,895	46,946,142
Financial liabilities				
Short-term borrowings	914,442	917,277	506,132	508,992
Unsecured bearer bonds and notes	21,642,510	22,048,973	21,186,219	21,604,571
Sukuk	26,138,770	26,758,744	23,102,061	23,495,347
	48,695,722	49,724,994	44,794,412	45,608,910

Explanatory notes to the Condensed Interim Financial Statements as at 30 June 2025 (Continued)

21. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

21.2 Fair value of financial instruments carried other than fair value (continued)

The estimated fair values of the Group's and the Company's financial instruments approximated their carrying values in the statements of financial position except for the following (continued):

	30 June 2025		31 December 2024	
	Carrying value RM'000	Fair value RM'000	Carrying value RM'000	Fair value RM'000
Company				
Financial assets				
Financial assets at amortised cost	2,286,666	2,308,377	2,287,035	2,314,926
Amount due from counterparties	17,706,313	18,245,981	16,833,422	17,089,698
Islamic financing assets	24,033,456	24,279,834	20,666,788	20,852,317
Mortgage assets:				
- Conventional	2,404,802	2,668,007	2,600,891	2,869,702
- Islamic	3,318,481	3,656,946	3,498,719	3,819,459
Islamic hire purchase assets	40	40	40	40
	49,749,758	51,159,185	45,886,895	46,946,142
Financial liabilities				
Short-term borrowings	914,442	917,277	506,132	508,992
Loans from subsidiary	6,114,379	6,210,549	3,653,829	3,704,776
Unsecured bearer bonds and notes	15,528,105	15,838,399	17,532,365	17,899,769
Sukuk	26,138,770	26,758,744	23,102,061	23,495,347
	48,695,696	49,724,969	44,794,387	45,608,884

The fair value of financial assets at amortised cost is based on observable market prices and is therefore within Level 2 of the fair value hierarchy.

The fair value of the fixed rate assets portfolio of amount due from counterparties is based on the present value of estimated future cash flows discounted at the prevailing market rates of loans with similar credit risk and maturities at the statements of financial position date and is therefore within Level 3 of the fair value hierarchy. The fair value of the floating rate assets portfolio of amount due from counterparties is based on their carrying amount as the repricing date of the floating rate assets portfolio is not greater than 6 months.

Explanatory notes to the Condensed Interim Financial Statements as at 30 June 2025 (Continued)

21. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

21.2 Fair value of financial instruments carried other than fair value (continued)

The fair value of the Islamic financing assets is based on the present value of estimated future cash flows discounted at the prevailing market rates of financing with similar credit risk and maturities at the statements of financial position date and is therefore within Level 3 of the fair value hierarchy.

The fair value of the mortgage assets and hire purchase assets/Islamic mortgage assets and Islamic hire purchase assets are derived at using the present value of future cash flows discounted based on the mortgage assets and hire purchase assets/Islamic mortgage assets and Islamic hire purchase assets yield to maturity at the statements of financial position date and is therefore within Level 3 of the fair value hierarchy.

The fair value of the short-term borrowings is estimated at their carrying amount due to short tenure of less than one year.

The fair value of the unsecured bearer bonds and notes and Sukuk are derived based on observable market prices and is therefore within Level 2 of the fair value hierarchy.

22. SEGMENT REPORTING

The Chief Executive Officer ("the chief operating decision maker") of the Company makes strategic decisions and allocation of resources on behalf of the Group and the Company. The Group and the Company have determined the following operating segments based on reports reviewed by the chief operating decision maker in making its strategic decisions:

(a) PWR

Under the PWR scheme, the Group and the Company purchase the mortgage loans, personal loans, hire purchase and leasing debts and Islamic financing facilities such as home financing, hire purchase financing and personal financing from the primary lenders approved by the Group and the Company. The loans and financings are acquired with recourse to the primary lenders should the loans and financings fail to comply with agreed prudential eligibility criteria.

(b) PWOR

Under the PWOR scheme, the Group and the Company purchase the mortgage assets and hire purchase assets from counterparties on an outright basis for the remaining tenure of the respective assets purchased. The purchases are made without recourse to counterparties, other than certain warranties to be provided by the seller pertaining to the quality of the assets.

(c) Treasury

Under Treasury, the Group and the Company manage and invest surplus cashflow in approved treasury-related activities. The income consists of interest/profit and gains on the appreciation in the value of investment.

There were no changes in the reportable segments during the financial period.

Explanatory notes to the Condensed Interim Financial Statements as at 30 June 2025 (Continued)

22. SEGMENT REPORTING (CONTINUED)

	Group				
30 June 2025	PWR RM'000	PWOR RM'000	Treasury RM'000	Others RM'000	Total RM'000
External revenue	815,787	168,918	82,345	50,525	1,117,575
External interest/ profit expense	(780,737)	(102,177)	(297)	(43,638)	(926,849)
Segment result: Net operating income	35,050	66,741	82,048	6,887	190,726
Personnel costs					(19,113)
Administration and general expenses					(20,222)
Operating profit					151,391
Reversal of impairment losses, net	(35)	1,733	(1)	-	1,697
Profit before taxation					153,088
Taxation					(36,761)
Profit after taxation					116,327
Segment assets	41,739,769	5,723,323	4,190,084	2,373,871	54,027,047
Segment liabilities	40,612,280	4,899,000	1,263,442	2,332,614	49,107,336
Other information					
Capital expenditure	3,363	461	338	191	4,353
Depreciation and amortisation	3,181	436	319	181	4,117

Explanatory notes to the Condensed Interim Financial Statements as at 30 June 2025 (Continued)

22. SEGMENT REPORTING (CONTINUED)

	Group				
30 June 2024	PWR RM'000	PWOR RM'000	Treasury RM'000	Others RM'000	Total RM'000
External revenue	808,389	194,926	60,154	50,321	1,113,790
External interest/ profit expense	(778,082)	(102,448)	(745)	(52,318)	(933,593)
Segment result: Net operating income/(expense)	30,307	92,478	59,409	(1,997)	180,197
Personnel costs					(15,878)
Administration and general expenses					(15,845)
Operating profit					148,474
Reversal of impairment losses, net	30	3,110	29	-	3,169
Profit before taxation					151,643
Taxation					(42,622)
Profit after taxation					109,021
Segment assets	39,622,140	6,491,824	3,911,949	2,378,668	52,404,581
Segment liabilities	39,722,308	4,550,000	868,309	2,628,553	47,769,170
Other information					
Capital expenditure	2,438	400	241	146	3,225
Depreciation and amortisation	3,407	558	336	205	4,506

Explanatory notes to the Condensed Interim Financial Statements as at 30 June 2025 (Continued)

22. SEGMENT REPORTING (CONTINUED)

	Company				
30 June 2025	PWR RM'000	PWOR RM'000	Treasury RM'000	Others RM'000	Total RM'000
External revenue	815,787	168,918	82,345	50,525	1,117,575
Internal interest/ profit expense	(83,409)	-	-	-	(83,409)
External interest/ profit expense	(697,328)	(102,177)	(297)	(43,638)	(843,440)
Total interest/ profit expense	(780,737)	(102,177)	(297)	(43,638)	(926,849)
Segment result: Net operating income	35,050	66,741	82,048	6,887	190,726
Personnel costs					(19,113)
Administration and general expenses					(20,139)
Operating profit					151,474
Reversal of impairment losses, net	(35)	1,733	(1)	-	1,697
Profit before taxation					153,171
Taxation					(36,761)
Profit after taxation					116,410
Segment assets	41,739,769	5,723,323	4,190,049	2,378,149	54,031,290
Segment liabilities	34,497,875	4,899,000	1,263,442	8,446,854	49,107,171
Other information					
Capital expenditure	3,363	461	338	191	4,353
Depreciation and amortisation	3,181	436	319	181	4,117

Explanatory notes to the Condensed Interim Financial Statements as at 30 June 2025 (Continued)

22. SEGMENT REPORTING (CONTINUED)

	Company				
30 June 2024	PWR RM'000	PWOR RM'000	Treasury RM'000	Others RM'000	Total RM'000
External revenue	808,389	194,926	60,154	50,321	1,113,790
Internal interest/ profit expense	(83,761)	-	-	-	(83,761)
External interest/ profit expense	(694,205)	(102,448)	(745)	(52,318)	(849,716)
Total interest/ profit expense	(777,966)	(102,448)	(745)	(52,318)	(933,477)
Segment result: Net operating income/(expense)	30,423	92,478	59,409	(1,997)	180,313
Personnel costs					(15,878)
Administration and general expenses					(15,778)
Operating profit					148,657
Reversal of impairment losses, net	30	3,110	29	-	3,169
Profit before taxation					151,826
Taxation					(42,622)
Profit after taxation					109,204
Segment assets	39,622,140	6,491,824	3,911,917	2,382,797	52,408,678
Segment liabilities	39,722,282	4,550,000	868,309	2,628,425	47,769,016
Other information					
Capital expenditure	2,438	399	241	147	3,225
Depreciation and amortisation	3,407	558	336	205	4,506

Explanatory notes to the Condensed Interim Financial Statements as at 30 June 2025 (Continued)

23. CAPITAL ADEQUACY

Common equity tier 1 ("CET1") and Tier 1 capital ratios refer to the ratio of total Tier 1 capital to risk-weighted assets. Total capital ratio ("TCR") is the ratio of total capital to risk-weighted assets.

	Group		Company	
	30 Jun 2025	31 Dec 2024	30 Jun 2025	31 Dec 2024
	%	%	%	%
CET 1 capital ratio	35.7	37.9	35.8	37.9
Tier 1 capital ratio	35.7	37.9	35.8	37.9
Total capital ratio	36.2	38.4	36.2	38.4

The capital adequacy ratios are as follows:

	Group		Company	
	30 Jun 2025	31 Dec 2024	30 Jun 2025	31 Dec 2024
	RM'000	RM'000	RM'000	RM'000
CET 1/Tier 1 capital:				
Issued capital	150,000	150,000	150,000	150,000
Retained profits and regulatory reserves	4,696,758	4,602,931	4,701,166	4,607,256
	4,846,758	4,752,931	4,851,166	4,757,256
Financial assets at FVOCI reserves	20,236	209	20,236	209
Deferred tax assets	3,372	(10,819)	3,372	(10,819)
Less: Regulatory reserves	(49,606)	(52,798)	(49,606)	(52,798)
Total Tier 1 capital	4,820,760	4,689,523	4,825,168	4,693,848
Tier 2 capital:				
Allowance for impairment losses	13,411	14,028	13,411	14,028
Add: Regulatory reserves	49,606	52,798	49,606	52,798
Total Tier 2 capital	63,017	66,826	63,017	66,826
Total capital	4,883,777	4,756,349	4,888,185	4,760,674

Explanatory notes to the Condensed Interim Financial Statements as at 30 June 2025 (Continued)

23. CAPITAL ADEQUACY (CONTINUED)

The breakdown of risk-weighted assets by each major risk category are as follows:

	Group		Company	
	30 Jun 2025	31 Dec 2024	30 Jun 2025	31 Dec 2024
	RM'000	RM'000	RM'000	RM'000
Credit risk	12,791,903	11,703,181	12,796,174	11,707,446
Operational risk	695,569	678,580	695,569	678,580
Total risk-weighted assets	13,487,472	12,381,761	13,491,743	12,386,026

The Group and the Company are not subject to the BNM Guidelines on the Capital Adequacy Guidelines. However, disclosure of the capital adequacy ratios is made on a voluntary basis for information purposes.

The computation of operational risk-weighted assets has been computed under the Basic Indicator Approach for the financial period ended 30 June 2025. The updated computation method for operational risk-weighted assets based on Capital Adequacy Framework (Operational Risk) issued on 15 December 2023 will be adopted for the financial year ending 31 December 2025.

Explanatory notes to the Condensed Interim Financial Statements as at 30 June 2025 (Continued)

24. ISLAMIC OPERATIONS

STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2025

	Note	Group		Company	
		30 Jun 2025 RM'000	31 Dec 2024 RM'000	30 Jun 2025 RM'000	31 Dec 2024 RM'000
ASSETS					
Cash and cash equivalents	(a)	271,581	32,237	271,572	32,227
Deposits and placements with financial institutions	(b)	-	150,945	-	150,945
Financial assets at fair value through other comprehensive income ("FVOCI")	(c)	1,043,125	807,341	1,043,125	807,341
Financial assets at amortised cost	(d)	681,932	681,998	681,932	681,998
Derivative financial assets		43	226	43	226
Financing assets	(e)	24,033,456	20,666,788	24,033,456	20,666,788
Mortgage assets	(f)	3,317,524	3,497,651	3,317,524	3,497,651
Hire purchase assets	(g)	35	35	35	35
Reverse mortgage assets		774	507	774	507
Other assets and prepayments		289,140	289,142	291,843	291,829
TOTAL ASSETS		29,637,610	26,126,870	29,640,304	26,129,547
LIABILITIES					
Short-term borrowings*		1,375,604	998,892	1,375,604	998,892
Derivative financial liabilities		886	356	886	356
Other liabilities	(h)	2,184	3,518	615	2,011
Provision for taxation		82,758	62,662	82,758	62,662
Deferred taxation		118,420	114,990	118,420	114,990
Sukuk	(i)	26,138,770	23,102,061	26,138,770	23,102,061
TOTAL LIABILITIES		27,718,622	24,282,479	27,717,053	24,280,972
ISLAMIC OPERATIONS' FUNDS		1,918,988	1,844,391	1,923,251	1,848,575
TOTAL LIABILITIES AND ISLAMIC OPERATIONS' FUNDS		29,637,610	26,126,870	29,640,304	26,129,547

* Included in short-term borrowings is Wakalah placement from the conventional operations amounting to RM0.9 billion (2024: RM1.0 billion). This inter-operations charge is eliminated at the Company level

Explanatory notes to the Condensed Interim Financial Statements as at 30 June 2025 (Continued)

24. ISLAMIC OPERATIONS (CONTINUED)

INCOME STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025

	Note	Group		Company	
		6 months to 30 Jun 2025 RM'000	6 months to 30 Jun 2024 RM'000	6 months to 30 Jun 2025 RM'000	6 months to 30 Jun 2024 RM'000
Total income attributable		599,639	551,023	599,639	551,023
Profit expense attributable to the Sukuk holders	(j)	(485,364)	(450,113)	(485,364)	(450,113)
Non-profit expense*		(30,236)	(18,797)	(30,236)	(18,797)
Total net income attributable	(k)	84,039	82,113	84,039	82,113
Administration and general expenses		(1,151)	(917)	(1,072)	(852)
Reversal of impairment losses, net		766	1,523	766	1,523
PROFIT BEFORE TAXATION		83,654	82,719	83,733	82,784
Taxation		(20,096)	(19,868)	(20,096)	(19,868)
PROFIT FOR THE FINANCIAL PERIOD		63,558	62,851	63,637	62,916

* Included in non-profit expense during the year is Wakalah placement profit expenses paid to the conventional operations amounting to RM30.0 million (2024: RM17.7 million). This inter-operations charge is eliminated at the Company level

Explanatory notes to the Condensed Interim Financial Statements as at 30 June 2025 (Continued)

24. ISLAMIC OPERATIONS (CONTINUED)

STATEMENTS OF OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025

	Group		Company	
	6 months to 30 Jun 2025 RM'000	6 months to 30 Jun 2024 RM'000	6 months to 30 Jun 2025 RM'000	6 months to 30 Jun 2024 RM'000
Profit for the financial period	63,558	62,851	63,637	62,916
Other comprehensive income/(loss):				
Items that may be subsequently reclassified to profit or loss				
Financial investment at FVOCI				
- Net gain on fair value changes before taxation	15,109	930	15,109	930
- FVOCI ECL	(23)	(9)	(23)	(9)
- Deferred taxation	(3,626)	(223)	(3,626)	(223)
Cash flow hedge				
- Net (loss)/gain on cash flow hedge before taxation	(815)	575	(815)	575
- Deferred taxation	196	(138)	196	(138)
Other comprehensive income for the financial period, net of taxation	10,841	1,135	10,841	1,135
Total comprehensive income for the financial period	74,399	63,986	74,478	64,051

Explanatory notes to the Condensed Interim Financial Statements as at 30 June 2025 (Continued)

24. ISLAMIC OPERATIONS (CONTINUED)

STATEMENTS OF CHANGES IN ISLAMIC OPERATIONS' FUNDS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025

		Non-distributable			Distributable	
Group	Allocated capital funds RM'000	Financial assets at FVOCI reserve RM'000	Cash flow hedge reserves RM'000	Regulatory reserves RM'000	Retained profits RM'000	Total RM'000
Balance as at 1 January 2025	294,747	3,522	(78)	30,517	1,515,683	1,844,391
Profit for the financial period	-	-	-	-	63,558	63,558
Other comprehensive income/(loss)	-	11,460	(619)	-	-	10,841
Total comprehensive income/(loss) for the financial period	-	11,460	(619)	-	63,558	74,399
Transfer to retained profits	-	-	-	(1,539)	1,539	-
Transfer to Islamic operations	198	-	-	-	-	198
Balance as at 30 June 2025	294,945	14,982	(697)	28,978	1,580,780	1,918,988
Balance as at 1 January 2024	294,409	2,818	(1,469)	28,331	1,390,846	1,714,935
Profit for the financial period	-	-	-	-	62,851	62,851
Other comprehensive income	-	698	437	-	-	1,135
Total comprehensive income for the financial period	-	698	437	-	62,851	63,986
Transfer to retained profits	-	-	-	(61)	61	-
Transfer to Islamic operations	339	-	-	-	-	339
Balance as at 30 June 2024	294,748	3,516	(1,032)	28,270	1,453,758	1,779,260

Explanatory notes to the Condensed Interim Financial Statements as at 30 June 2025 (Continued)

24. ISLAMIC OPERATIONS (CONTINUED)

STATEMENTS OF CHANGES IN ISLAMIC OPERATIONS' FUNDS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025 (CONTINUED)

		Non-distributable			Distributable	
Company	Allocated capital funds RM'000	Financial assets at FVOCI reserve RM'000	Cash flow hedge reserves RM'000	Regulatory reserves RM'000	Retained profits RM'000	Total RM'000
Balance as at 1 January 2025	294,747	3,522	(78)	30,517	1,519,867	1,848,575
Profit for the financial period	-	-	-	-	63,637	63,637
Other comprehensive income/(loss)	-	11,460	(619)	-	-	10,841
Total comprehensive income/(loss) for the financial period	-	11,460	(619)	-	63,637	74,478
Transfer to retained profits	-	-	-	(1,539)	1,539	-
Transfer to Islamic operations	198	-	-	-	-	198
Balance as at 30 June 2025	294,945	14,982	(697)	28,978	1,585,043	1,923,251
Balance as at 1 January 2024	294,409	2,818	(1,469)	28,552	1,394,672	1,718,982
Profit for the financial period	-	-	-	-	62,916	62,916
Other comprehensive income	-	698	437	-	-	1,135
Total comprehensive income for the financial period	-	698	437	-	62,916	64,051
Transfer to retained profits	-	-	-	(61)	61	-
Transfer to Islamic operations	339	-	-	-	-	339
Balance as at 30 June 2024	294,748	3,516	(1,032)	28,491	1,457,649	1,783,372

Explanatory notes to the Condensed Interim Financial Statements as at 30 June 2025 (Continued)

24. ISLAMIC OPERATIONS (CONTINUED)

STATEMENTS OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2025

	Group		Company	
	6 months to 30 Jun 2025 RM'000	6 months to 30 Jun 2024 RM'000	6 months to 30 Jun 2025 RM'000	6 months to 30 Jun 2024 RM'000
OPERATING ACTIVITIES				
Profit before taxation	83,654	82,719	83,733	82,784
Adjustment for non-cash items	(113,187)	(101,685)	(113,187)	(101,685)
Operating loss before working capital changes	(29,533)	(18,966)	(29,454)	(18,901)
Change in operating assets and liabilities	(2,077,619)	(519,879)	(2,077,697)	(519,943)
Zakat paid	(1,561)	(2,534)	(1,561)	(2,534)
Net cash flows used in operating activities	(2,108,713)	(541,379)	(2,108,712)	(541,378)
INVESTING ACTIVITIES				
Net purchase of financial assets at FVOCI	(219,661)	(184,399)	(219,661)	(184,399)
Income received from - Financial assets at FVOCI	16,373	13,076	16,373	13,076
Net cash flows used in investing activities	(203,288)	(171,323)	(203,288)	(171,323)
FINANCING ACTIVITIES				
Proceeds from issuance of Sukuk	10,563,551	4,020,000	10,563,551	4,020,000
Redemption of Sukuk	(7,555,000)	(2,765,000)	(7,555,000)	(2,765,000)
Profit paid to Sukuk holders	(457,206)	(450,454)	(457,206)	(450,454)
Net cash flows generated from financing activities	2,551,345	804,546	2,551,345	804,546
Net change in cash and cash equivalents	239,344	91,844	239,345	91,845
Cash and cash equivalents as at 1 January	32,237	64,849	32,227	64,837
Cash and cash equivalents as at 30 June	271,581	156,693	271,572	156,682

Explanatory notes to the Condensed Interim Financial Statements as at 30 June 2024 (Continued)

24. ISLAMIC OPERATIONS (CONTINUED)

(a) Cash and cash equivalents

	Group		Company	
	30 Jun 2025 RM'000	31 Dec 2024 RM'000	30 Jun 2025 RM'000	31 Dec 2024 RM'000
Cash and bank balances with banks and other financial institutions	204	260	195	250
Mudharabah money at call and deposits and placements maturing with original maturity less than three months	271,378	31,978	271,378	31,978
	271,582	32,238	271,573	32,228
Less:				
Allowance for impairment losses	(1)	(1)	(1)	(1)
	271,581	32,237	271,572	32,227

The gross carrying value of cash and cash equivalents and the impairment allowance are within Stage 1. Movement in impairment allowances that reflect the ECL model on impairment are as follows:

	Group and Company	
	30 Jun 2025 RM'000	31 Dec 2024 RM'000
Stage 1		
As at 1 January	1	-
Allowance during the period/year on new assets purchased	1	1
Financial assets derecognised during the period/year due to maturity of assets	(1)	-
At 30 June/31 December	1	1

Explanatory notes to the Condensed Interim Financial Statements as at 30 June 2024 (Continued)

24. ISLAMIC OPERATIONS (CONTINUED)

(b) Deposits and placements with financial institutions

	Group and Company	
	30 Jun 2025	31 Dec 2024
	RM'000	RM'000
Licensed banks	-	150,948
Less: Allowance for impairment losses	-	(3)
At 30 June/31 December	-	150,945

The gross carrying value of deposits and placements with financial institutions and the impairment allowances are within Stage 1. Movement in impairment allowances that reflect the ECL model on impairment are as follows:

	Group and Company	
	30 Jun 2025	31 Dec 2024
	RM'000	RM'000
Stage 1		
As at 1 January	3	-
Allowance during the period/year on new assets purchased	-	3
Financial assets derecognised during the period/year due to maturity of assets	(3)	-
At 30 June/31 December	-	3

Explanatory notes to the Condensed Interim Financial Statements as at 30 June 2025 (Continued)

24. ISLAMIC OPERATIONS (CONTINUED)

(c) Financial assets at fair value through other comprehensive income ("FVOCI")

	Group and Company	
	30 Jun 2025	31 Dec 2024
	RM'000	RM'000
At fair value:		
Corporate Sukuk	566,103	388,859
Government investment issues	455,501	397,200
Quasi Government Sukuk	21,521	21,282
	1,043,125	807,341

The maturity structure of financial assets at FVOCI are as follows:

Maturing within one year	69,523	42,695
One to three years	223,633	167,342
Three to five years	188,770	96,392
More than five years	561,199	500,912
	1,043,125	807,341

The carrying amount of debt instruments at FVOCI is equivalent to their fair value. The ECL is recognised in other comprehensive income and does not reduce the carrying amount in the statements of financial position.

The gross carrying value of financial assets at FVOCI by stage are as follows:

	Gross carrying value	Impairment allowance
	RM'000	RM'000
30 June 2025		
Stage 1 (12-month ECL; non-credit impaired)	1,043,125	172
31 December 2024		
Stage 1 (12-month ECL; non-credit impaired)	807,341	195

Explanatory notes to the Condensed Interim Financial Statements as at 30 June 2025 (Continued)

24. ISLAMIC OPERATIONS (CONTINUED)

(c) Financial assets at fair value through other comprehensive income ("FVOCI") (continued)

Movement in impairment allowances that reflect the ECL model on impairment are as follows:

	Group and Company	
	30 Jun 2025	31 Dec 2024
	RM'000	RM'000
Stage 1		
As at 1 January	195	188
Allowance during the period/year on new assets purchased	11	44
Financial assets derecognised during the period/year due to maturity of assets	(31)	(29)
Reversal during the period/year due to changes in credit risk	(3)	(8)
At 30 June/31 December	172	195

(d) Financial assets at amortised cost

Corporate Sukuk	681,932	681,998

The maturity structure of financial assets at amortised cost are as follows:

More than five years	684,062	684,128
Less: Allowance for impairment losses	(2,130)	(2,130)
	681,932	681,998

The gross carrying value by stage are as follows:

	Gross carrying value	Impairment allowance
	RM'000	RM'000
30 June 2025		
Stage 1 (12-month ECL; non-credit impaired)	684,062	2,130
31 December 2024		
Stage 1 (12-month ECL; non-credit impaired)	684,128	2,130

Explanatory notes to the Condensed Interim Financial Statements as at 30 June 2025 (Continued)

24. ISLAMIC OPERATIONS (CONTINUED)

(d) Financial assets at amortised cost (continued)

Movement in impairment allowances that reflect the ECL model on impairment are as follows:

	Group and Company	
	30 Jun 2025	31 Dec 2024
	RM'000	RM'000
Stage 1		
As at 1 January	2,131	2,180
Reversal during the year due to changes in credit risk	(1)	(50)
As at 30 June/31 December	2,130	2,130

(e) Financing assets

	Group and Company	
	30 Jun 2025	31 Dec 2024
	RM'000	RM'000
House financing	22,580,362	19,205,889
Personal financing	948,486	956,288
Hire purchase	504,608	504,611
	24,033,456	20,666,788
The maturity structure of financing assets are as follows:		
Maturing within one year	6,265,810	8,386,753
One to three years	12,315,539	6,928,456
Three to five years	4,651,911	4,551,354
More than five years	800,277	800,276
	24,033,537	20,666,839
Less:		
Allowance for impairment losses	(81)	(51)
	24,033,456	20,666,788

Explanatory notes to the Condensed Interim Financial Statements as at 30 June 2025 (Continued)

24. ISLAMIC OPERATIONS (CONTINUED)

(e) Financing assets (continued)

The gross carrying value of financing assets and the impairment allowance are within Stage 1. Movement in impairment allowances that reflect the ECL model on impairment are as follows:

	Group and Company	
	30 Jun 2025	31 Dec 2024
	RM'000	RM'000
Stage 1		
As at 1 January	51	96
Allowance during the period/year on new assets purchased	48	13
Financial assets derecognised during the period/year due to maturity of assets	(8)	(29)
Reversal during the period/year due to changes in credit risk	(10)	(29)
As at 30 June/31 December	81	51

(f) Mortgage assets

	Group and Company	
	30 Jun 2025	31 Dec 2024
	RM'000	RM'000
PWOR	3,317,524	3,497,651
The maturity structure of mortgage assets are as follows:		
Maturing within one year	425,622	438,306
One to three years	735,273	756,986
Three to five years	629,260	655,842
More than five years	1,535,946	1,655,688
	3,326,101	3,506,822
Less: Allowance for impairment losses	(8,577)	(9,171)
	3,317,524	3,497,651

Explanatory notes to the Condensed Interim Financial Statements as at 30 June 2025 (Continued)

24. ISLAMIC OPERATIONS (CONTINUED)

(f) Mortgage assets (continued)

The gross carrying value of mortgage assets by stage are as follows:

	Gross carrying value RM'000	Impairment allowance RM'000
30 June 2025		
Stage 1 (12-month ECL; non credit impaired)	3,315,681	6,037
Stage 2 (Lifetime ECL; non credit impaired)	1,244	154
Stage 3 (Lifetime ECL; credit impaired)	9,176	2,386
As at 30 June	3,326,101	8,577
Impairment allowance over gross carrying value (%)		0.26
31 December 2024		
Stage 1 (12-month ECL; non credit impaired)	3,495,529	6,422
Stage 2 (Lifetime ECL; non credit impaired)	1,628	237
Stage 3 (Lifetime ECL; credit impaired)	9,665	2,512
As at 31 December	3,506,822	9,171
Impairment allowance over gross carrying value (%)		0.26

Explanatory notes to the Condensed Interim Financial Statements as at 30 June 2025 (Continued)

24. ISLAMIC OPERATIONS (CONTINUED)

(g) Hire purchase assets

	Group and Company	
	30 Jun 2025 RM'000	31 Dec 2024 RM'000
PWOR	35	35

The maturity structure of hire purchase assets are as follows:

Maturing within one year	35	35
	35	35

The gross carrying value of hire purchase assets by stage are as follows:

	Gross carrying value RM'000	Impairment allowance RM'000
30 June 2025		
Stage 1 (12-month ECL; non credit impaired)	35	-
As at 30 June	35	-
Impairment allowance over gross carrying value (%)		-
31 December 2024		
Stage 1 (12-month ECL; non credit impaired)	35	-
As at 31 December	35	-
Impairment allowance over gross carrying value (%)		-

Explanatory notes to the Condensed Interim Financial Statements as at 30 June 2025 (Continued)

24. ISLAMIC OPERATIONS (CONTINUED)

(h) Other liabilities

	Group		Company	
	30 Jun 2025 RM'000	31 Dec 2024 RM'000	30 Jun 2025 RM'000	31 Dec 2024 RM'000
Zakat	-	1,561	-	1,561
Other payables	2,184	1,957	615	450
	2,184	3,518	615	2,011

(i) Sukuk

	Group and Company	
	30 Jun 2025 RM'000	31 Dec 2024 RM'000
Commercial Papers	2,484,923	2,374,632
Medium-term Notes	23,653,847	20,727,429
	26,138,770	23,102,061
The maturity structure of Sukuk are as follows:		
Maturing within one year	8,250,440	9,412,073
One to three years	10,538,330	6,374,988
Three to five years	5,585,000	5,550,000
More than five years	1,765,000	1,765,000
	26,138,770	23,102,061

Explanatory notes to the Condensed Interim Financial Statements as at 30 June 2025 (Continued)

24. ISLAMIC OPERATIONS (CONTINUED)

(j) Profit expense attributable to the Sukuk holders

	Group and Company	
	30 Jun 2025	30 Jun 2024
	RM'000	RM'000
Mortgage assets	47,620	57,941
Hire purchase assets	26	31
Financing assets	437,718	392,141
	485,364	450,113

Profit expense attributable to the Sukuk holders by concept is as follows:

Bai Al-Dayn	485,364	450,113

(k) Total net income attributable

Income from:		
Mortgage assets	45,049	47,379
Hire purchase assets	(26)	(31)
Financing assets	44,360	37,160
Financial assets at FVOCI	17,410	14,830
Deposit and placements with financial institutions	7,458	1,572
Reverse mortgage assets	24	-
Non-profit expense	(30,236)	(18,797)
	84,039	82,113

Total net income analysed by concept are as follows:		
Bai Al-Dayn	59,171	65,699
Murabahah	14,682	10,403
Istithmar	16	-
Mudharabah	-	1,739
Musyarakah	598	558
Muwa'adah	1,662	-
Wakalah	2,114	2,141
Tawarruq	5,556	1,056
Qard Al-Hasan	240	517
	84,039	82,113

Explanatory notes to the Condensed Interim Financial Statements as at 30 June 2025 (Continued)

24. ISLAMIC OPERATIONS (CONTINUED)

(l) Capital adequacy

	Group		Company	
	30 Jun 2025 %	31 Dec 2024 %	30 Jun 2025 %	31 Dec 2024 %
CET 1 capital ratio	22.5	24.6	22.6	24.7
Tier 1 capital ratio	22.5	24.6	22.6	24.7
Total capital ratio	23.0	25.1	23.0	25.2

The capital adequacy ratios are as follows:

	Group		Company	
	30 Jun 2025 RM'000	31 Dec 2024 RM'000	30 Jun 2025 RM'000	31 Dec 2024 RM'000
CET 1/Tier 1 capital:				
Allocated capital funds	294,945	294,747	294,945	294,747
Retained profits and regulatory reserves	1,609,758	1,546,200	1,614,021	1,550,384
	1,904,703	1,840,947	1,908,966	1,845,131
Financial assets at FVOCI reserve	6,742	1,585	6,742	1,585
Deferred tax assets	(7,916)	(7,767)	(7,916)	(7,767)
Less: Regulatory reserves	(28,978)	(30,517)	(28,978)	(30,517)
Total CET 1/Tier 1 capital	1,874,551	1,804,248	1,878,814	1,808,432
Tier 2 capital:				
Add: Regulatory reserves	28,978	30,517	28,978	30,517
Allowance for impairment losses	7,745	8,077	7,745	8,077
Total Tier 2 capital	36,723	38,594	36,723	38,594
Total capital	1,911,274	1,842,842	1,915,537	1,847,026

Explanatory notes to the Condensed Interim Financial Statements as at 30 June 2025 (Continued)

24. ISLAMIC OPERATIONS (CONTINUED)

(f) Capital adequacy (continued)

The breakdown of risk-weighted assets by each major risk category is as follows:

	Group		Company	
	30 Jun 2025 RM'000	31 Dec 2024 RM'000	30 Jun 2025 RM'000	31 Dec 2024 RM'000
Credit risk	7,964,668	7,010,861	7,967,370	7,013,546
Operational risk	351,406	317,831	351,406	317,831
Total risk-weighted assets	8,316,074	7,328,692	8,318,776	7,331,377

The Group and the Company are not subject to the BNM Guidelines on the Capital Adequacy Guidelines. However, disclosure of the capital adequacy ratios is made on a voluntary basis for information purposes.

The computation of operational risk-weighted assets has been computed under the Basic Indicator Approach for the financial period ended 30 June 2025. The updated computation method for operational risk-weighted assets based on Capital Adequacy Framework (Operational Risk) issued on 15 December 2023 will be adopted for the financial year ending 31 December 2025.

Explanatory notes to the Condensed Interim Financial Statements as at 30 June 2025 (Continued)

25. BUSINESS REVIEW

Market Environment

The International Monetary Fund (“IMF”) now forecast global economic growth at 2.8% in 2025 and 3.0% in 2026 (2024: 3.3%), reflecting a cumulative downgrade of 0.8 percentage points from its initial projection in January 2025. This revision attributed to the surge in global tariffs, initiated by the United States (“US”), which has significantly increased macroeconomic policy uncertainty and disrupted trade flows. Despite these headwinds, global growth remains above recession levels, and disinflation momentum continues, although global inflation has been revised upward by 0.1 percentage point to 4.3% (2024: 5.7%), reflecting the potential impact of tariffs.

The Malaysian economy has remained resilient, albeit at a more moderate pace, with real gross domestic product (“GDP”) growing by 4.4% in 1Q2025 (4Q2024: 4.9%), supported by sustained expansion in domestic demand. Private consumption continued to benefit from strong labour market conditions, continued income growth and additional policy support for lower income households. Private investment remained robust, underpinned by the ongoing realisation of high approved investments. Overall, the Malaysian economy is expected to grow slightly slower than the initial official’s forecast of 4.5%-5.5% (2024: 5.1%).

The global financial market remained volatile due to an unprecedented level of global macroeconomic uncertainties. Nevertheless, the ringgit strengthened by 6.0% year-to-date (“YTD”) to 4.22 against the US dollar as of June 2025 (2024: +2.7%), supported by continued influx of foreign portfolio flows, especially into the bond market. As of 30 June 2025, The Malaysia Government Securities("MGS") yield curve shifted downward, declining by 27 to 42 basis points ("bps") across all major tenors, driven by expectations of an Overnight Policy Rate ("OPR") cut by Bank Negara Malaysia ("BNM") and as global investors shifted away from the US market. Correspondingly, foreign investors accumulated RM21.4 billion in local ringgit bonds as of June 2025 (2024: RM4.8 billion inflows). In the equity market, the benchmark FBM KLCI declined by 6.7% YTD (2024: +12.9%), as investors shifted from riskier asset in favour of low-risk instruments.

Headline inflation averaged 1.4% in the first six months of 2025 (2024: 1.8%), staying moderate despite relatively higher core inflation at 1.8% (2024: 1.8%). Going forward, inflation is expected to remain modest throughout 2025, subject to domestic policy measures and global commodity prices. At its July Monetary Policy Committee (“MPC”) meeting, BNM reduced the OPR by 25 bps to 2.75%, following a 100 bps cuts in Statutory Reserve Requirement (“SRR”) ratio in May. The decision came as a pre-emptive measure to preserve Malaysia’s steady growth path against heightened downside risks, given the absence of excessive domestic price pressures. Going forward, BNM is expected maintain the OPR at the current level to support growth while balancing potential inflationary pressures.

Malaysia’s banking system remains robust, with solid capital levels. As of May 2025, Total Capital Ratio (“TCR”) stood at 17.8% (2024: 18.5%), well above the 10.5% regulatory minimum, indicating that banks are well-positioned to withstand potential shocks. Liquidity is also healthy and continued to facilitate financial intermediation, with the Liquidity Coverage Ratio (“LCR”) at 150.4% in May 2025 (2024: 161%), comfortably above the 100% requirement. The funding profile is well-diversified with May 2025’s Loan-to-Fund (LTF) and Loan-to-Fund and Equity Ratio at ratio at 83.6% (2024: 83.2%) and 72.6% (2024: 72.6%) respectively.

Explanatory notes to the Condensed Interim Financial Statements as at 30 June 2025 (Continued)

25. BUSINESS REVIEW (CONTINUED)

Purchase of Loans and Financing

Cagamas recorded RM12.9 billion of purchases of PWR loans and financing in the 1H 2025 (1H 2024: RM4.5 billion). As at 1H 2025, residential mortgage continued to dominate Cagamas' portfolio at 96.3% (1H 2024: 93.6%), personal loans at 2.0% (1H 2024: 4.6%) and hire purchase loans and financing at 1.7% (1H 2024: 1.8%).

Issuance of Bonds and Sukuk

For the financial period ended 30 June 2025, Cagamas has raised a total of RM17.4 billion of which RM14.7 billion was raised via issuance of bonds and Sukuk through 35 issuance exercises and the remaining RM2.7 billion was from other funding sources. From the total funding, 24% or RM4.1 billion were raised via conventional funding, 61% or RM10.6 billion were raised via Sukuk funding and 16% or RM2.7 billion from other funding sources.

Cagamas also continued to raise funding at a competitive price in foreign currency issuance through private placement exercises. During the 1H 2025, Cagamas printed debt securities in Singapore Dollar ("SGD") with a total value of SGD893 million (RM3.0 billion equivalent) through 6 issuance exercises which were successfully priced under the Company's Multicurrency EMTN programmes. From the total funding, 17% or RM3.0 billion equivalent were raised via SGD EMTN issuances.

Cagamas' local and foreign currency capital programmes have been assigned long term issuer rating of A3 by Moody's Investors Service ("Moody's") which is in line with Malaysian sovereign ratings. RAM Rating Services Berhad ("RAM Ratings") assigned. In addition, MARC Ratings Berhad ("MARC Ratings") assigned Cagamas' bonds and Sukuk issues ratings at AAA/MARC-1 and AAAIS/MARC-1IS, respectively. Reaffirmation of these ratings reflects Cagamas' ability to attract investment in its bonds and Sukuk, underpinned by its strong credit rating, track record of strong capitalisation, robust asset quality and stable profitability.

Financial Performance

The Group registered a pre-tax profit of RM153.1 million for the period ended 30 June 2025 as compared to RM151.6 million in the previous corresponding period.

The total assets of the Group as at 30 June 2025 stood at RM54.0 billion, an increase of 8.1% since 31 December 2024.

Capital Management

The Group's core capital ratio as at 30 June 2025 decreased to 35.7% mainly due to purchases of PWR assets as compared to 37.9% as at 31 December 2024. As at the reporting date, TCR remains stable at 36.2%, above the minimum ratio of 20% as stipulated in the Guidelines on Capital Adequacy Ratio, computed in accordance with the Basel II Capital Adequacy Framework.

Total shareholder's funds for the Group stands at RM4.9 billion arising from profits generated during the period, while net tangible assets per share increased by 3.3% to RM32.72 per share as at 30 June 2025.

Explanatory notes to the Condensed Interim Financial Statements as at 30 June 2025 (Continued)

25. BUSINESS REVIEW (CONTINUED)

Information About Company Employees, Social and Community Issues Including the Impact of the Company's Business on the Environment

At Cagamas, our people are our greatest asset, and central to the success of our 5-year strategic roadmap, House of the Future. In the first half of the year, we have strengthened essential building blocks to support this ambition by reigniting the spirit of our Core Values – **C**ollaboration and **A**ccountability to build **R**esilience in achieving **E**xcellence (C.A.R.E.). Our company-wide team building programme, which saw participation from 114 (93%) employees, was focused on cultivating trust, improving team synergy, and reinforcing our shared mission. Additionally, we have enriched our learning culture through **S**kills, **K**nowledge, **I**deas, and **E**xperience **S**haring (SKIES) sessions, our knowledge-sharing platform designed to promote cross-functional learning and spotlight internal expertise. These initiatives are more than just events; they are foundational to creating a future-ready organisation where learning, connection, and innovation thrive.

Complementing these efforts, we are expanding our employees' capabilities through innovation initiatives and global exposure. The 3 Musketeers initiative, our internal ideation challenge, has provided a platform for talents to innovate boldly and pitch solutions that deliver real outcomes, whether from a business, process, or people angle. Simultaneously, we continue to provide employees with overseas learning opportunities that broaden their perspectives and enhance strategic thinking. As of June 2025, 17 employees have participated in global learning assignments, international conferences, or leadership courses in countries such as Indonesia, Hong Kong, Switzerland and United States. These initiatives serve as enablers, helping us build a more agile and high-performing workforce.

Our focus on young talent remains a key part of ensuring long-term sustainability. Since its inception, the Cagamas Scholarship Programme (CSP) has continued to support deserving Malaysians who need financial aid to pursue their education. As of June 2025, the programme has sponsored a total of 46 scholars, with 28 (61%) of them having successfully graduated at CGPA 3.0 and above. The CSP has supported deserving students not only financially but also through a mentorship programme and internship placements to provide hands-on exposure to the working world. This early pipeline is further reinforced by our Management Trainee (MT) Programme, introduced to nurture a new generation of high-potential professionals through rotational assignments, development programmes, and real business experience. To date, we have six (6) MTs placed in various divisions within Cagamas. These programmes reflect our ongoing commitment to talent development, not just for Cagamas but to contribute meaningfully to the wider financial industry.

For zakat, the Cagamas Group has distributed RM816,080 in zakat funds as of 30 June 2025 through its Cagamas Zakat Wakalah Programme (CZWP), directly benefiting over 4,461 individuals in need. This initiative has provided vital financial assistance for basic living expenses, medical aid, and utility payments. Beyond financial support, CZWP has fostered community well-being by distributing essential food packages, sponsoring festive meals, and supporting local suraus, non-profits, and tahfiz schools. The programme also empowered three (3) asnaf entrepreneurs with business assistance and improved living conditions for 35 orphans through rental aid, ensuring access to shelter, education, and holistic development.

CAGAMAS BERHAD
Registration No. 198601008739 (157931-A)
(Incorporated in Malaysia)

Directors' Report and Audited Financial Statements
31 December 2024

Registration No.
198601008739 (157931-A)

CAGAMAS BERHAD
(Incorporated in Malaysia)

STATUTORY FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

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CAGAMAS BERHAD
(Incorporated in Malaysia)

DIRECTORS' REPORT

The Directors have pleasure in submitting their report and the audited financial statements of the Group and the Company for the financial year ended 31 December 2024.

PRINCIPAL ACTIVITIES

The principal activities of Cagamas Berhad ("the Company") consist of the purchases of mortgage loans, personal loans and hire purchase and leasing debts from primary lenders approved by the Company and the issuance of bonds and notes to finance these purchases. The Company also purchases Islamic financing facilities such as home financing, personal financing and hire purchase financing and funded by issuance of Sukuk. Subsidiary companies of the Company are Cagamas Global PLC ("CGP") and Cagamas Global Sukuk Berhad ("CGS"):

- CGP is a conventional fund raising vehicle incorporated in Labuan. The main principal activity is to undertake the issuance of bonds and notes in foreign currency; and
- CGS is an Islamic fund raising vehicle. The main principal activity is to undertake the issuance of Sukuk in foreign currency.

There were no significant changes in the nature of these activities of the Company and its subsidiaries ("the Group") during the financial year.

FINANCIAL RESULTS

	Group RM'000	Company RM'000
Profit for the financial year	237,993	238,250

DIVIDENDS

The dividends paid by the Company since 31 December 2023 were as follows:

	RM'000
In respect of the financial year ended 31 December 2023,	
- A final dividend of 15 sen per share on 150,000,000 ordinary shares paid on 8 May 2024	22,500
In respect of the financial year ended 31 December 2024,	
- An interim dividend of 5 sen per share on 150,000,000 ordinary shares paid on 13 September 2024	7,500
	30,000

The Directors recommend the payment of a final dividend of 15 sen per share on 150,000,000 ordinary shares amounting to RM22,500,000 for the financial year ended 31 December 2024 which is subject to approval of the member at the forthcoming Annual General Meeting of the Company.

The financial statements for the current financial year do not reflect this dividend and will be accounted for in equity as an appropriation of retained profits in the next financial year ending 31 December 2025.

CAGAMAS BERHAD
(Incorporated in Malaysia)

DIRECTORS' REPORT (CONTINUED)

SHARE CAPITAL

There was no change in the issued ordinary share capital of the Company during the financial year.

RESERVES AND PROVISIONS

All material transfers to or from reserves and provisions during the financial year are reflected in the financial statements.

RATING PROFILE OF THE BONDS AND SUKUK

RAM Rating Services Berhad (“RAM”) has assigned corporate credit ratings of of AAA/Stable/P1.

Meanwhile, Malaysian Rating Corporation Berhad (“MARC”) has also assigned Cagamas’ bonds and Sukuk issues ratings at AAA/AAAIS and MARC-1/MARC-1IS.

Moody’s Investors Service (“Moody’s”) has assigned long-term local and foreign currency issuer ratings of A3 that are in line with Malaysian sovereign ratings.

Moody’s has maintained the ratings of A3 to the USD2.5 billion Multicurrency Medium Term Note (“EMTN”) Programme and USD2.5 billion Multicurrency Sukuk Issuance (“Islamic EMTN”) Programme issued by Cagamas Global P.L.C. and Cagamas Global Sukuk Berhad, respectively.

RELATED PARTY TRANSACTIONS

Most of the transactions of the Group and the Company involving mortgage loans, hire purchase and leasing debts, Islamic financing facilities as well as issuance of unsecured bearer bonds and Sukuk are done with various financial institutions including those who are substantial shareholders of Cagamas Holdings Berhad ("CHB"), the ultimate holding company.

DIRECTORS

The Directors in office during the financial year and during the period from the end of the financial year to date of the report are:

Dato’ Bakarudin Ishak (Chairman)
Dato' Wee Yiaw Hin
Ho Chai Huey
Tan Sri Tajuddin Atan
Abdul Rahman Hussein
Sophia Ch’ng Sok Heang
Kameel Abdul Halim

In accordance with Articles 23.5 and 23.6 of the Company's Constitution, Dato’ Bakarudin Ishak and Ho Chai Huey retire by rotation at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

DIRECTORS' REPORT (CONTINUED)

DIRECTORS (CONTINUED)

The Directors of the Group's subsidiaries in office during the financial year and during the period from the end of the financial year to date of the report are:

Kameel Abdul Halim
Abdul Hakim Amir Zainol

DIRECTORS' BENEFITS AND REMUNERATION

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit and remuneration (other than Directors' remuneration as disclosed in Note 36 to the financial statements) by reason of a contract made by the Group or the Company or by a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

Neither during nor at the end of the financial year were the Group and the Company are a party to any arrangements whose object or objects were to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of the Group and the Company or any other body corporate.

The aggregate emoluments received by the Directors of the Group and the Company during the financial year are as follows:

	Group and Company	
	2024	2023
	RM'000	RM'000
Directors' fees	450	450
Directors' other emoluments	1,723	2,208
	2,173	2,658

The Directors of the Group and the Company is covered under the Directors' Liability Insurance in respect of liabilities arising from acts committed in their capacity as, inter alia, Directors of the Group and the Company subject to the terms of the policy. The total amount of Directors' Liability Insurance effected for the Directors of the ultimate holding company was RM30.0 million.

DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

According to the Register of Directors' Shareholdings required to be kept under Section 59 of the Companies Act 2016, the Directors in office at the end of the financial year did not hold any interest in shares or options over shares in the Company or its subsidiaries or its holding company or subsidiaries of the holding company during the financial year.

DIRECTORS' REPORT (CONTINUED)

DIRECTORS' INDEMNITY

The Company maintained a Directors' and Officers' Liability Insurance for the purpose of Section 289 of the Companies Act 2016, throughout the year, which provides appropriate insurance cover for the directors and officers of the Company. The amount of insurance premium effected for any director and officer of the Company during the financial year was RM189,010 (2023: RM185,510). The directors and officers shall not be indemnified by such insurance for any deliberate negligence, fraud, intentional breach of law or breach of trust proven against them.

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS

Before the financial statements of the Group and the Company were prepared, the Directors took reasonable steps:

(a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written-off and that adequate allowance had been made for doubtful debts; and

(b) to ensure that any current assets, other than debts, which were unlikely to realise in the ordinary course of business including the values of current assets as shown in the accounting records of the Group and the Company had been written down to an amount which the current assets might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:

(a) which would render the amounts to be written-off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and the Company inadequate to any substantial extent; or

(b) which would render the values attributed to current assets in the financial statements of the Group and the Company misleading; or

(c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and the Company misleading or inappropriate.

At the date of this report, there does not exist:

(a) any charge on the assets of the Group and the Company which has arisen since the end of the financial year which secures the liability of any other person; or

(b) any contingent liability of the Group and the Company which has arisen since the end of the financial year.

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, in the opinion of the Directors, will or may affect the ability of the Group and the Company to meet their obligations when they fall due.

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 which would render any amount stated in the financial statements misleading or inappropriate.

DIRECTORS' REPORT (CONTINUED)

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS (CONTINUED)

In the opinion of the Directors:

(a) the results of the operations of the Group and the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and

(b) there has not arisen in the interval between the end of the financial year and the date of this report, any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and the Company for the financial year in which this report is made.

SUBSIDIARIES

Details of subsidiaries are set out in Note 17 to the financial statements.

ULTIMATE HOLDING COMPANY

The Directors regard Cagamas Holdings Berhad, a company incorporated in Malaysia, as the ultimate holding company.

AUDITORS' REMUNERATION

Auditors' remuneration of the Group and the Company are RM335,000 and RM315,000 respectively. Details of the auditors' remuneration are set out in Note 35 to the financial statements.

	Group	Company
	RM'000	RM'000
Audit fee	320	300
Non-audit fee	15	15

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198601008739 (157931-A)

CAGAMAS BERHAD
(Incorporated in Malaysia)

DIRECTORS' REPORT (CONTINUED)

AUDITORS

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

This report was approved by the Board of Directors on 25 March 2025.

Signed on behalf of the Board of Directors:

DATO' BAKARUDIN ISHAK
CHAIRMAN

KAMEEL ABDUL HALIM
DIRECTOR

25 March 2025

Registration No.
198601008739 (157931-A)

CAGAMAS BERHAD
(Incorporated in Malaysia)

STATEMENT BY DIRECTORS
PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, Dato' Bakarudin Ishak and Kameel Abdul Halim, the two Directors of Cagamas Berhad, state that, in the opinion of the Directors, the financial statements set out on pages 13 to 147 are drawn up so as to give a true and fair view of the financial position of the Group and the Company as at 31 December 2024 and of the financial performance of the Group and the Company for the financial year ended on that date in accordance with the Malaysian Financial Reporting Standards Accounting Standards, International Financial Reporting Standards Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

Signed on behalf of the Board of Directors in accordance with their resolution.

DATO' BAKARUDIN ISHAK
CHAIRMAN

KAMEEL ABDUL HALIM
DIRECTOR

25 March 2025

Registration No.
198601008739 (157931-A)

CAGAMAS BERHAD
(Incorporated in Malaysia)

STATUTORY DECLARATION
PURSUANT TO SECTION 251(1) OF THE COMPANIES ACT 2016

I, Dr Mazatul 'Aini Shahar Abdul Malek Shahar, the Officer primarily responsible for the financial management of Cagamas Berhad, do solemnly and sincerely declare that the financial statements set out on pages 13 to 147 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.

DR MAZATUL 'AINI SHAHAR ABDUL MALEK SHAHAR
MIA No. CA-42107

Subscribed and solemnly declared by the abovenamed Dr Mazatul 'Aini Shahar Abdul Malek Shahar at Kuala Lumpur in Malaysia on 25 March 2025.

Before me,
COMMISSIONER FOR OATHS

PESURUHJAYA SUMPAH
NO: W 681
RAJEEV SAIGAL A/L
RAMLABAYA SAIGAL
BC/R/548
1 JAN 2026 - 31 DIS 2027
MALAYSIA

No. 42-1, Jalan Bangsar
Bangsar 59200, Kuala Lumpur

Shape the future
with confidence

Ernst & Young PLT
202006000003 (LLP0022760-LCA) & AF 0039
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INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF CAGAMAS BERHAD
(Incorporated in Malaysia)
Registration No. 198601008739 (157931-A)

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Cagamas Berhad, which comprise the statements of financial position as at 31 December 2024 of the Group and of the Company, and the income statements, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 13 to 147.

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 2024, and of their financial performance and their cash flows for the year then ended in accordance with MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the financial statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence and other ethical responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Ernst & Young PLT 202006000003 (LLP0022760-LCA) & AF 0039 was registered on 02.01.2020 and with effect from that date, Ernst & Young (AF 0039), a conventional partnership was converted to a limited liability partnership.

A member firm of Ernst & Young Global Limited

INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF
CAGAMAS BERHAD (CONT'D.)
(Incorporated in Malaysia)
Registration No. 198601008739 (157931-A)

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.

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 MFRS Accounting Standards, IFRS Accounting 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.

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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF
CAGAMAS BERHAD (CONT'D.)
(Incorporated in Malaysia)
Registration No. 198601008739 (157931-A)

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: (cont'd.)

- 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.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the financial statements of the Group. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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.

Other matters

This report is made solely to the member 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.

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

Muhammad Syarizal Bin Abdul Rahim
No. 03157/01/2027 J
Chartered Accountant

Kuala Lumpur, Malaysia
25 March 2025

Registration No.
198601008739 (157931-A)

CAGAMAS BERHAD
(Incorporated in Malaysia)

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024

	Note	Group		Company	
		2024	2023	2024	2023
		RM'000	RM'000	RM'000	RM'000
ASSETS					
Cash and cash equivalents	5	61,121	180,359	61,086	180,332
Deposits and placements with financial institutions	6	433,225	86,947	433,225	86,947
Financial assets at fair value through other comprehensive income ("FVOCI")	7	3,527,639	2,690,061	3,527,639	2,690,061
Financial assets at amortised cost	8	2,287,035	2,286,680	2,287,035	2,286,680
Derivative financial assets	9	15,403	207,659	15,403	207,659
Amount due from counterparties	10	16,833,422	19,987,790	16,833,422	19,987,790
Islamic financing assets	11	20,666,788	21,426,861	20,666,788	21,426,861
Mortgage assets					
- Conventional	12	2,600,891	3,021,850	2,600,891	3,021,850
- Islamic	13	3,498,719	3,881,528	3,498,719	3,881,528
Hire purchase assets					
- Islamic	14	40	55	40	55
Reverse mortgage assets		4,172	2,147	4,172	2,147
Amount due from					
- Related company		370	586	370	586
- Subsidiaries	15	-	-	4,294	4,127
Other assets	16	13,689	20,476	13,667	20,463
Investment in subsidiaries	17	-	-	-*	-*
Property and equipment	18	8,307	1,947	8,307	1,947
Intangible assets	19	13,594	16,804	13,594	16,804
Right-of-use asset	20	9,163	7,176	9,163	7,176
TOTAL ASSETS		49,973,578	53,818,926	49,977,815	53,823,013
LIABILITIES					
Short-term borrowings		506,132	648,790	506,132	648,790
Derivative financial liabilities	9	80,617	15,161	80,617	15,161
Other liabilities	21	105,612	150,411	105,549	150,341
Lease liability	22	11,311	9,308	11,311	9,308
Provision for taxation		3,888	10,205	3,888	10,205
Deferred taxation	23	213,964	198,371	213,964	198,371
Loans from subsidiary	24	-	-	3,653,829	5,473,654
Unsecured bearer bonds and notes	25	21,186,219	24,954,908	17,532,365	19,481,343
Sukuk	26	23,102,061	23,278,139	23,102,061	23,278,139
TOTAL LIABILITIES		45,209,804	49,265,293	45,209,716	49,265,312
Share capital	27	150,000	150,000	150,000	150,000
Reserves	28	4,613,774	4,403,633	4,618,099	4,407,701
SHAREHOLDER'S FUNDS		4,763,774	4,553,633	4,768,099	4,557,701
TOTAL LIABILITIES AND SHAREHOLDER'S FUNDS		49,973,578	53,818,926	49,977,815	53,823,013
NET TANGIBLE ASSETS PER SHARE (RM)	29	31.67	30.25	31.70	30.27

* Denotes USD1 in CGP and RM2 in CGS.

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

Registration No.
198601008739 (157931-A)

CAGAMAS BERHAD
(Incorporated in Malaysia)

INCOME STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Interest income	30	1,088,396	1,071,757	1,088,396	1,071,757
Interest expense	31	(925,006)	(945,854)	(924,890)	(943,023)
Income from Islamic operations		195,398	186,292	195,398	186,292
Non-interest income	32	11,066	38,940	11,066	38,940
		369,854	351,135	369,970	353,966
Personnel costs	33	(33,711)	(30,760)	(33,711)	(30,760)
Administration and general expenses		(33,913)	(27,700)	(33,772)	(27,582)
OPERATING PROFIT		302,230	292,675	302,487	295,624
Reversal of impairment losses, net	34	8,709	10,920	8,709	10,920
PROFIT BEFORE TAXATION AND ZAKAT		310,939	303,595	311,196	306,544
Zakat		(1,561)	(2,534)	(1,561)	(2,534)
Taxation	37	(71,385)	(74,713)	(71,385)	(74,713)
PROFIT FOR THE FINANCIAL YEAR		237,993	226,348	238,250	229,297
EARNINGS PER SHARE (SEN)	29	158.66	150.90	158.83	152.86

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

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198601008739 (157931-A)

CAGAMAS BERHAD
(Incorporated in Malaysia)

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Profit for the financial year	237,993	226,348	238,250	229,297
Other comprehensive income:				
Items that may be subsequently reclassified to income statement				
Financial assets at FVOCI				
- Net gain from change in fair value	3,506	46,094	3,506	46,094
- FVOCI ECL	(53)	5	(53)	5
- Deferred taxation	(841)	(11,063)	(841)	(11,063)
Cash flow hedge				
- Net (loss)/gain on cash flow hedge	(610)	17,405	(610)	17,405
- Deferred taxation	146	(4,177)	146	(4,177)
Other comprehensive income for the financial year, net of taxation	2,148	48,264	2,148	48,264
Total comprehensive income for the financial year	240,141	274,612	240,398	277,561
Total comprehensive income for the financial year attributable to:				
Equity holders of the Group and the Company	240,141	274,612	240,398	277,561

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

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CAGAMAS BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

		Issued and fully paid ordinary shares of RM1 each	Non-distributable			Distributable	
Group	Note	Share capital RM'000	Financial assets at FVOCI reserves RM'000	Cash flow hedge reserves RM'000	Regulatory reserves RM'000	Retained profits RM'000	Total equity RM'000
Balance as at 1 January 2024		150,000	(2,152)	10,847	47,919	4,347,019	4,553,633
Profit for the financial year		-	-	-	-	237,993	237,993
Other comprehensive income	28	-	2,612	(464)	-	-	2,148
Total comprehensive income for the financial year			2,612	(464)		237,993	240,141
Transfer from retained profits	28	-	-	-	4,879	(4,879)	-
Dividends paid	38	-	-	-	-	(30,000)	(30,000)
Balance as at 31 December 2024		150,000	460	10,383	52,798	4,550,133	4,763,774
Balance as at 1 January 2023		150,000	(37,188)	(2,381)	79,440	4,119,150	4,309,021
Profit for the financial year		-	-	-	-	226,348	226,348
Other comprehensive income	28	-	35,036	13,228	-	-	48,264
Total comprehensive income for the financial year		-	35,036	13,228	-	226,348	274,612
Transfer to retained profits	28	-	-	-	(31,521)	31,521	-
Dividends paid	38	-	-	-	-	(30,000)	(30,000)
Balance as at 31 December 2023		150,000	(2,152)	10,847	47,919	4,347,019	4,553,633

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

Registration No.
198601008739 (157931-A)

CAGAMAS BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

		Issued and fully paid ordinary shares of RM1 each	Non-distributable			Distributable	
Company	Note	Share capital RM'000	Financial assets at FVOCI reserves RM'000	Cash flow hedge reserves RM'000	Regulatory reserves RM'000	Retained profits RM'000	Total equity RM'000
Balance as at 1 January 2024		150,000	(2,152)	10,847	47,919	4,351,087	4,557,701
Profit for the financial year		-	-	-	-	238,250	238,250
Other comprehensive income	28	-	2,612	(464)	-	-	2,148
Total comprehensive income for the financial year		-	2,612	(464)	-	238,250	240,398
Transfer from retained profits	28	-	-	-	4,879	(4,879)	-
Dividends paid	38	-	-	-	-	(30,000)	(30,000)
Balance as at 31 December 2024		150,000	460	10,383	52,798	4,554,458	4,768,099
Balance as at 1 January 2023		150,000	(37,188)	(2,381)	79,440	4,120,269	4,310,140
Profit for the financial year		-	-	-	-	229,297	229,297
Other comprehensive income	28	-	35,036	13,228	-	-	48,264
Total comprehensive income for the financial year		-	35,036	13,228	-	229,297	277,561
Transfer to retained profits	28	-	-	-	(31,521)	31,521	-
Dividends paid	38	-	-	-	-	(30,000)	(30,000)
Balance as at 31 December 2023		150,000	(2,152)	10,847	47,919	4,351,087	4,557,701

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

Registration No.
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CAGAMAS BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Note	Group		Company	
		2024	2023	2024	2023
		RM'000	RM'000	RM'000	RM'000
OPERATING ACTIVITIES					
Profit before taxation and zakat		310,939	303,595	311,196	306,544
Adjustments for non-cash items	39(a)	(372,668)	(338,717)	(372,726)	(341,548)
Operating loss before working capital changes		(61,729)	(35,122)	(61,530)	(35,004)
Net changes in operating assets and liabilities	39(b)	6,371,019	(6,026,529)	6,370,812	(6,026,631)
Zakat paid		(4,095)	(5,362)	(4,095)	(5,362)
Tax paid		(62,805)	(42,939)	(62,805)	(42,939)
Net cash flows from/(used in) operating activities		6,242,390	(6,109,952)	6,242,382	(6,109,936)
INVESTING ACTIVITIES					
Net (purchase)/redemption of:					
- Financial assets at FVOCI		(829,748)	859,127	(829,748)	859,127
- Financial assets at amortised cost		-	(464,959)	-	(464,959)
Purchase of:					
- Property and equipment		(7,637)	(1,215)	(7,637)	(1,215)
- Intangible assets		(1,902)	(2,371)	(1,902)	(2,371)
Income received from financial assets at FVOCI		121,365	117,726	121,365	117,726
Proceeds from disposal of PPE		-	151	-	151
Net cash flows (used in)/from investing activities		(717,922)	508,459	(717,922)	508,459

CAGAMAS BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
FINANCING ACTIVITIES					
Dividends paid to shareholders		(30,000)	(30,000)	(30,000)	(30,000)
Proceeds from issuance of:					
- Unsecured bearer bonds and notes		7,333,635	15,223,801	4,743,759	10,255,000
- Sukuk		11,019,458	12,505,000	11,019,458	12,505,000
Proceeds from loans from subsidiary		-	-	2,589,875	4,968,801
Redemption of:					
- Unsecured bearer bonds and notes		(10,913,583)	(11,013,121)	(6,675,000)	(8,080,000)
- Sukuk		(11,180,000)	(9,395,000)	(11,180,000)	(9,395,000)
Repayment of loans from subsidiary		-	-	(4,238,583)	(2,933,121)
Interest paid		(945,548)	(865,711)	(945,548)	(865,711)
Profit paid to Sukuk holders		(925,389)	(800,490)	(925,389)	(800,490)
Lease rental paid		(2,278)	(2,392)	(2,278)	(2,392)
Net cash (used in)/flow from financing activities		(5,643,705)	5,622,087	(5,643,706)	5,622,087
Net change in cash and cash equivalents		(119,238)	20,594	(119,246)	20,610
Cash and cash equivalents as at 1 January		180,359	159,765	180,332	159,722
Cash and cash equivalents as at 31 December	5	61,121	180,359	61,086	180,332

CAGAMAS BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS

1 GENERAL INFORMATION

The principal activities of the Company consist of the purchases of mortgage loans, personal loans and hire purchase and leasing debts from primary lenders approved by the Company and the issuance of bonds and notes to finance these purchases. The Company also purchases Islamic financing facilities such as home financing, personal financing and hire purchase financing and funded by issuance of Sukuk. Subsidiary companies of the Company are Cagamas Global PLC ("CGP") and Cagamas Global Sukuk Berhad ("CGS"):

- CGP is a conventional fund raising vehicle incorporated in Labuan. Its main principal activity is to undertake the issuance of bonds and notes in foreign currency; and
- CGS is an Islamic fund raising vehicle. Its main principal activity is to undertake the issuance of Sukuk in foreign currency.

The Company is a public limited liability company, incorporated and domiciled in Malaysia.

The address of the registered office and principal place of business is Level 32, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200, Kuala Lumpur.

The ultimate holding company is Cagamas Holdings Berhad, a company incorporated in Malaysia.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The financial statements of the Group and the Company have been prepared in accordance with the Malaysian Financial Reporting Standards Accounting Standards ("MFRS"), International Financial Reporting Standards Accounting Standards ("IFRS") and the requirements of the Companies Act 2016 in Malaysia.

The financial statements of the Group and the Company have been prepared under the historical cost convention unless otherwise indicated.

The financial statements incorporate those activities relating to the Islamic operations of the Group and the Company.

The Islamic operations of the Group and the Company refer to:

(a) the purchases of Islamic house financing assets, Islamic personal financing, Islamic mortgage assets and Islamic hire purchase assets, from approved originators;
(b) issuance of Sukuk under Shariah principles;
(c) acquisition, investment in and trading of Islamic financial instruments; and
(d) origination of reverse mortgage financing.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (continued)

The preparation of financial statements in conformity with MFRS and IFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reported financial year. It also requires Directors to exercise their judgement in the process of applying the Group's and the Company's accounting policies. Although these estimates and judgements are based on the Directors' best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are material to the financial statements, are disclosed in Note 3 to the financial statements.

Certain comparative information has been restated or reclassified to conform with current year presentation.

(a) Standards, amendments to published standards and interpretations that are effective

The Group and the Company have applied the following standards and amendments for the first time for the financial year beginning on 1 January 2024:

- Amendment to MFRS 16 Leases - Lease Liability in a Sale and Leaseback;
- Amendments to MFRS 7 Financial Instruments: Disclosures - Supplier Finance Arrangements;
- Amendments to MFRS 107 Statement of Cash Flows: Supplier Finance Arrangements; and
- Amendments to MFRS 101 Presentation of Financial Statements - Non-current Liabilities with Covenants

The adoption of other amendments listed above did not have any material financial impact on the amounts recognised in prior periods and are not expected to materially affect the current or future periods.

Amendments to MFRS 16 Leases - Lease Liability in a Sale and Leaseback

The amendments require that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

The amendment does not prescribe specific measurement requirements for lease liabilities arising from a leaseback. The initial measurement of the lease liability arising from a leaseback may result in a seller-lessee determining 'lease payments' that are different from the general definition of lease payments in Appendix A of MFRS 16. The seller-lessee will need to develop and apply an accounting policy in accordance with IAS 8 that results in information that is relevant and reliable.

The amendments are not expected to have a material impact on the preparation of the Group's financial statements.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (continued)

(a) Standards, amendments to published standards and interpretations that are effective (continued)

Amendments to MFRS 7 Financial Instruments: Disclosures - Supplier Finance Arrangements

The disclosure requirements in the amendments enhance the current requirements and are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The amendments clarify the characteristics of supplier finance arrangements. In these arrangements, one or more finance providers pay amounts an entity owes to its suppliers. The entity agrees to settle those amounts with the finance providers according to the terms and conditions of the arrangements, either at the same date or at a later date than that on which the finance providers pay the entity's suppliers. As a result, supplier finance arrangements provide the entity with extended payment terms, or the entity's suppliers with early payment terms, compared to the original payment due dates.

Different terms are used to describe these arrangements, such as supply chain finance, payables finance and reverse factoring arrangements. Arrangements that are solely credit enhancements for the entity, for example, financial guarantees including letters of credit used as guarantees, are not supplier finance arrangements. Similarly, instruments used to settle the amounts owed directly with a supplier, for example, credit cards, are not supplier finance arrangements.

The amendments are not expected to have a material impact on the preparation of the Group's financial statements.

Amendments to MFRS 107 Statement of Cash Flows: Supplier Finance Arrangements

The amendments require an entity to provide information about the impact of supplier finance arrangements on liabilities and cash flows, including:

- Terms and conditions;
- As at the beginning and end of the reporting period:

  (a) The carrying amounts of supplier finance arrangement financial liabilities and the line items in which those liabilities are presented;
  (b) The carrying amounts of financial liabilities and the line items, for which the finance providers have already settled the corresponding trade payables; and
  (c) The range of payment due dates for financial liabilities owed to the finance providers and for comparable trade payables that are not part of those arrangements payables.

- The type and effect of non-cash changes in the carrying amounts of supplier finance arrangement financial liabilities, which prevent the carrying amounts of the financial liabilities from being comparable.

The amendments are not expected to have a material impact on the preparation of the Group's financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (continued)

(a) Standards, amendments to published standards and interpretations that are effective (continued)

Amendments to MFRS 101 Presentation of Financial Statements - Non-current Liabilities with Covenants

The amendments clarify the following:
- Right to defer settlement;
- Expected deferrals;
- Settlement by way of own equity instruments; and
- Disclosures.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and will need to be applied retrospectively in accordance with MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors. Early adoption is permitted but will need to be disclosed.

The amendments are not expected to have a material impact on the preparation of the Group's financial statements.

(b) Standards and amendments that have been issued but not yet effective:

- The amendments to MFRS 121 'The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability' (effective 1 January 2025);
- Amendments to MFRS 9 'Financial Instruments – Classification and Measurement of Financial Instruments' (effective 1 January 2026);
- Amendments to MFRS 7 'Financial Instruments: Disclosures – Classification and Measurement of Financial Instruments' (effective 1 January 2026);
- MFRS 18 'Presentation and Disclosure in Financial Statements' (effective 1 January 2027);
- MFRS 19 'Subsidiaries without Public Accountability: Disclosures' (effective 1 January 2027); and
- Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture.

The Group is in the midst of evaluating the potential impact of adopting MFRS 18 on the required effective date. All other amendments are not expected to have a material impact on the preparation of the Group's financial statements.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.2 Economic entities in the Group

Subsidiaries

The Group's financial statements consolidate the financial statements of the Company and all its subsidiaries. Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Under the purchase method of accounting, subsidiaries are fully consolidated from the date on which control is transferred to the Group and are de-consolidated from the date that control ceases.

The Group has taken advantage of the exemption provided by MFRS 1, MFRS 3 and FRS 122_{2004} to apply these Standards prospectively. Accordingly, business combinations entered into prior to the respective dates have not been restated to comply with these Standards.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interest issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in the business combination are measured initially at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with MFRS 9 either in income statements or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Intragroup transactions, balances and unrealised gains in transactions between group of companies are eliminated. Unrealised losses are also eliminated but considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The gain or loss on disposal of a subsidiary is the difference between net disposal proceeds and the Group's share of its net assets as of the date of disposal including the cumulative amount of any exchange differences that relate to the subsidiary companies and is recognised in the consolidated income statements.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.3 Amount due from counterparties and Islamic financing assets

Note 1 to the financial statements describes the principal activities of the Group and the Company, which are inter alia, the purchases of mortgage loans, personal loans and hire purchase and leasing debts. These activities are also set out in the object clauses of the Memorandum of Association of the Company.

As at the statements of financial position date, amount due from counterparties/Islamic financing assets in respect of mortgage loans, personal loans and hire purchase and leasing debts are stated at their unpaid principal balances due to the Group and the Company. Interest/profit income on amount due from counterparties/Islamic financing assets is recognised on an accrual basis and computed at the respective interest/profit rates based on monthly rest.

2.4 Mortgage assets and hire purchase assets/Islamic mortgage assets and Islamic hire purchase assets

Mortgage assets and hire purchase assets/Islamic mortgage assets and Islamic hire purchase assets are acquired by the Group and the Company from the originators at fair values. The originator acts as a servicer and remits the principal and interest/profit income from the assets to the Group and the Company at specified intervals as agreed by both parties.

As at the statements of financial position date, mortgage assets and hire purchase assets/Islamic mortgage assets and Islamic hire purchase assets acquired are stated at their unpaid principal balances due to the Group and the Company and adjusted for unaccreted discount. Interest/profit income on the assets is recognised on an accrual basis and computed at the respective interest/profit rates based on monthly rest. The discount arising from the difference between the purchase price and book value of the mortgage assets and hire purchase assets/Islamic mortgage assets and Islamic hire purchase assets acquired is accreted to the income statements over the term of the assets using the internal rate of return method.

2.5 Reverse mortgage assets

Reverse mortgage assets introduced by the Group and the Company are a type of loan and financing which are targeted for the elderly people or retirees who own a home and allow them to convert their residential property into a fixed monthly income stream throughout their lifetime. The Group and the Company classify and measure the reverse mortgage assets as financial assets at its fair value through profit or loss ("FVTPL") as the reverse mortgage assets did not meet the criteria for amortised cost or FVOCI. The details of the measurement for financial assets at FVTPL are stated in Note 2.8 (c) (iii).

2.6 Investment in subsidiaries

Investment in subsidiaries is shown at cost. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. Note 2.9 describes the Group’s and the Company’s accounting policy on impairment of assets and Note 3 details out the critical accounting estimates and assumptions.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.7 Property and equipment and depreciation

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight line basis to write-off the cost of the assets over their estimated useful lives, with the exception of work-in-progress which is not depreciated. Depreciation rates for each category of property and equipment are summarised as follows:

Office equipment – mobile devices	100%
Office equipment – others	20%-25%
Furniture and fittings	10%
Motor vehicles	20%

Subsequent costs are included in the asset's carrying amount or recognised as separate assets, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statements during the financial year in which they are incurred.

At each statement of financial position date, the Group and the Company assess whether there is any indication of impairment. If such indications exist, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. A write-down is made if the carrying amount exceeds the recoverable amount. See accounting policy on impairment of non-financial assets in Note 2.9.2.

Gains and losses on disposals are determined by comparing proceeds with carrying amounts and are included in the income statements.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.8 Financial assets

(a) Classification

The Group and the Company classify their financial assets in the following measurement categories:

- Those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss); and
- Those to be measured at amortised cost.

(b) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group and the Company commit to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group and the Company have transferred substantially all the risks and rewards of ownership.

(c) Measurement

At initial recognition, the Group and the Company measure financial assets at its fair value plus transaction costs, unless it is carried at fair value through profit or loss ("FVTPL"). Transaction costs of financial assets carried at FVTPL are expensed in income statements.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest ("SPPI")/principal and profit ("SPPP").

Debt instruments

Subsequent measurement of debt instruments depends on the Group's and the Company's business model for managing the asset and the cash flow characteristics of the asset. The Group and the Company reclassify debt investments when and only when its business model for managing those assets changes.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.8 Financial assets (continued)

(c) Measurement (continued)

Debt instruments (continued)

There are three measurement categories into which the Group and the Company classify their debt instruments:

(i) Amortised cost

Cash and cash equivalents, deposits and placements with financial institutions, financial assets at amortised cost, amount due from counterparties, Islamic financing debt, mortgage assets/Islamic mortgage assets and Islamic hire purchase assets, other assets, amount due to related companies and amount due to subsidiaries that are held for collection of contractual cash flows where those cash flows represent SPPI/SPPP are measured at amortised cost. Interest/profit income from these financial assets is included in the income statements using the effective interest rate ("EIR") and effective profit rate ("EPR") method. Any gain or loss arising on derecognition is recognised directly in income statements and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the income statements.

(ii) Fair value through other comprehensive income ("FVOCI'')

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent SPPI/SPPP, are measured at FVOCI. Movements in the carrying amount are taken through other comprehensive income ("OCI"), except for the recognition of impairment gains or losses, interest/profit income and foreign exchange gains and losses which are recognised in income statements. When the financial assets are derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to income statements and recognised in non-interest income/(expense).

Interest/profit income from these financial assets is included in interest income using the EIR/EPR method. Foreign exchange gains and losses are presented in non-interest income/(expense) and allowance/(reversal) of impairment losses are presented as separate line item in the income statements.

(iii) Fair value through profit or loss ("FVTPL")

Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. The Group and the Company may also irrevocably designate financial assets at FVTPL if doing so significantly reduces or eliminates a mismatch created by assets and liabilities being measured on different bases. Fair value changes are recognised in income statements and presented net within non-interest income/(expense) in the period which it arises.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.8 Financial assets (continued)

(c) Measurement (continued)

Equity instruments

The Group and the Company subsequently measure all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to income statements following the derecognition of the investment. Dividends from such investments continue to be recognised in income statements as other income when the Group's or the Company's right to receive payments is established.

2.9 Impairment of assets

2.9.1 Financial assets

The Group and the Company assess on a forward looking basis the expected credit loss ("ECL") associated with its debt instruments carried at amortised cost and at FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk ("SICR"). Any loss arising from the SICR will result to the carrying amount of the asset being reduced and the amount of the loss is recognised in the income statements.

The Group and the Company have five of their financial assets that are subject to the ECL model:

- Amount due from counterparties and Islamic financing assets;
- Mortgage assets and hire purchase assets/Islamic mortgage assets and Islamic hire purchase assets;
- Financial assets at FVOCI;
- Financial assets at amortised cost; and
- Money market instruments.

ECL represents a probability-weighted estimate of the difference between present value of cash flows according to contract and present value of cash flows the Group and the Company expect to receive, over the remaining life of the financial instrument.

The measurement of ECL reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

Under MFRS 9, impairment model requires the recognition of ECL for all financial assets, except for financial assets classified or designated as FVTPL and equity securities classified under FVOCI, which are not subject to impairment assessment.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.9 Impairment of assets (continued)

2.9.1 Financial assets (continued)

General approach

ECL will be assessed using an approach which classifies financial assets into three stages which reflect the change in credit quality of the financial assets since initial recognition:

- Stage 1: 12-month ECL – not credit impaired

  For credit exposures where there has not been a SICR since initial recognition or which have low credit risk at reporting date and that are not credit impaired upon origination, the ECL associated with the probability of default events occurring within the next 12 months will be recognised.

- Stage 2: Lifetime ECL – not credit impaired

  For credit exposures where there has been a SICR initial recognition but that are not credit impaired, the ECL associated with the probability of default events occurring within the lifetime ECL will be recognised. Unless identified at an earlier stage, all financial assets are deemed to have suffered a SICR when 30 days past due.

- Stage 3: Lifetime ECL – credit impaired

  Financial assets are assessed as credit impaired when one or more objectives evidence of defaults that have a detrimental impact on the estimated future cash flows of that asset have occurred. A lifetime ECL will be recognised for financial assets that have become credit impaired. Generally, all financial assets that are 90 days past due or more are classified under Stage 3.

Simplified approach

For all other financial instruments, a loss allowance at an amount equal to lifetime ECL is required.

Significant increase in credit risk ("SICR")

The Group and the Company consider the probability of default upon initial recognition of asset and whether there has been a SICR on an ongoing basis throughout each reporting period. To assess whether there is a SICR, the Group and the Company compare the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. The Group and the Company consider available reasonable and supportable forward-looking information.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.9 Impairment of assets (continued)

2.9.1 Financial assets (continued)

Significant increase in credit risk ("SICR") (continued)

The following indicators are incorporated:

- internal credit rating;
- external credit rating (as far as available);
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the counterparties's ability to meet its obligations;
- actual or expected significant changes in the operating results of the counterparties;
- significant increases in credit risk on other financial instruments of the same counterparty; and
- significant changes in the expected performance and behaviour of the counterparty, including changes in the payment status of counterparty in the group and changes in the operating results of the counterparty.

Macroeconomic information (such as market interest rates or growth rates) is incorporated as part of the internal rating model.

Regardless of the analysis above, a SICR is presumed if a debtor is more than 30 days past due in making a contractual payment.

Definition of default and credit impaired financial assets

The Group and the Company define a financial instrument as default, which is fully aligned with the definition of credit-impaired, when it meets one or more of the following criteria:

Quantitative criteria:

The Group and the Company define a financial instrument as default, when the counterparty fails to make contractual payment within 90 days of when they fall due.

Qualitative criteria:

The debtor meets unlikeliness to pay criteria, which indicates the debtor is in significant financial difficulty. The Group and the Company consider the following instances:

- the debtor is in breach of financial covenants;
- concessions have been made by the lender relating to the debtor's financial difficulty;
- it is becoming probable that the debtor will enter bankruptcy or other financial reorganisation; and
- the debtor is insolvent

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.9 Impairment of assets (continued)

2.9.1 Financial assets (continued)

Definition of default and credit impaired financial assets (continued)

For the purpose of ECL measurement, mortgage assets and hire purchase assets/Islamic mortgage assets and Islamic hire purchase assets have been grouped based on shared credit risk characteristics and the days past due. Mortgage assets/Islamic mortgage assets and Islamic hire purchase assets have substantially the same risk characteristics and the Group and the Company have therefore concluded that these assets to be assessed on a collective basis.

Financial assets at FVOCI, financial assets at amortised cost, amount due from counterparties, Islamic financing assets and debt instruments which are in default or credit impaired are assessed individually.

2.9.2 Non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. The impairment loss is charged to the income statements, unless it reverses a previous revaluation in which it is charged to the revaluation surplus. Any subsequent increase in recoverable amount is recognised in the income statements.

2.10 Write-off

The Group and the Company write-off financial assets, in whole or in part, when they have exhausted all practicable recovery efforts and have concluded that there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on unavailability of debtor’s sources of income or assets to generate sufficient future cash flows to repay the amount. Impairment losses are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off will result in impairment gains which are credited against the same line item.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.11 Financial liabilities

Financial liabilities are measured at amortised cost unless it is a financial liability held for trading or designated at FVTPL. Financial liabilities are recognised at fair value plus transaction costs and are derecognised when extinguished.

(a) Financial liabilities at fair value through profit or loss

This category comprises two sub-categories: financial liabilities as held-for-trading, and financial liabilities designated at fair value through profit or loss upon initial recognition. A financial liability is classified as held-for-trading if it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term or if it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. Derivatives are categorised as held-for-trading unless they are designated as hedges. Refer to accounting policy Note 2.18 on hedge accounting.

(b) Borrowings measured at amortised cost

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost, any difference between initial recognised amount and the redemption value is recognised in income statements over the period of the borrowings using the EIR/EPR method. All other borrowing costs are recognised in income statements in the period in which they are incurred.

Borrowings measured at amortised cost are short-term borrowings, unsecured bearer bonds and notes and Sukuk.

Included in short-term borrowings is obligations on securities sold under repurchase agreements are securities which the Group and the Company have sold from its portfolio, with a commitment to repurchase at future dates.

(c) Other financial liabilities measured at amortised cost

Other financial liabilities are initially recognised at fair value plus transaction costs. Subsequently, other financial liabilities are re-measured at amortised cost using the EIR method.

2.12 Income recognition on mortgage assets and hire purchase assets/Islamic mortgage assets and Islamic hire purchase assets

Interest income for conventional assets and profit income for Islamic assets are recognised using the EIR/EPR method. Accretion of discount is recognised using the effective yield method.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.13 Premium and discount on unsecured bearer bonds, notes and Sukuk

Premium on unsecured bearer bonds and notes/Sukuk represents the excess of the issue price over the redemption value of the bonds and notes/Sukuk are accreted to the income statements over the life of the bonds and notes/Sukuk on an effective yield basis. Where the redemption value exceeds the issue price of the bonds and notes/Sukuk, the difference, being the discount is amortised to the income statements over the life of the bonds and notes/Sukuk on an effective yield basis.

2.14 Current and deferred tax

Current tax expense represents taxation at the current rate based on taxable profit earned during the financial year.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences or unused tax losses can be utilised.

Deferred tax is determined using tax rates (and tax laws) that have been enacted or substantially enacted by the statement of financial position date and are expected to apply when the related deferred tax asset is realised or deferred tax liability is settled.

Deferred and income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.15 Cash and cash equivalents

For the purpose of statements of cash flows, cash and cash equivalents comprise cash and bank balances and deposits that are readily convertible to known amounts of cash which are subject to insignificant risk of changes in value.

2.16 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.17 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting used by the chief operating decision maker. The chief operating decision maker is the person or group that allocated resources and assesses the performance of the operating segments of the Group and the Company. The Group and the Company have determined the Chief Executive Officer of the Company to be the chief operating decision maker.

2.18 Derivative financial instruments and hedge accounting

Derivative financial instruments consist of interest rate swaps ("IRS"), Islamic profit rate swaps ("IPRS") and cross currency swaps (“CCS”). Derivative financial instruments are used by the Group and the Company to hedge the issuance of its bond/Sukuk from potential movements in interest rates, profit rates or foreign currency exchange rates. Further details of the derivatives financial instruments are disclosed in Note 9 to the financial statements.

Fair value of derivatives financial instruments is recognised at inception on the statements of financial position, and subsequent changes in fair value as a result of fluctuation in market interest rates, profit rates or foreign currency exchange rates are recorded as derivative assets (favourable) or derivative liabilities (unfavourable).

For derivatives that are not designated as hedging instruments, losses and gains from the changes in fair value are taken to the income statements.

For derivatives that are designated as hedging instruments, the method of recognising fair value gain or loss depends on the type of hedge.

The Group and the Company document at the inception of the hedge relationship, the economic relationship between hedging instruments and hedged items including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items. The Group and the Company also document their risk management objective and strategy for its hedge transactions and its assessment, both at hedge inception and on an ongoing basis, on whether the derivative is highly effective in offsetting changes in the fair value or cash flows of the hedged items.

Cash flow hedge

The effective portion of changes in the fair value of a derivative designated and qualifying as a hedge of future cash flows is recognised directly in the cash flow hedge reserve and taken to the income statements in the periods when the hedged item affects gain or loss. The ineffective portion of the gain or loss is recognised immediately in the income statements under "Non-interest income/(expense)".

Amounts accumulated in equity are reclassified to income statements in the periods when the hedged item affects profit or loss. The gain or loss relating to the effective portion of interest rate swaps hedging variable rate borrowings is recognised in income statements within the line item "Non-interest income/(expense)" at the same time as the interest expense on the hedged borrowings.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.18 Derivative financial instruments and hedge accounting (continued)

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, the accounting of any cumulative deferred gain or loss depends on the nature of the underlying hedged transaction. For cash flow hedge which resulted in the recognition of a non-financial asset, the cumulative amount in equity shall be included in the initial cost of the asset. For other cash flow hedges, the cumulative amount in equity is reclassified to income statements in the same period that the hedged cash flows affect income statements. When hedged future cash flows or forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately reclassified to income statements under "non-interest (expense)/income".

2.19 Provisions

Provisions are recognised when the Group and the Company have a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount can be made. Where the Group and the Company expect a provision to be reimbursed (for example, under an insurance contract) the reimbursement is recognised as separate asset but only when the reimbursement is virtually certain. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured as the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflect current market assessment of the time value of money and the risk specific to obligation. The increase in the provision due to passage of time is recognised as interest expense.

2.20 Zakat

The Group and the Company recognise its obligations towards the payment of zakat on business. Zakat for the current period is recognised when the Group and the Company have a current zakat obligation as a result of a zakat assessment. The amount of zakat expenses shall be assessed when the Group and the Company have been in operation for at least 12-months, i.e. for the period known as haul.

Zakat rates enacted or substantively enacted by the statements of financial position date are used to determine the zakat expense. The rate of zakat on business for the financial year is 2.5% (2023: 2.5%) of the zakat base.

The zakat base of the Group and the Company is determined based on adjusted growth method. This method calculates zakat base as owners' equity and long-term liabilities, deducted for property and equipment and non-current assets, and adjusted for items that do not meet the conditions for zakat assets and liabilities as determined by the relevant zakat authorities.

The amount of zakat assessed is recognised as an expense in the financial year in which it is incurred.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.21 Employee benefits

(a) Short-term employee benefits

Wages, salaries, paid annual leave, bonuses and non-monetary benefits are accrued in the financial year in which the associated services are rendered by the employees of the Group and the Company.

(b) Defined contributions plans

The Group and the Company contribute to the Employees' Provident Fund ("EPF"), the national defined contribution plan. The contributions to EPF are charged to the income statements in the financial year to which they relate to. Once the contributions have been paid, the Group and the Company have no further payment obligations in the future. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

2.22 Intangible assets

(a) Computer software

Acquired computer software and computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Costs associated with developing or maintaining computer software programmes are recognised when the costs are incurred. Costs that are directly associated with identifiable and unique software products controlled by the Group and the Company, which will generate probable economic benefits exceeding costs beyond one year, are recognised as intangible assets. Costs include employee costs incurred as a result of developing software and an appropriate portion of relevant overheads.

The computer software and computer software licenses are amortised over their estimated useful lives of three to ten years.

(b) Service rights to transaction administrator and administrator fees (“Service Rights”)

Service Rights represents secured rights to receive expected future economic benefits by way of transaction administrator and administrator fees for Residential Mortgage-Backed Securities ("RMBS") and Islamic Residential Mortgage-Backed Securities ("IRMBS") issuances.

Service Rights are recognised as intangible assets at cost and amortised using the straight line method over the tenure of RMBS and IRMBS.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.23 Share capital

(a) Classification

Ordinary shares are classified as equity. Other shares are classified as equity and/or liability according to the economic substance of the particular instrument.

Distributions to holders of a financial instrument classified as an equity instrument are charged directly to equity.

(b) Dividends to the shareholder of the Company

Dividends on ordinary shares are recognised as liabilities when declared before the statements of financial position date. A dividend proposed or declared after the statements of financial position date, but before the financial statements are authorised for issue, is not recognised as a liability at the statement of financial position date. Upon the dividend becoming payable, it will be accounted for as a liability.

2.24 Currency translations

(a) Functional and presentation currency

Items included in the financial statements of the Group and the Company are measured using the currency of the primary economic environment in which the entity operates (the "functional currency").

The financial statements are presented in Ringgit Malaysia (“RM”), which is the Group’s and the Company's functional and presentation currency.

(b) Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains or losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statements, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.25 Contingent liabilities and contingent assets

The Group and the Company do not recognise a contingent liability but disclose its existence in the financial statements. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group and the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in the extremely rare case where there is a liability that cannot be recognised because it cannot be measured reliably.

The Group and the Company do not recognise a contingent asset but disclose its existence where inflows of economic benefits are probable, but not virtually certain. A contingent asset is a possible asset that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group and the Company.

2.26 Deferred financing fees

Deferred financing fees consist of expenses incurred in relation to the unsecured bonds and notes/Sukuk issuance. Upon unsecured bonds and notes/Sukuk issuance, deferred financing fees will be deducted from the carrying amount of the unsecured bonds and notes/Sukuk and amortised using the EIR/EPR method.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.27 Leases

Leases are recognised as right-of-use ("ROU") asset and a corresponding lease liability at the date on which the leased asset is available for use by the Group and the Company (i.e. the commencement date).

Contracts may contain both lease and non-lease components. The Group and the Company allocate the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of properties for which the Group and the Company are a lessee, they have elected the practical expedient provided in MFRS 16: Leases not to separate lease and non-lease components. Both components are accounted for as a single lease component and payments for both components are included in the measurement of lease liability.

Lease term

In determining the lease term, the Group and the Company consider all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not to be terminated).

The Group and the Company reassess the lease term upon the occurrence of a significant event or change in circumstances that is within the control of the Group and the Company and affect whether the Group and the Company are reasonably certain to exercise an option not previously included in the determination of lease term, or not to exercise an option previously included in the determination of lease term. A revision in lease term results in remeasurement of the lease liabilities.

ROU asset

ROU asset is initially measured at cost comprising the following:

- The amount of the initial measurement of lease liability;
- Any lease payments made at or before the commencement date less any lease incentive received;
- Any initial direct costs; and
- Decommissioning or restoration costs.

ROU asset that is not investment properties is subsequently measured at cost, less accumulated depreciation and impairment loss (if any). The ROU asset is generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group and the Company are reasonably certain to exercise a purchase option, the ROU asset is depreciated over the underlying asset's useful life. In addition, the ROU asset is adjusted for certain remeasurement of the lease liabilities. ROU asset is presented as a separate line item in the statements of financial position.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.27 Leases (continued)

Lease liability

Lease liability is initially measured at the present value of the lease payments that are not paid at that date. The lease payments include the following:

- Fixed payments (including in-substance fixed payments), less any lease incentive receivable;
- Variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable by the Group and the Company under residual value guarantees;
- The exercise price of a purchase options if the Group and the Company are reasonably certain to exercise that option; and
- Payments of penalties for terminating the lease, if the lease term reflects the Group and the Company exercising that option.

Lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group and the Company, the lessee's incremental borrowing is used. This is the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the ROU asset in a similar economic environment with similar term, security and conditions.

Lease payments are allocated between principal and finance cost. The finance cost is charged to income statements over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Variable lease payments that depend on sales are recognised in the income statements in the period in which the condition that triggers those payments occurs.

The Group and the Company present the lease liabilities as a separate line item in the statement of financial position. Interest expense on the lease liability is presented within the non-interest expense in the income statements.

Reassessment of lease liabilities

The Group and the Company are also exposed to potential future increases in variable lease payments that depend on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is remeasured and adjusted against the ROU asset.

Short-term leases and leases of low value assets

Short-term leases are leases with a lease term of 12-month or less. Low-value assets comprise IT equipment and small items of office furniture. Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in income statements.

3 CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with MFRS Accounting Standards and IFRS Accounting Standards requires the use of certain critical accounting estimates and exercise of judgements by management in the process of applying the Group's and the Company's accounting policies.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have significant risk of causing a material adjustment to the carrying amounts of the asset and liability within the next financial year are outlined below.

(a) Impairment of mortgage assets and hire purchase assets (Note 12, 13, 14 and 45)

The Group and the Company make allowances for losses on mortgage assets and hire purchase assets based on assessment of recoverability. Whilst management is guided by the requirement of MFRS 9, management make judgement on the future and other key factors in respect of the recovery of the assets. Among factors considered are the net realisable value of the underlying collateral value and the capacity to generate sufficient cash flows to service the assets.

Two economic scenarios using different probability weighted are applied to the ECL:

- Base case – based upon current economic outlook or forecast
- Negative case – based upon a projected pessimistic or negative outlook or forecast

4 RISK MANAGEMENT OBJECTIVES AND POLICIES

Risk management is an integral part of the Group's and the Company's business and operations. It encompasses identification, measurement, analysing, controlling, monitoring and reporting of risks on an enterprise-wide basis.

In recent years, the Group and the Company have enhanced key controls to ensure effectiveness of risk management and its independence from risk taking activities.

The Group and the Company will continue to develop its human resources, review existing processes and introduce new approaches in line with best practices in risk management. It is the Group's and the Company's aim to create strong risk awareness amongst both its front-line and back office staff, where risks are systematically managed and the levels of risk taking are closely aligned to the risk appetite and risk-reward requirements set by the Board of Directors.

4.1 Risk management structure

The Board of Directors has ultimate responsibility for management of risks associated with the Group's and the Company's operations and activities. The Board of Directors sets the risk appetite and tolerance level that are consistent with the Group's and the Company's overall business objectives and desired risk profile. The Board of Directors also reviews and approves all significant risk management policies and risk exposures.

The Board Risk Committee assists the Board of Directors by ensuring that there is effective oversight and development of strategies, policies and infrastructure to manage the Group's and the Company's risks including compliance with applicable laws and regulations.

Management Executive Committee is responsible for the implementation of the policies laid down by the Board of Directors by ensuring that there are adequate and effective operational procedures, internal controls and systems for identifying, measuring, analysing, controlling, monitoring and reporting of risks.

The Risk Management and Compliance Division is independent of other departments involved in risk-taking activities. It is responsible for monitoring and reporting risk exposures independently to the Board Risk Committee and coordinating the management of risks on an enterprise-wide basis.

4.2 Credit risk management

Credit risk is the possibility that a borrower or counterparty fails to fulfill its financial obligations when they fall due. Credit risk arises in the form of on-statement of financial position items such as lending and investments, as well as in the form of off-statement of financial position items such as treasury hedging activities.

The Group and the Company manage the credit risk by screening borrowers and counterparties, stipulate prudent eligibility criteria and conduct due diligence on loans and financing to be purchased. The credit limits are reviewed periodically and are determined based on a combination of external ratings, internal credit assessment and business requirements. All credit exposures are monitored on a regular basis and non-compliance is independently reported to the management, Board Risk Committee and the Board of Directors for immediate remediation.

Credit risk is also mitigated via underlying assets which comprised mainly of mortgage assets, Islamic mortgage assets, hire purchase assets and Islamic hire purchase assets.

4 RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

4.3 Market risk management

Market risk is the potential loss arising from adverse movements of market prices such as foreign exchange rates, interest/profit rates and market prices. The market risk exposure is limited to interest/profit rate risk and foreign exchange rates only as the Group and the Company do not engage in any equity or commodity trading activities.

The Group and the Company control the market risk exposure by imposing threshold limits and entering in derivatives contract. The limits are set based on the Group's and the Company's risk appetite and the risk-return relationship. These limits are regularly reviewed and monitored. The Group and the Company have an Asset Liability Management System which provides tools such as duration gap analysis, interest/profit sensitivity analysis and income simulations under different scenarios to monitor the interest/profit rate risk.

The Group and the Company also use derivative instruments such as IRS, IPRS and CCS to manage and hedge its market risk exposure against fluctuations in interest rates, profit rates and foreign currency exchange rate.

4.4 Liquidity risk management

Liquidity risk arises when the Group and the Company do not have sufficient funds to meet its financial obligations when they fall due.

The Group and the Company mitigate the liquidity risk by matching the timing of purchases of loans and debts with issuance of Bonds or Sukuk. The Group and the Company plan its cash flow positions and monitor closely every business transaction to ensure that available funds are sufficient to meet business requirements at all times. In addition, the Group and the Company set aside considerable reserve liquidity to meet any unexpected shortfall in cash flow or adverse economic conditions in the financial market.

The Group's and the Company's liquidity management process, as carried out within the Company and its subsidiaries and monitored by related departments, includes:

(a) Managing cash flow mismatch and liquidity gap limits which involves assessing all of the Group's and the Company's cash inflows against its cash outflows to identify the potential for any net cash shortfalls and the ability of the Group and the Company to meet the cash obligations when they fall due;
(b) Matching funding of loan purchases against its expected cash flows, duration and tenure of the funding;
(c) Monitoring the liquidity ratios of the Group and the Company against internal requirements; and
(d) Managing the concentration and profile of funding by diversification of funding sources.

4.5 Operational risk management

Operational risk is defined as the potential loss resulting from inadequate or failed internal processes, people and systems or from external events. It includes reputational risk associated with the Group's and the Company's business practices or market conduct. It also includes the risk of failing to comply with applicable laws and regulations.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4 RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

4.5 Operational risk management (continued)

The management of operational risk is an important priority for the Group and the Company. To mitigate such operational risks, the Group and the Company have developed an operational risk program and essential methodologies that enable identification, measurement, monitoring and reporting of inherent and emerging operational risks.

The day-to-day management of operational risk exposures is through the development and maintenance of comprehensive internal controls and procedures based on segregation of duties, independent checks, segmented system access control and multi-tiered authorisation processes. An incident reporting process is also established to capture and analyse frauds and control lapses.

A periodic self-risk and control assessment is established for business and support units to pre-emptively identify risks and evaluate control effectiveness. Action plans are developed for the control issues identified.

The Group and the Company minimise the impact and likelihood of any unexpected disruptions to its business operations through implementation of its business continuity management ("BCM") framework and policy, business continuity plans and regular BCM exercises. The Group and the Company have also identified enterprise-wide recovery strategies to expedite the business and technology recovery and resumption during catastrophic events.

5 CASH AND CASH EQUIVALENTS

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Cash and balance with banks and other financial institution	1,112	559	1,077	532
Money at call and deposits and placements maturing with original maturity less than 3 months	28,032	115,110	28,032	115,110
Mudharabah money at call and deposits and placements maturing with original maturity less than 3 months	31,978	64,690	31,978	64,690
	61,122	180,359	61,087	180,332
Less: Allowance for impairment losses	(1)	-	(1)	-
	61,121	180,359	61,086	180,332

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5 CASH AND CASH EQUIVALENTS (CONTINUED)

The gross carrying value of cash and cash equivalents and the impairment allowances are within Stage 1. Movement in impairment allowances that reflect the ECL model on impairment are as follows:

	Group and Company	
	2024	2023
	RM'000	RM'000
Stage 1		
As at 1 January	-	1
Allowance during the year	1	-
Financial assets derecognised during the year due to maturity of assets	-	(1)
As at 31 December	1	-

6 DEPOSITS AND PLACEMENTS WITH FINANCIAL INSTITUTIONS

	Group and Company	
	2024	2023
	RM'000	RM'000
Licensed banks	433,228	86,947
Less: Allowance for impairment losses	(3)	-
	433,225	86,947

The gross carrying value of cash and cash equivalents and the impairment allowances are within Stage 1. Movement in impairment allowances that reflect the ECL model on impairment are as follows:

	Group and Company	
	2024	2023
	RM'000	RM'000
Stage 1		
As at 1 January	-	-
Allowance during the year	3	-
As at 31 December	3	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME ("FVOCI")

	Group and Company	
	2024	2023
	RM'000	RM'000
Debt instruments:		
Malaysian Government securities	769,818	497,806
Corporate bonds	391,067	318,729
Government investment issues	1,348,557	847,398
Corporate Sukuk	864,207	856,244
Quasi Government Sukuk	153,990	169,884
	3,527,639	2,690,061

The maturity structure of financial assets at FVOCI are as follows:

Maturing within one year	327,929	148,606
One to three years	537,090	498,549
Three to five years	521,634	611,018
More than five years	2,140,986	1,431,888
	3,527,639	2,690,061

The carrying amount of debt instruments at FVOCI is equivalent to their fair value. The ECL is recognised in other comprehensive income and does not reduce the carrying amount in the statement of financial position.

The gross carrying value of financial assets at FVOCI by stage are as follows:

	Gross carrying value	Impairment allowance
	RM'000	RM'000
2024		
Stage 1 (12-month ECL; non-credit impaired)	3,527,639	317
2023		
Stage 1 (12-month ECL; non-credit impaired)	2,690,061	370

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME ("FVOCI") (CONTINUED)

Movement in impairment allowances that reflect the ECL model on impairment are as follows:

	Group and Company	
	2024	2023
	RM'000	RM'000
Stage 1		
As at 1 January	370	365
Allowance during the year on new assets purchased	60	255
Financial assets derecognised during the year due to maturity of assets	(76)	(152)
Reversal during the year due to changes in credit risk	(37)	(98)
As at 31 December	317	370

The financial assets at FVOCI which are pledged as collateral for obligations on securities sold under repurchase agreements for the Group and the Company amounting to RM498.1 million (2023: RM432.9 million).

8 FINANCIAL ASSETS AT AMORTISED COST

	Group and Company	
	2024	2023
	RM'000	RM'000
Corporate bonds	1,605,037	1,604,687
Corporate Sukuk	681,998	681,993
	2,287,035	2,286,680

The maturity structure of financial assets at amortised cost are as follows:

More than five years	2,290,640	2,290,448
Less: Allowance for impairment losses	(3,605)	(3,768)
	2,287,035	2,286,680

The gross carrying value by stage are as follows:

	Gross carrying value	Impairment allowance
	RM'000	RM'000
2024		
Stage 1 (12-month ECL; non-credit impaired)	2,290,640	3,605
2023		
Stage 1 (12-month ECL; non-credit impaired)	2,290,448	3,768

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8 FINANCIAL ASSETS AT AMORTISED COST (CONTINUED)

Movement in impairment allowances that reflect the ECL model on impairment are as follows:

	Group and Company	
	2024	2023
	RM'000	RM'000
Stage 1		
As at 1 January	3,768	3,135
Allowance during the year on new assets purchased	-	1,154
Reversal during the year due to changes in credit risk	(163)	(521)
As at 31 December	3,605	3,768

9 DERIVATIVE FINANCIAL ASSETS/LIABILITIES

The derivative financial assets/liabilities used by the Group and the Company to hedge against its interest/profit rate exposure and foreign currency exposure are IRS, IPRS and CCS.

IRS/IPRS are used by the Group and the Company to hedge against its interest/profit rate exposure arising from the following transactions:

(i) Issuance of fixed rate bonds/Sukuk to fund floating rate asset purchases

The Group and the Company pay the floating rate receipts from its floating rate asset purchases to the swap counterparties and receive fixed rate interest/profit in return. This fixed rate interest/profit will then be utilised to pay coupon on the fixed rate bonds/Sukuk issued. Hence, the Group and Company are protected from adverse movements in interest/profit rate.

(ii) Issuance of short duration bonds/Sukuk to fund long-term fixed asset

The Group and the Company will issue short duration bonds/Sukuk and enter into swap transaction to receive floating rate interest/profit from, and pay fixed rate interest/profit to the swap counterparty. Upon receiving instalment from assets, the Group and the Company pay fixed rate interest/profit to the swap counterparty and receive floating rate interest/profit to pay to the bondholders/Sukuk holders.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9 DERIVATIVE FINANCIAL ASSETS/LIABILITIES (CONTINUED)

CCS are also used by the Group and the Company to hedge against foreign currency exposure arising from the issuance of foreign currency bonds/Sukuk to fund assets in functional currency. Illustration of the transaction as follows:

(i) At inception, the Group and the Company swap the proceeds from the foreign currency bonds/Sukuk to the functional currency at the pre-agreed exchange rate with CCS counterparty.

(ii) In the interim, the Group and the Company receive interest/profit payment in foreign currency from the CCS counterparty and remit the same to the foreign currency bonds/Sukuk holders for coupon payment. Simultaneously, the Group and the Company pay interest/profit to the CCS counterparty in functional currency using instalment received from assets purchased.

(iii) On maturity, the Group and the Company pay principal in functional currency at the same pre-agreed exchange rate to the CCS counterparty and receive amount of principal in foreign currency equal to the principal of the foreign currency bonds/Sukuk which will then be used to redeem the bonds/Sukuk. The Group's and the Company's foreign currency exposures are from Hong Kong Dollar ("HKD") and Singapore Dollar ("SGD").

The effectiveness is assessed by comparing the changes in fair value of the interest/profit rate swaps and cross currency swaps with changes in fair value of the hedged item attributable to the hedged risk using the hypothetical derivative method.

The Group and the Company have established the hedging ratio by matching the notional of the derivative with the principal of the hedged item. Possible sources of ineffectiveness are as follows:

- Differences in timing of cash flows between hedged item, interest/profit rate swaps and cross currency swaps;
- Hedging derivatives with non-zero fair value at the inception as a hedging instrument; and
- Counterparty credit risk which impacts the fair value of interest/profit rate swaps and cross currency swaps but not the hedged items.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9 DERIVATIVE FINANCIAL ASSETS/LIABILITIES (CONTINUED)

The table below summarises the derivative financial assets/liabilities entered by the Group and the Company which are all used as hedging instruments in cash flow hedges.

Designated as cash flow hedges

Group and Company	Contract/ Notional amount RM'000	Assets RM'000	Liabilities RM'000	Average fixed interest rate %
2024				
IRS/IPRS				
Maturing within one year	1,180,000	391	(357)	3.59
One to three years	350,000	-	(1,716)	3.78
Three to five years	90,000	-	(176)	3.59
More than five years	260,000	15,012	-	4.34
	1,880,000	15,403	(2,249)	
CCS				
Maturing within one year	2,581,812	-	(68,044)	3.75
One to three years	1,124,520	-	(10,324)	3.77
	3,706,332	-	(78,368)	
	5,586,332	15,403	(80,617)	

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9 DERIVATIVE FINANCIAL ASSETS/LIABILITIES (CONTINUED)

Designated as cash flow hedges (continued)

Group and Company	Contract/ Notional amount RM'000	Assets RM'000	Liabilities RM'000	Average fixed interest rate %
2023				
IRS/IPRS				
Maturing within one year	1,000,000	720	(3,924)	2.66
One to three years	1,335,000	446	(4,937)	3.64
Three to five years	90,000	-	(142)	3.59
More than five years	160,000	12,922	-	4.66
	2,585,000	14,088	(9,003)	
CCS				
Maturing within one year	4,139,796	151,553	(6,158)	3.62
One to three years	1,112,470	42,018	-	3.90
	5,252,266	193,571	(6,158)	
	7,837,266	207,659	(15,161)	

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9 DERIVATIVE FINANCIAL ASSETS/LIABILITIES (CONTINUED)

The amounts relating to items designated as hedging instruments and hedge ineffectiveness are as follows:

							Group and Company
		Fair value*		Changes in fair value used for calculating hedging	Changes in fair value recognised in other comprehensive	Hedge ineffectiveness recognised in income	Amount reclassified from hedge reserve to income
	Nominal amount	Assets	Liabilities	effectiveness	income	statement**	statement**
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
2024							
Interest rate risk:							
IRS	895,000	15,177	(1,893)	13,124	13,124	-	-
IPRS	985,000	226	(356)	(105)	(105)	-	-
Foreign exchange risk:							
CCS	3,706,332	-	(78,368)	643	155,622	-	(169,251)
2023							
Interest rate risk:							
IRS	1,645,000	13,368	(6,474)	12,391	12,391	-	-
IPRS	940,000	720	(2,529)	(1,935)	(1,935)	-	-
Foreign exchange risk:							
CCS	5,252,266	193,571	(6,158)	3,816	277,268	-	(270,319)

* All hedging instruments are included in the derivative assets and derivative liabilities line item in the statements of financial position.
** All hedge ineffectiveness and reclassification from the 'Hedging reserve – cash flows hedge' to profit or loss are recognised in the 'Non-interest income/(expense)' in the income statements.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9 DERIVATIVE FINANCIAL ASSETS/LIABILITIES (CONTINUED)

The amounts relating to items designated as hedged items are as follows:

				Group and Company
	Line item in the statements of financial position in which the hedged item is included	Change in fair value used for calculating hedge effectiveness RM'000	Cash flow hedge reserve RM'000	Balance remaining in the cash flow hedge reserve from hedging relationship for which hedge accounting is no longer applied RM'000
2024				
Interest/profit rate/foreign exchange risk				
Floating rate financial assets	Amount due from counterparties	14,762	11,219	-
Floating rate financial liabilities	Unsecured bearer bonds and notes	(1,638)	(1,246)	-
Floating rate financial liabilities	Sukuk	(105)	(79)	-
Fixed rate financial liabilities	Unsecured bearer bonds and notes	643	489	-
2023				
Interest/profit rate/foreign exchange risk				
Floating rate financial assets	Amount due from counterparties	12,775	9,709	-
Floating rate financial liabilities	Unsecured bearer bonds and notes	(384)	(292)	-
Floating rate financial liabilities	Sukuk	(1,935)	(1,470)	-
Fixed rate financial liabilities	Unsecured bearer bonds and notes	3,816	2,900	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9 DERIVATIVE FINANCIAL ASSETS/LIABILITIES (CONTINUED)

(i) Reconciliation of components of equity

The following table provides reconciliation by risk category of components of equity and analysis of OCI items (net of tax) resulting from hedge accounting:

	Group and Company	
	2024	2023
	RM'000	RM'000
Cash flow hedge		
As at 1 January	10,847	(2,381)
Effective portion of changes in fair value, net of amount reclassified to profit or loss on:		
- Interest rate risk	168,641	287,724
- Foreign exchange fluctuations (Note 32)	(169,251)	(270,319)
Income tax effects	146	(4,177)
As at 31 December	10,383	10,847

10 AMOUNT DUE FROM COUNTERPARTIES

	Group and Company	
	2024	2023
	RM'000	RM'000
Relating to:		
Mortgage loans	16,466,653	19,641,205
Hire purchase and leasing debts	366,769	346,585
	16,833,422	19,987,790
The maturity structure of amount due from counterparties are as follows:		
Maturing within one year	4,505,015	6,475,796
One to three years	11,191,790	8,861,989
Three to five years	-	4,288,658
More than five years	1,136,633	361,372
	16,833,438	19,987,815
Less: Allowance for impairment losses	(16)	(25)
	16,833,422	19,987,790

10 AMOUNT DUE FROM COUNTERPARTIES (CONTINUED)

The gross carrying value of amount due from counterparties and the impairment allowances are within Stage 1 (12-month ECL). Movement in impairment allowances that reflect the ECL model on impairment are as follows:

	Group and Company	
	2024	2023
	RM'000	RM'000
Stage 1		
As at 1 January	25	16
Allowance during the year on new assets purchased	5	21
Financial assets derecognised during the year due to maturity of assets	(8)	(9)
Reversal during the year due to changes in credit risk	(6)	(3)
As at 31 December	16	25

11 ISLAMIC FINANCING ASSETS

Relating to:		
Islamic house financing	19,205,889	18,696,839
Islamic personal financing	956,288	2,225,410
Islamic hire purchase	504,611	504,612
	20,666,788	21,426,861
The maturity structure Islamic financing assets are as follows:		
Maturing within one year	8,386,753	7,301,922
One to three years	6,928,456	9,385,918
Three to five years	4,551,354	4,739,117
More than five years	800,276	-
	20,666,839	21,426,957
Less: Allowance for impairment losses	(51)	(96)
	20,666,788	21,426,861

The gross carrying value of Islamic financing assets and the impairment allowances are within Stage 1 (12-month ECL). Movement in impairment allowances that reflect the ECL model on impairment are as follows:

	Group and Company	
	2024	2023
	RM'000	RM'000
Stage 1		
As at 1 January	96	93
Allowance during the year on new assets purchased	13	24
Financial assets derecognised during the year due to maturity of assets	(29)	(11)
Reversal during the year due to changes in credit risk	(29)	(10)
As at 31 December	51	96

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12 MORTGAGE ASSETS – CONVENTIONAL

	Group and Company	
	2024	2023
	RM'000	RM'000
PWOR	2,600,891	3,021,850
The maturity structure of mortgage assets – conventional are as follows:		
Maturing within one year	449,989	642,965
One to three years	723,466	741,844
Three to five years	596,689	634,252
More than five years	838,579	1,014,207
	2,608,723	3,033,268
Less:		
Allowance for impairment losses	(7,832)	(11,418)
	2,600,891	3,021,850

The gross carrying value of mortgage assets by stage are as follows:

	Gross carrying value	Impairment allowance
	RM'000	RM'000
2024		
Stage 1 (12-month ECL; non-credit impaired)	2,597,345	5,132
Stage 2 (Lifetime ECL; non-credit impaired)	2,923	448
Stage 3 (Lifetime ECL; credit impaired)	8,455	2,252
As at 31 December	2,608,723	7,832
Impairment allowances over gross carrying value (%)		0.30
2023		
Stage 1 (12-month ECL; non-credit impaired)	3,021,332	8,496
Stage 2 (Lifetime ECL; non-credit impaired)	1,447	195
Stage 3 (Lifetime ECL; credit impaired)	10,489	2,727
As at 31 December	3,033,268	11,418
Impairment allowances over gross carrying value (%)		0.38

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12 MORTGAGE ASSETS – CONVENTIONAL (CONTINUED)

The impairment allowances by stage and movement in impairment allowances that reflect the ECL model on impairment are as follows:

	Group and Company			
	Stage 1	Stage 2	Stage 3	Total
	RM'000	RM'000	RM'000	RM'000
2024				
As at 1 January	8,496	195	2,727	11,418
Transfer between stages:				
- Transfer to 12-month ECL (Stage 1)	65	(246)	(1,926)	(2,107)
- Transfer to ECL not credit impaired (Stage 2)	(185)	553	(56)	312
- Transfer to ECL credit impaired (Stage 3)	(1,535)	(39)	2,243	669
Total transfer between stages	(1,655)	268	261	(1,126)
Financial assets derecognized during the year (other than write-offs)	(198)	(17)	(1,831)	(2,046)
(Reversal)/allowance during the year due to changes in credit risk	(1,511)	2	(32)	(1,541)
Amount written-back	-	-	1,127	1,127
As at 31 December	5,132	448	2,252	7,832
2023				
As at 1 January	8,677	345	5,875	14,897
Transfer between stages:				
- Transfer to 12-month ECL (Stage 1)	28	(191)	(1,928)	(2,091)
- Transfer to ECL not credit impaired (Stage 2)	(5)	195	(31)	159
- Transfer to ECL credit impaired (Stage 3)	(20)	(46)	1,414	1,348
Total transfer between stages	3	(42)	(545)	(584)
New loans added during the period	2,500	-	-	2,500
Financial assets derecognized during the year (other than write-offs)	(290)	(108)	(3,683)	(4,081)
Reversal during the year due to changes in credit risk	(2,394)	-	(333)	(2,727)
Amount written-back	-	-	1,413	1,413
As at 31 December	8,496	195	2,727	11,418

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13 MORTGAGE ASSETS – ISLAMIC

	Group and Company	
	2024	2023
	RM'000	RM'000
PWOR	3,498,719	3,881,528
The maturity structure of mortgage assets - Islamic are as follows:		
Maturing within one year	438,693	601,511
One to three years	757,423	782,955
Three to five years	655,939	689,809
More than five years	1,655,836	1,818,964
	3,507,891	3,893,239
Less:		
Allowance for impairment losses	(9,172)	(11,711)
	3,498,719	3,881,528

The gross carrying value of Islamic mortgage assets by stage are as follows;

	Gross carrying value	Impairment allowance
	RM'000	RM'000
2024		
Stage 1 (12-month ECL; non-credit impaired)	3,496,598	6,423
Stage 2 (Lifetime ECL; non-credit impaired)	1,628	236
Stage 3 (Lifetime ECL; credit impaired)	9,665	2,513
As at 31 December	3,507,891	9,172
Impairment allowances over gross carrying value (%)		0.26
2023		
Stage 1 (12-month ECL; non-credit impaired)	3,876,935	7,846
Stage 2 (Lifetime ECL; non-credit impaired)	2,401	250
Stage 3 (Lifetime ECL; credit impaired)	13,903	3,615
As at 31 December	3,893,239	11,711
Impairment allowances over gross carrying value (%)		0.30

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13 MORTGAGE ASSETS – ISLAMIC (CONTINUED)

The impairment allowances by stage and movement in impairment allowances that reflect the ECL model on impairment are as follows:

	Group and Company			
	Stage 1	Stage 2	Stage 3	Total
	RM'000	RM'000	RM'000	RM'000
2024				
As at 1 January	7,846	250	3,615	11,711
Transfer between stages:				
- Transfer to 12-month ECL (Stage 1)	23	(176)	(1,107)	(1,260)
- Transfer to ECL not credit impaired (Stage 2)	(3)	229	(52)	174
- Transfer to ECL credit impaired (Stage 3)	(12)	(21)	778	745
Total transfer between stages	8	32	(381)	(341)
Financial assets derecognized during the year (other than write-offs)	(217)	(45)	(1,913)	(2,175)
Reversal during the year due to changes in credit risk	(1,214)	(1)	(18)	(1,233)
Amount written-back	-	-	1,210	1,210
As at 31 December	6,423	236	2,513	9,172
2023				
As at 1 January	10,923	138	6,130	17,191
Transfer between stages:				
- Transfer to 12-month ECL (Stage 1)	19	(49)	(1,471)	(1,501)
- Transfer to ECL not credit impaired (Stage 2)	(6)	239	(109)	124
- Transfer to ECL credit impaired (Stage 3)	(21)	(54)	1,685	1,610
Total transfer between stages	(8)	136	105	233
Financial assets derecognized during the year (other than write-offs)	(327)	(20)	(3,321)	(3,668)
Reversal during the year due to changes in credit risk	(2,742)	(4)	(493)	(3,239)
Amount written-back	-	-	1,194	1,194
As at 31 December	7,846	250	3,615	11,711

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

14 HIRE PURCHASE ASSETS – ISLAMIC

	Group and Company	
	2024	2023
	RM'000	RM'000
PWOR	40	55
The maturity structure of hire purchase assets – Islamic are as follows:		
Maturing within one year	40	61
Less: Allowance for impairment losses	-	(6)
	40	55

The gross carrying value of Islamic hire purchase assets by stage are as follows:

	Gross carrying value	Impairment allowance
	RM'000	RM'000
2024		
Stage 1 (12-month ECL; non-credit impaired)	40	-
As at 31 December	40	-
Impairment allowances over gross carrying value (%)		-
2023		
Stage 1 (12-month ECL; non-credit impaired)	36	-
Stage 3 (Lifetime ECL; credit impaired)	25	6
As at 31 December	61	6
Impairment allowances over gross carrying value (%)		9.84

The impairment allowances by stage and movement in impairment allowances that reflect the ECL model on impairment are as follows:

	Group and Company	
	2024	2023
	RM'000	RM'000
Stage 3:		
As at 1 January	6	12
Reversal made during the year	19	(3)
Written-off to principal balance outstanding	(25)	(3)
As at 31 December	-	6

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

15 AMOUNT DUE FROM SUBSIDIARIES

The amount due from subsidiaries is non-trade in nature, denominated in RM, unsecured, non-interest bearing and are repayable on demand.

16 OTHER ASSETS

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Compensation receivable from originator on mortgage assets	22	33	22	33
Deposits	969	923	968	922
Collateral receivable	6,365	13,716	6,365	13,716
Staff loans and financing	2,094	2,311	2,094	2,311
Management fee receivable	971	610	971	610
Prepayments	3,227	2,849	3,206	2,837
Other receivables	41	34	41	34
	13,689	20,476	13,667	20,463

17 INVESTMENT IN SUBSIDIARIES

	Company	
	2024	2023
	RM'000	RM'000
Unquoted shares at cost	-*	-*

* Denotes USD1 in CGP and RM2 in CGS.

All subsidiaries are audited by Ernst & Young PLT. The subsidiaries of the Company are as follows:

Name	Principal activities	Place of Incorporation	Interest in equity held by the Company	
			2024	2023
			%	%
CGP	To undertake the issuance of bonds and notes in foreign currency.	Labuan	100	100
CGS	To undertake the issuance of Sukuk in foreign currency.	Malaysia	100	100

CAGAMAS BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

18 PROPERTY AND EQUIPMENT

Group and Company	Office equipment RM'000	Furniture and fittings RM'000	Motor vehicles RM'000	Total RM'000
2024				
Cost				
As at 1 January	10,643	4,727	779	16,149
Additions	2,193	5,444	-	7,637
Disposals	(249)	(4,232)	(7)	(4,488)
As at 31 December	12,587	5,939	772	19,298
Accumulated depreciation				
As at 1 January	(9,255)	(4,570)	(377)	(14,202)
Charge for the financial year	(1,098)	(32)	(94)	(1,224)
Disposals	248	4,180	7	4,435
As at 31 December	(10,105)	(422)	(464)	(10,991)
Net book value				
As at 31 December	2,482	5,517	308	8,307
2023				
Cost				
As at 1 January	10,827	4,729	703	16,259
Additions	800	13	402	1,215
Disposals	(984)	(15)	(326)	(1,325)
As at 31 December	10,643	4,727	779	16,149
Accumulated depreciation				
As at 1 January	(9,652)	(4,553)	(595)	(14,800)
Charge for the financial year	(586)	(29)	(97)	(712)
Disposals	983	12	315	1,310
As at 31 December	(9,255)	(4,570)	(377)	(14,202)
Net book value				
As at 31 December	1,388	157	402	1,947

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

19 INTANGIBLE ASSETS

Group and Company	Service rights	Computer software	Computer software licenses	Work in progress	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
2024					
Cost					
As at 1 January	7,690	18,792	27,980	3,967	58,429
Additions	-	1,902	-	-	1,902
Transfer	-	3,967	-	(3,967)	-
As at 31 December	7,690	24,661	27,980	-	60,331
Accumulated amortisation					
As at 1 January	(6,546)	(14,572)	(20,507)	-	(41,625)
Charge for the financial year	(377)	(2,242)	(2,493)	-	(5,112)
As at 31 December	(6,923)	(16,814)	(23,000)	-	(46,737)
Net book value					
As at 31 December	767	7,847	4,980	-	13,594
2023					
Cost					
As at 1 January	7,690	16,507	27,980	3,881	56,058
Additions	-	2,285	-	86	2,371
As at 31 December	7,690	18,792	27,980	3,967	58,429
Accumulated amortisation					
As at 1 January	(6,165)	(13,511)	(17,796)	-	(37,472)
Charge for the financial year	(381)	(1,061)	(2,711)	-	(4,153)
As at 31 December	(6,546)	(14,572)	(20,507)	-	(41,625)
Net book value					
As at 31 December	1,144	4,220	7,473	3,967	16,804

Service rights are amortised on a straight line basis over the tenure of RMBS/IRMBS. The remaining amortisation period of the intangible assets ranges from 1 to 5 years (2023: 2 to 5 years).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

20 RIGHT-OF-USE ASSET

Right-of-use asset comprises of rental of office building and is being amortised over the tenure of rental period.

	Group and Company	
	2024	2023
	RM'000	RM'000
Cost		
As at 1 January	15,461	15,461
Modification arising from extension of lease term	3,833	-
As at 31 December	19,294	15,461
Accumulated amortisation		
As at 1 January	(8,285)	(6,077)
Charge for the year (Note 35)	(1,846)	(2,208)
As at 31 December	(10,131)	(8,285)
Net book value		
As at 31 December	9,163	7,176

21 OTHER LIABILITIES

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Amount due to GOM*	78,277	127,023	78,277	127,023
Provision for zakat	1,561	2,534	1,561	2,534
Accruals	24,984	19,370	24,922	19,307
Other payables	790	1,484	789	1,477
	105,612	150,411	105,549	150,341

* Refers to fund provided by the Government for Mortgage Guarantee Programme (MGP) under Cagamas SRP Berhad.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

22 LEASE LIABILITY

	Group and Company	
	2024	2023
	RM'000	RM'000
As at 1 January	9,308	11,384
Modification arising from extension of lease term	3,833	-
Lease obligation interest expense (Note 31)	448	316
Lease obligation repayment	(2,278)	(2,392)
As at 31 December	11,311	9,308

The maturity structure of lease liability are as follows:

Due within one year	2,097	2,436
Due in two to five years	9,214	6,872
Total present value of minimum lease payments	11,311	9,308

23 DEFERRED TAXATION

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes that relates to the same tax authority. The following amounts, determined after appropriate offsetting, are shown on the statements of financial position.

	Group and Company	
	2024	2023
	RM'000	RM'000
Deferred tax assets (before offsetting)	(10,819)	(13,501)
Deferred tax liabilities (before offsetting)	224,783	211,872
Deferred tax liabilities	213,964	198,371

The movements of deferred tax are as follows:

As at 1 January	198,371	213,063
Recognised to income statements (Note 37)	14,898	(29,932)
Recognised to OCI	695	15,240
As at 31 December	213,964	198,371

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

23 DEFERRED TAXATION (CONTINUED)

The movements in deferred tax assets and liabilities of the Group and the Company during the financial year comprise the following:

	Group and Company			
2024	As at 1 January RM'000	Recognised to income statement RM'000	Recognised to OCI RM'000	As at 31 December RM'000
Deferred tax assets				
Revaluation of derivative financial instruments under cash flow hedge accounting	(601)	-	245	(356)
Provisions	(1,205)	(412)	-	(1,617)
Temporary difference relating to lease liability	(2,234)	472	-	(1,762)
Temporary difference relating to ECL	(8,666)	1,536	-	(7,130)
Revaluation reserves of financial assets at FVOCI	(795)	-	841	46
	(13,501)	1,596	1,086	(10,819)
Deferred tax liabilities				
Revaluation of derivative financial instruments under cash flow hedge accounting	4,026	4	(391)	3,639
Temporary difference relating to plant and equipment	3,173	(163)	-	3,010
Temporary difference relating to interest/profit receivables on deposit and placements	51	(51)	-	-
Temporary difference relating to right-of-use asset	1,722	(504)	-	1,218
Temporary difference relating to accretion of discount	202,900	14,016	-	216,916
	211,872	13,302	(391)	224,783
Deferred taxation	198,371	14,898	695	213,964

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

23 DEFERRED TAXATION (CONTINUED)

The movements in deferred tax assets and liabilities of the Group and the Company during the financial year comprise the following (continued):

	Group and Company			
2023	As at 1 January RM'000	Recognised to income statement RM'000	Recognised to OCI RM'000	As at 31 December RM'000
Deferred tax assets				
Revaluation of derivative financial instruments under cash flow hedge accounting	(6,783)	-	6,181	(602)
Provisions	(1,538)	333	-	(1,205)
Temporary difference relating to lease liability	(2,732)	498	-	(2,234)
Temporary difference relating to ECL	(10,661)	1,995	-	(8,666)
Revaluation reserves of financial assets at FVOCI	(11,853)	(4)	11,063	(794)
	(33,567)	2,822	17,244	(13,501)
Deferred tax liabilities				
Revaluation of derivative financial instruments under cash flow hedge accounting	6,026	4	(2,004)	4,026
Temporary difference relating to plant and equipment	3,035	138	-	3,173
Temporary difference relating to interest/profit receivables on deposit and placements	90	(39)	-	51
Temporary difference relating to right-of-use asset	2,252	(530)	-	1,722
Temporary difference relating to accretion of discount	235,227	(32,327)	-	202,900
	246,630	(32,754)	(2,004)	211,872
	213,063	(29,932)	15,240	198,371

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

24 LOANS FROM SUBSIDIARY

Loans from subsidiary outstanding at financial year ended that are not in the functional currency of the Company are as follows:

	Company	
	2024	2023
	RM'000	RM'000
HKD	-	489,906
SGD	3,653,829	4,983,748
	3,653,829	5,473,654

Loans from subsidiary are unsecured and subject to interest rates ranging from 3.00% to 4.25% per annum (2023: 1.99% to 5.00% per annum). The maturity structure of loans from subsidiary are as follows:

	Company	
	2024	2023
	RM'000	RM'000
Maturing within one year	2,537,355	4,326,371
One to three years	1,116,474	1,147,283
	3,653,829	5,473,654

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

25 UNSECURED BEARER BONDS AND NOTES

		Group			
			2024		2023
		Year of maturity	Amount outstanding RM'000	Effective interest rate %	Amount outstanding RM'000	Effective interest rate %
(a)	Commercial papers	2024	-	-	1,005,000	3.660-3.830
		2025	725,000	3.550-3.730	-	-
	Add:					
	Interest payable		4,793		2,783	
			729,793		1,007,783	
(b)	Conventional medium-term notes	2024	-	-	9,005,013	1.990-5.520
		2025	7,352,066	3.250-4.850	4,374,387	3.620-4.850
		2026	4,541,474	3.000-3.940	3,137,895	3.570-3.940
		2027	6,315,000	3.750-4.900	5,725,000	3.780-4.900
		2028	890,000	3.970-4.280	890,000	3.970-4.280
		2029	60,000	3.860	245,000	5.500-5.750
		2031	670,000	4.030	-	-
		2033	200,000	4.200	200,000	4.200
		2034	100,000	4.040	-	-
		2035	160,000	5.070	160,000	5.070
			20,288,540		23,737,295	
	Add:					
	Unaccreted premium		2,723		-	
	Interest payable		166,003		211,286	
	Less:					
	Deferred financing fees		(840)		(1,456)	
			20,456,426		23,947,125	
	Total		21,186,219		24,954,908	

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

25 UNSECURED BEARER BONDS AND NOTES (CONTINUED)

		Company			
		2024		2023	
	Year of maturity	Amount outstanding RM'000	Effective interest rate %	Amount outstanding RM'000	Effective interest rate %
(a) Commercial papers	2024	-	-	1,005,000	3.660-3.830
	2025	725,000	3.550-3.730	-	-
Add:					
Interest payable		4,793		2,783	
		729,793		1,007,783	
(b) Conventional medium- term notes	2024	-	-	4,735,000	2.380-5.520
	2025	4,840,000	3.470-4.850	3,540,000	3.720-4.850
	2026	3,425,000	3.580-3.940	2,825,000	3.820-3.940
	2027	6,315,000	3.750-4.900	5,725,000	3.780-4.900
	2028	890,000	3.970-4.280	890,000	3.970-4.280
	2029	60,000	3.860	245,000	5.500-5.750
	2031	670,000	4.030	-	-
	2033	200,000	4.200	200,000	4.200
	2034	100,000	4.040	-	-
	2035	160,000	5.070	160,000	5.070
		16,660,000		18,320,000	
Add:					
Unaccreted premium		2,723		-	
Interest payable		140,689		154,965	
Less:					
Deferred financing fees		(840)		(1,405)	
		16,802,572		18,473,560	
Total		17,532,365		19,481,343	

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

25 UNSECURED BEARER BONDS AND NOTES (CONTINUED)

The maturity structure of unsecured bearer bonds and notes are as follows:

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Maturing within one year	8,250,174	10,223,248	5,712,794	5,896,966
One to three years	10,856,045	7,512,067	9,739,571	6,364,784
Three to five years	950,000	6,614,593	950,000	6,614,593
More than five years	1,130,000	605,000	1,130,000	605,000
	21,186,219	24,954,908	17,532,365	19,481,343

Cagamas issues debt securities, inclusive of sustainability, green and social bonds to finance the purchase of mortgages and other consumer receivables for conventional loans.

(a) Floating Rate Notes ("FRNs")

FRNs are Ringgit denominated conventional medium-term notes ("CMTNs") with tenures of more than one year with floating rate pegged to a reference rate, e.g. Kuala Lumpur Interbank Offered Rate ("KLIBOR") and Malaysia Overnight Rate ("MYOR"). Interest distributions of the FRNs are normally made on quarterly or half-yearly basis. The redemption of the relevant FRNs are at face value together with the interest due upon maturity.

(b) Commercial Papers ("CPs")

CPs are Ringgit denominated short-term instruments with maturities ranging from one to twelve months, issued with or without coupon, either at a discount from the face value where the relevant CPs are redeemable at their nominal value upon maturity or at par with interest paid on a semi-annual basis or on such other periodic basis as determined by Cagamas.

(c) Fixed Rate Conventional Medium-term Notes ("CMTN")

CMTNs are Ringgit denominated bonds with fixed coupon rate with tenures of more than one year and are issued either at a premium, par or at a discount, with or without a coupon rate. Interest distributions of the CMTNs are normally made on half-yearly basis. The redemption of the CMTNs are at nominal value together with the interest due upon maturity.

Apart from Ringgit FRNs and CMTNs, Cagamas also issued FRNs and CMTNs in foreign currency. Under the USD2.5 billion EMTN Programme, CGP may from time to time issue EMTNs in any currency (other than Ringgit Malaysia) which are unconditionally and irrevocably guaranteed by Cagamas.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

25 UNSECURED BEARER BONDS AND NOTES (CONTINUED)

The unsecured bearer bonds and notes outstanding at the end of financial year which are not in the functional currency of the Group are as follows:

	Group	
	2024	2023
	RM'000	RM'000
HKD	-	489,906
SGD	3,653,854	4,983,658
	3,653,854	5,473,564

26 SUKUK

		Group and Company			
			2024		2023
	Year of maturity	Amount outstanding RM'000	Effective profit rate %	Amount outstanding RM'000	Effective profit rate %
(a) Islamic commercial papers	2024	-	-	640,000	3.610-3.750
	2025	2,360,000	3.540-3.730	-	-
Add: Profit payable		14,632		1,797	
		2,374,632		641,797	
(b) Islamic medium-term notes	2024	-	-	6,745,000	2.670-5.520
	2025	6,895,000	3.100-4.650	5,290,000	3.100-4.650
	2026	3,670,000	3.150-4.920	3,670,000	3.150-4.920
	2027	2,705,000	3.710-4.620	1,955,000	4.140-4.620
	2028	3,665,000	3.970-4.260	3,665,000	3.970-4.260
	2029	1,885,000	3.790-3.920	180,000	5.500-5.750
	2030	465,000	4.230	465,000	4.230
	2033	500,000	4.310	500,000	4.310
	2034	800,000	4.000	-	-
		20,585,000		22,470,000	
Add: Unaccreted premium		1,005		-	
Profit payable		141,424		166,342	
		20,727,429		22,636,342	
Total		23,102,061		23,278,139	

26 SUKUK (CONTINUED)

The maturity structure of Sukuk are as follows:

	Group and Company	
	2024	2023
	RM'000	RM'000
Within one year	9,412,073	7,553,139
One to three years	6,374,988	8,960,000
Three to five years	5,550,000	5,620,000
More than five years	1,765,000	1,145,000
	23,102,061	23,278,139

Cagamas issues debt securities, inclusive of sustainability, green and social Sukuk, to finance the purchase of mortgages and other consumer receivables for Islamic financing.

(a) Islamic Commercial Papers ("ICPs")

ICPs are Ringgit denominated short-term Islamic instruments with maturities ranging from one to twelve months, issued with or without profit, at either a discount from the face value where the relevant ICPs are redeemable at their nominal value upon maturity or at par with profit paid on a semi-annual basis or on such other periodic basis as determined by Cagamas.

(b) Fixed Profit Rate Islamic Medium-Term Notes ("IMTNs")

IMTNs are Ringgit denominated Sukuk with fixed profit rate with tenures of more than one year and are issued either at a premium, par or at a discount, with or without a profit rate. Profit distribution of the IMTNs are normally made on half-yearly basis. The redemption of the relevant IMTNs are at nominal value together with the profit due upon maturity.

(c) Variable Profit Rate Notes ("VRNs")

VRNs are Ringgit denominated IMTNs with tenures of more than one year with variable profit rate pegged to a reference rate, e.g. KLIBOR and Malaysian Islamic Overnight Rate ("MYOR-I"). Profit distributions of the VRNs are normally made on quarterly or half-yearly basis. At maturity, the face value of the relevant VRNs are redeemed with any outstanding profit amounts due on maturity.

(d) Multicurrency Sukuk

Under the Multicurrency Sukuk Issuance, Islamic EMTN is currently issued based on Shariah principle of Wakalah. The Islamic EMTN issuance is on a fully-paid basis and at a par issue price and the method of calculating the profit rate may vary between the issue date and the maturity date of the relevant series of Islamic EMTNs issued. There is no Islamic EMTN outstanding at the end of financial year which are not in the functional currency of the Group.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

27 SHARE CAPITAL

	Group and Company			
	2024		2023	
Ordinary shares	Number of shares RM'000	Amount RM'000	Number of shares RM'000	Amount RM'000
Issued:				
As at 1 January/31 December	150,000	150,000	150,000	150,000

28 RESERVES

(a) Financial assets at FVOCI reserves

This amount represents the unrealised fair value gains or losses on financial assets at FVOCI, net of taxation.

(b) Cash flow hedge reserves

This amount represents the effective portion of changes in fair value on derivatives designated and qualifying as hedge of future cash flows, net of taxation.

(c) Regulatory reserves

The Group and the Company have adopted the Bank Negara Malaysia (''BNM'') Guidelines on Financial Reporting issued on 2 February 2018 on voluntary basis. The Group and Company maintains, in aggregate, collective impairment provisions and regulatory reserves of 1.0% of total credit exposures, net of allowances for credit impaired exposures on loans/financing.

29 NET TANGIBLE ASSETS AND EARNINGS PER SHARE

The net tangible assets per share is calculated by dividing the net tangible assets of RM4,750,180,000 of the Group and RM4,754,505,000 of the Company respectively (2023: RM4,536,829,000 of the Group and RM4,540,897,000 of the Company respectively) by 150,000,000 ordinary shares of the Group and the Company in issue.

Basic and diluted earnings per share is calculated by dividing the profit for the financial year of RM237,993,000 of the Group and RM238,250,000 of the Company respectively (2023: RM226,348,000 of the Group and RM229,297,000 of the Company respectively) by 150,000,000 ordinary shares of the Group and the Company in issue. For the diluted earnings per share calculation, no adjustment has been made to weighted number of ordinary shares in issue as there are no dilutive potential ordinary shares.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

30 INTEREST INCOME

	Group and Company	
	2024	2023
	RM'000	RM'000
Amount due from counterparties	747,367	716,851
Mortgage assets	116,702	133,510
Compensation from mortgage assets	1	(296)
Financial assets at amortised cost	68,135	66,095
Reverse mortgage assets	187	76
Financial assets at FVOCI	97,632	84,766
Deposits and placements with financial institutions	8,135	9,372
	1,038,159	1,010,374
Accretion of discount less amortisation of premium (net)	50,237	61,383
	1,088,396	1,071,757

31 INTEREST EXPENSE

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Floating rate notes	-	14,342	-	14,342
Medium-term notes	880,110	888,466	730,195	707,401
Commercial papers	17,478	24,458	17,478	24,458
Loans from subsidiary	-	-	149,850	178,234
Short-term borrowings	25,668	16,818	25,668	16,818
Lease liability (Note 22)	448	316	448	316
Deferred financing fees	1,302	1,454	1,251	1,454
	925,006	945,854	924,890	943,023

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

32 NON-INTEREST INCOME

	Group and Company	
	2024	2023
	RM'000	RM'000
Net gain arising from derivatives	11,225	28,133
Gain/(loss) on disposal of:		
- Financial assets at FVOCI	2,256	8,393
- Property and equipment	(52)	136
Net amount reclassified into profit or loss		
- cash flow hedge (Note 9)	(169,251)	(270,319)
Net gain on foreign exchange	170,210	268,428
Income from repo collateral	194	165
Other non-interest (expense)/income	(3,516)	4,004
	11,066	38,940

33 PERSONNEL COSTS

Salary and allowances	18,813	17,254
Bonus	6,353	6,435
Overtime	77	77
EPF and SOCSO	4,413	4,005
Insurance	976	930
Others	3,079	2,059
	33,711	30,760

34 REVERSAL OF IMPAIRMENT LOSSES, NET

Reversal of/(allowance) for impairment losses:		
Cash and cash equivalents	(1)	1
Deposits and placements with financial institutions	(3)	-
Financial assets at FVOCI	53	(5)
Financial assets at amortised cost	163	(633)
Amount due from counterparties	9	(9)
Islamic financing assets	45	(3)
Mortgage assets – Conventional	3,586	3,479
Mortgage assets – Islamic	2,539	5,480
Hire purchase assets – Islamic	6	6
Credit impaired:		
Mortgage assets – Conventional written-back	1,127	1,413
Mortgage assets – Islamic written-back	1,210	1,194
Hire purchase assets – Conventional written-off	-	(3)
Hire purchase assets – Islamic written-off	(25)	-
	8,709	10,920

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

35 PROFIT BEFORE TAXATION AND ZAKAT

The following items have been charged/(credited) in arriving at profit before taxation and zakat:

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Directors' remuneration (Note 36)	2,173	2,658	2,173	2,658
Amortisation of right-of-use asset (Note 20)	1,846	2,208	1,846	2,208
Short-term and low value assets expensed off	977	923	977	923
Auditors' remuneration				
- Audit fees	320	370	300	350
- Non-audit fees	15	15	15	15
Depreciation of property and equipment	1,224	712	1,224	712
Amortisation of intangible assets	5,112	4,153	5,112	4,153
Servicers fees	2,142	1,810	2,142	1,810
Repairs and maintenance	8,166	5,626	8,166	5,626
Donations and sponsorship	247	144	247	144
Corporate expenses	850	904	850	904
Travelling expenses	346	430	346	430

36 DIRECTORS' REMUNERATION

The Directors who have held office during the financial year are as follows:

Non-Executive Directors
Dato' Bakarudin Ishak (Chairman)
Dato' Wee Yiaw Hin
Ho Chai Huey
Tan Sri Tajuddin Atan
Abdul Rahman Hussein
Sophia Ch'ng Sok Heang

Executive Director
Kameel Abdul Halim

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

36 DIRECTORS' REMUNERATION (CONTINUED)

The aggregate emoluments received by the Directors during the financial year is as follows:

	Group and Company	
	2024	2023
	RM'000	RM'000
Directors' fees	450	450
Directors' other emoluments	1,723	2,208
	2,173	2,658

The Directors of the Group and the Company is covered under the Directors' Liability Insurance in respect of liabilities arising from acts committed in their capacity as, inter alia, Directors of the Group and the Company subject to the terms of the policy. The total amount of Directors' Liability Insurance effected for the Directors of the ultimate holding company was RM30.0 million. For the financial year ended 31 December 2024, a total of RM189,010 (2023: RM185,510) has been paid by the Group in relation to insurance premium paid for Directors and Officers of the Group and Company.

37 TAXATION

		Group		Company	
		2024	2023	2024	2023
		RM'000	RM'000	RM'000	RM'000
(a)	Tax charge for the financial year:				
	Malaysian Income tax:				
	- Current tax	56,487	104,645	56,487	104,645
	- Deferred taxation (Note 23)	14,898	(29,932)	14,898	(29,932)
		71,385	74,713	71,385	74,713
	Current tax:				
	- Current year	48,943	42,013	48,943	42,013
	- Under provision in prior year	7,544	62,632	7,544	62,632
		56,487	104,645	56,487	104,645
	Deferred taxation (Note 23)	14,898	(29,932)	14,898	(29,932)
		71,385	74,713	71,385	74,713

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

37 TAXATION (CONTINUED)

(b) Reconciliation of income tax expense

The tax on the Group's and the Company's profit before taxation and zakat differs from the theoretical amount that would arise using the statutory income tax rate of Malaysia as follows:

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Profit before taxation and zakat	310,939	303,595	311,196	306,544
Tax calculated at Malaysian tax rate of 24% (2023: 24%)	74,625	72,863	74,687	73,571
Subsidiary's current year tax losses utilised	-	-	(33)	(36)
Loss not subject to tax	29	672	-	-
Expenses not deductible for tax purposes	221	250	221	250
Deduction arising from zakat contribution	(608)	(1,079)	(608)	(1,079)
Under provision of deferred tax in prior year	(10,426)	(60,625)	(10,426)	(60,625)
Under provision of current tax in prior year	7,544	62,632	7,544	62,632
	71,385	74,713	71,385	74,713

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

38 DIVIDENDS

Dividends of the Group and the Company are as follows:

	Group and Company			
	2024		2023	
	Per shares	Total amount	Per shares	Total amount
	Sen	RM'000	Sen	RM'000
Final dividend	15.00	22,500	15.00	22,500
Interim dividend	5.00	7,500	5.00	7,500
	20.00	30,000	20.00	30,000

The Directors recommend the payment of a final dividend of 15 sen per share on 150,000,000 ordinary shares amounting to RM22,500,000 for the financial year ended 31 December 2024 which is subject to approval of the member at the forthcoming Annual General Meeting of the Company.

The financial statements for the current financial year do not reflect this dividend and will be accounted for in equity as an appropriation of retained profits in the next financial year ending 31 December 2025.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

39 STATEMENTS OF CASH FLOWS

(a) Adjustments for non-cash items:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Amortisation of premium less accretion of discount on:				
- Financial assets at FVOCI	5,053	(2,775)	5,053	(2,775)
Accretion of discount on:				
Mortgage assets				
- Conventional	(55,977)	(59,150)	(55,977)	(59,150)
- Islamic	(53,654)	(57,956)	(53,654)	(57,956)
Allowance/(reversal) for impairment losses on:				
- Cash and cash equivalents	4	(1)	4	(1)
- Financial assets at FVOCI	(53)	5	(53)	5
- Financial assets at amortised cost	(163)	633	(163)	633
- Amount due from counterparties/ Islamic financing assets	(54)	12	(54)	12
- Mortgage assets and hire purchase assets/Islamic mortgage assets and Islamic hire purchase assets	(6,131)	(8,965)	(6,131)	(8,965)
Interest income	(1,038,159)	(1,010,374)	(1,038,159)	(1,010,374)
Income from derivatives	(187,981)	(233,669)	(187,981)	(233,669)
Income from Islamic operations	(1,052,311)	(948,504)	(1,052,311)	(948,504)
Interest expense	925,006	945,854	924,948	943,023
Interest expense on derivatives	175,788	208,405	175,788	208,405
Profit attributable to Sukuk holders	909,853	833,569	909,853	833,569
Profit attributable to derivatives	396	(4,345)	396	(4,345)
Depreciation of property and equipment	1,224	712	1,224	712
Amortisation of intangible assets	5,112	4,153	5,112	4,153
Amortisation of right-of-use asset	(1,987)	2,208	(1,987)	2,208
Lease modification	3,833	-	3,833	-
(Gain)/loss on disposal of:				
- Financial assets at FVOCI	(2,519)	(8,393)	(2,519)	(8,393)
- Property and equipment	52	(136)	52	(136)
	(372,668)	(338,717)	(372,726)	(341,548)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

39 STATEMENTS OF CASH FLOWS (CONTINUED)

(b) Changes in operating assets and liabilities:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Change in deposits and placements with financial institutions	(341,006)	45,461	(341,006)	45,461
Change in short term borrowings	(139,805)	(162,334)	(139,805)	(162,334)
Change in amount due from counterparties	3,139,196	(2,850,236)	3,139,196	(2,850,236)
Change in Islamic financing assets	751,439	(5,878,421)	751,439	(5,878,421)
Change in mortgage assets:				
- Conventional	473,712	459,281	473,712	459,281
- Islamic	429,942	450,533	429,942	450,533
Change in Islamic hire purchase assets	21	1	21	1
Change in other assets	6,789	12,785	6,797	12,778
Change in reverse mortgage assets	(1,809)	(1,519)	(1,809)	(1,519)
Change in deferred financing fees	(1,197)	(1,422)	-	-
Change in derivatives	101,934	205,552	101,934	205,552
Change in other liabilities	(42,050)	(48,341)	(43,462)	(49,858)
Interest received	957,748	922,179	957,748	922,179
Profit received from Islamic assets	1,038,547	825,088	1,038,547	825,088
Interest received on derivatives	220,304	195,179	220,304	195,179
Profit received on derivatives	33,564	25,199	33,564	25,199
Interest paid	(28,521)	(18,033)	(28,521)	(18,033)
Interest paid on derivatives	(193,980)	(187,321)	(193,980)	(187,321)
Profit paid on derivatives	(33,809)	(20,160)	(33,809)	(20,160)
	6,371,019	(6,026,529)	6,370,812	(6,026,631)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

39 STATEMENTS OF CASH FLOWS (CONTINUED)

(c) Analysis of changes in liabilities arising from financing activities:

Group	Lease liability RM'000	Unsecured bearer bonds and notes RM'000	Sukuk RM'000	Total RM'000
2024				
As at 1 January	9,308	24,954,908	23,278,139	48,242,355
Proceeds from issuance	-	7,333,634	11,019,458	18,353,092
Repayment and redemption	(2,278)	(10,913,583)	(11,180,000)	(22,095,861)
Interest/profit paid	-	(945,548)	(925,389)	(1,870,937)
Exchange fluctuation	-	(141,007)	-	(141,007)
Other non-cash movement	4,280	897,815	909,853	1,811,948
As at 31 December	11,310	21,186,219	23,102,061	44,299,590
2023				
As at 1 January	11,384	20,414,672	20,135,060	40,561,116
Proceeds from issuance	-	15,223,801	12,505,000	27,728,801
Repayment and redemption	(2,392)	(11,013,121)	(9,395,000)	(20,410,513)
Interest/profit paid	-	(865,711)	(800,490)	(1,666,201)
Exchange fluctuation	-	267,771	-	267,771
Other non-cash movement	316	927,496	833,569	1,761,381
As at 31 December	9,308	24,954,908	23,278,139	48,242,355

Company	Lease liability RM'000	Loans from subsidiary RM'000	Unsecured bearer bonds and notes RM'000	Sukuk RM'000	Total RM'000
2024					
As at 1 January	9,308	5,473,654	19,481,344	23,278,139	48,242,445
Proceeds from issuance	-	2,589,875	4,743,759	11,019,458	18,353,092
Repayment and redemption	(2,278)	(4,238,583)	(6,675,000)	(11,180,000)	(22,095,861)
Interest/profit paid	-	(180,081)	(765,468)	(925,389)	(1,870,938)
Exchange fluctuation	-	(140,886)	-	-	(140,886)
Other non-cash movement	4,280	149,850	747,730	909,853	1,811,713
As at 31 December	11,310	3,653,829	17,532,365	23,102,061	44,299,565
2023					
As at 1 January	11,384	3,138,031	17,279,594	20,135,060	40,564,069
Proceeds from issuance	-	4,968,801	10,255,000	12,505,000	27,728,801
Repayment and redemption	(2,391)	(2,933,121)	(8,080,000)	(9,395,000)	(20,410,512)
Interest/profit paid	-	(146,259)	(719,452)	(800,490)	(1,666,201)
Exchange fluctuation	-	267,969	-	-	267,969
Other non-cash movement	316	178,233	746,201	833,569	1,758,319
As at 31 December	9,309	5,473,654	19,481,343	23,278,139	48,242,445

40 RELATED PARTIES AND SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES

(a) Related parties and relationships

The related parties and their relationships with the Group and the Company are as follows:

Related parties	Relationships
CHB	Ultimate holding company
CGP	Subsidiary
CGS	Subsidiary
Cagamas MBS Berhad ("CMBS")	Related company
BNM Sukuk Berhad ("BNM Sukuk")	Structured entity of ultimate holding company
Cagamas SME Berhad ("CSME")	Related company
Cagamas SRP Berhad ("CSRP")	Related company and trustee for LPPSA
Cagamas MGP Berhad ("CMGP")	Related company
Government of Malaysia ("GOM")	Other related party
Lembaga Pembiayaan Perumahan Sektor Awam ("LPPSA")	Originator/servicer and entity related to GOM
Bank Negara Malaysia ("BNM")	Other related party
Key management personnel	Other related party
Entities in which key management personnel have control	Other related party

Related company is defined as subsidiary of the ultimate holding company.

BNM is regarded as a related party on the basis of having significant influence over the ultimate holding company.

As BNM has significant influence over the ultimate holding company, the GOM and entities controlled, jointly controlled or has significant influence by the GOM are related parties of the Group and the Company.

The Group and the Company enter into transactions with many of these entities to purchase mortgage loans, personal loans and hire purchase and leasing debts and to issue bonds and notes to finance the purchase as part of its normal operations. The Group and the Company also purchase Islamic financing facilities such as home financing, personal financing and hire purchase financing and funded by issuance of Sukuk.

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group and the Company either directly or indirectly. The key management personnel of the Company include all the Directors of the Group and its ultimate holding company, certain members of senior management and their close family members.

Entities in which key management personnel have control are defined as entities that are controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly by key management personnel.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

40 RELATED PARTIES AND SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

(b) Significant related party transactions and balances

Most of the transactions involving mortgage loans, personal loans, hire purchase and leasing debts and Islamic financing facilities as well as issuance of unsecured Corporate Bonds and Sukuk are transacted with the shareholders of the ultimate holding company. These transactions have been disclosed on the statements of financial position and income statements of the Group and the Company.

Set out below are significant related party transactions and balances of the Group and the Company.

Group	Ultimate holding company RM'000	Related company RM'000	Other related party RM'000
2024			
Income			
Transaction administrator and administrator fees	-	904	-
Management fee	44	2,983	-
Expenses			
FAST* and RENTAS** charges	-	-	76
Servicers fees	-	2,142	-
Amount due from/(to)			
Transaction administrator and administrator fees	-	370	-
BNM current accounts	-	-	34
Reimbursement of operating expenses	-	-	10
Servicers fees	-	(319)	-
Management fee receivable	14	957	-
2023			
Income			
Transaction administrator and administrator fees	-	1,625	-
Management fee	41	2,265	-
Expenses			
FAST* and RENTAS** charges	-	-	138
Servicers fees	-	1,810	-
Amount due from/(to)			
Transaction administrator and administrator fees	-	586	-
BNM current accounts	-	-	23
Reimbursement of operating expenses	-	-	5
Servicers fees	-	(363)	-
Management fee receivable	10	600	-

* Denotes Fully Automated System for Issuing and Tendering ("FAST").
** Denotes Real-Time Electronic Transfer of Funds and Securities ("RENTAS").

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

40 RELATED PARTIES AND SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

(b) Significant related party transactions and balances (continued)

Company	Ultimate holding company RM'000	Subsidiaries RM'000	Related company RM'000	Other related party RM'000
2024				
Income				
Transaction administrator and administrator fees	-	-	904	-
Management fee	44	-	2,983	-
Expenses				
FAST* and RENTAS** charges	-	-	-	76
Servicers fees	-	-	2,142	-
Interest expense	-	149,850	-	-
Amount due from/(to)				
Transaction administrator and administrator fees	-	-	370	-
BNM current accounts	-	-	-	34
Reimbursement of operating expenses	-	-	-	10
Servicers fees	-	-	(319)	-
Loans/financing	-	(3,653,829)	-	-
Payment of expenses on behalf - Working capital and other expenses	-	4,294	-	-
Management fee receivable	14	-	957	-
2023				
Income				
Transaction administrator and administrator fees	-	-	1,625	-
Management fee	41	-	2,265	-
Expenses				
FAST* and RENTAS** charges	-	-	-	138
Servicers fees	-	-	1,810	-
Interest expense	-	178,234	-	-
Amount due from/(to)				
Transaction administrator and administrator fees	-	-	586	-
BNM current accounts	-	-	-	23
Reimbursement of operating expenses	-	-	-	5
Servicers fees	-	-	(363)	-
Loans/financing	-	(5,473,654)	-	-
Payment of expenses on behalf - Working capital and other expenses	-	4,127	-	-
Management fee receivable	10	-	600	-

* Denotes Fully Automated System for Issuing and Tendering ("FAST").
** Denotes Real-Time Electronic Transfer of Funds and Securities ("RENTAS").

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

40 RELATED PARTIES AND SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

(b) Significant related party transactions and balances (continued)

The Group's key management personnel received remuneration for services rendered during the financial year. The total salaries and other employees' benefits paid to the Group's key management personnel was RM8,083,477 (2023: RM8,503,799).

The total salaries and other employees' benefits include contributions to the Employees Provident Fund ("EPF") for key management personnel. Contributions to the EPF amount to RM1,112,289 (2023: RM1,150,371).

The total remuneration paid to the Directors is disclosed in Note 36 to the financial statements.

41 CAPITAL COMMITMENTS

	Group and Company	
	2024	2023
	RM'000	RM'000
Capital expenditure:		
Authorised and contracted for	13,385	3,943
Authorised but not contracted for	1,308	3,651
	14,693	7,594
Analysed as follows:		
Equipment and others	9,484	659
Computer hardware and software	5,209	6,935
	14,693	7,594

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

42 MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

	Within one year	More than one year	Total
	RM'000	RM'000	RM'000
Group			
2024			
ASSETS			
Cash and cash equivalents	61,121	-	61,121
Deposits and placements with financial institutions	229,209	204,016	433,225
Financial asset at fair value through other comprehensive income ("FVOCI")	327,929	3,199,710	3,527,639
Financial asset at amortised cost	-	2,287,035	2,287,035
Derivatives financial assets	391	15,012	15,403
Amount due from counterparties	4,504,999	12,328,423	16,833,422
Islamic financing assets	8,386,702	12,280,086	20,666,788
Mortgage assets			
- Conventional	442,157	2,158,734	2,600,891
- Islamic	429,521	3,069,198	3,498,719
Islamic hire purchase asset	40	-	40
Reverse mortgage	-	4,172	4,172
Amount due from			
- Related company	-	370	370
- Subsidiaries	-	-	-
Other assets	-	13,689	13,689
Investment in subsidiaries	-	-*	-*
Property and equipment	-	8,307	8,307
Intangible assets	-	13,594	13,594
Right-of-use asset	-	9,163	9,163
TOTAL ASSETS	14,382,069	35,591,509	49,973,578
LIABILITIES			
Short-term borrowings	506,132	-	506,132
Derivative financial liabilities	68,401	12,216	80,617
Other liabilities		105,612	105,612
Lease liability	2,097	9,214	11,311
Provision for taxation	3,888	-	3,888
Deferred taxation	-	213,964	213,964
Unsecured bearer bonds and notes	8,250,174	12,936,045	21,186,219
Sukuk	9,412,073	13,689,988	23,102,061
TOTAL LIABILITIES	18,242,765	26,967,039	45,209,804

* Denotes USD1 in CGP and RM2 in CGS.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

42 MATURITY ANALYSIS OF ASSETS AND LIABILITIES (CONTINUED)

	Within one year RM'000	More than one year RM'000	Total RM'000
Group 2023			
ASSETS			
Cash and cash equivalents	180,359	-	180,359
Deposits and placements with financial institutions	86,947	-	86,947
Financial asset at fair value through other comprehensive income ("FVOCI")	148,606	2,541,455	2,690,061
Financial asset at amortised cost	-	2,286,680	2,286,680
Derivatives financial assets	152,273	55,386	207,659
Amount due from counterparties	6,475,771	13,512,019	19,987,790
Islamic financing assets	7,301,826	14,125,035	21,426,861
Mortgage assets			
- Conventional	631,547	2,390,303	3,021,850
- Islamic	589,800	3,291,728	3,881,528
Islamic hire purchase asset	55	-	55
Reverse mortgage	-	2,147	2,147
Amount due from			
- Related company	-	586	586
- Subsidiaries	-	-	-
Other assets	-	20,476	20,476
Investment in subsidiaries	-	-*	-*
Propert and equipment	-	1,947	1,947
Intangible assets	-	16,804	16,804
Right-of-use asset	-	7,176	7,176
TOTAL ASSETS	15,567,184	38,251,742	53,818,926
LIABILITIES			
Short-term borrowings	648,790	-	648,790
Derivative financial liabilities	10,082	5,079	15,161
Other liabilities	-	150,411	150,411
Lease liability	2,436	6,872	9,308
Provision for taxation	10,205	-	10,205
Deferred taxation	-	198,371	198,371
Unsecured bearer bonds and notes	10,223,248	14,731,660	24,954,908
Sukuk	7,553,139	15,725,000	23,278,139
TOTAL LIABILITIES	18,447,900	30,817,393	49,265,293

* Denotes USD1 in CGP and RM2 in CGS.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

42 MATURITY ANALYSIS OF ASSETS AND LIABILITIES (CONTINUED)

	Within one year RM'000	More than one year RM'000	Total RM'000
Company			
2024			
ASSETS			
Cash and cash equivalents	61,086	-	61,086
Deposits and placements with financial institutions	229,209	204,016	433,225
Financial asset at fair value through other comprehensive income ("FVOCI")	327,929	3,199,710	3,527,639
Financial asset at amortised cost	-	2,287,035	2,287,035
Derivatives financial assets	391	15,012	15,403
Amount due from counterparties	4,504,999	12,328,423	16,833,422
Islamic financing assets	8,386,702	12,280,086	20,666,788
Mortgage assets			
- Conventional	442,157	2,158,734	2,600,891
- Islamic	429,521	3,069,198	3,498,719
Islamic hire purchase asset	40	-	40
Reverse mortgage	-	4,172	4,172
Amount due from			
- Related company	-	370	370
- Subsidiaries	4,294	-	4,294
Other assets	-	13,667	13,667
Investment in subsidiaries	-	-*	-*
Propert and equipment	-	8,307	8,307
Intangible assets	-	13,594	13,594
Right-of-use asset	-	9,163	9,163
TOTAL ASSETS	14,386,328	35,591,487	49,977,815
LIABILITIES			
Short-term borrowings	506,132	-	506,132
Derivative financial liabilities	68,401	12,216	80,617
Other liabilities	-	105,549	105,549
Lease liability	2,097	9,214	11,311
Provision for taxation	3,888	-	3,888
Deferred taxation	-	213,964	213,964
Loans from subsidiary	2,537,355	1,116,474	3,653,829
Unsecured bearer bonds and notes	5,712,794	11,819,571	17,532,365
Sukuk	9,412,073	13,689,988	23,102,061
TOTAL LIABILITIES	18,242,740	26,966,976	45,209,716

* Denotes USD1 in CGP and RM2 in CGS.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

42 MATURITY ANALYSIS OF ASSETS AND LIABILITIES (CONTINUED)

	Within one year	More than one year	Total
	RM'000	RM'000	RM'000
Company			
2023			
ASSETS			
Cash and cash equivalents	180,332	-	180,332
Deposits and placements with financial institutions	86,947	-	86,947
Financial asset at fair value through other comprehensive income ("FVOCI")	148,606	2,541,455	2,690,061
Financial asset at amortised cost	-	2,286,680	2,286,680
Derivatives financial assets	152,273	55,386	207,659
Amount due from counterparties	6,475,771	13,512,019	19,987,790
Islamic financing assets	7,301,826	14,125,035	21,426,861
Mortgage assets			
- Conventional	631,547	2,390,303	3,021,850
- Islamic	589,800	3,291,728	3,881,528
Islamic hire purchase asset	55	-	55
Reverse mortgage	-	2,147	2,147
Amount due from			
- Related company	-	586	586
- Subsidiaries	4,127	-	4,127
Other assets	-	20,463	20,463
Investment in subsidiaries	-	-*	-*
Propert and equipment	-	1,947	1,947
Intangible assets	-	16,804	16,804
Right-of-use asset	-	7,176	7,176
TOTAL ASSETS	15,571,284	38,251,729	53,823,013
LIABILITIES			
Short-term borrowings	648,790	-	648,790
Derivative financial liabilities	10,082	5,079	15,161
Other liabilities	-	150,341	150,341
Lease liability	2,436	6,872	9,308
Provision for taxation	10,205	-	10,205
Deferred taxation	-	198,371	198,371
Loan from subsidiary	4,326,371	1,147,283	5,473,654
Unsecured bearer bonds and notes	5,896,966	13,584,377	19,481,343
Sukuk	7,553,139	15,725,000	23,278,139
TOTAL LIABILITIES	18,447,989	30,817,323	49,265,312

* Denotes USD1 in CGP and RM2 in CGS.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

43 FINANCIAL INSTRUMENTS BY CATEGORY

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Financial assets				
Financial assets at amortised cost:				
Cash and cash equivalents	61,121	180,359	61,086	180,332
Deposits and placements with financial institutions	433,225	86,947	433,225	86,947
Corporate bonds and Sukuk	2,287,035	2,286,680	2,287,035	2,286,680
Amount due from counterparties	16,833,422	19,987,790	16,833,422	19,987,790
Islamic financing assets	20,666,788	21,426,861	20,666,788	21,426,861
Mortgage assets				
- Conventional	2,600,891	3,021,850	2,600,891	3,021,850
- Islamic	3,498,719	3,881,528	3,498,719	3,881,528
Hire purchase assets				
- Islamic	40	55	40	55
Amount due from				
- Related company	370	586	370	586
- Subsidiaries	-	-	4,294	4,127
Other financial assets	10,462	17,627	10,461	17,626
	46,392,073	50,890,283	46,396,331	50,894,382
Financial assets at FVOCI:				
Debt instruments	3,527,639	2,690,061	3,527,639	2,690,061
Financial assets at FVTPL:				
Derivative financial assets	15,403	207,659	15,403	207,659
Reverse mortgage assets	4,172	2,147	4,172	2,147
	19,575	209,806	19,575	209,806
Financial liabilities				
Financial liabilities at amortised cost:				
Short-term borrowings	506,132	648,790	506,132	648,790
Loans from subsidiary	-	-	3,653,829	5,473,654
Unsecured bearer bonds and notes	21,186,219	24,954,908	17,532,365	19,481,343
Sukuk	23,102,061	23,278,139	23,102,061	23,278,139
	44,794,412	48,881,837	44,794,387	48,881,926
Financial liabilities at FVTPL:				
Derivative financial liabilities	80,617	15,161	80,617	15,161

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

44 INTEREST/PROFIT RATE RISK

Cash flow interest/profit rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest/profit rates. Fair value interest/profit rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest/profit rates. The Group and the Company take on the exposure of the effects of fluctuations in the prevailing levels of market interest/profit rates on both its fair value and cash flow risks. Interest/profit margin may increase as a result of such changes but may reduce or create losses in the event that an unexpected movement in the market interest/profit rates arise.

For decision-making purposes, the Group and the Company manage their exposure to interest/profit rate risk. The Group and the Company set limits on the sensitivity of the Group's and the Company's forecasted net interest income/profit income at risk to projected changes in interest/profit rates. The Group and the Company also undertakes duration analysis before deciding on the size and tenure of the bonds/Sukuk to be issued to ensure that the Group's and the Company's assets and liabilities are closely matched within the tolerance limit set by the Board of Directors.

The table below summarises the sensitivity of the Group's and the Company's financial instruments to interest/profit rates movements. The analysis is based on the assumptions that interest/profit will fluctuate by 100 basis points, with all other variables held constant.

Group and Company	+100 basis		-100 basis	
	2024	2023*	2024	2023*
	RM'000	RM'000	RM'000	RM'000
Impact to equity	(289,948)	(133,547)	310,692	146,032
Taxation effects on the above at tax rate of 24%	69,588	32,051	(74,566)	(35,048)
Effect on shareholder's funds	(220,360)	(101,496)	236,126	110,984
As percentage of shareholder's funds	(4.6%)	(2.2%)	5.0%	2.4%
Impact to income statements:				
Net interest income	(5,817)	(2,618)	5,804	2,610
Taxation effects at the rate of 24%	1,396	628	(1,393)	(626)
Effect on net interest income	(4,421)	(1,990)	4,411	1,984
As percentage of profit after tax	(1.9%)	(0.9%)	1.9%	0.9%

* The 31 December 2023 financial instruments' sensitivity to interest/profit rates movements have been restated to align with current year computation.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

45 CREDIT RISK

45.1 Credit risk concentrations

The Group's and the Company's counterparties are mainly the GOM, financial institutions and individuals in Malaysia. The financial institutions are governed by the Financial Services Act 2013, Islamic Financial Services Act 2013 and Development Financial Institutions Act 2002. The financial institutions are subject to periodic review by the BNM. The following tables summarise the Group's and the Company's maximum exposure to credit risk by counterparty or customer or the industry in which they are engaged as at the statement of financial position date.

Industrial analysis based on its industrial distribution

Group	Cash and cash equivalent RM'000	Deposits and placements with financial institutions RM'000	Financial assets at FVOCI RM'000	Financial assets at amortised cost RM'000	Derivative financial assets RM'000	Amount Amount due from counterparties RM'000	Islamic financing assets RM'000	Mortgage assets- Conventional RM'000	Mortgage assets- Islamic RM'000	Hire purchase assets- Islamic RM'000	Reverse mortgage assets RM'000	Other assets RM'000	Total RM'000
2024													
Government	-	-	2,219,137	-	-	-	-	-	-	-	-	22	2,219,159
Financial institutions:													
- Commercial banks	29,144	433,225	453,930	2,136,995	15,403	16,466,653	17,358,593	-	-	-	-	-	36,893,943
- Development	31,977	-	299,397	150,040	-	-	3,240,022	-	-	-	-	-	3,721,436
Communication, electricity, gas and water	-	-	192,203	-	-	-	-	-	-	-	-	-	192,203
Transportation	-	-	149,708	-	-	-	-	-	-	-	-	-	149,708
Leasing	-	-	76,347	-	-	366,769	68,173	-	-	-	-	-	511,289
Consumers	-	-	-	-	-	-	-	2,600,891	3,498,719	40	4,172	-	6,103,822
Corporate	-	-	76,124	-	-	-	-	-	-	-	-	-	76,124
Construction	-	-	10,124	-	-	-	-	-	-	-	-	-	10,124
Others	-	-	50,669	-	-	-	-	-	-	-	-	10,810	61,479
Total	61,121	433,225	3,527,639	2,287,035	15,403	16,833,422	20,666,788	2,600,891	3,498,719	40	4,172	10,832	49,939,287

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

45 CREDIT RISK (CONTINUED)

45.1 Credit risk concentrations (continued)

Industrial analysis based on its industrial distribution (continued)

Group	Cash and cash equivalent RM'000	Deposits and placements with financial institutions RM'000	Financial assets at FVOCI RM'000	Financial assets at amortised cost RM'000	Derivative financial assets RM'000	Amount Amount due from counterparties RM'000	Islamic financing assets RM'000	Mortgage assets- Conventional RM'000	Mortgage assets- Islamic RM'000	Hire purchase assets- Islamic RM'000	Reverse mortgage assets RM'000	Other assets RM'000	Total RM'000
2023													
Government	-	-	1,420,577	-	-	-	-	-	-	-	-	33	1,420,610
Financial institutions:													
- Commercial banks	180,359	86,947	345,859	2,286,680	207,659	19,641,205	19,395,481	-	-	-	-	-	42,144,190
- Development	-	-	288,971	-	-	-	2,011,411	-	-	-	-	-	2,300,382
Communication, electricity, gas and water	-	-	213,271	-	-	-	-	-	-	-	-	-	213,271
Transportation	-	-	160,538	-	-	-	-	-	-	-	-	-	160,538
Leasing	-	-	60,941	-	-	346,585	19,969	-	-	-	-	-	427,495
Consumers	-	-	-	-	-	-	-	3,021,850	3,881,528	55	2,147	-	6,905,580
Corporate	-	-	128,513	-	-	-	-	-	-	-	-	-	128,513
Construction	-	-	20,420	-	-	-	-	-	-	-	-	-	20,420
Others	-	-	50,971	-	-	-	-	-	-	-	-	18,180	69,151
Total	180,359	86,947	2,690,061	2,286,680	207,659	19,987,790	21,426,861	3,021,850	3,881,528	55	2,147	18,213	53,790,150

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

45 CREDIT RISK (CONTINUED)

45.1 Credit risk concentrations (continued)

Industrial analysis based on its industrial distribution (continued)

Company	Cash and cash equivalent RM'000	Deposits and placements with financial institutions RM'000	Financial assets at FVOCI RM'000	Financial assets at amortised cost RM'000	Derivative financial assets RM'000	Amount due from counterparties RM'000	Islamic financing assets RM'000	Mortgage assets-Conventional RM'000	Mortgage assets-Islamic RM'000	Hire purchase assets-Islamic RM'000	Reverse mortgage assets RM'000	Other assets RM'000	Total RM'000
2024													
Government bodies	-	-	2,219,137	-	-	-	-	-	-	-	-	22	2,219,159
Financial institutions:													
- Commercial banks	29,109	433,225	453,930	2,136,995	15,403	16,466,653	17,358,593	-	-	-	-	-	36,893,908
- Development	31,977	-	299,397	150,040	-	-	3,240,022	-	-	-	-	-	3,721,436
Communication, electricity, gas and water	-	-	192,203	-	-	-	-	-	-	-	-	-	192,203
Transportation	-	-	144,350	-	-	-	-	-	-	-	-	-	144,350
Leasing	-	-	76,347	-	-	366,769	68,173	-	-	-	-	-	511,289
Consumers	-	-	-	-	-	-	-	2,600,891	3,498,719	40	4,172	-	6,103,822
Corporate	-	-	76,124	-	-	-	-	-	-	-	-	-	76,124
Construction	-	-	10,124	-	-	-	-	-	-	-	-	-	10,124
Others	-	-	56,027	-	-	-	-	-	-	-	-	15,103	71,130
Total	61,086	433,225	3,527,639	2,287,035	15,403	16,833,422	20,666,788	2,600,891	3,498,719	40	4,172	15,125	49,943,545

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

45 CREDIT RISK (CONTINUED)

45.1 Credit risk concentrations (continued)

Industrial analysis based on its industrial distribution (continued)

Company	Cash and cash equivalent RM'000	Deposits and placements with financial institutions RM'000	Financial assets at FVOCI RM'000	Financial assets at amortised cost RM'000	Derivative financial assets RM'000	Amount due from counterparties RM'000	Islamic financing assets RM'000	Mortgage assets-Conventional RM'000	Mortgage assets-Islamic RM'000	Hire purchase assets-Islamic RM'000	Reverse mortgage assets RM'000	Other assets RM'000	Total RM'000
2023													
Government bodies	-	-	1,420,577	-	-	-	-	-	-	-	-	33	1,420,610
Financial institutions:													
- Commercial banks	180,332	86,947	345,859	2,286,680	207,659	19,641,205	19,395,481	-	-	-	-	-	42,144,163
- Development	-	-	288,971	-	-	-	2,011,411	-	-	-	-	-	2,300,382
Communication, electricity, gas and water	-	-	213,271	-	-	-	-	-	-	-	-	-	213,271
Transportation	-	-	160,538	-	-	-	-	-	-	-	-	-	160,538
Leasing	-	-	60,941	-	-	346,585	19,969	-	-	-	-	-	427,495
Consumers	-	-	-	-	-	-	-	3,021,850	3,881,528	55	2,147	-	6,905,580
Corporate	-	-	128,513	-	-	-	-	-	-	-	-	-	128,513
Construction	-	-	20,420	-	-	-	-	-	-	-	-	-	20,420
Others	-	-	50,971	-	-	-	-	-	-	-	-	22,306	73,277
Total	180,332	86,947	2,690,061	2,286,680	207,659	19,987,790	21,426,861	3,021,850	3,881,528	55	2,147	22,339	53,794,249

45 CREDIT RISK (CONTINUED)

45.2 Amount due from counterparties, Islamic financing assets, mortgage assets and hire purchase assets/Islamic mortgage assets and Islamic hire purchase assets

All amount due from counterparties, Islamic financing assets, mortgage assets and hire purchase assets are categorised as either:

- neither more than 90 days past due nor individually impaired; or
- more than 90 days past due but not individually impaired.

Neither more than 90 days past due nor individually impaired comprise of amount due from counterparties, Islamic financing asset, mortgage assets and hire purchase assets, Islamic mortgage assets and Islamic hire purchase assets which are classified under Stage 1 and Stage 2 financial assets.

More than 90 days past due but not individually impaired comprise of amount due from counterparties, Islamic financing asset, mortgage assets and hire purchase assets, Islamic mortgage assets and Islamic hire purchase assets categorised under Stage 3 financial assets.

The impairment allowances are assessed on a pool of financial assets which are not individually impaired.

Credit risk loans comprise of amount due from counterparties, Islamic financing assets, mortgage assets and hire purchase assets/Islamic mortgage assets and Islamic hire purchase assets which are due more than 90 days. The coverage ratio is calculated in reference to total impairment allowances and the carrying value (before impairment) of credit risk loans.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

45 CREDIT RISK (CONTINUED)

45.2 Amount due from counterparties, Islamic financing assets, mortgage assets and hire purchase assets/Islamic mortgage assets and Islamic hire purchase assets (continued)

Group and Company	Neither more than 90 days past due nor individually impaired RM'000	More than 90 days past due but not individually impaired* RM'000	Total RM'000	Impairment allowance RM'000	Total carrying value RM'000	Credit risk loans RM'000	Coverage ratio %
2024							
Amount due from counterparties	16,833,438	-	16,833,438	16	16,833,422	-	-
Islamic financing assets	20,666,839	-	20,666,839	51	20,666,788	-	-
Mortgage assets:							
- Conventional	2,600,268	8,455	2,608,723	7,832	2,600,891	8,455	93
- Islamic	3,498,226	9,665	3,507,891	9,172	3,498,719	9,665	95
Hire purchase assets:							
- Islamic	40	-	40	-	40	-	-
	43,598,811	18,120	43,616,931	17,071	43,599,860	18,120	
2023							
Amount due from counterparties	19,987,815	-	19,987,815	25	19,987,790	-	-
Islamic financing assets	21,426,957	-	21,426,957	96	21,426,861	-	-
Mortgage assets:							
- Conventional	3,022,779	10,489	3,033,268	11,418	3,021,850	10,489	109
- Islamic	3,879,336	13,903	3,893,239	11,711	3,881,528	13,903	84
Hire purchase assets:							
- Islamic	36	25	61	6	55	25	24
	48,316,923	24,417	48,341,340	23,256	48,318,084	24,417	

* These assets have been provided for under collective assessment.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

45 CREDIT RISK (CONTINUED)

45.2 Amount due from counterparties, Islamic financing assets, mortgage assets and hire purchase assets/Islamic mortgage assets and Islamic hire purchase assets (continued)

Amount due from counterparties, Islamic financing assets, mortgage assets and hire purchase assets Islamic mortgage assets and Islamic hire purchase assets neither past due nor individually impaired are as below:

	Group and Company	
	2024	2023
	Strong/ Total	Strong/ Total
	RM'000	RM'000
Amount due from counterparties	16,833,438	19,987,815
Islamic financing assets	20,666,839	21,426,957
Mortgage assets:		
- Conventional	2,600,268	3,022,779
- Islamic	3,498,226	3,879,336
Hire purchase assets:		
- Islamic	40	36
	43,598,811	48,316,923

The amount due from counterparties, Islamic financing assets, mortgage assets and hire purchase assets/Islamic mortgage assets and Islamic hire purchase assets of the Group and the Company have been identified with strong credit risk quality which has a very high likelihood for full recovery.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

45 CREDIT RISK (CONTINUED)

45.2 Amount due from counterparties, Islamic financing assets, mortgage assets and hire purchase assets/Islamic mortgage assets and Islamic hire purchase assets (continued)

An aging analysis of mortgage assets and hire purchase assets/Islamic mortgage assets and Islamic hire purchase assets that are past due but not individually impaired is set out below:

	Group and Company				
	91 to 120 days	121 to 150 days	151 to 180 days	Over 180 days	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
2024					
Mortgage assets:					
- Conventional	1,036	129	479	6,811	8,455
- Islamic	300	391	756	8,218	9,665
Hire purchase assets:					
- Islamic	-	-	-	-	-
	1,336	520	1,235	15,029	18,120
2023					
Mortgage assets:					
- Conventional	1,152	520	655	8,162	10,489
- Islamic	1,769	1,191	569	10,374	13,903
Hire purchase assets:					
- Islamic	-	-	-	25	25
	2,921	1,711	1,224	18,561	24,417

For the purpose of this analysis, an asset is considered past due and included above when payment due under strict contractual terms is received late or missed. The amount included is either the entire financial assets, not just the payment, of both principal and interest, overdue on mortgage assets and hire purchase assets/Islamic mortgage assets and Islamic hire purchase assets. This may result from administrative delays on the side of the borrower leading to assets being past due but not impaired. Therefore, loans and advances less than 90 days past due are not usually considered impaired, unless other information is available to indicate the contrary.

The impairment allowances on such loans are calculated on a collective, not individual basis as this reflects homogeneous nature of the assets, which allows statistical techniques to be used, rather than individual assessments.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

45 CREDIT RISK (CONTINUED)

45.2 Amount due from counterparties, Islamic financing assets, mortgage assets and hire purchase assets/Islamic mortgage assets and Islamic hire purchase assets (continued)

The movement in impairment allowances are as follows:

	Group and Company			
	As at 1 January RM'000	(Reversal)/ allowance made RM'000	Written-back/ (written-off) to principal balance outstanding RM'000	As at 31 December RM'000
2024				
Amount due from counterparties	25	(9)	-	16
Islamic financing assets	96	(45)	-	51
Mortgage assets:				
- Conventional	11,418	(4,713)	1,127	7,832
- Islamic	11,711	(3,749)	1,210	9,172
Hire purchase assets:				
- Islamic	6	19	(25)	-
	23,256	(8,497)	2,312	17,071
2023				
Amount due from counterparties	16	9	-	25
Islamic financing assets	93	3	-	96
Mortgage assets:				
- Conventional	14,897	(4,892)	1,413	11,418
- Islamic	17,191	(6,674)	1,194	11,711
Hire purchase assets:				
- Islamic	12	(3)	(3)	6
	32,209	(11,557)	2,604	23,256

45.3 Amount due from related company

None of these assets are impaired nor past due but not impaired.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

45 CREDIT RISK (CONTINUED)

45.4 Credit quality

The following table contains an analysis of credit exposure by stages, together with the impairment allowances:

	Group and Company					
2024	GOM RM'000	AAA RM'000	AA1 to AA3/A+ to AA- RM'000	No rating RM'000	Total RM'000	Impairment allowance RM'000
Financial assets at FVOCI						
- Stage 1	2,268,900	552,045	706,694	-	3,527,639	317
Financial assets at amortised cost						
- Stage 1	-	-	2,287,035	-	2,287,035	3,605
Amount due from counterparties						
- Stage 1	-	7,162,901	9,670,521	-	16,833,422	16
Islamic financing assets						
- Stage 1	-	7,306,342	13,292,274	68,172	20,666,788	51
Mortgage assets:						
- Stage 1	-	-	-	2,597,345	2,597,345	5,132
- Stage 2	-	-	-	2,923	2,923	448
- Stage 3	-	-	-	8,455	8,455	2,252
	-	-	-	2,608,723	2,608,723	7,832
Islamic mortgage assets:						
- Stage 1	-	-	-	3,496,598	3,496,598	6,423
- Stage 2	-	-	-	1,628	1,628	236
- Stage 3	-	-	-	9,665	9,665	2,513
	-	-	-	3,507,891	3,507,891	9,172
Islamic hire purchase asset						
- Stage 1	-	-	-	40	40	-
- Stage 3	-	-	-	-	-	-
	-	-	-	40	40	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

45 CREDIT RISK (CONTINUED)

45.4 Credit quality (continued)

The following table contains an analysis of credit exposure by stages, together with the impairment allowances provision (continued):

	Group and Company					
2023	GOM RM'000	AAA RM'000	AA1 to AA3/A+ to AA- RM'000	No rating RM'000	Total RM'000	Impairment allowance RM'000
Financial assets at FVOCI						
- Stage 1	1,511,948	514,929	663,184	-	2,690,061	370
Financial assets at amortised cost						
- Stage 1	-	-	2,286,680	-	2,286,680	3,768
Amount due from counterparties						
- Stage 1	-	6,914,909	13,072,881	-	19,987,790	25
Islamic financing assets						
- Stage 1	-	6,463,673	14,943,219	19,969	21,426,861	96
Mortgage assets:						
- Stage 1	-	-	-	3,021,332	3,021,332	8,496
- Stage 2	-	-	-	1,447	1,447	195
- Stage 3	-	-	-	10,489	10,489	2,727
	-	-	-	3,033,268	3,033,268	11,418
Islamic mortgage assets:						
- Stage 1	-	-	-	3,876,935	3,876,935	7,846
- Stage 2	-	-	-	2,401	2,401	250
- Stage 3	-	-	-	13,903	13,903	3,615
	-	-	-	3,893,239	3,893,239	11,711
Islamic hire purchase asset						
- Stage 1	-	-	-	36	36	-
- Stage 3	-	-	-	25	25	6
	-	-	-	61	61	6

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

45 CREDIT RISK (CONTINUED)

45.5 Credit risk mitigation

The Group and the Company hold the properties financed by the mortgage assets as collateral. The collateral are closely monitored for financial assets considered to be credit-impaired, as it becomes more likely that the Group and the Company will take possession of collateral to mitigate potential credit losses.

Financial assets and related collateral held to mitigate potential losses are shown below:

	Gross carrying value RM'000	Impairment allowance RM'000	Net carrying value RM'000	Fair value of collateral held RM'000
2024				
Mortgage assets				
- Conventional	2,608,723	(7,832)	2,600,891	15,575,117
- Islamic	3,507,891	(9,172)	3,498,719	14,070,912
	6,116,614	(17,004)	6,099,610	29,646,029
2023				
Mortgage assets				
- Conventional	3,033,268	(11,418)	3,021,850	16,756,093
- Islamic	3,893,239	(11,711)	3,881,528	14,784,025
	6,926,507	(23,129)	6,903,378	31,540,118

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

45 CREDIT RISK (CONTINUED)

45.6 Offsetting financial instruments

The following financial assets/liabilities are subject to offsetting, enforceable master netting arrangements and similar agreements:

	Group and Company		
	Gross amount	Related amounts not set-off	Net amount
	RM'000	RM'000	RM'000
2024			
Derivative financial assets	15,403	(1,892)	13,511
Derivative financial liabilities	80,617	(1,892)	78,725
2023			
Derivative financial assets	207,659	(4,807)	202,852
Derivative financial liabilities	15,161	(4,807)	10,354

46 LIQUIDITY RISK

46.1 Funding approach

Sources of liquidity are regularly reviewed to maintain a wide diversification of debt portfolios. This involves managing market access in order to widen sources of funding to avoid over dependence on a single funding source as well as to minimise cost of funding.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

46 LIQUIDITY RISK (CONTINUED)

46.2 Liquidity pool

The liquidity pool comprised the following cash and unencumbered assets:

	Cash and cash equivalents RM'000	Deposits and placements with financial institutions RM'000	Financial asset at FVOCI RM'000	Financial asset at financial cost RM'000	Derivative financial assets RM'000	Amount due from counter parties RM'000	Islamic financing assets RM'000	Mortgage assets RM'000	Islamic mortgage assets RM'000	Reverse mortgage assets RM'000	Other available liquidity RM'000	Total RM'000
Group												
2024	61,121	433,225	3,527,639	2,287,035	15,403	16,833,422	20,666,788	2,600,891	3,498,719	4,172	10,872	49,939,287
2023	180,359	86,947	2,690,061	2,286,680	207,659	19,987,790	21,426,861	3,021,850	3,881,528	2,147	18,268	53,790,150
Company												
2024	61,086	433,225	3,527,639	2,287,035	15,403	16,833,422	20,666,788	2,600,891	3,498,719	4,172	15,165	49,943,545
2023	180,332	86,947	2,690,061	2,286,680	207,659	19,987,790	21,426,861	3,021,850	3,881,528	2,147	22,394	53,794,249

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

46 LIQUIDITY RISK (CONTINUED)

46.3 Contractual maturity of financial liabilities

The table below presents the cash flows payable by the Group and the Company under financial liabilities by remaining contractual maturities at the date of the statement of financial position. The amounts disclosed in the table are contractual undiscounted cash flow, whereas the Group and the Company manage the liquidity risk based on a different basis.

Group	On demand up to one month RM'000	One to three months RM'000	Three to twelve months RM'000	One to five years RM'000	Over five years RM'000	Total RM'000
2024						
Financial liabilities						
Short-term borrowings	101,320	407,391	-	-	-	508,711
Unsecured bearer bonds and notes	51,372	1,620,080	7,175,162	12,761,300	1,266,460	22,874,374
Sukuk	1,694,504	2,247,295	6,106,079	13,282,824	2,014,639	25,345,341
Other liabilities	104,016	1,561	-	-	-	105,577
	1,951,212	4,276,327	13,281,241	26,044,124	3,281,099	48,834,003
Assets held for managing liquidity risk	1,343,214	3,366,800	15,459,725	32,172,442	7,650,496	59,992,677
2023						
Financial liabilities						
Short-term borrowings	-	194,236	-	433,618	-	627,854
Unsecured bearer bonds and notes	100,605	3,600,221	6,878,311	15,504,741	1,027,660	27,111,538
Sukuk	49,261	432,377	6,940,787	16,909,352	1,299,941	25,631,718
Other liabilities	147,844	2,534	-	-	-	150,378
	297,710	4,229,368	13,819,098	32,847,711	2,327,601	53,521,488
Assets held for managing liquidity risk	509,564	5,832,627	15,402,686	37,800,450	5,904,098	65,449,425

CAGAMAS BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

46 LIQUIDITY RISK (CONTINUED)

46.3 Contractual maturity of financial liabilities

Company	On demand up to one month RM'000	One to three months RM'000	Three to twelve months RM'000	One to five years RM'000	Over five years RM'000	Total RM'000
2024						
Financial liabilities						
Short-term borrowings	101,320	407,391	-	-	-	508,711
Unsecured bearer bonds and notes	42,110	1,609,711	4,565,426	11,614,937	1,266,460	19,098,644
Sukuk	1,694,504	2,247,295	6,106,079	13,282,824	2,014,639	25,345,341
Loans from subsidiary	9,262	10,426	2,609,592	1,146,363	-	3,775,643
Other liabilities	103,970	1,561	-	-	-	105,531
	1,951,166	4,276,384	13,281,097	26,044,124	3,281,099	48,833,870
Assets held for managing liquidity risk	1,329,630	3,356,431	12,849,989	31,026,079	7,650,496	56,212,625
2023						
Financial liabilities						
Short-term borrowings	-	194,236	-	433,618	-	627,854
Unsecured bearer bonds and notes	100,605	1,926,817	4,104,934	14,631,398	709,195	21,472,949
Sukuk	49,261	432,377	6,940,787	16,909,352	1,299,941	25,631,718
Loans from subsidiary	-	1,673,366	2,773,406	1,191,717	-	5,638,489
Other liabilities	147,798	2,534	-	-	-	150,332
	297,664	4,229,330	13,819,127	33,166,085	2,009,136	53,521,342
Assets held for managing liquidity risk	509,564	4,159,223	12,629,309	36,927,107	5,585,633	59,810,836

46 LIQUIDITY RISK (CONTINUED)

46.4 Derivative assets/liabilities

The Group's and the Company's derivatives comprise IRS, IPRS and CCS entered by the Group and the Company for which cash flows are exchanged for hedging purposes.

The following table analyses the Group's and the Company's derivatives financial assets and liabilities that will be settled on a net basis into relevant maturity groupings based on the remaining period at the date of the statement of financial position to the contractual maturity date. Contractual maturities are assessed to be essential for an understanding of all derivatives. The amounts disclosed in the table below are the contractual undiscounted cash flows.

	Group and Company					
	On demand up to one month	One to three months	Three to twelve months	One to five years	Over five years	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
2024						
Net settled derivatives						
Derivatives held for hedging:						
IRS/IPRS	60	(1,545)	3,287	8,271	11,924	21,997
Gross settled derivatives						
Derivatives held for hedging:						
CCS						
- Outflow	-	(19,645)	(2,690,866)	(1,161,108)	-	(3,871,619)
- Inflow	-	19,630	2,609,736	1,146,363	-	3,775,729
2023						
Net settled derivatives						
Derivatives held for hedging:						
IRS/IPRS	(28)	(4,258)	3,636	5,732	9,865	14,947
Gross settled derivatives						
Derivatives held for hedging:						
CCS						
- Outflow	-	(1,546,315)	(2,741,675)	(1,155,848)	-	(5,443,838)
- Inflow	-	1,673,404	2,773,377	1,191,808	-	5,638,589

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

47 FOREIGN EXCHANGE RISK

The Group and the Company are exposed to translation foreign exchange rate on its unsecured bearer bonds and notes denominated in currencies other than the functional currencies of the Company and the Group.

The Group hedges 100% of its foreign currency denominated unsecured bearer bonds and notes and Sukuk. The Group and the Company take minimal exposure to the effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows. The Group and the Company manage its exposure by entering into derivatives contracts.

47.1 Exposure to foreign currency risk

	Group and Company	
	HKD	SGD
	RM'000	RM'000
2024		
Derivatives financial instruments	-	3,654,498
Unsecured bearer bonds and notes	-	3,653,854
2023		
Derivatives financial instruments	489,854	4,987,578
Unsecured bearer bonds and notes	489,906	4,983,658

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

47 FOREIGN EXCHANGE RISK (CONTINUED)

47.2 Currency risk sensitivity analysis

A 1% strengthening/weakening (+/-) of the Ringgit Malaysia against the following currencies as at the date of statement of financial position would have increased/decreased equity and profit for the financial year as summarised in table below:

	Group		Company	
	Equity RM'000	Profit RM'000	Equity RM'000	Profit RM'000
2024				
SGD	+/-5	-	+/-5	-
2023				
SGD	+/-29	+/-1	+/-29	+/-1

The sensitivity analysis is based on foreign currency exchange rate variances that the Group and the Company considered to be reasonably possible at the end of the reporting period. The sensitivity analysis assumes that all other variable, in particular interest/profit rates, remained constant and ignores any impact of CCS.

The movement of the spot rate of foreign currency denominated for unsecured bearer bonds and notes and Sukuk and CCS are not shown as it offsets each other.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

48 FAIR VALUE OF FINANCIAL INSTRUMENTS

48.1 Fair value of financial instruments carried at fair value

Financial instruments comprise financial assets, financial liabilities and off statement of financial position 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 information presented herein represents the estimates of fair values as at the date of the statement of financial position.

The face value of financial assets (less any estimated credit adjustments) and financial liabilities with a maturity period of less than one year is assumed to approximate their fair values.

Where available, quoted and observable market prices are used as the measure of fair values. Where such quoted and observable market prices are not available, fair values are estimated based on a number of methodologies and assumptions regarding risk characteristics of various financial instruments, discount rates, estimates of future cash flows and other factors. Changes in the assumptions could materially affect these estimates and the corresponding fair values.

The derivatives financial instruments become favourable (assets) or unfavourable (liabilities) as a result of fluctuations in market interest/profit rates relative to their terms. The extent to which instruments are favourable or unfavourable and the aggregate fair values of derivative financial assets and liabilities can fluctuate significantly from time to time.

The fair value of the financial assets at FVTPL and FVOCI is derived from market indicative quotes or observable market prices at the date of the statement of financial position.

The estimated fair value of the IRS, IPRS and CCS are based on the estimated cash flows discounted using the market interest/profit rate, taking into account the effect of the entity's net exposure to the credit risk of the counterparty at the statement of financial position date.

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

48 FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

48.1 Fair value of financial instruments carried at fair value (continued)

	Group and Company			
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
2024				
Assets				
Financial assets at FVOCI	-	3,527,639	-	3,527,639
Derivative financial assets	-	15,403	-	15,403
Liabilities				
Derivative financial liabilities	-	80,617	-	80,617
2023				
Assets				
Financial assets at FVOCI	-	2,690,061	-	2,690,061
Derivative financial assets	-	207,659	-	207,659
Liabilities				
Derivative financial liabilities	-	15,161	-	15,161

48.2 Fair value of financial instruments carried other than fair value

The following methods and assumptions were used to estimate the fair value of financial instruments as at the statement of financial position date:

(a) Cash and cash equivalents and deposits and placements with financial institutions

The carrying amount of cash and cash equivalents and deposits and placements with financial institutions are used as reasonable estimate of fair values as the maturity is less than or equal to one year.

(b) Other financial assets

Other financial assets include other assets. The fair value of other financial assets is estimated at their carrying amount due to short tenure of less than one year.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

48 FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

48.2 Fair value of financial instruments carried other than fair value (continued)

(c) Amount due from related company and subsidiaries

The fair value of amount due from related company is estimated at their carrying amount due to short tenure of less than one year.

(d) Other financial liabilities

Other financial liabilities include creditors and accruals. The fair value of other financial liabilities is estimated at their carrying amount due to short tenure of less than one year.

The estimated fair values of the Group's and the Company's financial instruments approximated their carrying values in the statement of financial position except for the following:

	2024		2023	
	Carrying value	Fair value	Carrying value	Fair value
	RM'000	RM'000	RM'000	RM'000
Group				
Financial assets				
Financial assets at amortised cost	2,287,035	2,314,926	2,286,680	2,312,107
Amount due from counterparties	16,833,422	17,089,698	19,987,790	20,210,096
Islamic financing assets	20,666,788	20,852,317	21,426,861	21,635,189
Mortgage assets:				
- Conventional	2,600,891	2,869,702	3,021,850	3,232,627
- Islamic	3,498,719	3,819,459	3,881,528	4,189,621
Islamic hire purchase assets	40	40	55	62
	45,886,895	46,946,142	50,604,764	51,579,702
Financial liabilities				
Short-term borrowings	506,132	508,992	648,790	648,790
Unsecured bearer bonds and notes	21,186,219	21,604,571	24,954,908	25,134,180
Sukuk	23,102,061	23,495,347	23,278,139	23,431,049
	44,794,412	45,608,910	48,881,837	49,214,019

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

48 FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

48.2 Fair value of financial instruments carried other than fair value (continued)

The estimated fair values of the Group's and the Company's financial instruments approximated their carrying values in the statement of financial position except for the following (continued):

	2024		2023	
	Carrying value	Fair value	Carrying value	Fair value
	RM'000	RM'000	RM'000	RM'000
Company				
Financial assets				
Financial assets at amortised cost	2,287,035	2,314,926	2,286,680	2,312,107
Amount due from counterparties	16,833,422	17,089,698	19,987,790	20,210,096
Islamic financing assets	20,666,788	20,852,317	21,426,861	21,635,189
Mortgage assets:				
- Conventional	2,600,891	2,869,702	3,021,850	3,232,627
- Islamic	3,498,719	3,819,459	3,881,528	4,189,621
Islamic hire purchase assets	40	40	55	62
	45,886,895	46,946,142	50,604,764	51,579,702
Financial liabilities				
Short-term borrowings	506,132	508,992	648,790	648,790
Loans from subsidiary	3,653,829	3,704,776	5,473,654	5,530,677
Unsecured bearer bonds and notes	17,532,365	17,899,769	19,481,343	19,680,398
Sukuk	23,102,061	23,495,347	23,278,139	23,431,049
	44,794,387	45,608,884	48,881,926	49,290,914

The fair value of financial assets at amortised cost is based on observable market prices and is therefore within Level 2 of the fair value hierarchy.

The fair value of the fixed rate assets portfolio of amount due from counterparties is based on the present value of estimated future cash flows discounted at the prevailing market rates of loans with similar credit risk and maturities at the statement of financial position date and is therefore within Level 3 of the fair value hierarchy. The fair value of the floating rate assets portfolio of amount due from counterparties is based on their carrying amount as the repricing date of the floating rate assets portfolio is not greater than 6 months.

48 FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

48.2 Fair value of financial instruments carried other than fair value (continued)

The fair value of the Islamic financing assets is based on the present value of estimated future cash flows discounted at the prevailing market rates of financing with similar credit risk and maturities at the statement of financial position date and is therefore within Level 3 of the fair value hierarchy.

The fair value of the mortgage assets and hire purchase assets/Islamic mortgage assets and Islamic hire purchase assets are derived at using the present value of future cash flows discounted based on the mortgage assets and hire purchase assets/Islamic mortgage assets and Islamic hire purchase assets yield to maturity at the statement of financial position date and is therefore within Level 3 of the fair value hierarchy.

The fair value of the short-term borrowing is estimated at their carrying amount due to short tenure of less than one year.

The fair value of the unsecured bearer bonds and notes and Sukuk are derived based on observable market prices and is therefore within Level 2 of the fair value hierarchy.

49 SEGMENT REPORTING

The Chief Executive Officer (“the chief operating decision maker”) of the Company makes strategic decisions and allocation of resources on behalf of the Group and the Company. The financial information by geographical segment is not presented as the Group’s and the Company’s activities are principally conducted in Malaysia. There is no single customer which contributed revenue amount greater than 10% of the Group's and the Company's revenues for the current financial year (2023: Nil). The Group and the Company have determined the following operating segments based on reports reviewed by the chief operating decision maker in making its strategic decisions:

(a) PWR
Under the PWR scheme, the Group and the Company purchase the mortgage loans, personal loans, hire purchase and leasing debts and Islamic financing facilities such as home financing, hire purchase financing and personal financing from the primary lenders approved by the Group and the Company. The loans and financings are acquired with recourse to the primary lenders should the loans and financing fail to comply with agreed prudential eligibility criteria.

(b) PWOR
Under the PWOR scheme, the Group and the Company purchase the mortgage assets and hire purchase assets from counterparties on an outright basis for the remaining tenure of the respective assets purchased. The purchases are made without recourse to counterparties, other than certain warranties to be provided by the seller pertaining to the quality of the assets.

(c) Treasury
Under Treasury, the Group and the Company manage and invest surplus cashflow in approved treasury-related activities. The income consists of interest/profit and gains on the appreciation in the value of investment.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

49. SEGMENT REPORTING (CONTINUED)

	Group				
2024	PWR RM'000	PWOR RM'000	Treasury RM'000	Others RM'000	Total RM'000
External revenue	1,595,315	376,840	139,335	102,064	2,213,554
External interest/ profit expense	(1,531,447)	(208,265)	(7,092)	(96,896)	(1,843,700)
Segment result (Net operating income)	63,868	168,575	132,243	5,168	369,854
Personnel costs					(33,711)
Administration and general expenses					(33,913)
Operating expenses					(67,624)
Reversal of impairment losses, net	54	8,443	49	163	8,709
Profit before taxation and zakat					310,939
Taxation					(71,385)
Zakat					(1,561)
Profit after taxation					237,993
Segment assets	37,500,209	6,099,649	4,021,985	2,351,735	49,973,578
Segment liabilities	37,663,281	3,865,000	996,132	2,685,391	45,209,804
Other information					
Capital expenditure	7,177	1,167	770	450	9,564
Depreciation and amortisation	6,139	998	659	386	8,182

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

49. SEGMENT REPORTING (CONTINUED)

	Group				
2023	PWR RM'000	PWOR RM'000	Treasury RM'000	Others RM'000	Total RM'000
External revenue	1,461,903	428,895	150,641	91,032	2,132,471
External interest/ profit expense	(1,402,319)	(301,632)	(255)	(77,130)	(1,781,336)
Segment result (Net operating income)	59,584	127,263	150,386	13,902	351,135
Personnel costs					(30,760)
Administration and general expenses					(27,700)
Operating expenses					(58,460)
Reversal of impairment losses, net	(12)	11,569	(4)	(633)	10,920
Profit before taxation and zakat					303,595
Taxation					(74,713)
Zakat					(2,534)
Profit after taxation					226,348
Segment assets	41,414,651	6,903,432	2,957,366	2,543,477	53,818,926
Segment liabilities	41,416,106	4,745,000	648,790	2,455,397	49,265,293
Other information					
Capital expenditure	2,764	461	197	170	3,592
Depreciation and amortisation	5,443	907	389	334	7,073

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

49. SEGMENT REPORTING (CONTINUED)

	Company				
2024	PWR RM'000	PWOR RM'000	Treasury RM'000	Others RM'000	Total RM'000
External revenue	1,595,315	376,840	139,335	102,064	2,213,554
Internal interest/ profit expense	(149,850)		-	-	- (149,850)
External interest/ profit expense	(1,381,481)	(208,265)	(7,092)	(96,896)	(1,693,734)
Total interest/ profit expense	(1,531,331)	(208,265)	(7,092)	(96,896)	(1,843,584)
Segment result (Net operating income)	63,984	168,575	132,243	5,168	369,970
Personnel costs					(33,711)
Administration and general expenses					(33,772)
Operating expenses					(67,483)
Reversal of impairment losses, net	54	8,443	49	163	8,709
Profit before taxation and zakat					311,196
Taxation					(71,385)
Zakat					(1,561)
Profit after taxation					238,250
Segment assets	37,500,209	6,099,649	4,021,950	2,356,007	49,977,815
Segment liabilities	34,009,426	3,865,000	996,132	6,339,158	45,209,716
Other information					
Capital expenditure	7,177	1,167	770	450	9,564
Depreciation and amortisation	6,139	998	659	386	8,182

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

49. SEGMENT REPORTING (CONTINUED)

	Company				
2023	PWR RM'000	PWOR RM'000	Treasury RM'000	Others RM'000	Total RM'000
External revenue	1,461,903	428,895	150,641	91,032	2,132,471
Internal interest/ profit expense	(178,235)	-	-	-	(178,235)
External interest/ profit expense	(1,221,253)	(301,632)	(255)	(77,130)	(1,600,270)
Total interest/ profit expense	(1,399,488)	(301,632)	(255)	(77,130)	(1,778,505)
Segment result (Net operating income)	62,415	127,263	150,386	13,902	353,966
Personnel costs					(30,760)
Administration and general expenses					(27,582)
Operating expenses					(58,342)
Reversal of impairment losses, net	(12)	11,569	(4)	(633)	10,920
Profit before taxation and zakat					306,544
Taxation					(74,713)
Zakat					(2,534)
Profit after taxation					229,297
Segment assets	41,414,651	6,903,432	2,957,339	2,547,591	53,823,013
Segment liabilities	37,957,542	4,745,000	648,790	5,913,980	49,265,312
Other information					
Capital expenditure	2,764	461	197	170	3,592
Depreciation and amortisation	5,443	907	389	334	7,073

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

50 CAPITAL ADEQUACY

The Group's and the Company's objectives when managing capital, which is a broader concept than the "equity" on the face of the statement of financial position, are:

(a) To align with industry best practices and benchmark set by the regulators;

(b) To safeguard the Group's and the Company's ability to continue as a going concern so that it can continue to provide returns for shareholder and benefit to other stakeholders; and

(c) To maintain a strong capital base to support the development of its business.

The Group and the Company are not subject to the BNM Guidelines on the Capital Adequacy Guidelines. However, disclosure of the capital adequacy ratios is made on a voluntary basis for information purposes.

Capital adequacy and the use of regulatory capital are monitored by the Group's and the Company's management, employing techniques based on the guidelines developed by the Basel Committee and as implemented by BNM, for supervisory purposes.

The regulatory capital comprise of two tiers:

(a) Tier 1 capital: share capital (net of any book values of treasury shares) and other reserves which comprise retained profits and reserves created by appropriations of retained profits; and

(b) Tier 2 capital: comprise collective impairment allowances on mortgage assets and hire purchase assets/Islamic mortgage assets and Islamic hire purchase assets.

Common equity tier 1 ("CET1") and Tier 1 capital ratios refer to the ratio of total Tier 1 capital to risk-weighted assets. Total capital ratio ("TCR") is the ratio of total capital to risk-weighted assets.

	Group		Company	
	2024	2023**	2024	2023**
	%	%	%	%
Before deducting proposed final dividend*				
CET1 capital ratio	37.9	31.6	37.9	31.6
Tier 1 capital ratio	37.9	31.6	37.9	31.6
Total capital ratio	38.4	32.0	38.4	32.1
After deducting proposed final dividend*				
CET1 capital ratio	37.7	31.4	37.7	31.4
Tier 1 capital ratio	37.7	31.4	37.7	31.4
Total capital ratio	38.2	31.9	38.3	31.9

* Refers to proposed final dividend which will be declared after the financial year.
** The 31 December 2023 capital adequacy ratios have been restated to align with current year computation.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

50 CAPITAL ADEQUACY (CONTINUED)

Components of CET1, Tier 1 and Tier 2 capital:

	Group		Company	
	2024	2023**	2024	2023**
	RM'000	RM'000	RM'000	RM'000
CET1/Tier 1 capital				
Issued capital	150,000	150,000	150,000	150,000
Retained profits and regulatory reserves	4,602,931	4,394,938	4,607,256	4,399,006
	4,752,931	4,544,938	4,757,256	4,549,006
Financial assets at FVOCI reserves	209	(2,152)	209	(2,152)
Deferred tax assets	(10,819)	(13,501)	(10,819)	(13,501)
Less: Regulatory reserves	(52,798)	(47,919)	(52,798)	(47,918)
	4,689,523	4,481,366	4,693,848	4,485,435
Tier 2 capital				
Allowance for impairment losses	14,028	17,287	14,028	17,287
Add: Regulatory reserves	52,798	47,919	52,798	47,918
Total Tier 2 capital	66,826	65,206	66,826	65,205
Total capital	4,756,349	4,546,572	4,760,674	4,550,640

The breakdown of risk-weighted assets by each major risk category is as follows:

	Group		Company	
	2024	2023**	2024	2023**
	RM'000	RM'000	RM'000	RM'000
Credit risk	11,703,181	13,543,083	11,707,446	13,547,193
Operational risk	678,580	645,292	678,580	645,292
Total risk-weighted assets	12,381,761	14,188,375	12,386,026	14,192,485

** The 31 December 2023 capital adequacy ratios have been restated to align with current year computation.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

51 ISLAMIC OPERATIONS

STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

	Note	Group 2024 RM'000	Group 2023 RM'000	Company 2024 RM'000	Company 2023 RM'000
ASSETS					
Cash and cash equivalents	(a)	32,237	64,849	32,227	64,837
Deposits and placements with financial institutions	(b)	150,945	-	150,945	-
Financial assets at fair value through other comprehensive income (FVOCI)	(c)	807,341	623,072	807,341	623,072
Financial assets at amortised cost	(d)	681,998	681,993	681,998	681,993
Derivative financial assets		226	720	226	720
Financing assets	(e)	20,666,788	21,426,861	20,666,788	21,426,861
Mortgage assets	(f)	3,497,651	3,880,225	3,497,651	3,880,225
Hire purchase assets	(g)	35	49	35	49
Reverse mortgage assets		507	225	507	225
Other assets and prepayments		289,142	289,126	291,829	291,813
TOTAL ASSETS		26,126,870	26,967,120	26,129,547	26,969,795
LIABILITIES					
Short-term borrowings*		998,892	1,823,287	998,892	1,823,287
Derivative financial liabilities		356	2,529	356	2,529
Other liabilities	(h)	3,518	5,394	2,011	4,022
Provision for taxation		62,662	36,407	62,662	36,407
Deferred taxation		114,990	106,429	114,990	106,429
Sukuk	(i)	23,102,061	23,278,139	23,102,061	23,278,139
TOTAL LIABILITIES		24,282,479	25,252,185	24,280,972	25,250,813
ISLAMIC OPERATIONS' FUNDS		1,844,391	1,714,935	1,848,575	1,718,982
TOTAL LIABILITIES AND ISLAMIC OPERATIONS' FUNDS		26,126,870	26,967,120	26,129,547	26,969,795

* Included in short-term borrowings is Wakalah placement from the conventional operations amounting to RM1.0 billion (2023: RM1.8 billion). This inter-operations charge is eliminated at the Company level.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

51 ISLAMIC OPERATIONS (CONTINUED)

INCOME STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	Group		Company	
		2024	2023	2024	2023
		RM'000	RM'000	RM'000	RM'000
Total income		1,106,914	1,016,879	1,106,914	1,016,879
Profit expense attributable to the Sukuk holders	(j)	(909,853)	(833,163)	(909,853)	(833,163)
Non-profit expense*		(36,026)	(45,103)	(36,026)	(45,103)
Total net income attributable	(k)	161,035	138,613	161,035	138,613
Administration and general expenses		(2,108)	(2,190)	(1,971)	(2,041)
Reversal of impairment losses		3,813	5,537	3,813	5,537
PROFIT BEFORE TAXATION AND ZAKAT		162,740	141,960	162,877	142,109
Zakat		(1,561)	(2,534)	(1,561)	(2,534)
Taxation		(34,156)	(34,478)	(34,156)	(34,478)
PROFIT FOR THE FINANCIAL YEAR		127,023	104,948	127,160	105,097

* Included in non-profit expense during the year is Wakalah placement profit expenses paid to the conventional operations amounting to RM34.4 million (2023: RM47.7 million). This inter-operations charge is eliminated at the Company level.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

51 ISLAMIC OPERATIONS (CONTINUED)

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Profit for the financial year	127,023	104,948	127,160	105,097
Other comprehensive income:				
Items that may be subsequently reclassified to income statement				
Financial assets at FVOCI				
- Net gain on fair value changes before taxation	917	12,206	917	12,206
- FVOCI ECL	7	73	7	73
- Deferred taxation	(220)	(2,929)	(220)	(2,929)
Cash flow hedge				
- Net gain/(loss) on cash flow hedge before taxation	1,830	(7,641)	1,830	(7,641)
- Deferred taxation	(439)	1,834	(439)	1,834
Other comprehensive income/ for the financial year net of taxation	2,095	3,543	2,095	3,543
Total comprehensive income for the financial year	129,118	108,491	129,255	108,640

CAGAMAS BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

51 ISLAMIC OPERATIONS (CONTINUED)

STATEMENTS OF CHANGES IN ISLAMIC OPERATIONS' FUNDS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

		Non-distributable			Distributable	
Group	Allocated capital funds	Financial assets at FVOCI reserves	Cashflow hedge reserves	Regulatory reserves	Retained profits	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1 January 2024	294,409	2,818	(1,469)	28,331	1,390,846	1,714,935
Profit for the financial year	-	-	-	-	127,023	127,023
Other comprehensive income	-	704	1,391	-	-	2,095
Total comprehensive income for the financial year	-	704	1,391	-	127,023	129,118
Transfer from retained profits	-	-	-	2,186	(2,186)	-
Transfer to Islamic operations	338	-	-	-	-	338
Balance as at 31 December 2024	294,747	3,522	(78)	30,517	1,515,683	1,844,391
Balance as at 1 January 2023	294,159	(6,532)	4,338	44,250	1,269,979	1,606,194
Profit for the financial year	-	-	-	-	104,948	104,948
Other comprehensive income	-	9,350	(5,807)	-	-	3,543
Total comprehensive income for the financial year	-	9,350	(5,807)	-	104,948	108,491
Transfer to retained profits	-	-	-	(15,919)	15,919	-
Transfer to Islamic operations	250	-	-	-	-	250
Balance as at 31 December 2023	294,409	2,818	(1,469)	28,331	1,390,846	1,714,935

CAGAMAS BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

51 ISLAMIC OPERATIONS (CONTINUED)

STATEMENTS OF CHANGES IN ISLAMIC OPERATIONS' FUNDS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

		Non-distributable			Distributable	
Company	Allocated capital funds	Financial assets at FVOCI reserves	Cashflow hedge reserves	Regulatory reserves	Retained profits	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1 January 2024	294,409	2,818	(1,469)	28,552	1,394,672	1,718,982
Profit for the financial year	-	-	-	-	127,160	127,160
Other comprehensive income	-	704	1,391	-	-	2,095
Total comprehensive income for the financial year	-	704	1,391	-	127,160	129,255
Transfer from retained profits	-	-	-	2,186	(2,186)	-
Transfer to Islamic operations	338	-	-	-	-	338
Balance as at 31 December 2024	294,747	3,522	(78)	30,738	1,519,646	1,848,575
Balance as at 1 January 2023	294,159	(6,532)	4,338	44,471	1,273,656	1,610,092
Profit for the financial year	-	-	-	-	105,097	105,097
Other comprehensive income	-	9,350	(5,807)	-	-	3,543
Total comprehensive income for the financial year	-	9,350	(5,807)	-	105,097	108,640
Transfer to retained profits	-	-	-	(15,919)	15,919	-
Transfer to Islamic operations	250	-	-	-	-	250
Balance as at 31 December 2023	294,409	2,818	(1,469)	28,552	1,394,672	1,718,982

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

51 ISLAMIC OPERATIONS (CONTINUED)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Note	Group		Company	
		2024	2023	2024	2023
		RM'000	RM'000	RM'000	RM'000
OPERATING ACTIVITIES					
Profit before taxation and zakat		162,740	141,960	162,877	142,109
Adjustment for non-cash items	(I)(i)	(198,768)	(170,719)	(198,768)	(170,719)
Operating loss before working capital changes		(36,028)	(28,759)	(35,891)	(28,610)
Net changes in operating assets and liabilities	(I)(ii)	1,245,782	(2,760,014)	1,245,647	(2,760,163)
Zakat		(4,095)	(5,362)	(4,095)	(5,362)
Net cash flows from/(used in) operating activities		1,205,659	(2,794,135)	1,205,661	(2,794,135)
INVESTING ACTIVITIES					
Net (purchase)/redemption of:					
- Financial assets at FVOCI		(180,929)	761,371	(180,929)	761,371
- Financial assets at amortised cost		-	(325,000)	-	(325,000)
Income received from financial assets at FVOCI		28,589	33,152	28,589	33,152
Net cash flows(used in)/from investing activities		(152,340)	469,523	(152,340)	469,523

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

51 ISLAMIC OPERATIONS (CONTINUED)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

	Note	Group		Company	
		2024	2023	2024	2023
		RM'000	RM'000	RM'000	RM'000
FINANCING ACTIVITY					
Proceed from issuance of Sukuk		11,019,458	12,505,000	11,019,458	12,505,000
Redemption of Sukuk		(11,180,000)	(9,395,000)	(11,180,000)	(9,395,000)
Profit paid to Sukuk holders		(925,389)	(800,490)	(925,389)	(800,490)
Net cash flows (used in)/from financing activity		(1,085,931)	2,309,510	(1,085,931)	2,309,510
Net change in cash and cash equivalents		(32,612)	(15,102)	(32,610)	(15,102)
Cash and cash equivalents as at 1 January		64,849	79,951	64,837	79,939
Cash and cash equivalents as at 31 December	51(a)	32,237	64,849	32,227	64,837

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

51 ISLAMIC OPERATIONS (CONTINUED)

(a) Cash and cash equivalents

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Cash and bank balances with banks and other financial institutions	260	159	250	147
Mudharabah money at call and deposits placements maturing with original maturity less than three months	31,978	64,690	31,978	64,690
	32,238	64,849	32,228	64,837
Less: Allowance for impairment losses	(1)	-	(1)	-
	32,237	64,849	32,227	64,837

The gross carrying value of cash and cash equivalents and the impairment allowances are within Stage 1 (12-month ECL). Movement in impairment allowances that reflect the ECL model on impairment are as follows:

	Group and Company	
	2024 RM'000	2023 RM'000
Stage 1		
As at 1 January	-	1
Allowance during the year on new investments	1	-
Financial assets derecognised during the period due to maturity of assets	-	(1)
As at 31 December	1	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

51 ISLAMIC OPERATIONS (CONTINUED)

(b) Deposits and placements with financial institutions

	Group and Company	
	2024	2023
	RM'000	RM'000
Licensed banks	150,948	-
Less: Allowance for impairment losses	(3)	-
	150,945	-

The gross carrying value of deposits and placements with financial institutions and the impairment allowances are within Stage 1 (12-month ECL). Movement in impairment allowances that reflect the ECL model on impairment are as follows:

	Group and Company	
	2024	2023
	RM'000	RM'000
Stage 1		
As at 1 January	-	-
Allowance during the year on new investments	3	-
As at 31 December	3	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

51 ISLAMIC OPERATIONS (CONTINUED)

(c) Financial assets at FVOCI

	Group and Company	
	2024	2023
	RM'000	RM'000
At fair value:		
Corporate Sukuk	388,859	369,060
Government investment issues	397,200	232,758
Quasi Government Sukuk	21,282	21,254
	807,341	623,072

The maturity structure of financial assets at FVOCI as follows:

Maturing within one year	42,695	35,919
One to three years	167,342	130,690
Three to five years	96,392	82,045
More than five years	500,912	374,418
	807,341	623,072

The carrying amount of debt instruments at FVOCI is equivalent to their fair value. The ECL is recognised in other comprehensive income and does not reduce the carrying amount in the statement of financial position.

The gross carrying value of financial assets at FVOCI by stage are as follows:

	Gross carrying value	Impairment allowance
	RM'000	RM'000
By stage:		
2024		
Stage 1 (12-month ECL; non-credit impaired)	807,341	195
2023		
Stage 1 (12-month ECL; non-credit impaired)	623,072	188

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

51 ISLAMIC OPERATIONS (CONTINUED)

(c) Financial assets at FVOCI (continued)

Movement in impairment allowances that reflect the ECL model on impairment are as follows:

	Group and Company	
	2024	2023
	RM'000	RM'000
Stage 1		
As at 1 January	188	115
Allowance during the year on new assets purchased	44	174
Financial assets derecognised during the year due to maturity of assets	(29)	(98)
Reversal during the year due to changes in credit risk	(8)	(3)
As at 31 December	195	188

(d) Financial assets at amortised cost

Corporate Sukuk	681,998	681,993

The maturity structure of financial assets at amortised cost are as follows:

	Group and Company	
	2024	2023
	RM'000	RM'000
More than five years	684,128	684,173
Less: Allowance for impairment losses	(2,130)	(2,180)
	681,998	681,993

The gross carrying value by stage are as follows:

	Gross carrying value	Impairment allowance
	RM'000	RM'000
By stage:		
2024		
Stage 1 (12-month ECL; non-credit impaired)	684,128	2,130
2023		
Stage 1 (12-month ECL; non-credit impaired)	684,173	2,180

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

51 ISLAMIC OPERATIONS (CONTINUED)

(d) Financial assets at amortised cost (continued)

Movement in impairment allowances that reflect the ECL model on impairment are as follows:

	Group and Company	
	2024	2023
	RM'000	RM'000
Stage 1		
As at 1 January	2,180	1,113
Allowance during the year on new investments	-	1,095
Reversal during the year due to changes in credit risk	(50)	(28)
As at 31 December	2,130	2,180

(e) Financing assets

	Group and Company	
	2024	2023
	RM'000	RM'000
House financing	19,205,889	18,696,839
Personal financing	956,288	2,225,410
Hire purchase	504,611	504,612
	20,666,788	21,426,861
The maturity structure of financing assets are as follows:		
Maturing within one year	8,386,753	7,301,922
One to three years	6,928,456	9,385,918
Three to five years	4,551,354	4,739,117
More than five years	800,276	-
	20,666,839	21,426,957
Less:		
Allowance for impairment losses	(51)	(96)
	20,666,788	21,426,861

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

51 ISLAMIC OPERATIONS (CONTINUED)

(e) Financing assets (continued)

The gross carrying value of Islamic financing assets and the impairment allowances are within Stage 1 (12-month ECL). Movement in impairment allowances that reflect the ECL model on impairment are as follows:

	Group and Company	
	2024	2023
	RM'000	RM'000
As at 1 January	96	93
Allowance during the year on new assets purchased	13	24
Financial assets derecognised during the year due to maturity of assets	(29)	(11)
Reversal during the year due to changes in credit risk	(29)	(10)
As at 31 December	51	96

(f) Mortgage assets

	Group and Company	
	2024	2023
	RM'000	RM'000
PWOR	3,497,651	3,880,225

The maturity structure of mortgage assets are as follows:

Maturing within one year	438,306	600,996
One to three years	756,986	782,496
Three to five years	655,842	689,649
More than five years	1,655,688	1,818,792
	3,506,822	3,891,933
Less:		
Allowance for impairment losses	(9,171)	(11,708)
	3,497,651	3,880,225

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

51 ISLAMIC OPERATIONS (CONTINUED)

(f) Mortgage assets (continued)

The gross carrying value of mortgage assets by stage are as follows;

	Gross carrying value RM'000	Impairment allowance RM'000
2024		
Stage 1 (12-month ECL; non-credit impaired)	3,495,529	6,422
Stage 2 (Lifetime ECL; non-credit impaired)	1,628	237
Stage 3 (Lifetime ECL; credit impaired)	9,665	2,512
As at 31 December	3,506,822	9,171
Impairment allowances over gross carrying value (%)		0.26
2023		
Stage 1 (12-month ECL; non-credit impaired)	3,875,629	7,843
Stage 2 (Lifetime ECL; non-credit impaired)	2,401	250
Stage 3 (Lifetime ECL; credit impaired)	13,903	3,615
As at 31 December	3,891,933	11,708
Impairment allowances over gross carrying value (%)		0.30

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

51 ISLAMIC OPERATIONS (CONTINUED)

(f) Mortgage assets (continued)

The impairment allowances by stage and movement in impairment allowances that reflect the ECL model on impairment are as follows:

	Group and Company			
2024	Stage 1	Stage 2	Stage 3	Total
	RM'000	RM'000	RM'000	RM'000
As at 1 January	7,843	250	3,615	11,708
Transfer between stages:				
-Transfer to 12-month ECL (Stage 1)	23	(175)	(1,108)	(1,260)
-Transfer to ECL not credit impaired (Stage 2)	(3)	229	(52)	174
-Transfer to ECL credit impaired (Stage 3)	(12)	(21)	778	745
Total transfer between stages	8	33	(382)	(341)
Financing derecognised during the year (other than write-offs)	(216)	(45)	(1,913)	(2,174)
Reversal during the year due to changes in credit risk	(1,213)	(1)	(18)	(1,232)
Amount written-off	-	-	1,210	1,210
As at 31 December	6,422	237	2,512	9,171

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

51 ISLAMIC OPERATIONS (CONTINUED)

(f) Mortgage assets (continued)

The impairment allowances by stage and movement in impairment allowances that reflect the ECL model on impairment are as follows (continued):

	Group and Company			
2023	Stage 1	Stage 2	Stage 3	Total
	RM'000	RM'000	RM'000	RM'000
As at 1 January	10,919	138	6,130	17,187
Transfer between stages:				
-Transfer to 12-month ECL (Stage 1)	19	(49)	(1,471)	(1,501)
-Transfer to ECL not credit impaired (Stage 2)	(6)	239	(109)	124
-Transfer to ECL credit impaired (Stage 3)	(21)	(54)	1,685	1,610
Total transfer between stages	(8)	136	105	233
Financing derecognised during the year (other than write-offs)	(327)	(20)	(3,321)	(3,668)
Reversal during the year due to changes in credit risk	(2,741)	(4)	(493)	(3,238)
Amount written-off	-	-	1,194	1,194
As at 31 December	7,843	250	3,615	11,708

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

51 ISLAMIC OPERATIONS (CONTINUED)

(g) Hire purchase assets

	Group and Company	
	2024	2023
	RM'000	RM'000
PWOR	35	49
The maturity structure of hire purchase assets are as follows:		
Maturing within one year	35	55
Less: Allowance for impairment losses	-	(6)
	35	49

The gross carrying value of hire purchase assets by stage are as follows;

	Gross carrying value	Impairment allowance
	RM'000	RM'000
2024		
Stage 1 (12-month ECL; non-credit impaired)	35	-
As at 31 December	35	-
Impairment allowances over gross carrying value (%)		-
2023		
Stage 1 (12-month ECL; non-credit impaired)	30	-
Stage 3 (Lifetime ECL; credit impaired)	25	6
As at 31 December	55	6
Impairment allowances over gross carrying value (%)		10.91

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

51 ISLAMIC OPERATIONS (CONTINUED)

(g) Hire purchase assets (continued)

The impairment allowances by stage and movement in impairment allowances that reflect the ECL model on impairment are as follows:

	Group and Company	
	2024	2023
	RM'000	RM'000
Stage 3:		
As at 1 January	6	12
Reversal made during the year	19	(3)
Written-off to principal balance outstanding	(25)	(3)
As at 31 December	-	6

(h) Other liabilities

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Zakat	1,561	2,534	1,561	2,534
Other payables	1,957	2,860	450	1,488
	3,518	5,394	2,011	4,022

(i) Sukuk

	Group and Company	
	2024	2023
	RM'000	RM'000
Commercial papers	2,374,632	641,797
Medium-term notes	20,727,429	22,636,342
	23,102,061	23,278,139
The maturity structure of Sukuk are as follows:		
Maturing within one year	9,412,073	7,553,139
One to three years	6,374,988	8,960,000
Three to five years	5,550,000	5,620,000
More than five years	1,765,000	1,145,000
	23,102,061	23,278,139

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

51 ISLAMIC OPERATIONS (CONTINUED)

(j) Profit expense attributable to the Sukuk holders

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Mortgage assets	109,799	173,101	109,799	173,101
Hire purchase assets	62	72	62	72
Financing assets	799,992	659,990	799,992	659,990
	909,853	833,163	909,853	833,163
Income attributable to Sukuk holders analysed by concept:				
Bai Al-Dayn	909,853	833,163	909,853	833,163

(k) Total net income attributable

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Income from:				
Mortgage assets	94,362	57,795	94,362	57,795
Hire purchase assets	(62)	(72)	(62)	(72)
Financing assets	65,681	74,480	65,681	74,480
Financial assets at FVOCI	31,539	39,909	31,539	39,909
Deposits and placements with financial institutions	5,513	11,604	5,513	11,604
Reverse mortgage assets	28	-	28	-
Non-profit expense	(36,026)	(45,103)	(36,026)	(45,103)
	161,035	138,613	161,035	138,613

Total net income attributable analysed by concept are as follows:

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Bai Al-Dayn	123,983	87,100	123,983	87,100
Murabahah	23,852	17,380	23,852	17,380
Ijarah	-	1,696	-	1,696
Mudharabah	2,540	9,684	2,540	9,684
Musyarakah	885	4,564	885	4,564
Wakalah	4,262	6,585	4,262	6,585
Tawarruq	4,084	10,505	4,084	10,505
Qard Al-Hasan	1,429	1,099	1,429	1,099
	161,035	138,613	161,035	138,613

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

51 ISLAMIC OPERATIONS (CONTINUED)

(I) Statement of Cash Flows

(i) Adjustment for non- cash items:

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Amortisation of premium less accretion of discount on:				
Financial assets at FVOCI	(686)	(6,764)	(686)	(6,764)
Accretion of discount on:				
Mortgage assets	(53,654)	(57,956)	(53,654)	(57,956)
Allowance/(reversal) of impairment losses on:				
– Cash and cash equivalents	4	-	4	-
– Financial assets at FVOCI	7	73	7	73
– Financial assets at amortised cost	(50)	1,066	(50)	1,066
– Financing assets	(45)	3	(45)	3
– Mortgage assets and hire purchase assets	(2,545)	(5,486)	(2,545)	(5,486)
Income from:				
– Financial assets at FVOCI	(30,589)	(31,415)	(30,589)	(31,415)
– Islamic operations	(1,021,722)	(905,485)	(1,021,722)	(905,485)
– Derivatives	(34,020)	(25,252)	(34,020)	(25,252)
Profit attributable to Sukuk holders	909,853	833,569	909,853	833,569
Profit attributable to derivatives	34,416	25,199	34,416	25,199
Gain on disposal of financial assets at FVOCI	263	1,729	263	1,729
	(198,768)	(170,719)	(198,768)	(170,719)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

51 ISLAMIC OPERATIONS (CONTINUED)

(I) Statement of Cash Flows (continued)

(ii) Changes in operating assets and liabilities:

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Change in deposits and placements with financial institutions	(150,019)	-	(150,019)	-
Change in short term borrowings	(824,395)	1,823,287	(824,395)	1,823,287
Change in financing assets	751,439	(5,878,421)	751,439	(5,878,421)
Change in mortgage assets	429,707	450,305	429,707	450,305
Change in hire purchase assets	20	2	20	2
Change in other assets and prepayments	322	247	322	237
Change in reverse mortgage	(253)	(225)	(253)	(225)
Change in derivatives	-	802	-	802
Change in other liabilities	658	1,582	523	1,443
Profit received from assets	1,038,547	842,460	1,038,547	842,460
Profit received from derivatives	33,564	25,199	33,564	25,199
Profit paid on derivatives	(33,808)	(25,252)	(33,808)	(25,252)
	1,245,782	(2,760,014)	1,245,647	(2,760,163)

(iii) Analysis of changes in liabilities arising from financing activities:

Group and Company	Sukuk	Total
	RM'000	RM'000
2024		
As at 1 January	23,278,139	23,278,139
Proceeds from issuance	11,019,458	11,015,000
Repayment and redemption	(11,180,000)	(11,180,000)
Profit paid	(925,389)	(921,048)
Other non-cash movement	909,853	909,970
As at 31 December	23,102,061	23,102,061
2023		
As at 1 January	20,135,060	20,135,060
Proceeds from issuance	12,505,000	12,505,000
Repayment and redemption	(9,395,000)	(9,395,000)
Profit paid	(800,490)	(800,490)
Other non-cash movement	833,569	833,569
As at 31 December	23,278,139	23,278,139

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

51 ISLAMIC OPERATIONS (CONTINUED)

(m) Capital adequacy

	Group		Company	
	2024	2023**	2024	2023**
	%	%	%	%
Before deducting proposed final dividend*				
CET1	24.6	20.7	24.7	20.7
Tier 1 capital ratio	24.6	20.7	24.7	20.7
Total capital ratio	25.1	21.1	25.2	21.2
After deducting proposed* final dividend				
CET1 capital ratio	24.6	20.7	24.7	20.7
Tier 1 capital ratio	24.6	20.7	24.7	20.7
Total capital ratio	25.1	21.1	25.2	21.2

Components of CET1, Tier 1 and Tier 2 capital:

	Group		Company	
	2024	2023**	2024	2023**
	RM'000	RM'000	RM'000	RM'000
CET1/Tier 1 capital:				
Allocated capital funds	294,747	294,409	294,747	294,409
Retained profits and regulatory reserves	1,546,200	1,419,177	1,550,384	1,423,225
	1,840,947	1,713,586	1,845,131	1,717,634
Financial assets at FVOCI reserves	1,585	1,268	1,585	1,268
Deferred tax assets	(7,767)	(3,822)	(7,767)	(3,822)
Less: Regulatory reserves	(30,517)	(28,329)	(30,517)	(28,329)
Total CET1/Tier 1 capital	1,804,248	1,682,703	1,808,432	1,686,751
Tier 2 capital:				
Add: Regulatory reserves	30,517	28,329	30,517	28,329
Allowance for impairment losses	8,077	9,676	8,077	9,676
Total Tier 2 capital	38,594	38,005	38,594	38,005
Total capital	1,842,842	1,720,708	1,847,026	1,724,756

* Refers to proposed final dividend which will be declared after the financial year.
** The 31 December 2023 capital adequacy ratios have been restated to align with current period computation.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

51 ISLAMIC OPERATIONS (CONTINUED)

(m) Capital adequacy (continued)

The breakdown of risk-weighted assets by each major risk category is as follows:

	Group		Company	
	2024	2023**	2024	2023**
	RM'000	RM'000	RM'000	RM'000
Credit risk	7,010,861	7,877,209	7,013,546	7,879,893
Operational risk	317,831	267,106	317,831	267,106
Total risk-weighted assets	7,328,692	8,144,315	7,331,377	8,146,999

** The 31 December 2023 capital adequacy ratios have been restated to align with current period computation.

The Group and the Company are not subject to the BNM Guidelines on the Capital Adequacy Guidelines. However, disclosure of the capital adequacy ratios is made on a voluntary basis for information purposes.

(n) Shariah advisor

The Group and the Company consult and obtain endorsements/clearance from an independent Shariah Advisor for all the Islamic products, transactions and operations to ensure compliance with Shariah requirements. From regulatory standpoint, the Group and the Company do not have direct access to the Shariah Advisory Council ("SAC") of BNM and/or the Securities Commission of Malaysia ("SC") (collectively referred as SACs) for Shariah ruling/advice. Where applicable, the Group and the Company will obtain the approval of the SACs through counterparty or intermediary that falls under the purview of BNM, and/or through the principal advisor of Sukuk programme for submission of the Islamic financial products.

52 APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue in accordance with a resolution of the Board of Directors on 25 March 2025.

Registration No.
198601008739 (157931-A)

CAGAMAS BERHAD
(Incorporated in Malaysia)

STATUTORY FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

Lodged by:
CAGAMAS BERHAD
Registration number: 198601008739 (157931-A)
Level 32, The Gardens North Tower,
Mid Valley City, Lingkaran Syed Putra,
59200 Kuala Lumpur.
Tel. +603 2262 1800 Fax. +603 2282 9125

Registration No.
198601008739 (157931-A)

CAGAMAS BERHAD
(Incorporated in Malaysia)

STATUTORY FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

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CAGAMAS BERHAD
(Incorporated in Malaysia)

DIRECTORS' REPORT

The Directors have pleasure in submitting their report and the audited financial statements of the Group and the Company for the financial year ended 31 December 2023.

PRINCIPAL ACTIVITIES

The principal activities of the Company consist of the purchases of mortgage loans, personal loans and hire purchase and leasing debts from primary lenders approved by the Company and the issuance of bonds and notes to finance these purchases. The Company also purchases Islamic financing facilities such as home financing, personal financing and hire purchase financing and funded by issuance of Sukuk. Subsidiary companies of the Company are Cagamas Global PLC ("CGP") and Cagamas Global Sukuk Berhad ("CGS"):

- CGP is a conventional fund raising vehicle incorporated in Labuan. The main principal activities is to undertake the issuance of bonds and notes in foreign currency.
- CGS is an Islamic fund raising vehicle. The main principal activities is to undertake the issuance of Sukuk in foreign currency.

There were no other significant changes in the nature of these activities during the financial year.

FINANCIAL RESULTS

	Group RM'000	Company RM'000
Profit for the financial year	226,348	229,297

DIVIDENDS

During the financial year, the dividends paid by the Company were as follows:

	RM'000
In respect of the financial year ended 31 December 2022,	
- A final dividend of 15 sen per share on 150,000,000 ordinary shares paid on 9 May 2023	22,500
In respect of the financial year ended 31 December 2023,	
- An interim dividend of 5 sen per share on 150,000,000 ordinary shares paid on 18 September 2023	7,500
	30,000

The Directors recommend the payment of a final dividend of 15 sen per share on 150,000,000 ordinary shares amounting to RM22,500,000 for the financial year ended 31 December 2023 which is subject to approval of the member at the forthcoming Annual General Meeting of the Company.

The financial statements for the current financial year do not reflect this dividend and will be accounted for in equity as an appropriation of retained profits in the next financial year ending 31 December 2024.

CAGAMAS BERHAD
(Incorporated in Malaysia)

DIRECTORS' REPORT (CONTINUED)

SHARE CAPITAL

There was no change in the issued ordinary share capital of the Company during the financial year.

RESERVES AND PROVISIONS

All material transfers to or from reserves and provisions during the financial year are reflected in the financial statements.

RATING PROFILE OF THE BONDS AND SUKUK

RAM Rating Services Berhad (“RAM”) has assigned corporate credit ratings of of AAA/Stable/P1.

Meanwhile, Malaysian Rating Corporation Berhad (“MARC”) has also assigned Cagamas’ bonds and Sukuk issues ratings at AAA/AAAIS and MARC-1/MARC-1IS, respectively.

Moody’s Investors Service (“Moody’s”) has assigned long-term local and foreign currency issuer ratings of A3 that are in line with Malaysian sovereign ratings.

As RAM no longer provides public coverage of global/ASEAN issue ratings, RAM has concurrently withdrawn the gA2(s)/Stable ratings of the USD2.5 billion Multicurrency Medium Term Note (EMTN) Programme and USD2.5 billion Multicurrency Sukuk Issuance Programme (Islamic EMTN) issued by Cagamas Global P.L.C. and Cagamas Global Sukuk Berhad, respectively, which were last rated on 12 December 2022. Nevertheless, Moody’s has maintained the ratings of A3 to the EMTN and Islamic EMTN issued by the Company’s subsidiaries.

RELATED PARTY TRANSACTIONS

Most of the transactions of the Group and the Company involving mortgage loans, hire purchase and leasing debts, Islamic financing facilities as well as issuance of unsecured bearer bonds and Sukuk are done with various financial institutions including those who are substantial shareholders of Cagamas Holdings Berhad ("CHB"), the ultimate holding company.

DIRECTORS

The Directors in office during the financial year and during the period from the end of the financial year to date of the report are:

Dato’ Bakarudin Ishak (Chairman)	
Dato' Wee Yiaw Hin	
Ho Chai Huey	
Tan Sri Tajuddin Atan	
Abdul Rahman Hussein	
Sophia Ch’ng Sok Heang	
Datuk Chung Chee Leong	(Resigned w.e.f. 31.08.2023)
Kameel Abdul Halim	(Appointed w.e.f. 11.09.2023)

In accordance with Articles 23.5 and 23.6 of the Company's Constitution, Dato’ Bakarudin Ishak retires by rotation at the forthcoming Annual General Meeting and, being eligible, offers himself for re-election.

DIRECTORS' REPORT (CONTINUED)

DIRECTORS (CONTINUED)

In accordance with Article 23.2 of the Company's Constitution, Encik Abdul Rahman Hussein and Puan Sophia Ch'ng Sok Heang retire at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

The Directors of the Group's subsidiaries in office during the financial year and during the period from the end of the financial year to date of the report are:

Abdul Hakim Amir Zainol	
Tan Yong Nien	(Appointed w.e.f. 30.08.2022)
Datuk Chung Chee Leong	(Resigned w.e.f. 31.08.2022)
Kameel Abdul Halim	(Appointed w.e.f. 11.09.2023)

DIRECTORS' BENEFITS AND REMUNERATION

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit and remuneration (other than Directors' remuneration as disclosed in Note 36 to the financial statements) by reason of a contract made by the Group or the Company or by a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

Neither during nor at the end of the financial year were the Group and the Company are a party to any arrangements whose object or objects were to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of the Group and the Company or any other body corporate.

The aggregate emoluments received by the Directors of the Group and the Company during the financial year is as follows:

	Group and Company	
	2023	2022
	RM'000	RM'000
Directors' fees	450	444
Directors' other emoluments	2,208	2,073
	2,658	2,517

DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

According to the Register of Directors' Shareholdings required to be kept under Section 59 of the Companies Act 2016, the Directors in office at the end of the financial year did not hold any interest in shares or options over shares in the Company or its subsidiaries or its holding company or subsidiaries of the holding company during the financial year.

DIRECTORS' REPORT (CONTINUED)

DIRECTORS' INDEMNITY

The Company maintained a Directors' and Officers' Liability Insurance for the purpose of Section 289 of the Companies Act 2016, throughout the year, which provides appropriate insurance cover for the directors and officers of the Company. The amount of insurance premium effected for any director and officer of the Company during the financial year was RM185,510 (2022: RM185,510). The directors and officers shall not be indemnified by such insurance for any deliberate negligence, fraud, intentional breach of law or breach of trust proven against them.

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS

Before the financial statements of the Group and the Company were prepared, the Directors took reasonable steps:

(a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written-off and that adequate allowance had been made for doubtful debts; and

(b) to ensure that any current assets, other than debts, which were unlikely to realised in the ordinary course of business including the values of current assets as shown in the accounting records of the Group and the Company had been written down to an amount which the current assets might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:

(a) which would render the amounts to be written-off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and the Company inadequate to any substantial extent; or

(b) which would render the values attributed to current assets in the financial statements of the Group and the Company misleading; or

(c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and the Company misleading or inappropriate.

At the date of this report, there does not exist:

(a) any charge on the assets of the Group and the Company which has arisen since the end of the financial year which secures the liability of any other person; or

(b) any contingent liability of the Group and the Company which has arisen since the end of the financial year.

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, in the opinion of the Directors, will or may affect the ability of the Group and the Company to meet its obligations when they fall due.

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 which would render any amount stated in the financial statements misleading or inappropriate.

DIRECTORS' REPORT (CONTINUED)

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS (CONTINUED)

In the opinion of the Directors:

(a) the results of the operations of the Group and the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and

(b) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and the Company for the financial year in which this report is made.

SUBSIDIARIES

Details of subsidiaries are set out in Note 17 to the financial statements.

ULTIMATE HOLDING COMPANY

The Directors regard Cagamas Holdings Berhad, a company incorporated in Malaysia, as the ultimate holding company.

BUSINESS REVIEW FOR THE FINANCIAL YEAR 2023

Cagamas recorded RM20.5 billion of purchases of loans and financing under Purchase with recourse ("PWR") scheme (2022: RM19.3 billion). Cagamas' net outstanding loans and financing increased by 19.9% to RM48.3 billion (2022: RM40.3 billion). As at the end of 2023, residential mortgage dominated Cagamas' portfolio at 93.6% (2022: 93.0%), personal loans at 4.6% (2022: 5.9%) and hire purchase loans and financing at 1.8% (2022: 1.1%). Cagamas' Islamic asset portfolio and conventional assets ratio stood at 52:48 (2022: 49:51), while PWR and Purchase without recourse ("PWOR") loans and financing portfolios were at 84.7% and 15.3% respectively (2022: 79.5% and 20.5% respectively). The gross impaired loans and financing* under the PWOR scheme stood at 0.33% (2022: 0.45%), while net impaired loans and financing is at 0.02% (2022: 0.06%).

* Computed as stage 3 over gross total carrying value before unaccreted discount and allowance for impairment losses

AUDITORS' REMUNERATION

Auditors' remuneration of the Group and Company are RM385,000 and RM365,000 respectively. Details of the auditors' remuneration are set out in Note 35 to the financial statements.

	Group RM'000	Company RM'000
Audit fee	370	350
Non-audit fee	15	15

Registration No.
198601008739 (157931-A)

CAGAMAS BERHAD
(Incorporated in Malaysia)

DIRECTORS' REPORT (CONTINUED)

AUDITORS

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

This report was approved by the Board of Directors on 20 March 2024.

Signed on behalf of the Board of Directors:

DATO' BAKARUDIN ISHAK
CHAIRMAN

KAMEEL ABDUL HALIM
DIRECTOR

Registration No.
198601008739 (157931-A)

CAGAMAS BERHAD
(Incorporated in Malaysia)

STATEMENT BY DIRECTORS
PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, Dato' Bakarudin Ishak and Kameel Abdul Halim, the two Directors of Cagamas Berhad, state that, in the opinion of the Directors, the financial statements set out on pages 13 to 144 are drawn up so as to give a true and fair view of the financial position of the Group and the Company as at 31 December 2023 and of the financial performance of the Group and the Company for the financial year ended on that date in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Signed on behalf of the Board of Directors in accordance with their resolution.

DATO' BAKARUDIN ISHAK
CHAIRMAN

KAMEEL ABDUL HALIM
DIRECTOR

Registration No.
198601008739 (157931-A)

CAGAMAS BERHAD
(Incorporated in Malaysia)

STATUTORY DECLARATION
PURSUANT TO SECTION 251(1) OF THE COMPANIES ACT 2016

I, Abdul Hakim Amir Zainol, the Officer primarily responsible for the financial management of Cagamas Berhad, do solemnly and sincerely declare that the financial statements set out on pages 13 to 144 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.

ABDUL HAKIM AMIR ZAINOL
MIA No. CA-48822

Subscribed and solemnly declared by the abovenamed Abdul Hakim Amir Zainol at Kuala Lumpur in Malaysia on 20 MAR 2024

PESURUHJAYA SUMPAH
NO: W 681
RAJEEV SAIGAL A/L
RAMLABAYA SAIGAL
BC/R/548
1 JAN 2022 - 31 DIS 2024
MALAYSIA

Before me,
COMMISSIONER FOR OATHS

NO. A-31-11, LEVEL 31,
TOWER A, MENARA UOA BANGSAR,
NO. 5, JALAN BANGSAR UTAMA 1,
BANGSAR, 59000 KUALA LUMPUR

Ernst & Young PLT
202006000003 (LLP0022760-LCA) & AF 0039
SST ID: W10-2002-32000062
Chartered Accountants
Level 23A Menara Milenium
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INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF CAGAMAS BERHAD (Incorporated in Malaysia) Registration No. 198601008739 (157931-A)

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Cagamas Berhad, which comprise the statements of financial position as at 31 December 2023 of the Group and of the Company, and the income statements, statements of other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year ended, and notes to the financial statements, including a summary of material accounting policies, as set out on pages 13 to 144.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023, and of their financial performance and their cash flows for the year ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis of 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 opinion.

Independence and other ethical responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Information other than the financial statements and auditors' report thereon

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

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

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 the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and 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.

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.

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: (cont'd.)

- 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.

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.

Other matters

This report is made solely to the member 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.

Ernst & Young PLT
202006000003(LLP0022760-LCA) & AF0039
Chartered Accountants

Muhammad Syarizal Bin Abdul Rahim
No. 03157/01/2025 J
Chartered Accountant

Kuala Lumpur, Malaysia
20 March 2024

Registration No.
198601008739 (157931-A)

CAGAMAS BERHAD
(Incorporated in Malaysia)

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023

	Note	Group		Company	
		2023	2022	2023	2022
		RM'000	RM'000	RM'000	RM'000
ASSETS					
Cash and cash equivalents	5	180,359	159,765	180,332	159,722
Deposits and placements with financial institutions	6	86,947	132,570	86,947	132,570
Financial assets at fair value through other comprehensive income ("FVOCI")	7	2,690,061	3,493,471	2,690,061	3,493,471
Financial assets at amortised cost	8	2,286,680	1,817,754	2,286,680	1,817,754
Derivative financial instruments	9	207,659	102,583	207,659	102,583
Amount due from counterparties	10	19,987,790	17,097,746	19,987,790	17,097,746
Islamic financing assets	11	21,426,861	15,482,284	21,426,861	15,482,284
Mortgage assets					
- Conventional	12	3,021,850	3,426,761	3,021,850	3,426,761
- Islamic	13	3,881,528	4,275,424	3,881,528	4,275,424
Hire purchase assets					
- Islamic	14	55	50	55	50
Reverse mortgage assets		2,147	552	2,147	552
Amount due from					
- Related company		586	378	586	378
- Subsidiaries	15	-	-	4,127	3,963
Other assets	16	20,476	33,261	20,463	33,241
Tax recoverable		-	51,501	-	51,501
Investment in subsidiaries	17	-	-	-*	-*
Property and equipment	18	1,947	1,459	1,947	1,459
Intangible assets	19	16,804	18,586	16,804	18,586
Right-of-use asset	20	7,176	9,384	7,176	9,384
TOTAL ASSETS		53,818,926	46,103,529	53,823,013	46,107,429
LIABILITIES					
Short-term borrowings		648,790	812,339	648,790	812,339
Derivative financial instruments	9	15,161	6,619	15,161	6,619
Other liabilities	21	150,411	201,371	150,341	201,199
Lease liability	22	9,308	11,384	9,308	11,384
Provision for taxation		10,205	-	10,205	-
Deferred taxation	23	198,371	213,063	198,371	213,063
Loans/financing from subsidiaries	24	-	-	5,473,654	3,138,031
Unsecured bearer bonds and notes	25	24,954,908	20,414,672	19,481,343	17,279,594
Sukuk	26	23,278,139	20,135,060	23,278,139	20,135,060
TOTAL LIABILITIES		49,265,293	41,794,508	49,265,312	41,797,289
Share capital	27	150,000	150,000	150,000	150,000
Reserves	28	4,403,633	4,159,021	4,407,701	4,160,140
SHAREHOLDER'S FUNDS		4,553,633	4,309,021	4,557,701	4,310,140
TOTAL LIABILITIES AND SHAREHOLDER'S FUNDS		53,818,926	46,103,529	53,823,013	46,107,429
NET TANGIBLE ASSETS PER SHARE (RM)	29	30.25	28.60	30.27	28.61

* denotes USD1 in CGP and RM2 in CGS.

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

Registration No.
198601008739 (157931-A)

CAGAMAS BERHAD
(Incorporated in Malaysia)

INCOME STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Interest income	30	1,071,757	881,187	1,071,757	881,187
Interest expense	31	(945,854)	(646,485)	(943,023)	(646,323)
Income from Islamic operations	50	186,292	128,238	186,292	128,238
Non-interest income/(expense)	32	38,940	(11,955)	38,940	3,946
		351,135	350,985	353,966	367,048
Personnel costs	33	(30,760)	(28,248)	(30,760)	(28,248)
Administration and general expenses		(27,700)	(29,823)	(27,582)	(29,392)
OPERATING PROFIT		292,675	292,914	295,624	309,408
Reversal of impairment losses, net	34	10,920	7,401	10,920	7,401
PROFIT BEFORE TAXATION AND ZAKAT	35	303,595	300,315	306,544	316,809
Zakat		(2,534)	(2,828)	(2,534)	(2,828)
Taxation	37	(74,713)	(73,092)	(74,713)	(73,092)
PROFIT FOR THE FINANCIAL YEAR		226,348	224,395	229,297	240,889
EARNINGS PER SHARE (SEN)	29	150.90	149.60	152.86	160.59

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

Registration No.
198601008739 (157931-A)

CAGAMAS BERHAD
(Incorporated in Malaysia)

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Profit for the financial year	226,348	224,395	229,297	240,889
Other comprehensive income:				
Items that may be subsequently reclassified to income statement				
Financial assets at FVOCI				
- Net loss on fair value changes before taxation	46,094	(49,085)	46,094	(49,085)
- FVOCI ECL	5	61	5	61
- Deferred taxation	(11,063)	11,780	(11,063)	11,780
Cash flow hedge				
- Net gain/(loss) on cash flow hedge	17,405	(8,939)	17,405	(8,939)
- Deferred taxation	(4,177)	2,145	(4,177)	2,145
Other comprehensive income/(loss) for the financial year, net of taxation	48,264	(44,038)	48,264	(44,038)
Total comprehensive income for the financial year	274,612	180,357	277,561	196,851

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

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CAGAMAS BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

		Issued and fully paid ordinary shares of RM1 each	Non-distributable			Distributable	
Group	Note	Share capital RM'000	Financial assets at FVOCI reserves RM'000	Cash flow hedge reserves RM'000	Regulatory reserves RM'000	Retained profits RM'000	Total equity RM'000
Balance as at 1 January 2023		150,000	(37,188)	(2,381)	79,440	4,119,150	4,309,021
Profit for the financial year		-	-	-	-	226,348	226,348
Other comprehensive income	28	-	35,036	13,228	-	-	48,264
Total comprehensive income for the financial year		-	35,036	13,228	-	226,348	274,612
Transfer to retained profits		-	-	-	(31,521)	31,521	-
Dividends paid	38	-	-	-	-	(30,000)	(30,000)
Balance as at 31 December 2023		150,000	(2,152)	10,847	47,919	4,347,019	4,553,633
Balance as at 1 January 2022		150,000	56	4,413	89,723	3,914,472	4,158,664
Profit for the financial year		-	-	-	-	224,395	224,395
Other comprehensive loss	28	-	(37,244)	(6,794)	-	-	(44,038)
Total comprehensive income for the financial year		-	(37,244)	(6,794)	-	224,395	180,357
Transfer to retained profits		-	-	-	(10,283)	10,283	-
Dividends paid	38	-	-	-	-	(30,000)	(30,000)
Balance as at 31 December 2022		150,000	(37,188)	(2,381)	79,440	4,119,150	4,309,021

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

Registration No.
198601008739 (157931-A)

CAGAMAS BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

		Issued and fully paid ordinary shares of RM1 each	Non-distributable			Distributable	
Company	Note	Share capital RM'000	Financial assets at FVOCI reserves RM'000	Cash flow hedge reserves RM'000	Regulatory reserves RM'000	Retained profits RM'000	Total equity RM'000
Balance as at 1 January 2023		150,000	(37,188)	(2,381)	79,440	4,120,269	4,310,140
Profit for the financial year		-	-	-	-	229,297	229,297
Other comprehensive income	28	-	35,036	13,228	-	-	48,264
Total comprehensive income for the financial year		-	35,036	13,228	-	229,297	277,561
Transfer to retained profits		-	-	-	(31,521)	31,521	-
Dividends paid	38	-	-	-	-	(30,000)	(30,000)
Balance as at 31 December 2023		150,000	(2,152)	10,847	47,919	4,351,087	4,557,701
Balance as at 1 January 2022		150,000	56	4,413	89,723	3,899,097	4,143,289
Profit for the financial year		-	-	-	-	240,889	240,889
Other comprehensive loss	28	-	(37,244)	(6,794)	-	-	(44,038)
Total comprehensive income for the financial year		-	(37,244)	(6,794)	-	240,889	196,851
Transfer to retained profits		-	-	-	(10,283)	10,283	-
Dividends paid	38	-	-	-	-	(30,000)	(30,000)
Balance as at 31 December 2022		150,000	(37,188)	(2,381)	79,440	4,120,269	4,310,140

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

Registration No.
198601008739 (157931-A)

CAGAMAS BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	Group		Company	
		2023	2022	2023	2022
		RM'000	RM'000	RM'000	RM'000
OPERATING ACTIVITIES					
Profit before taxation and zakat		303,595	300,315	306,544	316,809
Adjustments for non-cash items	39(a)	(338,717)	(340,109)	(341,548)	(340,109)
Operating loss before working capital changes		(35,122)	(39,794)	(35,004)	(23,300)
Net changes in operating assets and liabilities	39(b)	(6,026,529)	(2,163,274)	(6,026,631)	(2,161,589)
Zakat paid		(5,362)	(5,094)	(5,362)	(5,094)
Tax paid		(42,939)	(29,271)	(42,939)	(29,271)
Net cash from operating activities		(6,109,952)	(2,237,433)	(6,109,936)	(2,219,254)
INVESTING ACTIVITIES					
Purchase of:					
- Financial assets at FVOCI		(2,322,353)	(3,328,243)	(2,322,353)	(3,328,243)
- Financial assets at amortised cost		(464,959)	(1,450,611)	(464,959)	(1,450,611)
Net proceeds from sale/redemption of:					
- Financial assets at FVTPL		-	123,450	-	123,450
- Financial assets at FVOCI		3,181,480	2,579,353	3,181,480	2,579,353
Purchase of:					
- Property and equipment		(1,215)	(628)	(1,215)	(628)
- Intangible assets		(2,371)	(4,196)	(2,371)	(4,196)
Income received from:					
- Financial assets at FVTPL		-	221	-	221
- Financial assets at FVOCI		117,726	110,863	117,726	110,863
Proceeds from disposal of PPE		151	-	151	-
Net cash from investing activities		508,459	(1,969,791)	508,459	(1,969,791)

CAGAMAS BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
FINANCING ACTIVITIES					
Dividends paid to shareholders		(30,000)	(30,000)	(30,000)	(30,000)
Proceeds from issuance of:					
- Unsecured bearer bonds and notes		15,223,801	12,269,498	10,255,000	10,295,000
- Sukuk		12,505,000	10,090,000	12,505,000	10,090,000
Proceeds from loans/financing from subsidiaries		-	-	4,968,801	1,974,498
Redemption of:					
- Unsecured bearer bonds and notes		(11,013,121)	(12,010,150)	(8,080,000)	(10,415,000)
- Sukuk		(9,395,000)	(5,075,000)	(9,395,000)	(5,075,000)
Repayment of loans/financing from subsidiaries		-	-	(2,933,121)	(1,595,150)
Interest paid		(865,711)	(603,234)	(865,711)	(602,946)
Profit paid to Sukuk holders		(800,490)	(590,335)	(800,490)	(590,335)
Lease rental paid		(2,392)	(2,733)	(2,392)	(2,733)
Net cash from financing activity		5,622,087	4,048,046	5,622,087	4,048,334
Net change in cash and cash equivalents		20,594	(159,178)	20,610	(140,711)
Cash and cash equivalents as at 1 January		159,765	318,943	159,722	300,433
Cash and cash equivalents as at 31 December	5	180,359	159,765	180,332	159,722

CAGAMAS BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS

1 GENERAL INFORMATION

The principal activities of the Company consist of the purchases of mortgage loans, personal loans and hire purchase and leasing debts from primary lenders approved by the Company and the issuance of bonds and notes to finance these purchases. The Company also purchases Islamic financing facilities such as home financing, personal financing and hire purchase financing and funded by issuance of Sukuk. Subsidiary companies of the Company are Cagamas Global PLC ("CGP") and Cagamas Global Sukuk Berhad ("CGS"):

- CGP is a conventional fund raising vehicle incorporated in Labuan. Its main principal activities is to undertake the issuance of bonds and notes in foreign currency.
- CGS is an Islamic fund raising vehicle. Its main principal activities is to undertake the issuance of Sukuk in foreign currency.

The Company is a public limited liability company, incorporated and domiciled in Malaysia.

The address of the registered office and principal place of business is Level 32, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200, Kuala Lumpur.

The ultimate holding company is Cagamas Holdings Berhad, a company incorporated in Malaysia.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The financial statements of the Group and the Company have been prepared in accordance with the Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS") and the requirements of the Companies Act 2016 in Malaysia.

The financial statements of the Group and the Company have been prepared under the historical cost convention unless otherwise indicated in this summary of material accounting policies.

The financial statements incorporate those activities relating to the Islamic operations of the Group and the Company.

The Islamic operations of the Group and the Company refer to:

(a) the purchases of Islamic house financing assets, Islamic personal financing, Islamic mortgage assets and Islamic hire purchase assets, from approved originators;
(b) issuance of Sukuk under Shariah principles;
(c) acquisition, investment in and trading of Islamic financial instruments; and
(d) origination of reverse mortgage financing.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (continued)

The preparation of financial statements in conformity with MFRS and IFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reported financial year. It also requires Directors to exercise their judgement in the process of applying the Group's and the Company's accounting policies. Although these estimates and judgement are based on the Directors' best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 3 to the financial statements.

(a) Standards, amendments to published standards and interpretations that are effective

The Group and the Company have applied the following standards and amendments for the first time for the financial year beginning on 1 January 2023:

- Amendment to MFRS 101 'Presentation of Financial Statements - Disclosure of Accounting Policies'
- Amendments to MFRS108 'Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates'
- Amendments to MFRS 112 'Income Taxes - Deferred Tax related to Assets and Liabilities arising from a Single Transaction'

The adoption of other amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

Amendments to MFRS 101 'Presentation of Financial Statements - Disclosure of Accounting Policies'

The amendments require the Group and the Company to disclose material accounting policies rather than significant accounting policies in the financial statements. The Group and the Company is expected to make disclosure of accounting policies specific to the Group and the Company and not generic disclosures on MFRS applications.

The amendments explain that an accounting policy is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the users make based on those financial statements. Also, accounting policy information is expected to be material if, without it, the users of the financial statements would be unable to understand other material information in the financial statements. Immaterial accounting policy information need not be disclosed.

These amendments do not have significant impact on the preparation of the Group and the Company's financial statements.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (continued)

(a) Standards, amendments to published standards and interpretations that are effective (continued)

Amendments to MFRS 108 'Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates'

The amendments redefined accounting estimates as "monetary amounts in financial statements that are subject to measurement uncertainty" and provide clarity on how to distinguish changes in accounting policies from changes in accounting estimates.

The amendments clarify that effects of a change in an input or measurement technique used to develop an accounting estimate is a change in accounting estimate if the changes do not arise from prior period errors.

The amendments are to be applied prospectively in annual periods beginning on or after 1 January 2023, earlier application is permitted. The amendments do not have significant impact to the financial statements of the Group and of the Company.

Amendments to MFRS 112 'Income Taxes - Deferred Tax related to Assets and Liabilities arising from a Single Transaction'

The amendments clarified that the initial exemption rule from recognising deferred taxes does not apply to transactions where both an asset and a liability are recognised at the same time resulting in equal amounts of taxable and deductible temporary differences. This essentially means that lessees would not be able to apply the initial exemption rule in MFRS 112 for the assets and liabilities arising from leases. The adoption of these amendments did not result in any material impact to the financial statements of the Group and the Company.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (continued)

(b) Standards and amendments that have been issued but not yet effective:

A number of new standards and amendments to standards and interpretations are effective for the financial year beginning after 1 January 2022. None of these is expected to have a significant effect on the consolidated financial statements of the Group and the Company, except the following set out below:

- The amendments to MFRS 7 'Statement of Cash Flows and MFRS 107 Financial Instruments: Disclosures' (effective 1 January 2024) specify disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effects of finance arrangements on an entity's liabilities, cash flows and supplier exposure to liquidity risk. The amendments clarify the characteristics of supplier finance arrangements. In these arrangements, one or more finance providers pay amounts an entity owes to its suppliers. The entity agrees to settle those amounts with the finance providers according to the terms and conditions of the arrangements, either at the same date or at a later date than that on which the finance providers pay the entity's suppliers.

  The amendments require an entity to provide information about the impact of supplier finance arrangements on liabilities and cash flows, including terms and conditions of those arrangements, quantitative information on liabilities related to those arrangements as at the beginning and end of the reporting period and the type and effect of non-cash changes in the carrying amounts of those arrangements. The information on those arrangements is required to be aggregated unless the individual arrangements have dissimilar or unique terms and conditions. In the context of quantitative liquidity risk disclosures required by IFRS 7, supplier finance arrangements are included as an example of other factors that might be relevant to disclose.

- Amendments to MFRS 16 'Lease Liability in a Sale and Leaseback' (effective 1 January 2024) specify the requirement that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

  The amendment does not prescribe specific measurement requirements for lease liabilities arising from a leaseback. The initial measurement of the lease liability arising from a leaseback may result in a seller-lessee determining 'lease payments' that are different from the general definition of lease payments in Appendix A of MFRS 16. The seller-lessee will need to develop and apply an accounting policy in accordance with IAS 8 that results in information that is relevant and reliable.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (continued)

(b) Standards and amendments that have been issued but not yet effective (continued):

- Amendments to MFRS 101 'Classification of liabilities as current or non-current' (effective 1 January 2024) clarify that a liability is classified as non-current if an entity has a substantive right at the end of the reporting period to defer settlement for at least 12 months after the reporting period. If the right to defer settlement of a liability is subject to the entity complying with specified conditions (for example, debt covenants), the right exists at the end of the reporting period based on its compliance with the conditions required on or before the reporting date (even if tested only after period end). Conditions that an entity is required to comply only within 12 months after the reporting period do not affect the classification of liability as current or non-current at reporting date.

  The assessment of whether an entity has the right to defer settlement of a liability at the reporting date is not affected by expectations of the entity or events after the reporting date. The amendments shall be applied retrospectively.

- The amendment to MFRS 121 'Lack of Exchangeability' specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking.

  A currency is considered to be exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations.

  If a currency is not exchangeable into another currency, an entity is required to estimate the spot exchange rate at the measurement date. An entity's objective in estimating the spot exchange rate is to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions. The amendments note that an entity can use an observable exchange rate without adjustment or another estimation technique.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (continued)

(b) Standards and amendments that have been issued but not yet effective (continued):

- Amendments to MFRS 10 and MFRS 128 'Sale or Contribution of Assets between an Investor and its Associate or Joint Venture' where the IASB decided to defer the effective date of the amendments until such time as it has finalised any amendments that result from its research project on the equity method. Early application of the amendments is still permitted.

  The amendments address the conflict between MFRS 10 Consolidated Financial Statements and MFRS 128 Investments in Associates and Joint Ventures in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture.

  The amendments clarify that a full gain or loss is recognised when a transfer to an associate or joint venture involves a business as defined in MFRS 3 Business combinations. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognised only to the extent of unrelated investors' interests in the associate or joint venture.

- The amendments are intended to eliminate diversity in practice and give preparers a consistent set of principles to apply for such transactions. However, the application of the definition of a business is judgemental and entities need to consider the definition carefully n such transactions.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.2 Economic entities in the Group

Subsidiaries

The Group financial statements consolidate the financial statements of the Company and all its subsidiaries. Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Under the purchase method of accounting, subsidiaries are fully consolidated from the date on which control is transferred to the Group and are de-consolidated from the date that control ceases.

The Group has taken advantage of the exemption provided by MFRS 1, MFRS 3 and FRS 122_{2004} to apply these Standards prospectively. Accordingly, business combinations entered into prior to the respective dates have not been restated to comply with these Standards.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interest issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in the business combination are measured initially at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with MFRS 9 either in income statements or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Intragroup transactions, balances and unrealised gains in transactions between group of companies are eliminated. Unrealised losses are also eliminated but considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The gain or loss on disposal of a subsidiary is the difference between net disposal proceeds and the Group’s share of its net assets as of the date of disposal including the cumulative amount of any exchange differences that relate to the subsidiary companies and is recognised in the consolidated income statements.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.3 Amount due from counterparties and Islamic financing assets

Note 1 to the financial statements describes the principal activities of the Group and the Company, which are inter alia, the purchases of mortgage loans, personal loans and hire purchase and leasing debts. These activities are also set out in the object clauses of the Memorandum of Association of the Company.

As at the statement of financial position date, amount due from counterparties/ Islamic financing assets in respect of mortgage loans, personal loans and hire purchase and leasing debts are stated at their unpaid principal balances due to the Group and the Company. Interest/profit income on amount due from counterparties/Islamic financing assets is recognised on an accrual basis and computed at the respective interest/profit rates based on monthly rest.

2.4 Mortgage assets and hire purchase assets/Islamic mortgage assets and Islamic hire purchase assets

Mortgage assets and hire purchase assets/Islamic mortgage assets and Islamic hire purchase assets are acquired by the Group and the Company from the originators at fair values. The originator acts as a servicer and remits the principal and interest/ profit income from the assets to the Group and the Company at specified intervals as agreed by both parties.

As at the statement of financial position date, mortgage assets and hire purchase assets/Islamic mortgage assets and Islamic hire purchase assets acquired are stated at their unpaid principal balances due to the Group and the Company and adjusted for unaccreted discount. Interest/profit income on the assets are recognised on an accrual basis and computed at the respective interest/profit rates based on monthly rest. The discount arising from the difference between the purchase price and book value of the mortgage assets and hire purchase assets/Islamic mortgage assets and Islamic hire purchase assets acquired is accreted to the income statements over the term of the assets using the internal rate of return method.

2.5 Reverse mortgage assets

Reverse mortgage assets introduced by the Group and the Company is a type of loan and financing which is targeted for the elderly people or retirees that own a home and allows them to convert their residential property into a fixed monthly income stream throughout their lifetime. The Group and the Company classify and measure the reverse mortgage assets as financial assets at its fair value through profit or loss ("FVTPL") as the reverse mortgage assets did not meet the criteria for amortised cost or FVOCI. The details of the measurement for financial assets at FVTPL are stated in Note 2.8 (c) (iii).

2.6 Investment in subsidiaries

Investment in subsidiaries is shown at cost. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. Note 2.9 to the financial statements describes the Group’s and the Company’s accounting policy on impairment of assets and Note 3 details out the critical accounting estimates and assumptions.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.7 Property and equipment and depreciation

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight line basis to write-off the cost of the assets over their estimated useful lives, with the exception of work-in-progress which is not depreciated. Depreciation rates for each category of property and equipment are summarised as follows:

Office equipment – mobile devices	100%
Office equipment – others	20%-25%
Furniture and fittings	10%
Motor vehicles	20%

Subsequent costs are included in the asset's carrying amount or recognised as separate assets, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statements during the financial year in which they are incurred.

At each statement of financial position date, the Group and the Company assess whether there is any indication of impairment. If such indications exist, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. A write down is made if the carrying amount exceeds the recoverable amount. See accounting policy on impairment of non-financial assets in Note 2.9.2 to the financial statements.

Gains and losses on disposals are determined by comparing proceeds with carrying amounts and are included in the income statements.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.8 Financial assets

(a) Classification

The Group and the Company classify their financial assets in the following measurement categories:

- Those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss); and
- Those to be measured at amortised cost

(b) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group and the Company commit to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group and the Company have transferred substantially all the risks and rewards of ownership.

(c) Measurement

At initial recognition, the Group and the Company measure financial assets at its fair value plus transaction costs, unless it is carried at fair value through profit or loss ("FVTPL"). Transaction costs of financial assets carried at FVTPL are expensed in income statements.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest ("SPPI").

Debt instruments

Subsequent measurement of debt instruments depends on the Group's and the Company's business model for managing the asset and the cash flow characteristics of the asset. The Group and the Company reclassify debt investments when and only when its business model for managing those assets changes.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.8 Financial assets (continued)

(c) Measurement (continued)

Debt instruments (continued)

There are three measurement categories into which the Group and the Company classify their debt instruments:

(i) Amortised cost

Cash and cash equivalents, deposits and placements with financial institutions, financial assets at amortised cost, amount due from counterparties, Islamic financing debt, mortgage assets/Islamic mortgage assets and Islamic hire purchase assets, other assets, amount due to related companies and amount due to subsidiaries that are held for collection of contractual cash flows where those cash flows represent SPPI are measured at amortised cost. Interest income from these financial assets is included in the income statements using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in income statements and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the income statements.

(ii) Fair value through other comprehensive income (“FVOCI’’)

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets’ cash flows represent SPPI, are measured at FVOCI. Movements in the carrying amount are taken through other comprehensive income (“OCI”), except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in income statements. When the financial assets is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to income statements and recognised in non-interest income/(expense).

Interest income from these financial assets is included in interest income using the effective interest rate method. Foreign exchange gains and losses are presented in non-interest income/(expense) and allowance/(reversal) of impairment losses are presented as separate line item in the income statements.

(iii) Fair value through profit or loss (“FVTPL”)

Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. The Group and the Company may also irrevocably designate financial assets at FVTPL if doing so significantly reduces or eliminates a mismatch created by assets and liabilities being measured on different bases. Fair value changes is recognised in income statements and presented net within non-interest income/(expense) in the period which it arise.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.8 Financial assets (continued)

(c) Measurement (continued)

Equity instruments

The Group and the Company subsequently measure all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to income statements following the derecognition of the investment. Dividends from such investments continue to be recognised in income statements as other income when the Group's or the Company's right to receive payments is established.

2.9 Impairment of assets

2.9.1 Financial assets

The Group and the Company assess on a forward looking basis the expected credit loss ("ECL") associated with its debt instruments carried at amortised cost and at FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Any loss arising from the significant increase in credit risk will result to the carrying amount of the asset being reduced and the amount of the loss is recognised in the income statements.

The Group and the Company have five of their financial assets that are subject to the ECL model:

- Amount due from counterparties and Islamic financing assets;
- Mortgage assets/Islamic mortgage assets and Islamic hire purchase assets;
- Financial assets at FVOCI;
- Financial assets at amortised cost; and
- Money market instruments

ECL represents a probability-weighted estimate of the difference between present value of cash flows according to contract and present value of cash flows the Group and the Company expect to receive, over the remaining life of the financial instrument.

The measurement of ECL reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

Under MFRS 9, impairment model requires the recognition of ECL for all financial assets, except for financial assets classified or designated as FVTPL and equity securities classified under FVOCI, which are not subject to impairment assessment.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.9 Impairment of assets (continued)

2.9.1 Financial assets (continued)

General approach

ECL will be assessed using an approach which classifies financial assets into three stages which reflects the change in credit quality of the financial assets since initial recognition:

- Stage 1: 12-month ECL – not credit impaired

  For credit exposures where there has not been a significant increase in credit risk since initial recognition or which have low credit risk at reporting date and that are not credit impaired upon origination, the ECL associated with the probability of default events occurring within the next 12-month will be recognised.

- Stage 2: Lifetime ECL – not credit impaired

  For credit exposures where there has been a significant increase in credit risk initial recognition but that are not credit impaired, the ECL associated with the probability of default events occurring within the lifetime ECL will be recognised. Unless identified at an earlier stage, all financial assets are deemed to have suffered a significant increase in credit risk when 30 days past due.

- Stage 3: Lifetime ECL – credit impaired

  Financial assets are assessed as credit impaired when one or more objectives evidence of defaults that have a detrimental impact on the estimated future cash flows of that asset have occurred. A lifetime ECL will be recognised for financial assets that have become credit impaired. Generally, all financial assets that are 90 days past due or more are classified under Stage 3.

Simplified approach

For all other financial instruments, a loss allowance at an amount equal to lifetime ECL is required.

Significant increase in credit risk

The Group and the Company consider the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group and the Company compare the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. The Group and the Company considers available reasonable and supportable forward-looking information.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.9 Impairment of assets (continued)

2.9.1 Financial assets (continued)

Significant increase in credit risk (continued)

The following indicators are incorporated:

- internal credit rating
- external credit rating (as far as available)
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the counterparties's ability to meet its obligations
- actual or expected significant changes in the operating results of the counterparties
- significant increases in credit risk on other financial instruments of the same counterparty
- significant changes in the expected performance and behaviour of the counterparty, including changes in the payment status of counterparty in the group and changes in the operating results of the counterparty.

Macroeconomic information (such as market interest rates or growth rates) is incorporated as part of the internal rating model.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment.

Definition of default and credit impaired financial assets

The Group and the Company define a financial instrument as default, which is fully aligned with the definition of credit-impaired, when it meets one or more of the following criteria:

Quantitative criteria:

The Group and the Company define a financial instrument as default, when the counterparty fails to make contractual payment within 90 days of when they fall due.

Qualitative criteria:

The debtor meets unlikeliness to pay criteria, which indicates the debtor is in significant financial difficulty. The Group and the Company consider the following instances:

- the debtor is in breach of financial covenants
- concessions have been made by the lender relating to the debtor's financial difficulty
- it is becoming probable that the debtor will enter bankruptcy or other financial reorganization
- the debtor is insolvent

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.9 Impairment of assets (continued)

2.9.1 Financial assets (continued)

Definition of default and credit impaired financial assets (continued)

For the purpose of ECL measurement, mortgage assets/Islamic mortgage assets and Islamic hire purchase assets have been grouped based on shared credit risk characteristics and the days past due. Mortgage assets/Islamic mortgage assets and Islamic hire purchase assets have substantially the same risk characteristics and the Group and the Company have therefore concluded that these assets to be assessed on a collective basis.

Financial assets at FVOCI, financial assets at amortised cost, amount due from counterparties, Islamic financing assets and debt instruments which are in default or credit impaired are assessed individually.

2.9.2 Non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. The impairment loss is charged to the income statements, unless it reverses a previous revaluation in which it is charged to the revaluation surplus. Any subsequent increase in recoverable amount is recognised in the income statements.

2.10 Write-off

The Group and the Company write-off financial assets, in whole or in part, when they have exhausted all practicable recovery efforts and has concluded that there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on unavailability of debtor’s sources of income or assets to generate sufficient future cash flows to repay the amount. Impairment losses are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off will result in impairment gains which is credited against the same line item.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.11 Financial liabilities

Financial liabilities are measured at amortised cost unless it is a financial liability held for trading or designated at FVTPL. Financial liabilities are recognised at fair value plus transaction costs and are derecognised when extinguished.

(a) Financial liabilities at fair value through profit or loss

This category comprises two sub-categories: financial liabilities as held-for-trading, and financial liabilities designated at fair value through profit or loss upon initial recognition. A financial liability is classified as held-for-trading if it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term or if it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. Derivatives are categorised as held-for-trading unless they are designated as hedges. Refer to accounting policy Note 2.18 on hedge accounting.

(b) Borrowings measured at amortised cost

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost, any difference between initial recognised amount and the redemption value is recognised in income statements over the period of the borrowings using the effective interest method. All other borrowing costs are recognised in income statements in the period in which they are incurred.

Borrowings measured at amortised cost are short-term borrowings, unsecured bearer bonds and notes and Sukuk.

Included in short-term borrowings is obligations on securities sold under repurchase agreements are securities which the Group and the Company have sold from its portfolio, with a commitment to repurchase at future dates.

(c) Other financial liabilities measured at amortised cost

Other financial liabilities are initially recognised at fair value plus transaction costs. Subsequently, other financial liabilities are re-measured at amortised cost using the effective interest rate. Other financial liabilities measured at amortised cost are deferred guarantee fee income, deferred Wakalah fee income and other liabilities.

2.12 Income recognition on mortgage assets and hire purchase assets/Islamic mortgage assets and Islamic hire purchase assets

Interest income for conventional assets and profit income on Islamic assets are recognised using the effective interest/profit rate method. Accretion of discount is recognised using the effective yield method.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.13 Premium and discount on unsecured bearer bonds, notes and Sukuk

Premium on unsecured bearer bonds and notes/Sukuk represents the excess of the issue price over the redemption value of the bonds and notes/Sukuk are accreted to the income statements over the life of the bonds and notes/Sukuk on an effective yield basis. Where the redemption value exceeds the issue price of the bonds and notes/Sukuk, the difference, being the discount is amortised to the income statements over the life of the bonds and notes/Sukuk on an effective yield basis.

2.14 Current and deferred tax

Current tax expense represents taxation at the current rate based on taxable profit earned during the financial year.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences or unused tax losses can be utilised.

Deferred tax is determined using tax rates (and tax laws) that have been enacted or substantially enacted by the statement of financial position date and are expected to apply when the related deferred tax asset is realised or deferred tax liability is settled.

Deferred and income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.15 Cash and cash equivalents

For the purpose of statement of cash flows, cash and cash equivalents comprises cash and bank balances and deposits that are readily convertible to known amounts of cash which are subject to insignificant risk of change in value.

2.16 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.17 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting used by the chief operating decision maker. The chief operating decision maker is the person or group that allocated resources and assesses the performance of the operating segments of the Group and the Company. The Group and the Company have determined the Chief Executive Officer of the Company to be the chief operating decision maker.

2.18 Derivative financial instruments and hedge accounting

Derivatives financial instruments consist of interest rate swaps ("IRS"), Islamic profit rate swaps ("IPRS"), cross currency swaps (“CCS”) and Islamic cross currency swaps (“ICCS”). Derivatives financial instruments are used by the Group and the Company to hedge the issuance of its Bond/Sukuk from potential movements in interest rate, profit rate or foreign currency exchange rate. Further details of the derivatives financial instruments are disclosed in Note 9 to the financial statements.

Fair value of derivatives financial instruments is recognised at inception on the statement of financial position, and subsequent changes in fair value as a result of fluctuation in market interest rates, profit rates or foreign currency exchange rate are recorded as derivative assets (favourable) or derivative liabilities (unfavourable).

For derivatives that are not designated as hedging instruments, losses and gains from the changes in fair value are taken to the income statements.

For derivatives that are designated as hedging instruments, the method of recognising fair value gain or loss depends on the type of hedge.

The Group and Company document at the inception of the hedge relationship, the economic relationship between hedging instruments and hedged items including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items. The Group and the Company also document their risk management objective and strategy for its hedge transactions and its assessment, both at hedge inception and on an ongoing basis, on whether the derivative is highly effective in offsetting changes in the fair value or cash flows of the hedged items.

Cash flow hedge

The effective portion of changes in the fair value of a derivative designated and qualifying as a hedge of future cash flows is recognised directly in the cash flow hedge reserve and taken to the income statements in the periods when the hedged item affects gain or loss. The ineffective portion of the gain or loss is recognised immediately in the income statements under "Non-interest income/ (expense)".

Amounts accumulated in equity are reclassified to income statements in the periods when the hedged item affects profit or loss. The gain or loss relating to the effective portion of interest rate swaps hedging variable rate borrowings is recognised in income statements within the line item "Non-interest income/(expense)" at the same time as the interest expense on the hedged borrowings.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.18 Derivative financial instruments and hedge accounting (continued)

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, the accounting of any cumulative deferred gain or loss depends on the nature of the underlying hedged transaction. For cash flow hedge which resulted in the recognition of a non-financial assets, the cumulative amount in equity shall be included in the initial cost of the asset. For other cash flow hedges, the cumulative amount in equity is reclassified to income statements in the same period that the hedged cash flows affect income statements. When hedged future cash flows or forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately reclassified to income statements under "non-interest (expense)/income".

2.19 Provisions

Provisions are recognised when the Group and the Company have a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount can be made. Where the Group and the Company expect a provision to be reimbursed (for example, under an insurance contract) the reimbursement is recognised as separate asset but only when the reimbursement is virtually certain. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured as the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflect current market assessment of the time value of money and the risk specific to obligation. The increase in the provision due to passage of time is recognised as interest expense.

2.20 Zakat

The Group and the Company recognise its obligations towards the payment of zakat on business. Zakat for the current period is recognised when the Group and the Company have a current zakat obligation as a result of a zakat assessment. The amount of zakat expenses shall be assessed when the Group and the Company have been in operation for at least 12-month, i.e. for the period known as haul.

Zakat rates enacted or substantively enacted by the statement of financial position date are used to determine the zakat expense. The rate of zakat on business for the financial year is 2.5% (2022: 2.5%) of the zakat base.

The zakat base of the Group and the Company is determined based on adjusted growth method. This method calculates zakat base as owners' equity and long-term liabilities, deducted for property, plant and equipment and non-current assets, and adjusted for items that do not meet the conditions for zakat assets and liabilities as determined by the relevant zakat authorities.

The amount of zakat assessed is recognised as an expense in the financial year in which it is incurred.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.21 Employee benefits

(a) Short-term employee benefits

Wages, salaries, paid annual leave, bonuses and non-monetary benefits are accrued in the financial year in which the associated services are rendered by the employees of the Group and the Company.

(b) Defined contributions plans

The Group and the Company contribute to the Employees' Provident Fund ("EPF"), the national defined contribution plan. The contributions to EPF are charged to the income statements in the financial year to which they relate to. Once the contributions have been paid, the Group and the Company have no further payment obligations in the future. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

2.22 Intangible assets

(a) Computer software

Acquired computer software and computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Costs associated with developing or maintaining computer software programmes are recognised when the costs are incurred. Costs that are directly associated with identifiable and unique software products controlled by the Group and the Company, which will generate probable economic benefits exceeding costs beyond one year, are recognised as intangible assets. Costs include employee costs incurred as a result of developing software and an appropriate portion of relevant overheads.

The computer software and computer software licenses are amortised over their estimated useful lives of three to ten years.

(b) Service rights to transaction administrator and administrator fees

Service rights to transaction administrator and administrator fees ("Service Rights") represents secured rights to receive expected future economic benefits by way of transaction administrator and administrator fees for Residential Mortgage-Backed Securities ("RMBS") and Islamic Residential Mortgage-Backed Securities ("IRMBS") issuances.

Service rights are recognised as intangible assets at cost and amortised using the straight line method over the tenure of RMBS and IRMBS.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.23 Share capital

(a) Classification

Ordinary shares are classified as equity. Other shares are classified as equity and/or liability according to the economic substance of the particular instrument.

Distributions to holders of a financial instrument classified as an equity instrument are charged directly to equity.

(b) Dividends to the shareholder of the Company

Dividends on ordinary shares are recognised as liabilities when declared before the statement of financial position date. A dividend proposed or declared after the statement of financial position date, but before the financial statements are authorised for issue, is not recognised as a liability at the statement of financial position date. Upon the dividend becoming payable, it will be accounted for as a liability.

2.24 Currency translations

(a) Functional and presentation currency

Items included in the financial statements of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency").

The financial statements are presented in Ringgit Malaysia, which is the Company's functional and presentation currency.

(b) Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains or losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statements, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.25 Contingent liabilities and contingent assets

The Group and the Company do not recognise a contingent liability but disclose its existence in the financial statements. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group and the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in the extremely rare case where there is a liability that cannot be recognised because it cannot be measured reliably.

The Group and the Company do not recognise contingent assets but disclose its existence where inflows of economic benefits are probable, but not virtually certain. A contingent asset is a possible asset that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group and the Company.

2.26 Deferred financing fees

Deferred financing fees consist of expenses incurred in relation to the unsecured bond and notes/Sukuk issuance. Upon unsecured bond and notes/Sukuk issuance, deferred financing fees will be deducted from the carrying amount of the unsecured bond and notes/Sukuk and amortised using the effective interest/profit rate method.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.27 Leases

Leases are recognised as right-of-use ("ROU") asset and a corresponding liability at the date on which the leased asset is available for use by the Group and the Company (i.e. the commencement date).

Contracts may contain both lease and non-lease components. The Group and the Company allocate the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of properties for which the Group and the Company are a lessee, they have elected the practical expedient provided in MFRS 16 not to separate lease and non-lease components. Both components are accounted for as a single lease component and payments for both components are included in the measurement of lease liability.

Lease term

In determining the lease term, the Group and the Company consider all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not to be terminated).

The Group and the Company reassess the lease term upon the occurrence of a significant event or change in circumstances that is within the control of the Group and the Company and affect whether the Group and the Company are reasonably certain to exercise an option not previously included in the determination of lease term, or not to exercise an option previously included in the determination of lease term. A revision in lease term results in remeasurement of the lease liabilities.

ROU assets

ROU assets are initially measured at cost comprising the following:

- The amount of the initial measurement of lease liability;
- Any lease payments made at or before the commencement date less any lease incentive received;
- Any initial direct costs; and
- Decommissioning or restoration costs.

ROU assets that are not investment properties are subsequently measured at cost, less accumulated depreciation and impairment loss (if any). The ROU assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group and the Company are reasonably certain to exercise a purchase option, the ROU asset is depreciated over the underlying asset's useful life. In addition, the ROU assets are adjusted for certain remeasurement of the lease liabilities. ROU assets are presented as a separate line item in the statement of financial position.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.27 Leases (continued)

Lease liabilities

Lease liabilities are initially measured at the present value of the lease payments that are not paid at that date. The lease payments include the following:

- Fixed payments (including in-substance fixed payments), less any lease incentive receivable;
- Variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable by the Group and the Company under residual value guarantees;
- The exercise price of a purchase options if the Group and the Company are reasonably certain to exercise that option; and
- Payments of penalties for terminating the lease, if the lease term reflects the Group and the Company exercising that option.

Lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group and the Company, the lessee's incremental borrowing is used. This is the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the ROU asset in a similar economic environment with similar term, security and conditions.

Lease payments are allocated between principal and finance cost. The finance cost is charged to income statements over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Variable lease payments that depend on sales are recognised in the income statements in the period in which the condition that triggers those payments occurs.

The Group and the Company present the lease liabilities as a separate line item in the statement of financial position. Interest expense on the lease liability is presented within the non-interest expense in the income statements.

Reassessment of lease liabilities

The Group and the Company are also exposed to potential future increases in variable lease payments that depend on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is remeasured and adjusted against the ROU assets.

Short-term leases and leases of low value assets

Short-term leases are leases with a lease term of 12-month or less. Low-value assets comprise IT equipment and small items of office furniture. Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in income statements.

3 CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with MFRS and IFRS requires the use of certain critical accounting estimates and exercise of judgements by management in the process of applying the Group's and the Company's accounting policies.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have significant risk of causing a material adjustment to the carrying amounts of the asset and liability within the next financial year are outlined below.

(a) Impairment of mortgage assets and hire purchase assets (Note 12, 13, 14 and 44)

The Group and the Company make allowances for losses on mortgage assets and hire purchase assets based on assessment of recoverability. Whilst management is guided by the requirement of MFRS 9, management make judgement on the future and other key factors in respect of the recovery of the assets. Among factors considered are the net realisable value of the underlying collateral value and the capacity to generate sufficient cash flows to service the assets.

Two economic scenarios using different probability weighted are applied to the ECL:

- Base case – based upon current economic outlook or forecast
- Negative case – based upon a projected pessimistic or negative outlook or forecast

(b) Accretion of discount on mortgage assets and hire purchase assets (Note 12, 13 and 14)

Assumptions are used to estimate cash flow projections of the principal balance outstanding of the mortgage assets and hire purchase assets acquired by the Group and the Company for the purpose of determining accretion of discount. The estimate is determined based on the historical repayment and redemption trend of the borrowers of the mortgage assets and hire purchase assets. Changes in these assumptions could impact the amount recognised as accretion of discount.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4 RISK MANAGEMENT OBJECTIVES AND POLICIES

Risk management is an integral part of the Group's and the Company's business and operations. It encompasses identification, measurement, analysing, controlling, monitoring and reporting of risks on an enterprise-wide basis.

In recent years, the Group and the Company have enhanced key controls to ensure effectiveness of risk management and its independence from risk taking activities.

The Group and the Company will continue to develop its human resources, review existing processes and introduce new approaches in line with best practices in risk management. It is the Group's and the Company's aim to create strong risk awareness amongst both its front-line and back office staff, where risks are systematically managed and the levels of risk taking are closely aligned to the risk appetite and risk-reward requirements set by the Board of Directors.

4.1 Risk management structure

The Board of Directors has ultimate responsibility for management of risks associated with the Group's and the Company's operations and activities. The Board of Directors sets the risk appetite and tolerance level that are consistent with the Group's and the Company's overall business objectives and desired risk profile. The Board of Directors also reviews and approves all significant risk management policies and risk exposures.

The Board Risk Committee assists the Board of Directors by ensuring that there is effective oversight and development of strategies, policies and infrastructure to manage the Group's and the Company's risks including compliance with applicable laws and regulations.

Management Executive Committee is responsible for the implementation of the policies laid down by the Board of Directors by ensuring that there are adequate and effective operational procedures, internal controls and systems for identifying, measuring, analysing, controlling, monitoring and reporting of risks.

The Risk Management and Compliance Division is independent of other departments involved in risk-taking activities. It is responsible for monitoring and reporting risk exposures independently to the Board Risk Committee and coordinating the management of risks on an enterprise-wide basis.

4.2 Credit risk management

Credit risk is the possibility that a borrower or counterparty fails to fulfill its financial obligations when they fall due. Credit risk arises in the form of on-statement of financial position items such as lending and investments, as well as in the form of off- statement of financial position items such as treasury hedging activities.

The Group and the Company manage the credit risk by screening borrowers and counterparties, stipulate prudent eligibility criteria and conduct due diligence on loans and financing to be purchased. The credit limits are reviewed periodically and are determined based on a combination of external ratings, internal credit assessment and business requirements. All credit exposures are monitored on a regular basis and non-compliance is independently reported to the management, Board Risk Committee and the Board of Directors for immediate remedy.

Credit risk is also mitigated via underlying assets which comprised mainly of mortgage assets, Islamic mortgage assets, hire purchase assets and Islamic hire purchase assets.

4 RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

4.3 Market risk management

Market risk is the potential loss arising from adverse movements of market prices such as foreign exchange rates, interest/profit rates and market prices. The market risk exposure is limited to interest/profit rate risk and foreign exchange rates only as the Group and the Company do not engaged in any equity or commodity trading activities.

The Group and the Company control the market risk exposure by imposing threshold limits and entering in derivatives contract. The limits are set based on the Group's and the Company's risk appetite and the risk-return relationship. These limits are regularly reviewed and monitored. The Group and the Company have an Asset Liability Management System which provides tools such as duration gap analysis, interest/profit sensitivity analysis and income simulations under different scenarios to monitor the interest/profit rate risk.

The Group and the Company also use derivative instruments such as interest rate swaps, profit rate swaps, CCS and ICCS to manage and hedge its market risk exposure against fluctuations in interest rates, profit rates and foreign currency exchange rate.

4.4 Liquidity risk management

Liquidity risk arises when the Group and the Company do not have sufficient funds to meet its financial obligations when they fall due.

The Group and the Company mitigate the liquidity risk by matching the timing of purchases of loans and debts with issuance of Bonds or Sukuk. The Group and the Company plan its cash flow positions and monitors closely every business transaction to ensure that available funds are sufficient to meet business requirements at all times. In addition, the Group and the Company set aside considerable reserve liquidity to meet any unexpected shortfall in cash flow or adverse economic conditions in the financial market.

The Group's and the Company's liquidity management process, as carried out within the Company and its subsidiaries and monitored by related departments, includes:

(a) Managing cash flow mismatch and liquidity gap limits which involves assessing all of the Group's and the Company's cash inflows against its cash outflows to identify the potential for any net cash shortfalls and the ability of the Group and the Company to meet the cash obligations when they fall due;
(b) Matching funding of loan purchases against its expected cash flows, duration and tenure of the funding;
(c) Monitoring the liquidity ratios of the Group and the Company against internal requirements; and
(d) Managing the concentration and profile of funding by diversification of funding sources.

4.5 Operational risk management

Operational risk is defined as the potential loss resulting from inadequate or failed internal processes, people and systems or from external events. It includes reputational risk associated with the Group's and the Company's business practices or market conduct. It also includes the risk of failing to comply with applicable laws and regulations.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4 RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

4.5 Operational risk management (continued)

The management of operational risk is an important priority for the Group and the Company. To mitigate such operational risks, the Group and the Company have developed an operational risk program and essential methodologies that enable identification, measurement, monitoring and reporting of inherent and emerging operational risks.

The day-to day management of operational risk exposures is through the development and maintenance of comprehensive internal controls and procedures based on segregation of duties, independent checks, segmented system access control and multi-tiered authorisation processes. An incident reporting process is also established to capture and analyse frauds and control lapses.

A periodic self-risk and control assessment is established for business and support units to pre-emptively identify risks and evaluate control effectiveness. Action plans are developed for the control issues identified.

The Group and the Company minimise the impact and likelihood of any unexpected disruptions to its business operations through implementation of its business continuity management ("BCM") framework and policy, business continuity plans and regular BCM exercises. The Group and the Company have also identified enterprise-wide recovery strategies to expedite the business and technology recovery and resumption during catastrophic events.

5 CASH AND CASH EQUIVALENTS

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Cash and balance with banks and other financial institution	559	1,412	532	1,369
Money at call and deposits and placements maturing with original maturity less than 3 months	115,110	78,448	115,110	78,448
Mudharabah money at call and deposits and placements maturing with original maturity less than 3 months	64,690	79,906	64,690	79,906
	180,359	159,766	180,332	159,723
Less: Allowance for impairment losses	-	(1)	-	(1)
	180,359	159,765	180,332	159,722

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5 CASH AND CASH EQUIVALENTS (CONTINUED)

The gross carrying value of cash and cash equivalents and the impairment allowance are within Stage 1 allocation. Movement in impairment allowances that reflect the ECL model on impairment are as follows:

	Group and Company	
	2023	2022
	RM'000	RM'000
Stage 1		
As at 1 January	1	11
Allowance during the year	-	1
Financial assets derecognised during the period due to maturity of assets	(1)	(11)
As at 31 December	-	1

6 DEPOSITS AND PLACEMENTS WITH FINANCIAL INSTITUTIONS

	Group and Company	
	2023	2022
	RM'000	RM'000
Licensed banks	86,947	132,570

The gross carrying value of deposits and placements with financial institution are within Stage 1 allocation (12-month ECL). There is no ECL made for this category as at 31 December 2023 (2022: Nil).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME ("FVOCI")

	Group and Company	
	2023	2022
	RM'000	RM'000
Debt instruments:		
Malaysian Government securities	497,806	576,407
Corporate bonds	318,729	282,622
Government investment issues	847,398	775,418
Corporate Sukuk	856,244	1,235,504
Quasi Government Sukuk	169,884	523,656
Negotiable instruments of deposit	-	50,018
Islamic treasury bills	-	49,846
	2,690,061	3,493,471

The maturity structure of financial assets at FVOCI are as follows:

Maturing within one year	148,606	1,172,957
One to three years	498,549	493,730
Three to five years	611,018	475,704
More than five years	1,431,888	1,351,080
	2,690,061	3,493,471

The carrying amount of debt instruments at FVOCI is equivalent to their fair value. The ECL is recognised in other comprehensive income and does not reduce the carrying amount in the statement of financial position.

The gross carrying value of financial assets at FVOCI by stage of allocation are as follows:

	Gross carrying value	Impairment allowance
	RM'000	RM'000
2023		
Stage 1 (12-month ECL; non-credit impaired)	2,690,061	370
2022		
Stage 1 (12-month ECL; non-credit impaired)	3,493,471	365

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME ("FVOCI") (CONTINUED)

Movement in impairment allowances that reflect the ECL model on impairment are as follows:

	Group and Company	
	2023	2022
	RM'000	RM'000
Stage 1		
As at 1 January	365	304
Allowance during the year on new assets purchased	255	106
Financial assets derecognised during the year due to maturity of assets	(152)	(21)
Reversal during the year due to changes in credit risk	(98)	(24)
As at 31 December	370	365

The financial assets at FVOCI which are pledged as collateral for obligations on securities sold under repurchase agreements for the Group and the Company amounting to RM432.9 million (2022: RM801.9 million)

8 FINANCIAL ASSETS AT AMORTISED COST

	Group and Company	
	2023	2022
	RM'000	RM'000
Corporate bonds	1,604,687	1,463,359
Corporate Sukuk	681,993	354,395
	2,286,680	1,817,754

The maturity structure of financial assets at amortised cost are as follows:

More than five years	2,290,448	1,820,889
Less: Allowance for impairment losses	(3,768)	(3,135)
	2,286,680	1,817,754

The gross carrying value by stage of allocation are as follows:

	Gross carrying value	Impairment allowance
	RM'000	RM'000
2023		
Stage 1 (12-month ECL; non-credit impaired)	2,290,448	3,768
2022		
Stage 1 (12-month ECL; non-credit impaired)	1,820,889	3,135

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8 FINANCIAL ASSETS AT AMORTISED COST (CONTINUED)

Movement in impairment allowances that reflect the ECL model on impairment are as follows:

	Group and Company	
	2023	2022
	RM'000	RM'000
Stage 1		
As at 1 January	3,135	1,155
Allowance during the year on new assets purchased	1,154	2,022
Reversal during the year due to changes in credit risk	(521)	(42)
As at 31 December	3,768	3,135

9 DERIVATIVE FINANCIAL INSTRUMENTS

The derivative financial instruments used by the Group and the Company to hedge against its interest/profit rate exposure and foreign currency exposure are IRS, IPRS, CCS and ICCS.

IRS/IPRS are used by the Group and the Company to hedge against its interest/profit rate exposure arising from the following transactions:

(i) Issuance of fixed rate bonds/Sukuk to fund floating rate asset purchases

The Group and the Company pay the floating rate receipts from its floating rate asset purchases to the swap counterparties and receive fixed rate interest/profit in return. This fixed rate interest/profit will then be utilised to pay coupon on the fixed rate bonds/Sukuk issued. Hence, the Group and Company are protected from adverse movements in interest/profit rate.

(ii) Issuance of short duration bonds/Sukuk to fund long-term fixed asset

The Group and the Company will issue short duration bonds/Sukuk and enter into swap transaction to receive floating rate interest/profit from and pay fixed rate interest/profit to the swap counterparty. Upon receiving instalment from assets, the Group and the Company pay fixed rate interest/profit to the swap counterparty and receive floating rate interest/profit to pay to the bondholders/Sukuk holders.

9 DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

CCS and ICCS are also used by the Group and the Company to hedge against foreign currency exposure arising from the issuance of foreign currency bonds/Sukuk to fund assets in functional currency. Illustration of the transaction as follows:

(i) At inception, the Group and the Company swap the proceeds from the foreign currency bonds/Sukuk to the functional currency at the pre-agreed exchange rate with CCS/ICCS counterparty.

(ii) In the interim, the Group and the Company receive interest/profit payment in foreign currency from the CCS/ICCS counterparty and remit the same to the foreign currency bonds/Sukuk holders for coupon payment. Simultaneously, the Group and the Company pay interest/profit to the CCS/ICCS counterparty in functional currency using instalment received from assets purchased.

(iii) On maturity, the Group and the Company pay principal in functional currency at the same pre-agreed exchange rate to the CCS/ICCS counterparty and receive amount of principal in foreign currency equal to the principal of the foreign currency bonds/Sukuk which will then be used to redeem the bonds/Sukuk. The Group's and the Company's foreign currency exposures are from Hong Kong Dollar ("HKD"), US Dollar ("USD"), and Singapore Dollar ("SGD").

The effectiveness is assessed by comparing the changes in fair value of the interest/profit rate swaps and cross currency swaps with changes in fair value of the hedged item attributable to the hedged risk using the hypothetical derivative method.

The Group and the Company have established the hedging ratio by matching the notional of the derivative with the principal of the hedged item. Possible sources of ineffectiveness are as follows:

- Differences in timing of cash flows between hedged item, interest/profit rate swaps and cross currency swaps;
- Hedging derivatives with non-zero fair value at the inception as a hedging instrument; and
- Counterparty credit risk which impacts the fair value of interest/profit rate swaps and cross currency swaps but not the hedged items.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9 DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

The table below summarises the derivatives financial instruments entered by the Group and the Company which are all used as hedging instruments in cash flow hedges.

Designated as cash flow hedges

Group and Company	Contract/ Notional amount RM'000	Assets RM'000	Liabilities RM'000	Average fixed interest rate %
2023				
IRS/IPRS				
Maturing within one year	1,000,000	720	(3,924)	2.66
One to three years	1,335,000	446	(4,937)	3.64
Three to five years	90,000	-	(142)	3.59
More than five years	160,000	12,922	-	4.66
	2,585,000	14,088	(9,003)	
CCS				
Maturing within one year	4,139,796	151,553	(6,158)	3.62
One to three years	1,112,470	42,018	-	3.90
	5,252,266	193,571	(6,158)	
	7,837,266	207,659	(15,161)	

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9 DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

Designated as cash flow hedges (continued)

Group and Company	Contract/ Notional amount RM'000	Assets RM'000	Liabilities RM'000	Average fixed interest rate %
2022				
IRS/IPRS				
Maturing within one year	490,000	5,577	(3,247)	3.49
One to three years	1,000,000	6,767	-	2.66
More than five years	160,000	9,428	-	4.66
	1,650,000	21,772	(3,247)	
CCS				
Maturing within one year	2,705,125	67,054	(3,372)	3.03
One to three years	308,000	13,757	-	2.99
	3,013,125	80,811	(3,372)	
	4,663,125	102,583	(6,619)	

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9 DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

The amounts relating to items designated as hedging instruments and hedge ineffectiveness are as follows:

	Group and Company						
	Nominal amount	Fair value*		Changes in fair value used for calculating hedging effectiveness	Changes in fair value recognised in other comprehensive income	Hedge ineffectiveness recognised in income statement**	Amount reclassified from hedge reserve to income statement**
		Assets	Liabilities				
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
2023							
Interest rate risk:							
IRS	1,645,000	13,368	(6,474)	12,391	12,391	-	-
IPRS	940,000	720	(2,529)	(1,935)	(1,935)	-	-
Foreign exchange risk:							
CCS/ICCS	5,252,266	193,571	(6,158)	3,816	277,268	-	(270,319)
2022							
Interest rate risk:							
IRS	1,250,000	15,246	(3,248)	18,690	18,690	-	-
IPRS	400,000	6,527	-	5,706	5,706	-	-
Foreign exchange risk:							
CCS/ICCS	3,013,125	80,811	(3,372)	(27,528)	108,716	-	(142,051)

* *All hedging instruments are included in the derivative asset and derivative liabilities line item in the statement of financial position.*

** *All hedge ineffectiveness and reclassification from the 'Hedging reserve – cash flows hedge' to profit or loss are recognised in the 'Non-interest income/(expense)' in the income statement.*

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9 DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

The amounts relating to items designated as hedged items are as follows:

				Group and Company
	Line item in the statement of financial position in which the hedged item is included	Change in fair value used for calculating hedge effectiveness RM'000	Cash flow hedge reserve RM'000	Balance remaining in the cash flow hedge reserve from hedging relationship for which hedge accounting is no longer applied RM'000
2023				
Interest/profit rate/foreign exchange risk				
Floating rate financial assets	Amount due from counterparties	12,775	9,709	-
Floating rate financial liabilities	Unsecured bearer bonds and notes	(384)	(292)	-
Floating rate financial liabilities	Sukuk	(1,935)	(1,470)	-
Fixed rate financial liabilities	Unsecured bearer bonds and notes	3,816	2,900	-
2022				
Interest/profit rate/foreign exchange risk				
Floating rate financial assets	Amount due from counterparties	9,240	7,022	-
Floating rate financial liabilities	Unsecured bearer bonds and notes	9,450	7,182	-
Floating rate financial liabilities	Sukuk	5,706	4,337	-
Fixed rate financial liabilities	Unsecured bearer bonds and notes	(27,528)	(20,922)	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9 DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

(i) Reconciliation of components of equity

The following table provides reconciliation by risk category of components of equity and analysis of OCI items (net of tax) resulting from hedge accounting:

	Group and Company	
	2023	2022
	RM'000	RM'000
Cash flow hedge		
As at 1 January	(2,381)	4,413
Effective portion of changes in fair value, net of amount reclassified to profit or loss on:		
- Interest rate risk	287,724	133,112
- Foreign exchange fluctuations (Note 32)	(270,319)	(142,051)
Income tax effects	(4,177)	2,145
As at 31 December	10,847	(2,381)

10 AMOUNT DUE FROM COUNTERPARTIES

	Group and Company	
	2023	2022
	RM'000	RM'000
Relating to:		
Mortgage loans	19,641,205	16,641,501
Hire purchase and leasing debts	346,585	456,245
	19,987,790	17,097,746
The maturity structure of amount due from counterparties are as follows:		
Maturing within one year	6,475,796	6,619,978
One to three years	8,861,989	6,028,557
Three to five years	4,288,658	4,288,658
More than five years	361,372	160,569
	19,987,815	17,097,762
Less: Allowance for impairment losses	(25)	(16)
	19,987,790	17,097,746

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

10 AMOUNT DUE FROM COUNTERPARTIES (CONTINUED)

The gross carrying value of amount due from counterparties and the impairment allowance are within Stage 1 allocation (12-month ECL). Movement in impairment allowances that reflect the ECL model on impairment are as follows:

	Group and Company	
	2023	2022
	RM'000	RM'000
Stage 1		
As at 1 January	16	19
Allowance during the year on new assets purchased	21	10
Financial assets derecognised during the year due to maturity of assets	(9)	(9)
Reversal during the year due to changes in credit risk	(3)	(4)
As at 31 December	25	16

11 ISLAMIC FINANCING ASSETS

Relating to:		
Islamic house financing	18,696,839	13,100,130
Islamic personal financing	2,225,410	2,382,154
Islamic hire purchase	504,612	-
	21,426,861	15,482,284
The maturity structure Islamic financing assets are as follows:		
Maturing within one year	7,301,922	4,664,996
One to three years	9,385,918	8,872,270
Three to five years	4,739,117	1,945,111
	21,426,957	15,482,377
Less: Allowance for impairment losses	(96)	(93)
	21,426,861	15,482,284

The gross carrying value of Islamic financing assets and the impairment allowance are within Stage 1 allocation (12-month ECL). Movement in impairment allowances that reflect the ECL model on impairment are as follows:

	Group and Company	
	2023	2022
	RM'000	RM'000
Stage 1		
As at 1 January	93	61
Allowance during the year on new assets purchased	24	59
Financial assets derecognised during the year due to maturity of assets	(11)	(20)
Reversal during the year due to changes in credit risk	(10)	(7)
As at 31 December	96	93

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12 MORTGAGE ASSETS – CONVENTIONAL

	Group and Company	
	2023	2022
	RM'000	RM'000
PWOR	3,021,850	3,426,761
The maturity structure of mortgage assets – conventional are as follows:		
Maturing within one year	642,965	570,966
One to three years	741,844	710,627
Three to five years	634,252	654,002
More than five years	1,014,207	1,506,063
	3,033,268	3,441,658
Less:		
Allowance for impairment losses	(11,418)	(14,897)
	3,021,850	3,426,761

The gross carrying value of mortgage assets by stage of allocation are as follows:

	Gross carrying value	Impairment allowance
	RM'000	RM'000
2023		
Stage 1 (12-month ECL; non-credit impaired)	3,021,332	8,496
Stage 2 (Lifetime ECL; non-credit impaired)	1,447	195
Stage 3 (Lifetime ECL; credit impaired)	10,489	2,727
As at 31 December	3,033,268	11,418
Impairment allowance over gross carrying value (%)		0.38
2022		
Stage 1 (12-month ECL; non-credit impaired)	3,421,242	8,677
Stage 2 (Lifetime ECL; non-credit impaired)	2,102	345
Stage 3 (Lifetime ECL; credit impaired)	18,314	5,875
As at 31 December	3,441,658	14,897
Impairment allowance over gross carrying value (%)		0.43

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12 MORTGAGE ASSETS – CONVENTIONAL (CONTINUED)

The impairment allowance by stage allocation and movement in impairment allowances that reflect the ECL model on impairment are as follows:

	Group and Company			
	Stage 1	Stage 2	Stage 3	Total
	RM'000	RM'000	RM'000	RM'000
2023				
As at 1 January	8,677	345	5,875	14,897
Transfer between stages:				
- Transfer to 12-month ECL (Stage 1)	28	(191)	(1,928)	(2,091)
- Transfer to ECL not credit impaired (Stage 2)	(5)	195	(31)	159
- Transfer to ECL credit impaired (Stage 3)	(20)	(46)	1,414	1,348
Total transfer between stages	3	(42)	(545)	(584)
New loans added during the period	2,500	-	-	2,500
Financial assets derecognized during the year (other than write-offs)	(290)	(108)	(3,683)	(4,081)
Reversal during the year due to changes in credit risk	(2,394)	-	(333)	(2,727)
Amount written-back	-	-	1,413	1,413
As at 31 December	8,496	195	2,727	11,418
2022				
As at 1 January	12,086	465	8,788	21,339
Transfer between stages:				
- Transfer to 12-month ECL (Stage 1)	35	(247)	(2,179)	(2,391)
- Transfer to ECL not credit impaired (Stage 2)	(6)	336	(89)	241
- Transfer to ECL credit impaired (Stage 3)	(37)	(7)	2,654	2,610
Total transfer between stages	(8)	82	386	460
Financial assets derecognized during the year (other than write-offs)	(440)	(202)	(2,750)	(3,392)
Reversal during the year due to changes in credit risk	(2,961)	-	(89)	(3,050)
Amount written-off	-	-	(460)	(460)
As at 31 December	8,677	345	5,875	14,897

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13 MORTGAGE ASSETS – ISLAMIC

	Group and Company	
	2023	2022
	RM'000	RM'000
PWOR	3,881,528	4,275,424
The maturity structure of mortgage assets - Islamic are as follows:		
Maturing within one year	601,511	617,661
One to three years	782,955	791,051
Three to five years	689,809	721,141
More than five years	1,818,964	2,162,762
	3,893,239	4,292,615
Less:		
Allowance for impairment losses	(11,711)	(17,191)
	3,881,528	4,275,424

The gross carrying value of Islamic mortgage assets by stage of allocation are as follows;

	Gross carrying value	Impairment allowance
	RM'000	RM'000
2023		
Stage 1 (12-month ECL; non-credit impaired)	3,876,935	7,846
Stage 2 (Lifetime ECL; non-credit impaired)	2,401	250
Stage 3 (Lifetime ECL; credit impaired)	13,903	3,615
As at 31 December	3,893,239	11,711
Impairment allowance over gross carrying value (%)		0.30
2022		
Stage 1 (12-month ECL; non-credit impaired)	4,272,454	10,923
Stage 2 (Lifetime ECL; non-credit impaired)	1,053	138
Stage 3 (Lifetime ECL; credit impaired)	19,108	6,130
As at 31 December	4,292,615	17,191
Impairment allowance over gross carrying value (%)		0.40

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13 MORTGAGE ASSETS – ISLAMIC (CONTINUED)

The impairment allowance by stage allocation and movement in impairment allowances that reflect the ECL model on impairment are as follows:

	Group and Company			
	Stage 1	Stage 2	Stage 3	Total
	RM'000	RM'000	RM'000	RM'000
2023				
As at 1 January	10,923	138	6,130	17,191
Transfer between stages:				
- Transfer to 12-month ECL (Stage 1)	19	(49)	(1,471)	(1,501)
- Transfer to ECL not credit impaired (Stage 2)	(6)	239	(109)	124
- Transfer to ECL credit impaired (Stage 3)	(21)	(54)	1,685	1,610
Total transfer between stages	(8)	136	105	233
Financial assets derecognized during the year (other than write-offs)	(327)	(20)	(3,321)	(3,668)
Reversal during the year due to changes in credit risk	(2,742)	(4)	(493)	(3,239)
Amount written-back	-	-	1,194	1,194
As at 31 December	7,846	250	3,615	11,711
2022				
As at 1 January	14,809	298	7,525	22,632
Transfer between stages:				
- Transfer to 12-month ECL (Stage 1)	36	(235)	(2,079)	(2,278)
- Transfer to ECL not credit impaired (Stage 2)	(3)	117	(91)	23
- Transfer to ECL credit impaired (Stage 3)	(37)	(8)	2,341	2,296
Total transfer between stages	(4)	(126)	171	41
Financial assets derecognized during the year (other than write-offs)	(533)	(29)	426	(136)
Reversal during the year due to changes in credit risk	(3,349)	(5)	(43)	(3,397)
Amount written-off	-	-	(1,949)	(1,949)
As at 31 December	10,923	138	6,130	17,191

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

14 HIRE PURCHASE ASSETS – ISLAMIC

	Group and Company	
	2023	2022
	RM'000	RM'000
PWOR	55	50
The maturity structure of hire purchase assets – Islamic are as follows:		
Maturing within one year	61	62
Less: Allowance for impairment losses	(6)	(12)
	55	50

The gross carrying value of Islamic hire purchase assets by stage of allocation are as follows:

	Gross carrying value	Impairment allowance
	RM'000	RM'000
2023		
Stage 1 (12-month ECL; non-credit impaired)	36	-
Stage 3 (Lifetime ECL; credit impaired)	25	6
As at 31 December	61	6
Impairment allowance over gross carrying value (%)		9.84
2022		
Stage 1 (12-month ECL; non-credit impaired)	26	-
Stage 3 (Lifetime ECL; credit impaired)	36	12
As at 31 December	62	12
Impairment allowance over gross carrying value (%)		19.35

	Group and Company		
	Stage 1	Stage 3	Total
	RM'000	RM'000	RM'000
2023			
As at 31 December	-	6	6
2022			
As at 31 December	-	12	12

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

15 AMOUNT DUE FROM SUBSIDIARIES

The amount due from subsidiaries is non-trade in nature, denominated in Ringgit Malaysia, unsecured, non-interest bearing and are repayable on demand.

16 OTHER ASSETS

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Compensation receivable from originator on mortgage assets	33	353	33	353
Deposits	923	923	922	922
Collateral receivable	13,716	25,495	13,716	25,495
Staff loans and financing	2,311	2,546	2,311	2,546
Management fee receivable	610	619	610	619
Prepayments	2,849	2,339	2,837	2,320
Other receivables	34	986	34	986
	20,476	33,261	20,463	33,241

17 INVESTMENT IN SUBSIDIARIES

	Group and Company	
	2023	2022
	RM'000	RM'000
Unquoted shares at cost	-*	-*

* denotes USD1 in CGP and RM2 in CGS.

All subsidiaries are audited by Ernst & Young PLT. The subsidiaries of the Company are as follows:

Name	Principal activities	Place of Incorporation	Interest in equity held by the Company	
			2023	2022
			%	%
CGP	To undertake the issuance of bonds and notes in foreign currency.	Labuan	100	100
CGS	To undertake the issuance of Sukuk in foreign currency.	Malaysia	100	100

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

18 PROPERTY AND EQUIPMENT

Group and Company	Office equipment RM'000	Furniture and fittings RM'000	Motor vehicles RM'000	Total RM'000
2023				
Cost				
As at 1 January	10,827	4,729	703	16,259
Additions	800	13	402	1,215
Disposals	(984)	(15)	(326)	(1,325)
As at 31 December	10,643	4,727	779	16,149
Accumulated depreciation				
As at 1 January	(9,652)	(4,553)	(595)	(14,800)
Charge for the financial year	(586)	(29)	(97)	(712)
Disposals	983	12	315	1,310
As at 31 December	(9,255)	(4,570)	(377)	(14,202)
Net book value				
As at 31 December	1,388	157	402	1,947
2022				
Cost				
As at 1 January	10,516	4,709	703	15,928
Additions	521	107	-	628
Disposals	(210)	(87)	-	(297)
As at 31 December	10,827	4,729	703	16,259
Accumulated depreciation				
As at 1 January	(8,488)	(4,613)	(489)	(13,590)
Charge for the financial year	(1,374)	(27)	(106)	(1,507)
Disposals	210	87	-	297
As at 31 December	(9,652)	(4,553)	(595)	(14,800)
Net book value				
As at 31 December	1,175	176	108	1,459

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

19 INTANGIBLE ASSETS

Group and Company	Service rights	Computer software	Computer software licenses	Work in progress	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
2023					
Cost					
As at 1 January	7,690	16,507	27,980	3,881	56,058
Additions	-	2,285	-	86	2,371
As at 31 December	7,690	18,792	27,980	3,967	58,429
Accumulated amortisation					
As at 1 January	(6,165)	(13,511)	(17,796)	-	(37,472)
Charge for the financial year	(381)	(1,061)	(2,711)	-	(4,153)
As at 31 December	(6,546)	(14,572)	(20,507)	-	(41,625)
Net book value					
As at 31 December	1,144	4,220	7,473	3,967	16,804
2022					
Cost					
As at 1 January	7,690	16,136	27,980	126	51,932
Additions	-	371	-	3,825	4,196
Write-offs	-	-	-	(70)	(70)
As at 31 December	7,690	16,507	27,980	3,881	56,058
Accumulated amortisation					
As at 1 January	(5,784)	(12,881)	(14,910)	-	(33,575)
Charge for the financial year	(381)	(630)	(2,886)	-	(3,897)
As at 31 December	(6,165)	(13,511)	(17,796)	-	(37,472)
Net book value					
As at 31 December	1,525	2,996	10,184	3,881	18,586

Service rights are amortised on a straight line basis over the tenure of RMBS/IRMBS. The remaining amortisation period of the intangible assets ranges from 3 to 5 years (2022: 3 to 5 years).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

20 RIGHT-OF-USE ASSET

Right-of-use asset comprises of rental of office buildings and is being amortised over the tenure of rental period.

	Group and Company	
	2023	2022
	RM'000	RM'000
Cost		
As at 1 January/ 31 December	15,461	15,461
Accumulated amortisation		
As at 1 January	(6,077)	(3,869)
Charge for the year (Note 35)	(2,208)	(2,208)
As at 31 December	(8,285)	(6,077)
Net book value		
As at 31 December	7,176	9,384

21 OTHER LIABILITIES

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Amount due to GOM*	127,023	172,694	127,023	172,694
Provision for zakat	2,534	2,828	2,534	2,828
Accruals	19,370	24,329	19,307	24,162
Other payables	1,484	1,520	1,477	1,515
	150,411	201,371	150,341	201,199

* Refers to fund provided by the Government for Mortgage Guarantee Programme (MGP) under Cagamas SRP Berhad

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

22 LEASE LIABILITY

	Group and Company	
	2023	2022
	RM'000	RM'000
As at 1 January	11,384	13,738
Lease obligation interest expense (Note 35)	316	379
Lease obligation repayment	(2,392)	(2,733)
As at 31 December	9,308	11,384

The maturity structure of lease liability are as follows:

Due within 1 year	2,436	2,076
Due in 2 to 5 years	6,872	9,308
Total present value of minimum lease payments	9,308	11,384

23 DEFERRED TAXATION

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes that relates to the same tax authority. The following amounts, determined after appropriate offsetting, are shown on the statement of financial position.

	Group and Company	
	2023	2022
	RM'000	RM'000
Deferred tax assets (before offsetting)	(13,501)	(33,567)
Deferred tax liabilities (before offsetting)	211,872	246,630
Deferred tax liabilities	198,371	213,063

The movements of deferred tax are as follows:

As at 1 January	213,063	181,935
Recognised to income statements (Note 37)	(29,932)	45,053
Recognised to OCI	15,240	(13,925)
As at 31 December	198,371	213,063

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

23 DEFERRED TAXATION (CONTINUED)

The movements in deferred tax assets and liabilities of the Group and the Company during the financial year comprise the following:

	Group and Company			
2023	As at 1 January RM'000	Recognised to income statement RM'000	Recognised to OCI RM'000	As at 31 December RM'000
Deferred tax assets				
Revaluation of derivative financial instruments under cash flow hedge accounting	(6,783)	-	6,181	(602)
Provisions	(1,538)	333	-	(1,205)
Temporary difference relating to lease liability	(2,732)	498	-	(2,234)
Temporary difference relating to ECL	(10,661)	1,995	-	(8,666)
Revaluation reserves of financial assets at FVOCI	(11,853)	(4)	11,063	(794)
	(33,567)	2,822	17,244	(13,501)
Deferred tax liabilities				
Revaluation of derivative financial instruments under cash flow hedge accounting	6,032	4	(2,004)	4,032
Temporary difference relating to plant and equipment	3,030	138	-	3,168
Temporary difference relating to interest/profit receivables on deposit and placements	90	(39)	-	51
Temporary difference relating to right-of-use asset	2,252	(530)	-	1,722
Temporary difference relating to accretion of discount	235,226	(32,327)	-	202,899
	246,630	(32,754)	(2,004)	211,872
	213,063	(29,932)	15,240	198,371

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

23 DEFERRED TAXATION (CONTINUED)

The movements in deferred tax assets and liabilities of the Group and the Company during the financial year comprise the following (continued):

	Group and Company			
2022	As at 1 January RM'000	Recognised to income statement RM'000	Recognised to OCI RM'000	As at 31 December RM'000
Deferred tax assets				
Revaluation of derivative financial instruments under cash flow hedge accounting	(2,610)	-	(4,173)	(6,783)
Provisions	(1,715)	177	-	(1,538)
Temporary difference relating to lease liability	(3,297)	565	-	(2,732)
Temporary difference relating to ECL	(13,019)	2,358	-	(10,661)
Revaluation reserves of financial assets at FVOCI	-	-	(11,853)	(11,853)
	(20,641)	3,100	(16,026)	(33,567)
Deferred tax liabilities				
Revaluation of derivative financial instruments under cash flow hedge accounting	4,004	-	2,028	6,032
Temporary difference relating to plant and equipment	3,321	(291)	-	3,030
Temporary difference relating to interest/profit receivables on deposit and placements	236	(146)	-	90
Temporary difference relating to right-of-use asset	2,782	(530)	-	2,252
Revaluation reserves of financial assets at FVOCI	(73)	-	73	-
Temporary difference relating to accretion of discount	192,306	42,920	-	235,226
	202,576	41,953	2,101	246,630
	181,935	45,053	(13,925)	213,063

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

24 LOANS/FINANCING FROM SUBSIDIARY

Loans from subsidiary outstanding at financial year ended that are not in the functional currencies of the Company are as follows:

	Company	
	2023	2022
	RM'000	RM'000
HKD	489,906	-
USD	-	441,007
SGD	4,983,748	2,697,024
	5,473,654	3,138,031

Loans/financing from subsidiary are unsecured and subject to interest/profit rates ranging from 1.99% to 5.00% per annum (2022: 1.31% to 4.83% per annum). The maturity structure of loans/financing from subsidiary are as follows:

	Company	
	2023	2022
	RM'000	RM'000
Maturing within one year	4,326,371	2,809,772
One to three years	1,147,283	328,259
	5,473,654	3,138,031

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

25 UNSECURED BEARER BONDS AND NOTES

			Group			
			2023		2022	
		Year of maturity	Amount outstanding RM'000	Effective interest rate %	Amount outstanding RM'000	Effective interest rate %
(a)	Floating rate notes	2023	-	-	880,000	2.830
	Add: Interest payable		-		5,985	
			-		885,985	
(b)	Commercial paper	2024	1,005,000	3.660-3.830	-	-
	Add: Interest payable		2,783		-	
			1,007,783		-	
(c)	Conventional medium-term notes	2023	-	-	6,617,476	1.250-6.050
		2024	9,005,013	1.990-5.520	3,878,259	1.990-5.520
		2025	4,374,387	3.620-4.850	1,860,000	3.850-4.850
		2026	3,137,895	3.570-3.940	10,000	4.410
		2027	5,725,000	3.780-4.900	5,725,000	3.780-4.900
		2028	890,000	3.970-4.280	890,000	4.750-6.500
		2029	245,000	5.500-5.750	245,000	5.500-5.750
		2033	200,000	4.200	-	-
		2035	160,000	5.070	160,000	5.070
			23,737,295		19,385,735	
	Add: Interest payable		211,286		145,088	
	Less: Deferred financing fees		(1,456)		(2,136)	
			23,947,125		19,528,687	
	Total		24,954,908		20,414,672	

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

25 UNSECURED BEARER BONDS AND NOTES (CONTINUED)

			Company			
			2023		2022	
		Year of maturity	Amount outstanding RM'000	Effective interest rate %	Amount outstanding RM'000	Effective interest rate %
(a)	Floating rate notes	2023	-	-	880,000	2.830
	Add: Interest payable				5,985	
			-		885,985	
(b)	Commercial paper	2024	1,005,000	3.660-3.830	-	-
	Add: Interest payable		2,783		-	
			1,007,783		-	
(c)	Conventional medium- term notes	2023	-	-	3,830,000	2.180-6.050
		2024	4,735,000	2.380-5.520	3,550,000	2.380-5.520
		2025	3,540,000	3.720-4.850	1,860,000	3.850-4.850
		2026	2,825,000	3.820-3.940	10,000	4.410
		2027	5,725,000	3.780-4.900	5,725,000	3.780-4.900
		2028	890,000	3.970-4.280	890,000	4.750-6.500
		2029	245,000	5.500-5.750	245,000	5.500-5.750
		2033	200,000	4.200	-	-
		2035	160,000	5.070	160,000	5.070
			18,320,000		16,270,000	
	Add: Interest payable		154,965		123,609	
	Less: Deferred financing fees		(1,405)		-	
			18,473,560		16,393,609	
	Total		19,481,343		17,279,594	

25 UNSECURED BEARER BONDS AND NOTES (CONTINUED)

The maturity structure of unsecured bearer bonds and notes are as follows:

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Maturing within one year	10,223,248	7,646,413	5,896,966	4,839,594
One to three years	7,512,067	5,738,259	6,364,784	5,410,000
Three to five years	6,614,593	5,735,000	6,614,593	5,735,000
More than five years	605,000	1,295,000	605,000	1,295,000
	24,954,908	20,414,672	19,481,343	17,279,594

Cagamas issues debt securities, inclusive of sustainability, green and social bonds to finance the purchase of housing mortgages and other consumer receivables for conventional loans.

(a) Floating Rate Notes ("FRNs")

FRNs are Ringgit denominated conventional medium-term notes ("CMTNs") with tenures of more than one year with floating rate pegged to a reference rate, e.g. Kuala Lumpur Interbank Offered Rate ("KLIBOR") and Malaysia Overnight Rate ("MYOR"). Interest distributions of the FRNs are normally made on quarterly or half-yearly basis. The redemption of the relevant FRNs are at face value together with the interest due upon maturity.

(b) Commercial Papers ("CPs")

CPs are Ringgit denominated short-term instruments with maturities ranging from one to twelve months, issued with or without coupon, either at a discount from the face value where the relevant CPs are redeemable at their nominal value upon maturity or at par with interest paid on a semi-annual basis or on such other periodic basis as determined by Cagamas.

(c) Fixed Rate Conventional Medium-term Notes

CMTNs are Ringgit denominated bonds with fixed coupon rate with tenures of more than one year and are issued either at a premium, par or at a discount, with or without a coupon rate. Interest distributions of the CMTNs are normally made on half-yearly basis. The redemption of the CMTNs are at nominal value together with the interest due upon maturity.

Apart from Ringgit FRNs and CMTNs, Cagamas also issued FRNs and CMTNs in foreign currency ("EMTN"). Under the USD2.5 billion Multicurrency Medium Term Notes Programme, CGP may from time to time issue EMTNs in any currency (other than Ringgit Malaysia) which are unconditionally and irrevocably guaranteed by Cagamas.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

25 UNSECURED BEARER BONDS AND NOTES (CONTINUED)

The unsecured bearer bonds and notes outstanding at the end of financial year which are not in the functional currencies of the Group are as follows:

	Group	
	2023	2022
	RM'000	RM'000
HKD	489,906	-
USD*	-	440,873
SGD	4,983,658	2,694,205
	5,473,564	3,135,078

*The USD denominated unsecured bearer bonds and notes amounting to RM440.9 million in 2022 are listed in Singapore Exchange.

26 SUKUK

			Group and Company			
			2023		2022	
		Year of maturity	Amount outstanding RM'000	Effective interest rate %	Amount outstanding RM'000	Effective interest rate %
(a)	Islamic commercial papers	2024	640,000	3.610-3.750	-	-
	Add: Profit payable		1,797		-	
			641,797		-	
(b)	Islamic medium-term notes	2023	-	-	6,370,000	2.230-6.350
		2024	6,745,000	2.670-5.520	5,070,000	2.670-5.520
		2025	5,290,000	3.100-4.650	4,300,000	3.100-4.650
		2026	3,670,000	3.150-4.920	370,000	3.150-4.920
		2027	1,955,000	4.140-4.620	1,955,000	4.140-4.620
		2028	3,665,000	3.970-4.260	1,080,000	4.750-6.500
		2029	180,000	5.500-5.750	180,000	5.500-5.750
		2030	465,000	4.230		
		2033	500,000	4.310	675,000	5.000
			22,470,000		20,000,000	
	Add: Profit payable		166,342		137,888	
	Less: Unamortised discount		-		(2,828)	
			22,636,342		20,135,060	
	Total		23,278,139		20,135,060	

26 SUKUK (CONTINUED)

The maturity structure of Sukuk are as follows:

	Group and Company	
	2023	2022
	RM'000	RM'000
Within one year	7,553,139	6,505,060
One to three years	8,960,000	9,370,000
Three to five years	5,620,000	2,325,000
More than five years	1,145,000	1,935,000
	23,278,139	20,135,060

Cagamas issues debt securities, inclusive of sustainability, green and social Sukuk, to finance the purchase of house financing and other consumer receivables for Islamic financing.

(a) Islamic Commercial Papers ("ICPs")

ICPs are Ringgit denominated short-term Islamic instruments with maturities ranging from one to twelve months, issued with or without profit, at either a discount from the face value where the relevant ICPs are redeemable at their nominal value upon maturity or at par with profit is paid on a semi-annual basis or on such other periodic basis as determined by Cagamas.

(b) Fixed Profit Rate Islamic Medium-Term Notes ("IMTNs")

IMTNs are Ringgit denominated Sukuk with fixed profit rate with tenures of more than one year and are issued either at a premium, par or at a discount, with or without a profit rate. Profit distribution of the IMTNs are normally made on half-yearly basis. The redemption of the relevant IMTNs are at nominal value together with the profit due upon maturity.

(c) Variable Profit Rate Notes ("VRNs")

VRNs are Ringgit denominated IMTNs with tenures of more than one year with variable profit rate pegged to a reference rate, e.g. KLIBOR and Malaysian Islamic Overnight Rate ("MYOR-I"). Profit distributions of the VRNs are normally made on quarterly or half-yearly basis. At maturity, the face value of the relevant VRNs are redeemed with any outstanding profit amounts due on maturity.

(d) Multicurrency Sukuk

Under the Multicurrency Sukuk Issuance, foreign currency Sukuk ("Islamic EMTN") is currently issued based on Shariah principle of Wakalah. The Islamic EMTN issuance is on a fully-paid basis and at a par issue price and the method of calculating the profit rate may vary between the issue date and the maturity date of the relevant series of Islamic EMTNs issued. There is no Islamic EMTN outstanding at the end of financial year which are not in the functional currencies of the Group.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

27 SHARE CAPITAL

	Group and Company			
	2023		2022	
Ordinary shares	Number of shares	Amount	Number of shares	Amount
	RM'000	RM'000	RM'000	RM'000
Issued:				
As at 1 January/31 December	150,000	150,000	150,000	150,000

28 RESERVES

(a) Financial assets at FVOCI reserves

This amount represents the unrealised fair value gains or losses on financial assets at FVOCI, net of taxation.

(b) Cash flow hedge reserves

This amount represents the effective portion of changes in fair value on derivatives designated and qualifying as hedge of future cash flows, net of taxation.

(c) Regulatory reserves

The Group and the Company have adopted the Bank Negara Malaysia (''BNM'') Guidelines on Financial Reporting issued on 2 February 2018 on voluntary basis. The Group and Company maintains, in aggregate, collective impairment provisions and regulatory reserves of 1.0% of total credit exposures, net of allowances for credit impaired exposures on loans/financing.

29 NET TANGIBLE ASSETS AND EARNINGS PER SHARE

The net tangible assets per share is calculated by dividing the net tangible assets of RM4,536,829,000 of the Group and RM4,540,897,000 of the Company respectively (2022: RM4,290,435,000 of the Group and RM4,291,554,000 of the Company respectively) by 150,000,000 ordinary shares of the Group and the Company in issue.

Basic and diluted earnings per share is calculated by dividing the profit for the financial year of RM226,348,000 of the Group and RM229,297,000 of the Company respectively (2022: RM224,395,000 of the Group and RM240,889,000 of the Company respectively) by 150,000,000 ordinary shares of the Group and the Company in issue. For the diluted earnings per share calculation, no adjustment has been made to weighted number of ordinary shares in issue as there are no dilutive potential ordinary shares.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

30 INTEREST INCOME

	Group and Company	
	2023	2022
	RM'000	RM'000
Amount due from counterparties	716,851	520,750
Mortgage assets	133,510	154,409
Compensation from mortgage assets	(296)	5
Financial assets at amortised cost	66,095	35,084
Reverse mortgage assets	76	4
Financial assets at FVOCI	84,766	83,424
Deposits and placements with financial institutions	9,372	5,352
	1,010,374	799,029
Accretion of discount less amortisation of premium (net)	61,383	82,158
	1,071,757	881,187

31 INTEREST EXPENSE

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Floating rate notes	14,342	18,716	14,342	18,716
Medium-term notes	888,466	603,111	707,401	555,530
Commercial paper	24,458	10,312	24,458	10,312
Loans/financing from subsidiaries	-	-	178,234	47,419
Short-term borrowings	16,818	13,967	16,818	13,967
Lease liability	316	379	316	379
Deferred financing and guarantee fees	1,454	-	1,454	-
	945,854	646,485	943,023	646,323

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

32 NON-INTEREST INCOME/(EXPENSE)

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Net gain/(loss) arising from derivatives	28,133	(26,455)	28,133	(26,455)
Gain on disposal of:				
- Financial assets at FVOCI	8,393	2,180	8,393	2,180
- Property and equipment	136	-	136	-
Net amount reclassified into profit or loss – cash flow hedge (Note 9)	(270,319)	(142,051)	(270,319)	(142,051)
Net gain on foreign exchange	268,428	141,518	268,428	141,518
Dividend income	-	-	-	15,901
Income from repo collateral	165	8,707	165	8,707
Other non-interest income	4,004	4,146	4,004	4,146
	38,940	(11,955)	38,940	3,946

33 PERSONNEL COSTS

	Group and Company	
	2023	2022
	RM'000	RM'000
Salary and allowances	17,254	16,874
Bonus	6,435	7,256
Overtime	77	69
EPF and SOCSO	4,005	4,094
Insurance	930	660
Others	2,059	(705)
	30,760	28,248

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

34 REVERSAL OF IMPAIRMENT LOSSES, NET

	Group and Company	
	2023	2022
	RM'000	RM'000
Reversal/(allowance) for impairment losses:		
Cash and cash equivalents	1	10
Financial assets at FVOCI	(5)	(61)
Financial assets at amortised cost	(633)	(1,980)
Amount due from counterparties	(9)	3
Islamic financing assets	(3)	(32)
Mortgage assets – Conventional	3,479	6,442
Mortgage assets – Islamic	5,480	5,441
Hire purchase assets – Islamic	6	-
Credit impaired:		
Mortgage assets – Conventional written-back/(written-off)	1,413	(460)
Mortgage assets – Islamic written-back/(written-off)	1,194	(1,949)
Hire purchase assets – Conventional written-off	(3)	(1)
Hire purchase assets – Islamic written-off	-	(12)
	10,920	7,401

35 PROFIT BEFORE TAXATION AND ZAKAT

The following items have been charged/(credited) in arriving at profit before taxation and zakat:

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Directors' remuneration (Note 36)	2,658	2,517	2,658	2,517
Amortisation of right-of-use asset (Note 20)	2,208	2,208	2,208	2,208
Interest on lease liability (Note 22)	316	379	316	279
Short-term and low value assets expensed off	923	656	923	656
Auditors' remuneration				
- Audit fees	370	316	350	296
- Non-audit fees	15	12	15	12
Depreciation of property and equipment	712	1,507	712	1,507
Amortisation of intangible assets	4,153	3,897	4,153	3,897
Servicers fees	1,810	1,930	1,810	1,930
Repairs and maintenance	5,626	5,332	5,626	5,332
Donations and sponsorship	144	696	144	696
Corporate expenses	904	557	904	557
Travelling expenses	430	236	430	236
Gain on disposal of property and equipment	(136)	-	(136)	-
Write-back of impairment losses	(10,918)	(7,401)	(10,918)	(7,401)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

36 DIRECTORS' REMUNERATION

The Directors who served since the date of the last report and the date of this report are:

Non-Executive Directors
Dato' Bakarudin Ishak (Chairman)
Dato' Wee Yiaw Hin
Ho Chai Huey
Tan Sri Tajuddin Atan
Abdul Rahman Hussein
Sophia Ch'ng Sok Heang

Executive Director
Kameel Abdul Halim

The aggregate amount of emoluments received by the Directors during the financial year is as follows:

	Group and Company	
	2023	2022
	RM'000	RM'000
Directors' fees	450	444
Directors' other emoluments	2,208	2,073
	2,658	2,517

For the financial year ended 31 December 2023, a total of RM185,510 (2022: RM185,510) has been paid by the Group in relation to insurance premium paid for Directors and Officers of the Group and Company.

37 TAXATION

		Group		Company	
		2023	2022	2023	2022
		RM'000	RM'000	RM'000	RM'000
(a)	Tax charge for the financial year:				
	Malaysian Income tax:				
	- Current tax	104,645	28,039	104,645	28,039
	- Deferred taxation (Note 23)	(29,932)	45,053	(29,932)	45,053
		74,713	73,092	74,713	73,092
	Current tax:				
	- Current year	42,013	29,028	42,013	29,028
	- Under/(over) provision in prior year	62,632	(989)	62,632	(989)
		104,645	28,039	104,645	28,039

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

37 TAXATION (CONTINUED)

		Group		Company	
		2023	2022	2023	2022
		RM'000	RM'000	RM'000	RM'000
(a)	Tax charge for the financial year (continued):				
	Deferred taxation (Note 23)	(29,932)	45,053	(29,932)	45,053
		74,713	73,092	74,713	73,092

(b) Reconciliation of income tax expense

The tax on the Group's and the Company's profit before taxation and zakat differs from the theoretical amount that would arise using the statutory income tax rate of Malaysia as follows:

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Profit before taxation and zakat	303,595	300,315	306,544	316,809
Tax calculated at Malaysian tax rate of 24% (2022: 24%)	72,863	72,075	73,571	76,034
Tax impact on Cukai Makmur (Note 37 (c))	-	1,372	-	1,372
Tax exempt income	-	-	-	(3,816)
Subsidiary's current year tax losses utilised	-	-	(36)	(39)
Loss not subject to tax	672	104	-	-
Expenses not deductible for tax purposes	250	324	250	324
Deduction arising from zakat contribution	(1,079)	(711)	(1,079)	(711)
(Reversal)/recognition of temporary differences recognized in prior year	(60,625)	917	(60,625)	917
Under/(over) provision in prior year	62,632	(989)	62,632	(989)
	74,713	73,092	74,713	73,092

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

37 TAXATION (CONTINUED)

(c) In order to support the Government's initiative to assist parties affected by the pandemic, it has been proposed in Budget 2022 that for year of assessment ("YA") 2022, a special one-off tax which is called 'Cukai Makmur' will be imposed on non-micro, small and medium enterprise companies which generate high profits during the period of the pandemic. Chargeable income in excess of RM100.0 million was charged an income tax rate of 33% for YA 2022. The Company has assessed that it is not significantly impacted by the Cukai Makmur.

38 DIVIDENDS

Dividends of the Group and the Company are as follows:

	Group and Company			
	2023		2022	
	Per shares Sen	Total amount RM'000	Per shares Sen	Total amount RM'000
Final dividend	15.00	22,500	15.00	22,500
Interim dividend	5.00	7,500	5.00	7,500
	20.00	30,000	20.00	30,000

The Directors recommend the payment of a final dividend of 15 sen per share on 150,000,000 ordinary shares amounting to RM22,500,000 for the financial year ended 31 December 2023 which is subject to approval of the member at the forthcoming Annual General Meeting of the Company.

The financial statements for the current financial year do not reflect this dividend and will be accounted for in equity as an appropriation of retained profits in the next financial year ending 31 December 2024.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

39 STATEMENT OF CASH FLOWS

(a) Adjustments for non-cash items:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Amortisation of premium less accretion of discount on:				
- Financial assets at FVOCI	(2,775)	4,681	(2,775)	4,681
Accretion of discount on:				
Mortgage assets				
- Conventional	(59,150)	(87,917)	(59,150)	(87,917)
- Islamic	(57,956)	(86,413)	(57,956)	(86,413)
Allowance/(reversal) for impairment losses on:				
- Cash and cash equivalents	(1)	(10)	(1)	(10)
- Financial assets at FVOCI	5	61	5	61
- Financial assets at amortised cost	633	1,980	633	1,980
- Amount due from counterparties/ Islamic financing assets	12	29	12	29
- Mortgage assets and hire purchase assets/Islamic mortgage assets and Islamic hire purchase assets	(8,965)	(11,883)	(8,965)	(11,883)
Interest income	(1,010,374)	(798,413)	(1,010,374)	(798,413)
Income from derivatives	(233,669)	(88,909)	(233,669)	(88,909)
Income from Islamic operations	(948,504)	(687,840)	(948,504)	(687,840)
Interest expense	945,854	646,323	943,023	646,323
Interest expense on derivatives	208,405	118,014	208,405	118,014
Profit attributable to Sukuk holders	833,569	628,367	833,569	628,367
Profit attributable to derivatives	(4,345)	2,394	(4,345)	2,394
Unrealised gain from fair value of investments at FVOCI	-	11,780	-	11,780
Unrealised gain from fair value of derivatives	-	2,145	-	2,145
Depreciation of property and equipment	712	1,507	712	1,507
Amortisation of intangible assets	4,153	3,897	4,153	3,897
Amortisation of right-of-use asset	2,208	2,208	2,208	2,208
Property, plant and equipment written off	-	70	-	70
Gain on disposal of:				
- Financial assets at FVOCI	(8,393)	(2,180)	(8,393)	(2,180)
- Property, plant and equipment	(136)	-	(136)	-
	(338,717)	(340,109)	(341,548)	(340,109)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

39 STATEMENT OF CASH FLOWS (CONTINUED)

(b) Changes in operating assets and liabilities:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Change in deposits and placements with financial institutions	45,461	38,853	45,461	38,853
Change in short term borrowings	(162,334)	508,638	(162,334)	508,638
Change in amount due from counterparties	(2,850,236)	61,190	(2,850,236)	61,190
Change in Islamic financing assets	(5,878,421)	(5,179,067)	(5,878,421)	(5,179,067)
Change in mortgage assets:				
- Conventional	459,281	547,503	459,281	547,503
- Islamic	439,533	501,233	450,533	501,233
Change in Islamic hire purchase assets	1	12	1	12
Change in other assets	12,785	(25,693)	12,778	(25,680)
Change in reverse mortgage assets	(1,519)	(552)	(1,519)	(552)
Change in deferred financing fees	(1,422)	(652)	-	-
Change in derivatives	205,552	85,445	205,552	85,674
Change in other liabilities	(48,341)	39,439	(49,858)	40,230
Interest received	922,179	711,659	922,179	711,659
Profit received from Islamic assets	825,088	597,436	825,088	597,436
Interest received on derivatives	195,179	71,519	195,179	71,519
Profit received on derivatives	25,199	14,076	25,199	14,076
Interest paid	(18,033)	(12,633)	(18,033)	(12,633)
Interest paid on derivatives	(187,321)	(103,780)	(187,321)	(103,780)
Profit paid on derivatives	(20,160)	(17,900)	(20,160)	(17,900)
	(6,026,529)	(2,163,274)	(6,026,631)	(2,161,589)

CAGAMAS BERHAD
(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

39 STATEMENT OF CASH FLOWS (CONTINUED)

(c) Analysis of changes in liabilities arising from financing activities:

Group	Lease liability RM'000	Unsecured bearer bonds and notes RM'000	Sukuk RM'000	Total RM'000
2023				
As at 1 January	11,384	20,414,672	20,135,060	40,561,116
Proceeds from issuance	-	15,223,801	12,505,000	27,728,801
Repayment and redemption	(2,392)	(11,013,121)	(9,395,000)	(20,410,513)
Interest/profit paid	-	(865,711)	(800,490)	(1,666,201)
Exchange fluctuation	-	267,771	-	267,771
Other non-cash movement	316	927,496	833,569	1,761,381
As at 31 December	9,308	24,954,908	23,278,139	48,242,355
2022				
As at 1 January	13,738	19,956,954	15,082,028	35,052,720
Proceeds from issuance	-	12,269,498	10,090,000	22,359,498
Repayment and redemption	(2,733)	(12,010,150)	(5,075,000)	(17,087,883)
Interest/profit paid	-	(603,234)	(590,335)	(1,193,569)
Exchange fluctuation	-	170,279	-	170,279
Other non-cash movement	379	631,325	628,367	1,260,071
As at 31 December	11,384	20,414,672	20,135,060	40,561,116

Company	Lease liability RM'000	Loans/ financing from subsidiaries RM'000	Unsecured bearer bonds and notes RM'000	Sukuk RM'000	Total RM'000
2023					
As at 1 January	11,384	3,138,031	17,279,594	20,135,060	40,564,069
Proceeds from issuance	-	4,968,801	10,255,000	12,505,000	27,728,801
Repayment and redemption	(2,391)	(2,933,121)	(8,080,000)	(9,395,000)	(20,410,512)
Interest/profit paid	-	(146,259)	(719,452)	(800,490)	(1,666,201)
Exchange fluctuation	-	267,969	-	-	267,969
Other non-cash movement	316	178,233	746,201	833,569	1,758,319
As at 31 December	9,308	5,473,654	19,481,343	23,278,139	48,242,444
2022					
As at 1 January	13,738	2,572,657	17,386,080	15,082,028	35,054,503
Proceeds from issuance	-	1,974,498	10,295,000	10,090,000	22,359,498
Repayment and redemption	(2,733)	(1,595,150)	(10,415,000)	(5,075,000)	(17,087,883)
Interest/profit paid	-	(31,902)	(571,044)	(590,335)	(1,193,281)
Exchange fluctuation	-	170,509	-	-	170,509
Other non-cash movement	379	47,419	584,558	628,367	1,260,723
As at 31 December	11,384	3,138,031	17,279,594	20,135,060	40,564,069

40 RELATED PARTIES AND SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES

(a) Related parties and relationships

The related parties and their relationships with the Group and the Company are as follows:

Related parties	Relationships
CHB	Ultimate holding company
CGP	Subsidiary
CGS	Subsidiary
Cagamas MBS Berhad ("CMBS")	Related company
BNM Sukuk Berhad ("BNM Sukuk")	Structured entity of ultimate holding company
Cagamas SME Berhad ("CSME")	Related company
Cagamas SRP Berhad ("CSRP")	Related company and trustee for LPPSA
Cagamas MGP Berhad ("CMGP")	Related company
Government of Malaysia ("GOM")	Other related party
Lembaga Pembiayaan Perumahan Sektor Awam ("LPPSA")	Originator/servicer and entity related to GOM
Bank Negara Malaysia ("BNM")	Other related party
Key management personnel	Other related party
Entities in which key management personnel have control	Other related party

Related company is defined as subsidiary of the ultimate holding company.

BNM is regarded as a related party on the basis of having significant influence over the ultimate holding company.

As BNM has significant influence over the ultimate holding company, the GOM and entities controlled, jointly controlled or has significant influence by the GOM are related parties of the Group and the Company.

The Group and the Company enter into transactions with many of these entities to purchase mortgage loans, personal loans and hire purchase and leasing debts and to issue bonds and notes to finance the purchase as part of its normal operations. The Group and the Company also purchase Islamic financing facilities such as home financing, personal financing and hire purchase financing and funded by issuance of Sukuk.

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group and the Company either directly or indirectly. The key management personnel of the Company include all the Directors of the Group and its ultimate holding company, certain members of senior management and their close family members.

Entities in which key management personnel have control are defined as entities that are controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly by key management personnel.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

40 RELATED PARTIES AND SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

(b) Significant related party transactions and balances

Most of the transactions involving mortgage loans, personal loans, hire purchase and leasing debts and Islamic financing facilities as well as issuance of unsecured Corporate Bonds and Sukuk are transacted with the shareholders of the ultimate holding company. These transactions have been disclosed on the statement of financial position and income statements of the Group and the Company.

Set out below are significant related party transactions and balances of the Group and the Company.

Group	Ultimate holding company RM'000	Related company RM'000	Other related party RM'000
2023			
Income			
Transaction administrator and administrator fees	-	1,625	-
Management fee	41	2,265	-
Expenses			
FAST* and RENTAS** charges	-	-	138
Servicers fees	-	1,810	-
Amount due from/(to)			
Transaction administrator and administrator fees	-	586	-
BNM current accounts	-	-	23
Reimbursement of operating expenses	-	-	5
Servicers fees	-	(363)	-
Management fee receivable	10	600	-
2022			
Income			
Transaction administrator and administrator fees	-	1,404	-
Management fee	46	2,544	-
Expenses			
FAST* and RENTAS** charges	-	-	149
Servicers fees	-	1,930	-
Amount due from/(to)			
Transaction administrator and administrator fees	-	377	-
BNM current accounts	-	-	35
Reimbursement of operating expenses	-	-	5
Servicers fees	-	(410)	-
Payment on behalf			
- Working capital and other expenses	-	1	-
Management fee receivable	13	606	-

* Denotes Fully Automated System for Issuing and Tendering ("FAST").
** Denotes Real-Time Electronic Transfer of Funds and Securities ("RENTAS").

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

40 RELATED PARTIES AND SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

(b) Significant related party transactions and balances (continued)

Company	Ultimate holding company RM'000	Subsidiaries RM'000	Related company RM'000	Other related party RM'000
2023				
Income				
Transaction administrator and administrator fees	-	-	1,625	-
Management fee	41	-	2,265	-
Expenses				
FAST* and RENTAS** charges	-	-	-	138
Servicers fees	-	-	1,810	-
Interest expense	-	178,234	-	-
Amount due from/(to)				
Transaction administrator and administrator fees	-	-	586	-
BNM current accounts	-	-	-	23
Reimbursement of operating expenses	-	-	-	5
Servicers fees	-	-	(363)	-
Loans/financing	-	(5,473,654)	-	-
Payment of expenses on behalf - Working capital and other expenses	-	4,127	-	-
Management fee receivable	10	-	600	-
2022				
Income				
Transaction administrator and administrator fees	-	-	1,404	-
Management fee	46	-	2,544	-
Expenses				
FAST* and RENTAS** charges	-	-	-	149
Servicers fees	-	-	1,930	-
Interest expense	-	47,419	-	-
Amount due from/(to)				
Transaction administrator and administrator fees	-	-	377	-
BNM current accounts	-	-	-	35
Reimbursement of operating expenses	-	-	-	5
Servicers fees	-	-	(410)	-
Loans/financing	-	(3,138,031)	-	-
Payment of expenses on behalf - Working capital and other expenses	-	3,963	1	-
Management fee receivable	13	-	606	-

* Denotes Fully Automated System for Issuing and Tendering ("FAST").
** Denotes Real-Time Electronic Transfer of Funds and Securities ("RENTAS").

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

40 RELATED PARTIES AND SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

(b) Significant related party transactions and balances (continued)

The Group and the Company key management personnel received remuneration for services rendered during the financial year. The total salaries and other employees' benefits paid to the Group's key management personnel was RM8,503,799 (2022: RM7,563,862).

The total remuneration paid to the Directors is disclosed in Note 36 to the financial statements.

41 CAPITAL COMMITMENTS

	Group and Company	
	2023	2022
	RM'000	RM'000
Capital expenditure:		
Authorised and contracted for	3,943	6,108
Authorised but not contracted for	3,651	3,547
	7,594	9,655
Analysed as follows:		
Equipment and others	659	1,053
Computer hardware and software	6,935	8,602
	7,594	9,655

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

42 FINANCIAL INSTRUMENTS BY CATEGORY

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Financial assets				
Financial assets at amortised cost:				
Cash and cash equivalents	180,359	159,765	180,332	159,722
Deposits and placements with financial institutions	86,947	132,570	86,947	132,570
Corporate bonds and Sukuk	2,286,680	1,817,754	2,286,680	1,817,754
Amount due from counterparties	19,987,790	17,097,746	19,987,790	17,097,746
Islamic financing assets	21,426,861	15,482,284	21,426,861	15,482,284
Mortgage assets				
- Conventional	3,021,850	3,426,761	3,021,850	3,426,761
- Islamic	3,881,528	4,275,424	3,881,528	4,275,424
Hire purchase assets				
- Islamic	55	50	55	50
Amount due from				
- Related company	586	378	586	378
- Subsidiaries	-	-	4,127	3,963
Other financial assets	17,627	30,922	17,626	30,921
	50,890,283	42,423,654	50,894,382	42,427,573
Financial assets at FVOCI:				
Debt instruments	2,690,061	3,493,471	2,690,061	3,493,471
Financial assets at FVTPL:				
Derivative financial instruments	207,659	102,583	207,659	102,583
Reverse mortgage assets	2,147	552	2,147	552
	209,806	103,135	209,806	103,135
Financial liabilities				
Financial liabilities at amortised cost:				
Short-term borrowings	648,790	812,339	648,790	812,339
Loans/financing from subsidiaries	-	-	5,473,654	3,138,031
Unsecured bearer bonds and notes	24,954,908	20,414,672	19,481,343	17,279,594
Sukuk	23,278,139	20,135,060	23,278,139	20,135,060
Other financial liabilities	150,398	201,294	150,335	201,126
	49,032,235	41,563,365	49,032,261	41,566,150
Financial liabilities at FVTPL:				
Derivative financial instruments	15,161	6,619	15,161	6,619

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

43 INTEREST/PROFIT RATE RISK

Cash flow interest/profit rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest/profit rates. Fair value interest/profit rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest/profit rates. The Group and the Company take on the exposure of the effects of fluctuations in the prevailing levels of market interest/profit rates on both its fair value and cash flow risks. Interest/profit margin may increase as a result of such changes but may reduce or create losses in the event that an unexpected movement in the market interest/profit rates arise.

For decision-making purposes, the Group and the Company manage their exposure to interest/profit rate risk. The Group and the Company set limits on the sensitivity of the Group's and the Company's forecasted net interest income/profit income at risk to projected changes in interest/profit rates. The Group and the Company also undertakes duration analysis before deciding on the size and tenure of the bonds/Sukuk to be issued to ensure that the Group's and the Company's assets and liabilities are closely matched within the tolerance limit set by the Board of Directors.

The table below summarises the sensitivity of the Group's and the Company's financial instruments to interest/profit rates movements. The analysis is based on the assumptions that interest/profit will fluctuate by 100 basis points, with all other variables held constant.

Group and Company	+100 basis		-100 basis	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Impact to equity:				
Financial assets at FVOCI	(133,547)	(117,112)	146,032	126,545
Taxation effects on the above at tax rate of 24%	32,051	28,107	(35,048)	(30,371)
Effect on shareholder's funds	(101,496)	(89,005)	110,984	96,174
As percentage of shareholder's funds	(2.2%)	(2.1%)	2.4%	2.2%
Impact to income statements:				
Net interest income	9,590	2,284	(9,590)	(2,281)
Taxation effects at the rate of 24%	(2,302)	(548)	2,302	547
Effect on net interest income	7,288	1,736	(7,288)	(1,734)
As percentage of profit after tax	3.2%	0.8%	(3.2%)	(0.8%)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

44 CREDIT RISK

44.1 Credit risk concentrations

The Group's and the Company's counterparties are mainly the GOM, financial institutions and individuals in Malaysia. The financial institutions are governed by the Financial Services Act 2013, Islamic Financial Services Act 2013 and Development Financial Institutions Act 2002. The financial institutions are subject to periodic review by the BNM. The following tables summarise the Group's and the Company's maximum exposure to credit risk by counterparty or customer or the industry in which they are engaged as at the statement of financial position date.

Industrial analysis based on its industrial distribution

Group	Cash and cash equivalent RM'000	Deposits and placements with financial institutions RM'000	Financial assets at FVOCI RM'000	Financial assets at amortised cost RM'000	Derivative financial instruments RM'000	Amount Amount due from counterparties RM'000	Islamic financing assets RM'000	Mortgage assets- Conventional RM'000	Mortgage assets- Islamic RM'000	Hire purchase assets- Islamic RM'000	Reverse mortgage RM'000	Other assets RM'000	Total RM'000
2023													
Government	-	-	1,420,577	-	-	-	-	-	-	-	-	33	1,420,610
Financial institutions:													
- Commercial banks	180,359	86,947	345,859	2,286,680	207,659	19,641,205	19,395,481	-	-	-	-	-	42,144,190
- Development	-	-	288,971	-	-	-	2,011,411	-	-	-	-	-	2,300,382
Communication, electricity, gas and water	-	-	213,271	-	-	-	-	-	-	-	-	-	213,271
Transportation	-	-	160,538	-	-	-	-	-	-	-	-	-	160,538
Leasing	-	-	60,941	-	-	346,585	19,969	-	-	-	-	-	427,495
Consumers	-	-	-	-	-	-	-	3,021,850	3,881,528	55	2,147	-	6,905,580
Corporate	-	-	128,513	-	-	-	-	-	-	-	-	-	128,513
Construction	-	-	20,420	-	-	-	-	-	-	-	-	-	20,420
Others	-	-	50,971	-	-	-	-	-	-	-	-	18,180	69,151
Total	180,359	86,947	2,690,061	2,286,680	207,659	19,987,790	21,426,861	3,021,850	3,881,528	55	2,147	18,213	53,790,150

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

44 CREDIT RISK (CONTINUED)

44.1 Credit risk concentrations (continued)

Industrial analysis based on its industrial distribution (continued)

Group	Cash and cash equivalent RM'000	Deposits and placements with financial institutions RM'000	Financial assets at FVOCI RM'000	Financial assets at amortised cost RM'000	Derivative financial instruments RM'000	Amount Amount due from counterparties RM'000	Islamic financing assets RM'000	Mortgage assets- Conventional RM'000	Mortgage assets- Islamic RM'000	Hire purchase assets- Islamic RM'000	Reverse mortgage RM'000	Other assets RM'000	Total RM'000
2022													
Government	-	-	1,524,101	-	-	-	-	-	-	-	-	353	1,524,454
Financial institutions:													
- Commercial banks	159,765	132,570	618,961	1,817,754	102,583	16,641,501	14,981,115	-	-	-	-	-	34,454,249
- Development	-	-	202,129	-	-	-	501,169	-	-	-	-	-	703,298
Communication, electricity, gas and water	-	-	300,140	-	-	-	-	-	-	-	-	-	300,140
Transportation	-	-	381,397	-	-	-	-	-	-	-	-	-	381,397
Leasing	-	-	-	-	-	456,245	-	-	-	-	-	-	456,245
Consumers	-	-	-	-	-	-	-	3,426,761	4,275,424	50	552	-	7,702,787
Corporate	-	-	375,365	-	-	-	-	-	-	-	-	-	375,365
Construction	-	-	56,201	-	-	-	-	-	-	-	-	-	56,201
Others	-	-	35,177	-	-	-	-	-	-	-	-	30,947	66,124
Total	159,756	132,570	3,493,471	1,817,754	102,583	17,097,746	15,482,284	3,426,761	4,275,424	50	552	31,300	46,020,260

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

44 CREDIT RISK (CONTINUED)

44.1 Credit risk concentrations (continued)

Industrial analysis based on its industrial distribution (continued)

Company	Cash and cash equivalent RM'000	Deposits and placements with financial institutions RM'000	Financial assets at FVOCI RM'000	Financial assets at amortised cost RM'000	Derivative financial instruments RM'000	Amount due from counterparties RM'000	Islamic financing assets RM'000	Mortgage assets- Conventional RM'000	Mortgage assets- Islamic RM'000	Hire purchase assets- Islamic RM'000	Reverse mortgage RM'000	Other assets RM'000	Total RM'000
2023													
Government bodies	-	-	1,420,577	-	-	-	-	-	-	-	-	33	1,420,610
Financial institutions:													
- Commercial banks	180,332	86,947	345,859	2,286,680	207,659	19,641,205	19,395,481	-	-	-	-	-	42,144,163
- Development	-	-	288,971	-	-	-	2,011,411	-	-	-	-	-	2,300,382
Communication, electricity, gas and water	-	-	213,271	-	-	-	-	-	-	-	-	-	213,271
Transportation	-	-	160,538	-	-	-	-	-	-	-	-	-	160,538
Leasing	-	-	60,941	-	-	346,585	19,969	-	-	-	-	-	427,495
Consumers	-	-	-	-	-	-	-	3,021,850	3,881,528	55	2,147	-	6,905,580
Corporate	-	-	128,513	-	-	-	-	-	-	-	-	-	128,513
Construction	-	-	20,420	-	-	-	-	-	-	-	-	-	20,420
Others	-	-	50,971	-	-	-	-	-	-	-	-	22,306	73,277
Total	180,332	86,947	2,690,061	2,286,680	207,659	19,987,790	21,426,861	3,021,850	3,881,528	55	2,147	22,339	53,794,249

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

44 CREDIT RISK (CONTINUED)

44.1 Credit risk concentrations (continued)

Industrial analysis based on its industrial distribution (continued)

Company	Cash and cash equivalent RM'000	Deposits and placements with financial institutions RM'000	Financial assets at FVOCI RM'000	Financial assets at amortised cost RM'000	Derivative financial instruments RM'000	Amount due from counterparties RM'000	Islamic financing assets RM'000	Mortgage assets- Conventional RM'000	Mortgage assets- Islamic RM'000	Hire purchase assets- Islamic RM'000	Reverse mortgage RM'000	Other assets RM'000	Total RM'000
2022													
Government bodies	-	-	1,524,101	-	-	-	-	-	-	-	-	353	1,524,454
Financial institutions:													
- Commercial banks	159,722	132,570	618,961	1,817,754	102,583	16,641,501	14,981,115	-	-	-	-	-	34,454,206
- Development	-	-	202,129	-	-	-	501,169	-	-	-	-	-	703,298
Communication, electricity, gas and water	-	-	300,140	-	-	-	-	-	-	-	-	-	300,140
Transportation	-	-	381,397	-	-	-	-	-	-	-	-	-	381,397
Leasing	-	-	-	-	-	456,245	-	-	-	-	-	-	456,245
Consumers	-	-	-	-	-	-	-	3,426,761	4,275,424	50	552	-	7,702,787
Corporate	-	-	375,365	-	-	-	-	-	-	-	-	-	375,365
Construction	-	-	56,201	-	-	-	-	-	-	-	-	-	56,201
Others	-	-	35,177	-	-	-	-	-	-	-	-	34,909	70,086
Total	159,722	132,570	3,493,471	1,817,754	102,583	17,097,746	15,482,284	3,426,761	4,275,424	50	552	35,262	46,024,179

44 CREDIT RISK (CONTINUED)

44.2 Amount due from counterparties, Islamic financing assets, mortgage assets and hire purchase assets/Islamic mortgage assets and Islamic hire purchase assets

All amount due from counterparties, Islamic financing assets, mortgage assets and hire purchase assets are categorised as either:

- neither more than 90 days past due nor individually impaired; or
- more than 90 days past due but not individually impaired.

Neither more than 90 days past due nor individually impaired comprise of amount due from counterparties, Islamic financing asset, mortgage assets and hire purchase assets, Islamic mortgage assets and Islamic hire purchase assets are classified under Stage 1 and Stage 2 financial assets.

More than 90 days past due but not individually impaired comprise of amount due from counterparties, Islamic financing asset, mortgage assets and hire purchase assets, Islamic mortgage assets and Islamic hire purchase assets categorised under Stage 3 financial assets.

The impairment allowance is assessed on a pool of financial assets which are not individually impaired.

Credit risk loans comprise of amount due from counterparties, Islamic financing assets, mortgage assets and hire purchase assets/Islamic mortgage assets and Islamic hire purchase assets which are due more than 90 days. The coverage ratio is calculated in reference to total impairment allowance and the carrying value (before impairment) of credit risk loans.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

44 CREDIT RISK (CONTINUED)

44.2 Amount due from counterparties, Islamic financing assets, mortgage assets and hire purchase assets/Islamic mortgage assets and Islamic hire purchase assets (continued)

Group and Company	Neither more than 90 days past due nor individually impaired RM'000	More than 90 days past due but not individually impaired* RM'000	Total RM'000	Impairment allowance RM'000	Total carrying value RM'000	Credit risk loans RM'000	Coverage ratio %
2023							
Amount due from counterparties	19,987,815	-	19,987,815	25	19,987,790	-	-
Islamic financing assets	21,426,957	-	21,426,957	96	21,426,861	-	-
Mortgage assets:							
- Conventional	3,022,779	10,489	3,033,268	11,418	3,021,850	10,489	109
- Islamic	3,879,336	13,903	3,893,239	11,711	3,881,528	13,903	84
Hire purchase assets:							
- Islamic	36	25	61	6	55	25	24
	48,316,923	24,417	48,341,340	23,256	48,318,084	24,417	
2022							
Amount due from counterparties	17,097,762	-	17,097,762	16	17,097,746	-	-
Islamic financing assets	15,482,377	-	15,482,377	93	15,482,284	-	-
Mortgage assets:							
- Conventional	3,423,344	18,314	3,441,658	14,897	3,426,761	18,314	81
- Islamic	4,273,507	19,108	4,292,615	17,191	4,275,424	19,108	90
Hire purchase assets:							
- Islamic	26	36	62	12	50	36	33
	40,277,016	37,458	40,314,474	32,209	40,282,265	37,458	

* These assets have been provided for under collective assessment.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

44 CREDIT RISK (CONTINUED)

44.2 Amount due from counterparties, Islamic financing assets, mortgage assets and hire purchase assets/Islamic mortgage assets and Islamic hire purchase assets (continued)

Amount due from counterparties, Islamic financing assets, mortgage assets and hire purchase assets Islamic mortgage assets and Islamic hire purchase assets neither past due nor individually impaired are as below:

	Group and Company	
	2023	2022
	Strong/ Total RM'000	Strong/ Total RM'000
Amount due from counterparties	19,987,815	17,097,762
Islamic financing assets	21,426,957	15,482,377
Mortgage assets:		
- Conventional	3,022,779	3,423,344
- Islamic	3,879,336	4,273,507
Hire purchase assets:		
- Islamic	36	26
	48,316,923	40,277,016

The amount due from counterparties, Islamic financing assets, mortgage assets and hire purchase assets/Islamic mortgage assets and Islamic hire purchase assets of the Group and the Company have been identified with strong credit risk quality which has a very high likelihood for full recovery.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

44 CREDIT RISK (CONTINUED)

44.2 Amount due from counterparties, Islamic financing assets, mortgage assets and hire purchase assets/Islamic mortgage assets and Islamic hire purchase assets (continued)

An aging analysis of mortgage assets and hire purchase assets/Islamic mortgage assets and Islamic hire purchase assets that are past due but not individually impaired is set out below:

	Group and Company				
	91 to 120 days	121 to 150 days	151 to 180 days	Over 180 days	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
2023					
Mortgage assets:					
- Conventional	1,152	520	655	8,162	10,489
- Islamic	1,769	1,191	569	10,374	13,903
Hire purchase assets:					
- Islamic	-	-	-	25	25
	2,921	1,711	1,224	18,561	24,417
2022					
Mortgage assets:					
- Conventional	789	1,167	1,441	14,917	18,314
- Islamic	1,150	938	774	16,246	19,108
Hire purchase assets:					
- Islamic	-	-	-	36	36
	1,939	2,105	2,215	31,199	37,458

For the purpose of this analysis, an asset is considered past due and included above when payment due under strict contractual terms is received late or missed. The amount included is either the entire financial assets, not just the payment, of both principal and interest, overdue on mortgage assets and hire purchase assets/Islamic mortgage assets and Islamic hire purchase assets. This may result from administrative delays on the side of the borrower leading to assets being past due but not impaired. Therefore, loans and advances less than 90 days past due are not usually considered impaired, unless other information is available to indicate the contrary.

The impairment allowance on such loans is calculated on a collective, not individual basis as this reflects homogeneous nature of the assets, which allows statistical techniques to be used, rather than individual assessments.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

44 CREDIT RISK (CONTINUED)

44.2 Amount due from counterparties, Islamic financing assets, mortgage assets and hire purchase assets/Islamic mortgage assets and Islamic hire purchase assets (continued)

	Group and Company			
	As at 1 January RM'000	Reversal made RM'000	Written-off to principal balance outstanding RM'000	As at 31 December RM'000
2023				
Amount due from counterparties	16	9	-	25
Islamic financing assets	93	3	-	96
Mortgage assets:				
- Conventional	14,897	(4,892)	1,413	11,418
- Islamic	17,191	(6,674)	1,194	11,711
Hire purchase assets:				
- Islamic	12	(3)	(3)	6
	32,209	(11,557)	2,604	23,256
2022				
Amount due from counterparties	19	(3)	-	16
Islamic financing assets	61	32	-	93
Mortgage assets:				
- Conventional	21,339	(5,982)	(460)	14,897
- Islamic	22,632	(3,492)	(1,949)	17,191
Hire purchase assets:				
- Islamic	12	-	-	12
	44,063	(9,445)	(2,409)	32,209

44.3 Amount due from related company

None of these assets are impaired nor past due but not impaired.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

44 CREDIT RISK (CONTINUED)

44.4 Credit quality

The following table contains an analysis of credit exposure by stages, together with the impairment allowance provision:

	Group and Company					
2023	GOM RM'000	AAA RM'000	AA1 to AA3/A+ to AA- RM'000	No rating RM'000	Total RM'000	Impairment allowance RM'000
Financial assets at FVOCI						
- Stage 1	1,511,948	514,929	663,184	-	2,690,061	370
Financial assets at amortised cost						
- Stage 1	-	-	2,286,680	-	2,286,680	3,768
Amount due from counterparties						
- Stage 1	-	6,914,909	13,072,881	-	19,987,790	25
Islamic financing assets						
- Stage 1	-	6,463,673	14,943,219	19,969	21,426,861	96
Mortgage assets:						
- Stage 1	-	-	-	3,021,332	3,021,332	8,496
- Stage 2	-	-	-	1,447	1,447	195
- Stage 3	-	-	-	10,489	10,489	2,727
	-	-	-	3,033,268	3,033,268	11,418
Islamic mortgage assets:						
- Stage 1	-	-	-	3,876,935	3,876,935	7,846
- Stage 2	-	-	-	2,401	2,401	250
- Stage 3	-	-	-	13,903	13,903	3,615
	-	-	-	3,893,239	3,893,239	11,711
Islamic hire purchase asset						
- Stage 1	-	-	-	36	36	-
- Stage 3	-	-	-	25	25	6
	-	-	-	61	61	6

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

44 CREDIT RISK (CONTINUED)

44.4 Credit quality

The following table contains an analysis of credit exposure by stages, together with the impairment allowance provision:

	Group and Company					
2022	GOM RM'000	AAA RM'000	AA1 to AA2/AA+ to AA RM'000	No rating RM'000	Total RM'000	Impairment allowance RM'000
Financial assets at FVOCI						
- Stage 1	1,900,710	879,434	713,327	-	3,493,471	365
Financial assets at amortised cost						
- Stage 1	-	-	1,817,754	-	1,817,754	3,135
Amount due from counterparties						
- Stage 1	-	5,179,833	11,917,913	-	17,097,746	16
Islamic financing assets						
- Stage 1	-	2,561,055	12,921,229	-	15,482,284	93
Mortgage assets:						
- Stage 1	-	-	-	3,421,242	3,421,242	8,677
- Stage 2	-	-	-	2,102	2,102	345
- Stage 3	-	-	-	18,314	18,314	5,875
	-	-	-	3,441,658	3,441,658	14,897
Islamic mortgage assets:						
- Stage 1	-	-	-	4,272,454	4,272,454	10,923
- Stage 2	-	-	-	1,053	1,053	138
- Stage 3	-	-	-	19,108	19,108	6,130
	-	-	-	4,292,615	4,292,615	17,191
Islamic hire purchase asset						
- Stage 1	-	-	-	26	26	-
- Stage 3	-	-	-	36	36	12
	-	-	-	62	62	12

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

44 CREDIT RISK (CONTINUED)

44.5 Credit risk mitigation

The Group and the Company hold the properties financed by the mortgage asset as collateral. The collateral are closely monitored for financial assets considered to be credit-impaired, as it becomes more likely that the Group and the Company will take possession of collateral to mitigate potential credit losses.

Financial assets and related collateral held to mitigate potential losses are shown below:

	Gross carrying value RM'000	Impairment allowance RM'000	Net carrying value RM'000	Fair value of collateral held RM'000
2023				
Mortgage assets				
- Conventional	3,033,268	(11,418)	3,021,850	16,756,093
- Islamic	3,893,239	(11,711)	3,881,528	14,784,025
	6,926,507	(23,129)	6,903,378	31,540,118
2022				
Mortgage assets				
- Conventional	3,441,658	(14,897)	3,426,761	16,820,699
- Islamic	4,292,615	(17,191)	4,275,424	14,265,652
	7,734,273	(32,088)	7,702,185	31,086,351

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

44 CREDIT RISK (CONTINUED)

44.6 Offsetting financial instruments

The following financial instruments are subject to offsetting, enforceable master netting arrangements and similar agreements:

	Group and Company		
	Gross amount	Related amounts not set-off	Net amount
	RM'000	RM'000	RM'000
2023			
Derivative financial assets	207,659	(4,807)	202,851
Derivative financial liabilities	15,161	(4,807)	10,353
2022			
Derivative financial assets	102,583	-	102,583
Derivative financial liabilities	6,619	-	6,619

45 LIQUIDITY RISK

45.1 Funding approach

Sources of liquidity are regularly reviewed to maintain a wide diversification of debt portfolios. This involves managing market access in order to widen sources of funding to avoid over dependence on a single funding source as well as to minimise cost of funding.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

45 LIQUIDITY RISK (CONTINUED)

45.2 Liquidity pool

The liquidity pool comprised the following cash and unencumbered assets:

	Cash and cash equivalents RM'000	Deposits and placements with financial institutions RM'000	Financial asset at FVTPL RM'000	Financial asset at FVOCI RM'000	Financial asset at financial cost RM'000	Derivatives financial instruments RM'000	Amount due from counter parties RM'000	Islamic financing assets RM'000	Mortgage assets RM'000	Islamic mortgage assets RM'000	Reverse mortgage RM'000	Other available liquidity RM'000	Total RM'000
Group													
2023	180,359	86,947	-	2,690,061	2,286,680	207,659	19,987,790	21,426,861	3,021,850	3,881,528	2,147	18,268	53,790,150
2022	159,765	132,570	-	3,493,471	1,817,754	102,583	17,097,746	15,482,284	3,426,761	4,275,424	552	31,350	46,020,260
Company													
2023	180,332	86,947	-	2,690,061	2,286,680	207,659	19,987,790	21,426,861	3,021,850	3,881,528	2,147	22,394	53,794,249
2022	159,722	132,570	-	3,493,471	1,817,754	102,583	17,097,746	15,482,284	3,426,761	4,275,424	552	35,312	46,024,179

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

45 LIQUIDITY RISK (CONTINUED)

45.3 Contractual maturity of financial liabilities

The table below presents the cash flows payable by the Group and the Company under financial liabilities by remaining contractual maturities at the date of the statement of financial position. The amounts disclosed in the table are contractual undiscounted cash flow, whereas the Group and the Company manage the liquidity risk based on a different basis.

Group	On demand up to one month RM'000	One to three months RM'000	Three to twelve months RM'000	One to five years RM'000	Over five years RM'000	Total RM'000
2023						
Financial liabilities						
Short-term borrowings	-	194,236	-	433,618	-	627,854
Unsecured bearer bonds and notes	100,605	3,600,221	6,878,311	15,504,741	1,027,660	27,111,538
Sukuk	49,261	432,377	6,940,787	16,909,352	1,299,941	25,631,718
Other liabilities	147,844	2,534	-	-	-	150,378
	297,710	4,229,368	13,819,098	32,847,711	2,327,601	53,521,488
Assets held for managing liquidity risk	509,564	5,832,627	15,402,686	37,800,450	5,904,098	65,449,425
2022						
Financial liabilities						
Short-term borrowings	-	817,730	-	-	-	817,730
Unsecured bearer bonds and notes	33,979	91,755	8,078,904	13,003,328	1,432,402	22,640,368
Sukuk	20,461	172,916	6,893,835	12,957,341	2,214,080	22,258,633
Other liabilities	164,274	2,828	-	-	-	167,102
	218,714	1,085,229	14,972,739	25,960,669	3,646,482	45,883,833
Assets held for managing liquidity risk	437,952	1,427,814	13,885,863	29,961,062	5,928,426	51,641,117

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

45 LIQUIDITY RISK (CONTINUED)

45.3 Contractual maturity of financial liabilities

Company	On demand up to one month RM'000	One to three months RM'000	Three to twelve months RM'000	One to five years RM'000	Over five years RM'000	Total RM'000
2023						
Financial liabilities						
Short-term borrowings	-	194,236	-	433,618	-	627,854
Unsecured bearer bonds and notes	100,605	1,926,817	4,104,934	14,631,398	709,195	21,472,949
Sukuk	49,261	432,377	6,940,787	16,909,352	1,299,941	25,631,718
Loans/financing from subsidiaries	-	1,673,366	2,773,406	1,191,717	-	5,638,489
Other liabilities	147,798	2,534	-	-	-	150,332
	297,664	4,229,330	13,819,127	33,166,085	2,009,136	53,521,342
Assets held for managing liquidity risk	509,564	4,159,223	12,629,309	36,927,107	5,585,633	59,810,836
2022						
Financial liabilities						
Short-term borrowings	-	817,730	-	-	-	817,730
Unsecured bearer bonds and notes	33,979	58,361	5,233,224	12,671,776	1,432,402	19,429,742
Sukuk	20,461	172,916	6,893,835	12,957,341	2,214,080	22,258,633
Loans/financing from subsidiaries	-	33,394	2,845,701	331,516	-	3,210,611
Other liabilities	164,228	2,828	-	-	-	167,056
	218,668	1,085,229	14,972,760	25,960,633	3,646,482	45,883,772
Assets held for managing liquidity risk	437,952	1,427,780	13,883,016	29,960,731	5,928,426	51,637,905

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

45 LIQUIDITY RISK (CONTINUED)

45.4 Derivative liabilities

The Group and the Company's derivatives comprise IRS, IPRS, CCS and ICCS entered by the Group and the Company for which cash flows are exchanged for hedging purposes.

The following table analyses the Group and the Company's derivatives financial liabilities that will be settled on a net basis into relevant maturity groupings based on the remaining period at the date of the statement of financial position to the contractual maturity date. Contractual maturities are assessed to be essential for an understanding of all derivatives. The amounts disclosed in the table below are the contractual undiscounted cash flows.

	Group and Company					
	On demand up to one month	One to three months	Three to twelve months	One to five years	Over five years	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
2023						
Net settled derivatives						
Derivatives held for hedging:						
IRS/IPRS	(28)	(4,258)	3,636	5,732	9,865	14,947
Gross settled derivatives						
Derivatives held for hedging:						
CCS/ICCS						
- Outflow	-	(1,546,315)	(2,741,675)	(1,155,848)	-	(5,443,838)
- Inflow	-	1,673,404	2,773,377	1,191,808	-	5,638,589
2022						
Net settled derivatives						
Derivatives held for hedging:						
IRS/IPRS	2,337	(6,432)	15,405	3,669	14,863	29,842
Gross settled derivatives						
Derivatives held for hedging:						
CCS/ICCS						
- Outflow	-	(28,186)	(2,768,540)	(312,592)	-	(3,109,318)
- Inflow	-	33,394	2,845,680	331,552	-	3,210,626

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

46 FOREIGN EXCHANGE RISK

The Group and the Company are exposed to translation foreign exchange rate on its unsecured bearer bonds and notes denominated in currencies other than the functional currencies of the Company and the Group.

The Group hedges 100% of its foreign currency denominated unsecured bearer bonds and notes and Sukuk. The Group and the Company take minimal exposure to the effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows. The Group and the Company manage its exposure by entering into derivatives contracts.

46.1 Exposure to foreign currency risk

GROUP	HKD RM'000	USD RM'000	SGD RM'000
2023			
Derivatives financial instruments	489,854	-	4,987,578
Unsecured bearer bonds and notes	489,906-	-	4,983,658
2022			
Derivatives financial instruments	-	429,517	2,680,156
Unsecured bearer bonds and notes	-	440,873	2,694,205
COMPANY			
2023			
Derivatives financial instruments	489,854	-	4,987,578
Loans/financing from subsidiary	489,906	-	4,983,748
2022			
Derivatives financial instruments	-	429,517	2,680,156
Loans/financing from subsidiary	-	441,007	2,697,024

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

46 FOREIGN EXCHANGE RISK (CONTINUED)

46.2 Currency risk sensitivity analysis

A 1% weakening of the Ringgit Malaysia against the following currencies as at the date of statement of financial position would have increased equity and profit for the financial year as summarised in table below:

	Group		Company	
	Equity RM'000	Profit RM'000	Equity RM'000	Profit RM'000
2023				
USD	-	-	-	-
HKD	-	-	-	-
SGD	29	1	29	1
	29	1	29	1
2022				
USD	(87)	-	(87)	-
SGD	(122)	-	(122)	-
	(209)	-	(209)	-

The sensitivity analysis is based on foreign currency exchange rate variances that the Group and the Company considered to be reasonably possible at the end of the reporting period. The sensitivity analysis assumes that all other variable, in particular interest/profit rates, remained constant and ignores any impact of CCS/ICCS.

The movement of the spot rate of foreign currency denominated for unsecured bearer bonds and notes and Sukuk and CCS/ICCS are not shown as it offsets each other.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

47 FAIR VALUE OF FINANCIAL INSTRUMENTS

47.1 Fair value of financial instruments carried at fair value

Financial instruments comprise financial assets, financial liabilities and off statement of financial position 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 information presented herein represents the estimates of fair values as at the date of the statement of financial position.

The face value of financial assets (less any estimated credit adjustments) and financial liabilities with a maturity period of less than one year is assumed to approximate their fair values.

Where available, quoted and observable market prices are used as the measure of fair values. Where such quoted and observable market prices are not available, fair values are estimated based on a number of methodologies and assumptions regarding risk characteristics of various financial instruments, discount rates, estimates of future cash flows and other factors. Changes in the assumptions could materially affect these estimates and the corresponding fair values.

The derivatives financial instruments become favourable (assets) or unfavourable (liabilities) as a result of fluctuations in market interest/profit rates relative to their terms. The extent to which instruments are favourable or unfavourable and the aggregate fair values of derivative financial assets and liabilities can fluctuate significantly from time to time.

The fair value of the financial assets at FVTPL and FVOCI is derived from market indicative quotes or observable market prices at the date of the statement of financial position.

The estimated fair value of the IRS, IPRS and CCS are based on the estimated cash flows discounted using the market interest/profit rate, taking into account the effect of the entity's net exposure to the credit risk of the counterparty at the statement of financial position date.

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

47 FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

47.1 Fair value of financial instruments carried at fair value (continued)

	Group and Company			
	Level 1	Level 2	Level 3	Total
	RM'000	RM'000	RM'000	RM'000
2023				
Assets				
Financial assets at FVOCI	-	2,690,061	-	2,690,061
Derivative financial instruments	-	207,659	-	207,659
Liabilities				
Derivative financial instruments	-	15,161	-	15,161
2022				
Assets				
Financial assets at FVOCI	-	3,493,471	-	3,493,471
Derivative financial instruments	-	102,583	-	102,583
Liabilities				
Derivative financial instruments	-	6,619	-	6,619

47.2 Fair value of financial instruments carried other than fair value

The following methods and assumptions were used to estimate the fair value of financial instruments as at the statement of financial position date:

(a) Cash and cash equivalents and deposits and placements with financial institutions

The carrying amount of cash and cash equivalents and deposits and placements with financial institutions are used as reasonable estimate of fair values as the maturity is less than or equal to one year.

(b) Other financial assets

Other financial assets include other assets. The fair value of other financial assets is estimated at their carrying amount due to short tenure of less than one year.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

47 FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

47.2 Fair value of financial instruments carried other than fair value (continued)

(c) Amount due from related company and subsidiaries

The fair value of amount due from related company is estimated at their carrying amount due to short tenure of less than one year.

(d) Other financial liabilities

Other financial liabilities include creditors and accruals. The fair value of other financial liabilities is estimated at their carrying amount due to short tenure of less than one year.

The estimated fair values of the Group's and the Company's financial instruments approximated their carrying values in the statement of financial position except for the following:

	2023		2022	
	Carrying value	Fair value	Carrying value	Fair value
	RM'000	RM'000	RM'000	RM'000
Group				
Financial assets				
Financial assets at amortised cost	2,286,680	2,312,107	1,817,754	1,767,949
Amount due from counterparties	19,987,790	20,210,096	17,097,746	17,150,880
Islamic financing assets	21,426,861	21,635,189	15,482,284	15,450,301
Mortgage assets:				
- Conventional	3,021,850	3,232,627	3,426,761	3,654,532
- Islamic	3,881,528	4,189,621	4,275,424	4,599,997
Islamic hire purchase assets	55	62	50	62
	50,604,764	51,579,702	42,100,019	42,623,721
Financial liabilities				
Short-term borrowings	648,790	648,790	812,339	812,339
Unsecured bearer bonds and notes	24,954,908	25,134,180	20,414,672	19,033,752
Sukuk	23,278,139	23,431,049	20,135,060	18,841,467
	48,881,837	49,214,020	41,362,071	38,687,558

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

47 FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

47.2 Fair value of financial instruments carried other than fair value (continued)

The estimated fair values of the Group's and the Company's financial instruments approximated their carrying values in the statement of financial position except for the following (continued):

	2023		2022	
	Carrying value	Fair value	Carrying value	Fair value
	RM'000	RM'000	RM'000	RM'000
Company				
Financial assets				
Financial assets at amortised cost	2,286,680	2,312,107	1,817,754	1,767,949
Amount due from counterparties	19,987,790	20,210,096	17,097,746	17,150,880
Islamic financing assets	21,426,861	21,635,189	15,482,284	15,450,301
Mortgage assets:				
- Conventional	3,021,850	3,232,627	3,426,761	3,654,532
- Islamic	3,881,528	4,189,621	4,275,424	4,599,997
Islamic hire purchase assets	55	62	50	62
	50,604,764	51,579,702	42,100,019	42,623,721
Financial liabilities				
Short-term borrowings	648,790	648,790	812,339	812,339
Loans/financing from subsidiaries	5,473,654	5,530,677	3,138,031	3,101,776
Unsecured bearer bonds and notes	19,481,343	19,680,398	17,279,594	15,916,969
Sukuk	23,278,139	23,431,049	20,135,060	18,841,467
	48,881,926	49,290,914	41,365,024	38,672,551

The fair value of financial assets at amortised cost is based on observable market prices and is therefore within Level 2 of the fair value hierarchy.

The fair value of the fixed rate assets portfolio of amount due from counterparties is based on the present value of estimated future cash flows discounted at the prevailing market rates of loans with similar credit risk and maturities at the statement of financial position date and is therefore within Level 3 of the fair value hierarchy. The fair value of the floating rate assets portfolio of amount due from counterparties is based on their carrying amount as the repricing date of the floating rate assets portfolio is not greater than 6 months.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

47 FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

47.2 Fair value of financial instruments carried other than fair value (continued)

The fair value of the Islamic financing assets is based on the present value of estimated future cash flows discounted at the prevailing market rates of financing with similar credit risk and maturities at the statement of financial position date and is therefore within Level 3 of the fair value hierarchy.

The fair value of the mortgage assets and hire purchase assets/Islamic mortgage assets and Islamic hire purchase assets are derived at using the present value of future cash flows discounted based on the mortgage assets and hire purchase assets/Islamic mortgage assets and Islamic hire purchase assets yield to maturity at the statement of financial position date and is therefore within Level 3 of the fair value hierarchy.

The fair value of the short-term borrowing is estimated at their carrying amount due to short tenure of less than one year.

The fair value of the unsecured bearer bonds and notes and Sukuk are derived based on observable market prices and is therefore within Level 2 of the fair value hierarchy.

48 SEGMENT REPORTING

The Chief Executive Officer (the chief operating decision maker) of the Company makes strategic decisions and allocation of resources on behalf of the Group and the Company. The Group and the Company have determined the following operating segments based on reports reviewed by the chief operating decision maker in making its strategic decisions:

(a) PWR

Under the PWR scheme, the Group and the Company purchase the mortgage loans, personal loans, hire purchase and leasing debts and Islamic financing facilities such as home financing, hire purchase financing and personal financing from the primary lenders approved by the Group and the Company. The loans and financing are acquired with recourse to the primary lenders should the loans and financing fail to comply with agreed prudential eligibility criteria.

(b) PWOR

Under the PWOR scheme, the Group and the Company purchase the mortgage assets and hire purchase assets from counterparty on an outright basis for the remaining tenure of the respective assets purchased. The purchases are made without recourse to counterparty, other than certain warranties to be provided by the seller pertaining to the quality of the assets.

(a) Treasury

Under Treasury, the Group and the Company manage and invest surplus cashflow in approved treasury-related activities. The income consists of interest/profit and gains on the appreciation in the value of investment.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

48 SEGMENT REPORTING (CONTINUED)

There were no changes in the reportable segments during the financial year.

					Group
2023	PWR RM'000	PWOR RM'000	Treasury RM'000	Others RM'000	Total RM'000
External revenue	1,461,903	428,895	150,641	91,032	2,132,471
External interest/profit expense	(1,402,319)	(301,632)	(255)	(77,130)	(1,781,336)
Segment result (Net Operating Income)	59,584	127,263	150,386	13,902	351,135
Profit before taxation and zakat					303,595
Taxation					(74,713)
Zakat					(2,534)
Profit after taxation and zakat					226,348
Segment assets	41,414,651	6,903,432	2,957,366	2,543,477	53,818,926
Segment liabilities	41,416,106	4,745,000	648,790	2,455,397	49,265,293
Other information					
Capital expenditure	2,764	461	197	170	3,592
Depreciation and, amortization	5,443	907	389	334	7,073

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

48 SEGMENT REPORTING (CONTINUED)

There were no changes in the reportable segments during the financial year (continued).

					Group
2022	PWR RM'000	PWOR RM'000	Treasury RM'000	Others RM'000	Total RM'000
External revenue	1,052,149	542,380	-	49,983	1,644,512
External interest/profit expense	(908,260)	(344,921)	-	(40,346)	(1,293,527)
Segment result (Net Operating Income)	143,889	197,459	-	9,637	350,985
Profit before taxation and zakat					300,315
Taxation					(73,092)
Zakat					(2,828)
Profit after taxation and zakat					224,395
Segment assets	35,666,155	8,618,331	-	1,819,043	46,103,529
Segment liabilities	30,279,224	9,682,251	-	1,833,033	41,794,508
Other information					
Capital expenditure	3,732	902	-	190	4,824
Depreciation and, amortization	5,889	1,423	-	300	7,612

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

48 SEGMENT REPORTING (CONTINUED)

There were no changes in the reportable segments during the financial year (continued).

2023	PWR RM'000	PWOR RM'000	Treasury RM'000	Others RM'000	Company Total RM'000
External revenue	1,461,903	428,895	150,641	91,032	2,132,471
Internal interest/profit expense	(178,235)	-	-	-	(178,235)
External interest/profit expense	(1,221,253)	(301,632)	(255)	(77,130)	(1,600,270)
Total interest/profit expense	(1,399,488)	(301,632)	(255)	(77,130)	(1,778,505)
Segment result (Net Operating Income)	62,415	127,263	150,386	13,902	353,966
Profit before taxation and zakat					306,544
Taxation					(74,713)
Zakat					(2,534)
Profit after taxation and zakat					229,297
Segment assets	41,414,651	6,903,432	2,957,339	2,547,591	53,823,013
Segment liabilities	37,957,542	4,745,000	648,790	5,913,980	49,265,312
Other information					
Capital expenditure	2,764	461	197	170	3,592
Depreciation and, amortization	5,442	907	389	335	7,073

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

48 SEGMENT REPORTING (CONTINUED)

There were no changes in the reportable segments during the financial year (continued).

2022	PWR RM'000	PWOR RM'000	Treasury RM'000	Others RM'000	Company Total RM'000
External revenue	1,052,149	542,380	-	65,883	1,660,412
Internal interest/profit expense	(47,419)	-	-	-	(47,419)
External interest/profit expense	(860,678)	(344,921)	-	(40,346)	(1,245,945)
Total interest/profit expense	(908,097)	(344,921)	-	(40,346)	(1,293,364)
Segment result (Net Operating Income)	144,052	197,459	-	25,537	367,048
Profit before taxation and zakat					316,809
Taxation					(73,092)
Zakat					(2,828)
Profit after taxation and zakat					240,889
Segment assets	35,670,055	8,618,331	-	1,819,043	46,107,429
Segment liabilities	30,282,005	9,682,251	-	1,833,033	41,797,289
Other information					
Capital expenditure	3,732	902	-	190	4,824
Depreciation and, amortization	5,889	1,423	-	300	7,612

49 CAPITAL ADEQUACY

The Group's and the Company's objectives when managing capital, which is a broader concept than the "equity" on the face of the statement of financial position, are:

(a) To align with industry best practices and benchmark set by the regulators;

(b) To safeguard the Group's and the Company's ability to continue as a going concern so that it can continue to provide returns for shareholder and benefit to other stakeholders; and

(c) To maintain a strong capital base to support the development of its business.

The Group and the Company are not subject to the BNM Guidelines on the Capital Adequacy Guidelines. However, disclosure of the capital adequacy ratios is made on a voluntary basis for information purposes.

Capital adequacy and the use of regulatory capital are monitored by the Group's and the Company's management, employing techniques based on the guidelines developed by the Basel Committee and as implemented by BNM, for supervisory purposes.

The regulatory capital comprise of two tiers:

(a) Tier 1 capital: share capital (net of any book values of treasury shares) and other reserves which comprise retained profits and reserves created by appropriations of retained profits; and

(b) Tier 2 capital: comprise collective impairment allowances on mortgage assets and hire purchase assets/Islamic mortgage assets and Islamic hire purchase assets.

Common equity tier 1 ("CET1") and Tier 1 capital ratios refer to the ratio of total Tier 1 capital to risk-weighted assets. Total capital ratio ("TCR") is the ratio of total capital to risk-weighted assets.

	Group		Company	
	2023	2022	2023	2022
	%	%	%	%
Before deducting proposed final dividend*				
CET1 capital ratio	34.8	37.0	34.9	37.0
Tier 1 capital ratio	34.8	37.0	34.9	37.0
Total capital ratio	35.3	38.0	35.3	38.0
After deducting proposed final dividend*				
CET1 capital ratio	34.7	36.8	34.7	36.8
Tier 1 capital ratio	34.7	36.8	34.7	36.8
Total capital ratio	35.1	37.8	35.1	37.8

** Refers to proposed final dividend which will be declared after the financial year.*

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

49 CAPITAL ADEQUACY

Components of CET1, Tier 1 and Tier 2 capital:

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
CET1/Tier 1 capital				
Issued capital	150,000	150,000	150,000	150,000
Retained profits	4,394,938	4,198,590	4,399,006	4,199,709
	4,544,938	4,348,590	4,549,006	4,349,709
Financial assets at FVOCI reserves	(2,152)	(37,188)	(2,152)	(37,188)
Deferred tax assets	(13,501)	(33,580)	(13,501)	(33,580)
Less: Regulatory reserves	(47,919)	(79,440)	(47,918)	(79,440)
	4,481,366	4,198,382	4,485,435	4,199,501
Tier 2 capital				
Allowance for impairment losses	9,332	35,709	9,332	35,709
Add: Regulatory reserves	47,919	79,440	47,918	79,440
Total Tier 2 capital	57,251	115,149	57,250	115,149
Total capital	4,538,617	4,313,531	4,542,685	4,314,650

The breakdown of risk-weighted assets by each major risk category is as follows:

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Credit risk	12,217,264	10,703,611	12,221,374	10,707,546
Operational risk	645,292	639,049	645,292	639,049
Total risk-weighted assets	12,862,556	11,342,660	12,866,666	11,346,595

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

50 ISLAMIC OPERATIONS

STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

	Note	Group 2023 RM'000	Group 2022 RM'000	Company 2023 RM'000	Company 2022 RM'000
ASSETS					
Cash and cash equivalents	(a)	64,849	79,951	64,837	79,939
Financial assets at fair value through other comprehensive income (FVOCI)	(b)	623,072	1,368,939	623,072	1,368,939
Financial assets at amortised cost	(c)	681,993	354,395	681,993	354,395
Derivative financial Instruments		720	6,527	720	6,527
Financing assets	(d)	21,426,861	15,482,284	21,426,861	15,482,284
Mortgage assets	(e)	3,880,225	4,273,893	3,880,225	4,273,893
Hire purchase assets	(f)	49	45	49	45
Reverse mortgage assets		225	-	225	-
Other assets and prepayments		289,126	289,123	291,813	291,799
Tax recoverable		-	12,132	-	12,132
TOTAL ASSETS		26,967,120	21,867,289	26,969,795	21,869,953
LIABILITIES					
Short-term borrowings*		1,823,287	-	1,823,287	-
Derivative financial instruments		2,529	-	2,529	-
Other liabilities	(g)	5,394	6,640	4,022	5,406
Provision for taxation		36,407	-	36,407	-
Deferred taxation		106,429	119,395	106,429	119,395
Sukuk	(h)	23,278,139	20,135,060	23,278,139	20,135,060
TOTAL LIABILITIES		25,252,185	20,261,095	25,250,813	20,259,861
ISLAMIC OPERATIONS' FUNDS		1,714,935	1,606,194	1,718,982	1,610,092
TOTAL LIABILITIES AND ISLAMIC OPERATIONS' FUNDS		26,967,120	21,867,289	26,969,795	21,869,953

* Included in short-term borrowings is Wakalah placement from the conventional operations amounting to RM1.8 billion (2022: Nil). This inter-operations charge is eliminated at the Company level.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

50 ISLAMIC OPERATIONS (CONTINUED)

INCOME STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	Group		Company	
		2023	2022	2023	2022
		RM'000	RM'000	RM'000	RM'000
Total income		1,016,879	760,864	1,016,879	760,864
Profit expense attributable to the Sukuk holders	(i)	(833,163)	(628,367)	(833,163)	(628,367)
Non-profit expense*		(45,103)	(4,259)	(45,103)	(4,259)
Total net income attributable	(j)	138,613	128,238	138,613	128,238
Administration and general expenses		(2,190)	(673)	(2,041)	(511)
Reversal of impairment losses		5,537	3,440	5,537	3,440
PROFIT BEFORE TAXATION AND ZAKAT		141,960	131,005	142,109	131,167
Zakat		(2,534)	(2,828)	(2,534)	(2,828)
Taxation		(34,478)	(32,739)	(34,478)	(32,739)
PROFIT FOR THE FINANCIAL YEAR		104,948	95,438	105,097	95,600

* Included in non-profit expense during the year is Wakalah placement profit expenses paid to the conventional operations amounting to RM47,679 million (2022: Nil). This inter-operations charge is eliminated at the Company level.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

50 ISLAMIC OPERATIONS (CONTINUED)

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Profit for the financial year	104,948	95,438	105,097	95,600
Other comprehensive income:				
Items that may be subsequently reclassified to income statement				
Financial assets at FVOCI				
- Net loss on fair value changes before taxation	12,206	(7,851)	12,206	(7,851)
- FVOCI ECL	73	57	73	57
- Deferred taxation	(2,929)	1,884	(2,929)	1,884
Cash flow hedge				
- Net (loss)/gain on cash flow hedge before taxation	(7,641)	6,618	(7,641)	6,618
- Deferred taxation	1,834	(1,588)	1,834	(1,588)
Other comprehensive income/ (loss) for the financial year net of taxation	3,543	(880)	3,543	(880)
Total comprehensive income for the financial year	108,491	94,558	108,640	94,720

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

50 ISLAMIC OPERATIONS (CONTINUED)

STATEMENTS OF CHANGES IN ISLAMIC OPERATIONS' FUNDS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

		Non-distributable			Distributable	
Group	Allocated capital funds	Financial assets at FVOCI reserves	Cashflow hedge reserves	Regulatory reserves	Retained profits	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1 January 2023	294,159	(6,532)	4,338	44,250	1,269,979	1,606,194
Profit for the financial year	-	-	-	-	104,948	104,948
Other comprehensive income/(loss)	-	9,350	(5,807)	-	-	3,543
Total comprehensive income for the financial year	-	9,350	(5,807)	-	104,948	108,491
Transfer to retained profits	-	-	-	(15,919)	15,919	-
Transfer to Islamic operations	250	-	-	-	-	250
Balance as at 31 December 2023	294,409	2,818	(1,469)	28,331	1,390,846	1,714,935
Balance as at 1 January 2022	294,159	(622)	(692)	49,203	1,169,588	1,511,636
Profit for the financial year	-	-	-	-	95,438	95,438
Other comprehensive (loss)/income	-	(5,910)	5,030	-	-	(880)
Total comprehensive income for the financial year	-	(5,910)	5,030	-	95,438	94,558
Transfer to retained profits	-	-	-	(4,953)	4,953	-
Balance as at 31 December 2022	294,159	(6,532)	4,338	44,250	1,269,979	1,606,194

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

50 ISLAMIC OPERATIONS (CONTINUED)

STATEMENTS OF CHANGES IN ISLAMIC OPERATIONS' FUNDS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

		Non-distributable			Distributable	
Company	Allocated capital funds	Financial assets at FVOCI reserves	Cashflow hedge reserves	Regulatory reserves	Retained profits	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1 January 2023	294,159	(6,532)	4,338	44,471	1,273,656	1,610,092
Profit for the financial year	-	-	-	-	105,097	105,097
Other comprehensive income/(loss)	-	9,350	(5,807)	-	-	3,543
Total comprehensive income for the financial year	-	9,350	(5,807)	-	105,097	108,640
Transfer to retained profits	-	-	-	(15,919)	15,919	-
Transfer to Islamic operations	250	-	-	-	-	250
Balance as at 31 December 2023	294,409	2,818	(1,469)	28,552	1,394,672	1,718,982
Balance as at 1 January 2022	294,159	(622)	(692)	49,203	1,173,324	1,515,372
Profit for the financial year	-	-	-	-	95,600	95,600
Other comprehensive (loss)/income	-	(5,910)	5,030	-	-	(880)
Total comprehensive income for the financial year	-	(5,910)	5,030	-	95,600	94,720
Transfer to retained profits	-	-	-	(4,732)	4,732	-
Balance as at 31 December 2022	294,159	(6,532)	4,338	44,471	1,273,656	1,610,092

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

50 ISLAMIC OPERATIONS (CONTINUED)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	Group		Company	
		2023	2022	2023	2022
		RM'000	RM'000	RM'000	RM'000
OPERATING ACTIVITIES					
Profit before taxation		141,960	131,005	142,110	131,166
Adjustment for non-cash items	(k)(i)	(170,719)	(136,131)	(170,719)	(136,131)
Operating loss before working capital changes		(28,759)	(5,126)	(28,609)	(4,965)
Net changes in operating assets and liabilities	(k)(ii)	(2,760,014)	(4,012,982)	(2,760,164)	(4,013,143)
Zakat		(5,362)	(5,094)	(5,362)	(5,094)
Net cash from operating activities		(2,794,135)	(4,023,202)	(2,794,135)	(4,023,202)
INVESTING ACTIVITIES					
Purchase of financial assets at FVOCI		(1,404,567)	(2,090,605)	(1,404,567)	(2,090,605)
Purchase of financial assets at amortised cost		(325,000)	-	(325,000)	-
Net proceeds from redemption of financial assets at FVTPL		-	123,450	-	123,450
Net proceeds from sale/ redemption of financial assets at FVOCI		2,165,938	1,508,493	2,165,938	1,508,493
Income received from financial assets at FVTPL		-	221	-	221
Income received from financial assets at FVOCI		33,152	30,642	33,152	30,642
Net cash from investing activities		469,523	(427,799)	469,523	(427,799)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

50 ISLAMIC OPERATIONS (CONTINUED)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

	Note	Group		Company	
		2023	2022	2023	2022
		RM'000	RM'000	RM'000	RM'000
FINANCING ACTIVITY					
Proceed from issuance of Sukuk		12,505,000	10,090,000	12,505,000	10,090,000
Redemption of Sukuk		(9,395,000)	(5,075,000)	(9,395,000)	(5,075,000)
Profit paid to Sukuk holders		(800,490)	(590,335)	(800,490)	(590,335)
Net cash from financing activity		2,309,510	4,424,665	2,309,510	4,424,665
Net change in cash and cash equivalents		(15,102)	(26,337)	(15,102)	(26,336)
Cash and cash equivalents as at 1 January		79,951	106,288	79,939	106,275
Cash and cash equivalents as at 31 December	50(a)	64,849	79,951	64,837	79,939

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

50 ISLAMIC OPERATIONS (CONTINUED)

(a) Cash and cash equivalents

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Cash and bank balances with bank and other financial institutions	159	46	147	34
Mudharabah money at call and deposit placements maturing with original maturity less than 3 months	64,690	79,906	64,690	79,906
	64,849	79,952	64,837	79,940
Less: Allowance for impairment losses	-	(1)	-	(1)
	64,849	79,951	64,837	79,939

The gross carrying value of cash and cash equivalents and the impairment allowance are within Stage 1 allocation (12-month ECL). Movement in impairment allowances that reflect the ECL model on impairment are as follows:

	Group and Company	
	2023 RM'000	2022 RM'000
Stage 1		
As at 1 January	1	11
Allowance during the year on new investments	-	1
Financial assets derecognised during the period due to maturity of assets	(1)	(11)
As at 31 December	-	1

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

50 ISLAMIC OPERATIONS (CONTINUED)

(b) Financial assets at FVOCI

	Group and Company	
	2023	2022
	RM'000	RM'000
At fair value:		
Corporate Sukuk	369,060	820,020
Government investment issues	232,758	142,944
Quasi Government Sukuk	21,254	356,129
Islamic treasury bills	-	49,846
	623,072	1,368,939

The maturity structure of financial assets at FVOCI as follows:

Maturing within one year	35,919	997,809
One to three years	130,690	59,895
Three to five years	82,045	89,680
More than five years	374,418	221,555
	623,072	1,368,939

The carrying amount of debt instruments at FVOCI is equivalent to their fair value. The ECL is recognised in other comprehensive income and does not reduce the carrying amount in the statement of financial position.

The gross carrying value of financial assets at FVOCI by stage of allocation are as follows:

	Gross carrying value	Impairment allowance
	RM'000	RM'000
By stage of allocation:		
2023		
Stage 1 (12-month ECL; non-credit impaired)	623,072	188
2022		
Stage 1 (12-month ECL; non-credit impaired)	1,368,939	115

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

50 ISLAMIC OPERATIONS (CONTINUED)

(b) Financial assets at FVOCI (continued)

Movement in impairment allowances that reflect the ECL model on impairment are as follows:

	Group and Company	
	2023	2022
	RM'000	RM'000
Stage 1		
As at 1 January	115	58
Allowance during the year on new assets purchased	174	74
Financial assets derecognised during the year due to maturity of assets	(98)	(15)
Reversal during the year due to changes in credit risk	(3)	(2)
As at 31 December	188	115

(c) Financial assets at amortised cost

Corporate Sukuk	681,993	354,395

The maturity structure of financial assets at amortised cost are as follows:

	Group and Company	
	2023	2022
	RM'000	RM'000
More than five years	684,173	355,508
Less: Allowance for impairment losses	(2,180)	(1,113)
	681,993	354,395

The gross carrying value by stage of allocation are as follows:

	Gross carrying value	Impairment allowance
	RM'000	RM'000
By stage of allocation:		
2023		
Stage 1 (12-month ECL; non-credit impaired)	684,173	2,180
2022		
Stage 1 (12-month ECL; non-credit impaired)	355,508	1,113

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

50 ISLAMIC OPERATIONS (CONTINUED)

(c) Financial assets at amortised cost (continued)

Movement in impairment allowances that reflect the ECL model on impairment are as follows:

	Group and Company	
	2023	2022
	RM'000	RM'000
Stage 1		
As at 1 January	1,113	1,155
Allowance during the year on new investments	1,095	-
Reversal during the year due to changes in credit risk	(28)	(42)
As at 31 December	2,180	1,113

(d) Financing assets

	Group and Company	
	2023	2022
	RM'000	RM'000
House financing	18,696,839	13,100,130
Personal financing	2,225,410	2,382,154
Hire purchase	504,612	-
	21,426,861	15,482,284
The maturity structure of financing assets are as follows:		
Maturing within one year	7,301,922	4,664,996
One to three years	9,385,918	8,872,270
Three to five years	4,739,117	1,945,111
	21,426,957	15,482,377
Less:		
Allowance for impairment losses	(96)	(93)
	21,426,861	15,482,284

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

50 ISLAMIC OPERATIONS (CONTINUED)

(d) Financing assets (continued)

The gross carrying value of Islamic financing assets and the impairment allowance are within Stage 1 allocation (12-month ECL). Movement in impairment allowances that reflect the ECL model on impairment are as follows:

	Group and Company	
	2023	2022
	RM'000	RM'000
As at 1 January	93	61
Allowance during the year on new assets purchased	24	59
Financial assets derecognised during the year due to maturity of assets	(11)	(20)
Reversal during the year due to changes in credit risk	(10)	(7)
As at 31 December	96	93

(e) Mortgage assets

	Group and Company	
	2023	2022
	RM'000	RM'000
PWOR	3,880,225	4,273,893

The maturity structure of mortgage assets are as follows:

Maturing within one year	600,996	617,200
One to three years	782,496	790,370
Three to five years	689,649	721,723
More than five years	1,818,792	2,161,787
	3,891,933	4,291,080
Less:		
Allowance for impairment losses	(11,708)	(17,187)
	3,880,225	4,273,893

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

50 ISLAMIC OPERATIONS (CONTINUED)

(e) Mortgage assets (continued)

The gross carrying value of mortgage assets by stage of allocation are as follows;

	Gross carrying value RM'000	Impairment allowance RM'000
2023		
Stage 1 (12-month ECL; non-credit impaired)	3,875,629	7,843
Stage 2 (Lifetime ECL; non-credit impaired)	2,401	250
Stage 3 (Lifetime ECL; credit impaired)	13,903	3,615
As at 31 December	3,891,933	11,708
Impairment allowance over gross carrying value (%)		0.30
2022		
Stage 1 (12-month ECL; non-credit impaired)	4,270,919	10,919
Stage 2 (Lifetime ECL; non-credit impaired)	1,053	138
Stage 3 (Lifetime ECL; credit impaired)	19,108	6,130
As at 31 December	4,291,080	17,187
Impairment allowance over gross carrying value (%)		0.40

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

50 ISLAMIC OPERATIONS (CONTINUED)

(e) Mortgage assets (continued)

The impairment allowance by stage allocation and movement in impairment allowances that reflect the ECL model on impairment are as follows:

	Group and Company			
2023	Stage 1	Stage 2	Stage 3	Total
	RM'000	RM'000	RM'000	RM'000
As at 1 January	10,919	138	6,130	17,187
Transfer between stages:				
Transfer to 12-month ECL (Stage 1)	19	(49)	(1,471)	(1,501)
Transfer to ECL not credit impaired (Stage 2)	(6)	239	(109)	124
Transfer to ECL credit impaired (Stage 3)	(21)	(54)	1,685	1,610
Total transfer between stages	(8)	136	105	233
Financing derecognised during the year (other than write-offs)	(327)	(20)	(3,321)	(3,668)
Reversal during the year due to changes in credit risk	(2,741)	(4)	(493)	(3,238)
Amount written-off	-	-	1,194	1,194
As at 31 December	7,843	250	3,615	11,708

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

50 ISLAMIC OPERATIONS (CONTINUED)

(e) Mortgage assets (continued)

The impairment allowance by stage allocation and movement in impairment allowances that reflect the ECL model on impairment are as follows (continued):

	Group and Company			
2022	Stage 1	Stage 2	Stage 3	Total
	RM'000	RM'000	RM'000	RM'000
As at 1 January	14,804	298	7,525	22,627
Transfer between stages:				
Transfer to 12-month ECL (Stage 1)	36	(235)	(2,079)	(2,278)
Transfer to ECL not credit impaired (Stage 2)	(3)	117	(91)	23
Transfer to ECL credit impaired (Stage 3)	(37)	(8)	2,341	2,296
Total transfer between stages	(4)	(126)	171	41
Financing derecognised during the year (other than write-offs)	(533)	(29)	426	(136)
Reversal during the year due to changes in credit risk	(3,348)	(5)	(43)	(3,396)
Amount written-off	-	-	(1,949)	(1,949)
As at 31 December	10,919	138	6,130	17,187

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

50 ISLAMIC OPERATIONS (CONTINUED)

(f) Hire purchase assets

	Group and Company	
	2023	2022
	RM'000	RM'000
PWOR	49	45
The maturity structure of hire purchase assets are as follows:		
Maturing within one year	55	56
Less: Allowance for impairment losses	(6)	(11)
	49	45

The gross carrying value of hire purchase assets by stage of allocation are as follows;

	Gross carrying value	Impairment allowance
	RM'000	RM'000
2023		
Stage 1 (12-month ECL; non-credit impaired)	30	-
Stage 3 (Lifetime ECL; credit impaired)	25	6
As at 31 December	55	6
Impairment allowance over gross carrying value (%)		10.91
2022		
Stage 1 (12-month ECL; non-credit impaired)	22	-
Stage 3 (Lifetime ECL; credit impaired)	34	11
As at 31 December	56	11
Impairment allowance over gross carrying value (%)		19.64

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

50 ISLAMIC OPERATIONS (CONTINUED)

(f) Hire purchase assets (continued)

The impairment allowance by stage allocation and movement in impairment allowances that reflect the ECL model on impairment are as follows:

	Group		
	Stage 1	Stage 3	Total
	RM'000	RM'000	RM'000
2023			
As at 31 December	-	6	6
2022			
As at 31 December	-	11	11

(g) Other liabilities

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Zakat	2,534	2,828	2,534	2,828
Other payables	2,860	3,812	1,488	2,578
	5,394	6,640	4,022	5,406

(h) Sukuk

	Group and Company	
	2023	2022
	RM'000	RM'000
Commercial papers	641,797	-
Medium-term notes	22,636,342	20,135,060
	23,278,139	20,135,060
The maturity structure of Sukuk are as follows:		
Maturing within one year	7,553,139	6,505,060
One to three years	8,960,000	9,370,000
Three to five years	5,620,000	2,325,000
More than five years	1,145,000	1,935,000
	23,278,139	20,135,060

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

50 ISLAMIC OPERATIONS (CONTINUED)

(i) Profit expense attributable to the Sukuk holders

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Mortgage assets	173,101	192,464	173,101	192,464
Hire purchase assets	72	103	72	103
Financing assets	659,990	435,800	659,990	435,800
	833,163	628,367	833,163	628,367
Income attributable to Sukuk holders analysed by concept:				
Bai Al-Dayn	833,163	628,367	833,163	628,367

(j) Total net income attributable

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Income from:				
Mortgage assets	57,795	83,734	57,795	83,734
Hire purchase assets	(72)	(100)	(72)	(100)
Financing assets	74,480	9,628	74,480	9,628
Financial assets at FVOCI	39,909	33,443	39,909	33,443
Deposit and placements with financial institutions	11,604	5,792	11,604	5,792
Non-profit expense	(45,103)	(4,259)	(45,103)	(4,259)
	138,613	128,238	138,613	128,238

Total net income attributable analysed by concept are as follows:

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Bai Al-Dayn	87,100	89,003	87,100	89,003
Murabahah	17,380	13,088	17,380	13,088
Ijarah	1,696	2,100	1,696	2,100
Mudharabah	9,684	8,577	9,684	8,577
Musyarakah	4,564	5,111	4,564	5,111
Wakalah	6,585	4,607	6,585	4,607
Tawarruq	10,505	5,096	10,505	5,096
Qard Al-Hasan	1,099	656	1,099	656
	138,613	128,238	138,613	128,238

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

50 ISLAMIC OPERATIONS (CONTINUED)

(k) Statement of Cash Flows

(i) Adjustment for non- cash items:

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Amortisation of premium less accretion of discount on:				
Financial assets at FVOCI	(6,764)	1,079	(6,764)	1,079
Accretion of discount on:				
Mortgage assets	(57,956)	(86,413)	(57,956)	(86,413)
Allowance/(reversal) of impairment losses on:				
Cash and cash equivalents	-	(10)	-	(10)
Financial assets at FVOCI	73	61	73	61
Financial assets at amortised cost	1,066	(42)	1,066	(42)
Financing assets	3	32	3	32
Mortgage assets and hire purchase assets	(5,486)	(5,441)	(5,486)	(5,441)
Income from:				
Financial assets at FVOCI	(31,415)	(32,365)	(31,415)	(32,365)
Islamic operations	(905,485)	(641,005)	(905,485)	(641,005)
Income from derivatives	(25,252)	(14,470)	(25,252)	(14,470)
Profit attributable to Sukuk holders	833,569	628,367	833,569	628,367
Profit attributable to derivatives	25,199	14,076	25,199	14,076
Gain on disposal of financial assets at FVOCI	1,729	-	1,729	-
	(170,719)	(136,131)	(170,719)	(136,131)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

50 ISLAMIC OPERATIONS (CONTINUED)

(k) Statement of Cash Flows (continued)

(ii) Changes in operating assets and liabilities:

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Change in deposits and placements with financial institutions	-	50,020	-	50,020
Change in short term borrowings	1,823,287	-	1,823,287	-
Change in financing assets	(5,878,421)	(5,179,067)	(5,878,421)	(5,179,067)
Change in mortgage assets	450,305	501,014	450,305	501,014
Change in hire purchase assets	2	10	2	10
Change in other assets and Prepayments	247	(10)	236	(160)
Change in reverse mortgage	(225)	-	(225)	-
Change in derivatives	802	(641)	802	(641)
Change in other liabilities	1,582	(2,167)	1,443	(2,177)
Profit received from assets	842,460	618,252	842,460	618,252
Profit received from derivatives	25,199	14,076	25,199	14,076
Profit paid on derivatives	(25,252)	(14,470)	(25,252)	(14,470)
	(2,760,014)	(4,012,982)	(2,760,164)	(4,013,143)

(iii) Analysis of changes in liabilities arising from financing activities:

Group and Company	Sukuk	Total
	RM'000	RM'000
2023		
As at 1 January	20,135,060	20,135,060
Proceeds from issuance	12,505,000	12,505,000
Repayment and redemption	(9,395,000)	(9,395,000)
Profit paid	(800,490)	(800,490)
Other non-cash movement	833,569	833,569
As at 31 December	23,278,139	23,278,139
2022		
As at 1 January	15,082,028	15,082,028
Proceeds from issuance	10,090,000	10,090,000
Repayment and redemption	(5,075,000)	(5,075,000)
Profit paid	(590,335)	(590,335)
Other non-cash movement	628,367	628,367
As at 31 December	20,135,060	20,135,060

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

50 ISLAMIC OPERATIONS (CONTINUED)

(I) Capital adequacy

	Group		Company	
	2023	2022	2023	2022
	%	%	%	%
Before deducting proposed final dividend*				
CET1	22.7	24.4	22.7	24.5
Tier 1 capital ratio	22.7	24.4	22.7	24.5
Total capital ratio	23.1	25.4	23.2	25.4
After deducting proposed* final dividend				
CET1 capital ratio	22.7	24.4	22.7	24.5
Tier 1 capital ratio	22.7	24.4	22.7	24.5
Total capital ratio	23.1	25.4	23.2	25.4

Components of CET1, Tier 1 and Tier 2 capital:

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
CET1/Tier 1 capital:				
Allocated capital funds	294,159	294,159	294,159	294,159
Retained profits*	1,419,177	1,314,229	1,423,224	1,318,127
	1,713,336	1,608,388	1,717,383	1,612,286
Financial assets at FVOCI reserves	1,268	(6,531)	1,268	(6,531)
Deferred tax assets	(3,822)	(6,706)	(3,822)	(6,706)
Less: Regulatory reserves	(28,329)	(44,249)	(28,329)	(44,249)
Total CET1/Tier 1 capital	1,682,453	1,550,902	1,686,501	1,554,800
Tier 2 capital:				
Add: Regulatory reserves	28,329	44,249	28,329	44,249
Allowance for impairment losses	5,315	18,526	5,315	18,526
Total Tier 2 capital	33,644	62,775	33,644	62,775
Total capital	1,716,097	1,613,677	1,720,145	1,617,575

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

50 ISLAMIC OPERATIONS (CONTINUED)

(l) Capital adequacy (continued)

The breakdown of risk-weighted assets by each major risk category is as follows:

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Credit risk	7,150,632	6,133,688	7,153,316	6,136,361
Operational risk	267,106	221,853	267,106	221,853
Total risk-weighted assets	7,417,738	6,355,541	7,420,422	6,358,214

* *Refers to proposed final dividend which will be declared after the financial year.*

The Group and the Company are not subject to the BNM Guidelines on the Capital Adequacy Guidelines. However, disclosure of the capital adequacy ratios is made on a voluntary basis for information purposes.

(m) Shariah advisor

The Group and the Company consult and obtain endorsements/clearance from an independent Shariah Advisor for all the Islamic products, transactions and operations to ensure compliance with Shariah requirements. From regulatory standpoint, the Group and the Company do not have direct access to the Shariah Advisory Council ("SAC") of BNM and/or the Securities Commission of Malaysia ("SC") (collectively referred as SACs), for Shariah ruling/advice. Where applicable, the Group and the Company will obtain the approval of the SACs through counterparty or intermediary that falls under the purview of BNM, and/or through the principal adviser of Sukuk programme for submission of the Islamic financial products.

51 APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue in accordance with a resolution of the Board of Directors on 20 March 2024.

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