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OFFERING CIRCULAR DATED 4 MAY 2021

DUA CAPITAL LTD.

(Company No.: LL17286)

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

U.S.\$400,000,000 Trust Certificates due 2026

Issue price: 100 per cent.

U.S.\$600,000,000 Trust Certificates due 2031

Issue price: 100 per cent.



KHAZANAH
NASIONAL

Khazanah Nasional Berhad

Registration No. 199301020767 (275505-K)

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

The U.S.\$400,000,000 Trust Certificates due 2026 (the “**Series 1 Certificates**”) and the U.S.\$600,000,000 Trust Certificates due 2031 (the “**Series 2 Certificates**”) and together with the Series 1 Certificates, the “**Certificates**”) of Dua Capital Ltd. (the “**Issuer**”) will each be constituted by a trust deed (each, a “**Trust Deed**”) dated on or about 11 May 2021 (the “**Closing Date**”) between the Issuer and The Bank of New York Mellon, London Branch (the “**Trustee**”).

Pursuant to a wakalah agreement to be entered into between the Issuer and Wakeel Capital Sdn. Bhd. (in such capacity, the “**Wakeel**”) on the Closing Date in respect of each series of Certificates (each, a “**Wakalah Agreement**”), the Issuer (on behalf of the Certificateholders) shall appoint the Wakeel as its agent and shall instruct the Wakeel to perform certain duties in respect of the Wakalah Venture (as defined in the terms and conditions of the relevant Certificates (the “**Conditions**”)) in accordance with the terms of the relevant Wakalah Agreement and the Investment Plan (as defined in the relevant Conditions). The Wakalah Agreements require the Wakeel to ensure satisfaction of certain conditions relating to the preservation of the value of the Investments (as defined in the relevant Conditions) comprised in the relevant Wakalah Venture (the “**Investment Conditions**”). The Investment Conditions require the Wakeel to, *inter alia*, (i) ensure that all assets comprised in the relevant Wakalah Venture are Shariah-compliant; and (ii) ensure that at all times during the term of the relevant Certificates, the aggregate value of the Shariah-compliant Tangible Assets comprised in the relevant Wakalah Venture is at least equal to 51 per cent. of the value of the relevant Wakalah Venture as a whole, all as valued in accordance with the Valuation Principles (as defined in the relevant Conditions).

Pursuant to each Trust Deed, the Issuer has declared a trust over the relevant Trust Assets (as defined below) under which it shall hold the relevant Trust Assets upon trust absolutely for the holders of the relevant Certificates *pro rata* according to the Nominal Value (as defined in the relevant Conditions) of the relevant Certificates held by each Certificateholder (as defined in the relevant Conditions) in accordance with the Trust Deeds and the Conditions. The trust assets for each of the Series 1 Certificates and the Series 2 Certificates are comprised of (i) all of the Issuer’s rights, title, interest, entitlement and benefit in, to and under the Transaction Documents (as defined in the relevant Conditions); and (iii) all proceeds of the foregoing (the “**Trust Assets**”).

Periodic Distribution Amounts (as defined herein) shall be payable subject to and in accordance with the relevant Conditions at the Profit Rate (as defined below) and the amount of which shall be calculated as provided in Condition 8(b).

Unless previously redeemed or purchased and cancelled, the Certificates will be redeemed at the Scheduled Dissolution Amount (as defined in the relevant Conditions), plus any due and unpaid Periodic Distribution Amount, on the Scheduled Dissolution Date (as defined in the relevant Conditions) of the relevant Certificates held by each Certificateholder at their Early Dissolution Amount (as defined in the relevant Conditions), plus any due and unpaid Periodic Distribution Amount, at the option of the Issuer at any time in the event of certain changes affecting taxation in Malaysia. The Certificates may also be redeemed in whole only, on or at any time after 11 February 2026 (in the case of the Series 1 Certificates) or after 11 November 2030 (in the case of the Series 2 Certificates) but, in each case not less than ten Business Days prior to their relevant Scheduled Dissolution Date, by the Issuer at their Early Dissolution Amount, together with any due and unpaid Periodic Distribution Amount accrued to the date fixed for dissolution. See “*Conditions of the Series 1 Certificates – Dissolution and purchase*” and “*Conditions of the Series 2 Certificates – Dissolution and purchase*”.

See “*Investment Considerations*” for a discussion of certain factors to be considered in connection with an investment in the Certificates.

Approval in-principle has been received from Bursa Malaysia Securities Berhad (“**Bursa Malaysia**”) (under an exempt regime pursuant to which the Certificates will be listed but not quoted for trading) for the listing of the Certificates. Bursa Malaysia does not take any 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 document. Admission of the Certificates to the official list of Bursa Malaysia (under the exempt regime) is not to be taken as an indication of the merits of the Issuer, Khazanah Nasional Berhad (the “**Obligor**”) and their associate companies or the Certificates. Approval in-principle has been received from the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) for the listing of and quotation for the Certificates on the Official List of the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained herein. Admission to the Official List of the SGX-ST and quotation of the Certificates on the SGX-ST is not to be taken as an indication of the merits of the Issuer, the Obligor, the Company, any of their respective associate companies or the Certificates. There can be no assurance that any such listings will occur on or prior to the Closing Date or at all. Investors are advised to read and understand the contents of this Offering Circular before investing. If in doubt, investors should consult his or her adviser.

The Certificates to which this Offering Circular relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the Certificates offered should conduct their own due diligence on the Certificates. Investors are advised to read and understand the contents of this Offering Circular before investing. If in doubt, investors should consult their advisers.

The Certificates have not been, and will not be, registered under the United States Securities Act of 1933, as amended (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 (as defined in Regulation S) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The Certificates are being offered and sold outside United States to persons that are not, and are not acting for the account or benefit of, U.S. persons in accordance with Regulation S.

The Certificates will be in registered form in denominations of U.S.\$200,000 each and integral multiples of U.S.\$1,000 in excess thereof. Upon issue, each series of Certificates will be represented by a Global Certificate registered in the name of a nominee of, and deposited with, a common depository for Euroclear Bank SA/NV (“**Euroclear**”) and Clearstream Banking S.A. (“**Clearstream**”) on or about the Closing Date. Definitive Certificates evidencing holdings of Certificates will only be available in certain limited circumstances. See “*Summary of Provisions Relating to the Certificates in Global Form*”. The Certificates offered by this Offering Circular may be cancelled at any time up to the Closing Date when subscription monies shall have been received and the Certificates issued.

While the offering of the Certificates has been structured under the guidance of CIMB Islamic Bank Berhad in its capacity as the Shariah adviser (the “**Shariah Adviser**”) in order to comply with the principles of Shariah and an executed fatwa has been issued by the Shariah Adviser confirming such compliance, a prospective investor contemplating purchasing the Certificates should make its own independent investigation and determination as to whether the offering and the investment in the Certificates will comply with the principles of Shariah.

JOINT BOOKRUNNERS

CIMB

MUFG

DBS BANK LTD.

J.P. MORGAN

OCBC BANK

JOINT LEAD MANAGERS

CIMB

MUFG

KFH CAPITAL

DBS BANK LTD.

J.P. MORGAN

OCBC BANK

WARBA BANK

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

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

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

This Offering Circular does not constitute an offer of, or an invitation by or on behalf of, any of the Issuer, the Obligor, the Trustee, any of the Agents (as defined in the Terms and Conditions) or CIMB Bank Berhad, Labuan Offshore Branch, DBS Bank Ltd., J.P. Morgan Securities plc, MUFG Securities EMEA plc, Oversea-Chinese Banking Corporation Limited, KFH Capital Investment Company K.S.C.C. and Warba Bank K.S.C.P. (together the “**Joint Lead Managers**”, and each a “**Joint Lead Manager**”) to subscribe for or purchase any of, the Certificates and 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. The distribution of this Offering Circular and the offering of the Certificates in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Circular comes are required by each of the Issuer, the Obligor, the Joint Lead Managers, the Trustee and the Agents to inform themselves about and to observe any such restrictions.

For a description of certain further restrictions on offers and sales of the Certificates and distribution of this Offering Circular, see “*Subscription and Sale*”.

None of the Joint Lead Managers, the Trustee or any of the Agents have separately verified the information contained in this Offering Circular. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Joint Lead Managers, the Trustee or any of the Agents as to the accuracy or completeness of the information contained in this Offering Circular or of any other information supplied in connection with the Certificates. Each person receiving this Offering Circular acknowledges that such person has not relied on the Joint Lead Managers, the Trustee or any of the Agents nor on any person affiliated with the Joint Lead Managers, the Trustee or any of the Agents in connection with its investigation of the accuracy of such information or its investment decision.

This Offering Circular is not intended to provide the basis of any credit or other evaluation, nor should it be considered as a recommendation by any of the Issuer, the Obligor, the Joint Lead Managers, the Trustee or any of the Agents that any recipient of this Offering Circular should purchase the Certificates. Each potential purchaser of the Certificates should determine for itself the relevance of the information contained in this Offering Circular and its purchase of the Certificates should be based upon such independent investigations and consultations with its own tax, legal and business advisers as it deems necessary. See “*Investment Considerations*” for a discussion of certain factors to be considered in connection with an investment in the Certificates.

No person is authorised in connection with the issue, offering or sale of the Certificates to give any information or to make any representation not contained in this Offering Circular and any information or representation not contained herein must not be relied upon as having been authorised by the Issuer, the Obligor, the Joint Lead Managers, the Trustee or any of the Agents. Neither the delivery of this Offering Circular nor any sale or allotment made in connection with the issue of the Certificates shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of any of the Issuer, the Obligor or the Obligor’s subsidiaries and associate companies since the date hereof or that the information contained herein is correct as at any time subsequent to its date.

The Certificates have not been, and will not be, registered under the Securities Act and are subject to United States tax law requirements. Subject to certain exceptions, the Certificates may not be offered or sold in the United States or to U.S. persons.

Singapore SFA Product Classification: In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore (the “SFA”) and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the “**CMP Regulations 2018**”), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Certificates are ‘prescribed capital markets products’ (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

No approval from the Securities Commission Malaysia (the “SC”) is or will be obtained nor lodgement with the SC is or will be made for the offering of the Certificates on the basis that the Certificates will be issued and offered exclusively at the primary level to persons in Labuan or outside Malaysia or entities established or registered under the laws of Labuan. No approval from the Labuan Financial Services Authority is or will be obtained for the offering of the Certificates on the basis that the offer or invitation of the Certificates will fall within the categories of excluded offers or invitations set out in section 13(5) of the Labuan Islamic Financial Services and Securities Act 2010.

Payment on the Certificates will be made after withholding for or on account of Malaysian taxes, if any, and the Issuer intends to pay additional amounts in respect of such withholding, if any, to the extent set forth under “*Conditions of the Series 1 Certificates — Taxation*” or “*Conditions of the Series 2 Certificates — Taxation*”.

NOTICE TO UK RESIDENTS

The Certificates represent interests in a collective investment scheme (as defined in the Financial Services and Markets Act 2000 (the “**FSMA**”)) which has not been authorised, recognised or otherwise approved by the Financial Conduct Authority. Accordingly, this Offering Circular is not being distributed to, and must not be passed on to, the general public in the United Kingdom.

The distribution in the United Kingdom of this Offering Circular and any other marketing materials relating to the Certificates: (A) if effected by a person who is not an authorised person under the FSMA, is being addressed to, or directed at, only the following persons: (i) persons who are Investment Professionals as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “**Financial Promotion Order**”); and (ii) persons falling within any of the categories of persons described in Article 49(2) (High net worth companies, unincorporated associations, etc.) of the Financial Promotion Order; and (B) if effected by a person who is an authorised person under the FSMA, is being addressed to, or directed at, only the following persons:

(i) persons falling within one of the categories of Investment Professional as defined in Article 14(5) of the Financial Services and Markets Act 2000 (Promotion of Collective Investment Schemes) (Exemptions) Order 2001 (the “**Promotion of CISs Order**”); (ii) persons falling within any of the categories of person described in Article 22 (High net worth companies, unincorporated associations, etc.) of the Promotion of CISs Order; and (iii) any other person to whom it may otherwise lawfully be made in accordance with the Promotion of CISs Order. Persons of any other description in the United Kingdom may not receive and should not act or rely on this Offering Circular or any other marketing materials in relation to the Certificates.

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

NOTICE TO STATE OF QATAR RESIDENTS

The Certificates have not been and will not be offered, sold or delivered at any time, directly or indirectly, in the State of Qatar (“**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 Central Bank, the Qatar Financial Markets Authority, the Qatar Financial Centre Regulatory Authority or the Qatar Stock Exchange (the “**QSE**”) in accordance with their regulations or any other regulations in Qatar (including the Qatar Financial Centre). The Certificates are not and will not be traded on the QSE.

CERTAIN TERMS AND CONVENTIONS

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

All references in this Offering Circular to the “**Government**” are to the Government of Malaysia. All references in this Offering Circular to the “**United States**” and “**U.S.**” are to the United States of America. All references in this Offering Circular to the “**SGX-ST**” are to the Singapore Exchange Securities Trading Limited.

All references to “**U.S. dollars**” and “**U.S.\$**” are to the currency of the United States of America, all references to “**Singapore dollars**” and “**S\$**” are to the currency of Singapore, and all references to “**Ringgit**”, “**RM**” and “**sen**” are to the currency of Malaysia. All references in this Offering Circular to “**FY**” are to the financial year ended 31 December.

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

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

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

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

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

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PRESENTATION OF FINANCIAL INFORMATION

This Offering Circular contains the unconsolidated audited financial statements of Khazanah as at and for the year ended 31 December 2019 (the “**Audited Accounts**”) which have been extracted from the Director’s Report and Audited Financial Statements that were filed with the Companies Commission of Malaysia. The Audited Accounts are included in this Offering Circular, see “*Index to Financial Information*”.

The Audited Accounts were prepared and presented in accordance with Approved Accounting Standards issued by the Malaysian Accounting Standards Board, which differ in certain material respects from generally accepted accounting principles in certain other jurisdictions, including International Accounting Standards or International Financial Reporting Standards and auditing standards which prospective investors may be familiar with in other countries.

SUMMARY

The following summary is qualified in its entirety by the remainder of this Offering Circular. Words and expressions defined in “Conditions of the Series 1 Certificates”, “Conditions of the Series 2 Certificates” or elsewhere in this Offering Circular have the same meanings in this summary.

Khazanah Nasional Berhad

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

Khazanah has a nine-member Board comprising representatives from the public and private sectors. Tan Sri Muhyiddin Mohd Yassin, the Prime Minister of Malaysia, is the Chairman of the Board. The Board is assisted in the discharge of its duties by the Executive Committee (“**EXCO**”), the Audit and Risk Committee (“**ARC**”) and the Nomination and Remuneration Committee (“**NRC**”) established by the Board.

Khazanah’s mandate to grow Malaysia’s long-term wealth was refreshed in late 2018. Growth in this context is to sustainably increase the value of investments while safeguarding financial capital injected into the fund. Long-term refers to a period spanning generations and focuses on ensuring future generations’ ability to meet their needs. Wealth refers to the value of Khazanah’s financial assets and economic development outcomes for Malaysia.

The mandate is to be achieved by pursuing the following investment objectives:

- (a) Commercial objective: Achieve optimal risk-adjusted returns, to grow financial assets and diversify sources of revenue for Malaysia; and
- (b) Strategic objective: Undertake strategic investments with long-term economic benefits for Malaysia and Malaysians, including holding strategic national assets.

Khazanah will pursue its overall mandate through a dual fund investment structure. The two funds, the Commercial Fund and the Strategic Fund, have been established with distinct objectives, policies and strategies.

Under this refreshed mandate, Khazanah achieved solid progress across multiple areas, including a strengthened financial position, a rebalanced Commercial Fund portfolio with deployment into public markets in the US, Japan, China and India, enhanced internal policies and processes as well as development of digital strategy. For recent developments relating to Khazanah, please see “*Recent Developments*” below.

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

- Enhance Commercial Fund
- Deliver Impactful Strategic Investments
- Be a Responsible Organisation
- Build a Strong Digital & Technology Foundation
- Invest in its People and Culture

SELECTED COMPANIES AS AT 31 DECEMBER 2020. LIST IS NOT EXHAUSTIVE.

COMMERCIAL FUND



Agrifood Resources Holdings



Alibaba Group Holding Limited



Ant Group



Astro Holdings Sdn Bhd



Auto1 Group



Axiata Group Berhad



Bank Muamalat Malaysia Berhad



Beijing Enterprises Environment Group



Cenergi SEA Sdn Bhd



Cenviro Sdn Bhd



CIMB Group Holdings Berhad



Fajr Capital



IHH Healthcare Berhad



GEMS Menasa



M+S Pte Ltd



Monoluxury Sdn Bhd



ReGen Rehabilitation International Sdn Bhd



Sun Life Malaysia Assurance Berhad



The Holstein Milk Company Sdn Bhd



UEM Edgenta Berhad



UEM Group Berhad



UEM Sunrise Berhad



Xeraya Capital Sdn Bhd



8990 Holdings, Inc.

STRATEGIC FUND



Iskandar Investment Berhad



Iskandar Malaysia Studios Sdn Bhd



Malaysia Airports Holdings Berhad



Malaysia Aviation Group Berhad



Medini Iskandar Malaysia Sdn Bhd



PLUS Malaysia Berhad



SilTerra Malaysia Sdn Bhd⁽¹⁾



Southern Marina Development Sdn Bhd



Sunway Iskandar Sdn Bhd



Telekom Malaysia Berhad



Tenaga Nasional Berhad



Themed Attractions Resorts & Hotels Sdn Bhd

Note:

- (1) Khazanah has accepted an offer from the DNeX consortium on 5 February 2021 for the proposed sale of the entire issued share capital of SilTerra Malaysia Sdn Bhd, subject to the execution of definitive agreements. See further “— *Recent Developments* — *Divestment of SilTerra Malaysia Sdn Bhd*”.

As at 31 December 2020, Khazanah had interests in more than 100 companies, either directly or indirectly through ownership of shares. These companies are involved in various sectors such as media and communications, financial services, power, healthcare, property, transportation and logistics, innovation and technology, infrastructure and construction, creative, leisure and tourism, sustainable development, consumer, life sciences, agriculture, wellness and education amongst others.

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

Recent Developments

For details of recent developments, please see the section “*Khazanah Nasional Berhad — Recent Developments*”.

SUMMARY OF THE OFFERING

The summary below describes the principal terms of the Certificates and the Transaction Documents. The sections of this Offering Circular entitled “Conditions of the Series 1 Certificates”, “Conditions of the Series 2 Certificates” and “The Trust Assets — The Transaction Documents” contain a more detailed description of the Certificates and the Transaction Documents. Capitalised terms not defined below shall have the same meanings as set out in the “Conditions of the Series 1 Certificates” or “Conditions of the Series 2 Certificates”.

Unless otherwise specified, defined terms used in this section should be interpreted as being applicable to either the Series 1 Certificates or the Series 2 Certificates, mutatis mutandis, as the relevant context may require.

Issuer	Dua Capital Ltd.
Obligor	Khazanah Nasional Berhad.
Wakeel	Wakeel Capital Sdn. Bhd.
Trustee	The Bank of New York Mellon, London Branch.
Principal Agent and Exchange Agent	The Bank of New York Mellon, London Branch.
Registrar and Transfer Agent	The Bank of New York Mellon SA/NV, Dublin Branch.
Joint Bookrunners	CIMB Bank Berhad, Labuan Offshore Branch, DBS Bank Ltd., J.P. Morgan Securities plc, MUFG Securities EMEA plc and Oversea-Chinese Banking Corporation Limited.
Joint Lead Managers	CIMB Bank Berhad, Labuan Offshore Branch, DBS Bank Ltd., J.P. Morgan Securities plc, MUFG Securities EMEA plc, Oversea-Chinese Banking Corporation Limited, KFH Capital Investment Company K.S.C.C. and Warba Bank K.S.C.P.
Shariah Adviser	CIMB Islamic Bank Berhad.
Series 1 Certificates	U.S.\$400,000,000 Trust Certificates due 2026.
Series 2 Certificates	U.S.\$600,000,000 Trust Certificates due 2031.
Closing Date	11 May 2021.
Issue Price	100 per cent.
The Offering	The Certificates are being offered by the Joint Lead Managers outside the United States to non-U.S. persons in accordance with Regulation S under the Securities Act.

Form and Denomination The Certificates will be issued in registered form in the denomination of U.S.\$200,000 each and integral multiples of U.S.\$1,000 in excess thereof. The Certificates may be held and transferred, and will be offered and sold, in the Nominal Value of U.S.\$200,000 and integral multiples of U.S.\$1,000 in excess thereof. The Certificates will be represented by a Global Certificate registered in the name of a nominee of, and deposited with, a common depository for Euroclear and Clearstream on or about the Closing Date. Definitive Certificates evidencing holdings of Certificates will only be available in certain limited circumstances.

Status of the Certificates Each Certificate represents an undivided proportionate beneficial ownership interests in the Trust Assets and will at all times rank *pari passu* and rateably, without discrimination, preference or priority among themselves, subject to priorities or rights preferred by law.

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

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

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

Purchase Undertaking The Obligor shall on the Closing Date issue a Purchase Undertaking in favour of the Issuer (for the benefit of the Certificateholders) and the Trustee under which the Obligor undertakes to purchase from the Issuer all of the Shariah-compliant Tangible Assets comprised in the Investments at their Purchase Price on the Scheduled Dissolution Date, any Tax Dissolution Date, any Issuer Optional Dissolution Date (in each case as defined below) or on a Dissolution Event Redemption Date, as the case may be, provided that there will be no Certificates outstanding upon payment of the Purchase Price.

Wakalah Agreement The Issuer and the Wakeel shall on the Closing Date enter into a Wakalah Agreement pursuant to which the Issuer (on behalf of the Certificateholders) shall appoint the Wakeel as its agent and shall instruct the Wakeel to perform certain duties in relation to a wakalah venture (the **“Wakalah Venture”**) in accordance with the terms of the Wakalah Agreement and an investment plan described therein (the **“Investment Plan”**).

The Wakeel shall act as agent of the Issuer (on behalf of the Certificateholders) at all times in respect of its rights and obligations under the Wakalah Agreement, the Investment Plan, and the Wakalah Venture Contracts. **“Wakalah Venture Contracts”** mean the Commodity Murabahah Investment Agreement (as defined below), the Sale and Purchase Agreement (as defined below), and any ancillary contracts in relation thereto entered into from time to time, including but not limited to the Closing Date Deed of Surrender (as defined below), the Issuer Undertaking (as defined below), the Obligor Undertaking (as defined below), the Purchase Undertaking and any sale and purchase agreements or substitution agreements entered into pursuant such undertakings.

The Investment Plan requires that (i) the Issuer invests the Proceeds on the Closing Date in the Wakalah Venture; and (ii) the Wakeel ensures satisfaction of the Investment Conditions.

The Wakeel will carry out its obligations in accordance with the Wakalah Agreement and Investment Plan as agent for the Issuer.

See “*The Trust Assets — The Transaction Documents — The Wakalah Agreement*”.

The Investments The Wakalah Venture shall comprise investments in (i) certain Shariah-compliant Tangible Assets (initially Axiata Group Berhad (“**Axiata**”) shares), and (ii) the Commodity Murabahah Investment, in each case as described below.

“**Commodity Murabahah Investment**” means a commodity murabahah investment forming part of the Wakalah Venture pursuant to the Commodity Murabahah Investment Agreement.

Any loss incurred under the Wakalah Venture shall be borne by the Certificateholders in proportion to the Nominal Value of the Certificates held by each such Certificateholder.

Shariah-compliant Tangible Assets On the Closing Date a certain portion of the Proceeds shall be invested in certain Shariah-compliant Tangible Assets (in the form of Shariah-compliant Shares (as defined below)) pursuant to the Sale and Purchase Agreement.

“**Shariah-compliant Shares**” means Shariah-compliant shares in one or more companies, whether listed or not listed on any stock exchange, identified by the Issuer and/or the Wakeel, as the case may be, in its discretion and approved by the Wakeel or its Shariah adviser (the “**Wakeel Shariah Adviser**”) on its behalf as Shariah-compliant from time to time throughout the term of the Certificates, and as approved by the Shariah Adviser as Shariah-compliant on or about the Closing Date, and in all cases which satisfy the Business Activity Test and the Financial Ratio Test.

“**Shariah-compliant Tangible Assets**” means Shariah-compliant assets, whether listed or not listed on any stock exchange, identified by the Issuer and/or the Wakeel, as the case may be, in its discretion and approved by the Wakeel or the Wakeel Shariah Adviser on its behalf as Shariah-compliant from time to time throughout the term of the Certificates, and as approved by the Shariah Adviser as Shariah-compliant on or about the Closing Date, and which, in the case of shares, satisfy the Business Activity Test and the Financial Ratio Test.

Pursuant to a sale and purchase agreement (the “**Sale and Purchase Agreement**”) entered into by the Issuer and the Obligor (acting as Seller) on the Closing Date, the Issuer shall purchase from the Seller certain Shariah-compliant Shares, by way of transfer of beneficial ownership.

On the Closing Date (in respect of the Shariah-compliant Tangible Assets purchased pursuant to the terms of the Sale and Purchase Agreement) and subsequently (in respect of any other shares which form part of the Wakalah Venture), the Issuer shall execute a deed of surrender (the deed of surrender executed on the Closing Date being the “**Closing Date Deed of Surrender**”) surrendering any and all voting rights in favour of the relevant seller in respect of such shares.

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

During the term of the Certificates, the aggregate fair market value of the Shariah-compliant Tangible Assets comprised in the Wakalah Venture must be at least equal to 51 per cent. of the value of the Wakalah Venture as a whole (the “**Tangible Assets Minimum Value**”), all as determined in accordance with the Valuation Principles (as defined below).

The assets comprised in the Wakalah Venture shall be dealt with in accordance with the terms of the Wakalah Agreement and certain additional documents entered into on the Closing Date in connection therewith, including (i) an undertaking granted in respect of the Certificates by the Obligor in favour of the Issuer and the Wakeel as its agent (the “**Obligor Undertaking**”) and (ii) an undertaking granted in respect of the Certificates by the Issuer (on behalf of the Certificateholders) in favour of the Obligor (the “**Issuer Undertaking**”). The Obligor Undertaking and the Issuer Undertaking are described further under “*The Trust Assets — The Transaction Documents*”.

Commodity Murabahah

Investment. On the Closing Date the remainder of the Proceeds shall be invested in the Commodity Murabahah Investment. Therefore, on the Closing Date, a commodity murabahah investment agreement in respect of the Certificates (the “**Commodity Murabahah Investment Agreement**”) will be entered into between Khazanah as Buyer (the “**Buyer**”), the Issuer and CIMB Islamic Bank Berhad as facility agent (the “**Facility Agent**”).

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

See “*The Trust Assets — The Transaction Documents — Commodity Murabahah Investment Agreement*”.

Valuation Principles For the purposes of calculating the value of the Wakalah Venture and the relevant Investments comprised in the Wakalah Venture, certain principles (“**Valuation Principles**”) shall apply.

The Issuer has in the Wakalah Agreement agreed to appoint the Wakeel as an agent (or such other agent having been approved by the Trustee) for the purposes of making all calculations and determinations required to be made in accordance with the Valuation Principles.

Trust Assets Pursuant to and in accordance with the terms of the Trust Deed:

the Issuer will declare a trust over the assets specified below (the “**Trust Assets**”):

- (a) all of its rights, title, interest, entitlement and benefit in, to and under the Wakalah Venture;
 - (i) all of its rights, title, interest, entitlement and benefit in, to and under the Transaction Documents; and
 - (ii) all proceeds of the foregoing, and
 - (iii) the Trustee will declare a trust over assets consisting of (i) the rights, title, interest and benefit, in, to and under the Trust Deed and each of the other Transaction Documents to which it is a party (or to which it obtains the benefits thereunder), (ii) all amounts received by it from the Issuer, the Obligor, the Buyer and/or otherwise under or in connection with the Trust Deed and each of the other Transaction Documents, and (iii) any realisation or enforcement proceeds,

- (b) upon trust absolutely for the Certificateholders *pro rata* according to the outstanding Nominal Value of Certificates held by each Certificateholder in accordance with the Trust Deed and the Conditions.

Transaction Documents The Trust Deed, the Agency Agreement, the Costs Undertaking Deed, the Wakalah Agreement, the Sale and Purchase Agreement, the Closing Date Deed of Surrender, the Obligor Undertaking, the Issuer Undertaking, the Commodity Murabahah Investment Agreement, the Purchase Undertaking, the Certificates, the Issuer Power of Attorney and the Obligor Power of Attorney and any other agreements and documents delivered or executed in connection therewith are collectively referred to herein as the “**Transaction Documents**”.

Periodic Distribution Date. . . 11 May and 11 November every year, commencing on 11 November 2021

Periodic Distributions Periodic Distribution Amounts shall be payable in arrear in respect of the Certificates on each Periodic Distribution Date, in respect of the Return Accumulation Period ending on such date, shall accrue at the Profit Rate and the amount of which shall be calculated as provided in Condition 8(b) (each such distribution being referred to in these Conditions as a “**Periodic Distribution Amount**”).

Periodic Distribution

Amounts Periodic Distribution Amounts shall be distributed to Certificateholders by the Principal Agent on behalf of the Issuer, *pro rata* to their respective holdings and subject to Condition 3(b) and Condition 10.

Scheduled Dissolution Date for Series 1 Certificates Unless previously redeemed, or purchased and cancelled, the Certificates will be redeemed at 100 per cent. of their Nominal Value (the “**Scheduled Dissolution Amount**”) on 11 May 2026 (the “**Scheduled Dissolution Date**”), plus any due and unpaid Periodic Distribution Amounts. Such Scheduled Dissolution Amount, plus any due and unpaid Periodic Distribution Amount, shall be funded by the Purchase Price payable by the Obligor pursuant to the terms of the relevant Purchase Undertaking and the Aggregate Deferred Sale Price payable by the Obligor (acting as Buyer) under the relevant Commodity Murabahah Investment Agreement.

Scheduled Dissolution Date for Series 2 Certificates Unless previously redeemed, or purchased and cancelled, the Certificates will be redeemed at 100 per cent. of their Nominal Value (the “**Scheduled Dissolution Amount**”) on 11 May 2031 (the “**Scheduled Dissolution Date**”), plus any due and unpaid Periodic Distribution Amounts. Such Scheduled Dissolution Amount shall be funded by the Purchase Price payable by the Obligor pursuant to the terms of the relevant Purchase Undertaking and the Aggregate Deferred Sale Price payable by the Obligor (acting as Buyer) under the relevant Commodity Murabahah Investment Agreement.

Dissolution for Taxation

Reasons Subject to certain exceptions, the Certificates may be redeemed, in whole but not in part, at the option of the Issuer on the relevant date fixed for dissolution (the “**Tax Dissolution Date**”), at their Early Dissolution Amount, plus any due and unpaid Periodic Distribution Amount, if, as a result of any change in, or amendments to, the laws (or any regulations, rulings or other administrative pronouncements promulgated thereunder) of Malaysia or any political subdivision or any authority thereof or therein having power to tax, the Issuer would be required to pay certain Additional Amounts.

Such Early Dissolution Amount, plus any due and unpaid Periodic Distribution Amount, shall be funded by the Purchase Price payable by the Obligor pursuant to the terms of the Purchase Undertaking and the Aggregate Deferred Sale Price payable by the Obligor (acting as Buyer) under the Commodity Murabahah Investment Agreement.

See “*The Trust Assets — The Transaction Documents — The Commodity Murabahah Investment Agreement*” and “*The Trust Assets — The Transaction Documents — Purchase Undertaking*”.

Dissolution at the Option of the Issuer.

The Certificates may be redeemed at the option of the Issuer, having given not less than 15 nor more than 30 days’ notice to the Certificateholders, The Trustee and the Principal agent (which notice will be irrevocable) on or at any time after 11 February 2026 (in the case of the Series 1 Certificates) or 11 November 2030 (in the case of the Series 2 Certificates) but in each case not less than ten Business Days prior to the relevant Scheduled Dissolution Date (the “**Issuer Optional Dissolution Date**”) in whole only, at their Early Dissolution Amount, together with any due and unpaid Periodic Distribution Amount.

Such Early Dissolution Amount, plus any due and unpaid Periodic Distribution Amount, shall be funded by the Purchase Price payable by the Obligor pursuant to the terms of the relevant Purchase Undertaking (provided no Certificates of the relevant series remain outstanding after giving effect to such notice of dissolution) and the Aggregate Deferred Sale Price payable by the Obligor (acting as Buyer) under the relevant Commodity Murabahah Investment Agreement.

See “*The Trust Assets — The Transaction Documents — The Commodity Murabahah Investment Agreement*” and “*The Trust Assets — The Transaction Documents — Purchase Undertaking*”.

**Early Dissolution Amount
for the Series 1 Certificates.** . 100 per cent. of the Nominal Value of the Series 1 Certificates.

**Early Dissolution Amount
for the Series 2 Certificates.** . 100 per cent. of the Nominal Value of the Series 2 Certificates.

Taxation. All payments to Certificateholders made by or on behalf of the Issuer shall be made free and clear of, and without withholding or deduction for or on account of, any taxes, duties, assessments or governmental charges of whatsoever nature imposed, levied, collected, withheld or assessed by or within Malaysia or, in each case, any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. In that event, the Issuer shall, subject to sufficient funds being available to it, pay additional amounts (the “**Additional Amounts**”) (subject to certain exceptions) to Certificateholders to compensate for such withholding or deduction.

Dissolution Events If any event that will permit acceleration occurs and is continuing, including, *inter alia*, a cross-default provision with respect to the Issuer and/or the Obligor, the Trustee at its discretion may, and if so requested in writing by the holders of not less than 25.0 per cent. in Nominal Value of the Certificates then outstanding or if so directed by an Extraordinary Resolution shall (subject always to the Trustee having been indemnified or provided with security or pre-funded to its satisfaction), give notice to the Issuer and the Obligor that the Certificates are immediately due and payable at their Early Dissolution Amount, plus any due and unpaid Periodic Distribution Amounts.

Such Early Dissolution Amount, plus any due and unpaid Periodic Distribution Amount, shall be funded by the Purchase Price payable by the Obligor pursuant to the terms of the relevant Purchase Undertaking (provided no Certificates of the relevant series remain outstanding after giving effect to such notice(s) from the Certificateholders) and the Aggregate Deferred Sale Price payable by the Obligor (acting as Buyer) under the relevant Commodity Murabahah Investment Agreement.

See “*The Trust Assets — Transaction Documents — Purchase Undertaking and — The Commodity Murabahah Investment Agreement*”.

**Application of Proceeds from
Trust Assets.**

Monies received from the issue of the Certificates will be applied in the order of priority in accordance with Condition 3(b).

Limited Recourse

Recourse of the Certificateholders in respect of any amounts due on the Certificates is limited to the Trust Assets in respect of that series of Certificates.

No Certificateholder will be able to petition for, or join any other person in instituting proceedings for, the reorganisation, liquidation, winding up or receivership of any of the Trustee, the Issuer, the Agents and/or any of their affiliates as a consequence of any shortfall or otherwise.

Costs Undertaking

The Obligor will execute a Costs Undertaking Deed on the Closing Date pursuant to which it will agree to reimburse, among others, the Trustee and the Agents for certain expenses incurred by them and indemnify such parties in respect of certain liabilities incurred by them in connection with the issue of the Certificates and in acting as Trustee and Agents.

Listing

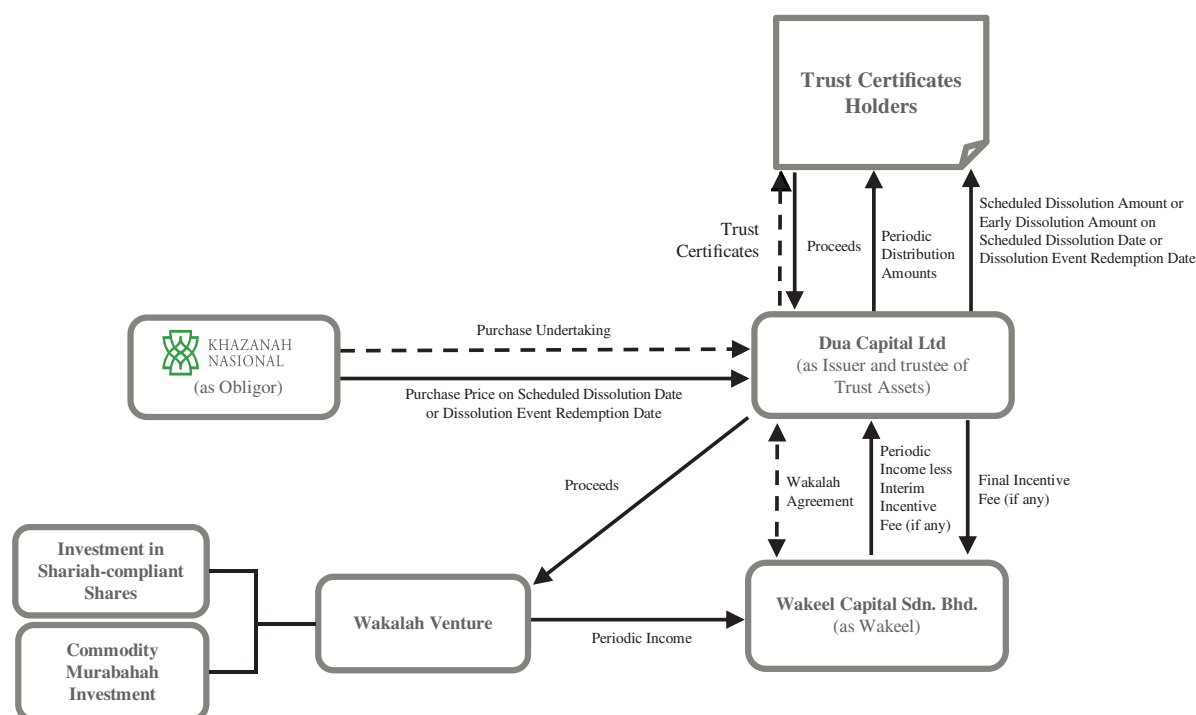
Approval in-principle has been received for the listing of the Certificates on Bursa Malaysia (under the exempt regime). Approval in-principle has been received from the SGX-ST for the listing of, and quotation for, the Certificates on the Official List of the SGX-ST. Each of the SGX-ST and Bursa Malaysia assumes no responsibility for the correctness of any statements made, opinions expressed or reports contained herein. Admission of the Certificates to the Official List of the SGX-ST and Bursa Malaysia (under the exempt regime) is not to be taken as an indication of the merits of the Issuer, the Obligor and its consolidated subsidiaries and/or associate companies or the Certificates.

Rating	The Certificates are not, and are not expected to be, rated by any rating agency.
Selling Restrictions	There are restrictions on the distribution of this Offering Circular and the offer, sale and transfer of the Certificates in, among others, the United States, the United Kingdom, Switzerland, Malaysia, Japan, Hong Kong, Singapore, United Arab Emirates (excluding the Dubai International Financial Centre), Dubai International Financial Centre, Qatar (including the Qatar Financial Centre) and Brunei. See “ <i>Subscription and Sale</i> ”.
Governing Law	The Trust Deed, the Agency Agreement, the Certificate Subscription Agreement, the Costs Undertaking Deed, the Purchase Undertaking, the Obligor Undertaking, the Issuer Undertaking, the Obligor Undertaking, the Commodity Murabahah Investment Agreement, the Wakalah Agreement, the Closing Date Deed of Surrender and the Certificates will be governed by English law. The Sale and Purchase Agreement will be governed by Malaysian law.
Clearing	The Certificates have been accepted for clearance by Euroclear and Clearstream under the following common code and ISIN: Series 1 Certificates: Common code: 233715298. ISIN: XS2337152982. Series 2 Certificates: Common code: 233996793. ISIN: XS2339967932.
Use of Proceeds	See “Use of Proceeds”.
Risk Factors	For a discussion of certain factors that should be considered in evaluating an investment in the Certificates, see “ <i>Risk Factors</i> ”.

STRUCTURE DIAGRAM AND CASH FLOWS

The following is a simplified overview of the structure and principal cashflows relating to the Certificates. This overview does not purport to be complete and is qualified in its entirety by reference to, and must be read in conjunction with, the detailed information appearing elsewhere in this Offering Circular. Potential investors should read the entire Offering Circular, especially the risks in relation to investing in the Certificates discussed under “Investment Considerations”. Capitalised terms not defined below shall have the same meanings as set out in the “Conditions of the Series 1 Certificates” or “Conditions of the Series 2 Certificates”.

Unless otherwise specified, defined terms used in this section should be interpreted as being applicable to either the Series 1 Certificates or the Series 2 Certificates, mutatis mutandis, as the relevant context may require.



Legend

1. An arrow with a solid line denotes the flow of funds.
 2. An arrow with a dotted line denotes the relevant documentation between the relevant parties.
1. On the Closing Date, the Issuer shall issue the Certificates. Each Certificate represents an undivided proportionate beneficial ownership interest in the Trust Assets.
 2. On the Closing Date, investors shall subscribe for the Certificates by payment of the Proceeds to the Issuer.
 3. On the Closing Date, the Issuer and the Wakeel shall enter into the Wakalah Agreement pursuant to which the Issuer (on behalf of the Certificateholders) shall appoint the Wakeel to perform certain duties in respect of the Wakalah Venture in accordance with the Wakalah Agreement and the Investment Plan set out therein. The Investment Plan requires that (i) the Issuer invest the Proceeds on the Closing Date in the Wakalah Venture; and (ii) the Wakeel to ensure satisfaction of the Investment Conditions. Any loss incurred

under the Wakalah Venture shall be borne by the Certificateholders in proportion to the Nominal Value of the Certificates held by each such Certificateholder.

4. On the Closing Date, the Wakalah Venture shall comprise investments in (i) certain Shariah-compliant Tangible Assets and (ii) the Commodity Murabahah Investment, in accordance with the terms of the Wakalah Agreement and the Investment Plan.

Periodic Distribution:

5. Pursuant to the Commodity Murabaha Investment Agreement, prior to each Periodic Distribution Date under the Certificates, the Buyer shall transfer to the Seller in cleared funds the Murabaha Profit Instalments by crediting the Principal Agent's account.

Payments in respect of the Scheduled Dissolution Date, Dissolution Event or other redemption events

6. The Aggregate Deferred Sale Price payable under the Commodity Murabahah Investment Agreement and the Purchase Price payable by the Obligor pursuant to the terms of the Purchase Undertaking shall be utilised to pay all amounts payable to the Certificateholders on the Scheduled Dissolution Date or, if earlier, the date specified in the relevant notice provided by the Trustee to the Issuer and Obligor upon occurrence of a Dissolution Event or on the relevant date fixed for redemption in respect of other redemption events.
7. Pursuant to the Commodity Murabahah Investment Agreement, Khazanah shall pay the deferred sale price (the "**Deferred Sale Price**") in relation to all of the Certificates outstanding:
 - (a) on one Payment Business Day before the Scheduled Dissolution Date, provided that the Certificates have not been redeemed previously, or purchased and cancelled in their entirety prior to the Scheduled Dissolution Date, an amount in relation to all of the Certificates then outstanding;
 - (b) on one Payment Business Day before the date specified in the relevant notice provided by the Trustee to the Issuer and the Obligor upon the occurrence of a Dissolution Event pursuant to Condition 12, an amount in relation to all of the Certificates then outstanding;
 - (c) on one Payment Business Day before the Tax Dissolution Date, if (i) the Issuer has or will become obliged to pay Additional Amounts or further Additional Amounts as a result of any change in, or amendment to, the laws (or any regulations, rulings or other administrative pronouncements promulgated thereunder) of 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, regulations, rulings or other administrative pronouncements which change or amendment becomes effective on or after the Closing Date; and (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it, an amount in relation to the number of Certificates in respect of which the Tax Dissolution Notice has been given; and
 - (d) on one Payment Business Day before the Issuer Optional Dissolution Date, an amount in relation to all of the Certificates then outstanding.

RISK FACTORS

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

Words and expressions defined in “Conditions of the Series 1 Certificates” or “Conditions of the Series 2 Certificates” shall have the same meanings in this section unless otherwise stated.

Unless otherwise specified, defined terms used in this section should be interpreted as being applicable to either the Series 1 Certificates or the Series 2 Certificates, mutatis mutandis, as the relevant context may require.

Considerations relating to this Offering Circular

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

This Offering Circular (or any part hereof) is not intended to provide the basis for any credit or other evaluation and should not be considered as a recommendation by any of the Issuer, the Obligor, the Joint Lead Managers, the Trustee or the Agents that any recipient of this Offering Circular or any such other document or information (or such part thereof) should subscribe for or purchase any of the Certificates. Each person receiving this Offering Circular acknowledges that such person has not relied on any of the Issuer, the Obligor, the Joint Lead Managers, the Trustee or the Agents or any person affiliated with any of them in connection with its investigation of the accuracy of the information contained herein or of any additional information considered by it to be necessary in connection with its investment decision.

Any recipient of this Offering Circular contemplating subscribing for or purchasing any of the Certificates should determine for itself the relevance of the information contained herein and any such other document or information (or any part thereof) and its investment should be, and shall be deemed to be, based solely upon its own independent investigation of the financial condition and affairs, and its own appraisal of the prospects and creditworthiness of the Issuer, the Obligor and their respective subsidiaries and associate companies (if any), the Conditions and any other factors relevant to its decision, including the merits and risks involved. In particular, recipients of this Offering Circular should note that the latest financial statements of Khazanah incorporated herein are as at and for the year ended 31 December 2019.

Considerations relating to the Issuer

The Issuer has not conducted any activity since its incorporation, has no material assets and is dependent on Khazanah to pay amounts due under the Certificates.

The Issuer is a special purpose vehicle in the form of a limited liability company incorporated in Labuan on 18 February 2021 pursuant to the Labuan Companies Act, 1990 of Malaysia and has not conducted any business since its incorporation other than in respect of the Certificates. Its principal business activities are to issue the Certificates and to engage in activities incidental or related to such issuance and to undertake any Shariah-compliant transactions involving, or relating to, the Obligor and/or its affiliates, provided that such Shariah-compliant transactions would contain a limited recourse provision which specifies that recourse in each of those Shariah-compliant transactions shall be limited to the relevant assets in relation thereto. The Issuer's only material assets in relation to the Certificates, which will be held by it as trustee on trust for the Certificateholders, will be the Trust Assets, including its rights under the Transaction Documents to receive the Scheduled Dissolution Amount plus any due and unpaid Periodic Distribution Amounts payable upon maturity or the Early Dissolution Amount plus any due and unpaid Periodic Distribution Amounts payable on the occurrence of a Dissolution Event (as applicable). The Certificates will not be obligations or responsibilities of, or guaranteed by, the Trustee, any of the Agents or the Joint Lead Managers. As a consequence, the Issuer's ability to satisfy its obligations under the Certificates is subject to all the risks to which Khazanah is subject that could negatively affect its ability to satisfy its obligations under the Transaction Documents.

Considerations relating to the Obligor

COVID-19 and other infectious diseases have had, and may continue to have, an adverse effect on the Khazanah Group.

The outbreak of a novel strain of coronavirus which first emerged in late December 2019 (“COVID-19”) has spread rapidly and globally across multiple countries around the world. The COVID-19 pandemic has negatively impacted the global economy, disrupted global supply chains, created significant volatility and disruption in financial markets, and increased unemployment levels. The governments of many countries, including Malaysia and other jurisdictions in which the Khazanah Group operates and conducts business in, have reacted by instituting lockdowns, business shutdowns, quarantines and restrictions on travel. Businesses have also implemented countermeasures and safety measures to reduce the risk of transmission. Such actions have not only disrupted businesses and industries but have had a material and adverse effect on local, regional and global economies.

The COVID-19 pandemic has had, and may continue to have, an adverse effect on the business, financial condition and results of operations of the Khazanah Group. Khazanah derives income from its investment portfolio, which consists of investments across different industries, including but not limited to the construction, aviation, distribution and logistics, tourism, healthcare, telecommunications, energy and banking industries. Each of these industries, and consequently Khazanah's underlying key investments, have been, and may continue to be, adversely impacted in varying degrees by the COVID-19 pandemic and the prolonged global economic downturn.

There could be further impact on Khazanah's income due to a lower number of transactions and decreased investment sentiment as a result of the current market volatility, which may have a material adverse effect on the financial condition, business or results of operations of Khazanah and the Khazanah Group. There can be no assurance that Khazanah will be able to recoup all or any of the investments which it has made in various investment instruments globally.

The extent to which the COVID-19 pandemic will continue to impact the business, cash flows, operational results, financial condition and prospects of the Khazanah Group will depend on future developments, including but not limited to the continued geographic spread of COVID-19, the severity of the various COVID-19 strains, the duration of the pandemic and the actions that may be taken by governmental authorities in response to the pandemic, each of which are highly uncertain and cannot be predicted. Given the unprecedented nature of the COVID-19 pandemic, it is difficult to predict the full impact which the ongoing COVID-19 pandemic will have on the Khazanah Group and the Khazanah Group may be adversely affected in ways that cannot be foreseen as at the date of this Offering Circular.

In addition to the ongoing impact of the COVID-19 pandemic, any future outbreaks of infectious diseases in Asia (including Malaysia) or globally (such as the Ebola virus, Middle East respiratory syndrome coronavirus and Influenza A virus, together with any resulting restrictions on travel or quarantines imposed, could have a negative impact on the economy and business activity in the region which could significantly interrupt the Khazanah Group's operations and may also have an adverse effect on the economic conditions of countries in which Khazanah's investments are located, resulting in an adverse effect on the business, cash flows, operational results, financial condition and prospects of the Khazanah Group.

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

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

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

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

Khazanah and its portfolio companies are subject to strategic risk.

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

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

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

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

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

In connection with an investment in, or divestment of, an interest in a company, Khazanah may be exposed to certain claims or liabilities relating to the subject company (or its ownership interest therein), including, without limitation, tax or environmental claims or liabilities. There can be no assurance that any such claim or liability would not have a material adverse effect on the financial condition of Khazanah and the Khazanah Group or the business or results of operations of the Khazanah Group.

Government ownership of Khazanah.

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

Considerations relating to Malaysia

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

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

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

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

The market and economic conditions in Malaysia and globally have been, and continue to be, volatile. The adverse global economic conditions and the volatility of the capital markets have had, and may continue to have, an adverse impact on the value of Khazanah's portfolio, the value and profitability of Khazanah's portfolio companies' businesses and, in turn, the Khazanah Group's revenue and profitability. Ongoing events such as trade tensions between the United States and major trading partners, in particular with China, the continued instability of European and U.S. financial markets, as well as continued political instability and turmoil in certain Middle Eastern countries may adversely affect economic activity and financial markets. In addition, these conditions have had, and may continue to have, an adverse impact on the ability of Khazanah's portfolio companies to pay dividends or make other distributions or payments to Khazanah, or may result in Khazanah's portfolio not generating the expected returns for Khazanah.

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

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

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

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

Khazanah's financial statements are prepared and presented in accordance with Approved Accounting Standards issued by the Malaysian Accounting Standards Board, which differ in certain material respects from generally accepted accounting principles in certain other jurisdictions, including International Accounting Standards or International Financial Reporting Standards and auditing standards which prospective investors may be familiar with in other countries. As a result, Khazanah's financial statements and reported earnings could be significantly different from those which would be reported under other jurisdictions. This Offering Circular does not contain a reconciliation of Khazanah's financial statements to generally accepted accounting principles of any other jurisdiction, and there is no assurance that such reconciliation would not reveal material differences.

Considerations relating to the Axiata shares

Beneficial ownership of the Axiata shares will be purchased by the Issuer, but the transactions may be set aside.

On the Closing Date, the Issuer shall invest the proceeds of the issue of the Series 1 Certificates in the Commodity Murabahah Investment in relation to the Series 1 Certificates and the Axiata shares. The Issuer will declare a trust over such assets in favour of the Certificateholders of the Series 1 Certificates (the "**Series 1 Certificateholders**"). Beneficial ownership of Axiata shares will be acquired by the Issuer from Khazanah pursuant to the Sale and Purchase Agreement in relation to the Series 1 Certificates. If a claim or action were to be instituted to set aside the acquisition of beneficial ownership of such Axiata shares described above and if such claim or action were to be successful, the Issuer could lose its beneficial ownership (over which a trust is declared in favour of the Series 1 Certificateholders) of such Axiata shares.

On the Closing Date, the Issuer shall invest the proceeds of the issue of the Series 2 Certificates in the Commodity Murabahah Investment in relation to the Series 2 Certificates and the Axiata shares. The Issuer will declare a trust over such assets in favour of the Certificateholders of the Series 2 Certificates (the "**Series 2 Certificateholders**"). Beneficial ownership of Axiata shares will be acquired by the Issuer from Khazanah pursuant to the Sale and Purchase Agreement in relation to the Series 2 Certificates. If a claim or action were to be instituted to set aside the acquisition of beneficial ownership of such Axiata shares described above and if such claim or action were to be successful, the Issuer could lose its beneficial ownership (over which a trust is declared in favour of the Series 2 Certificateholders) of such Axiata shares.

The Issuer has not made searches and investigations relating to the Axiata shares.

The Issuer has not made or caused to be made or will not make or cause to be made on its behalf all the enquiries, searches and investigations which a prudent purchaser of assets such as the beneficial ownership of the Axiata shares would make and the Joint Lead Managers, the Trustee and the Agents have made no such enquiries, searches or investigations. Each of the Issuer, the Trustee and other such parties will rely on the representations and warranties made by Khazanah contained in the Sale and Purchase Agreement.

Considerations relating to an Investment in the Certificates

Performance of contractual obligations.

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

Withholding tax under the Certificates.

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

No obligation on the part of the Obligor's Shareholder with respect to the Certificates.

Save for one ordinary share owned by the FLC, all the ordinary shares in the Obligor are owned by the Obligor's Shareholder. However, the Obligor's Shareholder is not legally obliged to provide financial support to the Obligor. Khazanah's obligations under the Commodity Murabahah Investment Agreement and the Purchase Undertaking are not guaranteed by the Obligor's Shareholder, and the Obligor's Shareholder has no obligation to the Certificateholders. There can be no assurance that the Obligor's Shareholder will provide financial support to the Obligor or the Issuer in the event that the Obligor or the Issuer is unable to meet its obligations under the Commodity Murabahah Investment Agreement, the Purchase Undertaking or the Certificates. In addition, the Obligor's Shareholder has given no undertaking in relation to its continued ownership of the Obligor, although it will constitute a Dissolution Event under the Certificates if the Government ceases to own the entire issued share capital of the Obligor.

The Certificates are limited recourse obligations.

The Certificates do not represent an interest in any of the Issuer, the Obligor, the Trustee, the Agents or any of their respective affiliates. Notwithstanding anything to the contrary contained herein or in any Transaction Document, no payment of any amount whatsoever shall be made in respect of the Certificates by the Issuer, the Trustee or the Agents or any of their respective directors, officers, employees or agents except to the extent that funds are available therefore from the Trust Assets of that Series. The Trust Assets include, among others, all of the Issuer's rights, title, interest, entitlement and benefit, in, to and under the Wakalah Venture, which, when any amount is due and payable thereunder, constitutes an obligation of Khazanah in respect of which a claim may be made by the Issuer and the Trustee and which ranks equally with all its other present and future unsecured and unsubordinated obligations of Khazanah. By subscribing for or acquiring the Certificates, the Certificateholders of that Series acknowledge that no recourse may be had for the payment of any amount owing in respect of the relevant Certificates against the Trustee, the Issuer or the Agents or any of their respective directors, officers or agents and, to the extent that all claims in respect of the relevant Trust Assets have been exhausted, all

claims in respect of the relevant Certificates shall be extinguished. In addition, no Certificateholder will be able to petition for, or join any other person in instituting proceedings for, the reorganisation, liquidation, winding up or receivership of any of the Trustee, the Issuer or the Agents or of any of their affiliates if there is a shortfall after claims in respect of the relevant Trust Assets have been exhausted or otherwise.

Certificateholders' ability to enforce claims is uncertain.

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

- (i) the judgement was not obtained by fraud;
- (ii) the enforcement of the judgement would not be contrary to natural justice or the public policy of Malaysia;
- (iii) the enforcement of the judgement would not be an enforcement of penal or revenue laws of England;
- (iv) the judgement was not obtained in proceedings in which the defendant did not (notwithstanding that process may have been duly served on him in accordance with the laws of England) receive notice of those proceedings in sufficient time to enable it to defend the proceedings and did not appear;
- (v) there has not been an earlier judgement of a competent court;
- (vi) the judgement is for a fixed sum and not for multiple damages;
- (vii) enforcement of proceedings is instituted within six years after the date of the judgement;
- (viii) an appeal is not pending, and the judgement creditor is not entitled and intending to appeal, against the judgement;
- (ix) the judgement was made by a court of competent jurisdiction; and
- (x) the judgement has not been wholly satisfied and is enforceable by execution in the courts of England.

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

In addition, where the sum payable under a judgement which is to be registered is expressed in a currency other than Malaysian currency, the judgement shall be registered as if it were a

judgement for such sum in Malaysian currency as is equivalent to the sum so payable on the basis of the rate of exchange prevailing at the date of the judgement of the original court.

There has been no prior public market for the Certificates; the liquidity and market price of the Certificates following the Offering may be volatile.

There is no existing market for the Certificates and there can be no assurances that a secondary market for the Certificates will develop, or if a secondary market does develop, that it will provide the Certificateholders with liquidity of investment or that it will continue for the life of the Certificates. The market value of the Certificates may fluctuate. Consequently, any sale of the Certificates by Certificateholders in any secondary market which may develop may be at prices that may be higher or lower than the initial offering price depending on many factors, including prevailing interest rates, the Khazanah Group's operating results and the market for similar securities. There can be no assurance as to the liquidity of, or trading market for, the Certificates and an investor in the Certificates must be prepared to hold the Certificates for an indefinite period of time or until their maturity. While approval in-principle has been received from Bursa Malaysia (under the exempt regime) for the listing of the Certificates and approval in-principle has been received from the SGX-ST for the listing of, and quotation for, the Certificates on the SGX-ST, there can be no assurance that such listings will occur on or prior to the Closing Date or at all. Historically, the market for debt by Southeast Asian issuers has been subject to disruptions that have caused substantial volatility in the prices of such securities. There can be no assurance that the market for the Certificates will not be subject to similar disruptions. Any such disruption may have an adverse effect on the Certificateholders.

There is no assurance that the Certificates will be Shariah-compliant.

The Shariah Adviser to the transaction will confirm that the Certificates are Shariah-compliant. However, there can be no assurance as to the Shariah permissibility of the structure, the issue and the trading of the Certificates and none of the Obligor, the Joint Lead Managers, the Trustee or the Agents makes any representation on the same being so acceptable and investors are reminded that as with any Shariah views, differences in opinion are possible. Investors should obtain their own independent Shariah advice as to the Shariah permissibility of the structure, the issue and the trading of the Certificates. If the Certificates are deemed not to be Shariah-compliant by an investor's own standard of Shariah compliance, such investor may be required to sell or otherwise dispose of its Certificates by virtue of its own constitutional restraints or otherwise. Similarly, if the Certificates are deemed not to be Shariah-compliant by a potential investor's standards of Shariah-compliance, it may be prohibited from buying the Certificates by virtue of its own constitutional restraints or otherwise. Accordingly, the liquidity and price of the Certificates in the market may be adversely affected by particular Shariah standards, and the interpretation thereof, of existing or potential investors.

The Certificates are complex instruments and may not be a suitable investment for all investors.

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

- have sufficient knowledge and experience to make a meaningful evaluation of the Certificates, the merits and risks of investing in the Certificates and the information contained in this Offering Circular;

- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Certificates and the impact the Certificates will have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Certificates or where the currency for principal or periodic distribution amounts is different from the potential investor's currency;
- understand thoroughly the terms of the Certificates and be familiar with the behaviour of any relevant indices and financial markets; and
- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic and other factors that may affect its investment and its ability to bear the applicable risks.

In addition, 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) the Certificates constitute legal investments for it; (ii) the Certificates can be used as collateral for various types of borrowing; and (iii) other restrictions apply to any purchase or pledge of any Certificates by the investor. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of the Certificates under any applicable risk-based capital or similar rules and regulations.

The Trustee may request the Certificateholders to provide an indemnity and/or security and/or pre-funding to its satisfaction.

In certain circumstances (including without limitation the giving of notice to the Issuer pursuant to Condition 12 of each of the Conditions of the Series 1 Certificates and Conditions of the Series 2 Certificates), the Trustee may (at its discretion) request Certificateholders to provide an indemnity and/or security and/or pre-funding to its satisfaction before it takes actions on behalf of Certificateholders. The Trustee will not be obliged to take any such steps and/or to institute any such proceedings if it is not first 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 Trustee may not be able to take actions, notwithstanding the provision of an indemnity and/or security and/or pre-funding to it, in breach of the terms of the Trust Deed 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 and regulations, it may be for the Certificateholders to take such actions directly.

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

The Conditions and the Transaction Documents (other than the Sale and Purchase Agreement) are governed by English law. The Sale and Purchase Agreement is governed by the laws of Malaysia. No assurance can be given as to the impact of any possible judicial decision or change to English law or the laws of Malaysia after the date of this Offering Circular (including their impact on the interpretation of such laws after the date of this Offering Circular), nor can any

assurance be given that any such change would not adversely affect the ability of the Obligor to make payment under the relevant Transaction Documents or the Issuer to make payments under the Certificates.

Certain Certificateholders may be exposed to currency conversion risks due to the Certificates being denominated in U.S. dollars.

Payments to Certificateholders will be made in U.S. dollars. If an investor's financial activities are principally denominated in a currency other than U.S. dollars, it will be subject to certain currency conversion risks. These risks include (i) the risk that exchange rates may significantly change (including changes due to the devaluation of the U.S. dollar or revaluation of the investor's currency); and (ii) the risk that authorities with jurisdiction over the investor's currency may impose or modify exchange controls which could adversely affect any applicable exchange rate. In recent years, exchange rates between certain currencies have been volatile and such exchange rate volatility with a variety of currencies may continue in the future. Any appreciation of an investor's currency relative to the U.S. dollar would decrease the investor's currency-equivalent value of the amounts payable in respect of the Certificates and the investor's currency equivalent market value of the Certificates. In addition, exchange controls could adversely affect the availability of a specified foreign currency at the time of payments of amounts on a Certificate. As a result, investors may receive less payment than expected, or no payment at all.

CONDITIONS OF THE SERIES 1 CERTIFICATES

The following, subject to amendment, other than the paragraphs in italics, are the conditions of the Series 1 Certificates which will appear on the reverse of each of the individual certificates evidencing the Series 1 Certificates:

The issue of the U.S.\$400,000,000 Trust Certificates due 2026 (the “**Certificates**”) of Dua Capital Ltd. (the “**Issuer**”) was authorised by the resolutions of the board of directors of the Issuer passed on 15 March 2021 and 29 April 2021; and the resolutions of the sole member of the Issuer passed on 2 April 2021 and 29 April 2021 respectively. The Certificates are constituted by a trust deed (as modified from time to time in accordance with its terms, the “**Trust Deed**”) dated 11 May 2021 (the “**Closing Date**”) and made between the Issuer as settlor of the trust in favour of holders of the Certificates and The Bank of New York Mellon, London Branch (the “**Trustee**”, which term shall, where the context so permits, include all other persons or companies substituting the Trustee for the purposes of the Trust Deed and any co-trustee if so appointed pursuant to the Trust Deed) as trustee for the holders of the Certificates, and each Certificate evidences an undivided and unsecured beneficial ownership interest in the Trust Assets (as defined in Condition 3). The obligations of the Issuer in respect of the Certificates are not secured.

The Issuer has entered into an agency agreement (the “**Agency Agreement**”) dated the Closing Date with the Trustee, The Bank of New York Mellon, London Branch as principal agent (the “**Principal Agent**”), and The Bank of New York Mellon SA/NV, Dublin Branch as registrar (the “**Registrar**”) and as transfer agent (the “**Transfer Agent**”). In these Conditions, the Principal Agent, the Transfer Agent, the Registrar and any other paying agent (any such paying agent, a “**Paying Agent**” and together with the Principal Agent, the “**Paying Agents**”) and transfer agent (any such other transfer agent together with the Transfer Agent, the “**Transfer Agents**”) appointed under the Agency Agreement are together referred to as the “**Agents**”.

Pursuant to a costs undertaking deed (the “**Costs Undertaking Deed**”) dated the Closing Date executed by Khazanah Nasional Berhad (the “**Obligor**”), the Obligor has agreed to pay the fees and expenses of the Agents and the other service providers appointed in connection with the issue of the Certificates and to indemnify them in respect of any loss incurred in the performance of their respective obligations.

The statements in these terms and conditions of the Certificates (the “**Conditions**”) include summaries of, and are subject to, the detailed provisions of the Trust Deed, the Agency Agreement, the Wakalah Agreement, the Sale and Purchase Agreement, the Commodity Murabahah Investment Agreement, the Closing Date Deed of Surrender, the Obligor Undertaking, the Issuer Undertaking, the Purchase Undertaking, the Costs Undertaking Deed, the Issuer Power of Attorney and the Obligor Power of Attorney (together, the “**Transaction Documents**” which shall include any amendments, variations and/or supplements thereto made or entered into from time to time). Copies of the Transaction Documents are available for inspection by Certificateholders at the registered office of the Issuer and at the specified offices of the Principal Agent. The Certificateholders (as defined in Condition 1(b)) are entitled to the benefit of the Trust Deed and are bound by, and are deemed to have notice of, all the provisions of the Transaction Documents applicable to them.

Unless given a defined meaning elsewhere in these Conditions or the context requires otherwise, capitalised terms used in these Conditions shall have the meanings given in Condition 6. In addition, words and expressions defined and rules of construction and interpretation set out or incorporated by reference in the Trust Deed shall, unless otherwise defined herein or unless the context otherwise requires, have the same meanings herein.

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

1 Form, Denomination and Title

(a) Form and denomination

The Certificates are issued in registered form in the denomination of U.S.\$200,000 each and integral multiples of U.S.\$1,000 in excess thereof. A certificate will be issued to each Certificateholder in respect of its registered holding of Certificates. Each Certificate will be numbered serially with an identifying number which will be recorded on the relevant Certificate and in the register of Certificateholders (the “**Register**”) which the Issuer will procure to be kept by the Registrar.

Upon issue, the Certificates will be represented by a Global Certificate registered in the name of a nominee for, and deposited with, a common depositary for Euroclear Bank SA/NV (“**Euroclear**”) and Clearstream Banking S.A. (“**Clearstream**”). The Conditions are modified by certain provisions contained in the Global Certificate.

(b) Title

Title to the Certificates passes only by transfer and registration in the register of holders of the Certificates. The holder of any Certificate will (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it or any writing on, or theft or loss of, the Certificate issued in respect of it) and no person will be liable for so treating the holder. In these Conditions, “**Certificateholder**” and (in relation to a Certificate) “**holder**” means the person in whose name a Certificate is registered on the Register (or in the case of a joint holding, the first named thereof).

2 Status and Limited Recourse

(a) Status

- (i) Each Certificate represents an undivided proportionate beneficial ownership interest in the Trust Assets and will at all times rank *pari passu* and rateably, without discrimination, preference or priority among themselves, subject to priorities or rights preferred by law.
- (ii) The obligations of the Obligor pursuant to the Purchase Undertaking, the Commodity Murabahah Investment Agreement and the other Transaction Documents to which it is a party constitute direct, unconditional and unsecured obligations of the Obligor and which, except for obligations mandatorily preferred by law, at all times rank equally with all its other present and future unsecured and unsubordinated obligations.

- (iii) The provisions of the Trust Deed and the other Transaction Documents bind the Issuer, the Obligor, the Trustee, the Certificateholders and all persons claiming through or under them and the Certificates shall be issued subject to the provisions of the Trust Deed and the other Transaction Documents and the Conditions (all of which shall be deemed to be incorporated in the Trust Deed as if expressly set out verbatim in full therein).
- (iv) The Issuer covenants and undertakes with the Trustee and each Certificateholder on the terms as set out in Clauses 8 and 9 of the Trust Deed.

(b) Limited Recourse

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

Notwithstanding anything to the contrary contained herein or in any Transaction Document, no payment of any amount whatsoever shall be made in respect of the Certificates by the Issuer, the Trustee or the Agents or any of their respective directors, officers, employees or agents except to the extent that funds are available therefor from the Trust Assets. The Trust Assets include, amongst others, all of the Issuer's rights, title, interest, entitlement and benefit, in, to and under the Transaction Documents, which when any amount is due and payable thereunder, constitutes a general unsecured and unsubordinated obligation of the Obligor in respect of which a claim may be made by the Issuer or the Trustee and which ranks as described in Condition 2(a)(ii).

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

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

3 Trust and Trust Assets

(a) Summary of the Trust

The Issuer will act as trustee for and on behalf of the Certificateholders with respect to the Trust Assets pursuant to the Trust Deed. The description of certain aspects of the Transaction Documents set out in this Condition 3(a) is a summary only and is qualified in its entirety by the provisions of the relevant Transaction Document.

- (i) *Wakalah Venture*: Pursuant to the Wakalah Agreement entered into by the Issuer and the Wakeel on the Closing Date (the "**Wakalah Agreement**"), the Issuer (on behalf of the Certificateholders) shall appoint the Wakeel to perform certain duties in respect of a wakalah venture (a "**Wakalah Venture**") in accordance with

the terms of the Wakalah Agreement and the Investment Plan. The Wakalah Venture shall comprise investments in (i) certain Shariah-compliant Tangible Assets and (ii) the Commodity Murabahah Investment, in accordance with the terms of the Wakalah Agreement and the Investment Plan. Under the Wakalah Agreement the Wakeel must ensure that at all times during the term of the Certificates the aggregate value of the Shariah-compliant Tangible Assets comprised in the Wakalah Venture is at least equal to the Tangible Assets Minimum Value, all as valued in accordance with the Valuation Principles.

In connection with the Certificates, the proceeds from the issue of the Certificates (the “**Proceeds**”) shall be applied for the purchase of Shariah-compliant Shares and invested in the Commodity Murabahah Investment.

All of the Issuer’s rights, title, interest, entitlement and benefit under the Wakalah Venture, including, without limitation, the beneficial ownership in all shares comprised therein, all of the Issuer’s rights under the Commodity Murabahah Investment and all rights and other distributions accruing to or forming part of the Wakalah Venture are referred to as the “**Investments**”. Any loss incurred under the Wakalah Venture shall be borne by the Certificateholders in proportion to the Nominal Value of the Certificates held by each such Certificateholder.

- (ii) *Shariah-compliant Tangible Assets*: Pursuant to a sale and purchase agreement entered into by the Issuer and Khazanah Nasional Berhad (the “**Seller**”) on the Closing Date (the “**Sale and Purchase Agreement**”), the Issuer shall purchase from the Seller certain Shariah-compliant Shares, by way of transfer of beneficial ownership.

On the Closing Date (in respect of the Shariah-compliant Tangible Assets purchased pursuant to the terms of the Sale and Purchase Agreement) and subsequently (in respect of any other shares which form part of the Wakalah Venture), the Issuer shall execute a deed of surrender (the deed of surrender executed on the Closing Date being the “**Closing Date Deed of Surrender**” and any subsequent deed of surrender being a “**Deed of Surrender**”) surrendering in each case in favour of the relevant seller any and all of its voting rights in respect of such shares.

During the term of the Certificates, the aggregate fair market value of the Shariah-compliant Tangible Assets comprised in the Wakalah Venture must be at least equal to 51 per cent. of the value of the Wakalah Venture as a whole (the “**Tangible Assets Minimum Value**”), all as determined in accordance with the Valuation Principles.

The assets comprised in the Wakalah Venture shall be dealt with in accordance with the terms of the Wakalah Agreement and certain additional documents entered into on the Closing Date in connection therewith, including (i) an undertaking granted by the Obligor in favour of the Issuer and the Wakeel as its agent (the “**Obligor Undertaking**”) and (ii) an undertaking granted by the Issuer (on behalf of the Certificateholders) in favour of the Obligor (the “**Issuer Undertaking**”). The Wakeel has appointed a Shariah adviser (the “**Wakeel Shariah Adviser**”) to assess the tangible assets comprised in the Wakalah Venture by applying the Business Activity Test and the Financial Ratio Test (as defined in Condition 6) and certify to the Issuer, the Trustee, the Wakeel and the Obligor whether or not in its opinion they continue to be Shariah-compliant Tangible Assets.

- (iii) *Dividends and other distributions*: The Wakeel shall maintain records of all dividends (whether in the form of cash, shares or any other form) and other distributions accruing to the Issuer as beneficial owner of such Shariah-compliant Tangible Assets (on behalf of the Certificateholders). Where shareholders are able to elect the form in which dividends or other distributions are to be paid, the Issuer shall make such election and shall instruct the Seller (or such relevant seller) as registered owner of the relevant shares to take all necessary steps to give effect to such election. All such dividends and other distributions shall form part of the Wakalah Venture and shall be dealt with as described in this Condition 3(a)(iii) and in the Transaction Documents.

If any dividends or other distributions accrue to the Wakalah Venture other than in the form of cash or shares, or if any other rights of any kind are given to shareholders (including without limitation the right to subscribe for new shares in the relevant company), the Wakeel shall on behalf of the Issuer direct the Seller (or such relevant seller) to exercise such rights in accordance with the Wakeel's instructions.

- (iv) *Commodity Murabahah Investment*: Further to the purchase of Shariah-compliant Shares pursuant to Condition 3(a)(ii), the Issuer shall, on behalf of the Certificateholders, invest the remaining Proceeds into a commodity murabahah investment (the “**Commodity Murabahah Investment**”) by entering into on the Closing Date a Commodity Murabahah Investment Agreement with Khazanah Nasional Berhad in its capacity as buyer (the “**Buyer**”) and CIMB Islamic Bank Berhad as facility agent (the “**Facility Agent**”). Pursuant to the Commodity Murabahah Investment Agreement, the Buyer shall deliver to the Issuer a purchase order and undertaking to buy commodities. The Issuer shall sell the commodities so purchased on its behalf by the Facility Agent to the Buyer on the settlement date specified in the purchase order in consideration for a pre-determined aggregate deferred sale price (the “**Aggregate Deferred Sale Price**”) payable in accordance with the Commodity Murabahah Investment Agreement.

In accordance with the Commodity Murabahah Investment Agreement, the relevant portion of the Aggregate Deferred Sale Price will be immediately due and payable on the day falling one Payment Business Day before the Scheduled Dissolution Date, the Tax Dissolution Date, the Issuer Optional Dissolution Date or the Dissolution Event Redemption Date (as applicable).

- (v) *Valuation Principles*: The following valuation principles (the “**Valuation Principles**”) shall be used to calculate the value of the Wakalah Venture and the Investments:

- (A) the value of the Wakalah Venture on any valuation date is equal to the aggregate of the fair market value of the Shariah-compliant Tangible Assets comprised in the Wakalah Venture and the value of the outstanding Aggregate Deferred Sale Price under the Commodity Murabahah Investment (each determined as described below);

- (B) the fair market value of shares, including without limitation distributions or dividends in the form of shares, which are not listed on any stock exchange on any valuation date shall be calculated by reference to the net tangible assets of the relevant company as derived from its most recently published audited accounts;
- (C) the fair market value of shares, including without limitation distributions or dividends in the form of shares, which are listed on a stock exchange on any valuation date shall be calculated by reference to the volume weighted average price of such shares for a period of 20 trading days ending on the trading day falling two Business Days prior to the relevant valuation date;
- (D) the value of the outstanding Aggregate Deferred Sale Price under the Commodity Murabahah Investment on any valuation date shall be equal to the aggregate of all outstanding amounts to be paid under the Commodity Murabahah Investment Agreement on the relevant valuation date in accordance with the terms thereof;
- (E) the fair market value of any assets or the relevant dividend or distribution (as the case may be) shall be determined by the Wakeel acting in good faith by reference to one or more valuation methodologies customarily adopted in respect of assets of a similar nature and approved by the Wakeel Shariah Adviser; and
- (F) all calculations and determinations shall be expressed in U.S. dollars. Any amounts not expressed in U.S. dollars shall be converted into U.S. dollars at the then prevailing exchange rate between U.S. dollars and the relevant currency.

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

The Issuer has in the Wakalah Agreement agreed to appoint the Wakeel as an agent (or such other agent from time to time as shall have been approved by the Trustee, such approval not to be unreasonably withheld or delayed) for the purposes of making all calculations and determinations required to be made in accordance with the Valuation Principles.

Unless the Trustee has agreed to be appointed by the Issuer to act as such calculation agent, the Trustee shall be under no obligation to calculate, determine or verify any calculations or determinations required to be made by the Wakeel (or such other alternative calculation agent appointed) in accordance with the Valuation Principles and the Trustee shall not be responsible for the accuracy or veracity of any such calculation or determination and is entitled to rely upon them without liability to the Certificateholders. Any determination made by the Wakeel, as applicable, shall be conclusive and binding save in the case of manifest error.

- (vi) *Purchase Undertaking*: The Obligor shall on the Closing Date issue a Purchase Undertaking in favour of the Issuer (for the benefit of the Certificateholders) and the Trustee under which the Obligor undertakes to purchase from the Issuer all of the Shariah-compliant Tangible Assets comprised in the Investments at their Purchase Price on the Scheduled Dissolution Date, any Tax Dissolution Date, the Issuer Optional Dissolution Date or on the Dissolution Event Redemption Date, as the case may be, provided that there will be no Certificates outstanding upon payment of the Purchase Price.

“**Purchase Price**” means the fair market value of the Shariah-compliant Tangible Assets comprised in the Investments calculated in accordance with Valuation Principles.

The Purchase Price payable by the Obligor pursuant to the terms of the Purchase Undertaking and the Aggregate Deferred Sale Price payable by the Obligor (in its capacity as Buyer) under the Commodity Murabahah Investment Agreement shall be utilised to pay the Scheduled Dissolution Amount or the Early Dissolution Amount, as the case may be, due on the Certificates, plus any due and unpaid Periodic Distribution Amount.

- (vii) *Trust*: The Trust established under and in accordance with the terms of the Trust Deed is as follows:

- (A) the Issuer will declare a trust over assets (the “**Trust Assets**”) consisting of:
- (i) all of its rights, title, interest, entitlement and benefit in, to and under the Wakalah Venture; (ii) all of its rights, title, interest, entitlement and benefit, in, to and under the Transaction Documents; and (iii) all proceeds of the foregoing; and
- (B) the Trustee will declare a trust over assets consisting of (i) the rights, title, interest and benefit, in, to and under the Trust Deed and each of the other Transaction Documents to which it is a party (or to which it obtains the benefits thereunder), (ii) all amounts received by it from the Issuer, the Obligor, the Buyer and/or otherwise under or in connection with the Trust Deed and each of the other Transaction Documents, and (iii) any realisation or enforcement proceeds,

in trust absolutely for the Certificateholders *pro rata* according to the outstanding Nominal Value of Certificates held by each Certificateholder in accordance with the Trust Deed and these Conditions.

(b) Application of Proceeds

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

- (i) FIRST, (to the extent not already satisfied under the relevant Transaction Documents) in or towards the payment of or provision for all fees, all costs, charges and expenses properly incurred and all liabilities incurred by the Trustee

in carrying out its functions, rights, powers and/or discretions under the Trust Deed, the Certificates and/or the other Transaction Documents (including, for the avoidance of doubt, such amounts as aforesaid incurred by or payable to any Appointee (as defined in the Trust Deed) and to the Agents for so long as they are acting as agents of the Trustee);

- (ii) SECOND, (to the extent not already satisfied under the relevant Transaction Documents including pursuant to Condition 3(b)(i)) in and towards the payment of or provision for all fees, all costs, charges and expenses properly incurred and liabilities incurred by the Agents in or incidental to the exercise or performance of any obligation, power, right, discretion and/or authority conferred on them under the Trust Deed, the Certificates and/or the other Transaction Documents;
 - (iii) THIRD, in or towards the payment of taxes and other government charges (if any) payable in connection with the Certificates;
 - (iv) FOURTH, in or towards payment *pari passu* and rateably of all Periodic Distribution Amounts due and unpaid in respect of the Certificates;
 - (v) FIFTH, in or towards payment *pari passu* and rateably of all other amounts due and unpaid in respect of the Certificates; and
 - (vi) SIXTH, in payment of the surplus (if any) as an incentive fee (if applicable) to or to the order of the Wakeel.
- (c) Final Incentive Fee

Provided that all payments made under the Purchase Undertaking and the Commodity Murabahah Investment Agreement are sufficient to satisfy the aggregate of (i) (x) the Early Dissolution Amount payable on the Dissolution Event Redemption Date, the Tax Dissolution Date or the Issuer Optional Dissolution Date as applicable, or (y) the Scheduled Dissolution Amount, and (ii) all amounts payable under Condition 3(b) (Application of Proceeds) (excluding Condition 3(b)(vi)) and provided no amounts remain outstanding in respect of the Certificates, the Wakeel shall be entitled to an incentive fee payable from such amounts in respect of any excess (the “**Final Incentive Fee**”).

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

4 Transfers of Certificates and Issue of Certificates

(a) Register

The Issuer will cause to be kept at the specified office of the Registrar and in accordance with the terms of the Agency Agreement, the Register on which shall be entered the names and addresses of the holders of the Certificates and the particulars of the Certificates held by them and of all transfers of the Certificates. Each Certificateholder shall be entitled to receive only one Certificate in respect of its entire holding.

(b) Transfers

Subject to the Agency Agreement, a Certificate may be transferred by delivery of the Certificate issued in respect of that Certificate, with the form of transfer endorsed on such Certificate duly completed and signed by the holder or his attorney duly authorised in writing, to the specified office of the Registrar or any of the Transfer Agents. No transfer of title to a Certificate will be valid unless and until entered on the Register.

Transfers of interests in the Certificates evidenced by the Global Certificate will be effected in accordance with the rules of the relevant clearing systems.

(c) Delivery of new Certificates

- (i) Each new Certificate to be issued upon a transfer of Certificates will, within seven Transfer Business Days of receipt by the Registrar or, as the case may be, any other relevant Transfer Agent of the form of transfer duly completed and signed, be made available for collection at the specified office of the Registrar or such other relevant Transfer Agent or, if so requested in the form of transfer, be mailed by uninsured mail at the risk of the holder entitled to the Certificates (but free of charge to the holder) to the address specified in the form of transfer. The form of transfer is available at the specified office of the Transfer Agent.

Except in the limited circumstances described herein (see “Summary of Provisions Relating to the Certificates in Global Form”), owners of interests in the Certificates will not be entitled to receive physical delivery of Certificates.

- (ii) Where only part of a Nominal Value of the Certificates (being that of one or more Certificates) in respect of which a Certificate is issued is to be transferred, a new certificate in respect of the Certificates not so transferred will, within seven Transfer Business Days of delivery of the original Certificate to the Registrar or other relevant Agent, be made available for collection at the specified office of the Registrar or such other relevant Agent or, if so requested in the form of transfer, be mailed by uninsured mail at the risk of the holder of the Certificates not so transferred (but free of charge to the holder) to the address of such holder appearing on the Register.
- (iii) For the purposes of these Conditions, “**Transfer Business Day**” shall mean a day other than a Saturday or Sunday on which banks are open for business in the city in which the specified office of the Registrar (if a Certificate is deposited with it in connection with a transfer) or the Agent with whom a Certificate is deposited in connection with a transfer, is located.

(d) Formalities free of charge

Registration of a transfer of Certificates will be effected without charge by or on behalf of the Issuer or any of the Agents, but upon (i) payment (or the giving of such indemnity and/or security and/or pre-funding as the Issuer or any of the Agents may require) in respect of any tax, duty or other governmental charges which may be imposed in relation to such transfer; and (ii) the Registrar or the relevant Transfer Agent (as the case may be) being satisfied in its absolute discretion with the

documents of title or identity of the person making the application and (iii) the relevant Agent being satisfied that the regulations concerning the transfer of Certificates have been complied with.

(e) Closed periods

No Certificateholder may require the transfer of a Certificate to be registered (i) during the period of seven days ending on (and including) the date for dissolution pursuant to Condition 9(a); (ii) after a Tax Dissolution Notice (as defined in Condition 9(b)(i)) or an Issuer Optional Dissolution Notice (as defined in Condition 9(b)(ii)) has been deposited in respect of such Certificate; and (iii) during the period of seven days ending on (and including) any Payment Record Date (as defined in Condition 10(a)), each such period being a “**Closed Period**”.

(f) Regulations

All transfers of Certificates and entries on the Register will be made subject to the detailed regulations concerning transfer of Certificates scheduled to the Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of the Trustee and the Registrar, or by the Registrar, with the prior written approval of the Issuer and the Trustee. A copy of the current regulations will be mailed (free of charge to the Certificateholders) by the Registrar to any Certificateholder upon request and is available at the specified office of the Transfer Agent.

5 Negative pledge

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

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

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

6 Definitions

For the purposes of these Conditions, the following words and phrases shall have the following meanings:

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

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

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

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

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

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

“**Business Day**” means a day (other than a Saturday or Sunday or public holiday) on which commercial banks are open for general business in Labuan, Kuala Lumpur and New York.

“**Calculation Amount**” means U.S.\$1,000.

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

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

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

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

“Commodity Murabahah Investment” means a commodity murabahah investment forming part of the Wakalah Venture and which will be in the form of a Commodity Murabahah Investment Agreement.

“Commodity Murabahah Investment Agreement” means a commodity murabahah investment agreement to be entered into on the Closing Date between the Issuer, the Buyer and the Facility Agent.

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

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

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

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

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

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

“Dissolution Event Redemption Date” means the date specified in the relevant notice provided by the Trustee to the Issuer and the Obligor pursuant to Condition 12, being the date on which payment of the Early Dissolution Amount, plus any due and unpaid Periodic Distribution Amount, in relation to Certificates which are immediately due and payable pursuant to Condition 12 shall be made.

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

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

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

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

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

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

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

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

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

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

- (a) ensuring that each such Wakalah Venture Contract remains in full force and effect whilst any Certificates remain outstanding;
- (b) ensuring that all assets comprised in the Wakalah Venture are Shariah-compliant;
- (c) ensuring that at all times during the term of the Certificates the aggregate value of the Shariah-compliant Tangible Assets comprised in the Wakalah Venture is at least equal to the Tangible Assets Minimum Value, all as valued in accordance with the Valuation Principles; and

- (d) not waiving or forgiving the obligation of any counterparty under any Wakalah Venture Contracts and not entering into any arrangement to dispose at a discount of any rights under any such Wakalah Venture Contract.

“Investment Plan” means the investment plan consisting of the requirement for (i) the Issuer to invest the Proceeds on the Closing Date in the Wakalah Venture; and (ii) the Wakeel to ensure satisfaction of the Investment Conditions.

“Issuer Power of Attorney” means the power of attorney dated the Closing Date executed by the Issuer in favour of the Obligor relating to the Purchase Undertaking.

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

“Nominal Value” means, in relation to any Certificate, the amount equal to the denomination of such Certificate as stated in Condition 1(a).

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

“Obligor Power of Attorney” means the power of attorney dated the Closing Date executed by the Obligor in favour of the Issuer and the Trustee relating to the Purchase Undertaking.

“Periodic Distribution Date” means 11 May and 11 November in each year, commencing on 11 November 2021, and subject to Condition 8(c).

“Profit Rate” means 1.658 per cent. per annum.

“Purchase Undertaking” means a purchase undertaking dated the Closing Date executed by the Obligor in favour of the Issuer and the Trustee pursuant to which the Obligor undertakes to purchase from the Issuer all of the Shariah-compliant Tangible Assets comprised in the Investments in the Wakalah Venture in the circumstances and on the dates specified therein.

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

“Relevant Date” means whichever is the later of (a) the date on which a payment under or in respect of the Certificates or the Trust Deed first becomes due and (b) if the full amount payable has not been received by the Trustee or the Principal Agent on or prior to such due date, the date on which, the full amount having been so received, notice to that effect shall have been given to the Certificateholders.

“Return Accumulation Period” means the period beginning on (and including) the Issue Date and ending on (but excluding) the first Periodic Distribution Date and each successive period beginning on (and including) a Periodic Distribution Date and ending on (but excluding) the next succeeding Periodic Distribution Date.

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

“Scheduled Dissolution Date” means 11 May 2026.

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

“Shariah Adviser” means CIMB Islamic Bank Berhad.

“Shariah-compliant Shares” means Shariah-compliant shares in one or more companies, whether listed or not listed on any stock exchange, identified by the Issuer and/or the Wakeel, as the case may be, in its discretion and approved by the Wakeel, or the Wakeel Shariah Adviser on its behalf, as Shariah-compliant from time to time throughout the term of the Certificates, and as approved by the Shariah Adviser as Shariah-compliant on or about the Closing Date, and in all cases which satisfy the Business Activity Test and the Financial Ratio Test.

“Shariah-compliant Tangible Assets” means Shariah-compliant assets, whether listed or not listed on any stock exchange, identified by the Issuer and/or the Wakeel, as the case may be, in its discretion and approved by the Wakeel, or the Wakeel Shariah Adviser on its behalf, as Shariah-compliant from time to time throughout the term of the Certificates, and as approved by the Shariah Adviser as Shariah-compliant on or about the Closing Date, and which, in the case of shares, satisfy the Business Activity Test and the Financial Ratio Test.

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

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

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

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

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

“U.S.\$” or “U.S. dollar” means the lawful currency of the United States of America.

“Wakalah Venture Contracts” means the Sale and Purchase Agreement and the Commodity Murabahah Investment Agreement each entered into on the Closing Date by the Issuer and any ancillary contracts in relation thereto entered into from time to time, including but not limited to the Closing Date Deed of Surrender, the Issuer Undertaking, the Obligor Undertaking, the Purchase Undertaking and any sale and purchase agreements or substitution agreements entered into pursuant to such undertakings.

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

7 Covenants and Undertakings

The Issuer has covenanted in the Trust Deed that, *inter alia*, so long as any Certificate remains outstanding, it shall not:

- (i) sell, transfer, assign, participate, exchange or otherwise dispose of, or pledge, mortgage, hypothecate or otherwise encumber (by security interest, lien (statutory or otherwise), preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever or otherwise) (or permit such to occur or suffer such to exist), any part of its beneficial interest in the Trust Assets except pursuant to the Purchase Undertaking, the Issuer Undertaking or the Obligor Undertaking or as otherwise envisaged in these Conditions and the Trust Deed;
- (ii) use the proceeds of the issue of the Certificates for any purpose other than as set out in the offering circular prepared by the Issuer in connection with the offering of the Certificates;
- (iii) have any subsidiaries;
- (iv) redeem any of its shares or pay any dividend or make any other distribution to its shareholders;
- (v) put to its directors or shareholders any resolution for or appoint any liquidator for its winding up or any resolution for the commencement of any other bankruptcy or insolvency proceeding with respect to it; or
- (vi) enter into any contract, transaction, amendment, obligation or liability or do anything or engage in any business or activity other than:
 - (A) in relation to the issuance of the U.S.\$600,000,000 Trust Certificates due 2031 to be issued by the Issuer on or about the Closing Date;
 - (B) as provided for or permitted in the Transaction Documents;
 - (C) Shariah-compliant transactions involving, or relating to, the Obligor and/or its affiliates (**“Shariah-compliant Transactions”**), provided that any such Shariah-compliant Transaction shall contain a limited recourse provision with the same effect to that which is set out in Condition 2(b) in relation to such transaction which specifies that recourse in each of those Shariah-compliant Transactions shall be limited to the relevant trust assets in relation thereto, and, upon written request of the Trustee, has delivered to the Trustee an opinion of legal counsel satisfactory to the Trustee that such limited recourse provision is substantially similar in effect as that which is set out in Condition 2(b);

- (D) the ownership, management and disposal of the Trust Assets as provided in the Transaction Documents or other trust assets in relation to Shariah-compliant Transactions as referred to in the preceding paragraph;
- (E) such other matters which are incidental to any of the above; and
- (F) as may be required in order that the Certificates may be listed on such internationally recognised stock exchange as may be approved by the Issuer and notified to the Trustee.

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

8 Periodic Distribution Amounts

- (a) **Periodic Distribution Amounts:** A profit distribution shall be payable in arrear in respect of the Certificates on each Periodic Distribution Date, in respect of the Return Accumulation Period ending on such date, shall accrue at the Profit Rate and the amount of which shall be calculated as provided in Condition 8(b) (each such distribution being referred to in these Conditions as a “**Periodic Distribution Amount**”). Periodic Distribution Amounts shall be distributed to Certificateholders by the Principal Agent on behalf of the Issuer, *pro rata* to their respective holdings and subject to Condition 3(b) and Condition 10.
- (b) **Calculations:** The amount of profit payable per Calculation Amount in respect of any Certificate for any period shall be equal to the product of: (i) the Profit Rate; (ii) the Calculation Amount; and (iii) the Day Count Fraction for such period, with the result being rounded to the nearest U.S.\$0.01, U.S.\$0.005 being rounded upwards. For these purposes, “**Day Count Fraction**” means, in respect of the calculation of an amount of profit on any Certificate for any period (whether or not constituting a Return Accumulation Period, the “**Calculation Period**”), the number of days in the Calculation Period divided by 360 (the number of days in such period to be calculated on the basis of a year of 360 days with 12 30-day months and, in the case of an incomplete month, the number of days elapsed).
- (c) **Entitlement to Profit:** Provided that, upon due presentation, payment is not improperly withheld or refused, no further amounts will be payable on any Certificate from and including the relevant Dissolution Date.

9 Dissolution and purchase

- (a) Scheduled Dissolution

Unless previously redeemed, or purchased and cancelled, the Certificates will be redeemed at 100 per cent. of their Nominal Value (the “**Scheduled Dissolution Amount**”), plus any due and unpaid Periodic Distribution Amount, on the Scheduled Dissolution Date.

(b) Dissolution (other than Scheduled Dissolution)

(i) Dissolution for taxation reasons

The Certificates may be redeemed at 100 per cent. of their Nominal Value (the “**Early Dissolution Amount**”), plus any due and unpaid Periodic Distribution Amount, at the option of the Issuer on the relevant date fixed for dissolution (the “**Tax Dissolution Date**”) in whole, but not in part, at any time, on giving not fewer than 30 nor more than 60 days’ notice (a “**Tax Dissolution Notice**”) to the Certificateholders in accordance with Condition 16 (which notice shall be irrevocable) if (i) the Issuer satisfies the Trustee immediately prior to the giving of such notice that it has or will become obliged to pay Additional Amounts (as defined in Condition 11) or further Additional Amounts as provided or referred to in Condition 11 as a result of any change in, or amendment to, the laws (or any regulations, rulings or other administrative pronouncements promulgated thereunder) 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, regulations, rulings or other administrative pronouncements which change or amendment becomes effective on or after 4 May 2021; and (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it.

No Tax Dissolution Notice shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such Additional Amounts were a payment in respect of the Certificates then due. Prior to the publication of any Tax Dissolution Notice, the Issuer shall deliver to the Trustee a certificate signed by a director of the Issuer stating that the Issuer is entitled to effect such dissolution and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred and an opinion in form and substance satisfactory to the Trustee of independent legal advisers or qualified tax experts of recognised standing to the effect that the Issuer has or will become obliged to pay such Additional Amounts as a result of such change or amendment. The Trustee shall be entitled to accept without further enquiry such certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent set out above in this Condition 9(b)(i) and shall not be required to make any further enquiry into such circumstances and shall not incur liability to any person (including any Certificateholder) as a result of relying on such certificate. Any such certificate so accepted by the Trustee shall be conclusive and binding on the Certificateholders.

(ii) Dissolution at the option of the Issuer

On or at any time after 11 February 2026 but not less than ten Business Days prior to the Scheduled Dissolution Date, the Issuer may, having given not less than 15 nor more than 30 days’ notice (an “**Issuer Optional Dissolution Notice**”) to the Certificateholders, the Trustee and the Principal Agent (which notice will be irrevocable), redeem the Certificates, in whole but not in part, at the Early Dissolution Amount, together with any due and unpaid Periodic Distribution Amount accrued to the date fixed for dissolution (the “**Issuer Optional Dissolution Date**”).

(c) Dissolution Notices

Any dissolution notice shall be irrevocable. Each such notice shall specify the date when the relevant redemption will take place. All Certificates in respect of which a dissolution notice is given shall be redeemed as provided in this Condition 9 on the relevant dissolution date.

(d) Purchase

The Issuer, the Obligor or any of the Obligor's Subsidiaries may at any time purchase Certificates in the open market or otherwise at any price provided that no such purchase may be made in the period commencing on the date 15 Business Days prior to the date fixed for redemption from time to time of the Certificates. The Certificates so purchased, while held by or on behalf of the Issuer, the Obligor or any of the Obligor's Subsidiaries shall not entitle the Certificateholder thereof to vote at any meetings of the Certificateholders and shall not be deemed to be outstanding for certain purposes, including without limitation for the purpose of calculating quorums at meetings of the Certificateholders or for the purposes of Condition 12, Condition 14(a) and Condition 17.

(e) Cancellation

Certificates purchased by the Obligor or any of its Subsidiaries may be held, sold or cancelled. Any Certificates purchased by the Issuer shall be cancelled and may not be held, reissued or sold. All Certificates redeemed will be cancelled and may not be reissued or resold. Certificates in respect of all Certificates cancelled will be forwarded to or to the order of the Registrar and such Certificates may not be reissued or resold.

10 Payments

(a) Payment

All payments due on the Certificates will be paid on the due date for payment to the Certificateholder shown in the Register at the close of business on the fifth Payment Business Day before the due date for payment (the "**Payment Record Date**"). Payments will be made by transfer to the registered account of the Certificateholder. Payment of the Nominal Value of each Certificate will only be made after surrender of the relevant Certificate at the specified office of any Agent.

Payment of all other amounts will be made as provided in these Conditions.

(b) Registered accounts

For the purposes of this Condition 10, a Certificateholder's registered account means the U.S. dollar account maintained by or on behalf of it with a bank in New York City, details of which appear on the Register at the close of business on the fifth Payment Business Day (as defined in Condition 10(h)) before the due date for payment.

(c) Payment initiation

Payment instructions (for value on the due date or, if that is not a Payment Business Day, for value on the first following day which is a Payment Business Day) will be initiated on the due date for payment (or, if it is not a Payment Business Day, the immediately following Payment Business Day) or, in the case of a payment of Nominal Value, if later, on the Payment Business Day on which the relevant Certificate is surrendered at the specified office of an Agent.

(d) Agents

The names of the initial Agents and their specified offices are set out below. The Issuer and the Obligor reserve the right under the Agency Agreement at any time with the prior written approval of the Trustee to remove any Agent, and to appoint other or further Agents. Notice of any such removal or appointment and of any change in the specified office of any Agent will be given by the Issuer as soon as practicable to Certificateholders.

(e) Payments subject to fiscal laws

All payments in respect of the Certificates are subject in all cases to (i) any applicable fiscal or other laws and regulations applicable thereto, but without prejudice to Condition 11 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 and any regulations or agreements thereunder or official interpretations thereof (“**FATCA**”) or any law implementing an intergovernmental approach to FATCA.

(f) Fractions

When making payments to Certificateholders, if the relevant payment is not of an amount which is a whole multiple of the smallest unit of the relevant currency in which such payment is to be made, such payment will be rounded down to the nearest unit.

(g) Delay in payment

Certificateholders will not be entitled to any interest or other payment for any delay after the due date in receiving the amount due if the due date is not a Payment Business Day, if the Certificateholder is late in surrendering its Certificate (if required to do so).

(h) **Payment Business Day**

In these Conditions, “**Payment Business Day**” means a day other than a Saturday or Sunday or a public holiday on which commercial banks are generally open for business in Labuan, Kuala Lumpur, New York and, in the case of the surrender of a Certificate, in the place where the Certificate is surrendered.

11 Taxation

All payments to Certificateholders made by or on behalf of the Issuer shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges 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 (but without limiting Condition 9(b)(i)) the Issuer shall, subject to sufficient funds being available to it, pay such amounts as shall result in receipt by the Certificateholders of such amounts as would have been received by them had no such withholding or deduction been required (“**Additional Amounts**”), except that no such Additional Amounts shall be payable with respect to any Certificate:

- (a) to, or to a third party on behalf of, a holder who is liable to such taxes, duties, assessments or governmental charges in respect of such Certificate by reason of his having some connection with Malaysia other than the mere holding of the Certificate or the receipt of any sums due in respect of such Certificate (including, without limitation, the holder being a resident or a permanent establishment in Malaysia); or
- (b) if the Certificate in respect of such Certificate is presented for payment more than 30 days after the Relevant Date for payment in respect thereof except to the extent that the holder of it would have been entitled to such additional amounts on presenting it for payment on the thirtieth day.

Notwithstanding any other provision of these Conditions, in no event will the Issuer be required to pay any additional amounts in respect of the Certificates for, or on account of, any withholding or deduction required pursuant to FATCA (including pursuant to any agreement described in Section 1471(b) of the Code) or any law implementing an intergovernmental approach to FATCA.

References in these Conditions to “Periodic Distribution Amount”, “Scheduled Dissolution Amount” and “Early Dissolution Amount” shall be deemed to include any Additional Amounts that may be payable under this Condition 11 or under any obligations undertaken in addition thereto or in substitution therefore pursuant to the Trust Deed.

12 Dissolution Events

The Trustee at its discretion may, and if so requested in writing by the holders of not less than 25.0 per cent. in Nominal Value of the Certificates then outstanding or if so directed by an Extraordinary Resolution (as defined in the Trust Deed) shall (subject always to the Trustee having been indemnified or provided with security or prefunded to its satisfaction), give notice to the Issuer and the Obligor that the Certificates are immediately due and payable at the Early Dissolution Amount, plus any due and unpaid Periodic Distribution

Amount, which shall be paid on the Dissolution Event Redemption Date, if any of the following events (a “**Dissolution Event**”) shall have occurred and be continuing:

- (i) (a) default is made in payment of the Scheduled Dissolution Amount on the Scheduled Dissolution Date, in the payment of the Early Dissolution Amount on the dates on which such amount is payable in accordance with these Conditions, in each case provided that such default continues for a period of more than 10 Business Days, or (b) default is made in payment of the Periodic Distribution Amount on the due date for payment thereof, provided that such default continues for a period of more than 10 Business Days, or (c) default is made in payment of the Aggregate Deferred Sale Price under the Commodity Murabahah Investment Agreement on the date on which such amount is payable in accordance with the terms of the Commodity Murabahah Investment Agreement, provided that such default continues for a period of more than 10 Business Days; or
- (ii) the Issuer or the Obligor defaults in performance or observance of or compliance with any one or more of its other obligations (other than any payment obligations under (i) above) set out in the Certificates or the Trust Deed which default is incapable of remedy or, if such default is capable of remedy, such default is not remedied within 30 days after written notice of such default shall have been given to the Issuer (or the Obligor, as the case may be) by the Trustee; or
- (iii) (a) any other indebtedness of the Issuer or the Obligor in respect of monies borrowed or raised is or is declared to be or is capable of being rendered due and payable prior to its stated maturity by reason of any actual default, event of default or the like (however described) or is not paid when due or, as a result of any actual default, event of default or the like (however described) any facility relating to any such indebtedness is or is declared to be or is capable of being cancelled or terminated before its normal expiry date or any person otherwise entitled to use any such facility is not so entitled, or (b) the Issuer or the Obligor fail to pay when properly called upon to do so any guarantee of indebtedness for borrowed moneys, provided however, that no Dissolution Event will occur under Condition 12(iii)(a) or Condition 12(iii)(b) above:
 - (1) unless and until the aggregate amount of the indebtedness in respect of which one or more of the events mentioned in this Condition 12(iii) has/have occurred equals or exceeds U.S.\$50,000,000 or its equivalent in another currency; or
 - (2) if the Issuer or the Obligor is contesting the relevant claim or declaration in good faith prior to an order or award being made against it; or
- (iv) a resolution is passed or an order of a court of competent jurisdiction is made that the Issuer or the Obligor be wound up or dissolved otherwise than for the purposes of or pursuant to and followed by a consolidation, amalgamation, merger or reconstruction the terms of which shall have previously been approved by an Extraordinary Resolution of the Certificateholders; or
- (v) the Government of Malaysia ceases for whatever reason, to own, directly or indirectly, the entire issued share capital of the Obligor.

Upon the Certificates becoming immediately due and payable pursuant to this Condition 12, the Obligor shall pay to the Issuer on the date falling one Payment Business Day prior to the Dissolution Event Redemption Date, an amount equal to the aggregate Early Dissolution Amount plus any due and unpaid Periodic Distribution Amount payable by the Issuer in respect of the Certificates under this Condition 12.

13 Prescription

Claims in respect of amounts due in respect of the Certificates will become prescribed and become void unless made within periods of 10 years (in the case of the Scheduled Dissolution Amount or the Early Dissolution Amount) or five years (in the case of the Periodic Distribution Amount) from the Relevant Date in respect of the Certificates.

14 Meetings of Certificateholders, modification and waiver

The Trust Deed contains provisions for convening meetings of the Certificateholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Certificates, these provisions or any relevant provisions of the Trust Deed. Such a meeting may be convened by the Issuer or the Trustee and shall be convened by the Trustee or at the request in writing of Certificateholders holding not less than 25.0 per cent. in Nominal Value of the Certificates for the time being outstanding and subject to the Trustee being indemnified and/or secured and/or pre-funded to its satisfaction against all costs and expenses. The quorum at any such meeting for passing an Extraordinary Resolution is two or more persons holding or representing more than 50.0 per cent. in Nominal Value of the Certificates for the time being outstanding, or at any adjourned meeting two or more persons being or representing Certificateholders whatever the Nominal Value of the Certificates so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Trust Deed, these provisions or the Certificates (including to modify any date (including the Scheduled Dissolution Date or any Periodic Distribution Date) on which any payment is to be made in respect of the Certificates, to reduce or cancel all or any part of the Nominal Value of, or any amounts stated to be due and owing on, the Certificates, to vary the method for calculating the amount of any payment due in respect of the Certificates, or altering the currency of payment of the Certificates), the quorum shall be two or more persons holding or representing not less than 75.0 per cent. in Nominal Value of the Certificates for the time being outstanding, or at any adjourned such meeting two or more persons holding or representing not less than 25.0 per cent. in Nominal Value of the Certificates for the time being outstanding. An Extraordinary Resolution passed at any meeting of the Certificateholders shall be binding on all the Certificateholders, whether or not they are present at the meeting. The Trust Deed provides that a written resolution signed by or on behalf of the holders of not less than 90.0 per cent. in Nominal Value of Certificates for the time being outstanding shall be as valid and effective as a duly passed Extraordinary Resolution.

The Trust Deed provides that the Trustee may (but shall not be obliged to) agree, without the consent of the Certificateholders, (i) to any modification (subject to certain exceptions as provided in the Trust Deed) of, or to any waiver or authorisation of any breach or proposed breach of, any of these Conditions or any of the provisions of the Trust Deed or the Transaction Documents, or may determine that a Dissolution Event (as defined in the Trust Deed), shall not be treated as such if, in any such case, in the opinion of the Trustee, it is not materially prejudicial to the interests of the Certificateholders or (ii) to any

modification of any of these Conditions or the Certificates or any of the provisions of the Trust Deed or the Transaction Documents which is (in the opinion of the Trustee) of a formal, minor or technical nature or which is made to correct a manifest error or to comply with mandatory provisions of law. Any such modification, waiver, authorisation or determination shall be binding on the Certificateholders and, unless the Trustee agrees otherwise, any such modification, waiver, authorisation or determination shall be notified by the Issuer to the Certificateholders as soon as practicable thereafter in accordance with Condition 16.

The Trustee's agreement may be subject to any condition that the Trustee in its discretion requires, including, but not limited to, obtaining, at the expense of the Issuer, an opinion of any investment bank or legal or other expert. The actual costs incurred by the Trustee in obtaining any such opinion from the relevant investment bank or other expert shall be reimbursed by the Issuer to the Trustee upon production by the Trustee of proof of the relevant costs which have been incurred.

In connection with the exercise by it of any of its trusts, powers, authorities or discretions (including, but without limitation, any modification, waiver, authorisation or substitution), the Trustee shall have regard to the interests of the Certificateholders as a class and, in particular, but without limitation, need not have regard to the consequences of such exercise for individual Certificateholders resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory and the Trustee shall not be entitled to require, nor shall any Certificateholder be entitled to claim, from the Issuer, the Trustee or any other person any indemnification or payment in respect of any tax consequence of any such exercise upon individual Certificateholders.

15 Replacement of Certificates

If any Certificate is mutilated, defaced, destroyed, stolen or lost, it may be replaced at the specified office of the Registrar or Principal Agent upon payment by the claimant of such costs as may be incurred in connection therewith and on such terms as to evidence and indemnity and/or security as the Issuer and/or the Registrar may require. Mutilated or defaced Certificates must be surrendered before replacements will be issued.

16 Notices

All notices regarding the Certificates shall be validly given if mailed to them at their respective addresses in the register of Certificateholders maintained by the Registrar or published in a daily newspaper of general circulation in Asia, which is expected to be *The Wall Street Journal Asia*. Any such notice shall be deemed to have been given on the later of the date of such publication and the fifth day after being so mailed, as the case may be; provided that if the Certificates are represented by a Global Certificate held on behalf of Euroclear or Clearstream, notices required to be given to Certificateholders shall be given by their being delivered to Euroclear and Clearstream, rather than by mail or publication as aforesaid. Any such notice will be deemed to have been given at 1700 hours on the day the relevant clearing system receives such notice.

17 Enforcement

- (a) The Trustee may at any time, at its discretion and without notice, take such proceedings against the Issuer and/or the Obligor as it may think fit to enforce the provisions of the Trust Deed, the Certificates and the Transaction Documents, but it shall not be bound to take any proceedings or any other action in relation to the Trust Deed, the Certificates or the Transaction Documents unless (i) it shall have been so directed by an Extraordinary Resolution of the Certificateholders or so requested in writing by the holders of at least 25.0 per cent. in Nominal Value of the Certificates then outstanding; and (ii) it shall have been indemnified and/or secured and/or prefunded to its satisfaction.
- (b) No Certificateholder shall be entitled to proceed directly against the Issuer and/or the Obligor unless the Trustee, having become bound so to proceed, fails so to do within a reasonable period and such failure shall be continuing.

18 Indemnification and other matters

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility including provisions relieving it from taking proceedings to enforce repayment unless indemnified and/or secured and/or prefunded to its satisfaction. The Trustee is entitled to enter into business transactions with the Issuer or the Obligor and any entity related to the Issuer or the Obligor without accounting for any profit.

The Trustee may rely without liability to Certificateholders on any report, information, confirmation or certificate from or any opinion or advice of any accountants, auditors, lawyers, valuers, auctioneers, surveyors, brokers, financial advisers, financial institution or any other expert, whether or not addressed to it and whether their liability in relation thereto is limited (by its terms or by any engagement letter relating thereto or in any other manner) by reference to a monetary cap, methodology or otherwise. The Trustee may accept and shall be entitled to rely on any such report, information, confirmation, certificate, opinion or advice and the Trustee shall not be liable to the Issuer, the Obligor, any Certificateholder or any other person for acting or refraining from acting in reliance on such report, information, confirmation, certificate, opinion or advice.

Whenever the Trustee is required or entitled by the terms of the Trust Deed, the Agency Agreement, any other Transaction Document or these Conditions to exercise any discretion or power, take any action, make any decision or give any direction, the Trustee is entitled, prior to exercising any such discretion or power, taking any such action, making any such decision or giving any such direction, to seek directions from the Certificateholders by way of Extraordinary Resolution, and the Trustee shall not be responsible for any loss or liability incurred by the Issuer, the Obligor, the Certificateholders or any other person as a result of any delay in it exercising such discretion or power, taking such action, making such decision or giving such direction as a result of seeking such direction from the Certificateholders or in the event that no direction is given to the Trustee by the Certificateholders.

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

None of the Trustee or any Agent shall be liable to any Certificateholder, the Issuer, the Obligor or any other person for any action taken by the Trustee or such Agent in accordance with the instructions of the Certificateholders. The Trustee shall be entitled to rely on any direction, request or resolution of Certificateholders given by Certificateholders holding the requisite principal amount of Certificates outstanding or passed at a meeting of Certificateholders convened and held in accordance with the Trust Deed.

The Trustee and the Agents shall not be under any duty or obligation to monitor whether any event or circumstances has happened or exists pursuant to Condition 9 and Condition 12 and may assume until they have actual knowledge by way of notice in writing from the Issuer to the contrary addressed to each of them that no such event has occurred and neither the Trustee nor the Agents will be responsible or liable to the Certificateholders or any other person for any loss arising from any such assumption or failure by it to so monitor. Neither the Trustee nor the Agents shall be responsible or liable to the Certificateholders or any other person for any failure of the Issuer (i) to make any payments or (ii) any failure by the Issuer to comply with any of its covenants set out in these Conditions. All calculations under these Conditions, the Trust Deed, the Agency Agreement or any other Transaction Document shall be performed by the Issuer or the Obligor or any other person nominated or appointed by the Issuer or the Obligor. Neither the Trustee nor the Agents shall be liable in any respect for the accuracy or inaccuracy in any mathematical calculation or formula under these Conditions, the Trust Deed, the Agency Agreement or any other Transaction Document, whether by the Issuer, the Obligor or any other person so nominated or appointed by the Issuer or the Obligor for the purposes of these Conditions, the Trust Deed, the Agency Agreement or any other Transaction Document.

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

19 Governing law and jurisdiction; third party rights

(a) Governing law

- (i) The Trust Deed, the Agency Agreement, the Costs Undertaking Deed, the Commodity Murabahah Investment Agreement, the Wakalah Agreement, the Issuer Undertaking, the Obligor Undertaking, the Purchase Undertaking, the Closing Date Deed of Surrender, any Deed of Surrender, the Issuer Power of Attorney, the Obligor Power of Attorney and the Certificates, and any non-contractual obligations arising out of or in connection with any of them, are governed by, and will be construed in accordance with, English law.
- (ii) The Sale and Purchase Agreement is governed by, and will be construed in accordance with, the laws of Malaysia.

(b) Jurisdiction

The courts of England and Wales are to have jurisdiction to settle any disputes which may arise out of or in connection with the Certificates and accordingly any legal action or proceedings arising out of or in connection with the Certificates (“**Proceedings**”) may be brought in such courts. The Issuer and the Obligor have in the Trust Deed irrevocably submitted to the jurisdiction of such courts and have waived any objections to Proceedings in such courts on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum and any rights they have now or thereafter to immunity on the ground of sovereignty or otherwise, from attachment of assets or from execution of judgement. Such submissions are for the benefit of each of the Trustee and the Certificateholders and shall not limit the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in any one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

(c) Agent for service of process

Each of the Issuer and the Obligor has irrevocably appointed TMF Global Services (UK) Limited at its registered office for the time being (currently of 8th Floor, 20 Farringdon Street, London, EC4A 4AB) as its agent in England to receive service of process in any Proceedings in England based on any of the Certificates.

CONDITIONS OF THE SERIES 2 CERTIFICATES

The following, subject to amendment, other than the paragraphs in italics, are the conditions of the Series 2 Certificates which will appear on the reverse of each of the individual certificates evidencing the Series 2 Certificates:

The issue of the U.S.\$600,000,000 Trust Certificates due 2031 (the “**Certificates**”) of Dua Capital Ltd. (the “**Issuer**”) was authorised by the resolutions of the board of directors of the Issuer passed on 15 March 2021 and 29 April 2021; and the resolutions of the sole member of the Issuer passed on 2 April 2021 and 29 April 2021 respectively. The Certificates are constituted by a trust deed (as modified from time to time in accordance with its terms, the “**Trust Deed**”) dated 11 May 2021 (the “**Closing Date**”) and made between the Issuer as settlor of the trust in favour of holders of the Certificates and The Bank of New York Mellon, London Branch (the “**Trustee**”, which term shall, where the context so permits, include all other persons or companies substituting the Trustee for the purposes of the Trust Deed and any co-trustee if so appointed pursuant to the Trust Deed) as trustee for the holders of the Certificates, and each Certificate evidences an undivided and unsecured beneficial ownership interest in the Trust Assets (as defined in Condition 3). The obligations of the Issuer in respect of the Certificates are not secured.

The Issuer has entered into an agency agreement (the “**Agency Agreement**”) dated the Closing Date with the Trustee, The Bank of New York Mellon, London Branch as principal agent (the “**Principal Agent**”), and The Bank of New York Mellon SA/NV, Dublin Branch as registrar (the “**Registrar**”) and as transfer agent (the “**Transfer Agent**”). In these Conditions, the Principal Agent, the Transfer Agent, the Registrar and any other paying agent (any such paying agent, a “**Paying Agent**” and together with the Principal Agent, the “**Paying Agents**”) and transfer agent (any such other transfer agent together with the Transfer Agent, the “**Transfer Agents**”) appointed under the Agency Agreement are together referred to as the “**Agents**”.

Pursuant to a costs undertaking deed (the “**Costs Undertaking Deed**”) dated the Closing Date executed by Khazanah Nasional Berhad (the “**Obligor**”), the Obligor has agreed to pay the fees and expenses of the Agents and the other service providers appointed in connection with the issue of the Certificates and to indemnify them in respect of any loss incurred in the performance of their respective obligations.

The statements in these terms and conditions of the Certificates (the “**Conditions**”) include summaries of, and are subject to, the detailed provisions of the Trust Deed, the Agency Agreement, the Wakalah Agreement, the Sale and Purchase Agreement, the Commodity Murabahah Investment Agreement, the Closing Date Deed of Surrender, the Obligor Undertaking, the Issuer Undertaking, the Purchase Undertaking, the Costs Undertaking Deed, the Issuer Power of Attorney and the Obligor Power of Attorney (together, the “**Transaction Documents**” which shall include any amendments, variations and/or supplements thereto made or entered into from time to time). Copies of the Transaction Documents are available for inspection by Certificateholders at the registered office of the Issuer and at the specified offices of the Principal Agent. The Certificateholders (as defined in Condition 1(b)) are entitled to the benefit of the Trust Deed and are bound by, and are deemed to have notice of, all the provisions of the Transaction Documents applicable to them.

Unless given a defined meaning elsewhere in these Conditions or the context requires otherwise, capitalised terms used in these Conditions shall have the meanings given in Condition 6. In addition, words and expressions defined and rules of construction and interpretation set out or incorporated by reference in the Trust Deed shall, unless otherwise defined herein or unless the context otherwise requires, have the same meanings herein.

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

1 Form, Denomination and Title

(a) Form and denomination

The Certificates are issued in registered form in the denomination of U.S.\$200,000 each and integral multiples of U.S.\$1,000 in excess thereof. A certificate will be issued to each Certificateholder in respect of its registered holding of Certificates. Each Certificate will be numbered serially with an identifying number which will be recorded on the relevant Certificate and in the register of Certificateholders (the “**Register**”) which the Issuer will procure to be kept by the Registrar.

Upon issue, the Certificates will be represented by a Global Certificate registered in the name of a nominee for, and deposited with, a common depositary for Euroclear Bank SA/NV (“**Euroclear**”) and Clearstream Banking S.A. (“**Clearstream**”). The Conditions are modified by certain provisions contained in the Global Certificate.

(b) Title

Title to the Certificates passes only by transfer and registration in the register of holders of the Certificates. The holder of any Certificate will (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it or any writing on, or theft or loss of, the Certificate issued in respect of it) and no person will be liable for so treating the holder. In these Conditions, “**Certificateholder**” and (in relation to a Certificate) “**holder**” means the person in whose name a Certificate is registered on the Register (or in the case of a joint holding, the first named thereof).

2 Status and Limited Recourse

(a) Status

- (i) Each Certificate represents an undivided proportionate beneficial ownership interest in the Trust Assets and will at all times rank *pari passu* and rateably, without discrimination, preference or priority among themselves, subject to priorities or rights preferred by law.
- (ii) The obligations of the Obligor pursuant to the Purchase Undertaking, the Commodity Murabahah Investment Agreement and the other Transaction Documents to which it is a party constitute direct, unconditional and unsecured obligations of the Obligor and which, except for obligations mandatorily preferred by law, at all times rank equally with all its other present and future unsecured and unsubordinated obligations.

- (iii) The provisions of the Trust Deed and the other Transaction Documents bind the Issuer, the Obligor, the Trustee, the Certificateholders and all persons claiming through or under them and the Certificates shall be issued subject to the provisions of the Trust Deed and the other Transaction Documents and the Conditions (all of which shall be deemed to be incorporated in the Trust Deed as if expressly set out verbatim in full therein).
- (iv) The Issuer covenants and undertakes with the Trustee and each Certificateholder on the terms as set out in Clauses 8 and 9 of the Trust Deed.

(b) Limited Recourse

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

Notwithstanding anything to the contrary contained herein or in any Transaction Document, no payment of any amount whatsoever shall be made in respect of the Certificates by the Issuer, the Trustee or the Agents or any of their respective directors, officers, employees or agents except to the extent that funds are available therefor from the Trust Assets. The Trust Assets include, amongst others, all of the Issuer's rights, title, interest, entitlement and benefit, in, to and under the Transaction Documents, which when any amount is due and payable thereunder, constitutes a general unsecured and unsubordinated obligation of the Obligor in respect of which a claim may be made by the Issuer or the Trustee and which ranks as described in Condition 2(a)(ii).

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

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

3 Trust and Trust Assets

(a) Summary of the Trust

The Issuer will act as trustee for and on behalf of the Certificateholders with respect to the Trust Assets pursuant to the Trust Deed. The description of certain aspects of the Transaction Documents set out in this Condition 3(a) is a summary only and is qualified in its entirety by the provisions of the relevant Transaction Document.

- (i) *Wakalah Venture*: Pursuant to the Wakalah Agreement entered into by the Issuer and the Wakeel on the Closing Date (the "**Wakalah Agreement**"), the Issuer (on behalf of the Certificateholders) shall appoint the Wakeel to perform certain duties in respect of a wakalah venture (a "**Wakalah Venture**") in accordance with

the terms of the Wakalah Agreement and the Investment Plan. The Wakalah Venture shall comprise investments in (i) certain Shariah-compliant Tangible Assets and (ii) the Commodity Murabahah Investment, in accordance with the terms of the Wakalah Agreement and the Investment Plan. Under the Wakalah Agreement the Wakeel must ensure that at all times during the term of the Certificates the aggregate value of the Shariah-compliant Tangible Assets comprised in the Wakalah Venture is at least equal to the Tangible Assets Minimum Value, all as valued in accordance with the Valuation Principles.

In connection with the Certificates, the proceeds from the issue of the Certificates (the “**Proceeds**”) shall be applied for the purchase of Shariah-compliant Shares and invested in the Commodity Murabahah Investment.

All of the Issuer’s rights, title, interest, entitlement and benefit under the Wakalah Venture, including, without limitation, the beneficial ownership in all shares comprised therein, all of the Issuer’s rights under the Commodity Murabahah Investment and all rights and other distributions accruing to or forming part of the Wakalah Venture are referred to as the “**Investments**”. Any loss incurred under the Wakalah Venture shall be borne by the Certificateholders in proportion to the Nominal Value of the Certificates held by each such Certificateholder.

- (ii) *Shariah-compliant Tangible Assets*: Pursuant to a sale and purchase agreement entered into by the Issuer and Khazanah Nasional Berhad (the “**Seller**”) on the Closing Date (the “**Sale and Purchase Agreement**”), the Issuer shall purchase from the Seller certain Shariah-compliant Shares, by way of transfer of beneficial ownership.

On the Closing Date (in respect of the Shariah-compliant Tangible Assets purchased pursuant to the terms of the Sale and Purchase Agreement) and subsequently (in respect of any other shares which form part of the Wakalah Venture), the Issuer shall execute a deed of surrender (the deed of surrender executed on the Closing Date being the “**Closing Date Deed of Surrender**” and any subsequent deed of surrender being a “**Deed of Surrender**”) surrendering in each case in favour of the relevant seller any and all of its voting rights in respect of such shares.

During the term of the Certificates, the aggregate fair market value of the Shariah-compliant Tangible Assets comprised in the Wakalah Venture must be at least equal to 51 per cent. of the value of the Wakalah Venture as a whole (the “**Tangible Assets Minimum Value**”), all as determined in accordance with the Valuation Principles.

The assets comprised in the Wakalah Venture shall be dealt with in accordance with the terms of the Wakalah Agreement and certain additional documents entered into on the Closing Date in connection therewith, including (i) an undertaking granted by the Obligor in favour of the Issuer and the Wakeel as its agent (the “**Obligor Undertaking**”) and (ii) an undertaking granted by the Issuer (on behalf of the Certificateholders) in favour of the Obligor (the “**Issuer Undertaking**”). The Wakeel has appointed a Shariah adviser (the “**Wakeel Shariah Adviser**”) to assess the tangible assets comprised in the Wakalah Venture by applying the Business Activity Test and the Financial Ratio Test (as defined in Condition 6) and certify to the Issuer, the Trustee, the Wakeel and the Obligor whether or not in its opinion they continue to be Shariah-compliant Tangible Assets.

- (iii) *Dividends and other distributions*: The Wakeel shall maintain records of all dividends (whether in the form of cash, shares or any other form) and other distributions accruing to the Issuer as beneficial owner of such Shariah-compliant Tangible Assets (on behalf of the Certificateholders). Where shareholders are able to elect the form in which dividends or other distributions are to be paid, the Issuer shall make such election and shall instruct the Seller (or such relevant seller) as registered owner of the relevant shares to take all necessary steps to give effect to such election. All such dividends and other distributions shall form part of the Wakalah Venture and shall be dealt with as described in this Condition 3(a)(iii) and in the Transaction Documents.

If any dividends or other distributions accrue to the Wakalah Venture other than in the form of cash or shares, or if any other rights of any kind are given to shareholders (including without limitation the right to subscribe for new shares in the relevant company), the Wakeel shall on behalf of the Issuer direct the Seller (or such relevant seller) to exercise such rights in accordance with the Wakeel's instructions.

- (iv) *Commodity Murabahah Investment*: Further to the purchase of Shariah-compliant Shares pursuant to Condition 3(a)(ii), the Issuer shall, on behalf of the Certificateholders, invest the remaining Proceeds into a commodity murabahah investment (the “**Commodity Murabahah Investment**”) by entering into on the Closing Date a Commodity Murabahah Investment Agreement with Khazanah Nasional Berhad in its capacity as buyer (the “**Buyer**”) and CIMB Islamic Bank Berhad as facility agent (the “**Facility Agent**”). Pursuant to the Commodity Murabahah Investment Agreement, the Buyer shall deliver to the Issuer a purchase order and undertaking to buy commodities. The Issuer shall sell the commodities so purchased on its behalf by the Facility Agent to the Buyer on the settlement date specified in the purchase order in consideration for a pre-determined aggregate deferred sale price (the “**Aggregate Deferred Sale Price**”) payable in accordance with the Commodity Murabahah Investment Agreement.

In accordance with the Commodity Murabahah Investment Agreement, the relevant portion of the Aggregate Deferred Sale Price will be immediately due and payable on the day falling one Payment Business Day before the Scheduled Dissolution Date, the Tax Dissolution Date, the Issuer Optional Dissolution Date or the Dissolution Event Redemption Date (as applicable).

- (v) *Valuation Principles*: The following valuation principles (the “**Valuation Principles**”) shall be used to calculate the value of the Wakalah Venture and the Investments:

- (A) the value of the Wakalah Venture on any valuation date is equal to the aggregate of the fair market value of the Shariah-compliant Tangible Assets comprised in the Wakalah Venture and the value of the outstanding Aggregate Deferred Sale Price under the Commodity Murabahah Investment (each determined as described below);

- (B) the fair market value of shares, including without limitation distributions or dividends in the form of shares, which are not listed on any stock exchange on any valuation date shall be calculated by reference to the net tangible assets of the relevant company as derived from its most recently published audited accounts;
- (C) the fair market value of shares, including without limitation distributions or dividends in the form of shares, which are listed on a stock exchange on any valuation date shall be calculated by reference to the volume weighted average price of such shares for a period of 20 trading days ending on the trading day falling two Business Days prior to the relevant valuation date;
- (D) the value of the outstanding Aggregate Deferred Sale Price under the Commodity Murabahah Investment on any valuation date shall be equal to the aggregate of all outstanding amounts to be paid under the Commodity Murabahah Investment Agreement on the relevant valuation date in accordance with the terms thereof;
- (E) the fair market value of any assets or the relevant dividend or distribution (as the case may be) shall be determined by the Wakeel acting in good faith by reference to one or more valuation methodologies customarily adopted in respect of assets of a similar nature and approved by the Wakeel Shariah Adviser; and
- (F) all calculations and determinations shall be expressed in U.S. dollars. Any amounts not expressed in U.S. dollars shall be converted into U.S. dollars at the then prevailing exchange rate between U.S. dollars and the relevant currency.

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

The Issuer has in the Wakalah Agreement agreed to appoint the Wakeel as an agent (or such other agent from time to time as shall have been approved by the Trustee, such approval not to be unreasonably withheld or delayed) for the purposes of making all calculations and determinations required to be made in accordance with the Valuation Principles.

Unless the Trustee has agreed to be appointed by the Issuer to act as such calculation agent, the Trustee shall be under no obligation to calculate, determine or verify any calculations or determinations required to be made by the Wakeel (or such other alternative calculation agent appointed) in accordance with the Valuation Principles and the Trustee shall not be responsible for the accuracy or veracity of any such calculation or determination and is entitled to rely upon them without liability to the Certificateholders. Any determination made by the Wakeel, as applicable, shall be conclusive and binding save in the case of manifest error.

- (vi) *Purchase Undertaking*: The Obligor shall on the Closing Date issue a Purchase Undertaking in favour of the Issuer (for the benefit of the Certificateholders) and the Trustee under which the Obligor undertakes to purchase from the Issuer all of the Shariah-compliant Tangible Assets comprised in the Investments at their Purchase Price on the Scheduled Dissolution Date, any Tax Dissolution Date, the Issuer Optional Dissolution Date or on the Dissolution Event Redemption Date, as the case may be, provided that there will be no Certificates outstanding upon payment of the Purchase Price.

“**Purchase Price**” means the fair market value of the Shariah-compliant Tangible Assets comprised in the Investments calculated in accordance with Valuation Principles.

The Purchase Price payable by the Obligor pursuant to the terms of the Purchase Undertaking and the Aggregate Deferred Sale Price payable by the Obligor (in its capacity as Buyer) under the Commodity Murabahah Investment Agreement shall be utilised to pay the Scheduled Dissolution Amount or the Early Dissolution Amount, as the case may be, due on the Certificates, plus any due and unpaid Periodic Distribution Amount.

- (vii) *Trust*: The Trust established under and in accordance with the terms of the Trust Deed is as follows:

- (A) the Issuer will declare a trust over assets (the “**Trust Assets**”) consisting of:
- (i) all of its rights, title, interest, entitlement and benefit in, to and under the Wakalah Venture; (ii) all of its rights, title, interest, entitlement and benefit, in, to and under the Transaction Documents; and (iii) all proceeds of the foregoing; and
- (B) the Trustee will declare a trust over assets consisting of (i) the rights, title, interest and benefit, in, to and under the Trust Deed and each of the other Transaction Documents to which it is a party (or to which it obtains the benefits thereunder), (ii) all amounts received by it from the Issuer, the Obligor, the Buyer and/or otherwise under or in connection with the Trust Deed and each of the other Transaction Documents, and (iii) any realisation or enforcement proceeds,

in trust absolutely for the Certificateholders *pro rata* according to the outstanding Nominal Value of Certificates held by each Certificateholder in accordance with the Trust Deed and these Conditions.

(b) Application of Proceeds

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

- (i) FIRST, (to the extent not already satisfied under the relevant Transaction Documents) in or towards the payment of or provision for all fees, all costs, charges and expenses properly incurred and all liabilities incurred by the Trustee

in carrying out its functions, rights, powers and/or discretions under the Trust Deed, the Certificates and/or the other Transaction Documents (including, for the avoidance of doubt, such amounts as aforesaid incurred by or payable to any Appointee (as defined in the Trust Deed) and to the Agents for so long as they are acting as agents of the Trustee);

- (ii) SECOND, (to the extent not already satisfied under the relevant Transaction Documents including pursuant to Condition 3(b)(i)) in and towards the payment of or provision for all fees, all costs, charges and expenses properly incurred and liabilities incurred by the Agents in or incidental to the exercise or performance of any obligation, power, right, discretion and/or authority conferred on them under the Trust Deed, the Certificates and/or the other Transaction Documents;
 - (iii) THIRD, in or towards the payment of taxes and other government charges (if any) payable in connection with the Certificates;
 - (iv) FOURTH, in or towards payment *pari passu* and rateably of all Periodic Distribution Amounts due and unpaid in respect of the Certificates;
 - (v) FIFTH, in or towards payment *pari passu* and rateably of all other amounts due and unpaid in respect of the Certificates; and
 - (vi) SIXTH, in payment of the surplus (if any) as an incentive fee (if applicable) to or to the order of the Wakeel.
- (c) Final Incentive Fee

Provided that all payments made under the Purchase Undertaking and the Commodity Murabahah Investment Agreement are sufficient to satisfy the aggregate of (i) (x) the Early Dissolution Amount payable on the Dissolution Event Redemption Date, the Tax Dissolution Date or the Issuer Optional Dissolution Date as applicable, or (y) the Scheduled Dissolution Amount, and (ii) all amounts payable under Condition 3(b) (Application of Proceeds) (excluding Condition 3(b)(vi)) and provided no amounts remain outstanding in respect of the Certificates, the Wakeel shall be entitled to an incentive fee payable from such amounts in respect of any excess (the “**Final Incentive Fee**”).

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

4 Transfers of Certificates and Issue of Certificates

(a) Register

The Issuer will cause to be kept at the specified office of the Registrar and in accordance with the terms of the Agency Agreement, the Register on which shall be entered the names and addresses of the holders of the Certificates and the particulars of the Certificates held by them and of all transfers of the Certificates. Each Certificateholder shall be entitled to receive only one Certificate in respect of its entire holding.

(b) Transfers

Subject to the Agency Agreement, a Certificate may be transferred by delivery of the Certificate issued in respect of that Certificate, with the form of transfer endorsed on such Certificate duly completed and signed by the holder or his attorney duly authorised in writing, to the specified office of the Registrar or any of the Transfer Agents. No transfer of title to a Certificate will be valid unless and until entered on the Register.

Transfers of interests in the Certificates evidenced by the Global Certificate will be effected in accordance with the rules of the relevant clearing systems.

(c) Delivery of new Certificates

- (i) Each new Certificate to be issued upon a transfer of Certificates will, within seven Transfer Business Days of receipt by the Registrar or, as the case may be, any other relevant Transfer Agent of the form of transfer duly completed and signed, be made available for collection at the specified office of the Registrar or such other relevant Transfer Agent or, if so requested in the form of transfer, be mailed by uninsured mail at the risk of the holder entitled to the Certificates (but free of charge to the holder) to the address specified in the form of transfer. The form of transfer is available at the specified office of the Transfer Agent.

Except in the limited circumstances described herein (see “Summary of Provisions Relating to the Certificates in Global Form”), owners of interests in the Certificates will not be entitled to receive physical delivery of Certificates.

- (ii) Where only part of a Nominal Value of the Certificates (being that of one or more Certificates) in respect of which a Certificate is issued is to be transferred, a new certificate in respect of the Certificates not so transferred will, within seven Transfer Business Days of delivery of the original Certificate to the Registrar or other relevant Agent, be made available for collection at the specified office of the Registrar or such other relevant Agent or, if so requested in the form of transfer, be mailed by uninsured mail at the risk of the holder of the Certificates not so transferred (but free of charge to the holder) to the address of such holder appearing on the Register.
- (iii) For the purposes of these Conditions, “**Transfer Business Day**” shall mean a day other than a Saturday or Sunday on which banks are open for business in the city in which the specified office of the Registrar (if a Certificate is deposited with it in connection with a transfer) or the Agent with whom a Certificate is deposited in connection with a transfer, is located.

(d) Formalities free of charge

Registration of a transfer of Certificates will be effected without charge by or on behalf of the Issuer or any of the Agents, but upon (i) payment (or the giving of such indemnity and/or security and/or pre-funding as the Issuer or any of the Agents may require) in respect of any tax, duty or other governmental charges which may be imposed in relation to such transfer; and (ii) the Registrar or the relevant Transfer Agent (as the case may be) being satisfied in its absolute discretion with the

documents of title or identity of the person making the application and (iii) the relevant Agent being satisfied that the regulations concerning the transfer of Certificates have been complied with.

(e) Closed periods

No Certificateholder may require the transfer of a Certificate to be registered (i) during the period of seven days ending on (and including) the date for dissolution pursuant to Condition 9(a); (ii) after a Tax Dissolution Notice (as defined in Condition 9(b)(i)) or an Issuer Optional Dissolution Notice (as defined in Condition 9(b)(ii)) has been deposited in respect of such Certificate; and (iii) during the period of seven days ending on (and including) any Payment Record Date (as defined in Condition 10(a)), each such period being a “**Closed Period**”.

(f) Regulations

All transfers of Certificates and entries on the Register will be made subject to the detailed regulations concerning transfer of Certificates scheduled to the Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of the Trustee and the Registrar, or by the Registrar, with the prior written approval of the Issuer and the Trustee. A copy of the current regulations will be mailed (free of charge to the Certificateholders) by the Registrar to any Certificateholder upon request and is available at the specified office of the Transfer Agent.

5 Negative pledge

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

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

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

6 Definitions

For the purposes of these Conditions, the following words and phrases shall have the following meanings:

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

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

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

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

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

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

“**Business Day**” means a day (other than a Saturday or Sunday or public holiday) on which commercial banks are open for general business in Labuan, Kuala Lumpur and New York.

“**Calculation Amount**” means U.S.\$1,000.

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

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

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

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

“Commodity Murabahah Investment” means a commodity murabahah investment forming part of the Wakalah Venture and which will be in the form of a Commodity Murabahah Investment Agreement.

“Commodity Murabahah Investment Agreement” means a commodity murabahah investment agreement to be entered into on the Closing Date between the Issuer, the Buyer and the Facility Agent.

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

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

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

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

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

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

“Dissolution Event Redemption Date” means the date specified in the relevant notice provided by the Trustee to the Issuer and the Obligor pursuant to Condition 12, being the date on which payment of the Early Dissolution Amount, plus any due and unpaid Periodic Distribution Amount, in relation to Certificates which are immediately due and payable pursuant to Condition 12 shall be made.

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

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

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

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

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

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

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

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

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

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

- (a) ensuring that each such Wakalah Venture Contract remains in full force and effect whilst any Certificates remain outstanding;
- (b) ensuring that all assets comprised in the Wakalah Venture are Shariah-compliant;
- (c) ensuring that at all times during the term of the Certificates the aggregate value of the Shariah-compliant Tangible Assets comprised in the Wakalah Venture is at least equal to the Tangible Assets Minimum Value, all as valued in accordance with the Valuation Principles; and

- (d) not waiving or forgiving the obligation of any counterparty under any Wakalah Venture Contracts and not entering into any arrangement to dispose at a discount of any rights under any such Wakalah Venture Contract.

“Investment Plan” means the investment plan consisting of the requirement for (i) the Issuer to invest the Proceeds on the Closing Date in the Wakalah Venture; and (ii) the Wakeel to ensure satisfaction of the Investment Conditions.

“Issuer Power of Attorney” means the power of attorney dated the Closing Date executed by the Issuer in favour of the Obligor relating to the Purchase Undertaking.

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

“Nominal Value” means, in relation to any Certificate, the amount equal to the denomination of such Certificate as stated in Condition 1(a).

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

“Obligor Power of Attorney” means the power of attorney dated the Closing Date executed by the Obligor in favour of the Issuer and the Trustee relating to the Purchase Undertaking.

“Periodic Distribution Date” means 11 May and 11 November in each year, commencing on 11 November 2021, and subject to Condition 8(c).

“Profit Rate” means 2.780 per cent. per annum.

“Purchase Undertaking” means a purchase undertaking dated the Closing Date executed by the Obligor in favour of the Issuer and the Trustee pursuant to which the Obligor undertakes to purchase from the Issuer all of the Shariah-compliant Tangible Assets comprised in the Investments in the Wakalah Venture in the circumstances and on the dates specified therein.

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

“Relevant Date” means whichever is the later of (a) the date on which a payment under or in respect of the Certificates or the Trust Deed first becomes due and (b) if the full amount payable has not been received by the Trustee or the Principal Agent on or prior to such due date, the date on which, the full amount having been so received, notice to that effect shall have been given to the Certificateholders.

“Return Accumulation Period” means the period beginning on (and including) the Issue Date and ending on (but excluding) the first Periodic Distribution Date and each successive period beginning on (and including) a Periodic Distribution Date and ending on (but excluding) the next succeeding Periodic Distribution Date.

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

“Scheduled Dissolution Date” means 11 May 2031.

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

“Shariah Adviser” means CIMB Islamic Bank Berhad.

“Shariah-compliant Shares” means Shariah-compliant shares in one or more companies, whether listed or not listed on any stock exchange, identified by the Issuer and/or the Wakeel, as the case may be, in its discretion and approved by the Wakeel, or the Wakeel Shariah Adviser on its behalf, as Shariah-compliant from time to time throughout the term of the Certificates, and as approved by the Shariah Adviser as Shariah-compliant on or about the Closing Date, and in all cases which satisfy the Business Activity Test and the Financial Ratio Test.

“Shariah-compliant Tangible Assets” means Shariah-compliant assets, whether listed or not listed on any stock exchange, identified by the Issuer and/or the Wakeel, as the case may be, in its discretion and approved by the Wakeel, or the Wakeel Shariah Adviser on its behalf, as Shariah-compliant from time to time throughout the term of the Certificates, and as approved by the Shariah Adviser as Shariah-compliant on or about the Closing Date, and which, in the case of shares, satisfy the Business Activity Test and the Financial Ratio Test.

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

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

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

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

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

“U.S.\$” or “U.S. dollar” means the lawful currency of the United States of America.

“Wakalah Venture Contracts” means the Sale and Purchase Agreement and the Commodity Murabahah Investment Agreement each entered into on the Closing Date by the Issuer and any ancillary contracts in relation thereto entered into from time to time, including but not limited to the Closing Date Deed of Surrender, the Issuer Undertaking, the Obligor Undertaking, the Purchase Undertaking and any sale and purchase agreements or substitution agreements entered into pursuant to such undertakings.

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

7 Covenants and Undertakings

The Issuer has covenanted in the Trust Deed that, *inter alia*, so long as any Certificate remains outstanding, it shall not:

- (i) sell, transfer, assign, participate, exchange or otherwise dispose of, or pledge, mortgage, hypothecate or otherwise encumber (by security interest, lien (statutory or otherwise), preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever or otherwise) (or permit such to occur or suffer such to exist), any part of its beneficial interest in the Trust Assets except pursuant to the Purchase Undertaking, the Issuer Undertaking or the Obligor Undertaking or as otherwise envisaged in these Conditions and the Trust Deed;
- (ii) use the proceeds of the issue of the Certificates for any purpose other than as set out in the offering circular prepared by the Issuer in connection with the offering of the Certificates;
- (iii) have any subsidiaries;
- (iv) redeem any of its shares or pay any dividend or make any other distribution to its shareholders;
- (v) put to its directors or shareholders any resolution for or appoint any liquidator for its winding up or any resolution for the commencement of any other bankruptcy or insolvency proceeding with respect to it; or
- (vi) enter into any contract, transaction, amendment, obligation or liability or do anything or engage in any business or activity other than:
 - (A) in relation to the issuance of the U.S.\$400,000,000 Trust Certificates due 2026 to be issued by the Issuer on or about the Closing Date;
 - (B) as provided for or permitted in the Transaction Documents;
 - (C) Shariah-compliant transactions involving, or relating to, the Obligor and/or its affiliates (**“Shariah-compliant Transactions”**), provided that any such Shariah-compliant Transaction shall contain a limited recourse provision with the same effect to that which is set out in Condition 2(b) in relation to such transaction which specifies that recourse in each of those Shariah-compliant Transactions shall be limited to the relevant trust assets in relation thereto, and, upon written request of the Trustee, has delivered to the Trustee an opinion of legal counsel satisfactory to the Trustee that such limited recourse provision is substantially similar in effect as that which is set out in Condition 2(b);

- (D) the ownership, management and disposal of the Trust Assets as provided in the Transaction Documents or other trust assets in relation to Shariah-compliant Transactions as referred to in the preceding paragraph;
- (E) such other matters which are incidental to any of the above; and
- (F) as may be required in order that the Certificates may be listed on such internationally recognised stock exchange as may be approved by the Issuer and notified to the Trustee.

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

8 Periodic Distribution Amounts

- (a) **Periodic Distribution Amounts:** A profit distribution shall be payable in arrear in respect of the Certificates on each Periodic Distribution Date, in respect of the Return Accumulation Period ending on such date, shall accrue at the Profit Rate and the amount of which shall be calculated as provided in Condition 8(b) (each such distribution being referred to in these Conditions as a “**Periodic Distribution Amount**”). Periodic Distribution Amounts shall be distributed to Certificateholders by the Principal Agent on behalf of the Issuer, *pro rata* to their respective holdings and subject to Condition 3(b) and Condition 10.
- (b) **Calculations:** The amount of profit payable per Calculation Amount in respect of any Certificate for any period shall be equal to the product of: (i) the Profit Rate; (ii) the Calculation Amount; and (iii) the Day Count Fraction for such period, with the result being rounded to the nearest U.S.\$0.01, U.S.\$0.005 being rounded upwards. For these purposes, “**Day Count Fraction**” means, in respect of the calculation of an amount of profit on any Certificate for any period (whether or not constituting a Return Accumulation Period, the “**Calculation Period**”), the number of days in the Calculation Period divided by 360 (the number of days in such period to be calculated on the basis of a year of 360 days with 12 30-day months and, in the case of an incomplete month, the number of days elapsed).
- (c) **Entitlement to Profit:** Provided that, upon due presentation, payment is not improperly withheld or refused, no further amounts will be payable on any Certificate from and including the relevant Dissolution Date.

9 Dissolution and purchase

- (a) Scheduled Dissolution

Unless previously redeemed, or purchased and cancelled, the Certificates will be redeemed at 100 per cent. of their Nominal Value (the “**Scheduled Dissolution Amount**”), plus any due and unpaid Periodic Distribution Amount, on the Scheduled Dissolution Date.

(b) Dissolution (other than Scheduled Dissolution)

(i) Dissolution for taxation reasons

The Certificates may be redeemed at 100 per cent. of their Nominal Value (the “**Early Dissolution Amount**”), plus any due and unpaid Periodic Distribution Amount, at the option of the Issuer on the relevant date fixed for dissolution (the “**Tax Dissolution Date**”) in whole, but not in part, at any time, on giving not fewer than 30 nor more than 60 days’ notice (a “**Tax Dissolution Notice**”) to the Certificateholders in accordance with Condition 16 (which notice shall be irrevocable) if (i) the Issuer satisfies the Trustee immediately prior to the giving of such notice that it has or will become obliged to pay Additional Amounts (as defined in Condition 11) or further Additional Amounts as provided or referred to in Condition 11 as a result of any change in, or amendment to, the laws (or any regulations, rulings or other administrative pronouncements promulgated thereunder) 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, regulations, rulings or other administrative pronouncements which change or amendment becomes effective on or after 4 May 2021; and (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it.

No Tax Dissolution Notice shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such Additional Amounts were a payment in respect of the Certificates then due. Prior to the publication of any Tax Dissolution Notice, the Issuer shall deliver to the Trustee a certificate signed by a director of the Issuer stating that the Issuer is entitled to effect such dissolution and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred and an opinion in form and substance satisfactory to the Trustee of independent legal advisers or qualified tax experts of recognised standing to the effect that the Issuer has or will become obliged to pay such Additional Amounts as a result of such change or amendment. The Trustee shall be entitled to accept without further enquiry such certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent set out above in this Condition 9(b)(i) and shall not be required to make any further enquiry into such circumstances and shall not incur liability to any person (including any Certificateholder) as a result of relying on such certificate. Any such certificate so accepted by the Trustee shall be conclusive and binding on the Certificateholders.

(ii) Dissolution at the option of the Issuer

On or at any time after 11 November 2030 but not less than ten Business Days prior to the Scheduled Dissolution Date, the Issuer may, having given not less than 15 nor more than 30 days’ notice (an “**Issuer Optional Dissolution Notice**”) to the Certificateholders, the Trustee and the Principal Agent (which notice will be irrevocable), redeem the Certificates, in whole but not in part, at the Early Dissolution Amount, together with any due and unpaid Periodic Distribution Amount accrued to the date fixed for dissolution (the “**Issuer Optional Dissolution Date**”).

(c) Dissolution Notices

Any dissolution notice shall be irrevocable. Each such notice shall specify the date when the relevant redemption will take place. All Certificates in respect of which a dissolution notice is given shall be redeemed as provided in this Condition 9 on the relevant dissolution date.

(d) Purchase

The Issuer, the Obligor or any of the Obligor's Subsidiaries may at any time purchase Certificates in the open market or otherwise at any price provided that no such purchase may be made in the period commencing on the date 15 Business Days prior to the date fixed for redemption from time to time of the Certificates. The Certificates so purchased, while held by or on behalf of the Issuer, the Obligor or any of the Obligor's Subsidiaries shall not entitle the Certificateholder thereof to vote at any meetings of the Certificateholders and shall not be deemed to be outstanding for certain purposes, including without limitation for the purpose of calculating quorums at meetings of the Certificateholders or for the purposes of Condition 12, Condition 14(a) and Condition 17.

(e) Cancellation

Certificates purchased by the Obligor or any of its Subsidiaries may be held, sold or cancelled. Any Certificates purchased by the Issuer shall be cancelled and may not be held, reissued or sold. All Certificates redeemed will be cancelled and may not be reissued or resold. Certificates in respect of all Certificates cancelled will be forwarded to or to the order of the Registrar and such Certificates may not be reissued or resold.

10 Payments

(a) Payment

All payments due on the Certificates will be paid on the due date for payment to the Certificateholder shown in the Register at the close of business on the fifth Payment Business Day before the due date for payment (the "**Payment Record Date**"). Payments will be made by transfer to the registered account of the Certificateholder. Payment of the Nominal Value of each Certificate will only be made after surrender of the relevant Certificate at the specified office of any Agent.

Payment of all other amounts will be made as provided in these Conditions.

(b) Registered accounts

For the purposes of this Condition 10, a Certificateholder's registered account means the U.S. dollar account maintained by or on behalf of it with a bank in New York City, details of which appear on the Register at the close of business on the fifth Payment Business Day (as defined in Condition 10(h)) before the due date for payment.

(c) Payment initiation

Payment instructions (for value on the due date or, if that is not a Payment Business Day, for value on the first following day which is a Payment Business Day) will be initiated on the due date for payment (or, if it is not a Payment Business Day, the immediately following Payment Business Day) or, in the case of a payment of Nominal Value, if later, on the Payment Business Day on which the relevant Certificate is surrendered at the specified office of an Agent.

(d) Agents

The names of the initial Agents and their specified offices are set out below. The Issuer and the Obligor reserve the right under the Agency Agreement at any time with the prior written approval of the Trustee to remove any Agent, and to appoint other or further Agents. Notice of any such removal or appointment and of any change in the specified office of any Agent will be given by the Issuer as soon as practicable to Certificateholders.

(e) Payments subject to fiscal laws

All payments in respect of the Certificates are subject in all cases to (i) any applicable fiscal or other laws and regulations applicable thereto, but without prejudice to Condition 11 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 and any regulations or agreements thereunder or official interpretations thereof (“**FATCA**”) or any law implementing an intergovernmental approach to FATCA.

(f) Fractions

When making payments to Certificateholders, if the relevant payment is not of an amount which is a whole multiple of the smallest unit of the relevant currency in which such payment is to be made, such payment will be rounded down to the nearest unit.

(g) Delay in payment

Certificateholders will not be entitled to any interest or other payment for any delay after the due date in receiving the amount due if the due date is not a Payment Business Day, if the Certificateholder is late in surrendering its Certificate (if required to do so).

(h) Payment Business Day

In these Conditions, “**Payment Business Day**” means a day other than a Saturday or Sunday or a public holiday on which commercial banks are generally open for business in Labuan, Kuala Lumpur, New York and, in the case of the surrender of a Certificate, in the place where the Certificate is surrendered.

11 Taxation

All payments to Certificateholders made by or on behalf of the Issuer shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges 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 (but without limiting Condition 9(b)(i)) the Issuer shall, subject to sufficient funds being available to it, pay such amounts as shall result in receipt by the Certificateholders of such amounts as would have been received by them had no such withholding or deduction been required (“**Additional Amounts**”), except that no such Additional Amounts shall be payable with respect to any Certificate:

- (a) to, or to a third party on behalf of, a holder who is liable to such taxes, duties, assessments or governmental charges in respect of such Certificate by reason of his having some connection with Malaysia other than the mere holding of the Certificate or the receipt of any sums due in respect of such Certificate (including, without limitation, the holder being a resident or a permanent establishment in Malaysia); or
- (b) if the Certificate in respect of such Certificate is presented for payment more than 30 days after the Relevant Date for payment in respect thereof except to the extent that the holder of it would have been entitled to such additional amounts on presenting it for payment on the thirtieth day.

Notwithstanding any other provision of these Conditions, in no event will the Issuer be required to pay any additional amounts in respect of the Certificates for, or on account of, any withholding or deduction required pursuant to FATCA (including pursuant to any agreement described in Section 1471(b) of the Code) or any law implementing an intergovernmental approach to FATCA.

References in these Conditions to “Periodic Distribution Amount”, “Scheduled Dissolution Amount” and “Early Dissolution Amount” shall be deemed to include any Additional Amounts that may be payable under this Condition 11 or under any obligations undertaken in addition thereto or in substitution therefore pursuant to the Trust Deed.

12 Dissolution Events

The Trustee at its discretion may, and if so requested in writing by the holders of not less than 25.0 per cent. in Nominal Value of the Certificates then outstanding or if so directed by an Extraordinary Resolution (as defined in the Trust Deed) shall (subject always to the Trustee having been indemnified or provided with security or prefunded to its satisfaction), give notice to the Issuer and the Obligor that the Certificates are immediately due and payable at the Early Dissolution Amount, plus any due and unpaid Periodic Distribution Amount, which shall be paid on the Dissolution Event Redemption Date, if any of the following events (a “**Dissolution Event**”) shall have occurred and be continuing:

- (i) (a) default is made in payment of the Scheduled Dissolution Amount on the Scheduled Dissolution Date, in the payment of the Early Dissolution Amount on the dates on which such amount is payable in accordance with these Conditions, in each case provided that such default continues for a period of more than 10 Business Days, or
- (b) default is made in payment of the Periodic Distribution Amount on the due date for

payment thereof, provided that such default continues for a period of more than 10 Business Days, or (c) default is made in payment of the Aggregate Deferred Sale Price under the Commodity Murabahah Investment Agreement on the date on which such amount is payable in accordance with the terms of the Commodity Murabahah Investment Agreement, provided that such default continues for a period of more than 10 Business Days; or

- (ii) the Issuer or the Obligor defaults in performance or observance of or compliance with any one or more of its other obligations (other than any payment obligations under (i) above) set out in the Certificates or the Trust Deed which default is incapable of remedy or, if such default is capable of remedy, such default is not remedied within 30 days after written notice of such default shall have been given to the Issuer (or the Obligor, as the case may be) by the Trustee; or
- (iii) (a) any other indebtedness of the Issuer or the Obligor in respect of monies borrowed or raised is or is declared to be or is capable of being rendered due and payable prior to its stated maturity by reason of any actual default, event of default or the like (however described) or is not paid when due or, as a result of any actual default, event of default or the like (however described) any facility relating to any such indebtedness is or is declared to be or is capable of being cancelled or terminated before its normal expiry date or any person otherwise entitled to use any such facility is not so entitled, or (b) the Issuer or the Obligor fail to pay when properly called upon to do so any guarantee of indebtedness for borrowed moneys, provided however, that no Dissolution Event will occur under Condition 12(iii)(a) or Condition 12(iii)(b) above:
 - (1) unless and until the aggregate amount of the indebtedness in respect of which one or more of the events mentioned in this Condition 12(iii) has/have occurred equals or exceeds U.S.\$50,000,000 or its equivalent in another currency; or
 - (2) if the Issuer or the Obligor is contesting the relevant claim or declaration in good faith prior to an order or award being made against it; or
- (iv) a resolution is passed or an order of a court of competent jurisdiction is made that the Issuer or the Obligor be wound up or dissolved otherwise than for the purposes of or pursuant to and followed by a consolidation, amalgamation, merger or reconstruction the terms of which shall have previously been approved by an Extraordinary Resolution of the Certificateholders; or
- (v) the Government of Malaysia ceases for whatever reason, to own, directly or indirectly, the entire issued share capital of the Obligor.

Upon the Certificates becoming immediately due and payable pursuant to this Condition 12, the Obligor shall pay to the Issuer on the date falling one Payment Business Day prior to the Dissolution Event Redemption Date, an amount equal to the aggregate Early Dissolution Amount plus any due and unpaid Periodic Distribution Amount payable by the Issuer in respect of the Certificates under this Condition 12.

13 Prescription

Claims in respect of amounts due in respect of the Certificates will become prescribed and become void unless made within periods of 10 years (in the case of the Scheduled Dissolution Amount or the Early Dissolution Amount) or five years (in the case of the Periodic Distribution Amount) from the Relevant Date in respect of the Certificates.

14 Meetings of Certificateholders, modification and waiver

The Trust Deed contains provisions for convening meetings of the Certificateholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Certificates, these provisions or any relevant provisions of the Trust Deed. Such a meeting may be convened by the Issuer or the Trustee and shall be convened by the Trustee or at the request in writing of Certificateholders holding not less than 25.0 per cent. in Nominal Value of the Certificates for the time being outstanding and subject to the Trustee being indemnified and/or secured and/or pre-funded to its satisfaction against all costs and expenses. The quorum at any such meeting for passing an Extraordinary Resolution is two or more persons holding or representing more than 50.0 per cent. in Nominal Value of the Certificates for the time being outstanding, or at any adjourned meeting two or more persons being or representing Certificateholders whatever the Nominal Value of the Certificates so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Trust Deed, these provisions or the Certificates (including to modify any date (including the Scheduled Dissolution Date or any Periodic Distribution Date) on which any payment is to be made in respect of the Certificates, to reduce or cancel all or any part of the Nominal Value of, or any amounts stated to be due and owing on, the Certificates, to vary the method for calculating the amount of any payment due in respect of the Certificates, or altering the currency of payment of the Certificates), the quorum shall be two or more persons holding or representing not less than 75.0 per cent. in Nominal Value of the Certificates for the time being outstanding, or at any adjourned such meeting two or more persons holding or representing not less than 25.0 per cent. in Nominal Value of the Certificates for the time being outstanding. An Extraordinary Resolution passed at any meeting of the Certificateholders shall be binding on all the Certificateholders, whether or not they are present at the meeting. The Trust Deed provides that a written resolution signed by or on behalf of the holders of not less than 90.0 per cent. in Nominal Value of Certificates for the time being outstanding shall be as valid and effective as a duly passed Extraordinary Resolution.

The Trust Deed provides that the Trustee may (but shall not be obliged to) agree, without the consent of the Certificateholders, (i) to any modification (subject to certain exceptions as provided in the Trust Deed) of, or to any waiver or authorisation of any breach or proposed breach of, any of these Conditions or any of the provisions of the Trust Deed or the Transaction Documents, or may determine that a Dissolution Event (as defined in the Trust Deed), shall not be treated as such if, in any such case, in the opinion of the Trustee, it is not materially prejudicial to the interests of the Certificateholders or (ii) to any modification of any of these Conditions or the Certificates or any of the provisions of the Trust Deed or the Transaction Documents which is (in the opinion of the Trustee) of a formal, minor or technical nature or which is made to correct a manifest error or to comply with mandatory provisions of law. Any such modification, waiver, authorisation or determination shall be binding on the Certificateholders and, unless the Trustee agrees

otherwise, any such modification, waiver, authorisation or determination shall be notified by the Issuer to the Certificateholders as soon as practicable thereafter in accordance with Condition 16.

The Trustee's agreement may be subject to any condition that the Trustee in its discretion requires, including, but not limited to, obtaining, at the expense of the Issuer, an opinion of any investment bank or legal or other expert. The actual costs incurred by the Trustee in obtaining any such opinion from the relevant investment bank or other expert shall be reimbursed by the Issuer to the Trustee upon production by the Trustee of proof of the relevant costs which have been incurred.

In connection with the exercise by it of any of its trusts, powers, authorities or discretions (including, but without limitation, any modification, waiver, authorisation or substitution), the Trustee shall have regard to the interests of the Certificateholders as a class and, in particular, but without limitation, need not have regard to the consequences of such exercise for individual Certificateholders resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory and the Trustee shall not be entitled to require, nor shall any Certificateholder be entitled to claim, from the Issuer, the Trustee or any other person any indemnification or payment in respect of any tax consequence of any such exercise upon individual Certificateholders.

15 Replacement of Certificates

If any Certificate is mutilated, defaced, destroyed, stolen or lost, it may be replaced at the specified office of the Registrar or Principal Agent upon payment by the claimant of such costs as may be incurred in connection therewith and on such terms as to evidence and indemnity and/or security as the Issuer and/or the Registrar may require. Mutilated or defaced Certificates must be surrendered before replacements will be issued.

16 Notices

All notices regarding the Certificates shall be validly given if mailed to them at their respective addresses in the register of Certificateholders maintained by the Registrar or published in a daily newspaper of general circulation in Asia, which is expected to be *The Wall Street Journal Asia*. Any such notice shall be deemed to have been given on the later of the date of such publication and the fifth day after being so mailed, as the case may be; provided that if the Certificates are represented by a Global Certificate held on behalf of Euroclear or Clearstream, notices required to be given to Certificateholders shall be given by their being delivered to Euroclear and Clearstream, rather than by mail or publication as aforesaid. Any such notice will be deemed to have been given at 1700 hours on the day the relevant clearing system receives such notice.

17 Enforcement

- (a) The Trustee may at any time, at its discretion and without notice, take such proceedings against the Issuer and/or the Obligor as it may think fit to enforce the provisions of the Trust Deed, the Certificates and the Transaction Documents, but it shall not be bound to take any proceedings or any other action in relation to the Trust Deed, the Certificates or the Transaction Documents unless (i) it shall have been so directed by an Extraordinary Resolution of the Certificateholders or so requested in writing by the holders of at least 25.0 per cent. in Nominal Value of the Certificates then outstanding; and (ii) it shall have been indemnified and/or secured and/or prefunded to its satisfaction.
- (b) No Certificateholder shall be entitled to proceed directly against the Issuer and/or the Obligor unless the Trustee, having become bound so to proceed, fails so to do within a reasonable period and such failure shall be continuing.

18 Indemnification and other matters

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility including provisions relieving it from taking proceedings to enforce repayment unless indemnified and/or secured and/or prefunded to its satisfaction. The Trustee is entitled to enter into business transactions with the Issuer or the Obligor and any entity related to the Issuer or the Obligor without accounting for any profit.

The Trustee may rely without liability to Certificateholders on any report, information, confirmation or certificate from or any opinion or advice of any accountants, auditors, lawyers, valuers, auctioneers, surveyors, brokers, financial advisers, financial institution or any other expert, whether or not addressed to it and whether their liability in relation thereto is limited (by its terms or by any engagement letter relating thereto or in any other manner) by reference to a monetary cap, methodology or otherwise. The Trustee may accept and shall be entitled to rely on any such report, information, confirmation, certificate, opinion or advice and the Trustee shall not be liable to the Issuer, the Obligor, any Certificateholder or any other person for acting or refraining from acting in reliance on such report, information, confirmation, certificate, opinion or advice.

Whenever the Trustee is required or entitled by the terms of the Trust Deed, the Agency Agreement, any other Transaction Document or these Conditions to exercise any discretion or power, take any action, make any decision or give any direction, the Trustee is entitled, prior to exercising any such discretion or power, taking any such action, making any such decision or giving any such direction, to seek directions from the Certificateholders by way of Extraordinary Resolution, and the Trustee shall not be responsible for any loss or liability incurred by the Issuer, the Obligor, the Certificateholders or any other person as a result of any delay in it exercising such discretion or power, taking such action, making such decision or giving such direction as a result of seeking such direction from the Certificateholders or in the event that no direction is given to the Trustee by the Certificateholders.

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

None of the Trustee or any Agent shall be liable to any Certificateholder, the Issuer, the Obligor or any other person for any action taken by the Trustee or such Agent in accordance with the instructions of the Certificateholders. The Trustee shall be entitled to rely on any direction, request or resolution of Certificateholders given by Certificateholders holding the requisite principal amount of Certificates outstanding or passed at a meeting of Certificateholders convened and held in accordance with the Trust Deed.

The Trustee and the Agents shall not be under any duty or obligation to monitor whether any event or circumstances has happened or exists pursuant to Condition 9 and Condition 12 and may assume until they have actual knowledge by way of notice in writing from the Issuer to the contrary addressed to each of them that no such event has occurred and neither the Trustee nor the Agents will be responsible or liable to the Certificateholders or any other person for any loss arising from any such assumption or failure by it to so monitor. Neither the Trustee nor the Agents shall be responsible or liable to the Certificateholders or any other person for any failure of the Issuer (i) to make any payments or (ii) any failure by the Issuer to comply with any of its covenants set out in these Conditions. All calculations under these Conditions, the Trust Deed, the Agency Agreement or any other Transaction Document shall be performed by the Issuer or the Obligor or any other person nominated or appointed by the Issuer or the Obligor. Neither the Trustee nor the Agents shall be liable in any respect for the accuracy or inaccuracy in any mathematical calculation or formula under these Conditions, the Trust Deed, the Agency Agreement or any other Transaction Document, whether by the Issuer, the Obligor or any other person so nominated or appointed by the Issuer or the Obligor for the purposes of these Conditions, the Trust Deed, the Agency Agreement or any other Transaction Document.

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

19 Governing law and jurisdiction; third party rights

(a) Governing law

- (i) The Trust Deed, the Agency Agreement, the Costs Undertaking Deed, the Commodity Murabahah Investment Agreement, the Wakalah Agreement, the Issuer Undertaking, the Obligor Undertaking, the Purchase Undertaking, the Closing Date Deed of Surrender, any Deed of Surrender, the Issuer Power of Attorney, the Obligor Power of Attorney and the Certificates, and any non-contractual obligations arising out of or in connection with any of them, are governed by, and will be construed in accordance with, English law.
- (ii) The Sale and Purchase Agreement is governed by, and will be construed in accordance with, the laws of Malaysia.

(b) Jurisdiction

The courts of England and Wales are to have jurisdiction to settle any disputes which may arise out of or in connection with the Certificates and accordingly any legal action or proceedings arising out of or in connection with the Certificates (“**Proceedings**”) may be brought in such courts. The Issuer and the Obligor have in the Trust Deed irrevocably submitted to the jurisdiction of such courts and have waived any objections to Proceedings in such courts on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum and any rights they have now or thereafter to immunity on the ground of sovereignty or otherwise, from attachment of assets or from execution of judgement. Such submissions are for the benefit of each of the Trustee and the Certificateholders and shall not limit the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in any one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

(c) Agent for service of process

Each of the Issuer and the Obligor has irrevocably appointed TMF Global Services (UK) Limited at its registered office for the time being (currently of 8th Floor, 20 Farringdon Street, London, EC4A 4AB) as its agent in England to receive service of process in any Proceedings in England based on any of the Certificates.

SUMMARY OF PROVISIONS RELATING TO THE CERTIFICATES IN GLOBAL FORM

Unless otherwise specified, defined terms used in this section should be interpreted as being applicable to either the Series 1 Certificates or the Series 2 Certificates, mutatis mutandis, as the relevant context may require.

The Certificates will be represented by a Global Certificate which will be registered in the name of a nominee for, and deposited with, a common depositary for Euroclear and Clearstream. The Global Certificate contains provisions which modify the Conditions as they apply to the Certificates evidenced by the Global Certificate. The following is a summary of certain of those provisions:

Exchange

The Global Certificate will become exchangeable in whole, but not in part, for definitive certificates (“**definitive Certificates**”) if (i) the Global Certificate is held on behalf of Euroclear or Clearstream or an alternative clearing system as shall have been selected by the Issuer and approved by the Trustee and the Principal Agent and, as applicable, the Registrar (an “**Alternative Clearing System**”) and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays statutory or otherwise) or announces an intention permanently to cease business or does in fact do so; or (ii) the Issuer or the Obligor would suffer a material disadvantage in respect of the Certificates as a result of a change in the laws or regulations (taxation or otherwise) of any jurisdiction in which the Issuer or the Obligor is for the time being incorporated which would not be suffered were the Certificates in individual form and a certificate to such effect signed by an authorised signatory of the Issuer or two authorised signatories of the Obligor, as the case may be, is delivered to the Trustee, by the Issuer or the Obligor, as the case may be.

Payments

Payments of Periodic Distribution Amounts, the Scheduled Dissolution Amount and any Early Dissolution Amount in respect of the Global Certificate shall be made to its holder and (if no further payment falls to be made on it) surrender of it to or to the order of the Principal Agent in respect of the Certificates (or to or to the order of such other Paying Agent as shall have been notified to the Certificateholders for this purpose) which shall endorse such payment or cause such payment to be endorsed in the appropriate Schedule to the Global Certificate (such endorsement being *prima facie* evidence that the payment in question has been made). No person shall however be entitled to receive any payment on the Global Certificate falling due after the Exchange Date, unless exchange of the Global Certificate for definitive Certificates is improperly withheld or refused by or on behalf of the Issuer.

For the purpose of any payments made in respect of the Global Certificate, “**Payment Business Day**” means a day other than a Saturday or Sunday or a public holiday on which commercial banks are open for business in Labuan, Kuala Lumpur and New York.

Each payment will be made to, or to the order of, the person whose name is entered on the Register at the close of business on the Clearing System Business Day immediately prior to the date for payment, where “**Clearing System Business Day**” means Monday to Friday inclusive except 25 December and 1 January.

Notices

So long as the Global Certificate is held on behalf of Euroclear, Clearstream or any Alternative Clearing System, notices required to be given to Certificateholders may be given by their being delivered to Euroclear and/or Clearstream or, as the case may be, the Alternative Clearing System, rather than by publication as required by the Conditions except that, so long as the Certificates are listed on any stock exchange, notices shall also be published in accordance with the rules of such exchange. Any such notice shall be deemed to have been given to the Certificateholders at 1700 hours on the day the relevant clearing system receives such notice.

Meetings

The holder of the Global Certificate shall be treated at any meeting of Certificateholders as being two persons for the purposes of any quorum requirements of a meeting of Certificateholders and as having one vote in respect of each U.S.\$1,000 Nominal Value of Certificates for which the Global Certificate may be exchanged. The Issuer may allow a person with an interest in Certificates in respect of which the Global Certificate has been issued to attend and speak at a meeting of Certificateholders on appropriate proof of his identity and interest.

Purchase and cancellation

Cancellation of any Certificates represented by the Global Certificate which is required by the Conditions to be cancelled will be effected by reduction in the Nominal Value of the Global Certificate on its presentation to or to the order of the Principal Agent for notation in Schedule A of the Global Certificate.

Transfer

Transfers of interests in the Certificates will be effected through the records of Euroclear and/or Clearstream and their respective participants in accordance with the rules and procedures of Euroclear and/or Clearstream and their respective direct and indirect participants.

USE OF PROCEEDS

The Issuer (acting on behalf of the Certificateholders) will apply the proceeds arising from the issue of each series of Certificates by investing such proceeds in accordance with the terms of the respective Wakalah Agreement relating to each series of Certificates.

The Obligor intends to use such proceeds for general investments, refinancing of borrowings and working capital requirements relating to its principal business activities which are Shariah compliant.

THE TRUST ASSETS

Pursuant to the Trust Deed, the Issuer has declared a trust over the Trust Assets under which it shall hold the Trust Assets upon trust absolutely for the holders of the Certificates *pro rata* according to the Nominal Value of Certificates held by each Certificateholder in accordance with the Trust Deed and the Conditions.

The Trust Assets comprise (i) all of the Issuer's rights, title, interest, entitlement and benefit in, to and under the Wakalah Venture; (ii) all of the Issuer's rights, title, interest, entitlement and benefit, in, to and under the Transaction Documents; and (iii) all proceeds of the foregoing.

Unless otherwise provided, defined terms in this section shall have the meaning given to them in "*Conditions of the Series 1 Certificates*" or "*Conditions of the Series 2 Certificates*".

The 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 those Transaction Documents.

Unless otherwise specified, defined terms in this section should be interpreted as being applicable to either the Series 1 Certificates or the Series 2 Certificates, mutatis mutandis, as the relevant context may require.

The Wakalah Agreement

The Issuer and the Wakeel shall on the Closing Date enter into a Wakalah Agreement pursuant to which the Issuer (on behalf of the Certificateholders) shall appoint the Wakeel as its agent and shall instruct the Wakeel to perform certain duties in relation to the Wakalah Venture in accordance with the terms of the Wakalah Agreement and the Investment Plan.

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

The Investment Plan requires that (i) the Issuer invests the Proceeds on the Closing Date in the Wakalah Venture; and (ii) the Wakeel ensures satisfaction of the Investment Conditions set out therein and described in this section.

The Investments

The Wakalah Venture shall comprise investments in (i) certain Shariah-compliant Tangible Assets and (ii) the Commodity Murabahah Investment, in each case as described below. The Investment Conditions as set out in the Wakalah Agreement require the Wakeel (or any agent appointed by the Wakeel in connection with the same) to, *inter alia*, (i) ensure that all assets comprised in the Wakalah Venture are Shariah-compliant; and (ii) ensure that at all times during the term of the Certificates, the aggregate value of the Shariah-compliant Tangible Assets comprised in the Wakalah Venture is at least equal to 51 per cent. of the value of the Wakalah Venture as a whole, all as valued in accordance with the Valuation Principles (as defined herein). Any loss incurred under the Wakalah Venture shall be borne by the Certificateholders in proportion to the Nominal Value of the Certificates held by each such Certificateholder.

Valuation Principles

For the purposes of calculating the value of the Wakalah Venture and the relevant Investments comprised within the Wakalah Venture, the Valuation Principles as set out in Condition 3(a)(v) shall apply.

The Issuer has in the Wakalah Agreement agreed to appoint the Wakeel as an agent (or such other agent from time to time as shall have been approved by the Trustee, such approval not to be unreasonably withheld or delayed) for the purposes of making all calculations and determinations required to be made in accordance with the Valuation Principles.

Final Incentive Fee

Pursuant to the Wakalah Agreement, provided that no amounts remain outstanding in respect of the Certificates and all amounts payable under Condition 3(b) (excluding Condition 3(b)(vi)) have been satisfied, the Wakeel shall be entitled to the Final Incentive Fee payable from all amounts due and payable under the Commodity Murabahah Investment Agreement and the Purchase Undertaking in respect of any excess.

Sale and Purchase Agreement/Closing Date Deed of Surrender

Pursuant to the Sale and Purchase Agreement, the Issuer shall purchase from the Seller certain Shariah-compliant Shares, by way of transfer of beneficial ownership. On the Closing Date (in respect of the beneficial ownership of the Shariah-compliant Shares purchased pursuant to the terms of the Sale and Purchase Agreement) the Issuer shall execute the Closing Date Deed of Surrender and subsequently (in respect of any other shares which form part of the Wakalah Venture), the Issuer shall execute a Deed of Surrender, surrendering in each case in favour of the relevant seller any and all of its voting rights in respect of such shares.

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

Obligor Undertaking

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

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

Issuer Undertaking

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

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

Upon the Seller (or such relevant seller) having exercised (as instructed by the Wakeel) on behalf of the Issuer the Issuer’s rights under a Rights Issue (provided the Obligor has not exercised its discretion for a sale of such number of further Securities of the Relevant Company (the “**Relevant Securities**”) or other Securities as the Issuer determines is necessary to be sold in order to enable the Issuer to repay the Facility (the “**Rights Issue Securities**”), to any third party on or prior to the delivery of an exercise notice by the Obligor under the Issuer Undertaking), the Issuer has undertaken in the Issuer Undertaking that it will direct the Seller (or such relevant seller) to sell the Rights Issue Securities to the Obligor at the volume weighted average price on the date falling five Trading Days following the listing and quotation for such further Relevant Securities or other Securities and the Issuer will enter into a transfer agreement with the Obligor to effect such sale. The obligation of the Issuer to reimburse the Obligor for the Facility shall be set-off against the obligation of the Obligor to pay the Rights Issue Settlement Amount.

Purchase Undertaking

The Obligor shall on the Closing Date issue the Purchase Undertaking in favour of the Issuer (for itself and on behalf of the Certificateholders) and the Trustee under which the Obligor undertakes to purchase from the Issuer (and subject to the delivery of an exercise notice to the Obligor) all of the Shariah-compliant Tangible Assets comprised in the Investments at their

Purchase Price on the Scheduled Dissolution Date, the Tax Dissolution Date, the Issuer Optional Dissolution Date or following a Dissolution Event, as the case may be, provided that there will be no Certificates outstanding upon payment of the Purchase Price.

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

Commodity Murabahah Investment Agreement

On the Closing Date, the Commodity Murabahah Investment Agreement will be entered into between the Buyer, the Issuer and CIMB Islamic Bank Berhad as Facility Agent.

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

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

Pursuant to the Commodity Murabahah Investment Agreement, the Deferred Sale Price shall become immediately due and payable:

- (i) on one Payment Business Day before the Scheduled Dissolution Date, provided that the Certificates have not been redeemed previously, or purchased and cancelled in their entirety prior to the Scheduled Dissolution Date, an amount in relation to all of the Certificates then outstanding;
- (ii) on one Payment Business Day before the date specified in the relevant notice provided by the Trustee to the Issuer and the Obligor upon the occurrence of a Dissolution Event pursuant to Condition 12, an amount in relation to all of the Certificates then outstanding;
- (iii) on one Payment Business Day before the Tax Dissolution Date, if (i) the Issuer has or will become obliged to pay Additional Amounts or further Additional Amounts as a result of any change in, or amendment to, the laws (or any regulations, rulings or other administrative pronouncements promulgated thereunder) of 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, regulations, rulings or other administrative pronouncements which change or amendment becomes effective on or after the Closing Date; and (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it, an amount in relation to the number of Certificates in respect of which the Tax Dissolution Notice has been given; and
- (iv) on one Payment Business Day before the Issuer Optional Dissolution Date, an amount in relation to all of the Certificates then outstanding.

The Buyer acknowledges that the Issuer (in its capacity as trustee of the Trust Assets) has delegated certain of its rights under the Commodity Murabahah Investment Agreement in accordance with the terms of the Trust Deed and expressly consents and agrees that the Trustee may enforce the Commodity Murabahah Investment Agreement in accordance with its terms and the terms of the Trust Deed.

Trust Deed

Upon issue of the Global Certificate initially representing the Certificates, the Trust Deed shall constitute the trusts declared by the Issuer and the Trustee in relation to the Certificates.

Under the Trust Deed, the Issuer, in its capacity as trustee, declares that it shall hold the Trust Assets as trustee for the Certificateholders upon and subject to the trusts and provisions hereof and under the terms of the relevant Transaction Documents.

The Trustee shall hold the rights, title, interest and benefit in, to and under the Trust Deed and each of the other Transaction Documents to which it is a party (or to which it obtains the benefits thereunder) and shall hold all amounts received by it from the Issuer, the Obligor and/or otherwise under or in connection with the Trust Deed and each of the other Transaction Documents and any realisation or enforcement proceeds upon trust upon the terms and conditions of the Transaction Documents for each and every Certificateholder to whom is owed any amounts by the Issuer or the Obligor under or in connection with the Certificates and the other Transaction Documents.

Under the Trust Deed, the Issuer will irrevocably and unconditionally appoint the Trustee to be its attorney and in its name, on its behalf and as its acts and deed to execute and perfect all documents, and to exercise all of the present and future duties, powers (including the power to sub-delegate), trusts, authorities and discretions vested in the Issuer under the Trust Deed and the Transaction Documents (to the extent applicable) that the Trustee may consider to be necessary or desirable in order to exercise all of the rights of the Issuer under the Transaction Documents and make such distributions from the Trust Assets as the Issuer in its capacity as trustee is bound to make in accordance with the Trust Deed (together, the “**Delegation**” of the “**relevant powers**”). The Delegation to the Trustee shall in respect of certain cases, including the circumstances described in Conditions 3(b), 15, 18 and 19, be effective from the date of the Trust Deed and in all other cases, shall become effective immediately upon the occurrence of a Dissolution Event or a Potential Dissolution Event (as defined in the Trust Deed). The Delegation to the Trustee is intended to be in the interests of the Certificateholders.

In addition to the Delegation of the relevant powers, certain powers under the Trust Deed in respect of the Certificates have been vested solely in the Trustee, including, *inter alia*, the power to determine the occurrence of a Dissolution Event or a Potential Dissolution Event, the power to waive or authorise a breach of an obligation or determine that a Dissolution Event or Potential Dissolution Event shall not be treated as such, and the power to consent to certain types of amendments to the Trust Deed, in each case, in circumstances which are not, in the opinion of the Trustee, materially prejudicial to the interests of the Certificateholders.

The Trust Deed specifies, *inter alia*, that:

- (i) the Trustee may at any time, at its discretion and without notice, take such proceedings against the Issuer and/or the Obligor as it may think fit to enforce the provisions of the Certificates, the Trust Deed and the other Transaction Documents, but it shall not be bound to take any Proceedings or any other action in relation to the Transaction Documents unless (i) it shall have been so directed by an Extraordinary Resolution of the Certificateholders or so requested in writing by the holders of at least 25 per cent. in Nominal Value of the Certificates then outstanding; and (ii) it shall have been indemnified and/or secured and/or prefunded to its satisfaction against all liabilities to which it may in its opinion thereby render itself liable or which it may incur by so doing; and
- (ii) no Certificateholder shall be entitled to proceed directly against the Issuer and/or the Obligor in respect of the Trust Assets to enforce the performance of any of the provisions of the Transaction Documents, unless the Trustee, having become bound as set forth therein to take proceedings fails to do so within a reasonable period and such failure is continuing.

Agency Agreement

The Agency Agreement is entered into between the Issuer, the Trustee, the Principal Agent and the other Agents in respect of the Certificates on the Closing Date. The Agency Agreement provides for, *inter alia*, payment of all sums in respect of the Certificates.

Costs Undertaking Deed

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

EXCHANGE RATES AND EXCHANGE CONTROLS

Exchange Rates

The following table sets forth, for the periods indicated, information concerning the exchange rates between Ringgit and U.S. dollars since 2016 as reported in Bloomberg. The table illustrates how many Ringgit it would take to buy one U.S. dollar:

Period	Average	High	Low	Period End Mid Rate
	(RM per U.S. dollar)			
Calendar Year				
FY2016	4.1451	4.4938	3.8690	4.4863
FY2017	4.2998	4.4975	4.0465	4.0465
FY2018	4.0351	4.2010	3.8620	4.1335
FY2019	4.1421	4.2203	4.0615	4.0910
FY2020	4.2007	4.4470	4.0203	4.0203
Month				
January 2021	4.0379	4.0565	4.0055	4.0400
February 2021	4.0461	4.0698	4.0283	4.0498
March 2021	4.1105	4.0513	4.1510	4.1460
April 2021 (as of 27 April 2021)	4.1254	4.0973	4.1478	4.0973

Source: Bloomberg.

No representation is made that the Ringgit amounts stated in this Offering Circular could have been or could be converted into U.S. dollars at any particular rate, the above rates or at all.

Malaysian Exchange Controls

Pursuant to the notices issued by Bank Negara Malaysia under section 214 of the Financial Services Act 2013 and section 225 of the Islamic Financial Services Act 2013, the Issuer is deemed to be a non-resident in Malaysia for exchange control purposes and is therefore generally free to deal in non-Malaysian currencies.

However, the Issuer is not permitted to undertake or engage in any dealing or transaction with the State of Israel or its residents or any entity owned or controlled, directly or indirectly, by the State of Israel or its residents including any authority or agency of the State of Israel in whatever name of style. It is also not permitted to undertake or engage with any person in any dealing or transaction using or involving the currencies of the State of Israel.

There are no restrictions on repatriation of capital, profits, dividends, interest, fees or rental by foreign direct investors or portfolio investors. However, all remittances abroad must be made in foreign currencies other than the currency of the State of Israel.

Malaysian Exchange Control Approvals required to be obtained by the Obligor

The Obligor is a resident in Malaysia for exchange control purposes and is subject to certain restrictions in relation to dealing in foreign currencies.

Pursuant to Notice 2 issued by Bank Negara Malaysia under section 214 of the Financial Services Act 2013 and section 225 of the Islamic Financial Services Act 2013, a resident entity is allowed to borrow only up to RM100 million in aggregate on a corporate group basis from non-residents. The Obligor has obtained the required approval from Bank Negara Malaysia on 3 May 2021 to obtain foreign currency borrowing.

THE ISSUER

Dua Capital Ltd. (Company No. LL17286) was incorporated on 18 February 2021 in the Federal Territory of Labuan under the Labuan Companies Act 1990 with its registered office at Brumby Centre, Lot 42, Jalan Muhibbah, 87000 Labuan F.T., Malaysia. The Issuer is a special purpose vehicle and has been formed for the purpose of participating in the transactions contemplated by the Transaction Documents.

The issued and paid-up capital of the Issuer is U.S.\$2.00 and is held by an independent Share Trustee (as defined below) on trust for a certain charity. The directors of the Issuer and their designations are as follows:

<u>Name</u>	<u>Principal Occupation</u>
Wong Su Yen Caroline	Director
Khairul Bin Annuar	Alternate Director

The Issuer's Board has appointed TMF Trust Labuan Limited (the "**Issuer Administrator**") to manage certain of the affairs of the Issuer (including the preparation of the necessary books of accounts and records and certain other corporate, secretarial and administrative services). The annual fees of the Issuer Administrator will be paid by Khazanah. TMF Trust Labuan Limited, the registered owner of the Issuer's entire issued and paid-up share capital (for the purpose of this section only, the "**Share**"), has entered into a deed of trust, where it has declared a trust over the Share and TMF Trust Labuan Limited will act as an independent share trustee (for the purpose of this section only, the "**Share Trustee**").

The objects of the Issuer as set out in its Memorandum of Association include, among others, to carry on the business as a fund raising vehicle, to hold shares, debt obligations or securities in a domestic company incorporated under the Companies Act 2016 of Malaysia in accordance with such Act and to carry on business in the Malaysian currency when seeking to hold or otherwise invest in shares, debt obligations or other securities in a domestic company incorporated under the Companies Act 2016 of Malaysia.

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

The fiscal year of the Issuer ends on 31 December of each year, beginning in 2021. The Issuer will prepare annual accounts. Auditors for the Issuer will be appointed.

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

KHAZANAH NASIONAL BERHAD

OVERVIEW

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

Khazanah has a nine-member Board comprising representatives from the public and private sectors. Tan Sri Muhyiddin Mohd Yassin, the Prime Minister of Malaysia, is the Chairman of the Board. The Board is assisted in the discharge of its duties by the Executive Committee (“EXCO”), the Audit and Risk Committee (“ARC”) and the Nomination and Remuneration Committee (“NRC”) established by the Board.

Khazanah’s mandate to grow Malaysia’s long-term wealth was refreshed in late 2018. Growth in this context is to sustainably increase the value of investments while safeguarding financial capital injected into the fund. Long-term refers to a period spanning generations and focuses on ensuring future generations’ ability to meet their needs. Wealth refers to the value of Khazanah’s financial assets and economic development outcomes for Malaysia.

The mandate is to be achieved by pursuing the following investment objectives:

- (a) Commercial objective: Achieve optimal risk-adjusted returns, to grow financial assets and diversify sources of revenue for Malaysia; and
- (b) Strategic objective: Undertake strategic investments with long-term economic benefits for Malaysia and Malaysians, including holding strategic national assets.

Khazanah will pursue its overall mandate through a dual fund investment structure. The two funds, the Commercial Fund and the Strategic Fund, have been established with distinct objectives, policies and strategies.

Under this refreshed mandate, Khazanah achieved solid progress across multiple areas, including a strengthened financial position, a rebalanced Commercial Fund portfolio with deployment into public markets in the US, Japan, China and India, enhanced internal policies and processes as well as development of digital strategy. For recent developments relating to Khazanah, please see “*Recent Developments*” below.

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

- Enhance Commercial Fund
- Deliver Impactful Strategic Investments
- Be a Responsible Organisation
- Build a Strong Digital & Technology Foundation
- Invest in its People and Culture

SELECTED COMPANIES AS AT 31 DECEMBER 2020. LIST IS NOT EXHAUSTIVE.

COMMERCIAL FUND

			
Agrifood Resources Holdings	Alibaba Group Holding Limited	Ant Group	Astro Holdings Sdn Bhd
			
Auto1 Group	Axiata Group Berhad	Bank Muamalat Malaysia Berhad	Beijing Enterprises Environment Group
			
Cenergi SEA Sdn Bhd	Cenviro Sdn Bhd	CIMB Group Holdings Berhad	Fajr Capital
			
IHH Healthcare Berhad	GEMS Menasa	M+S Pte Ltd	Monoluxury Sdn Bhd
			
ReGen Rehabilitation International Sdn Bhd	Sun Life Malaysia Assurance Berhad	The Holstein Milk Company Sdn Bhd	UEM Edgenta Berhad
			
UEM Group Berhad	UEM Sunrise Berhad	Xeraya Capital Sdn Bhd	8990 Holdings, Inc.

STRATEGIC FUND



Iskandar Investment Berhad



Iskandar Malaysia Studios Sdn Bhd



Malaysia Airports Holdings Berhad



Malaysia Aviation Group Berhad



Medini Iskandar Malaysia Sdn Bhd



PLUS Malaysia Berhad



SilTerra Malaysia Sdn Bhd⁽¹⁾



Southern Marina Development Sdn Bhd



Sunway Iskandar Sdn Bhd



Telekom Malaysia Berhad



Tenaga Nasional Berhad



Themed Attractions Resorts & Hotels Sdn Bhd

Note:

- (1) Khazanah has accepted an offer from the DNeX consortium on 5 February 2021 for the proposed sale of the entire issued share capital of SilTerra Malaysia Sdn Bhd, subject to the execution of definitive agreements. See further “– Recent Developments — Divestment of SilTerra Malaysia Sdn Bhd”.

As at 31 December 2020, Khazanah had interests in more than 100 companies, either directly or indirectly through ownership of shares. These companies are involved in various sectors such as media and communications, financial services, power, healthcare, property, transportation and logistics, innovation and technology, infrastructure and construction, creative, leisure and tourism, sustainable development, consumer, life sciences, agriculture, wellness and education amongst others.

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

Other Initiatives

Khazanah has remained committed to its initiatives. Some initiatives in 2021, 2020 and 2019 included the following:

- **COVID-19:** Khazanah contributed RM20 million in April 2020 to support relief efforts in response to the COVID-19 pandemic in Malaysia and it was channelled through the Government-Linked Companies (“GLC”) and Government-Linked Investment Companies (“GLIC”) Disaster Response Network, which was coordinating GLC and GLIC assistance to the Ministry of Health of Malaysia and other groups in urgent need.
- **Taman Tugu Project:** Taman Tugu Project is a not-for-profit corporate social responsibility initiative led by Khazanah with the support of various public sector agencies and civil-society organisations, whose mission is to rehabilitate and conserve a 66-acre green-lung in the heart of Kuala Lumpur. The project also entails the establishment of a public trust — Amanah Warisan Negara (AWAN) to own, manage and protect Taman Tugu as well as other potential assets of heritage value into-perpetuity. Taman Tugu opened in September 2018 and currently has approximately six kilometres of forest trails across 40 acres. By end of 2021, it will have about seven kilometres of forest trails.
- **Yayasan Hasanah:** Yayasan Hasanah’s annual funding is derived out of the returns of its endowment fund. This has enabled it to take a long term view of initiatives and programmes, invest in system improvements and reform as well as provide sustainability to the mission. Yayasan Hasanah spent RM98 million for 44 projects in 2020 with a focus on Education (70.8 per cent.), Knowledge (9.3 per cent.) and Community (2.9 per cent.).
- **Khazanah Research Institute:** The institute released 68 publications (includes books, discussion papers and articles) with selected works such as “The State of Households 2020 — Part 1: Welfare in Malaysia Across Three Decades”, “The State of Households 2020 — Part 2: Work in an Evolving Malaysia”, “The State of Households 2020 — Part 3: Social Inequalities and Health in Malaysia”, “Implications of the Dominant Shift to Industrial Crops in Malaysian Agriculture Phase 1: System Dynamics Model of Paddy & Rice Sector” and “Implications of the Dominant Shift to Industrial Crops in Malaysian Agriculture Phase 2: System Dynamics Model of Industrial Crops”.
- **Khazanah Megatrends Forum (KMF) 2019:** KMF 2019 was held on 7-8 October 2019 on the theme “From the Past to the Future: Building our Collective Brain”.
- **Think City:** A social purpose organisation which strives to be a catalyst for change in the way cities are planned, curated, developed and celebrated. It was established by Khazanah in 2009 to spearhead urban regeneration in George Town, Penang and the resulting impact and success has led to expansion into other areas of Penang, Kuala Lumpur and Johor Bahru.

Summary of financial information

The following table presents selected audited financial information for Khazanah on an unconsolidated basis as at and for each of the five years ended 31 December 2015, 31 December 2016, 31 December 2017, 31 December 2018 and 31 December 2019.

The unconsolidated financial statements of Khazanah have been prepared in accordance with Approved Accounting Standards issued by the Malaysian Accounting Standards Board, which may differ in certain material respects from generally accepted accounting principles in certain other jurisdictions, including International Accounting Standards or International Financial Reporting Standards and auditing standards which prospective investors may be familiar with in other countries. For details, please refer to Khazanah's website, <https://www.khazanah.com.my/our-performance/full-financial-statement/>.

	As at and for the year ended 31 December				
	2015	2016	2017	2018	2019
	(audited)				
	(RM million)				
Pre-tax profit	500	4	2,827	(5,812)	8,983
Profit after tax	382	(112)	2,752	(6,048)	8,972
Total assets	70,482	71,892	72,510	66,638	76,436
Total liabilities	43,151	45,289	45,492	47,706	49,532
Paid-up capital	6,644	6,644	12,284	12,284	12,284

Principal indebtedness of Khazanah

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

The table below sets forth the total borrowings of Khazanah as at 31 December 2019.

	Amount Outstanding as at 31 December 2019
	(Audited)
	(RM million)
Khazanah Bonds — Secured	10,639
Exchangeable Trust Certificates and Guaranteed Exchangeable Bonds	3,133
Islamic Medium Term Notes issued by Danga Capital Berhad	15,797
Islamic Medium Term Notes issued by Danum Capital Berhad	3,500
Islamic Medium Term Notes issued by Rantau Abang Capital Berhad	5,500
Islamic Medium Term Notes issued by Ihsan Sukuk Berhad	200
Unsecured Term loans	2,500
Revolving Credit Facility	4,500
Total Borrowings	<u>45,769</u>

Khazanah Bonds — Secured

Since March 1999, Khazanah has from time to time issued various series of medium to long-term zero coupon Islamic bonds with maturities ranging between five and fifteen years. Each series of zero coupon Islamic bonds is guaranteed by the Government and is based upon the Islamic financing concepts of “Murabahah” or “Musyarakah”. The Government guaranteed zero coupon Islamic bonds were issued at a discount and will be redeemed at 100 per cent. of their nominal value on their relevant redemption dates. The aggregate nominal value of the outstanding Government guaranteed zero coupon Islamic bonds as at 31 December 2019 was RM12.5 billion. The accreted book value of such Islamic bonds as at 31 December 2019 was RM10,639 million, which represented their nominal value less the unamortised discount on such Islamic bonds.

The table below sets forth the details of the Government guaranteed zero coupon Islamic bonds issued by Khazanah and outstanding as at 31 December 2019.

	At nominal value	Unamortised discount	Amount outstanding as at 31 December 2019	Date of repayment	Yield to maturity at issuance
		(audited)	(audited)		
		(RM million)			(%)
Issued 15 June 2007 15-year	1,000	100	900	15 June 2022	4.350
Issued 14 August 2008 15-year.	2,000	347	1,653	14 August 2023	5.330
Issued 20 March 2009 15-year	1,500	274	1,226	20 March 2024	4.840
Issued 27 August 2009 15-year.	1,000	199	801	27 August 2024	4.820
Issued 24 March 2010 10-year	1,200	13	1,187	24 March 2020	4.600
Issued 3 September 2012 10-year	1,500	140	1,360	2 September 2022	3.710
Issued 3 September 2012 20-year	1,000	406	594	3 September 2032	4.150
Issued 12 October 2012 15-year	1,000	275	725	12 October 2027	4.170
Issued 8 March 2013 8-year.	1,000	44	956	8 March 2021	3.800
Issued 24 February 2014 7-year	1,300	63	1,237	24 February 2021	4.400
Total	<u>12,500</u>	<u>1,861</u>	<u>10,639</u>		

Shariah-compliant Exchangeable Trust Certificates

Khazanah has also issued Shariah-compliant exchangeable trust certificates.

In September 2014, Khazanah issued Shariah-compliant exchangeable trust certificates through an independent special purpose vehicle, Cahaya Capital Ltd. The offering comprised U.S.\$500 million seven-year certificates due 2021 which are exchangeable into ordinary shares of Tenaga Nasional Berhad. As at 31 December 2019, the certificates were fully redeemed.

In September 2016, Khazanah issued Shariah-compliant exchangeable trust certificates through an independent special purpose vehicle, Bagan Capital Ltd. The offering comprised U.S.\$398.8 million five-year certificates due 2021 which are exchangeable into ordinary shares of Beijing Enterprises Water Group Limited. As at 31 December 2019, the certificates were fully redeemed.

In February 2018, Khazanah issued Shariah-compliant exchangeable trust certificates through an independent special purpose vehicle, Cindai Capital Ltd. The offering comprised U.S.\$320.8 million five-year, cash-settled exchangeable trust certificates due 2023 which are referenced to H-shares of par value of RMB1.00 each of CITIC Securities Co. Ltd. In February 2021, the Issuer redeemed U.S.\$3,108,000 in nominal value of the exchangeable trust certificates. Following such redemption, as at the date of this Offering Circular, U.S.\$317,692,000 in nominal value of the exchangeable trust certificates remain outstanding.

Guaranteed Exchangeable Bonds

In August 2019, Khazanah issued guaranteed exchangeable bonds through a wholly-owned subsidiary, Cerah Capital Limited. The offering comprised U.S.\$500 million five-year guaranteed exchangeable bonds due 2024 which are exchangeable into ordinary shares of CIMB Group Holdings Berhad. As at 31 December 2019, all of the bonds remained outstanding.

Danga Capital Berhad (Islamic Medium Term Notes)

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

On 11 August 2010, Danga issued S\$900 million in nominal value of Islamic medium term notes with a maturity of ten years and profit payment of 3.725 per cent. per annum.

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

On 9 April 2015, Danga issued RM2.0 billion in nominal value of Islamic medium term notes with a maturity of five years and profit payment of 4.10 per cent. per annum.

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

On 1 March 2016, Danga issued U.S.\$750 million in nominal value of Islamic medium term notes with a maturity of five years and profit payment of 3.035 per cent. per annum.

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

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

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

As at 31 December 2019, the aggregate nominal value of the outstanding Islamic medium term notes issued pursuant to the Ringgit-Denominated Islamic Securities Programme and the Multicurrency Islamic Securities Programme was RM15.80 billion.

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

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

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

Danum Capital Berhad (Islamic Medium Term Notes)

Khazanah has, via a Malaysian-incorporated independent special purpose vehicle, Danum Capital Berhad (“**Danum**”), established a RM10.0 billion Ringgit-Denominated Islamic Medium Term Notes Programme on 7 February 2019.

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

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

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

As at 31 December 2019, the nominal amount of outstanding Islamic medium term notes was RM3.5 billion issued pursuant to the Islamic Medium Term Notes Programme.

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

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

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

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

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

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

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

On 21 April 2021, Danum issued RM500 million in nominal value of Islamic medium term notes with a maturity of one year and one day and profit payment of 2.24 per cent. per annum.

Rantau Abang Capital Berhad (Islamic Medium Term Notes)

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

Pursuant to the IMTN Programme, Khazanah has issued various series of Islamic medium term notes with maturities ranging between five to 20 years, which are based upon the Islamic financing concept of “Musyarakah”. Each of these financings includes provisions for recourse to Khazanah pursuant to a purchase undertaking. As at 31 December 2019, the nominal amount of outstanding Islamic medium term notes was RM5.5 billion issued pursuant to the IMTN Programme.

Ihsan Sukuk Berhad (Islamic Medium Term Notes)

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

On 18 June 2015, Ihsan issued RM100 million in nominal value of Islamic medium term notes with a maturity of seven years and profit payment of 4.30 per cent. per annum.

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

As at 31 December 2019, the nominal amount of outstanding Islamic medium term notes was RM200 million issued pursuant to the Sukuk Programme.

Term loans — unsecured

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

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

On 10 August 2016, Khazanah drew down a floating term loan amounting to U.S.\$221 million. The unsecured floating term loan bears interest ranging from 3.0171 per cent. to 3.2650 per cent. per annum from 10 August 2018 to 8 August 2019.

As at 31 December 2019, the principal amount outstanding on these loan facilities was RM2.5 billion.

On 16 March 2020, Khazanah drew down a fixed term loan amounting to RM852.2 million. The unsecured fixed term loan bears interest of 2.99 per cent. per annum from 16 March 2020 to 16 March 2021. This fixed term loan has been refinanced at 2.35 per cent. for another year to 16 March 2022 with a lower principal amount of RM810 million.

Revolving credit facility

The Ringgit denominated revolving credit facility of RM4.5 billion bears interest ranging from 2.38 per cent. to 4.21 per cent. per annum in 2019 and 2020.

As at 31 March 2021, RM1.5 billion remains outstanding on this revolving credit facility bearing interest ranging from 2.44 per cent. to 2.47 per cent.

Recent Developments

Seventeenth Khazanah Annual Review 2021 (“KAR 2021”)

On 4 March 2021, Khazanah presented the KAR 2021 which saw Khazanah announcing its 2020 financial performance.

The highlights of the KAR 2021 include:

(1) Financial Performance

Khazanah reported a steady overall performance for 2020 despite the volatility in global financial markets and an unfavourable economic environment impacted by the COVID-19 pandemic.

Khazanah’s profit from operations fell to RM2.9 billion in 2020 as compared to RM7.4 billion in 2019. Dividend income from investee companies rose to RM5.2 billion from RM3.8 billion but was offset by lower divestment gains of RM2.7 billion compared to RM9.9 billion in 2019.

The impact of the COVID-19 pandemic led to higher impairments of RM6.0 billion, particularly in aviation and hospitality assets, compared to RM4.9 billion in 2019.

Khazanah declared a dividend of RM2.0 billion for 2020 to the Government of Malaysia.

Khazanah’s financial position remained strong with debt reduced by 6 per cent. to RM43.1 billion from RM45.8 billion in 2019, while realisable asset value (“**RAV**”)¹ cover fell slightly to 2.9 times from 3.0 times in 2019.

(2) Commercial Fund

The Commercial Fund generated a two-year rolling time-weighted rate of return of 1.5 per cent. against Khazanah’s long-term targeted return of Malaysian Consumer Price Index plus 3 per cent. on a five-year rolling basis. The Commercial Fund’s RAV stood at RM95.3 billion² as at the end of 2020.

¹ RAV over total debt.

² Includes Cash and Cash Equivalents, and Other Current Assets.

The Commercial Fund, which focuses on investing to preserve and grow the long-term value of assets, had made significant inroads into diversifying its asset mix two years into the portfolio rebalancing exercise. In 2020, Khazanah made progress across various asset classes, with continued rebalancing of its private investment in public equities assets, further deployment of funds into public equities for developed markets and taking advantage of market volatility in emerging markets, while remaining disciplined in executing its private markets investments programme.

(3) Strategic Fund

The Strategic Fund recorded a gain of 0.3 per cent.³ in 2020, against the targeted rate of return of the 10-year Malaysian Government Securities yield on a five-year rolling basis. The Strategic Fund's portfolio RAV stood at RM27.9 billion as at 31 December 2020, decreasing by 15 per cent. from RM32.9 billion a year ago. The portfolio value was heavily impacted by the fall in market value of key listed assets and provisions made on impairments to aviation and hospitality assets.

For the Strategic Fund, Khazanah navigated the difficult period in 2020 by focusing on engaging regulators to manage the challenging operating landscape for investee companies, restructuring the balance sheet of selected assets to preserve value, strengthening the leadership bench of operating companies, and continuous monitoring and assessment of the COVID-19 pandemic's impact on investee companies.

For further details, please refer to Khazanah's website at <https://www.khazanah.com.my/our-performance/khazanah-annual-review-2021/>. For the avoidance of doubt, none of the information contained in the website is intended to be incorporated by reference to or form part of this Offering Circular. The unaudited financial information from KAR 2021 should not be relied upon by investors to provide the same quality of information associated with an audited financial statement. The Joint Lead Managers do not make any representation or warranty, expressed or implied, regarding the sufficiency of such unaudited and unreviewed financial information for an assessment of, and potential investors must exercise caution when using such data to evaluate, Khazanah's or the Khazanah Group's financial condition, results of operations and results. Such unaudited and unreviewed financial information should not be taken as an indication of the expected financial condition, results of operations or results of Khazanah or the Khazanah Group for FY2021. See further "Risk factors — The Guarantor's financial information as at 31 December 2020 from the Khazanah Annual Review 2021 ("KAR 2021") is currently under review and audit by Khazanah's independent auditors."

COVID-19

The business, cash flows, operational results, financial condition and prospects of the Khazanah Group have been and will continue to be adversely affected by the COVID-19 pandemic.

Various measures to curb the spread of the COVID-19 pandemic resulted in the tourism, hospitality and aviation sectors taking a considerable hit.

³ Aggregate net profit/net tangible asset excluding Malaysia Airlines, Berhad.

Investee companies such as Malaysia Airlines Berhad, Malaysia Airports Holdings Berhad and Themed Attractions Resorts & Hotels Sdn Bhd (“**TAR&H**”) were not spared. Khazanah had to impair several assets, namely RM3.1 billion for MAB’s parent Malaysia Aviation Group Berhad (“**MAGB**”) and RM1.8 billion for TAR&H to account for these effects.

See “*Risk Factors — Considerations relating to Malaysia — COVID-19 and other infectious diseases have had, and may continue to have, an adverse effect on the Khazanah Group.*”

Divestment of SilTerra Malaysia Sdn Bhd

Khazanah has accepted the offer from the DNeX consortium on 5 February 2021 for the proposed sale of the entire issued share capital of SilTerra Malaysia Sdn Bhd, subject to the execution of definitive agreements.

On 31 March 2021, Khazanah entered into a conditional share sale and purchase agreement with the DNeX consortium for a consideration of RM273 million.

Deployment into public market portfolio

Despite the challenging and volatile market environment brought on by the COVID-19 pandemic, Khazanah has been progressively rebalancing its Commercial Fund portfolio, including deploying into public equities, with a focus on developed markets. As such, the Commercial Fund’s exposure into global public equities has increased from 12 per cent. in 2018 to 17 per cent. by the end of 2020. Khazanah will continue to rebalance its Commercial Fund to diversify the portfolio with the aim of improving its long-term risk-adjusted returns.

Ongoing restructuring of Malaysia Airlines Berhad

The MAGB restructuring exercise encompassing corporate lenders, engine lessors, maintenance service providers and government-related entities was completed on 22 March 2021. This followed the approval by the UK Courts on 20 January 2021 for MAGB to proceed with the Scheme of Arrangement and the successful court sanction hearing on 22 February 2021.

The restructuring exercise was completed with the support from all creditors and Khazanah as the shareholder of MAGB, where Khazanah has committed to inject RM3.6 billion of fresh capital into MAGB over the next five years. This restructuring enables MAGB to be more sustainable and better equipped to operate in the uncertain and challenging post COVID-19 environment. Moving forward, MAGB will work closely with the Government of Malaysia and other industry stakeholders to catalyse the safe restart to air travel and to promote the recovery of the aviation industry.

Telekom Malaysia share placements.

On 22 May 2020, Khazanah announced that it had completed a placement of 172.3 million shares in Telekom Malaysia Berhad at RM4.27 per share, raising gross proceeds of approximately RM735.7 million. The placement price represents a 3.61 per cent. discount to the closing market price of RM4.43 on 21 May 2020. The share placement exercise is part of the ongoing restructuring of Khazanah’s overall portfolio, with the proceeds to be utilised for future new investments and the diversification of Khazanah’s asset allocation. Domestic long-only funds, foreign institutional investors and existing institutional investors participated in the share placement exercise. Domestic institutional investors made up a majority of the buyers.

On 15 April 2021, it was further announced that Khazanah had completed a placement of 53.8 million shares in Telekom Malaysia Berhad, raising gross proceeds of RM312 million, as part of its ongoing portfolio rebalancing efforts. The placement price of RM5.80 per share represents a 3 per cent. discount to the closing market price of RM5.98 on 14 April 2021. Pursuant to the completion of the placement, Khazanah's shareholding in Telekom Malaysia Berhad stands at 20.1 per cent.

Divestment of Alibaba Group Holding Ltd

Over the course of 2019 and 2020, Khazanah divested a significant stake of its shareholdings in Alibaba Group Holding Ltd.

Divestment of Prince Court Medical Centre Sdn Bhd ("PCMC")

On 17 September 2019, Khazanah announced that its wholly-owned indirect subsidiary, Pulau Memutik Ventures Sdn. Bhd., had signed a share purchase agreement with Pantai Holdings Sdn Bhd (a wholly-owned indirect subsidiary of IHH Healthcare Berhad) to divest its 100 per cent. interest in PCMC for RM1.02 billion to be settled fully in cash. The divestment was completed on 1 September 2020.

Changes to the Board of Khazanah

During 2020, Khazanah announced the appointment of Malaysia's Prime Minister, Tan Sri Muhyiddin Mohd Yassin, as Chairman with effect from 1 April 2020, together with the appointment of Tengku Datuk Seri Utama Zafrul Tengku Abdul Aziz, Dato' Mohammed Azlan Hashim and Dato' Zainal Abidin Putih as members of the Board, effective on 1 April 2020, 1 April 2020 and 16 November 2020 respectively.

During 2020, Khazanah also announced that Tun Dr Mahathir Mohamad had stepped down as Chairman and member of the Board, effective 25 March 2020 and Dr Sukudhew Singh, Tan Sri Mohd Hassan Marican and Professor Xiao'ou Tang had each stepped down as members of the Board, effective 1 January 2020, 6 March 2020 and 6 April 2020, respectively.

Issuance of U.S.\$500 million bonds exchangeable into ordinary shares of CIMB Group Holdings Berhad

On 8 August 2019, Khazanah completed the issuance of an exchangeable bond offering of U.S.\$500 million, via a Labuan-incorporated wholly-owned subsidiary of Khazanah, Cerah Capital Limited. The bonds are exchangeable into ordinary shares of CIMB Group Holdings Berhad.

The exchangeable bonds were priced at 100 per cent. of the principal amount and mature on 8 August 2024 with a zero coupon rate.

Governance and Accountability Framework

Khazanah operates within the framework of a clearly defined mandate that is aligned with the national development objectives of the Government of Malaysia. The Board governs Khazanah's operations and is ultimately accountable and responsible for Khazanah's overall governance. Tan Sri Muhyiddin Mohd Yassin, the Prime Minister of Malaysia, is the Chairman of Khazanah's Board and is supported by a group of qualified individuals with diverse professional backgrounds and expertise as Board members. A Board Charter sets out the roles and responsibilities of the Board in overseeing the management of Khazanah.

The Board is assisted by three subcommittees — the Executive Committee (“**EXCO**”), the Audit and Risk Committee (“**ARC**”) and the Nomination and Remuneration Committee (“**NRC**”). The four-member EXCO consists of three Non-Executive Directors and an Executive Director, the ARC is to have not less than three members, with a majority (including its Chairman) comprising independent non-executive directors, and currently consists of three Non-Executive Directors, and the three-member NRC consists of three Non-Executive Directors. At the management level, a Management Committee and an Investments Committee are in place to assist the Board in managing and overseeing operational and investment-related matters.

Management of Khazanah

Board of Directors

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

<u>Name</u>	<u>Position</u>
Tan Sri Muhyiddin Mohd Yassin	Chairman
Dato’ Seri Mohamed Azmin Ali	Director
Tengku Datuk Seri Utama Zafrul Tengku Abdul Aziz	Director
Goh Ching Yin	Director
Dato’ Mohammed Azlan Hashim	Director
Dato’ Zainal Abidin Putih	Director
Lau Seng Yee	Director
To’ Puan Azian binti Mohd Aziz	Director
Datuk Shahril Ridza bin Ridzuan	Managing Director

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

Tan Sri Muhyiddin Mohd Yassin

Tan Sri Muhyiddin Mohd Yassin is the current Prime Minister of Malaysia. He previously served as Deputy Prime Minister of Malaysia from 2009 to 2015. He had also held various ministerial posts since 1995, including Minister of Youth and Sports, Minister of Domestic Trade and Consumer Affairs, Minister of Agriculture, Minister of International Trade and Industry, Minister of Education and his last position was Minister of Home Affairs. He was also the Menteri Besar of Johor from 1986 to 1995.

Dato’ Seri Mohamed Azmin Ali

Dato’ Seri Mohamed Azmin Ali is the current Senior Minister and Minister of International Trade and Industry. Previously, he was the Minister of Economic Affairs. He is a Member of the Economic Action Council and was previously the Chief Minister of Selangor. He holds a Bachelor’s degree in Economics and Mathematics and a Master’s degree in Education and Economics from the University of Minnesota.

Tengku Datuk Seri Utama Zafrul Tengku Abdul Aziz

Tengku Datuk Seri Utama Zafrul Tengku Abdul Aziz is the current Minister of Finance of Malaysia and a Senator of Dewan Negara, the upper house of the Malaysian Parliament. He has over 22 years of experience in the banking and finance industry. Prior to his ministerial position, he was the Group CEO/Executive Director of CIMB Group Holdings Berhad. He had also served as CEO of Maybank Investment Bank Berhad and Maybank Kim Eng Holdings, as well as held senior positions in Citigroup Malaysia, Kenanga Holdings Berhad and Avenue Securities. Tengku Datuk Seri Utama Zafrul graduated from University of Bristol, UK in Economics and Accounting. He also holds a Masters in Finance and Management from University of Exeter, UK and is a certified Fellow Chartered Banker by the Asian Institute of Chartered Bankers.

Goh Ching Yin

Goh Ching Yin was a former Executive Director of the Chairman's Office, Strategy & Development, and Market Oversight at the Securities Commission Malaysia. Prior to that, he was CEO of Southern Investment Bank, Managing Director, Corporate Finance for BNP Paribas Group, and Chief Representative of BNP Peregrine Sdn Bhd. He also served at RHB Sakura Merchant Bankers Berhad, Renong Group and Price Waterhouse Associates. He is currently the Chairman and Independent Non-Executive Director of Maybank Asset Management Singapore Pte Ltd and sits on the boards of Maybank Investment Bank Berhad, Maybank Asset Management Group Berhad, Allianz Life Insurance Malaysia Berhad, Allianz General Insurance Company Malaysia Berhad and Shangri-La Hotels Malaysia Berhad. Goh holds a MBA from Cranfield University, United Kingdom.

Dato' Mohammed Azlan Hashim

Dato' Mohammed Azlan Hashim is a member of the Employees' Provident Fund Board of Directors and Chairman of its Investment Panel. He is also currently the Chairman of several public listed entities including D&O Green Technologies Berhad, Marine & General Berhad and IHH Healthcare Berhad. He has extensive working experience in the corporate sectors including financial services and investments. Among others, he served as Chief Executive of Bumiputra Merchant Bankers Berhad, Managing Director of Amanah Capital Malaysia Berhad and Executive Chairman of Bursa Malaysia Berhad.

Dato' Mohammed Azlan Hashim holds a Bachelor of Economics from Monash University, Melbourne and is a qualified Chartered Accountant. He is a Fellow Member of the Institute of Chartered Accountants, Australia, Institute of Chartered Secretaries and Administrators, and Member of the Malaysian Institute of Accountants.

Dato' Zainal Abidin Putih

Dato' Zainal Abidin Putih is currently the chairman of several companies including Dutch Lady Milk Industries Berhad, Land & General Berhad, Tokio Marine Insurance (Malaysia) Berhad and Touch 'n Go Sdn Bhd. He also sits on the board of Petron Malaysia Refining & Marketing Berhad, as well as the boards of several private limited companies. Dato' Zainal has decades of extensive experience in audit, having worked as a practising accountant throughout his career covering many principal industries including banks, insurance, energy, transport, manufacturing, government agencies, plantations, properties, hotels, investment companies and unit trusts. He also has good knowledge of taxation matters and management consultancy, especially in the areas of acquisition, takeovers, amalgamations, restructuring and public listing of companies.

Dato' Zainal Abidin Putih is a fellow of the Institute of Chartered Accountants in England and Wales, as well as a member of the Malaysian Institute of Accountants and the Malaysian Institute of Certified Public Accountants. He is a past president of the Malaysian Institute of Certified Public Accountants, former chairman of the Malaysian Accounting Standards Board and Pengurusan Danaharta Nasional Berhad, as well as a former member of the Malaysian Communication & Multimedia Commission.

Lau Seng Yee

Lau Seng Yee has been affiliated with Tencent Holding Company (“**Tencent**”) since 2006 as part of its top management team. Together with the management team, the company he helped build is now ranked as a top five global technology public listed company with market capitalisation of more than U.S.\$700 billion. Known today as the “WeChat company”, Tencent was founded in 1998 and its growth since then has been a remarkable achievement.

In addition to his global management role, Lau champions the cause of using technology for universal good and the sustainable development of humanity. He believes that the world we live in today doesn't belong to us, as we are simply the caretaker for the future generation. Hence, he became a committed social evangelist keynote speaker at various international forums including at the United Nations, UNESCO, Dubai International AI Conference, and IMF.

Lau was recognised as “Global Media Person of the Year” by Cannes Lions in 2015, a highly prestigious honour awarded by the Cannes Lions Festival of Creativity. As the first person from Asia to receive this award, he joins a list of previous recipients of this award that includes Facebook founder Mark Zuckerberg, former Microsoft CEO Steve Balmer, and former Google Executive Chairman Eric Schmidt, among others. This recognition was in great part the result of his passion for the transforming power of digitalisation in China, for which he is a tireless evangelist.

Mr Lau is a distinguished alumnus of Universiti Kebangsaan Malaysia and Rutgers University in New Jersey, where he received his Executive MBA. He has completed the Advanced Management Program at Harvard Business School, and now serves as a member of the Harvard Business School Global Advisory Board since 2015.

To' Puan Azian binti Mohd Aziz

To' Puan Azian binti Mohd Aziz graduated with a Bachelor of Laws (LL.B) (Hons) degree from the University of Malaya. Her career began on 1 October 1987 with her appointment as a Federal Counsel in Attorney General's Chambers.

She held various positions throughout her career, such as a Legal Advisor to the Ministry of Transport, Senior Federal Counsel in Advisory Division and Research Division of the Attorney General's Chambers, Senior Assistant Parliamentary Draftsman and Legal Advisor to the Ministry of Defence.

In 2009, To' Puan Azian was appointed as the Corporation Secretary of Putrajaya Corporation. In 2010, she was made the Director General of the Judicial and Legal Training Institute at the Prime Minister's Department. Subsequently in 2012, she was appointed as the Treasury Solicitor, Ministry of Finance. In 2014, To' Puan Azian was then made the Deputy Head of Advisory Division (Municipal) I of the Attorney General's Chambers and then promoted as the Head of International Affairs Division in late 2016.

To' Puan Azian is currently the Head of Advisory Division in the Attorney General's Chambers, since 1 November 2018.

Effective 16 December 2020, To' Puan Azian is the Parliamentary Draftsman of the Attorney General's Chambers.

To' Puan Azian is currently a Board Member of the Inland Revenue Board of Malaysia. She previously sat on the board of various entities including Sepang International Circuit, Amanah Raya Berhad, Syarikat Perumahan Negara Berhad, Institut Jantung Negara and Syarikat Prasarana Nasional Berhad.

Datuk Shahril Ridza bin Ridzuan

Datuk Shahril Ridza bin Ridzuan is the Managing Director of Khazanah. He was formerly the Chief Executive Officer of the Employees Provident Fund of Malaysia, and prior to that he was the Managing Director of Malaysian Resources Corporation Berhad. He is currently the Chairman of M+S Pte Ltd and Iskandar Investment Berhad, and is a Non-Executive Board Member of Malaysia Aviation Group Berhad.

He holds a Master of Arts (First Class) from Cambridge University and a Bachelor of Civil Law (First Class) from Oxford University and has been called to the Malaysian Bar and the Bar of England and Wales.

Senior management

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

<u>Name</u>	<u>Position</u>
Datuk Shahril Ridza bin Ridzuan	Managing Director
Tengku Dato' Sri Azmil Zahrudin Raja Abdul Aziz	Chief Investment Officer
Faridah Bakar Ali.	Chief Financial Officer and Executive Director
Dato' Mohamed Nasri Sallehuddin	Executive Director, Head of Corporate & Support Services, Company Secretary and Head of Legal
Datuk Hisham Hamdan	Executive Director, Head of Public Markets
Suhana Dewi Selamat	Head of Governance, Risk & Compliance
Latifah Daud	Executive Director, Head of Strategic Human Capital Management
Amran Hafiz Affifudin.	Executive Director, Head of Energy & Infrastructure
Bryan Lim	Executive Director, Head of Private Markets (North Asia)
Serena Tan Mei Shwen	Executive Director, Head of Private Markets, Head of Financial Institutions Group
Dr Farid Mohamed Sani	Head of CIO's Office

<u>Name</u>	<u>Position</u>
Selvendran Katheerayson.....	Head of Real Assets
Wong Shu Hsien	Head of Infrastructure
Shahin Farouque Jammal Ahmad.....	Head of Special Situations
Nicholas Khaw.....	Head of Research
Nik Sharifidin Nik Mohamed Din.....	Head of Strategy
Mohd Raslan Md Sharif.....	Head of Corporate Communications

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

Datuk Shahril Ridza bin Ridzuan

Refer to “— Board of Directors — Datuk Shahril Ridza bin Ridzuan” above.

Tengku Dato’ Sri Azmil Zahrudin Raja Abdul Aziz

Tengku Dato’ Sri Azmil joined Khazanah in October 2011 from Malaysian Airline System Berhad where he was Managing Director and CEO. Prior to that, he was Managing Director and CEO of Penerbangan Malaysia Berhad. He has also worked at PricewaterhouseCoopers in London and Hong Kong. He is a graduate in Economics from University of Cambridge, United Kingdom and a Chartered Accountant.

Faridah Bakar Ali

Faridah joined Khazanah in May 2006. She started her career with PricewaterhouseCoopers Malaysia before joining BP Malaysia. She is a University of Lancaster graduate and a fellow of the Institute of Chartered Accountants in England and Wales and a member of the Malaysian Institute of Accountants.

Dato’ Mohamed Nasri Sallehuddin

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

Datuk Hisham Hamdan

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

Suhana Dewi Selamat

Suhana Dewi Selamat joined Khazanah in November 2012 and was appointed Chief Risk Officer on 1 February 2017. Previously she was the Director/Country Head of Compliance with Credit Suisse in Malaysia. She has more than 20 years of experience in legal, regulatory and compliance roles. She read law at London School of Economics. She was called to the Malaysian Bar in 1997.

Latifah Daud

Latifah joined Khazanah in April 2015. She has over 20 years of experience in Human Resources in multinational companies including Honeywell Inc., and Motorola/Freescale Semiconductor. She has also worked in a Singapore-based consulting firm as well as Hatibudi Nominees/Renong Group and Arab Malaysian Bank. She holds an MBA and a BSc. in Computer Management from Eastern Illinois University, USA.

Amran Hafiz Affifudin

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

Bryan Lim

Bryan Lim joined Khazanah in December 2005 and was a key member of the team that set up Khazanah's first foreign office in Beijing in 2008. Prior to Khazanah, he was with Ernst & Young, Rating Agency Malaysia Bhd (RAM) and ECM Libra Securities Sdn Bhd. He holds a Master's in Business Administration from the MIT Sloan Fellows programme at the Massachusetts Institute of Technology, and a Bachelor of Commerce and Management degree from Lincoln University, New Zealand. He is also a Chartered Financial Analyst charterholder.

Serena Tan Mei Shwen

Serena Tan joined Khazanah in February 2005. Prior to Khazanah, she was with Boston Consulting Group and McKinsey & Co. She has also served with Lippo Bank in Indonesia, under secondment from Khazanah for two years. She holds a Bachelor of Commerce degree in Accounting and Finance from Macquarie University, Australia, and a Master's in Business Administration under the MIT Sloan Fellows programme at the Massachusetts Institute of Technology.

Dr Farid Mohamed Sani

Dr Farid Mohamed Sani re-joined Khazanah in December 2018 after serving as Chief Strategy Officer of UEM Group. Prior to that, he was with Telekom Malaysia from 2012 to 2017. Dr Farid first joined Khazanah in July 2004 and stayed until 2011. He was previously a consultant at McKinsey & Co. He holds a Bachelor's and Master's degree in Chemical Engineering, as well as a PhD in Chemical Engineering, all three from University of Cambridge.

Selvendran Katheerayson

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

Wong Shu Hsien

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

Shahin Farouque Jammal Ahmad

Shahin Farouque Jammal Ahmad joined Khazanah in November 2016. He has over 20 years' of investment banking experience and, prior to joining Khazanah, he worked with various commercial and investment banks in both domestic and regional roles. Shahin holds a Bachelor of Science in Economics (Accounting & Finance) from London School of Economics and Political Science, University of London.

Nicholas Khaw

Nicholas Khaw joined Khazanah in April 2011 from the Economic Planning Unit of the Prime Minister's Department, where he started his career as a macroeconomist. At present, Nick is also responsible for overseeing operations at Khazanah Research Institute. Nick holds a Master's in Public Administration in International Development (MPA/ID) from Harvard Kennedy School and completed his Bachelor of Arts in Economics at Harvard College.

Nik Sharifidin Nik Mohamed Din

Nik Sharifidin joined Khazanah in August 2018 and has 20 years' working experience with a focus on corporate strategy and management roles. He joined Khazanah from UNITAR International University where he was CEO. Prior to that, he served nine years as a strategy consultant with McKinsey & Company and Ethos Consulting in Kuala Lumpur. Nik holds an MBA from INSEAD business school and also Law and Commerce degrees from University of Western Australia.

Mohd Raslan Md Sharif

Mohd Raslan Md Sharif joined Khazanah in October 2011. Prior to this, he was a communications consultant with Hill & Knowlton. Raslan has more than 10 years of journalism experience with Star Media Group. He has also worked at Multimedia Development Corporation and CIMB Securities Sdn Bhd. He is a graduate of Universiti Pertanian Malaysia.

SUBSCRIPTION AND SALE

Under the terms and conditions contained in a Certificate Subscription Agreement dated 4 May 2021 in relation to the Series 1 Certificates and a Certificate Subscription Agreement dated 4 May 2021 in relation to the Series 2 Certificates (each a “**Certificate Subscription Agreement**”) between CIMB Bank Berhad, Labuan Offshore Branch, DBS Bank Ltd., J.P. Morgan Securities plc, MUFG Securities EMEA plc, Oversea-Chinese Banking Corporation Limited, KFH Capital Investment Company K.S.C.C. and Warba Bank K.S.C.P. (the “**Joint Lead Managers**”), the Obligor and the Issuer, the Issuer has agreed to issue and sell to the Joint Lead Managers U.S.\$400,000,000 Nominal Value of the Series 1 Certificates and U.S.\$600,000,000 Nominal Value of the Series 2 Certificates respectively. Subject to certain conditions, the Joint Lead Managers have severally agreed to purchase or procure purchasers for all the Nominal Value of the Certificates.

Each Certificate Subscription Agreement provides that the obligations of the Joint Lead Managers to pay for and accept delivery of the Certificates are subject to the approval of certain legal matters by their counsel and certain other conditions. Pursuant to each Certificate Subscription Agreement, the Issuer will pay certain arrangement fees and selling commissions in respect of the issue and sale of the Certificates.

The Joint Lead Managers propose to offer the Certificates initially at the offering price on the cover page of this Offering Circular.

Each of the Issuer and the Obligor has agreed to indemnify the Joint Lead Managers against liabilities incurred in respect of the offering of the Certificates.

The Certificates are a new issue of securities for which there currently is no market. The Joint Lead Managers have advised the Issuer that they intend to make a market in the Certificates as permitted by applicable law. They are not obligated, however, to make a market in the Certificates and any market-making may be discontinued at any time at their sole discretion. Accordingly, no assurance can be given as to the development or liquidity of any market for the Certificates.

Each Joint Lead Manager or its affiliates may purchase the Certificates (the “**Securities**”) for its own account or enter into secondary market transactions or derivative transactions relating to the Securities, including, without limitation, purchase, sale (or facilitation thereof), stock borrowing or credit or equity-linked derivatives such as asset swaps, repackagings and credit default swaps, at the same time as the offering of the Certificates. Such transactions may be carried out as bilateral trades with selected counterparties and separately from any existing sale or resale of the Securities to which this Offering Circular relates (notwithstanding that such selected counterparties may also be a purchaser of the Securities). As a result of such transactions, a Joint Lead Manager or its affiliates may hold long or short positions relating to the Securities. Each of the Joint Lead Managers and its affiliates may also engage in investment or commercial banking and other dealings in the ordinary course of business with the Issuer or its affiliates from time to time and may receive fees and commissions for these transactions. In addition to the transactions noted above, each Joint Lead Manager and its affiliates may, from time to time after completion of the offering of the Certificates, engage in other transactions with, and perform services for, the Issuer or its affiliates in the ordinary course of their business. Each Joint Lead Manager or its affiliates may also purchase Securities for asset management and/or proprietary purposes but not with a view to distribution or may hold Securities on behalf of clients or in the capacity of investment advisors. While each Joint Lead Manager and its affiliates have policies and procedures to deal with conflicts of interests, any such transactions may cause a Joint Lead Manager or its affiliates or its clients or counterparties to have economic interests and incentives which may conflict with those of an investor in the Securities. Each Joint Lead Manager 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 Securities.

Selling Restrictions

General

Neither the Issuer, the Obligor nor any of the Joint Lead Managers has made any representation that any action will be taken in any jurisdiction by such Joint Lead Manager or the Issuer or the Obligor that would permit a public offering of the Certificates, or possession or distribution of this Offering Circular or any other offering or publicity material relating to the Certificates (including roadshow materials and investor presentations), in any country or jurisdiction where action for that purpose is required. No action has been or will be taken in any jurisdiction by any Joint Lead Manager or the Issuer or the Obligor that would to the best of their knowledge permit a public offering of the Certificates, or possession or distribution of any offering or publicity material relating to the Certificates, in any country or jurisdiction where action for that purpose is required. The Issuer and the Obligor will have no responsibility for, and each Joint Lead Manager will obtain any consent, approval or permission required by it for, the acquisition, offer, sale or delivery by it of the Certificates under the laws and regulations in force in any jurisdiction to which it is subject or in or from which it makes any acquisition, offer, sale or delivery.

United States

The Certificates have not been and will not be registered under the U.S. Securities Act of 1933 (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 accordance with Regulation S under the Securities Act (“**Regulation S**”) or pursuant to an exemption from the registration requirements of the Securities Act.

Each Joint Lead Manager has represented that it has offered and sold the Certificates, and agrees that it will offer and sell the Certificates:

- (i) as part of their distribution at any time; and
- (ii) otherwise until 40 days after the later of the commencement of the offering and the Closing Date,

only in accordance with Rule 903 of Regulation S.

Accordingly, neither it, its affiliates nor any persons acting on its or their behalf have engaged or will engage in any directed selling efforts with respect to the Certificates, and it and they have complied and will comply with the offering restrictions requirement of Regulation S. Each Joint Lead Manager agrees that, at or prior to confirmation of sale of the Certificates, it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases the Certificates from it during the distribution compliance period a confirmation or notice to substantially the following effect:

*“The securities covered hereby have not been registered under the United States Securities Act of 1933 (the “**Securities Act**”) and may not be offered or sold within the United States of America or to, or for the account or benefit of, U.S. persons, (a) as part of their distribution at any time or (b) otherwise until 40 days after the later of the commencement of the offering and the Closing Date, except in either case in accordance with Regulation S under the Securities Act. Terms used above have the meanings given to them by Regulation S under the Securities Act.”*

Terms used in this paragraph have the meanings given to them in by Regulation S.

United Kingdom

Each Joint Lead Manager has represented, warranted and agreed that:

- (i) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of the Certificates in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer or the Obligor; and
- (ii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Certificates in, from or otherwise involving the United Kingdom.

Switzerland

This Offering Circular is not intended to constitute an offer or solicitation to purchase or invest in the Certificates. The Certificates may not be publicly offered, sold or advertised, directly or indirectly in, into or from Switzerland nor will they be listed on the SIX Swiss Exchange or on any other exchange or regulated trading venue in Switzerland. Neither this Offering Circular nor any other offering or marketing material relating to the Certificates constitutes a prospectus as such term is understood pursuant to article 652a or article 1156 of the Swiss Federal Code of Obligations or a listing prospectus within the meaning of the listing rules of the SIX Swiss Exchange Ltd or any other exchange or regulated trading venue in Switzerland, and neither this Offering Circular nor any other offering or marketing material relating to the Certificates may be publicly distributed or otherwise made publicly available in Switzerland.

Malaysia

Each Joint Lead Manager:

- (i) has acknowledged that the issue of, offer for subscription or purchase of, or invitation to subscribe for or purchase the Certificates may only be made exclusively:
 - (a) at the primary level to (1) persons in Labuan or outside Malaysia or entities established or registered under the laws of Labuan and (2) persons falling within the categories of excluded offers or invitation of securities and excluded offers or invitations of debentures set out in section 13(5)(a) and section 13(5)(b) of the Labuan Islamic Financial Services and Securities Act 2010 (the “LIFSSA”); and
 - (b) at the secondary level to persons falling within the categories of excluded offers or invitation of securities set out in section 13(5)(a) of the LIFSSA; and
- (ii) has represented, warranted and agreed that it has not offered, sold or issued an invitation to purchase or subscribe and will not offer, sell or issue an invitation to purchase or subscribe, the Certificates, and that it has not circulated or distributed and will not circulate or distribute this Offering Circular or any other offering document or material relating to the Certificates, directly or indirectly, to persons or parties other than those described in paragraph (i) above.

Japan

The Certificates have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the “**Financial Instruments and Exchange Act**”). Accordingly, each Joint Lead Manager has represented, warranted and agreed that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Certificates in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or re-sale, directly or indirectly, in Japan or to or for the benefit of, any resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and any other relevant laws and regulations of Japan.

Hong Kong

Each Joint Lead Manager has represented, warranted and agreed that:

- (i) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Certificates other than (a) to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the “**SFO**”) and any rules made under the SFO; or (b) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the “**C(WUMP)O**”) or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and
- (ii) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Certificates, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the Certificates which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the SFO and any rules made under the SFO.

Singapore

Each Joint Lead Manager has acknowledged that this Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Joint Lead Manager has represented and agreed that it has not offered or sold any Certificates or caused the Certificates to be made the subject of an invitation for subscription or purchase and will not offer or sell any Certificates or cause the Certificates 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 the Certificates, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the “**SFA**”)) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where Certificates are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Certificates pursuant to an offer made under Section 275 of the SFA except:

- (i) to an institutional investor or to a relevant person, or to any person arising from, an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (ii) where no consideration is or will be given for the transfer;
- (iii) where the transfer is by operation of law;
- (iv) as specified in Section 276(7) of the SFA; or
- (v) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

Singapore SFA Product Classification: In connection with Section 309B of the SFA and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the “**CMP Regulations 2018**”), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Certificates are ‘prescribed capital markets products’ (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

United Arab Emirates (excluding the Dubai International Financial Centre)

Each Joint Lead Manager has represented, warranted and agreed that the Certificates have not been and will not be offered, sold or publicly promoted or advertised by it in the United Arab Emirates other than in compliance with any laws applicable in the United Arab Emirates governing the issue, offering and sale of securities.

Dubai International Financial Centre

Each Joint Lead Manager has represented, warranted and agreed that it has not offered and will not offer the Certificates to any person in the Dubai International Financial Centre unless such offer is:

- (i) an “**Exempt Offer**” in accordance with the Markets Rules (MKT) Module of the Dubai Financial Services Authority (**DFSA**) rulebook; and
- (ii) made only to persons who meet the Professional Client criteria set out in Rule 2.3.3 of the DFSA Conduct of Business Module of the DFSA rulebook.

Qatar

This Offering Circular has (i) not been, and will not be, registered with or approved by the Qatar Financial Markets Authority, the Qatar Central Bank, the Qatar Stock Exchange or the Qatar Financial Centre Regulatory Authority and may not be publically distributed in Qatar (including the Qatar Financial Centre); (ii) is intended for the original recipient only and must not be provided to any other person; and (iii) is not for general circulation in Qatar (including the Qatar Financial Centre) and may not be reproduced or used for any other purpose.

This Offering Circular has not been reviewed or approved by the Qatar Central Bank, the Qatar Exchange, the Qatar Financial Centre Regulatory Authority or the Qatar Financial Markets Authority and is only intended for specific recipients, in compliance with the below.

Each Joint Lead Manager has represented and agreed that it has not offered, delivered or sold, and will not offer, deliver or sell at any time, directly or indirectly, any Certificates in Qatar (including the Qatar Financial Centre), except:

- (i) in compliance with all applicable laws and regulations of Qatar (including the Qatar Financial Centre); and
- (ii) through persons or corporate entities authorised and licensed to provide investment advice and/or engage in brokerage activity and/or trade in respect of foreign securities in Qatar (including the Qatar Financial Centre).

Brunei

This Offering Circular has not been and will not be registered, delivered to, licensed or permitted by the Autoriti Monetari Brunei Darussalam with the Authority designated under the Brunei Darussalam Securities Markets Order (the “SMO”) nor has it been registered with the Registrar of Companies, Registrar of International Business Companies. As such the Certificates may not be offered or sold or made the subject of an invitation for subscription or purchase nor may this Offering Circular or any other document or material in connection with the offer or sale or invitation for subscription or purchase of Certificates be circulated or distributed, whether directly or indirectly, to any person in Brunei other than: (a) to an accredited investor under Section 20 of the SMO; (b) an expert investor under Section 20 of the SMO; or (c) an institutional investor under Section 20 of the SMO, and in accordance with the conditions specified in Section 117 of the SMO.

This Offering Circular is for informational purposes only and does not constitute an invitation or offer to the public. It must not be distributed or redistributed to and may not be relied upon or used by any person in Brunei other than the person to whom it is directly communicated: (i) in accordance with the conditions of section 21(3) of the International Business Companies Order 2000; or (ii) whose business or part of whose business is in the buying and selling of shares within the meaning of section 308(4) of the Companies Act (Cap. 39).

Any offers, acceptances, subscription, sales and allotments of the Certificates shall be made outside Brunei. Nothing in this Offering Circular shall constitute legal, tax, accounting or investment advice. The recipient should independently evaluate any specific investment with consultation with professional advisors in law, tax, accounting and investments.

TAXATION

The description below is of a general nature and is only a summary of the law and practice currently applicable in Labuan and Malaysia. Prospective investors should consult their own professional advisers on the relevant taxation considerations applicable to the acquisition and holding and disposal of the Certificates and the receipt of distributions.

Malaysia

Income Taxes/Withholding Taxes

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

Capital Gains

The issuance, disposition, redemption or transfer of the Certificates outside Malaysia will not give rise to any capital gains tax in Malaysia. Payments of or in respect of nominal value and profit on the Certificates, and any capital gains realised on the sale or exchange of the Certificates, are not subject to the payment of any repatriation levy under Malaysia’s exchange control measures.

Gift or Inheritance Tax

There is neither gift nor inheritance tax in Malaysia.

Stamp Duty

All instruments relating to the issuance, redemption, sale or transfer of the Certificates outside Malaysia will not attract any stamp duty in Malaysia. In respect of the Transaction Documents, no stamp duty is payable if the Malaysian stamp office is satisfied that the requirements relating to Labuan business activity prescribed under Section 2B(1)(b) of the Labuan Business Activity Tax Act 1990 are complied with by the Issuer. Otherwise, the Trust Deed is subject to a Ringgit Malaysia Two Thousand (RM2,000.00) stamp duty and all other Transaction Documents are subject to a Ringgit Malaysia Ten (RM10.00) stamp duty each payable within thirty (30) days of execution, if executed in Malaysia, or within thirty (30) days after such document has first been received in Malaysia, if executed out of Malaysia.

GENERAL INFORMATION

Authorisation

1. The Issuer is incorporated in the Federal Territory of Labuan, Malaysia with limited liability under the Labuan Companies Act 1990 and its company number is LL17286. The registered office of the Issuer is Brumby Centre, Lot 42, Jalan Muhibbah, 87000 Labuan F.T., Malaysia.
2. The Obligor is incorporated in Malaysia with limited liability under the Companies Act, 1965 and its company registration number is 199301020767 (275505-K). The registered office of the Obligor is Level 22, Mercu UEM, Jalan Stesen Sentral 5, Kuala Lumpur Sentral, 50470 Kuala Lumpur, Malaysia.
3. The issue of the Certificates and matters in connection with the issuance thereof were duly authorised by the resolutions of the Board of Directors of the Issuer on 15 March 2021 and 29 April 2021; and the resolutions of the sole member of the Issuer passed on 2 April 2021 and 29 April 2021 respectively. The Issuer obtained all necessary consents, approvals and authorisations in connection with the issuance of the Certificates. The undertakings of the Obligor were duly authorised by a resolution of the Board of Directors of the Obligor on 8 December 2020.

Listing

4. Approval in-principle has been received from the SGX-ST for the listing of, and quotation for, the Certificates on the SGX-ST. The Certificates will be traded on the SGX-ST in a minimum board lot size of U.S.\$200,000 for so long as the Certificates are listed on the SGX-ST.
5. Approval in-principle has been received from Bursa Malaysia (under an exempt regime pursuant to which the Certificates will be listed but not quoted for trading) for the listing of the Certificates.
6. Listing of the Certificates on Bursa Malaysia and the SGX-ST is conditional upon satisfaction of the requirements of that exchange.
7. For so long as the Certificates are listed on the SGX-ST and the rules of the SGX-ST so require, the Issuer shall appoint and maintain a paying agent in Singapore, where the Certificates may be presented or surrendered for payment or redemption, in the event that the Certificates are issued in definitive form. In the event that the Certificates are issued in definitive form, and unless the Issuer obtains an exemption from the SGX-ST, the Issuer will make an announcement of such issue through the SGX-ST, and such announcement will include all material information with respect to the delivery of the Certificates in definitive form, including details of the paying agent in Singapore.

Clearing Systems

8. The Series 1 Certificates have been accepted for clearance through Euroclear and Clearstream. The ISIN for the Series 1 Certificates is XS2337152982. The common code for the Series 1 Certificates is 233715298.
9. The Series 2 Certificates have been accepted for clearance through Euroclear and Clearstream. The ISIN for the Series 2 Certificates is XS2339967932. The common code for the Series 2 Certificates is 233996793.

10. The Legal Entity Identifier of the Issuer is 213800ILVLALFTITCB43.

No Significant Change and No Litigation

11. Except as disclosed in this Offering Circular, there has been no significant change in the business, assets or financial condition or other conditions, prospects, properties, assets, liabilities or results of operations of the Khazanah Group since 31 December 2019 and no material adverse change in the business, assets or financial condition or other conditions, prospects, properties, assets, liabilities or results of operations of the Khazanah Group since 31 December 2019.
12. Neither the Issuer, the Obligor nor any other member of the Khazanah Group is involved in any litigation or arbitration proceedings or any regulatory investigations relating to claims or amounts which are material in the context of the issue of the Certificates nor, so far as the Issuer and the Obligor are aware, is any such litigation or arbitration pending or threatened.

Accounts

13. Ernst & Young PLT has audited and rendered an unqualified audit report on Khazanah's unconsolidated financial statements as at and for the year ended 31 December 2019 and have given and not withdrawn their consent to the issue of this Offering Circular, where relevant, of references to them and their report in the form and context in which they are included.

Documents

14. So long as any of the Certificates remains outstanding, copies of the following documents will be available in English for inspection during usual business hours on any weekday (except Saturdays, Sundays and public holidays) at the Issuer's registered office:
- (i) the constitutional documents of the Issuer, and
 - (ii) the Transaction Documents.

Reliance on Certificates

15. The Trustee may rely without liability to Certificateholders on any certificate prepared by an authorised representative of the Obligor and accompanied by a certificate or report prepared by an internationally recognised firm of accountants or financial advisers or an internationally recognised investment bank or expert pursuant to the Conditions and/or this Trust Deed, whether or not addressed to the Trustee and whether or not the internationally recognised firm of accountants' liability in respect thereof is limited by a monetary cap or otherwise limited or excluded and shall be obliged to do so where the certificate or report is delivered pursuant to the obligation of the Issuer or the Obligor to procure such delivery under the Conditions; any such certificate or report shall be conclusive and binding on the Issuer, the Obligor and the Certificateholders.

If the Trustee, in the exercise of their functions, requires to be satisfied or to have information as to any fact or the expediency of any act, they may call for and accept as sufficient evidence of that fact or the expediency of that act a certificate signed by a Director of the Issuer or a Director of the Obligor as to that fact or to the effect that, in their opinion, that act is expedient and the Trustee need not call for further evidence and will not be responsible for any loss occasioned by acting on such a certificate.

Other Relationships

16. The Joint Lead Managers and certain of their affiliates may have performed commercial banking, investment banking, advisory and other services for Khazanah and other entities within the Khazanah Group from time to time for which they received customary fees and expenses. The Joint Lead Managers may, from time to time engage in transactions with, and perform services for, Khazanah and other entities within the Khazanah Group, in the ordinary course of their business.

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

Directors' Report and Audited Financial Statements
31 December 2019

199301020767 (275505-K)

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

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Khazanah Nasional Berhad, which comprise the statements of financial position as at 31 December 2019 of the Group and of the Company, and statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 12 to 370.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2019, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence and other ethical responsibilities

We are independent of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Information other than the financial statements and auditors' report thereon

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

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

199301020767 (275505-K)

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

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

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

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

Responsibilities of the directors for the financial statements

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

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

Auditors' responsibilities for the audit of the financial statements

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

199301020767 (275505-K)

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

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

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

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

199301020767 (275505-K)

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

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

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

Report on other legal and regulatory requirements

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

Other matters

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

*Signed

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

Kuala Lumpur, Malaysia
21 April 2020

*Signed

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

Khazanah Nasional Berhad
(Incorporated in Malaysia)

Statement of comprehensive income
For the year ended 31 December 2019

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

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

199301020767 (275505-K)

Khazanah Nasional Berhad
(Incorporated in Malaysia)

Statement of financial position
As at 31 December 2019

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

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

199301020767 (275505-K)

Khazanah Nasional Berhad
(Incorporated in Malaysia)

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

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

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

Khazanah Nasional Berhad
(Incorporated in Malaysia)

Statement of cash flows
For the year ended 31 December 2019

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

Khazanah Nasional Berhad
(Incorporated in Malaysia)

Statement of cash flows

For the year ended 31 December 2019 (cont'd.)

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

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

Khazanah Nasional Berhad
(Incorporated in Malaysia)

Notes to the Company financial statements

6. Income

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

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

Khazanah Nasional Berhad
(Incorporated in Malaysia)

7. Operating profit/(loss)

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

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

8. Staff costs

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

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

Khazanah Nasional Berhad
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9. Directors' remuneration

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

10. Key management personnel remuneration

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

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

11. Finance costs

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

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12. Taxation

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

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

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

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

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

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

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13. Dividends

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

14. Cash and bank balances

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

15. Investment in money market instruments

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

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16. Other financial assets

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

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16. Other financial assets (cont'd.)

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

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

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

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

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

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17. Other receivables

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

(i) The amount due from related companies is unsecured, bears interest ranging between 4% to 5% (2018: ranging between 4% to 5%) per annum and is repayable on demand.

(ii) The amount due from Yayasan Amir has the same terms as the Ihsan Sukuk Programme, disclosed in Note 26(h).

(iii) The amount due from MoF, Inc. is unsecured, interest free and is repayable on demand.

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

18. Tax recoverable

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

19. Interest in subsidiaries

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

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

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19. Interest in subsidiaries (cont'd.)

Details of the subsidiaries are shown in Note 77.

During the current financial year:

(a) Additional acquisition/subscription in existing subsidiaries

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

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19. Interest in subsidiaries (cont'd.)

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

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

(b) Special Purpose Vehicles ("SPVs")

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

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

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

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19. Interest in subsidiaries (cont'd.)**(b) Special Purpose Vehicles ("SPVs") (cont'd.)**

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

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

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

20. Interest in associates

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

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20. Interest in associates (cont'd)

Details of the associates are shown in Note 77.

During the current financial year:

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

21. Derivative financial instruments

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

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21. Derivative financial instruments (cont'd.)

Embedded derivative liabilities

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

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

22. Property and equipment

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

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22. Property and equipment (cont'd.)

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

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23. Computer software

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

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

24. Deferred taxation

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

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24. Deferred taxation (cont'd.)

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

Deferred tax asset of the Company:

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

25. Other payables

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

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

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

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25. Other payables (cont'd.)

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

26. Borrowings

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

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26. Borrowings (cont'd.)

(a) Khazanah Bonds - secured

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

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

The details of the Khazanah Bonds are as follows:

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

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

The maturity structure of Khazanah Bonds is as follows:

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

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26. Borrowings (cont'd.)**(a) Khazanah Bonds - secured**

	Company	
	2019	2018
	RM'000	RM'000
Due after five years		
Zero coupon Khazanah bonds, at nominal value	2,000,000	4,500,000
Less: Unamortised discount *	(680,492)	(1,301,141)
	<u>1,319,508</u>	<u>3,198,859</u>
	<u>10,639,032</u>	<u>12,625,788</u>
* The total unamortised discount is derived as follows:		
Total discount upon issuance	(7,819,164)	(7,819,164)
Total amortisation to date	5,958,196	5,444,952
Total unamortised discount at 31 December	<u>(1,860,968)</u>	<u>(2,374,212)</u>

(b) Exchangeable Trust Certificates ("ETC")

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

The maturity structure of the ETCs is as follows:

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

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26. Borrowings (cont'd.)

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

(i) USD500 million 7-year Exchangeable Trust Certificates

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

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

Exchange Right

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

The Exchange Property initially comprise 111,728,612 TNB shares and include all Relevant Securities and other property arising out of or derived or resulting therefrom and such other property, in each case as may be deemed or required to comprise all or part of the Exchange Property pursuant to the Conditions, but excluding any such property as may or may be deemed to have ceased to form part of the Exchange Property.

Following the dividends declared by TNB during the Exchange Period which exceeded the reference amount as defined in the Conditions of the Certificates, further adjustments to the Exchange Property were made resulting in the Certificate holders being entitled to receive 223.4572 TNB shares and RM549 cash as capital distribution for each USD1,000 nominal value of Certificates effective 11 October 2019.

Exchange Period

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

- (a) the close of business on the date which falls 10 Business Days prior to the Scheduled Dissolution Date; or

26. Borrowings (cont'd.)

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

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

Exchange Period (cont'd.)

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

Redemption

The Certificates were exchanged and fully redeemed during the year.

This note to the financial statements should be read in conjunction with the conditions set out in the offering circular dated 15 September 2014 relating to the Certificates.

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

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

The issuance comprise USD398.8 million 5-year Certificates with a put option on Year 3 and is exchangeable into ordinary shares of HKD0.10 each of Beijing Enterprises Water Group Limited ("BEWG"), the Exchange Property, currently held by a subsidiary of the Company. The Certificates were priced at 100% of the principal amount at zero periodic payments and yield to optional/scheduled dissolution of 0%. The Certificates are offered in the denominations of USD200,000 and integral multiple of USD1,000 in excess thereof. Unless previously exchanged, redeemed, purchased or cancelled, the Certificates will be redeemed at 100.00% of their nominal amount on 23 September 2021 ("the Scheduled Dissolution Date").

26. Borrowings (cont'd.)

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

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

Exchange Right

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

The Exchange Property initially comprise 399,856,758 BEWG shares and include all Relevant Securities and other property arising out of or derived or resulting therefrom and such other property, in each case as may be deemed or required to comprise all or part of the Exchange Property pursuant to the Conditions, but excluding any such property as may or may be deemed to have ceased to form part of the Exchange Property.

Certificate holders being entitled to receive 1,002.6498 BEWG shares for each USD1,000 nominal value of Certificates. Following the dividends declared by BEWG during the Exchange Period which exceeded the reference amount as defined in the Conditions of the Certificates, further adjustments to the Exchange Property were made resulting in the Certificate holders being entitled to receive 1,002.6498 BEWG shares and HKD199.53 cash as capital distribution for each USD1,000 nominal value of Certificates effective 20 October 2017.

Exchange Period

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

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

26. Borrowings (cont'd.)

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

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

Redemption

The Certificates were exchanged and fully redeemed during the year.

This note to the financial statements should be read in conjunction with the conditions set out in the offering circular dated 20 September 2016 relating to the Certificates.

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

On 8 February 2018, the Company via an independent special purpose company, Cindai Capital Limited (the "Issuer"), issued a Shariah-compliant exchangeable trust certificates (the "Certificates").

The issuance comprise USD320.8 million 5-year Certificates with a put option on Year 3 and is exchangeable into ordinary shares of RMB1.00 each of CITIC Securities Co. Ltd. ("CITIC"), the Exchange Property, currently held by a subsidiary of the Company. The Certificates were priced at 100% of the principal amount at zero periodic payments and yield to optional/scheduled dissolution. Unless previously exchanged, redeemed, purchased or cancelled, the Certificates will be redeemed at 100.00% of their nominal amount on 8 February 2023 ("the Scheduled Dissolution Date").

Exchange Right

The Certificates are exchangeable for a pro-rata share of CITIC ordinary shares with par value of RMB1.00 each during the Exchange Period. Notwithstanding the Exchange Right, at any time when the delivery of Exchange Property is required to satisfy the Exchange Right, the Company has the option to purchase the Exchange Property for an amount equal to the Cash Settlement Amount.

The Exchange Property shall initially comprise 94,494,683 CITIC shares and include all Relevant Securities and other property arising out of or derived or resulting therefrom and such other property, in each case as may be deemed or required to comprise all or part of the Exchange Property pursuant to the Conditions, but excluding any such property as may or may be deemed to have ceased to form part of the Exchange Property.

Following the dividends declared by CITIC during the Exchange Period which exceeded the reference amount as defined in the Conditions of the Certificates, further adjustments to the Exchange Property were made resulting in the Certificates holders being entitled to receive 294.5594 shares and HKD260.37 cash as capital distribution for each USD1,000 nominal value of Certificates effective 2 August 2019.

26. Borrowings (cont'd.)

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

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

Exchange Right (cont'd)

Each Certificateholder has the right ("Exchange Right") to exchange a Certificate at any time during the Exchange Period, beginning on and including 21 March 2018 and ending on and including the earlier to occur of:

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

Redemption

There were no redemptions made during the year.

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

(iv) USD500 million 5-year Exchangeable Trust Certificates

On 8 August 2019, the Company via an independent special purpose company, Cerah Capital Limited (the "Issuer"), issued a Shariah-compliant exchangeable trust certificates (the "Certificates").

The issuance comprise USD500 million 5-year Certificates with a put option on Year 3 and is exchangeable into ordinary shares of RM1.00 each of CIMB Group Holdings Berhad ("CIMB"), the Exchange Property, currently held by Khazanah. The Certificates were priced at 100% of the principal amount at zero periodic payments and yield to optional/scheduled dissolution. Unless previously exchanged, redeemed, purchased or cancelled, the Certificates will be redeemed at 100.00% of their nominal amount on 8 August 2024 ("the Scheduled Dissolution Date").

26. Borrowings (cont'd.)

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

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

Exchange Right

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

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

Following the dividends declared by CIMB during the Exchange Period which exceeded the reference amount as defined in the Conditions of the Certificates, further adjustments to the Exchange Property were made resulting in the Certificates holders being entitled to receive 691,7070 shares as capital distribution for each USD1,000 nominal value of Certificates effective 6 November 2019.

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

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

Redemption

There were no redemptions made during the year.

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

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26. Borrowings (cont'd.)**(c) Danga Capital Berhad ("Danga")**

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

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

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

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

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26. Borrowings (cont'd.)

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

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

The details of the IMTNs are as follows:

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

The IMTNs are unsecured and were issued at par.

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

The maturity structure of the IMTNs is as follows:

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

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

The details of the MIMTNs are as follows:

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

The MIMTNs are unsecured and were issued at par.

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

No new issuance during the year.

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26. Borrowings (cont'd.)

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

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

The maturity structure of the MIMTNs are as follows:

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

(d) Danum Capital Berhad ("Danum")

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

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

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

The details of the Sukuk financing are as follows:

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

The Sukuk financing are unsecured and were issued at par.

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

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

	Company	
	2019	2018
	RM'000	RM'000
Medium Term Note 1 ("MTN 1")	1,000,000	1,000,000
Medium Term Note 2 ("MTN 2")	1,000,000	1,000,000
Medium Term Note 3 ("MTN 3")	-	1,500,000
Medium Term Note 4 ("MTN 4")	1,500,000	1,500,000
Medium Term Note 5 ("MTN 5")	1,000,000	1,000,000
Medium Term Note 6 ("MTN 6")	1,000,000	1,000,000
	<u>5,500,000</u>	<u>7,000,000</u>

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

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

The details of the Sukuk financing are as follows:

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

The Sukuk financing are unsecured and were issued at par.

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

No new issuance during the year.

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

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

The maturity structure of the Sukuk financing is as follows:

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

(f) Term loans - unsecured

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

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

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

The maturity structure of the term loans are as follows:

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

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26. Borrowings (cont'd.)

(g) Revolving credit facility

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

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

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

The maturity structure of the revolving credit is as follows:

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

(h) Ihsan Sukuk Berhad

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

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

The Company uses the proceeds for the purpose of funding Shariah-compliant Eligible Sustainable and Responsible Investment.

The details of the Ihsan Sukuk are as follows:

	MTN 1	MTN 2
Issuance date	18-Jun-15	08-Aug-17
Maturity date	18-Jun-22	08-Aug-24
Tenure	7 years	7 years
Profit rate	4.30%	4.60%
Nominal amount	RM100 million	RM100 million

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26. Borrowings (cont'd.)

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

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

MTN 1

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

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

MTN 2

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

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

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

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

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

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

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26. Borrowings (cont'd.)

The movement in the borrowings are as follows:

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

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

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

Issued and fully paid-up:

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

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

The salient terms of the RCCPS are as follows:

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

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

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

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28. Financial instruments by category**31 December 2019**

	Amortised cost RM'000	Financial assets designated as fair value through profit or loss RM'000	Financial assets designated as fair value through OCI RM'000	Total RM'000
Financial assets				
Cash and bank balances	1,208,891	-	-	1,208,891
Other financial assets	1,439,646	3,080,565	112,000	4,632,211
Other receivables	868,932	-	-	868,932
Total	3,517,469	3,080,565	112,000	6,710,034
Financial liabilities				
		Financial liabilities designated as fair value through profit or loss RM'000	Financial liabilities at amortised cost RM'000	Total RM'000
Borrowings	-	-	45,769,258	45,769,258
Derivative liabilities	174,919	-	-	174,919
Other payables	-	-	3,587,882	3,587,882
Total	174,919	174,919	49,357,140	49,532,059

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28. Financial instruments by category (cont'd.)**31 December 2018**

	Amortised cost RM'000	Financial assets designated as fair value through profit or loss RM'000	Financial assets designated as fair value through OCI RM'000	Total RM'000
Financial assets				
Cash and bank balances	867,544	-	-	867,544
Investment in money market instruments	9,903	-	-	9,903
Other financial assets	1,820,620	2,449,234	110,500	4,380,354
Other receivables	1,078,115	-	-	1,078,115
Total	3,776,182	2,449,234	110,500	6,335,916

	Financial liabilities designated as fair value through profit or loss RM'000	Financial liabilities at amortised cost RM'000	Total RM'000
Financial liabilities			
Borrowings	-	45,353,588	45,353,588
Derivative liabilities	46,431	-	46,431
Other payables	-	2,305,633	2,305,633
Total	46,431	47,659,221	47,705,652

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29. Fair value of financial instruments

(a) Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value

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

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

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

(b) Determination of fair value

(i) Cash and cash equivalents, receivables and payables

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

(ii) Quoted shares

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

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

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

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

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

(iv) Loans receivable

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

(v) Embedded derivatives

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

(vi) Periodic Payment Exchangeable Trust Certificates

The fair value of Periodic Payment Exchangeable Trust Certificates is determined directly by reference to their published market ask price at the reporting date.

(vii) Other loans and borrowings

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

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

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

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

(c) Fair value measurement hierarchy

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

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

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

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

Quantitative disclosures fair value measurement hierarchy for asset and liabilities as at 31 December 2019 (cont'd.):

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

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

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

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

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

Quantitative disclosures fair value measurement hierarchy for asset and liabilities as at 31 December 2018:(cont'd.)

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

30. Financial risk management objectives and policies

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

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

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

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

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

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

Interest rate sensitivity

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

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

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

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

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

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

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

(a) Interest rate risk (cont'd.)

(ii) Financial liabilities

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

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

(b) Foreign currency risk

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

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

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

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

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

Foreign currency sensitivity

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

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

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

(c) Equity price risk

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

Equity price sensitivity

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

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

(d) Credit risk

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

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

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

(d) Credit risk (cont'd.)

Financial assets that are neither past due nor impaired

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

Financial assets that are either past due or impaired

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

(e) Liquidity risk

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

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

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

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

(e) Liquidity risk (cont'd.)

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

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

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

(e) Liquidity risk (cont'd.)

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

31 December 2018	On demand RM'000	Less than 3 months RM'000	3 to 12 months RM'000	1 to 5 years RM'000	More than 5 years RM'000	Total RM'000
Non-interest bearing financial liabilities						
Amount due to related companies	1,823,357	-	-	-	-	1,823,357
Other payables and accruals	-	102,623	-	-	-	102,623
Khazanah Bonds - secured	-	1,000,000	1,500,000	8,000,000	4,500,000	15,000,000
Exchangeable Trust Certificates ("ETC") #	-	-	-	5,034,592	-	5,034,592
	<u>1,823,357</u>	<u>1,102,623</u>	<u>1,500,000</u>	<u>13,034,592</u>	<u>4,500,000</u>	<u>21,960,572</u>
Interest bearing financial liabilities *						
Islamic Medium Term Notes						
- Danga	-	246,094	426,456	9,983,156	10,630,148	21,285,854
- RACB	-	82,050	1,744,100	3,358,650	4,089,750	9,274,550
- Ihsan Sukuk	-	-	8,600	130,112	104,312	243,024
Floating term loans	-	928,004	-	-	-	928,004
Fixed term loans	-	58,807	57,854	463,782	2,674,832	3,255,275
Revolving credit facility	-	3,409,987	-	-	-	3,409,987
	<u>-</u>	<u>4,724,942</u>	<u>2,237,010</u>	<u>13,935,700</u>	<u>17,499,042</u>	<u>38,396,694</u>
Total undiscounted financial liabilities	<u>1,823,357</u>	<u>5,827,565</u>	<u>3,737,010</u>	<u>26,970,292</u>	<u>21,999,042</u>	<u>60,357,266</u>

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

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

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31. Capital management

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

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

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

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

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

32. Commitments

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

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33. Contingent liabilities

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

34. Subsequent events

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

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

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