

# PROSPECTUS

ISSUER

## IHSAN SUKUK BERHAD

(Company No. 1117716-P)

(Incorporated in Malaysia under the Companies Act 1965 and deemed registered under the Companies Act 2016)

OBLIGOR



KHAZANAH  
NASIONAL

## KHAZANAH NASIONAL BERHAD

(Company No. 275505-K)

(Incorporated in Malaysia under the Companies Act 1965 and deemed registered under the Companies Act 2016)

IN RELATION TO THE PROPOSED ISSUE OF, OFFER FOR SUBSCRIPTION OR PURCHASE OF, OR INVITATION TO SUBSCRIBE FOR OR PURCHASE OF UP TO RM5.0 MILLION IN NOMINAL VALUE 4.60% RETAIL SUKUK DUE 2024 (“**RETAIL SUKUK IHSAN**”) PURSUANT TO AN ISLAMIC MEDIUM TERM NOTES (“**SUKUK IHSAN**”) PROGRAMME OF RM1.0 BILLION IN NOMINAL VALUE ESTABLISHED UNDER THE “SUSTAINABLE AND RESPONSIBLE INVESTMENT” SUKUK FRAMEWORK (“**SUKUK PROGRAMME**”) UNDER THE ISLAMIC PRINCIPLE OF WAKALAH BI AL-ISTITHMAR

### **PRINCIPAL ADVISER AND LEAD ARRANGER OF THE SUKUK PROGRAMME**



CIMB Investment Bank Berhad (18417-M)  
(A Participating Organisation of Bursa Malaysia Securities Berhad)

### **JOINT LEAD MANAGERS FOR THE RETAIL SUKUK IHSAN**



**CIMB Investment Bank Berhad**  
(18417-M)

(A Participating Organisation of  
Bursa Malaysia Securities Berhad)



**Maybank Investment Bank Berhad**  
(15938-H)

(A Participating Organisation of  
Bursa Malaysia Securities Berhad)



**RHB Investment Bank Berhad**  
(19663-P)

(A Participating Organisation of  
Bursa Malaysia Securities Berhad)

**INVESTORS ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THIS PROSPECTUS. IF IN DOUBT, PLEASE CONSULT A PROFESSIONAL ADVISER.**

**THERE ARE CERTAIN RISK FACTORS WHICH PROSPECTIVE INVESTORS SHOULD CONSIDER. TURN TO PAGE 70 FOR “RISK FACTORS”.**

**THIS PROSPECTUS IS NOT TO BE DISTRIBUTED OUTSIDE OF MALAYSIA.**

**THE RETAIL SUKUK IHSAN ARE TO BE ADMITTED TO THE OFFICIAL LIST OF BURSA MALAYSIA SECURITIES BERHAD AS EXCHANGE TRADED BONDS AND SUKUK AND TO BE LISTED AND QUOTED ON THE MAIN MARKET OF BURSA MALAYSIA SECURITIES BERHAD UNDER THE LOANS AND BONDS BOARD**

**THIS PROSPECTUS IS DATED 13 JULY 2017**

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A COPY OF THIS PROSPECTUS, TOGETHER WITH THE APPLICATION FORM, HAS ALSO BEEN LODGED WITH THE REGISTRAR OF COMPANIES WHO TAKES NO RESPONSIBILITY FOR ITS CONTENTS.

INVESTORS ARE ADVISED TO NOTE THAT RECOURSE FOR FALSE OR MISLEADING STATEMENTS OR ACTS MADE IN CONNECTION WITH THIS PROSPECTUS IS DIRECTLY AVAILABLE THROUGH SECTIONS 248, 249 AND 357 OF THE CAPITAL MARKETS AND SERVICES ACT 2007, AS AMENDED FROM TIME TO TIME.

RETAIL SUKUK IHSAN OFFERED TO THE PUBLIC PREMISED ON FULL AND ACCURATE DISCLOSURE OF ALL MATERIAL INFORMATION CONCERNING THE ISSUE FOR WHICH ANY OF THE PERSONS SET OUT IN SECTION 236 OF THE CAPITAL MARKETS AND SERVICES ACT 2007, AS AMENDED FROM TIME TO TIME, E.G. THE DIRECTORS, THE PRINCIPAL ADVISER AND THE LEAD ARRANGER, ARE RESPONSIBLE.

THE ISSUER WILL NOT ALLOT OR ISSUE ANY RETAIL SUKUK IHSAN ON THE BASIS OF THIS PROSPECTUS LATER THAN 12 MONTHS AFTER THE DATE OF ISSUE OF THIS PROSPECTUS.

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ANY ALLOTMENT MADE ON AN APPLICATION TO SUBSCRIBE FOR RETAIL SUKUK IHSAN UNDER THIS PROSPECTUS WOULD BE VOID IF –

- A. THE APPLICATION TO LIST AND QUOTE HAS NOT BEEN MADE WITHIN THREE MARKET DAYS FROM THE DATE OF ISSUE OF THIS PROSPECTUS; OR
- B. THE PERMISSION FOR THE APPLICATION TO LIST AND QUOTE IS NOT GRANTED WITHIN SIX WEEKS FROM THE DATE OF ISSUE OF THIS PROSPECTUS (OR SUCH LONGER PERIOD AS MAY BE SPECIFIED BY THE SECURITIES COMMISSION MALAYSIA); AND

THE ISSUER WILL REPAY ALL MONIES RECEIVED FROM THE APPLICANTS IF SUCH APPLICATION WAS NOT MADE OR IF THE EXCHANGE REFUSES TO GRANT PERMISSION.

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THIS PROSPECTUS IS PUBLISHED SOLELY IN CONNECTION WITH THE RETAIL OFFERING. THE RETAIL SUKUK IHSAN BEING OFFERED IN THE RETAIL OFFERING ARE OFFERED SOLELY ON THE BASIS OF THE INFORMATION CONTAINED AND REPRESENTATIONS MADE IN THIS PROSPECTUS. THE ISSUER, THE OBLIGOR, THE PRINCIPAL ADVISER, THE LEAD ARRANGER AND THE JOINT LEAD MANAGERS HAVE NOT AUTHORISED ANYONE TO PROVIDE ANY INFORMATION OR TO MAKE ANY REPRESENTATION NOT CONTAINED IN THIS PROSPECTUS. ANY INFORMATION OR REPRESENTATION NOT CONTAINED IN THIS PROSPECTUS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORISED BY THE ISSUER, THE OBLIGOR, THE PRINCIPAL ADVISER, THE LEAD ARRANGER AND THE JOINT LEAD MANAGERS, OR ANY OF THEIR RESPECTIVE DIRECTORS OR ANY OTHER PERSONS INVOLVED IN THE RETAIL OFFERING.

THIS PROSPECTUS CAN BE VIEWED OR DOWNLOADED FROM THE WEBSITE OF BURSA MALAYSIA SECURITIES BERHAD AT [www.bursamalaysia.com](http://www.bursamalaysia.com).

#### **ELECTRONIC PROSPECTUS**

THE CONTENTS OF THE ELECTRONIC PROSPECTUS AND THE COPY OF THIS PROSPECTUS REGISTERED WITH THE SECURITIES COMMISSION MALAYSIA ARE THE SAME. YOU MAY OBTAIN A COPY OF THE ELECTRONIC PROSPECTUS FROM THE WEBSITE OF CIMB INVESTMENT BANK BERHAD AT [www.eipocimb.com](http://www.eipocimb.com), CIMB BANK BERHAD AT [www.cimbclicks.com.my](http://www.cimbclicks.com.my), MALAYAN BANKING BERHAD AT [www.maybank2u.com.my](http://www.maybank2u.com.my), RHB BANK BERHAD AT [www.rhbgroup.com](http://www.rhbgroup.com), AND KHAZANAH NASIONAL BERHAD AT [www.khazanah.com.my](http://www.khazanah.com.my).

THE INTERNET IS NOT A FULLY SECURE MEDIUM. YOUR INTERNET RETAIL SUKUK APPLICATION MAY BE SUBJECT TO RISKS IN DATA TRANSMISSION, COMPUTER SECURITY THREATS SUCH AS VIRUSES, HACKERS AND CRACKERS, FAULTS WITH COMPUTER SOFTWARE AND OTHER EVENTS BEYOND THE CONTROL OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTIONS. THESE RISKS CANNOT BE BORNE BY THE INTERNET PARTICIPATING FINANCIAL INSTITUTIONS. IF YOU DOUBT THE VALIDITY OR INTEGRITY OF AN ELECTRONIC PROSPECTUS, YOU SHOULD IMMEDIATELY REQUEST FROM THE ISSUER, THE OBLIGOR OR THE ISSUING HOUSE, A PAPER/PRINTED COPY OF THIS PROSPECTUS. IF THERE IS ANY DISCREPANCY BETWEEN THE CONTENTS OF THE ELECTRONIC PROSPECTUS AND THE PAPER/PRINTED COPY OF THIS PROSPECTUS, THE CONTENTS OF THE PAPER/PRINTED COPY OF THIS PROSPECTUS WHICH ARE IDENTICAL TO THE COPY OF THE PROSPECTUS REGISTERED WITH THE SECURITIES COMMISSION MALAYSIA SHALL PREVAIL.

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AND

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**INDICATIVE TIMETABLE**

An indicative timetable for the Retail Offering is set out below:

<b>Events</b>	<b>Date</b>
Issuance of Prospectus / Opening of the Retail Offering	10.00 a.m., 13 July 2017
Closing of the Retail Offering	5.00 p.m., 26 July 2017
Balloting of applications for the Retail Sukuk Ihsan offered under the Retail Offering	28 July 2017
Allotment of Retail Sukuk Ihsan	7 August 2017
Issuance of Retail Sukuk Ihsan	8 August 2017
Listing	9 August 2017

Applications for the Retail Offering will open and close at the dates stated above or such other date or dates as the Issuer's Directors and the Executive Committee of Khazanah established by the Board of Khazanah ("**Khazanah's Executive Committee**") in their absolute discretion may decide.

If the closing date and/or time of the Retail Offering is extended, the dates for the balloting and allotment of the Retail Sukuk Ihsan, and the Listing will be extended accordingly. Any such extension will be announced by the Issuer via FAST or on Bursa Securities.

**All terms used are defined under "Presentation of Financial and Other Information" and the "Definitions" commencing on pages 9 and 10, respectively.**

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**PRESENTATION OF FINANCIAL AND OTHER INFORMATION**

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All references to “Issuer” or “Ihsan” in this Prospectus are to Ihsan Sukuk Berhad. All references to “Obligor” or “Khazanah” are to Khazanah Nasional Berhad.

In this Prospectus, references to the “Government” are to the Government of Malaysia. Any discrepancies in the tables included in this Prospectus between the amounts listed and totals thereof are due to rounding. Other abbreviations used here are defined in the “Definitions” section appearing on pages 10 to 17 of this Prospectus. Words denoting the singular only shall include the plural and vice versa and words denoting the masculine gender shall, where applicable, include the feminine gender and vice versa. Reference to persons shall include corporations.

Any reference to any provisions of the statutes, rules, regulations, enactments or rules of stock exchange shall (where the context admits), be construed as a reference to provisions of such statutes, rules, regulations, enactments or rules of stock exchange (as the case may be) as modified by any written law or (if applicable) amendments or re-enactments to the statutes, rules, regulations, enactments or rules of stock exchange for the time being in force.

Any reference to a time or date shall be a reference to a time or date in Malaysia, unless otherwise stated.

References to the “LPD” in this Prospectus are to 15 June 2017, which is the latest practicable date for certain information to be obtained and disclosed in this Prospectus prior to the registration of this Prospectus with the SC.

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## DEFINITIONS

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The following terms in this Prospectus bear the same meanings as set out below unless the term is defined otherwise or the context requires otherwise:

1965 Act	:	Companies Act 1965, as amended from time to time
Act	:	Companies Act 2016, as amended from time to time
ADA	:	Authorised Depository Agent
Aggregate Customers' Securities Account	:	the account maintained by a SSDS Participant with BNM for the Non Retail Sukukholders who are not RENTAS members
Application Form	:	Application form for the application of the Retail Sukuk Ihsan under the Retail Offering accompanying this Prospectus
ASEAN	:	Association of Southeast Asian Nations
Asset Purchase Price	:	The investment of at least 33% of the Sukuk Proceeds into the Tangible Assets by the Investment Wakeel
ATM	:	Automated teller machines
BNM	:	Bank Negara Malaysia
Board	:	Board of Directors
Bursa Depository	:	Bursa Malaysia Depository Sdn Bhd (Company No. 165570-W)
Bursa Securities	:	Bursa Malaysia Securities Berhad (Company No. 635998-W)
Buyer	:	Buyer of Shariah-compliant commodities
CDS	:	Central Depository System
Central Depository Securities	:	(1) BNM, which for the purposes of carrying out its function duties and obligations under the MyClear Rules and Procedures has appointed MyClear to act as its agent; and/or (2) Bursa Depository; in their capacity as central securities depository and includes their respective successors in title and permitted assigns;
CIMB or Principal Adviser	:	CIMB Investment Bank Berhad (Company No. 18417-M)
CIMB Group	:	CIMB Group Sdn Bhd (Company No. 706803-D)
CIMB Group Holdings	:	CIMB Group Holdings Berhad (Company No. 50841-W)
CIMB Islamic	:	CIMB Islamic Bank Berhad (Company No. 671380-H)
Citigroup	:	Citigroup Inc. and its group of companies
CMSA	:	Capital Markets and Services Act 2007, as amended from time to time
Commodity Buyer	:	A buyer of Shariah-compliant commodities
Commodity Investment Murabahah	:	Shariah-compliant commodities purchased and sold under the principle of Murabahah
Commodity Master Agreement Murabahah	:	The agreement entered into between Khazanah, the Investment Wakeel and the Facility Agent in relation to the Commodity Murabahah Investment
Commodity Supplier	:	A supplier of Shariah-compliant commodities
Conditions	:	The terms and conditions of the Non Retail Sukuk Ihsan and Retail Sukuk Ihsan set out in the Trust Deed, respectively

**DEFINITIONS** (cont'd)

Deferred Sale Price	:	The price equivalent to the Sukuk Proceeds invested in the Commodity Murabahah Investment plus the aggregate profit margin and shall be payable on deferred payment basis
Definitive Certificates	:	The definitive certificates representing the Sukuk Ihsan in the form set out in the Trust Deed, to be issued in the circumstances specified in the Trust Deed and references to "Definitive Certificate" mean any one of them
Depositor	:	A holder of a CDS account
Director(s)	:	Member(s) of the Board
Dissolution Date	Declaration :	The date the Sukuk Trustee declares that a Dissolution Event has occurred
Dissolution Amount	Distribution :	<p>On the Scheduled Dissolution Date:</p> <p>(a) <u>in the case of Sukuk Ihsan issued at par or at discount with Periodic Distributions</u></p> <p>The Dissolution Distribution Amount shall be equivalent to:</p> <p>(i) the nominal value of the Sukuk Ihsan; plus</p> <p>(ii) the accrued but unpaid Periodic Distribution Amount (if any), accrued up to the Scheduled Dissolution Date; less</p> <p>(iii) any adjustment to the nominal value of the Sukuk Ihsan in the event the KPIs are met.</p> <p>(b) <u>in the case of Sukuk Ihsan issued at discount without Periodic Distributions</u></p> <p>The Dissolution Distribution Amount shall be equivalent to:</p> <p>(i) the nominal value of the Sukuk Ihsan; less</p> <p>(ii) any adjustment to the nominal value to the Sukuk Ihsan in the event the KPIs are met.</p> <p>On the Dissolution Declaration Date:</p> <p>(a) <u>in the case of Sukuk Ihsan issued at par or at discount with Periodic Distributions</u></p> <p>The Dissolution Distribution Amount shall be equivalent to:</p> <p>(i) the nominal value of the Sukuk Ihsan; plus</p> <p>(ii) the accrued but unpaid Periodic Distribution Amount (if any), accrued up to the Dissolution Declaration Date; less</p> <p>(iii) any adjustment to the nominal value of the Sukuk Ihsan in the event the KPIs are met.</p> <p>(b) <u>in the case of Sukuk Ihsan issued at discount without Periodic Distributions</u></p> <p>The Dissolution Distribution Amount shall be equivalent to:</p> <p>(i) the accreted value of the Sukuk Ihsan; less</p> <p>(ii) any adjustment to the accreted value of the Sukuk Ihsan in the event the KPIs are met.</p> <p>For the avoidance of doubt, any double counting shall be disregarded</p>
Dissolution Event	:	Any of the events described in Section 12.3 of this Prospectus
Electronic Prospectus	:	A copy of this Prospectus that is issued, circulated or disseminated via the internet, and/or any electronic storage medium, including but not limited to CD-ROMs (compact disc read-only memory)

**DEFINITIONS** (cont'd)

Electronic Retail Sukuk Ihsan Application	:	Application for the Retail Sukuk Ihsan made available to the Malaysian Public under the Retail Offering through a Participating Financial Institution's ATM
Eligible SRI projects	:	Sustainable and Responsible Investment (SRI) projects as set out in the Retail Guidelines.
Exercise Price	:	The exercise price for the purchase of the Sukukholders' undivided and proportionate interest in the Tangible Assets under the relevant Sukuk Ihsan shall be at the market value of the Tangible Assets or in the case of non-listed shares, based on the net tangible assets of the underlying company at the relevant Scheduled Dissolution Date(s) or the Dissolution Declaration Date, as the case may be.
Expiry Date	:	The last date for the duly completed Notice for Tax Voucher to be delivered to the Registrar's office which is fourteen (14) Market Days from the date Khazanah and the Facility Agent make available the KPI Evaluation Report to the Retail Sukukholders
Facility Agent	:	CIMB
FAST	:	The Fully Automated System for Issuing/Tendering operated by MyClear whereby persons approved by MyClear in consultation with BNM who can participate in such system may submit their tenders electronically or such other system as varied, upgraded or substituted from time to time by MyClear
FLC	:	Federal Lands Commissioner (Pesuruhjaya Tanah Persekutuan), a body corporate incorporated pursuant to the Federal Lands Commissioner (Incorporation) Act, 1957 of Malaysia
FYE	:	Financial year ended / ending
Government	:	Government of Malaysia
GLCs	:	Government-Linked Companies
Global Certificates	:	The global certificates representing the Sukuk Ihsan substantially in the form set out in the Trust Deed and references to a "Global Certificate" mean any one of them
GovCo	:	GovCo Holdings Berhad (Company No. 899866-X)
GST	:	Goods and services tax
Ihsan or Issuer	:	Ihsan Sukuk Berhad (Company No. 1117716-P)
Internet Participating Financial Institution(s)	:	The participating financial institution(s) for Internet Retail Sukuk Ihsan Applications, which is set out in Section 19 of this Prospectus
Internet Retail Sukuk Ihsan Application	:	Application for the Retail Sukuk Ihsan under the Retail Offering through an Internet Participating Financial Institution
Investment Wakeel	:	The sub-wakeel or agent on behalf of the Wakeel to invest the Sukuk Proceeds on behalf of the Sukukholders
Independent Auditor	:	An independent auditor to be appointed from time to time being either Ernst & Young, KPMG, PricewaterhouseCoopers or Deloitte to evaluate the KPIs for the Retail Sukuk Ihsan Eligible SRI Project
Issuing House	:	Malaysian Issuing House Sdn Bhd (Company. No 258345-X)
Joint Lead Managers	:	Collectively, CIMB, Maybank IB and RHB IB
Joint Shariah Advisers	:	Collectively, CIMB Islamic and Amanie Advisors Sdn Bhd (Company No. 684050-H)
Khazanah or Obligor	:	Khazanah Nasional Berhad (Company No. 275505-K)

**DEFINITIONS** (cont'd)

Khazanah Group	:	Khazanah and its subsidiaries and associated companies
KPI Evaluation Report	:	A report (hard copy and electronic format) on the KPIs of the Retail Sukuk Ihsan Eligible SRI Project to be provided by the Independent Auditor to Khazanah, the Sukuk Trustee and the Facility Agent, on a date no later than six (6) months prior to the maturity date of the Retail Sukuk Ihsan
KPIs	:	Key performance indicators
KPTs	:	Key performance targets
Listing	:	Listing of and quotation for up to RM5.0 million of the Retail Sukuk Ihsan
Listing Requirements	:	Main Market Listing Requirements of Bursa Securities
LOLA Guidelines	:	Guidelines on Unlisted Capital Market Products Under the Lodge and Launch Framework (revised on 16 January 2017, as amended from time to time)
LPD	:	15 June 2017, being the latest practicable date prior to the registration of this Prospectus with the SC
Main Market	:	Main Market of Bursa Securities
Malaysian Public	:	Malaysian citizens, companies, body corporates, societies, co-operatives and institutions incorporated or organised under the laws of Malaysia
Market Day	:	A day on which Bursa Securities is open for trading in securities
Maybank	:	Malayan Banking Berhad (Company No. 3813-K)
Maybank IB	:	Maybank Investment Bank Berhad (Company No. 15938-H)
Minister of Finance (Incorporated)	:	Minister of Finance (Incorporated), a body corporate incorporated pursuant to the Minister of Finance (Incorporation) Act, 1957 of Malaysia
MyClear	:	Malaysian Electronic Clearing Corporation Sdn Bhd (Company No. 836743-D), a wholly owned subsidiary of BNM incorporated in Malaysia under the 1965 Act and deemed registered under the Act, which has been appointed by BNM, to amongst others, act as agent for BNM in carrying out BNM's functions as a central securities depository and paying agent under the MyClear Rules and Procedures and include its successors-in-title and assigns and any successors in such capacity
MyClear Rules and Procedures	:	The following rules issued by MyClear: <ul style="list-style-type: none"> <li>(a) the Central Securities Depository and Paying Agency Rules;</li> <li>(b) the Participation and Operation Rules for Payment and Securities Services;</li> <li>(c) the Operational Procedures for Securities Services;</li> <li>(d) the Operational Procedures for RENTAS;</li> <li>(e) any amendment or replacement thereof from time to time, as may be applicable; and/or</li> <li>(f) any other relevant rules, guidelines, codes and directives issued by BNM and/or MyClear from time to time</li> </ul>
MOE	:	Malaysian Ministry of Education

**DEFINITIONS** (cont'd)

Murabahah (Cost-plus sale)	:	A contract that refers to the sale and purchase of assets whereby the cost and profit margin (mark up) are made known
MW	:	Mega watt
m <sup>3</sup>	:	Cubic metre
Non Retail Sukuk Ihsan	:	Up to RM95.0 million in nominal value of Sukuk Ihsan to be issued on or about the issue date of the Retail Sukuk Ihsan
Notice for Tax Voucher	:	The written notice, substantially in the form provided for in Appendix 2 of this Prospectus, to be submitted by the Retail Sukukholders that are entitled to receive tax vouchers for an amount which is equal to the reduction in the nominal value of their respective Sukukholdings
Official List	:	A list specifying all securities which have been admitted for listing and which have not been removed from the Main Market
Ordinary Resolution	:	A resolution passed at a meeting of the Sukukholders duly convened and held in accordance with the provisions of the Trust Deed and carried by a majority consisting of not less than fifty one per cent. (51%) of the persons voting thereat upon a show of hands or if a poll is duly demanded, by majority consisting of not less than fifty one per cent. (51%) of the votes given on such poll
Option to Waive	:	The Retail Sukukholders may, at their option, waive their rights, benefits and entitlements to the Periodic Distributions (including accrued but unpaid Periodic Distribution Amount (if any)) and the nominal amount payable under the Retail Sukuk Ihsan (in whole and not in part), by selling/transferring to Khazanah their Sukukholdings in the Retail Sukuk Ihsan for a Transfer Fee
OTC	:	Over-the-counter
Own Securities Account	:	The account maintained by a SSDS Participant with BNM for holding the Sukuk Ihsan owned by or belonging to the SSDS Participant
Participating Financial Institution(s)	:	The participating financial institution(s) for Electronic Retail Sukuk Ihsan Applications, which are set out in Section 19 of this Prospectus
PAT	:	Profit after taxation
PBT	:	Profit before taxation
Paying Agent	:	BNM
Periodic Distributions	:	Returns generated from the Sukuk Investments up to an expected amount equal to a certain percentage on the face amount of the Retail Sukuk Ihsan per annum, calculated based on the actual number of days in the relevant period shall be distributed periodically in the form of periodic distributions
Periodic Distribution Amount	:	The periodic distribution amount on any relevant Periodic Distribution Date which is calculated at the periodic distribution rate on the nominal value of the Retail Sukuk Ihsan based on the actual number of days elapsed and 365 days basis (actual/365). For the avoidance of doubt, the last Periodic Distribution Amount will be calculated based on the nominal value of the Retail Sukuk Ihsan prior to the issuance of the KPI Evaluation Report, regardless of whether the KPIs are met

**DEFINITIONS** (cont'd)

Periodic Distribution Date	:	The date on which the Periodic Distribution Amount is distributed to the Retail Sukukholders, which shall be on each anniversary of the issue date of the Retail Sukuk Ihsan (each such date for distribution, a "Periodic Distribution Date")
Principal Adviser/Lead Arranger	:	CIMB in its capacity as the Principal Adviser/Lead Arranger of the Sukuk Programme
Purchase Price	:	The purchase price equivalent to the remaining balance of the Sukuk Proceeds in excess of the amount invested in the Tangible Assets
Purchase Undertaking	:	Undertaking to purchase the Sukukholders' undivided and proportionate beneficial interest in the Tangible Assets at the Exercise Price
RAM Ratings or Rating Agency	:	RAM Rating Services Berhad (Company No. 763588-T)
RAV	:	Realisable Asset Value, which means the value of an asset or investment which can be realised upon the sale of such asset or investment
RCCPS	:	Redeemable cumulative convertible preference shares
Record of Depositors	:	A record of Depositors as provided by Bursa Depository to the Issuer and Khazanah under the Rules of Bursa Depository
Registrar	:	Symphony Share Registrars Sdn Bhd (Company No. 378993-D)
RENTAS	:	The scripless book-entry securities trading and funds transfer system known as Real Time Electronic Transfer of Funds and Securities operated and managed by MyClear on behalf of BNM as varied, upgraded or substituted from time to time
Retail Guidelines	:	The Guidelines on Issuance of Corporate Bonds and Sukuk to Retail Investors issued by the SC, first issued on 15 June 2015, as may be amended from time to time
Retail Offering	:	Offering of Retail Sukuk Ihsan, at the Retail Price to the Malaysian Public
Retail Price	:	Initial price of 100% of the nominal value of the Retail Sukuk Ihsan to be fully paid by applicants pursuant to the Retail Offering
Retail Sukuk Ihsan	:	Up to RM5.0 million in nominal value Sukuk Ihsan to be issued pursuant to the Sukuk Programme in connection with the Retail Offering
Retail Sukukholders	:	The holders of the Retail Sukuk Ihsan including any such Retail Sukuk Ihsan referred to in Section 3.4 of this Prospectus
RHB IB	:	RHB Investment Bank Berhad (Company No. 19663-P)
Rules	:	The Rules of Bursa Depository and the Rules of Bursa Securities, as amended from time to time
Rules of Bursa Depository	:	Rules of Bursa Depository, as amended from time to time
Rules of Bursa Securities	:	Rules of Bursa Securities, as amended from time to time
SC	:	Securities Commission Malaysia
Scheduled Dissolution Date	:	The maturity date of the relevant Sukuk Ihsan



**DEFINITIONS** (cont'd)

Settlement Date	:	The date on which the Option to Waive takes effect, which shall be twenty one (21) Market Days from the date of receipt of the Waiver Notice, to be determined by the Registrar in consultation with Khazanah
SICDA	:	Securities Industry (Central Depositories) Act 1991, as amended from time to time
Special Resolution	:	A resolution passed at a meeting of the Sukukholders duly convened and held in accordance with the provisions of the Trust Deed and carried by a majority consisting of not less than seventy five per cent. (75%) of the persons voting thereat upon a show of hands or if a poll is duly demanded by majority consisting of not less than seventy five per cent. (75%) of the votes given on such poll
sq. ft.	:	Square feet
SSDS	:	The Scripless Securities Depository System, a component of RENTAS which is an electronic book-entry depository system to effect and record the settlement of securities and the associated settlement of payments
SSDS Participant(s)	:	A member of RENTAS who is approved to open and maintain a securities account in SSDS for its own account and/or its customer
Sukuk Ihsan	:	The Islamic medium term notes which may be issued from time to time pursuant to the Sukuk Programme
Sukuk Investments	:	Collectively, the Tangible Assets and the Commodity Murabahah Investment
Sukuk Programme	:	The Islamic medium term notes programme of RM1.0 billion in nominal value under the Islamic principle of Wakalah Bi Al-Istithmar and/or such other Islamic principles
Sukuk Proceeds	:	The issue price paid by the Sukukholders upon subscription to Sukuk Ihsan issued from time to time
Sukuk Trustee	:	CIMB Islamic Trustee Berhad (Company No. 167913-M)
Sukukholders	:	The holders of the Sukuk Ihsan
Sukukholdings	:	Holdings in the Sukuk Ihsan by a particular Sukukholder
Tangible Assets	:	Shariah-compliant tangible assets
Tax Voucher Date	:	The date that the tax vouchers will be dated, which is twenty one (21) Market Days from the Expiry Date
Transfer Fee	:	A transfer fee (including GST) payable to Bursa Depository by the Retail Sukukholders to effect the sale/transfer of their Sukukholdings in the Retail Sukuk Ihsan to Khazanah pursuant to the Option to Waive
Trust Deed	:	The trust deed constituting the Sukuk Ihsan dated 15 June 2015, and includes any amendments, variations and/or supplementals made or entered into from time to time
Trust Assets	:	The Sukukholders' undivided and proportionate beneficial interest in the trust assets which shall comprise of the Sukuk Proceeds, the Sukuk Investments and the rights, title, interest, entitlement and benefit in relation thereto, including the relevant documents represented by the Sukuk Ihsan

**DEFINITIONS** *(cont'd)*


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Trust Schools	:	Government schools that are jointly managed by Yayasan AMIR and school principals, under the umbrella of the MOE
Trust Schools Programme	:	The public-private partnership between the MOE and Yayasan AMIR to address the quality of education in Government schools
Transaction Documents	:	The transaction documents in relation to the Sukuk Programme
Waiver Notice	:	The written notice, substantially in the form provided for in Appendix 1 of this Prospectus, to be completed by Retail Sukukholders who exercise the Option to Waive
Wakalah Agreement	:	The wakalah agreement between the Sukuk Trustee (on behalf of the Sukukholders) and Ihsan
Wakeel	:	The agent to be appointed by the Sukuk Trustee (on behalf of the Sukukholders) to invest the Sukuk Proceeds in Sukuk Investments

**CURRENCY**

Ringgit, RM and sen	:	Ringgit Malaysia and sen, the lawful currency of Malaysia
SGD and cent	:	Singapore Dollars and cents, the lawful currency of Singapore
US\$ and cent	:	United States Dollars and cents, the lawful currency of the United States of America

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## 1. CORPORATE DIRECTORY

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- REGISTERED OFFICE OF THE ISSUER** : 10th Floor, Menara Hap Seng  
No. 1 & 3, Jalan P. Ramlee  
50250 Kuala Lumpur  
Malaysia
- Tel No. : +603 2382 4288  
Fax No. : +603 2026 1451
- HEAD / MANAGEMENT OFFICE OF THE ISSUER** : 10th Floor, Menara Hap Seng  
No. 1 & 3, Jalan P. Ramlee  
50250 Kuala Lumpur  
Malaysia
- Tel No. : +603 2382 4288  
Fax No. : +603 2026 1451
- COMPANY SECRETARIES OF THE ISSUER** : Lim Lee Kuan (MAICSA 7017753)  
10th Floor, Menara Hap Seng  
No. 1 & 3, Jalan P. Ramlee  
50250 Kuala Lumpur  
Malaysia
- Teo Mee Hui (MAICSA 7050642)  
10th Floor, Menara Hap Seng,  
No. 1 & 3, Jalan P. Ramlee,  
50250 Kuala Lumpur  
Malaysia
- REGISTERED OFFICE OF THE OBLIGOR / KHAZANAH** : Khazanah Nasional Berhad  
Level 33, Tower 2, Petronas Twin Towers  
Kuala Lumpur City Centre  
50088 Kuala Lumpur
- Tel No. : +603 2034 0000  
Fax No. : +603 2034 0300
- HEAD / MANAGEMENT OFFICE OF KHAZANAH** : Khazanah Nasional Berhad  
Level 33, Tower 2, Petronas Twin Towers  
Kuala Lumpur City Centre  
50088 Kuala Lumpur
- Tel No. : +603 2034 0000  
Fax No. : +603 2034 0300  
Email : [info@khazanah.com.my](mailto:info@khazanah.com.my)  
Website : [www.khazanah.com.my](http://www.khazanah.com.my)
- COMPANY SECRETARY OF KHAZANAH** : Dato' Mohamed Nasri Bin Sallehuddin (LS 0009854)  
Khazanah Nasional Berhad  
Level 33, Tower 2, Petronas Twin Towers  
Kuala Lumpur City Centre  
50088 Kuala Lumpur
- Tel No. : +603 2034 0000  
Fax No. : +603 2034 0300

**1. CORPORATE DIRECTORY (cont'd)**


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- PRINCIPAL ADVISER, LEAD ARRANGER AND FACILITY AGENT** : CIMB Investment Bank Berhad  
17th Floor Menara CIMB  
Jalan Stesen Sentral 2  
Kuala Lumpur Sentral  
50470 Kuala Lumpur  
Malaysia
- Tel No. : +603 2261 8888  
Fax No. : +603 2261 8889
- PAYING AGENT** : Bank Negara Malaysia  
No. 2, Jalan Dato' Onn  
Wilayah Persekutuan  
50480 Kuala Lumpur  
Malaysia
- Tel No. : +603 2174 1717  
Fax No. : +603 2174 1515
- SOLICITORS FOR THE PRINCIPAL ADVISER AND LEAD ARRANGER** : Zaid Ibrahim & Co.  
Level 19 Menara Milenium  
Pusat Bandar Damansara  
50490 Kuala Lumpur  
Malaysia
- Tel No. : +603 2087 9999  
Fax No. : +603 2094 4666/4888
- RATING AGENCY** : RAM Rating Services Berhad  
Suite 20.01, Level 20  
The Gardens South Tower  
Mid Valley City  
Lingkaran Syed Putra  
59200 Kuala Lumpur  
Malaysia
- Tel No. : +603 7628 1000 / +603 2299 1000  
Fax No. : +603 2711 1701
- SUKUK TRUSTEE** : CIMB Islamic Trustee Berhad  
Level 21, Menara CIMB  
Jalan Stesen Sentral 2  
Kuala Lumpur Sentral  
50470 Kuala Lumpur  
Malaysia
- Tel No. : +603 2261 8888  
Fax No. : +603 2261 9894

**1. CORPORATE DIRECTORY (cont'd)**


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**JOINT SHARIAH ADVISERS** : CIMB Islamic Bank Berhad  
Level 19, Menara Bumiputra-Commerce  
11 Jalan Raja Laut  
50350 Kuala Lumpur

Tel No. : +603 2619 1188  
Fax No. : +603 2619 2288

Amanie Advisors Sdn Bhd  
Level 33 Menara Binjai  
No. 2 Jalan Binjai  
Off Jalan Ampang  
50450 Kuala Lumpur  
Malaysia

Tel No. : +603 2181 8228  
Fax No. : +603 2181 8219

**JOINT LEAD MANAGERS** : CIMB Investment Bank Berhad  
17th Floor Menara CIMB  
Jalan Stesen Sentral 2  
Kuala Lumpur Sentral  
50470 Kuala Lumpur  
Malaysia

Tel No. : +603 2261 8888  
Fax No. : +603 2261 8889

Maybank Investment Bank Berhad  
32nd Floor Menara Maybank  
100 Jalan Tun Perak  
50050 Kuala Lumpur  
Malaysia

Tel No. : +603 2059 1888  
Fax No. : +603 2078 4194

RHB Investment Bank Berhad  
Level 11, Tower Three, RHB Centre  
Jalan Tun Razak  
50400 Kuala Lumpur  
Malaysia

Tel No. : +603 9287 3888  
Fax No. : +603 9287 5385

**ISSUING HOUSE** : Malaysian Issuing House Sdn Bhd  
Level 6, Symphony House  
Pusat Dagangan Dana 1  
Jalan PJU 1A/46  
47301 Petaling Jaya  
Selangor Darul Ehsan  
Malaysia

Tel No. : +603 7841 8289  
Fax No. : +603 7841 8150

1. **CORPORATE DIRECTORY** *(cont'd)*

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**REGISTRAR** : Symphony Share Registrars Sdn Bhd  
Level 6, Symphony House  
Pusat Dagangan Dana 1  
Jalan PJU 1A/46  
47301 Petaling Jaya  
Selangor Darul Ehsan  
Malaysia

Tel No. : +603 7849 0777  
Fax No. : +603 7841 8151 / 8152

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## 2. INTRODUCTION

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This Prospectus is dated 13 July 2017.

No securities will be allotted or issued or offered on the basis of this Prospectus later than 12 months after the date of this Prospectus.

The Issuer and the Obligor have registered this Prospectus with the SC. The Issuer and the Obligor have also lodged a copy of this Prospectus, together with the Application Form, with the Registrar of Companies Malaysia, who takes no responsibility for its contents.

On 12 July 2017, approval was obtained from the SC in respect of the Retail Offering. The approval of the SC shall not be taken to indicate that the SC recommends the Retail Offering or assumes responsibility for the correctness of any statement made or opinion expressed or report contained in this Prospectus. The SC has not, in any way considered the merits of the Retail Sukuk Ihsan being offered for investment. The SC is not liable for any non-disclosure on the Issuer's or the Obligor's part in this Prospectus. The SC also takes no responsibility for the contents of this Prospectus, makes no representation as to its accuracy or completeness, and expressly disclaims any liability for any loss you may suffer arising from or in reliance upon the whole or any part of the contents of this Prospectus.

**You are advised to make your own independent assessment of the Issuer and the Obligor and should rely on your own evaluation to assess the merits and risks of the Retail Offering and an investment in us.**

**The Global Certificate for the Retail Sukuk Ihsan offered in the Retail Offering will be deposited directly with BNM. Any dealing in the Retail Sukuk Ihsan will be carried out in accordance with the SICDA, the Rules of Bursa Depository and the MyClear Rules and Procedures. The Issuer and the Obligor will not issue any certificates representing the Sukuk Ihsan to the successful applicants at issuance. As set out in the Trust Deed, Definitive Certificates may only be issued in limited circumstances.**

If the Retail Sukuk Ihsan are not allotted and/or transferred pursuant to the Retail Offering, monies paid in respect of any application for the Retail Sukuk Ihsan will be returned to applicants (without interest or any share of revenue or benefit arising therefrom) and in accordance with the provision of subsection 243(2) of the CMSA. If such monies are not returned within fourteen (14) days after the Issuer and the Obligor become liable to repay it, then in addition to the liability of the Issuer and the Obligor, the officers of the Issuer and the Obligor shall be jointly and severally liable to return such monies with interest at the rate of 10% a year or at such other rate as may be prescribed by the SC from the expiration of that period.

In the case of an application by way of the Application Form, you should state your CDS account number in the space provided in the Application Form. If you do not presently have a CDS account, you must open a CDS account with an ADA before making an application for the Retail Sukuk Ihsan. For an application by way of Electronic Retail Sukuk Ihsan Application, only an applicant who has a CDS account number can make an Electronic Retail Sukuk Ihsan Application and you should provide your CDS account number to a Participating Financial Institution by way of keying in your CDS account number if the instructions on the ATM screen (at which you submit your Electronic Retail Sukuk Ihsan Application) require you to do so. In the case of an application by way of Internet Retail Sukuk Ihsan Application, only an applicant who has a CDS account opened with an Internet Participating Financial Institution can make an Internet Retail Sukuk Ihsan Application. Your CDS account number will automatically appear in the electronic online Application Form. A corporation or institution cannot apply for the Retail Sukuk Ihsan by way of Electronic Retail Sukuk Ihsan Application or Internet Retail Sukuk Ihsan Application.

**IF YOU ARE IN ANY DOUBT ABOUT THIS PROSPECTUS OR IN CONSIDERING YOUR INVESTMENT, OR IF YOU ARE IN ANY DOUBT AS TO THE ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKERS, BANK MANAGERS, SOLICITORS, ACCOUNTANTS, OR ANY OTHER PROFESSIONAL ADVISERS IMMEDIATELY.**

### 3. SUMMARY

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**This summary highlights selected information from this Prospectus and may not contain all of the information about the Issuer, Khazanah and the Retail Offering which may be important to you. You should read and understand the whole Prospectus, including the appendices before deciding whether to invest in the Retail Sukuk Ihsan. You are advised to read the risk factors described in Section 5 of this Prospectus for an understanding of the risks associated with the investment in the Retail Sukuk Ihsan.**

#### 3.1 Brief background of the Issuer

The Issuer is a special purpose vehicle incorporated in Malaysia on 12 November 2014 under the 1965 Act and deemed registered under the Act, and has its registered address at 10<sup>th</sup> Floor, Menara Hap Seng, No. 1 & 3, Jalan P. Ramlee, 50250 Kuala Lumpur. The Issuer is established solely to undertake the issuance of Sukuk Ihsan pursuant to the Sukuk Programme.

#### 3.2 Brief description of Khazanah

Khazanah is a public company limited by shares incorporated in Malaysia on 3 September 1993 under the 1965 Act and deemed registered under the Act, and has its registered address at Level 33, Tower 2, Petronas Twin Towers, Kuala Lumpur City Centre, 50088 Kuala Lumpur. The principal activity of Khazanah is investment holding.

Khazanah's issued and paid-up share capital is RM6,643,953,229.00 as at the LPD consisting of:

- (a) 5,443,953,228 ordinary shares of which are owned by the Minister of Finance (Incorporated) and one (1) ordinary share of which is owned by the FLC; and
- (b) 1,200,000,000 RCCPS of which are owned by GovCo. All of the ordinary share capital of GovCo is owned by the Minister of Finance (Incorporated), save for one (1) ordinary share owned by the FLC.

#### 3.3 Description of the Sukuk Programme

***All capitalised terms herein are defined in Section 4.1 (Principal Terms and Conditions of the Sukuk Programme).***

On 11 March 2015, the SC had approved and authorised the Sukuk Programme. The Sukuk Programme is the first programme approved under the SC's Sustainable and Responsible Investment Sukuk framework. The Issuer has made the first issuance of RM100.0 million Sukuk Ihsan in nominal value under the Sukuk Programme on 18 June 2015.

The Sukuk Programme has a limit of RM1.0 billion in nominal value. The tenure of the Sukuk Programme is for a period of twenty five (25) years from the date of the first issue under the Sukuk Programme.

The Issuer may issue Retail Sukuk Ihsan or Non Retail Sukuk Ihsan under the Sukuk Programme.

The Issuer may issue Sukuk Ihsan under the Islamic principle of Wakalah Bi Al-Istithmar and/or such other Islamic principles. The Transaction Documents provide that no approval from the Sukukholders will be required for issuances of Sukuk Ihsan throughout the tenure of the Sukuk Programme:

- (a) for the Issuer to issue Sukuk Ihsan based on Islamic principles other than Wakalah Bi Al-Istithmar; or



### 3. SUMMARY (cont'd)

- (b) to amend the structure described in Section 4.1 (*Principal Terms and Conditions of the Sukuk Programme*) so as to comply with any future requirements of the Wakalah Bi Al-Istithmar principle; or
- (c) to amend the structure of any Islamic principles (other than Wakalah Bi Al-Istithmar) which may be adopted by the Issuer, so as to comply with any future requirements of those Islamic principles.

However, the prior approvals from the SC and the Joint Shariah Advisers will have to be obtained and confirmation from the Rating Agency that the rating of the Sukuk Programme will not be affected.

For the avoidance of doubt, any changes to the structure of the Islamic principle(s) of any Sukuk Ihsan which are outstanding shall require the prior approval of the Sukukholders of such outstanding Sukuk Ihsan and confirmation from the Rating Agency that the rating of the Sukuk Programme will not be affected.

Under the Islamic principle of Wakalah Bi Al-Istithmar, the issuance of each tranche of the Sukuk Ihsan shall be effected as follows:

- (a) Pursuant to a Wakalah Agreement between the Sukuk Trustee (on behalf of the Sukukholders) and Ihsan, the Sukuk Trustee (on behalf of the Sukukholders) will appoint Ihsan to act as its Wakeel to invest the Sukuk Proceeds in Sukuk Investments. Ihsan, in its capacity as Wakeel to the Sukukholders, shall appoint Khazanah as the Investment Wakeel to invest the Sukuk Proceeds on behalf of the Sukukholders. Ihsan shall, from time to time, issue Sukuk Ihsan and the Sukukholders shall subscribe to the Sukuk Ihsan by paying the issue price.
- (b) Ihsan, as the Issuer, shall declare a trust over the Sukuk Proceeds and over the Sukuk Investments. The Sukuk Ihsan shall represent the Sukukholders' undivided and proportionate beneficial interest in the Trust Assets.
- (c) The Investment Wakeel shall invest the Sukuk Proceeds into the relevant investment portfolio which shall comprise of:
  - (i) Tangible Assets; and
  - (ii) Commodity Murabahah Investment.

The investments described in items (c)(i) and (ii) above shall collectively be referred to as the Sukuk Investments. The Investment Wakeel shall ensure that the Tangible Assets shall at all times be a component of the Sukuk Investments.

#### Tangible Assets

The Investment Wakeel shall invest at least 33% of the Sukuk Proceeds into the Tangible Assets.

Pursuant to a substitution agreement, the Issuer shall have the right to substitute, via an exchange agreement from time to time, any of the Tangible Assets with qualified assets of equal value that are Shariah-compliant and approved by the Joint Shariah Advisers.

For the avoidance of doubt, the above ratio of at least 33% is only applicable at the point of initial investment of each tranche of the Sukuk Ihsan and does not need to be maintained throughout the tenure of the Sukuk Ihsan. However, the Investment Wakeel shall ensure that the Tangible Assets shall at all times be a component of the Sukuk Investments.

### 3. SUMMARY (cont'd)

#### Commodity Murabahah Investment

The remaining balance of the Sukuk Proceeds shall be invested into the Commodity Murabahah Investment.

The Commodity Murabahah Investment shall be effected as follows:

- (i) Khazanah as the Buyer shall issue a Purchase Order to the Investment Wakeel and the Sukuk Trustee (acting on behalf of the Sukukholders) or via its agent with an undertaking to purchase the Shariah-compliant commodities from the Sukukholders at the Deferred Sale Price.
- (ii) The Investment Wakeel (on behalf of the Sukukholders) or via its agent will purchase the Shariah-compliant commodities on spot basis from a Commodity Supplier at a Purchase Price equivalent to the remaining balance of the Sukuk Proceeds in excess of the amount invested in the Tangible Assets. The Purchase Price of the Shariah-compliant commodities shall be in line with the asset pricing requirements stipulated under the LOLA Guidelines (in the case of Non Retail Sukuk Ihsan) and the Retail Guidelines (in the case of Retail Sukuk Ihsan).
- (iii) Upon acquiring the Shariah-compliant commodities, the Investment Wakeel (on behalf of the Sukukholders) will thereafter sell those Shariah-compliant commodities to Khazanah as the Buyer for a Deferred Sale Price. For the avoidance of doubt, the Deferred Sale Price shall be equal to the aggregate of the Periodic Distribution Amount (as described below) if any, and the nominal value of the Sukuk Ihsan.

The Periodic Distribution Amount on any relevant Periodic Distribution Date is calculated at the periodic distribution rate (which shall be determined prior to each issuance of Sukuk Ihsan) on the nominal value of the relevant tranche of the Sukuk Ihsan based on the actual number of days elapsed and 365 days basis (actual/365). For the avoidance of doubt, the last Periodic Distribution Amount will be calculated based on the nominal value of the Sukuk Ihsan prior to the issuance of the KPI Evaluation Report, regardless of whether the KPIs are met.

- (iv) Upon the purchase of the Shariah-compliant commodities, the Buyer or via its agent, will immediately sell the Shariah-compliant commodities to a Commodity Buyer) on spot basis for cash, equivalent to the Purchase Price.
- (d) In respect of Sukuk Ihsan with Periodic Distributions, returns generated from the Sukuk Investments up to an expected amount equal to a certain percentage on the face amount of the Sukuk Ihsan per annum, calculated based on the actual number of days in the relevant period shall be distributed periodically in the form of Periodic Distribution. The Periodic Distributions shall be made on the Periodic Distribution Date.

In respect of Sukuk Ihsan without Periodic Distributions, returns generated from the Sukuk Investments up to the expected return (yield of the Sukuk Ihsan) shall be distributed on a one-off basis upon the Scheduled Dissolution Date or the Dissolution Declaration Date.

On the (i) Periodic Distribution Date; (ii) Scheduled Dissolution Date; or the (iii) Dissolution Declaration Date, as the case may be, any returns from the Sukuk Investments in excess of the Periodic Distribution Amount and/or the Dissolution Distribution Amount due and payable under the Sukuk Ihsan shall be retained by Khazanah as an incentive fee for the Investment Wakeel. For the avoidance of doubt, the Investment Wakeel shall not be entitled to any incentive fee until all amounts due and payable under the Sukuk Ihsan have been fully settled and in the case of a

### 3. SUMMARY (cont'd)

Scheduled Dissolution Date and/or the Dissolution Declaration Date, the Sukuk Ihsan have been fully redeemed.

- (e) Khazanah (as the Obligor) shall grant a Purchase Undertaking to the Sukuk Trustee (for the benefit of the Sukukholders), whereby on a Scheduled Dissolution Date or the Dissolution Declaration Date, whichever is the earlier, the Obligor shall purchase the Sukukholders' undivided and proportionate beneficial interest in the Tangible Assets at the Exercise Price.

The Exercise Price for the purchase of the Sukukholders' undivided and proportionate interest in the Tangible Assets under the relevant Sukuk Ihsan shall be at the market value of the Tangible Assets or in the case of non-listed shares, based on the net tangible assets of the underlying company at the relevant Scheduled Dissolution Date(s) or the Dissolution Declaration Date, as the case may be.

Upon the Scheduled Dissolution Date or the Dissolution Declaration Date, the Exercise Price shall be waived by the Sukukholders and kept by Khazanah as incentive fee.

For the avoidance of doubt, any double counting shall be disregarded.

Upon exercise of the Purchase Undertaking and the full payment of all amounts due and payable under the Sukuk Ihsan, the relevant trust in respect of the Trust Assets will be dissolved and the relevant Sukuk Ihsan held by the Sukukholders will be cancelled.

**Note:** Shariah-compliant commodities would exclude ribawi items in the category of medium of exchange such as currency, gold and silver.

Please see Appendix 3 for the Shariah pronouncements in relation to the Retail Sukuk Ihsan.

#### 3.3.1 Utilisation of proceeds of the Sukuk Programme

Under the Wakalah Bi Al-Istithmar structure:

- (i) The proceeds raised from the issuance of Sukuk Ihsan under the Sukuk Programme shall be utilised by the Issuer or the Investment Wakeel to purchase the Sukuk Investments.
- (ii) Khazanah will use the proceeds from the Sukuk Investments for the purpose of funding Shariah-compliant Eligible SRI projects.

For the avoidance of doubt, the proceeds from the issuance of Sukuk Ihsan under the Sukuk Programme will be utilised for Shariah-compliant purposes only.

Note for item (ii) above:

Under the investment of the Tangible Assets, Khazanah as seller, would obtain the proceeds from the Sukuk Investments from the Investment Wakeel (acting on behalf of the Sukukholders), via the sale of the Tangible Assets to the Investment Wakeel (acting on behalf of the Sukukholders). While under the investment in the Commodity Murabahah Investment, Khazanah as the Buyer, would obtain the proceeds from the Sukuk Investments via the sale of the Shariah-compliant commodities to the Commodity Buyer on spot basis for cash. Khazanah as recipient of the proceeds from the Sukuk Investment shall utilise the same to fund the Shariah-compliant Eligible SRI projects.

### 3. SUMMARY (cont'd)

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#### 3.3.2 Rating of the Sukuk Programme

The Sukuk Programme has been assigned a final rating of AAA(s) by RAM Ratings. Please see Section 4.4 for a summary of the credit rating report of the Sukuk Programme. A copy of the rating report is available for inspection at the Issuer's registered office at 10<sup>th</sup> Floor, Menara Hap Seng, No. 1 & 3, Jalan P. Ramlee, 50250 Kuala Lumpur.

#### 3.4 Description of the Retail Sukuk Ihsan

The Retail Sukuk Ihsan will be issued at par with Periodic Distributions, payable annually and will be listed and quoted on the Main Market of Bursa Securities under the Loans and Bonds Board. Payment of the Periodic Distributions under the Retail Sukuk Ihsan will be made through the Paying Agent to Bursa Depository. As a result thereof, the Retail Sukukholder may receive the Periodic Distributions one (1) business day after the Periodic Distribution Date. Bursa Depository will credit such amount directly into the bank account of the Retail Sukukholders as indicated in his/her CDS account or mail it to the address of the Retail Sukukholders as indicated in the CDS account by ordinary post.

The proceeds from the Retail Sukuk Ihsan shall be utilised to fund the Retail Sukuk Ihsan Eligible SRI Project. 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 MOE. Please see Section 8 (*Information about Yayasan AMIR*) for more information on Yayasan AMIR and the Trust Schools Programme.

On or about the issue date of the Retail Sukuk Ihsan, the Issuer is also expected to issue up to RM95.0 million nominal value of Non Retail Sukuk Ihsan under the Sukuk Programme. Such Non Retail Sukuk Ihsan will be offered OTC to persons falling within Part 1 of Schedule 6 or Section 229(1)(b) of the CMSA and Part 1 of Schedule 7 or Section 230(1)(b) of the CMSA, read together with Schedule 9 or Section 257(3) of the CMSA.

The Issuer and Khazanah may appoint certain financial institutions that participate in the trading of the Non Retail Sukuk Ihsan in the OTC market, and which are, registered as market-makers with Bursa Securities, to make market for the Retail Sukuk Ihsan. **In other words, for the market-makers only, the Non Retail Sukuk Ihsan and the Retail Sukuk Ihsan are fungible across both Bursa Securities and the OTC markets.** As a result, the total number of Retail Sukuk Ihsan listed and quoted on the Main Market of Bursa Securities may increase to RM100.0 million in nominal value. An application has been made or will be made to Bursa Securities for the listing and quotation of Retail Sukuk Ihsan of up to RM100.0 million in nominal value.

The Retail Sukukholders may exercise their Option to Waive in accordance with the terms as set out in Section 4.3. Further, if the Retail Sukuk Ihsan Eligible SRI Project meets the KPIs set out in Section 4.3, the nominal value of the Sukuk Ihsan will be reduced by 3.18%. Please see further details as set out in Section 4.3.

Khazanah may subscribe to or hold the Retail Sukuk Ihsan from time to time throughout the tenure of the Retail Sukuk Ihsan (for example, when the Retail Sukukholders exercise the Option to Waive). The Retail Sukuk Ihsan held by Khazanah shall be deemed not to be outstanding and shall not be counted for voting purposes but shall be counted for the purposes of meeting the quorum in the event of a Sukukholders meeting. For the avoidance of doubt, any Retail Sukuk Ihsan held by Khazanah pursuant to the exercise of the Option to Waive of the Retail Sukukholders shall not be resold or offered for sale by Khazanah.

Please see Section 4.2 for the Principal Term and Conditions of the Retail Sukuk Ihsan.

#### 4. INFORMATION ON THE SUKUK PROGRAMME AND RETAIL SUKUK IHSAN

##### 4.1 Principal Terms and Conditions of the Sukuk Programme

*Words and expressions used and defined in this Section 4.1 shall, in the event of any inconsistency with the definition section of this Prospectus, only be applicable for this Section 4.1.*

1. BACKGROUND INFORMATION	
<b>(a) Issuer</b>	
(i) Name:	Ihsan Sukuk Berhad (“ <b>Ihsan</b> ” or the “ <b>Issuer</b> ”).
(ii) Date of incorporation:	12 November 2014.
(iii) Place of incorporation:	Malaysia.
(iv) Address:	<u>Registered Office</u> 10 <sup>th</sup> Floor, Menara Hap Seng, No. 1 & 3, Jalan P. Ramlee, 50250 Kuala Lumpur.
(v) Business registration number:	1117716-P.
(vi) Residence status:	Resident-controlled company.
(vii) Place of listing, where applicable:	Not applicable.
(viii) Date of listing, where applicable:	Not listed.
(ix) Industry sector of the issuer:	Finance.
(x) Principal activities:	The principal activity of the Issuer is to undertake the issuance of Ringgit-denominated sukuk pursuant to a Ringgit-denominated sukuk programme.
(xi) Principal activities of issuer's subsidiaries, where applicable:	Not applicable.
(xii) If the issuer is a special purpose vehicle company (SPV), state the name of the entity that established it:	Khazanah Nasional Berhad.
(xiii) Authorised, issued and paid-up capital:	<b>Authorised share capital as at 15 June 2017</b> RM400,000.00 divided into 400,000 ordinary shares. <b>Issued and fully paid-up share capital as at 15 June 2017</b> RM2.00 divided into 2 ordinary shares.

**4. INFORMATION ON THE SUKUK PROGRAMME AND RETAIL SUKUK IHSAN (cont'd)**

(ix) Structure of shareholdings and names of shareholders or, in the case of a public company, names of all substantial shareholders:	<p>The shareholding of the Issuer as at 15 June 2017 is as follows:</p> <table border="1" data-bbox="699 315 1433 443"> <thead> <tr> <th>Name</th> <th>No. of ordinary shares held</th> <th>% of shareholding</th> </tr> </thead> <tbody> <tr> <td>TMF Trustees Malaysia Berhad</td> <td>2</td> <td>100</td> </tr> </tbody> </table>	Name	No. of ordinary shares held	% of shareholding	TMF Trustees Malaysia Berhad	2	100
Name	No. of ordinary shares held	% of shareholding					
TMF Trustees Malaysia Berhad	2	100					
(xiv) Board of directors:	<p>The directors of the Issuer as at 15 June 2017 is as follows:</p> <table border="1" data-bbox="699 562 1445 658"> <thead> <tr> <th>Name</th> <th>Status</th> </tr> </thead> <tbody> <tr> <td>1. Norhayati binti Azit</td> <td>Resident</td> </tr> <tr> <td>2. Loke Chee Kien</td> <td>Resident</td> </tr> </tbody> </table>	Name	Status	1. Norhayati binti Azit	Resident	2. Loke Chee Kien	Resident
Name	Status						
1. Norhayati binti Azit	Resident						
2. Loke Chee Kien	Resident						
(x) Disclosure of the following:							
<ul style="list-style-type: none"> <li>If the Issuer or its board members have been convicted or charged with any offence under any securities laws, corporation laws or other laws involving fraud or dishonesty in a court of law, or if any action has been initiated against the issuer or its board members for breaches of the same, since incorporation (for issuer incorporated less than 10 years); and</li> </ul>	None.						
<ul style="list-style-type: none"> <li>If the Issuer has been subjected to any action by the stock exchange for any breach of the listing requirements or rules issued by the stock exchange, for the past five years prior to the date of application.</li> </ul>	None.						

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## 4. INFORMATION ON THE SUKUK PROGRAMME AND RETAIL SUKUK IHSAN (cont'd)

<b>(b) Obligor</b>	
(i) Name:	Khazanah Nasional Berhad (“ <b>Khazanah</b> ”).
(ii) Date of incorporation:	3 September 1993.
(iii) Place of incorporation:	Malaysia.
(iv) Address:	<u>Registered Office</u> Level 33, Tower 2, Petronas Twin Towers, Kuala Lumpur City Centre, 50088 Kuala Lumpur.
(v) Business registration number:	275505-K.
(vi) Residence status:	Resident-controlled company.
(vii) Place of listing, where applicable:	Not applicable.
(viii) Date of listing, where applicable:	Not listed.
(ix) Industry sector of the obligor:	Finance.
(x) Principal activities:	The principal activity of the Obligor is investment holding.
(xi) Principal activities of obligor's subsidiaries, where applicable:	The principal activities of the Obligor's subsidiaries include businesses in the agrifood, aviation, creative and media, financial services, healthcare, infrastructure and construction, innovation and technology, life sciences, leisure and tourism, power, property, sustainable development, telecommunications and other sectors.
(xii) If the obligor is a special purpose vehicle company (SPV), state the name of the entity that established it:	Not applicable.
(xiii) Authorised, issued and paid-up capital:	<p><b>Authorised share capital as at 15 June 2017</b></p> <p>RM35,000,000,000.00 divided into 20,000,000,000 Ordinary Shares and 15,000,000,000 Redeemable Cumulative Convertible Preference Shares (“<b>RCCPS</b>”).</p> <p><b>Issued and fully paid-up share capital as at 15 June 2017</b></p> <p>RM6,643,953,229.00 divided into 5,443,953,229 Ordinary Shares and 1,200,000,000 RCCPS.</p>

## 4. INFORMATION ON THE SUKUK PROGRAMME AND RETAIL SUKUK IHSAN (cont'd)

<p>(xiv) Structure of shareholdings and names of shareholders or, in the case of a public company, names of all substantial shareholders:</p>	<p>The shareholders of the Obligor as at 15 June 2017 are as follows:</p> <p>a) Holders of ordinary shares (“<b>Ordinary Shares</b>”)</p> <table border="1" data-bbox="699 383 1445 539"> <thead> <tr> <th>Name</th> <th>No. of Ordinary Shares held</th> </tr> </thead> <tbody> <tr> <td>Minister of Finance (Incorporated)</td> <td>5,443,953,228</td> </tr> <tr> <td>Pesuruhjaya Tanah Persekutuan</td> <td>1</td> </tr> </tbody> </table> <p>b) Holder of Redeemable Cumulative Convertible Preference Shares (“<b>RCCPS</b>”)</p> <table border="1" data-bbox="699 663 1445 730"> <thead> <tr> <th>Name</th> <th>No. of RCCPS held</th> </tr> </thead> <tbody> <tr> <td>GovCo Holdings Berhad*</td> <td>1,200,000,000</td> </tr> </tbody> </table> <p>*Minister of Finance (Incorporated) holds 100,001 ordinary shares and Pesuruhjaya Tanah Persekutuan holds 1 ordinary share.</p>	Name	No. of Ordinary Shares held	Minister of Finance (Incorporated)	5,443,953,228	Pesuruhjaya Tanah Persekutuan	1	Name	No. of RCCPS held	GovCo Holdings Berhad*	1,200,000,000																																		
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GovCo Holdings Berhad*	1,200,000,000																																												
<p>(xv) Board of directors:</p>	<p>The directors of the Obligor as at 15 June 2017 are as follows:</p> <table border="1" data-bbox="699 943 1445 1984"> <thead> <tr> <th></th> <th>Name</th> <th>Status</th> <th>Position</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>Dato' Sri Mohd Najib bin Tun Haji Abdul Razak</td> <td>Resident</td> <td>Chairman</td> </tr> <tr> <td>2.</td> <td>Tan Sri Dato' Seri Utama Nor Mohamed bin Yakcop</td> <td>Resident</td> <td>Deputy Chairman</td> </tr> <tr> <td>3.</td> <td>Datuk Seri Johari bin Abdul Ghani</td> <td>Resident</td> <td>Director</td> </tr> <tr> <td>4.</td> <td>Tan Sri Dr. Mohd Irwan Serigar bin Abdullah</td> <td>Resident</td> <td>Director</td> </tr> <tr> <td>5.</td> <td>Tan Sri Md Nor bin Md Yusof</td> <td>Resident</td> <td>Director</td> </tr> <tr> <td>6.</td> <td>Tan Sri Mohamed Azman bin Yahya</td> <td>Resident</td> <td>Director</td> </tr> <tr> <td>7.</td> <td>Dato' Mohammed Azlan bin Hashim</td> <td>Resident</td> <td>Director</td> </tr> <tr> <td>8.</td> <td>Raja Tan Sri Dato' Seri Arshad bin Raja Tun Uda</td> <td>Resident</td> <td>Director</td> </tr> <tr> <td>9.</td> <td>Tan Sri Sheng Len Tao</td> <td>Resident</td> <td>Director</td> </tr> <tr> <td>10.</td> <td>Dato' Sri Mohamed Nazir bin Tun Haji Abdul Razak</td> <td>Resident</td> <td>Director</td> </tr> </tbody> </table>		Name	Status	Position	1.	Dato' Sri Mohd Najib bin Tun Haji Abdul Razak	Resident	Chairman	2.	Tan Sri Dato' Seri Utama Nor Mohamed bin Yakcop	Resident	Deputy Chairman	3.	Datuk Seri Johari bin Abdul Ghani	Resident	Director	4.	Tan Sri Dr. Mohd Irwan Serigar bin Abdullah	Resident	Director	5.	Tan Sri Md Nor bin Md Yusof	Resident	Director	6.	Tan Sri Mohamed Azman bin Yahya	Resident	Director	7.	Dato' Mohammed Azlan bin Hashim	Resident	Director	8.	Raja Tan Sri Dato' Seri Arshad bin Raja Tun Uda	Resident	Director	9.	Tan Sri Sheng Len Tao	Resident	Director	10.	Dato' Sri Mohamed Nazir bin Tun Haji Abdul Razak	Resident	Director
	Name	Status	Position																																										
1.	Dato' Sri Mohd Najib bin Tun Haji Abdul Razak	Resident	Chairman																																										
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6.	Tan Sri Mohamed Azman bin Yahya	Resident	Director																																										
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10.	Dato' Sri Mohamed Nazir bin Tun Haji Abdul Razak	Resident	Director																																										



**4. INFORMATION ON THE SUKUK PROGRAMME AND RETAIL SUKUK IHSAN (cont'd)**

	11.	Dato' Dr Nirmala Menon A/P YB Menon	Resident	Director
	12.	Tan Sri Dato' Azman bin Hj. Mokhtar	Resident	Managing Director
(xvi) Disclosure of the following:				
<ul style="list-style-type: none"> <li>If the Obligor or its board members have been convicted or charged with any offence under any securities laws, corporation laws or other laws involving fraud or dishonesty in a court of law, or if any action has been initiated against the Obligor or its board members for breaches of the same, for the past ten years prior to the date of application; and</li> </ul>	None.			
<ul style="list-style-type: none"> <li>If the Obligor has been subjected to any action by the stock exchange for any breach of the listing requirements or rules issued by the stock exchange, for the past five years prior to the date of application.</li> </ul>	None.			

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#### 4. INFORMATION ON THE SUKUK PROGRAMME AND RETAIL SUKUK IHSAN (cont'd)

2. PRINCIPAL TERMS AND CONDITIONS	
<b>(a) Names of parties involved in the proposal, where applicable:</b>	
(i) Principal adviser:	CIMB Investment Bank Berhad (“ <b>CIMB</b> ”).
(ii) Lead arranger:	CIMB.
(iii) Co-arranger:	Not applicable.
(iv) Solicitor:	Messrs Zaid Ibrahim & Co.
(v) Financial adviser:	Not applicable.
(vi) Technical adviser:	Not applicable.
(vii) Trustee:	CIMB Islamic Trustee Berhad.
(viii) Shariah adviser:	Amanie Advisors Sdn Bhd and CIMB Islamic Bank Berhad (collectively referred to as the “ <b>Joint Shariah Advisers</b> ”).
(ix) Guarantor:	Not applicable.
(x) Valuer:	Not applicable.
(xi) Facility agent:	CIMB.
(xii) Primary subscriber (under a bought-deal arrangement) and amount subscribed:	In the event that the Sukuk Ihsan (as defined in 2(b) below) are issued on a bought deal basis, the primary subscribers will be identified prior to such issuance.
(xiii) Underwriter and amount underwritten:	The Sukuk Ihsan will not be underwritten.
(xiv) Central depository:	Bank Negara Malaysia (“ <b>BNM</b> ”) and/or Bursa Malaysia Depository Sdn Bhd (“ <b>Bursa Depository</b> ”).
(xv) Paying agent:	BNM.
(xvi) Reporting accountant:	Not applicable.
(xvii) Calculation agent:	Not applicable.
(xviii) Others (please specify):	
• Obligor	Khazanah.
• Lead Manager/ Bookrunner (if applicable)	CIMB and/or such other financial institution(s) to be appointed (if any).
• Registrar	Symphony Share Registrars Sdn Bhd and/or such other parties to be identified.

## 4. INFORMATION ON THE SUKUK PROGRAMME AND RETAIL SUKUK IHSAN (cont'd)

<ul style="list-style-type: none"> <li>• Issuing House</li> </ul>	Malaysian Issuing House Sdn Bhd and/or such other parties to be identified.
(b) <b>Name of facility:</b>	<p>An Islamic medium term notes (“<b>Sukuk Ihsan</b>”) programme of RM1.0 billion in nominal value under the Islamic principle of Wakalah Bi Al-Istithmar and/or such other Islamic principles (“<b>Sukuk Programme</b>”). Sukuk Ihsan issued under the Sukuk Programme may consist of Retail Sukuk Ihsan (as defined below) and/or Non Retail Sukuk Ihsan (as defined below).</p> <p>“<b>Retail Sukuk Ihsan</b>” shall mean Sukuk Ihsan issued to retail investors (which shall have the meaning assigned to it under the Guidelines on Issuance of Corporate Bonds and Sukuk to Retail Investors (issued on 15 June 2015, as amended from time to time (“<b>Retail Guidelines</b>”))).</p> <p>“<b>Non Retail Sukuk Ihsan</b>” shall mean Sukuk Ihsan other than the Retail Sukuk Ihsan.</p>
(c) <b>One-time issue or programme:</b>	Programme.
(d) <b>Shariah principles:</b>	<p>Wakalah Bi Al-Istithmar and/or such other Islamic principles.</p> <p>The transaction documents provide that throughout the tenure of the Sukuk Programme, no approval from the holders of the Sukuk Ihsan (“<b>Sukukholders</b>”) will be required:</p> <ul style="list-style-type: none"> <li>(a) for the Issuer to issue Sukuk Ihsan based on Islamic principles other than Wakalah Bi Al-Istithmar; or</li> <li>(b) to amend the structure described in these Principal Terms and Conditions (“<b>PTC</b>”) so as to comply with any future requirements of the Wakalah Bi Al-Istithmar principle; or</li> <li>(c) to amend the structure of any Islamic principles (other than Wakalah Bi Al-Istithmar) which may be adopted by the Issuer, so as to comply with any future requirements of those Islamic principles.</li> </ul> <p>However, the prior approvals of the Securities Commission Malaysia (“<b>SC</b>”) and the Joint Shariah Advisers will have to be obtained and confirmation from the Rating Agency that the rating of the Sukuk Programme will not be affected.</p> <p>For the avoidance of doubt, any changes to the structure of the Islamic principle(s) of any Sukuk Ihsan which are outstanding shall require the prior approval of the Sukukholders of such outstanding Sukuk Ihsan and confirmation from the Rating Agency that the rating of the Sukuk Programme will not be affected.</p>
(e) <b>Facility description (including transaction diagram and explanatory notes):</b>	<p><b><u>Wakalah Bi Al-Istithmar</u></b></p> <p>The issuance of each tranche of the Sukuk Ihsan shall be effected as follows:</p> <ol style="list-style-type: none"> <li>1. Pursuant to a wakalah agreement (“<b>Wakalah</b></li> </ol>

## 4. INFORMATION ON THE SUKUK PROGRAMME AND RETAIL SUKUK IHSAN (cont'd)

	<p><b>Agreement</b>) between the Sukuk Trustee (on behalf of the investors ("<b>Sukukholders</b>") and Ihsan, the Sukuk Trustee (on behalf of the Sukukholders) will appoint Ihsan to act as its agent ("<b>Wakeel</b>") to invest the Sukuk Proceeds (as defined below) in Sukuk Investments (as defined below). Ihsan, in its capacity as Wakeel to the Sukukholders, shall appoint Khazanah as the sub-wakeel or agent on its behalf ("<b>Investment Wakeel</b>") to invest the Sukuk Proceeds on behalf of the Sukukholders. Ihsan shall, from time to time, issue Sukuk Ihsan and the Sukukholders shall subscribe to the Sukuk Ihsan by paying the issue price ("<b>Sukuk Proceeds</b>").</p> <p>2. Ihsan, as the Issuer, shall declare a trust over the Sukuk Proceeds and over the Sukuk Investments (as defined below). The Sukuk Ihsan shall represent the Sukukholders' undivided and proportionate beneficial interest in the trust assets which shall comprise of the Sukuk Proceeds, the Sukuk Investments (as defined below) and the rights, title, interest, entitlement and benefit in relation thereto, including the relevant documents ("<b>Trust Assets</b>").</p> <p>3. The Investment Wakeel shall invest the Sukuk Proceeds into the relevant investment portfolio which shall comprise of:</p> <ul style="list-style-type: none"> <li>(i) Shariah-compliant tangible assets ("<b>Tangible Assets</b>"); and</li> <li>(ii) Shariah-compliant commodities purchased and sold under the principle of Murabahah ("<b>Commodity Murabahah Investment</b>").</li> </ul> <p>The investments described in items 3(i) and (ii) above shall collectively be referred to as the "<b>Sukuk Investments</b>".</p> <p><u>Tangible Assets</u> The Investment Wakeel shall invest at least 33% of the Sukuk Proceeds into the Tangible Assets ("<b>Asset Purchase Price</b>").</p> <p>Pursuant to a substitution agreement, the Issuer shall have the right to substitute, via an exchange agreement from time to time, any of the Tangible Assets with qualified assets of equal value that are Shariah-compliant and approved by the Joint Shariah Advisers.</p> <p>For the avoidance of doubt, the above ratio of at least 33% is only applicable at the point of initial investment of each tranche of the Sukuk Ihsan and does not need to be maintained throughout the tenure of the Sukuk Ihsan. However, the Investment Wakeel shall ensure that the Tangible Assets shall at all times be a component of the Sukuk Investments.</p>
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#### 4. INFORMATION ON THE SUKUK PROGRAMME AND RETAIL SUKUK IHSAN (cont'd)

	<p><u>Commodity Murabahah Investment</u> The remaining balance of the Sukuk Proceeds shall be invested into the Commodity Murabahah Investment.</p> <p>The Commodity Murabahah Investment shall be effected as follows:</p> <p>(i) Khazanah as the buyer ("<b>Buyer</b>") shall issue a purchase order ("<b>Purchase Order</b>") to the Investment Wakeel and the Sukuk Trustee (acting on behalf of the Sukukholders) or via its agent with an undertaking to purchase the Shariah-compliant commodities from the Sukukholders at the Deferred Sale Price (as defined below).</p> <p>(ii) The Investment Wakeel (on behalf of the Sukukholders) or via its agent will purchase the Shariah-compliant commodities on spot basis from a commodity supplier ("<b>Commodity Supplier</b>") at a purchase price equivalent to the remaining balance of the Sukuk Proceeds in excess of the amount invested in the Tangible Assets ("<b>Purchase Price</b>"). The Purchase Price of the Shariah-compliant commodities shall be in line with the asset pricing requirements stipulated under the SC's Guidelines on Unlisted Capital Market Products Under the Lodge and Launch Framework (revised on 16 January 2017, as amended from time to time) ("<b>LOLA Guidelines</b>") (in the case of Non Retail Sukuk Ihsan) and the Retail Guidelines (in the case of Retail Sukuk Ihsan).</p> <p>(iii) Upon acquiring the Shariah-compliant commodities, the Investment Wakeel (on behalf of the Sukukholders) will thereafter sell those Shariah-compliant commodities to Khazanah as the Buyer for a price equivalent to the Sukuk Proceeds invested in the Commodity Murabahah Investment plus the aggregate profit margin and shall be payable on deferred payment basis ("<b>Deferred Sale Price</b>"). For the avoidance of doubt, the Deferred Sale Price shall be equal to the aggregate of the Periodic Distribution Amount (as defined in 2(m) below) if any, and the nominal value of the Sukuk Ihsan.</p> <p>(iv) Upon the purchase of the Shariah-compliant commodities, the Buyer or via its agent, will immediately sell the Shariah-compliant commodities to a commodity buyer ("<b>Commodity Buyer</b>") on spot basis for cash, equivalent to the Purchase Price.</p> <p>4. In respect of Sukuk Ihsan with Periodic Distributions (as defined below), returns generated from the Sukuk Investments up to an expected amount equal to a certain percentage on the face amount of the Sukuk Ihsan per annum, calculated based on the actual</p>
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#### 4. INFORMATION ON THE SUKUK PROGRAMME AND RETAIL SUKUK IHSAN (cont'd)

	<p>number of days in the relevant period shall be distributed periodically in the form of periodic distribution (“<b>Periodic Distribution</b>”). The Periodic Distributions shall be made semi-annually or such other period to be determined prior to each issuance date of Sukuk Ihsan (each such date for distribution, a “<b>Periodic Distribution Date</b>”).</p> <p>In respect of Sukuk Ihsan without Periodic Distributions, returns generated from the Sukuk Investments up to the expected return (yield of the Sukuk Ihsan) shall be distributed on a one-off basis upon the maturity date (“<b>Scheduled Dissolution Date</b>”) or the Dissolution Declaration Date (as defined in 2(aa) below).</p> <p>On the i) Periodic Distribution Date; ii) Scheduled Dissolution Date; or the iii) Dissolution Declaration Date, as the case may be, any returns from the Sukuk Investments in excess of the Periodic Distribution Amount and/or the Dissolution Distribution Amount (as defined in 2(mm)(vi) below) due and payable under the Sukuk Ihsan shall be retained by Khazanah as an incentive fee for the Investment Wakeel. For the avoidance of doubt, the Investment Wakeel shall not be entitled to any incentive fee until all amounts due and payable under the Sukuk Ihsan have been fully settled and in the case of a Scheduled Dissolution Date and/or the Dissolution Declaration Date, the Sukuk Ihsan have been fully redeemed.</p> <p>5. Khazanah (as the Obligor) shall grant a purchase undertaking (“<b>Purchase Undertaking</b>”) to the Sukuk Trustee (for the benefit of the Sukukholders), whereby on a Scheduled Dissolution Date or the Dissolution Declaration Date whichever is the earlier, the Obligor shall purchase the Sukukholders’ undivided and proportionate beneficial interest in the Tangible Assets at the Exercise Price (as defined in 2(mm)(v) below).</p> <p>Upon the Scheduled Dissolution Date or the Dissolution Declaration Date, the Exercise Price shall be waived by the Sukukholders and kept by Khazanah as incentive fee.</p> <p>For the avoidance of doubt, any double counting shall be disregarded.</p> <p>Upon exercise of the Purchase Undertaking and the full payment of all amounts due and payable under the Sukuk Ihsan, the relevant trust in respect of the Trust Assets will be dissolved and the relevant Sukuk Ihsan held by the Sukukholders will be cancelled.</p> <p><b>Note:</b> Shariah-compliant commodities would exclude ribawi items in the category of medium of exchange such as currency, gold and silver.</p>
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## 4. INFORMATION ON THE SUKUK PROGRAMME AND RETAIL SUKUK IHSAN (cont'd)

	Please refer to <u>Section 4.1.1</u> for diagrammatical illustration of the transaction structure.
(f) <b>Identified/trust asset:</b>	The Sukuk Investments, which comprise the Tangible Assets and the Commodity Murabahah Investment.
(g) <b>Purchase and selling price/rental (where applicable), including statement on compliance with asset pricing requirements:</b>	<p>The Asset Purchase Price, the Purchase Price and the Deferred Sale Price will be determined prior to each issuance of Sukuk Ihsan.</p> <p>The Purchase Price will be in compliance with asset pricing requirements stipulated under the LOLA Guidelines for Non Retail Sukuk Ihsan and the Retail Guidelines for Retail Sukuk Ihsan.</p>
(h) <b>Expected facility/programme size (for programme, to state the option to upsize):</b>	<p><u>Programme size</u> The aggregate outstanding nominal value of the Sukuk Ihsan issued under the Sukuk Programme shall not exceed RM1.0 billion at any point in time.</p> <p><u>Option to upsize</u> No.</p>
(i) <b>Tenure of facility/programme:</b>	<p><u>Tenure of the Sukuk Programme</u> Twenty five (25) years from the date of the first issue under the Sukuk Programme.</p> <p><u>Tenure of the Sukuk Ihsan</u> More than one (1) year, provided that the Sukuk Ihsan mature on or prior to the expiry of the Sukuk Programme.</p>
(j) <b>Availability period of corporate bonds or sukuk programme:</b>	The period commencing from the completion of documentation and, unless waived by the Lead Arranger, compliance of all conditions precedent and other applicable conditions to the satisfaction of the Lead Arranger up to the expiry of the Sukuk Programme.
(k) <b>Interest/profit/coupon/rental rate:</b>	<p><u>Sukuk Ihsan with Periodic Distributions</u> The periodic distribution rate (“<b>Periodic Distribution Rate</b>”) shall be determined prior to each issuance of Sukuk Ihsan.</p> <p><u>Sukuk Ihsan without Periodic Distributions</u> Not applicable.</p>
(l) <b>Interest/profit/coupon/rental payment frequency:</b>	<p><u>Sukuk Ihsan with Periodic Distributions</u> Payable on a semi-annual basis or such period to be determined prior to each issuance of Sukuk Ihsan.</p> <p><u>Sukuk Ihsan without Periodic Distributions</u> Not applicable.</p>
(m) <b>Interest/profit/coupon/rental payment basis:</b>	<p><u>Sukuk Ihsan with Periodic Distributions</u> Calculated based on actual number of days elapsed and 365 days basis (actual/365) (“<b>Periodic Distribution Basis</b>”).</p> <p><u>Sukuk Ihsan without Periodic Distributions</u> Not applicable.</p>

## 4. INFORMATION ON THE SUKUK PROGRAMME AND RETAIL SUKUK IHSAN (cont'd)

	The <b>Periodic Distribution Amount</b> on any relevant Periodic Distribution Date is calculated at the Periodic Distribution Rate on the nominal value of the relevant tranche of the Sukuk Ihsan based on the Periodic Distribution Basis.
(n) Details of security/collateral pledged, if applicable:	Not applicable.
(o) Details of guarantee, if applicable:	Not applicable.
(p) Details on utilisation of proceeds: (i) Purpose; (ii) Amount to be utilised; (iii) Details of conditions imposed on the utilisation; and (iv) If proceeds are to be utilised for project or capital expenditure, description of the project or capital expenditure, where applicable:	<p>(i) The proceeds raised from the issuance of Sukuk Ihsan under the Sukuk Programme shall be utilised by the Issuer or the Investment Wakeel to purchase the Sukuk Investments.</p> <p>(ii) Khazanah will use the proceeds from the Sukuk Investments for the purpose of funding Shariah-compliant Eligible SRI projects (within the definition set out in the Retail Guidelines or the LOLA Guidelines, as the case may be) ("<b>Projects</b>").</p> <p>For the avoidance of doubt, the proceeds from the issuance of Sukuk Ihsan under the Sukuk Programme will be utilised for Shariah-compliant purposes only.</p> <p><u>Note for item (ii) above:</u> Under the investment of the Tangible Assets, Khazanah as seller, would obtain the proceeds from the Sukuk Investments from the Investment Wakeel (acting on behalf of the Sukukholders), via the sale of the Tangible Assets to the Investment Wakeel (acting on behalf of the Sukukholders). While under the investment in the Commodity Murabahah Investment, Khazanah as the Buyer, would obtain the proceeds from the Sukuk Investments via the sale of the Shariah-compliant commodities to the Commodity Buyer on spot basis for cash. Khazanah as recipient of the proceeds from the Sukuk Investment shall utilise the same to fund the Eligible SRI projects.</p>
(q) Sinking fund, if applicable:	Not applicable.
(r) Details of designated account(s), if applicable, including: (i) names of account; (ii) parties responsible for opening the account; (iii) parties responsible for maintaining/operating the account; (iv) signatories to the account; (v) sources and utilisation of funds; and (vi) conditions for disbursements, if any:	Not applicable.



## 4. INFORMATION ON THE SUKUK PROGRAMME AND RETAIL SUKUK IHSAN (cont'd)

<p>(s) <b>Rating:</b></p> <p>(i) <b>Credit rating(s) assigned (state whether the rating is final or indicative). In the case of a debt or sukuk programme where the credit rating is not assigned for the full amount, disclosures set out in paragraph 5.04 of the Guidelines on Issuance of Corporate Bonds and Sukuk to Retail Investors must be made; and</b></p> <p>(ii) <b>Name of credit rating agency(ies):</b></p>	<p>The Sukuk Programme has been assigned a rating of AAA(s).</p> <p>RAM Rating Services Berhad ("<b>Rating Agency</b>").</p>
<p>(t) <b>Method of distribution (whether OTC or on the stock exchange):</b></p>	<p>The Sukuk Ihsan may be distributed via the stock exchange and/or over-the-counter ("<b>OTC</b>").</p>
<p>(u) <b>Name of stock exchange or trading platform:</b></p>	<p>The Sukuk Ihsan may be listed on Bursa Malaysia Securities Berhad ("<b>Bursa</b>").</p>
<p>(v) <b>Mode of issue:</b></p>	<p>The Sukuk Ihsan may be issued through any of the following modes to be determined by the Issuer and the Lead Arranger:</p> <ul style="list-style-type: none"> <li>(i) via direct placement on a best effort basis;</li> <li>(ii) via bought deal basis;</li> <li>(iii) via book running on a best effort basis; or</li> <li>(iv) via issuance to retail investors including through Exchange Traded Bonds.</li> </ul> <p>"<b>Exchange Traded Bonds</b>" shall have the meaning assigned to it under the Main Market Listing Requirements of Bursa, including any amendment that may be made from time to time.</p>
<p>(w) <b>Clearing and settlement platform:</b></p>	<p>Bursa, Malaysian Electronic Clearing Corporation Sdn Bhd ("<b>MyClear</b>") and/or other such platforms to be identified.</p>
<p>(x) <b>Other regulatory approvals required in relation to the corporate bonds or sukuk, and whether or not obtained:</b></p>	<p><u>For Retail Sukuk Ihsan:</u></p> <ol style="list-style-type: none"> <li>1. Approval from Bursa for waivers from compliance with certain requirements in the Main Market Listing Requirements, to be obtained by the Issuer.</li> <li>2. Approval from Bursa for the listing and quotation of the Retail Sukuk Ihsan, to be obtained prior to each issuance of the Retail Sukuk Ihsan.</li> </ol> <p>Khazanah requires consent from the Minister of Finance pursuant to section 6 of the Loans Guarantee (Bodies Corporate) Act 1965, which provides that so long as the</p>

**4. INFORMATION ON THE SUKUK PROGRAMME AND RETAIL SUKUK IHSAN (cont'd)**

	<p>Government of Malaysia shall continue to be liable under any guarantee given under this Act in respect of any sums raised by a body corporate, the body corporate shall not except with the consent of the Minister of Finance exercise any other power to borrow possessed by it. Since Khazanah currently has outstanding borrowings guaranteed by the Government of Malaysia, it requires consent from the Minister of Finance for any borrowing raised by it. Such consent from the Minister of Finance has been obtained.</p>
<p><b>(y) Conditions precedent:</b></p>	<p>A. <u>Main Documentation</u></p> <p>The transaction documents have been executed and, where applicable, stamped (or endorsed as exempt from stamp duty) and presented for registration.</p> <p>B. <u>The Issuer and the Obligor</u></p> <p>(i) Certified true copies of the Certificate of Incorporation, and the Constitution of the Issuer and the Obligor;</p> <p>(ii) Certified true copies of the latest Return for allotment of shares, Notification of Change in the Registered Address and Notification of Change in the Register of Directors, Managers and Secretaries, and the latest Annual Return of a Company Having a Share Capital of the Issuer and the Obligor;</p> <p>(iii) A certified true copy of board resolutions of the Issuer and the Obligor authorising, among others, the execution of the relevant transaction documents;</p> <p>(iv) A list of the Issuer's and the Obligor's authorised signatories and their respective specimen signatures;</p> <p>(v) A report of the relevant company search of the Issuer and the Obligor; and</p> <p>(vi) A report of the relevant winding up search or the relevant statutory declaration of the Issuer and the Obligor.</p> <p>C. <u>General</u></p> <p>(i) Evidence of all required regulatory approvals for the issuance of the Sukuk Ihsan;</p> <p>(ii) Evidence of confirmation from the Joint Shariah Advisers that the structure and mechanism together with the transaction documents are in compliance with Shariah principles;</p> <p>(iii) Evidence that all transaction fees, costs and expenses have been or will be paid in full;</p> <p>(iv) The Lead Arranger has received from the Solicitor a favourable legal opinion addressed to it and the Sukuk Trustee advising with respect to, among others, the legality, validity and enforceability of the transaction</p>

## 4. INFORMATION ON THE SUKUK PROGRAMME AND RETAIL SUKUK IHSAN (cont'd)

	<p>documents and a confirmation addressed to the Lead Arranger that all the conditions precedent have been fulfilled; and</p> <p>(v) Such other conditions precedent as advised by the Solicitor and mutually agreed with the Issuer.<sup>1</sup></p>
<p><b>(z) Representations and warranties:</b></p>	<p>A. <u>Issuer</u></p> <p>(i) The Issuer is a company with limited liability duly incorporated and validly existing under the laws of Malaysia, has full power to carry on its business and to own its property and assets, and has full beneficial ownership of all its assets;</p> <p>(ii) The Constitution of the Issuer incorporates provisions which authorise, and all necessary corporate and other relevant actions have been taken to authorise, and all relevant consents and approvals of any administrative, governmental or other authority or body in Malaysia have been duly obtained and are in full force and effect which are required to authorise, the Issuer to execute and deliver and perform the transactions contemplated in the transaction documents in accordance with their terms;</p> <p>(iii) The Sukuk Ihsan and each of the transaction documents to which the Issuer is a party, is or will when executed and/or issued, as the case may be, be in full force and effect and constitutes, or will when executed or issued, as the case may be, constitute, valid and legally binding obligations of the Issuer enforceable in accordance with their terms; and</p> <p>(iv) Such other representations and warranties as advised by the Solicitor and mutually agreed with the Issuer.<sup>2</sup></p> <p>B. <u>Obligor</u></p> <p>(i) The Obligor is a company with limited liability duly incorporated and validly existing under the laws of Malaysia, has full power to carry on its business and to own its property and assets and has full beneficial ownership of all its assets;</p> <p>(ii) The Constitution of the Obligor incorporates provisions which authorise, and all necessary corporate and other relevant actions have been taken to authorise, and all relevant consents and approvals of any administrative, governmental or other authority or body in Malaysia have been duly obtained and are in full force and effect which are required to authorise, the Obligor to execute and deliver and perform the transactions contemplated in the transaction documents in accordance with their terms;</p> <p>(iii) Each of the transaction documents to which the Obligor is a party, is or will when executed and/or issued, as the case may be, be in full force and effect and constitutes, or will when executed or issued, as the case may be,</p>

## 4. INFORMATION ON THE SUKUK PROGRAMME AND RETAIL SUKUK IHSAN (cont'd)

	<p>constitute, valid and legally binding obligations of the Obligor enforceable in accordance with their terms; and</p> <p>(iv) Such other representations and warranties as advised by the Solicitor and mutually agreed with the Obligor.<sup>2</sup></p>
<p><b>(aa) Events of default and enforcement events, where applicable, including recourse available to investors:</b></p>	<p><u>Dissolution Events in relation to the Issuer and the Obligor</u></p> <p>A. <u>Issuer</u></p> <p>(i) The Issuer fails to pay any amount due from it under any of the transaction documents on the due date or, if so payable, on demand and such default continues for a period of seven (7) business days;</p> <p>(ii) Any representation or warranty made or given by the Issuer under the transaction documents or which is contained in any certificate, document or statement furnished at any time pursuant to the terms of the Sukuk Ihsan and/or any of the transaction documents proves to have been incorrect or misleading in any material respect on or as of the date made or given or deemed made or given, and in the case of a failure which in the reasonable opinion of the Sukuk Trustee is capable of being remedied, the Issuer does not remedy the failure within a period of thirty (30) days after the Issuer became aware or having been notified by the Sukuk Trustee of the failure;</p> <p>(iii) The Issuer fails to observe or perform its obligations under any of the transaction documents or the Sukuk Ihsan or under any undertaking or arrangement entered into in connection therewith other than an obligation of the type referred to in paragraph (A.(i)) above, and in the case of a failure which in the reasonable opinion of the Sukuk Trustee is capable of being remedied, the Issuer does not remedy the failure within a period of thirty (30) days after the Issuer became aware or having been notified by the Sukuk Trustee of the failure;</p> <p>(iv) Any indebtedness for borrowed moneys of the Issuer becomes due or payable or capable of being declared due or payable prior to its stated maturity or any guarantee or similar obligations of the Issuer is not discharged at maturity or when called or the Issuer goes into default under, or commits a breach of, any agreement or instrument relating to any such indebtedness, guarantee or other obligations, or any security created to secure such indebtedness becomes enforceable, provided that (i) such indebtedness, borrowed moneys, guarantee or security remain outstanding for ten (10) business days; (ii) the aggregate amount equals or exceeds US\$50,000,000 or its equivalent in another currency; and (iii) the Issuer is not contesting the relevant claim or declaration in good faith prior to an order or award being made;</p>

#### 4. INFORMATION ON THE SUKUK PROGRAMME AND RETAIL SUKUK IHSAN (cont'd)

	<p>(v) An encumbrancer takes possession of, or a trustee, receiver, receiver and manager or similar officer is appointed in respect of the whole or any part of the business or assets of the Issuer, or distress, legal process, sequestration or any form of execution is levied or enforced or sued out against the Issuer which may have a Material Adverse Effect (as defined below) on the Issuer, or any security interest which may for the time being affect any of its assets becomes enforceable;</p> <p>(vi) The Issuer fails to satisfy any judgement passed against it by any court of competent jurisdiction and no appeal against such judgement or no application for a stay of execution has been made to any appropriate appellate court within the time prescribed by law or such appeal or application for a stay of execution has been dismissed;</p> <p>(vii) Any step is taken for the winding up, dissolution or liquidation of the Issuer or a resolution is passed for the winding up of the Issuer or a petition for winding up is presented against the Issuer and the Issuer has not taken any action in good faith to set aside such petition within sixty (60) days from the date of service of such winding up petition or a winding up order has been made against the Issuer;</p> <p>(viii) The Issuer convenes a meeting of its creditors or proposes or makes any arrangement including any scheme of arrangement or composition or begins negotiations with its creditors, or takes any proceedings or other steps, with a view to a rescheduling or deferral of all or any part of its indebtedness or a moratorium is agreed or declared by a court of competent jurisdiction in respect of or affecting all or any part of its indebtedness or any assignment for the benefit of its creditors (other than for the purposes of and followed by a reconstruction previously approved in writing by the Sukuk Trustee, upon the instructions of the Sukukholders, unless during or following such reconstruction the Issuer becomes or is declared to be insolvent) or where a scheme of arrangement under Section 366 of the Act has been instituted against the Issuer;</p> <p>(ix) At any time any of the provisions of the transaction documents is or becomes illegal, void, voidable or unenforceable;</p> <p>(x) The Issuer repudiates any of the transaction documents;</p> <p>(xi) Any substantial part of the assets, undertakings, rights or revenue of the Issuer are seized, nationalised, expropriated or compulsorily acquired by or under the authority of any governmental body; or</p> <p>(xii) Any event or events has or have occurred or a situation exists which in the opinion of the Sukuk Trustee may have a Material Adverse Effect on the Issuer, and in the</p>
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#### 4. INFORMATION ON THE SUKUK PROGRAMME AND RETAIL SUKUK IHSAN (cont'd)

	<p>case of the occurrence of such event or situation which in the opinion of the Sukuk Trustee is capable of being remedied, the Issuer does not remedy it within a period of thirty (30) days after the Issuer became aware or having been notified by the Sukuk Trustee of the event or situation.</p> <p>B. <u>Obligor</u></p> <p>(i) The Obligor fails to pay any amount due from it under any of the transaction documents on the due date or, if so payable, on demand and such default continues for a period of seven (7) business days;</p> <p>(ii) Any step is taken for the winding up, dissolution or liquidation of the Obligor to the extent that a petition for winding up is presented against the Obligor and the Obligor has not taken any action in good faith to set aside such petition within sixty (60) days from the date of service of such winding up petition or a winding up order has been made against the Obligor, or the passing of any resolution for the winding up, dissolution or liquidation of the Obligor;</p> <p>(iii) The Obligor enters into a scheme of arrangement under Section 366 of the Act or any similar type of arrangement with the Obligor's creditor or such a scheme is instituted against or in respect of the Obligor (save and except pursuant to an internal reorganisation which has been approved by the Sukuk Trustee, upon the instructions of the Sukukholders);</p> <p>(iv) An encumbrancer takes possession or a receiver, liquidator or similar officer is appointed over the whole or a substantial part of the assets or undertaking of the Obligor;</p> <p>(v) The Obligor commits and breach of or omits to observe any of the obligations, undertakings or covenants expressed to be assumed by it under any of the transaction documents (other than a failure as referred to in paragraph (B.(i)) above and (except where the Sukuk Trustee reasonably considers that such default is not capable of remedy) (a) the same has not been remedied to the Sukuk Trustee's reasonable satisfaction within thirty (30) days of a written notice by the Sukuk Trustee requiring such remedy and (b) the Sukuk Trustee does not certify that such unremedied breach or omission is not materially prejudicial to the interests of the Sukukholders;</p> <p>(vi) Any indebtedness of the Obligor becomes enforceable or capable, in accordance with the relevant terms thereof, of being declared due prematurely by reason of a default by the Obligor in its obligations in respect of the same, or the Obligor fails to make any payment in respect thereof on the due date for such payment or when called or the security for any such indebtedness</p>
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## 4. INFORMATION ON THE SUKUK PROGRAMME AND RETAIL SUKUK IHSAN (cont'd)

	<p>becomes enforceable, provided that (i) such indebtedness, borrowed moneys, guarantee or security remain outstanding for ten (10) business days; (ii) the aggregate amount equals or exceeds US\$50,000,000 or its equivalent in another currency; and (iii) the Obligor is not contesting the relevant claim or declaration in good faith prior to an order or award being made;</p> <p>(vii) Any consent, authorisation, licence, approval or registration with or declaration to governmental or public bodies or authorities or courts (if any) required by the Obligor to authorise or required by the Obligor in connection with the execution, issue, delivery, validity, enforceability or admissibility in evidence of any transaction document or the performance by the Obligor of its obligations under any transaction document as the case may be, is modified to such degree as would be prejudicial to the interest of any Sukukholder or is not granted or is revoked or terminated or expired and is not renewed or otherwise ceases to be in full force and effect;</p> <p>(viii) The Minister of Finance (Incorporated), a body corporate incorporated pursuant to the Minister of Finance (Incorporation) Act 1957 ceases to own, directly or indirectly, all the shares of the Obligor save for one (1) share presently owned by Pesuruhjaya Tanah Persekutuan either by way of disposal or transfer of any share in the Obligor or issue any new share in the Obligor to other person; or</p> <p>(ix) Such other events as advised by the Solicitors and mutually agreed with the Issuer and/or the Obligor,<sup>3</sup></p> <p>then, the Sukuk Trustee may, if so directed by a special resolution of the Sukukholders shall (subject to its rights to be indemnified to its satisfaction) declare (by giving notice to the Issuer and Obligor) that a Dissolution Event has occurred ("<b>Dissolution Declaration Date</b>") and the Sukuk Trustee is entitled to enforce its rights under the transaction documents, including requiring the Obligor to purchase the Tangible Assets and pay the Exercise Price under the Purchase Undertaking, and pay the outstanding amounts of the Deferred Sale Price (subject to the Ibra' (as defined in 2(II) below)). The Sukuk Trustee will use the proceeds thereof to redeem the Sukuk Ihsan at the Dissolution Distribution Amount.</p>
(bb) Provisions on buy-back, if applicable:	<p><u>Repurchase and Cancellation</u></p> <p>The Issuer or its subsidiary(ies) or agent(s) may at any time purchase the Sukuk Ihsan at any price in the open market or by private treaty. Such Sukuk Ihsan purchased by the Issuer or its subsidiary(ies) or agent(s) shall be cancelled and cannot be reissued or resold. The Sukuk Ihsan purchased by the Issuer's related corporations (other than the Issuer's subsidiaries) and interested persons (as defined in the Trust Deeds Guidelines) need not be cancelled but they will not entitle such related corporations or interested persons to vote at any meeting of the</p>

## 4. INFORMATION ON THE SUKUK PROGRAMME AND RETAIL SUKUK IHSAN (cont'd)

	<p>Sukukholders.</p> <p><u>Redemption</u></p> <p>Any Sukuk Ihsan redeemed by the Issuer shall be cancelled and cannot be reissued or resold.</p>
(cc) Provisions on early redemption, if applicable:	Not applicable.
(dd) Call option and details, if applicable:	Not applicable.
(ee) Put option and details, if applicable:	Not applicable.
(ff) Convertibility of issuance and details of the convertibility:	Not applicable.
(gg) Exchangeability of issuance and details of the exchangeability:	Not applicable.
(hh) Governing laws:	Laws of Malaysia.
(ii) Voting:	Voting by the Sukukholders shall be carried out on a collective basis.
(jj) Permitted investments, if applicable:	Not applicable.
(kk) Ta'widh (compensation), if applicable:	<p><u>For Sukuk Ihsan issued under Wakalah Bi Al-Istithmar:</u></p> <p>In the event the Issuer breaches its fiduciary duty as an investment manager due to its failure to distribute any realised Periodic Distributions and/or due to any delays in the payment of any amounts due and payable to the Sukukholders under the Purchase Undertaking and/or the Deferred Sale Price, the Issuer and/or the Obligor shall pay to the Sukuk Trustee (acting on behalf of the Sukukholders) Ta'widh (compensation) on such overdue amounts at the rate and in the manner prescribed by the SC's Shariah Advisory Council from time to time in accordance with Shariah.</p> <p><u>For Sukuk Ihsan issued under other Islamic principles (other than Wakalah Bi Al-Istithmar):</u></p> <p>The Ta'widh (compensation) shall be in accordance with the Retail Guidelines or the LOLA Guidelines (as the case may be) and at the rate and in the manner prescribed by the SC's Shariah Advisory Council from time to time in accordance with Shariah.</p>
(ll) Ibra', if applicable:	The Sukukholders in subscribing to or purchasing the Sukuk Ihsan consent to grant an Ibra', if the Sukuk Ihsan are redeemed before the Scheduled Dissolution Date or upon the Dissolution Declaration Date.



**4. INFORMATION ON THE SUKUK PROGRAMME AND RETAIL SUKUK IHSAN (cont'd)**

	<p>Ibra' refers to an act of releasing absolutely or conditionally the Sukukholders' rights and claims on any obligation against the Issuer which would result in the latter being discharged of its obligations or liabilities towards the former. The release may be either partial or in full. With respect to the Murabahah contract, Ibra' refers to release of rights on debts/amount due and payable under the said contract.</p> <p>For the avoidance of doubt, Ibra' will be applicable only to the Commodity Murabahah Investment portion of the Sukuk Investments, i.e. the Deferred Sale Price only.</p> <p>For the avoidance of doubt, any double counting shall be disregarded.</p>
<b>(mm) Other terms and conditions:</b>	
<b>(i) Issue price:</b>	<p>The Sukuk Ihsan may be issued at par or at a discount to the nominal value and the issue price shall be calculated in accordance with (1) the "Participation and Operation Rules for Payment and Securities Services" ("<b>MyClear Rules</b>") issued by MyClear, (2) the "Operational Procedures for Securities Services" issued by MyClear, ("<b>MyClear Procedures</b>") as amended or substituted from time to time (collectively the "<b>MyClear Rules and Procedures</b>") and/or (3) such rules and procedures issued by Bursa and/or such other regulatory authorities as may be applicable from time to time.</p>
<b>(ii) Form and denomination:</b>	<p>The Sukuk Ihsan shall be issued in accordance with (1) the MyClear Rules and Procedures and/or (2) such rules and procedures issued by Bursa and/or such other regulatory authorities as may be applicable from time to time.</p> <p>Each tranche of the Sukuk Ihsan shall be represented by a global certificate to be deposited with BNM and/or Bursa Depository, and is exchanged for definitive bearer form only in certain limited circumstances. The denomination of the Sukuk Ihsan shall be RM100 and the Sukuk Ihsan shall be issued in multiples of RM1,000 at the time of issuance.</p>
<b>(iii) Issue:</b>	<p>The Sukuk Ihsan may be issued in multiples of RM1,000, but subject to any applicable laws and regulations and other standard conditions' including, without limitation, the following:</p> <ol style="list-style-type: none"> <li>1) a minimum issue size of RM5.0 million for each issue;</li> <li>2) issue notice shall be given to the Facility Agent at least six (6) business days (for the first issue) or five (5) business days (for subsequent issues) prior to and excluding the date of proposed issue; and</li> <li>3) any amount redeemed may be re-issued.</li> </ol>
<b>(iv) Status:</b>	<p>The Sukuk Ihsan constitute undivided beneficial interest in the Sukuk Investments in respect of the relevant tranche and shall at all times rank pari passu and rateably, without discrimination, preference or priority amongst themselves subject to priorities</p>

## 4. INFORMATION ON THE SUKUK PROGRAMME AND RETAIL SUKUK IHSAN (cont'd)

	<p>or rights preferred by law.</p> <p>The obligations of the Obligor pursuant to the relevant transaction documents in connection with the Sukuk Ihsan shall constitute unconditional and unsecured obligations of the Obligor and shall at all times rank pari passu, without discrimination, preference or priority among themselves and at least pari passu with all other present and future unsecured and unsubordinated obligations of the Obligor, subject to the provisions of the transaction documents and those preferred by law.</p>
<b>(v) Exercise Price:</b>	<p>The Exercise Price for the purchase of the Sukukholders' undivided and proportionate interest in the Tangible Assets under the relevant Sukuk Ihsan shall be at the market value of the Tangible Assets or in the case of non-listed shares, based on the net tangible assets of the underlying company at the relevant Scheduled Dissolution Date(s) or the Dissolution Declaration Date, as the case may be.</p>
<b>(vi) Dissolution Distribution Amount:</b>	<p>On the Scheduled Dissolution Date:</p> <p>(a) <u>in the case of Sukuk Ihsan issued at par or at discount with Periodic Distributions</u> The Dissolution Distribution Amount shall be equivalent to:</p> <ul style="list-style-type: none"> <li>(i) the nominal value of the Sukuk Ihsan; plus</li> <li>(ii) the accrued but unpaid Periodic Distribution Amount (if any), accrued up to the Scheduled Dissolution Date; less</li> <li>(iii) any adjustment to the nominal value of the Sukuk Ihsan in the event the KPIs (as defined in 2(mm)(vii) below) are met.</li> </ul> <p>(b) <u>in the case of Sukuk Ihsan issued at discount without Periodic Distributions</u> The Dissolution Distribution Amount shall be equivalent to:</p> <ul style="list-style-type: none"> <li>(i) the nominal value of the Sukuk Ihsan; less</li> <li>(ii) any adjustment to the nominal value to the Sukuk Ihsan in the event the KPIs are met.</li> </ul> <p>On the Dissolution Declaration Date:</p> <p>(a) <u>in the case of Sukuk Ihsan issued at par or at discount with Periodic Distributions</u> The Dissolution Distribution Amount shall be equivalent to:</p> <ul style="list-style-type: none"> <li>(i) the nominal value of the Sukuk Ihsan; plus</li> <li>(ii) the accrued but unpaid Periodic Distribution Amount (if any), accrued up to the Dissolution Declaration Date; less</li> <li>(iii) any adjustment to the nominal value of the Sukuk Ihsan in the event the KPIs are met.</li> </ul>

## 4. INFORMATION ON THE SUKUK PROGRAMME AND RETAIL SUKUK IHSAN (cont'd)

	<p>(b) <u>in the case of Sukuk Ihsan issued at discount without Periodic Distributions</u></p> <p>The Dissolution Distribution Amount shall be equivalent to:</p> <p>(i) the accreted value of the Sukuk Ihsan; less</p> <p>(ii) any adjustment to the accreted value of the Sukuk Ihsan in the event the KPIs are met.</p> <p>For the avoidance of doubt, any double counting shall be disregarded.</p>
<b>(vii) Key Performance Indicators (“KPIs”):</b>	<p>Means the key performance indicators imposed on the relevant Projects or promoters of the relevant Projects which shall be determined prior to each Sukuk Ihsan issuance.</p> <p>The KPIs will be evaluated prior to the maturity date of the respective Sukuk Ihsan by an independent auditor to be appointed and the independent auditor shall furnish a report detailing, amongst others, its evaluation of the KPIs to the Sukuk Trustee within a certain time period to be determined for each Project.</p>
<b>(viii) Sukukholders’ option to waive:</b>	<p>The Sukukholders may, at their option, waive their rights, benefits and entitlements to the Periodic Distributions and the nominal amount payable under the relevant Sukuk Ihsan (in whole and not in part), by selling/transferring to Khazanah their Sukukholdings for a nominal consideration. The Sukukholders shall be entitled to exercise the option to waive the above: i) on the issue date of the relevant Sukuk Ihsan; and/or ii) such point(s) of time after the issue date but prior to the maturity of the relevant Sukuk Ihsan where such point(s) of time shall be determined prior to the issue date of the relevant Sukuk Ihsan, following which such Sukuk Ihsan shall no longer be tradeable nor transferable.</p> <p>The transaction documents shall detail the mechanism to exercise such option to waive including but not limited to the issuance of certain notices and the timing of such issuances.</p>
<b>(ix) Trustees’ Reimbursement Account for Sukukholders’ Actions:</b>	<p>The Issuer shall set up a “Trustees’ Reimbursement Account for Sukukholders’ Actions” (“<b>Account</b>”) with a sum of RM30,000.00 (which shall be maintained at all times throughout the tenure of the Sukuk Programme). The Account shall be operated by the Sukuk Trustee and the money shall only be used strictly by the Sukuk Trustee in carrying out its duties in relation to the occurrence of a Dissolution Event which are to be provided in the relevant transaction documents.</p>
<b>(x) Taxation:</b>	<p>All payments by the Issuer or the Obligor shall be made without withholding or deductions for or on account of any present or future tax, duty or charge of whatsoever nature imposed or levied by or on behalf of Malaysia or any other applicable jurisdictions, or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law, in which event the Issuer or the Obligor shall be required to make such additional amount so that the payee would receive the full amount which the payee would have received if no such</p>

## 4. INFORMATION ON THE SUKUK PROGRAMME AND RETAIL SUKUK IHSAN (cont'd)

	withholding or deductions are made.
<b>(xi) Other conditions:</b>	The Sukuk Ihsan shall at all times be governed by the guidelines issued and to be issued from time to time by the SC, Bursa, BNM and/or MyClear having jurisdiction over matters pertaining to the Sukuk Ihsan.
<b>(xii) Jurisdiction:</b>	The Issuer and/or the Obligor shall unconditionally and irrevocably submit to the exclusive jurisdictions of the courts of Malaysia.
<b>(xiii) Covenants:</b>	
<b>(A) Information Covenants of the Issuer:</b>	<ol style="list-style-type: none"> <li>i. The Issuer shall promptly provide to the Sukuk Trustee at least on an annual basis, a certificate confirming that, to the best of its knowledge, as at a date (the "<b>Issuer Certification Date</b>") not more than five (5) business days before the date of the certificate, the Issuer has complied with all its obligations under the transaction documents and the terms and conditions of the Sukuk Ihsan and that there does not exist or had not existed, from the first date the Sukuk Ihsan were issued or the last Issuer Certification Date, as the case may be, any Dissolution Event, and if such is not the case, to specify the same;</li> <li>ii. The Issuer shall deliver to the Sukuk Trustee the following: <ol style="list-style-type: none"> <li>(a) as soon as they become available (and in any event within one hundred and eighty (180) days after the end of its financial year) copies of its financial statements for that year which shall contain the income statements and balance sheets of the Issuer and which are audited and certified without qualification by a firm of independent certified public accountants acceptable to the Sukuk Trustee;</li> <li>(b) promptly, such additional financial information as the Sukuk Trustee may from time to time reasonably request in order to perform its functions and/or exercise its rights, powers and/or discretions under the transaction documents; and</li> <li>(c) promptly, all notices or other documents received by the Issuer from any of its creditors, or from the Issuer to any of its creditors which contents may materially and adversely affect the interests of the Sukukholders;</li> </ol> </li> <li>iii. The Issuer shall promptly notify the Sukuk Trustee of any change in its board of directors and/or shareholders;</li> <li>iv. The Issuer shall promptly notify the Sukuk Trustee (A) of any change in its condition (financial or otherwise) and of (B) any litigation or other proceedings of any nature whatsoever being threatened or initiated against the Issuer before any court or tribunal or administrative agency which in either case has a Material Adverse Effect on the Issuer;</li> </ol>

## 4. INFORMATION ON THE SUKUK PROGRAMME AND RETAIL SUKUK IHSAN (cont'd)

	<p>v. The Issuer shall promptly give notice to the Sukuk Trustee of any change in the utilisation of proceeds from the Sukuk Ihsan from the purposes set out in this PTC;</p> <p>vi. The Issuer shall promptly give notice to the Sukuk Trustee of the occurrence of any Dissolution Event upon becoming aware thereof, and it shall take all reasonable steps and/or such other steps as may reasonably be requested by the Sukuk Trustee to remedy and/or mitigate the effect of the Dissolution Event;</p> <p>vii. The Issuer shall promptly provide annual reporting, via newsletters, website updates, annual reports or any other communication channels, to Sukukholders on the following:</p> <ol style="list-style-type: none"> <li>1) the original amount earmarked for the Projects;</li> <li>2) the amount utilised for the Projects;</li> <li>3) the unutilised amount and where such unutilised amount is placed or invested pending utilisation;</li> <li>4) where feasible and to the extent possible, the impact objectives of the Project; and</li> </ol> <p>viii. Such other covenants as may be advised by the Solicitor and mutually agreed with the Issuer.<sup>5</sup></p>
<p><b>(B) Information Covenants of the Obligor:</b></p>	<p>i. The Obligor shall promptly provide to the Sukuk Trustee with an annual certificate at the end of each financial year, certifying that, to the best of its knowledge, as at a date (the "<b>Obligor Certification Date</b>") not more than five (5) business days before the date of the certificate, the Obligor has complied with all its obligations under the transaction documents and the terms and conditions of the Sukuk Programme and that there does not exist or had not existed, from the first date the Sukuk Ihsan is issued or the last Obligor Certification Date, as the case may be, any Dissolution Event, and if such is not the case, to specify the same;</p> <p>ii. The Obligor shall deliver to the Sukuk Trustee, as soon as they become available (and in any event within one hundred and eighty (180) days after the end of its financial year) copies of its financial statements for that year;</p> <p>iii. The Obligor shall immediately notify the Sukuk Trustee as soon as it becomes aware:</p> <ol style="list-style-type: none"> <li>(a) of any Dissolution Event or that such other right or remedy under the terms, provisions and covenants of the transaction documents have become immediately enforceable;</li> <li>(b) of any circumstance that has occurred that may amount to a Material Adverse Effect on the Obligor or the interests of the Sukukholders including any</li> </ol>

#### 4. INFORMATION ON THE SUKUK PROGRAMME AND RETAIL SUKUK IHSAN (cont'd)

	<p>breach, any pending or threatened litigation, arbitration or government action which could reasonably be expected to have a Material Adverse Effect on the Obligor;</p> <p>(c) of any change in the utilisation of proceeds from the Sukuk Ihsan by the Obligor from that set out in the transaction documents; and</p> <p>(d) of any substantial change in the nature of the business of the Obligor, and</p> <p>iv. Such other covenants as advised by the Solicitor and mutually agreed with the Obligor.<sup>5</sup></p>
<p><b>(C) Positive Covenants by the Issuer:</b></p>	<p>i. The Issuer shall maintain in full force and effect all relevant authorisations, consents, rights, licences, approvals and permits (governmental and otherwise) and will promptly obtain any further authorisations, consents, rights, licences, approvals and permits (governmental and otherwise) which is or may become necessary to enable it to own its assets, to carry on its business or for the Issuer to enter into or perform its obligations under the transaction documents or to ensure the validity, enforceability, admissibility in evidence of the obligations of the Issuer or the priority or rights of the financiers under the transaction documents and the Issuer shall comply with the same;</p> <p>ii. The Issuer shall at all times on demand execute all such further documents and do all such further acts reasonably necessary at any time or times to give further effect to the terms and conditions of the transaction documents;</p> <p>iii. The Issuer shall exercise reasonable diligence in carrying out its business and affairs in a proper and efficient manner and in accordance with sound financial and commercial standards and practices;</p> <p>iv. The Issuer shall prepare its financial statements on a basis consistently applied in accordance with approved accounting standards in Malaysia and those financial statements shall give a true and fair view of the results of the operations of the Issuer for the period to which the financial statements are made up and shall disclose or provide against all liabilities (actual or contingent) of the Issuer;</p> <p>v. The Issuer shall promptly comply with all applicable laws including the provisions of the CMSA and/or the Sukuk Ihsan, circulars, conditions or guidelines issued by the SC from time to time;</p> <p>vi. The Issuer shall maintain a paying agent in Malaysia;</p> <p>vii. The Issuer will keep proper books and accounts at all times and to provide the Sukuk Trustee and any person appointed by it (eg. Auditors) access to such books and</p>

**4. INFORMATION ON THE SUKUK PROGRAMME AND RETAIL SUKUK IHSAN (cont'd)**

	<p>accounts to the extent permitted by law;</p> <p>viii. The Issuer shall procure that the paying agent shall notify the Sukuk Trustee in the event that the paying agent does not receive payment from the Issuer on the due dates as required under the Trust Deed and the terms and conditions of the Sukuk Ihsan; and</p> <p>ix. Such other covenants as advised by the Solicitor and mutually agreed with the Issuer.<sup>5</sup></p>
<b>(D) Positive Covenants by the Obligor:</b>	<p>i. The Obligor shall (a) maintain or cause to be maintained in full force and effect all authorisations and (b) promptly obtain all further authorisations, consents, licences, approvals and exemptions and effect all registrations and filings, which may become necessary to enable the performance by the Obligor of the transactions contemplated by the Trust Deed and the other transaction documents;</p> <p>ii. The Obligor shall at all times carry on and conduct its business in a proper and efficient manner; and</p> <p>iii. Such other covenants as advised by the Solicitor and mutually agreed with the Obligor.<sup>5</sup></p>
<b>(E) Negative Covenants of the Issuer:</b>	<p>i. The Issuer shall not create or permit to exist any encumbrance, mortgage, charge (whether fixed or floating), pledge, lien, hypothecation, assignment by way of security, trust arrangement for the purpose of providing security or other security interest of any kind including, without limitation, title transfer and/or retention arrangements having a similar effect or any agreement to create any of the foregoing, except pursuant to the transaction documents or liens arising in the ordinary course of business by operation of law and not by way of contract;</p> <p>ii. The Issuer shall not add, delete, amend or substitute its Constitution in a manner inconsistent with the provisions of the transaction documents;</p> <p>iii. The Issuer shall not reduce its paid-up share capital whether by varying the amount, structure or value thereof or the rights attached thereto or by converting any of its share capital into stock, or by consolidating, dividing or sub-dividing all or any of its shares, or by any other manner;</p> <p>iv. The Issuer shall not incur any indebtedness for borrowed monies, save and except in respect of the Sukuk Ihsan, nor give any guarantee in respect of any indebtedness for borrowed monies to any person or entity whatsoever;</p> <p>v. The Issuer shall not obtain or permit to exist any loans or advances from its shareholders;</p> <p>vi. Other than the transactions contemplated under this PTC,</p>

## 4. INFORMATION ON THE SUKUK PROGRAMME AND RETAIL SUKUK IHSAN (cont'd)

	<p>the Issuer shall not enter into any agreement with its shareholders unless such agreement is entered into:</p> <ul style="list-style-type: none"> <li>(a) in the ordinary course of its business;</li> <li>(b) on an arms-length basis; and</li> <li>(c) will not have a Material Adverse Effect on the Issuer.</li> </ul> <p>Unless otherwise stated, for the purpose of this PTC, "<b>Material Adverse Effect</b>" means any event which may materially and adversely affect the financial position of the Issuer or the Obligor (as the case may be) such that it would be unable to perform any of its obligations under any of the transaction documents;</p> <ul style="list-style-type: none"> <li>vii. The Issuer shall not use the proceeds of the Sukuk Programme except for the purposes set out in this PTC;</li> <li>viii. The Issuer shall not lend any money to any party;</li> <li>ix. The Issuer shall not take steps to wind up or dissolve itself;</li> <li>x. The Issuer will not enter into a transaction, whether directly or indirectly with interested persons (including a director, substantial shareholder or person connected with them) unless: <ul style="list-style-type: none"> <li>(a) such transaction shall be on terms that are no less favourable to the Issuer than those which could have been obtained in a comparable transaction from persons who are not interested persons; and</li> <li>(b) with respect to transactions involving an aggregate payment or value equal to or greater than RM10.0 billion, the Issuer obtains certification from an independent adviser that the transaction is carried out on fair and reasonable terms;</li> </ul> </li> </ul> <p>PROVIDED THAT the Issuer certifies to the Sukuk Trustee that the transaction complies with paragraph (a), that the Issuer has received the certification referred to in paragraph (b) (where applicable) and that the transaction has been approved by the majority of the board of directors or shareholders in a general meeting as the case may require; and</p> <ul style="list-style-type: none"> <li>xi. Such other covenants as advised by the Solicitor and mutually agreed with the Issuer.<sup>5</sup></li> </ul>
<p><b>(F) Negative Covenants of the Obligor:</b></p>	<p>To include but not limited to the following:</p> <ul style="list-style-type: none"> <li>i. other than the transactions contemplated under this PTC, the Obligor shall not enter into any agreement with its shareholders, subsidiaries or associated companies unless such agreement is entered into will not have a Material Adverse Effect on the Obligor;</li> <li>ii. the Obligor shall not use the proceeds of the Sukuk Programme except for the purposes set out in this PTC;</li> </ul>



#### 4. INFORMATION ON THE SUKUK PROGRAMME AND RETAIL SUKUK IHSAN (cont'd)

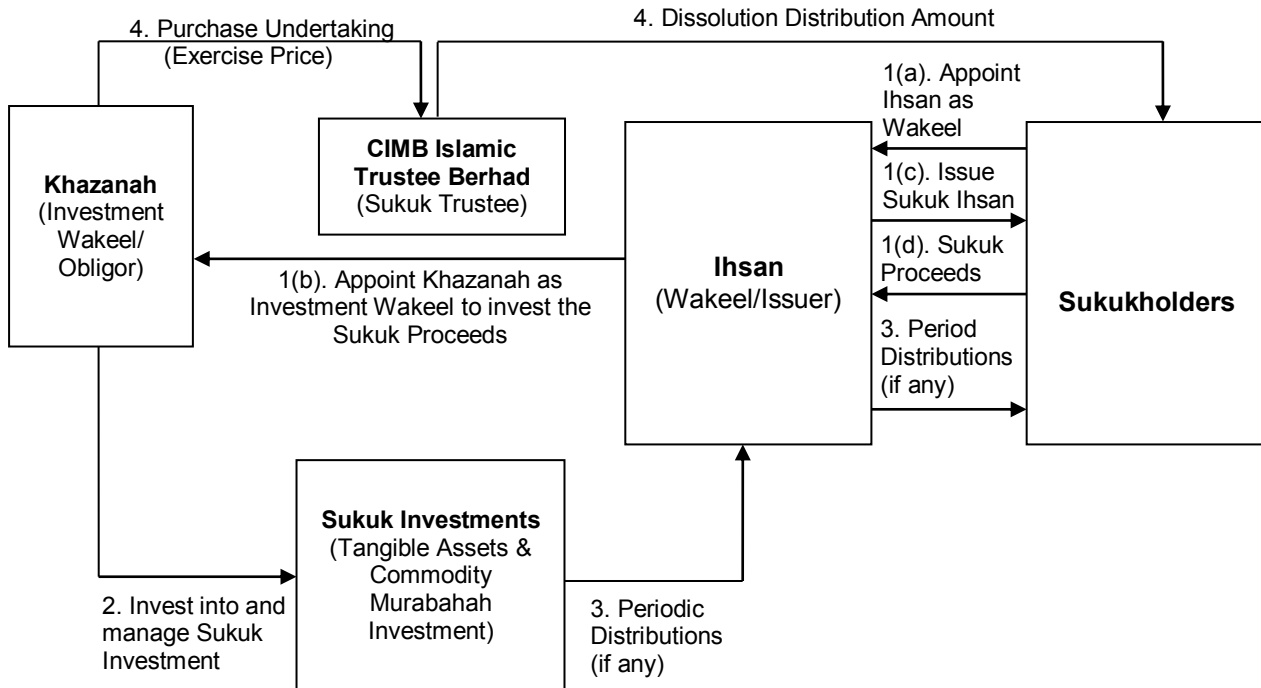
	<p>iii. only in relation to a tranche with Retail Sukuk Ihsan, the Obligor shall not permit any amendment, supplement or variation to its Constitution in a manner which may be materially prejudicial to the interest of the Sukukholders;</p> <p>iv. such other covenants as advised by the Solicitor and mutually agreed with the Obligor.<sup>5</sup></p>
<p><b>(xiv) Selling restriction, including tradability, i.e. whether tradable or non-tradable:</b></p>	<p><u>For Retail Sukuk Ihsan:</u></p> <p>No selling restrictions. The Retail Sukuk Ihsan shall be tradable on Bursa upon their listing and quotation on Bursa.</p> <p><u>For Non Retail Sukuk Ihsan:</u></p> <p><u>At issuance</u> The Non Retail Sukuk Ihsan may only be offered, sold, transferred or otherwise disposed directly or indirectly to a person to whom an offer or invitation to subscribe the Non Retail Sukuk Ihsan may be made and to whom the Sukuk Ihsan are issued would fall within Part 1 of Schedule 6 or Section 229(1)(b) of the Capital Markets and Services Act 2007 as amended from time to time (“<b>CMSA</b>”) and Part 1 of Schedule 7 or Section 230(1)(b) of the CMSA, read together with Schedule 9 or Section 257(3) of the CMSA.</p> <p><u>Thereafter</u> The Non Retail Sukuk Ihsan may only be offered, sold, transferred or otherwise disposed directly or indirectly to a person to whom an offer or invitation to purchase the Non Retail Sukuk Ihsan would fall within Part 1 of Schedule 6 or Section 229(1)(b) of the CMSA, read together with Schedule 9 or Section 257(3) of CMSA.</p> <p>Further, as the Rating Agency has assigned the Sukuk Programme a rating of AAA(s), the issuance of, offer for subscription or purchase of, or invitation to, subscribe for the Non Retail Sukuk Ihsan falls within Schedule 8 or Section 257(3) of the CMSA.</p>

**Note:**

1. The exhaustive list of conditions precedent will be set out in the programme agreement which will be made available for inspection at the Issuer’s registered office on or about the issue date of the Retail Sukuk Ihsan.
2. The exhaustive list of the representations and warranties is set out in the Trust Deed which is available for inspection at the Issuer’s registered office as at the date of this Prospectus.
3. The exhaustive list of the Dissolution Events is set out in Section 12.3 of this Prospectus and in the Trust Deed which is available for inspection at the Issuer’s registered office as at the date of this Prospectus.
4. The exhaustive list of the conditions for each issuance will be set out in the programme agreement which will be made available for inspection at the Issuer’s registered office on or about the issue date of the Retail Sukuk Ihsan.
5. The exhaustive list of covenants is set out in the Trust Deed which is available for inspection at the Issuer’s registered office as at the date of this Prospectus.

4. INFORMATION ON THE SUKUK PROGRAMME AND RETAIL SUKUK IHSAN (cont'd)

4.1.1 Illustration of transaction structure



<p><b>Step 1</b></p>	<p>Pursuant to a wakalah agreement (“<b>Wakalah Agreement</b>”) between the Sukuk Trustee (on behalf of the investors (“<b>Sukukholders</b>”)) and Ihsan, the Sukuk Trustee (on behalf of the Sukukholders) will appoint Ihsan to act as its agent (“<b>Wakeel</b>”) to invest the Sukuk Proceeds (as defined below) in Sukuk Investments (as defined below). Ihsan, in its capacity as Wakeel to the Sukukholders, shall appoint Khazanah as the sub-wakeel or agent on its behalf (“<b>Investment Wakeel</b>”) to invest the Sukuk Proceeds on behalf of the Sukukholders. Ihsan shall, from time to time, issue sukuk (“<b>Sukuk Ihsan</b>”) and the Sukukholders shall subscribe to the Sukuk Ihsan by paying the issue price (“<b>Sukuk Proceeds</b>”).</p>
<p><b>Step 2</b></p>	<p>Ihsan, as the Issuer, shall declare a trust over the Sukuk Proceeds and over the Sukuk Investments (as defined below). The Sukuk Ihsan shall represent the Sukukholders’ undivided and proportionate beneficial interest in the trust assets which shall comprise of the Sukuk Proceeds, the Sukuk Investments (as defined below) and the rights, title, interest, entitlement and benefit in relation thereto, including the relevant documents (“<b>Trust Assets</b>”).</p> <p>The Investment Wakeel shall invest the Sukuk Proceeds into the relevant investment portfolio which shall comprise of:</p> <ul style="list-style-type: none"> <li>(i) Shariah-compliant tangible assets (“<b>Tangible Assets</b>”); and</li> <li>(ii) Shariah-compliant commodities purchased and sold under the principle of Murabahah (“<b>Commodity Murabahah Investment</b>”).</li> </ul> <p>The investments described in (i) and (ii) above shall collectively be referred to as the “<b>Sukuk Investments</b>”.</p> <p>The Investment Wakeel shall invest at least 33% of the Sukuk Proceeds into the Tangible Assets (“<b>Asset Purchase Price</b>”). The remaining balance of the Sukuk Proceeds shall be invested into the Commodity Murabahah Investment.</p>

#### 4. INFORMATION ON THE SUKUK PROGRAMME AND RETAIL SUKUK IHSAN (cont'd)

	<p>For the avoidance of doubt, the above ratio of at least 33% is only applicable at the point of initial investment of each tranche of the Sukuk Ihsan and does not need to be maintained throughout the tenure of the Sukuk Ihsan. However, the Investment Wakeel shall ensure that the Tangible Assets shall at all times be a component of the Sukuk Investments.</p>
<b>Step 3</b>	<p>In respect of Sukuk Ihsan with Periodic Distributions (as defined below), returns generated from the Sukuk Investments up to an expected amount equal to a certain percentage on the face amount of the Sukuk Ihsan per annum, calculated based on the actual number of days in the relevant period shall be distributed periodically in the form of periodic distribution (“<b>Periodic Distribution</b>”). The Periodic Distributions shall be made semi-annually or such other period to be determined prior to each issuance date of Sukuk Ihsan (each such date for distribution, a “<b>Periodic Distribution Date</b>”).</p> <p>In respect of Sukuk Ihsan without Periodic Distributions, returns generated from the Sukuk Investments up to the expected return (yield of the Sukuk Ihsan) shall be distributed on a one-off basis upon the maturity date (“<b>Scheduled Dissolution Date</b>”) or the Dissolution Declaration Date.</p> <p>On the (i) Periodic Distribution Date; (ii) Scheduled Dissolution Date; or the (iii) Dissolution Declaration Date, as the case may be, any returns from the Sukuk Investments in excess of the Periodic Distribution Amount and/or the Dissolution Distribution Amount due and payable under the Sukuk Ihsan shall be retained by Khazanah as an incentive fee for the Investment Wakeel. For the avoidance of doubt, the Investment Wakeel shall not be entitled to any incentive fee until all amounts due and payable under the Sukuk Ihsan have been fully settled and in the case of a Scheduled Dissolution Date and/or the Dissolution Declaration Date, the Sukuk Ihsan have been fully redeemed.</p>
<b>Step 4</b>	<p>Khazanah (as the Obligor) shall grant a purchase undertaking (“<b>Purchase Undertaking</b>”) to the Sukuk Trustee (for the benefit of the Sukukholders), whereby on a Scheduled Dissolution Date or the Dissolution Declaration Date whichever is the earlier, the Obligor shall purchase the Sukukholders’ undivided and proportionate beneficial interest in the Tangible Assets at the Exercise Price.</p> <p>Upon the Scheduled Dissolution Date or the Dissolution Declaration Date, the Exercise Price shall be waived by the Sukukholders and kept by Khazanah as incentive fee.</p> <p>For the avoidance of doubt, any double counting shall be disregarded.</p> <p>Upon exercise of the Purchase Undertaking and the full payment of all amounts due and payable under the Sukuk Ihsan, the relevant trust in respect of the Trust Assets will be dissolved and the relevant Sukuk Ihsan held by the Sukukholders will be cancelled.</p>

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#### 4. INFORMATION ON THE SUKUK PROGRAMME AND RETAIL SUKUK IHSAN (cont'd)

##### 4.2 Principal Terms and Conditions of the Retail Sukuk Ihsan

Words and expressions used and defined in this Section 4.2 shall, in the event of any inconsistency with the definition section of this Prospectus, only be applicable in this Section 4.2.

(i) <b>Issuer:</b>	Ihsan.
(ii) <b>Obligor:</b>	Khazanah.
(iii) <b>Independent Auditor for KPI Evaluation:</b>	Ernst & Young or KPMG or PricewaterhouseCoopers or Deloitte, as may be appointed from time to time (“ <b>Independent Auditor</b> ”).
(iv) <b>Joint Lead Managers:</b>	CIMB, Maybank IB and RHB IB.
(v) <b>Islamic principle used:</b>	Wakalah Bi Al-Istithmar.
(vi) <b>Type of Sukuk:</b>	Retail Sukuk Ihsan with Periodic Distributions issued at par.
(vii) <b>Issue price:</b>	At par or 100% of the nominal value.
(viii) <b>Tenure of the Retail Sukuk Ihsan:</b>	Seven (7) years.
(ix) <b>Periodic Distribution Rate:</b>	Four point six per cent. (4.60%) per annum.
(x) <b>Periodic Distribution payment frequency:</b>	Payable on an annual basis.
(xi) <b>Central depository:</b>	Bank Negara Malaysia.
(xii) <b>Details on utilisation of proceeds by Issuer/Obligor:</b>	<p>(i) The proceeds raised from the Retail Sukuk Ihsan shall be utilised by the Issuer or the Investment Wakeel to purchase the Sukuk Investments.</p> <p>(ii) Khazanah will use the proceeds from the Sukuk Investments to fund Yayasan AMIR’s Trust Schools Programme for 2016 (“<b>Retail Sukuk Ihsan Eligible SRI Project</b>”).</p> <p>For the avoidance of doubt, the proceeds from the Retail Sukuk Ihsan will be utilised for Shariah-compliant purposes only.</p> <p><u>Note for item (ii) above:</u></p> <p><u>Tangible Assets</u></p> <p>(a) Under the investment of the Tangible Assets, Khazanah as the seller, would obtain the proceeds from the Sukuk Investments from the Investment Wakeel (acting on behalf of the Sukukholders), via the sale of the Tangible Assets to the Investment Wakeel (acting on behalf of the Sukukholders).</p>

4. INFORMATION ON THE SUKUK PROGRAMME AND RETAIL SUKUK IHSAN (cont'd)

	<p><u>Commodity Murabahah Investment</u></p> <p>(b) Under the investment in the Commodity Murabahah Investment, Khazanah as the Buyer, would obtain the proceeds from the Sukuk Investments via the sale of the Shariah-compliant commodities to the Commodity Buyer on spot basis for cash.</p> <p><u>Proceeds from Tangible Assets and Commodity Murabahah Investment (collectively, Sukuk Investments)</u></p> <p>(c) Khazanah as the recipient of the proceeds from the Sukuk Investment shall utilise the same to fund the Retail Sukuk Ihsan Eligible SRI Project.</p>
<p>(xiii) <b>KPIs:</b></p>	<p>The KPIs for the Retail Sukuk Ihsan Eligible SRI Project are as follows:</p> <p>(i) A minimum of twenty (20) schools are selected under Yayasan AMIR's Trust Schools Programme for 2016 for a five (5)-year intervention period (the "<b>5-Year Intervention Period</b>") during the term of the Retail Sukuk Ihsan ("<b>Identified Schools</b>");</p> <p>(ii) At least fifty per cent. (50%) of the teachers of the Identified Schools are rated at the Establishing level (as described in Section 8.4(b) of this Prospectus) or above in their observations after the end of their respective Identified Schools' 5-Year Intervention Period;</p> <p>(iii) At least fifty per cent. (50%) of the senior leadership of the Identified Schools are rated at the Establishing level (as described in Section 8.4(c) of this Prospectus) or above in their observations after the end of their respective Identified Schools' 5-Year Intervention Period; and</p> <p>(iv) (A) At least fifty per cent. (50%) of the students of the Identified Schools are rated at the Establishing level (as described in Section 8.4(d)(i) of this Prospectus) or above in their observations, after the end of their respective Identified Schools' 5-Year Intervention Period; and (B) the set targets in relation to discipline as well as literacy and numeracy skills for the students at the Identified Schools, as set out in Section 8.4(d)(ii) of this Prospectus, are achieved after the end of their respective Identified Schools' 5-Year Intervention Period.</p> <p>The KPIs for the Retail Sukuk Ihsan Eligible SRI Project shall be evaluated <u>one time</u> prior to the maturity date of the Retail Sukuk Ihsan by the Independent Auditor. The Independent Auditor shall, on a date no later than six (6) months prior to the maturity date of the Retail Sukuk Ihsan, provide a report (hard copy and electronic format) on the KPIs ("<b>KPI Evaluation Report</b>") to Khazanah, the Sukuk Trustee and the Facility Agent. Khazanah and the Facility</p>

**4. INFORMATION ON THE SUKUK PROGRAMME AND RETAIL SUKUK IHSAN (cont'd)**

	<p>Agent shall then make available the KPI Evaluation Report to the Retail Sukukholders via Bursa Securities and FAST, respectively within three (3) Market Days from the date of receipt of the KPI Evaluation Report. If the KPIs are met, the nominal value in relation to the Dissolution Distribution Amount payable to the Retail Sukukholders will be reduced, regardless of any failure and/or delay of Khazanah and/or the Facility Agent in delivering the KPI Evaluation Report to the Retail Sukukholders. The formula to calculate the Dissolution Distribution Amount is detailed in paragraph (xiv) below.</p> <p>The KPI Evaluation Report shall contain, amongst others, details of each KPI, the evaluation method of each KPI and whether each KPI is met. If the KPI Evaluation Report is unable to provide a complete evaluation of each KPI or if the KPI Evaluation Report is not provided to Khazanah, the Sukuk Trustee and the Facility Agent at least six (6) months prior to the maturity date of the Retail Sukuk Ihsan, the KPIs will be deemed to be not met.</p> <p>For the avoidance of doubt, the evaluation and opinion of the Independent Auditor shall be conclusive and binding on all the Retail Sukukholders, the Issuer and Khazanah.</p>
<p><b>(xiv) Dissolution Distribution Amount</b></p>	<p>I. <u>On the Scheduled Dissolution Date</u></p> <p>The Dissolution Distribution Amount shall be equivalent to:</p> <ul style="list-style-type: none"> <li>(i) the nominal value of the Retail Sukuk Ihsan; plus</li> <li>(ii) the accrued but unpaid Periodic Distribution Amount (if any), accrued up to the Scheduled Dissolution Date; less</li> <li>(iii) in the event the KPIs are met, 3.18 per cent. of the nominal value of the Retail Sukuk Ihsan.</li> </ul> <p>II. <u>On the Dissolution Declaration Date</u></p> <p>The Dissolution Distribution Amount shall be equivalent to:</p> <ul style="list-style-type: none"> <li>(i) the nominal value of the Retail Sukuk Ihsan; plus</li> <li>(ii) the accrued but unpaid Periodic Distribution Amount (if any), accrued up to the Dissolution Declaration Date; less</li> <li>(iii) in the event the KPIs are met, 3.18 per cent. of the nominal value of the Retail Sukuk Ihsan.</li> </ul> <p>For the avoidance of doubt, any double counting shall be disregarded.</p> <p>Further, for the avoidance of doubt, if the Dissolution Declaration Date occurs on or before the date of receipt of the KPI Evaluation Report by Khazanah, the Sukuk Trustee and the Facility Agent, the KPIs will be deemed to be not</p>

## 4. INFORMATION ON THE SUKUK PROGRAMME AND RETAIL SUKUK IHSAN (cont'd)

	met and the Dissolution Distribution Amount shall be calculated based on the formula set out in paragraph (II) above.
(xv) <b>Retail Sukukholders' option to waive:</b>	<p>The Retail Sukukholders may, at their option, waive their rights, benefits and entitlements to the Periodic Distributions (including accrued but unpaid Periodic Distribution Amount (if any)) and the nominal amount payable under the Retail Sukuk Ihsan (in whole and not in part), by selling/transferring to Khazanah their Sukukholdings in the Retail Sukuk Ihsan for a nominal consideration equivalent to the Transfer Fee ("<b>Option to Waive</b>") and subject to the relevant Retail Sukukholders submitting a Waiver Notice (as defined below) in accordance with the terms set out in this Prospectus.</p> <p>The Retail Sukukholders shall be entitled to exercise the Option to Waive at any time during the tenure of the Retail Sukuk Ihsan (save and except upon the declaration of a Dissolution Event) subject to the Retail Sukukholders completing a written notice ("<b>Waiver Notice</b>"), substantially in the form provided for in <u>Appendix 1</u> of this Prospectus. The Waiver Notice is also available for download on Bursa Securities' website at <a href="http://www.bursamalaysia.com">www.bursamalaysia.com</a> and at Khazanah's website at <a href="http://www.khazanah.com.my">www.khazanah.com.my</a>. The duly completed Waiver Notice shall be delivered to the Registrar, by registered post or by hand.</p> <p>The completed Waiver Notice, once received by the Registrar, is irrevocable. The Retail Sukukholders shall not sell, dispose or transfer any of the Retail Sukuk Ihsan held by them once the Retail Sukukholder has delivered the Waiver Notice.</p> <p>The Waiver Notice must be completed in accordance with the notes and instructions stated therein. The Registrar reserves the right at its absolute discretion to reject Waiver Notices which are incomplete, incorrectly completed, damaged and/or illegible. Please note that proof of posting cannot be construed or deemed to be proof or receipt by the Registrar of such Waiver Notice.</p> <p>The Retail Sukukholders may incur a transfer fee (including GST) payable to Bursa Depository ("<b>Transfer Fee</b>") to effect the sale/transfer pursuant to the Option to Waive. In the event the Transfer Fee is payable, Khazanah will pay such Transfer Fee on behalf of the Retail Sukukholders to Bursa Depository via the Registrar on or before the Settlement Date. By submitting the Waiver Notice, the Retail Sukukholders agree to net off the nominal consideration payable for the sale/transfer with the Transfer Fee and that no monies will be paid by Khazanah to the Retail Sukukholders pursuant to the Option to Waive.</p> <p>Pursuant to the Waiver Notice, the relevant Retail Sukukholders will instruct the Registrar to confirm to the Issuer and Khazanah their Sukukholdings on the date of the Registrar's receipt of the Waiver Notice. The Registrar,</p>

## 4. INFORMATION ON THE SUKUK PROGRAMME AND RETAIL SUKUK IHSAN (cont'd)

	<p>on behalf of the Issuer and Khazanah, will:</p> <p>(a) acknowledge receipt of the Waiver Notice; and</p> <p>(b) notify the relevant Retail Sukukholders of the date on which the Option to Waive takes effect, which shall be twenty one (21) Market Days from the date of receipt of the Waiver Notice, to be determined by the Registrar in consultation with Khazanah ("<b>Settlement Date</b>").</p> <p>The relevant Retail Sukukholder's Sukukholdings will be transferred to Khazanah on the Settlement Date. The Settlement Date shall not be less than five (5) Market Days prior to the next Periodic Distribution Date.</p> <p><b>Accordingly, should the Settlement Date fall on a date which is less than five (5) Market Days before a Periodic Distribution Date, the Registrar shall reject the Waiver Notice.</b></p> <p>The decisions of the Registrar on the Settlement Date and any other matters in relation to the Waiver Notice shall be final and binding upon the relevant Retail Sukukholders, the Issuer and Khazanah.</p> <p>For the avoidance of doubt, the Retail Sukukholders shall not be entitled to exercise their Option to Waive upon the declaration of a Dissolution Event by the Sukuk Trustee.</p>
<p>(xvi) <b>Retail Sukukholders' Entitlement to Tax Vouchers:</b></p>	<p>Subject to the conditions set out in this section (xvi), the Retail Sukukholders are entitled to receive tax vouchers:</p> <p>(a) pursuant to the relevant Retail Sukukholders exercising their Option to Waive and subject to (A) the receipt of confirmation by the Issuer and Khazanah of such Retail Sukukholders' Sukukholdings in the Retail Sukuk Ihsan from the Registrar on the Settlement Date, and (B) the completion of the sale/transfer of such Retail Sukukholders' Sukukholdings in the Retail Sukuk Ihsan to Khazanah; and/or</p> <p>(b) in the event the KPIs are met, the reduction in the nominal value of the Retail Sukuk Ihsan,</p> <p>whereby the subject matter under paragraphs (a) and (b) above is deemed contributions made to Yayasan AMIR, which has an approved organisation status under Section 44(6) of the Income Tax Act, 1967.</p> <p>In relation to paragraph (a) above, Yayasan AMIR, through Khazanah, will provide the relevant tax vouchers to the relevant Retail Sukukholders. Such tax vouchers will be dated the same date as the Settlement Date, and shall be for an amount equal to the nominal value of the Sukukholdings sold/transferred to Khazanah.</p>



#### 4. INFORMATION ON THE SUKUK PROGRAMME AND RETAIL SUKUK IHSAN (cont'd)

	<p>The tax vouchers will be delivered to the relevant Retail Sukukholders within five (5) Market Days from the Settlement Date. For the avoidance of doubt, the relevant Retail Sukukholders who have issued a Waiver Notice and have effected the sale/transfer of their Sukukholdings on the Settlement Date, are deemed to have waived their entitlements to their Sukukholdings and are entitled to tax vouchers(s) even if a Dissolution Event is declared during the period between the date of the Waiver Notice and the Settlement Date, or on such Settlement Date.</p> <p>In relation to paragraph (b) above, the Retail Sukukholders are entitled to receive tax vouchers for an amount which is equal to the reduction in the nominal value of their respective Sukukholdings, provided that the Retail Sukukholders shall submit a written notice ("<b>Notice for Tax Voucher</b>"), substantially in the form provided for in <u>Appendix 2</u> herein.</p> <p>The Notice for Tax Voucher is also available for download on Bursa Securities' website at <a href="http://www.bursamalaysia.com">www.bursamalaysia.com</a> and at Khazanah's website at <a href="http://www.khazanah.com.my">www.khazanah.com.my</a>. The duly completed Notice for Tax Voucher shall be delivered to the Registrar's office within fourteen (14) Market Days from the date Khazanah and the Facility Agent makes available the KPI Evaluation Report via Bursa Securities and FAST, respectively ("<b>Expiry Date</b>").</p> <p>Any Notice for Tax Voucher received by the Registrar after the Expiry Date shall be regarded as null and void. Please note that proof of posting cannot be construed or deemed to be proof or receipt by the Registrar of such Notice for Tax Voucher on or before the Expiry Date.</p> <p>Pursuant to the Notice for Tax Voucher, the relevant Retail Sukukholders will instruct the Registrar to confirm to the Issuer and Khazanah, the Sukukholdings held by such Retail Sukukholder on the Expiry Date. The Registrar, on behalf of the Issuer and Khazanah, will then acknowledge receipt of the Notice for Tax Voucher.</p> <p>The decisions of the Registrar on any matters in relation to the Notice for Tax Voucher shall be final and binding upon the relevant Retail Sukukholders, the Issuer and Khazanah.</p> <p>The tax vouchers will be dated twenty one (21) Market Days from the Expiry Date ("<b>Tax Voucher Date</b>"), once the Registrar has confirmed to the Issuer and Khazanah the Sukukholdings held by such Retail Sukukholders on such date.</p> <p>The tax vouchers will be delivered to the relevant Retail Sukukholders within fifteen (15) Market Days from the Tax Voucher Date.</p>
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#### 4. INFORMATION ON THE SUKUK PROGRAMME AND RETAIL SUKUK IHSAN (cont'd)

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##### 4.3 Option to Waive and Reduction in nominal value

The following is a summary of the procedure for Retail Sukukholders to exercise the Option to Waive and to receive tax vouchers thereafter as well as the procedures to receive tax vouchers pursuant to a reduction in nominal value of the Retail Sukuk Ihsan:

##### 4.3.1. Procedures for Option to Waive

The Retail Sukukholders may, at their option, waive **in whole but not in part**, all their rights, benefits and entitlements to the Periodic Distributions (including accrued but unpaid Periodic Distribution Amount (if any)) and the nominal amount payable under the Retail Sukuk Ihsan, by selling/transferring to Khazanah their Sukukholdings for a nominal consideration equivalent to the Transfer Fee subject to the relevant Retail Sukukholders submitting a Waiver Notice in accordance with the terms set out in this Prospectus.

The Retail Sukukholders shall be entitled to exercise the Option to Waive at any time during the tenure of the Retail Sukuk Ihsan (save and except upon the declaration of a Dissolution Event) subject to the Retail Sukukholders completing a Waiver Notice. The Waiver Notice is also available for download on Bursa Securities' website at [www.bursamalaysia.com](http://www.bursamalaysia.com) and at Khazanah's website at [www.khazanah.com.my](http://www.khazanah.com.my). The duly completed Waiver Notice shall be delivered to the Registrar, by registered post or by hand at the following addresses:

##### Despatched by registered post

Symphony Share Registrars Sdn Bhd  
Level 6, Symphony House  
Pusat Dagangan Dana 1  
Jalan PJU 1A/46  
47301 Petaling Jaya  
Selangor Darul Ehsan  
Malaysia

##### Delivered by hand and Deposited in Drop-In Boxes

Drop-in Boxes provided at the front portion of Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan.

The completed Waiver Notice, once received by the Registrar, is irrevocable. The Retail Sukukholders shall not sell, dispose or transfer any of the Retail Sukuk Ihsan held by them once the Retail Sukukholder has delivered the Waiver Notice.

The Waiver Notice must be completed in accordance with the notes and instructions stated therein. The Registrar reserves the right at its absolute discretion to reject Waiver Notices which are incomplete, incorrectly completed, damaged and/or illegible. Please note that proof of posting cannot be construed or deemed to be proof or receipt by the Registrar of such Waiver Notice.

The Retail Sukukholders may incur a Transfer Fee to effect the sale/transfer pursuant to the Option to Waive. In the event the Transfer Fee is payable, Khazanah will pay such Transfer Fee on behalf of the Retail Sukukholders to Bursa Depository via the Registrar on or before the Settlement Date. By submitting the Waiver Notice, the Retail Sukukholders agree to net off the nominal consideration payable for the sale/transfer with the Transfer Fee and that no monies will be paid by Khazanah to the Retail Sukukholders pursuant to the Option to Waive.

#### 4. INFORMATION ON THE SUKUK PROGRAMME AND RETAIL SUKUK IHSAN *(cont'd)*

Pursuant to the Waiver Notice, the relevant Retail Sukukholders will instruct the Registrar to confirm to the Issuer and Khazanah their Sukukholdings on the date of the Registrar's receipt of the Waiver Notice. The Registrar, on behalf of the Issuer and Khazanah, will:

- (i) acknowledge receipt of the Waiver Notice; and
- (ii) notify the relevant Retail Sukukholders of the Settlement Date.

The relevant Retail Sukukholder's Sukukholdings will be transferred to Khazanah on the Settlement Date. The Settlement Date shall not be less than five (5) Market Days prior to the next Periodic Distribution Date.

**Accordingly, should the Settlement Date fall on a date which is less than five (5) Market Days before a Periodic Distribution Date, the Registrar shall reject the Waiver Notice.**

The decisions of the Registrar on the Settlement Date and any other matters in relation to the Waiver Notice shall be final and binding upon the relevant Retail Sukukholders, the Issuer and Khazanah.

For the avoidance of doubt, the Retail Sukukholders shall not be entitled to exercise their Option to Waive upon the declaration of a Dissolution Event by the Sukuk Trustee.

##### **4.3.2. Issuance of tax voucher in relation to Option to Waive**

Pursuant to the relevant Retail Sukukholders' exercise of their Option to Waive and subject to (A) the receipt of confirmation by the Issuer and Khazanah of such Sukukholders' Sukukholdings in the Retail Sukuk Ihsan from the Registrar on the Settlement Date, and (B) the completion of the sale/transfer of such Retail Sukukholders' Sukukholdings in the Retail Sukuk Ihsan to Khazanah on the Settlement Date, Yayasan AMIR, through Khazanah, will provide the relevant tax vouchers to the relevant Retail Sukukholders.

Such tax vouchers will be dated the same date as the Settlement Date, and shall be for an amount equal to the nominal value of the Sukukholdings sold/transferred to Khazanah.

The tax vouchers will be delivered to the relevant Retail Sukukholders within five (5) Market Days from the Settlement Date. For the avoidance of doubt, the relevant Retail Sukukholders who have issued a Waiver Notice and have effected the sale/transfer of their Sukukholdings on the Settlement Date, are deemed to have waived their entitlements to their Sukukholdings and are entitled to tax vouchers(s) even if a Dissolution Event is declared during the period between the date of the Waiver Notice and the Settlement Date, or on such Settlement Date.

##### **4.3.3. Reduction in nominal value of Retail Sukuk Ihsan if KPIs for the Retail Sukuk Ihsan Eligible SRI Project are met**

###### **(a) KPIs and Procedures for evaluation of KPIs**

The KPIs for the Retail Sukuk Ihsan Eligible SRI Project are as follows:

- (i) A minimum of twenty (20) schools are selected under Yayasan AMIR's Trust Schools Programme for 2016 for a five (5)-year intervention period (the "**5-Year Intervention Period**") during the term of the Retail Sukuk Ihsan ("**Identified Schools**");
- (ii) At least fifty per cent. (50%) of the teachers of the Identified Schools are rated at the Establishing level (as described in Section 8.4(b) of this Prospectus) or above in their observations after the end of their respective Identified Schools' 5-Year Intervention Period;

#### 4. INFORMATION ON THE SUKUK PROGRAMME AND RETAIL SUKUK IHSAN (cont'd)

- (iii) At least fifty per cent. (50%) of the senior leadership of the Identified Schools are rated at the Establishing level (as described in Section 8.4(c) of this Prospectus) or above in their observations after the end of their respective Identified Schools' 5-Year Intervention Period; and
- (iv) (A) At least fifty per cent. (50%) of the students of the Identified Schools are rated at the Establishing level (as described in Section 8.4(d)(i) of this Prospectus) or above in their observations, after the end of their respective Identified Schools' 5-Year Intervention Period; and (B) the set targets in relation to discipline as well as literacy and numeracy skills for the students at the Identified Schools, as set out in Section 8.4(d)(ii) of this Prospectus, are achieved after the end of their respective Identified Schools' 5-Year Intervention Period.

The KPIs for the Retail Sukuk Ihsan Eligible SRI Project shall be evaluated one time prior to the maturity date of the Retail Sukuk Ihsan by an Independent Auditor. The Independent Auditor shall, on a date no later than six (6) months prior to the maturity date of the Retail Sukuk Ihsan, provide a KPI Evaluation Report to Khazanah, the Sukuk Trustee and the Facility Agent. Khazanah and the Facility Agent shall then make available the KPI Evaluation Report to the Retail Sukukholders via Bursa Securities and FAST respectively, within three (3) Market Days from the date of receipt of the KPI Evaluation Report. If the KPIs are met, the nominal value in relation to the Dissolution Distribution Amount payable to the Retail Sukukholders will be reduced, regardless of any failure and/or delay of Khazanah and/or the Facility Agent in delivering the KPI Evaluation Report to the Retail Sukukholders. The formula to calculate the Dissolution Distribution Amount is detailed below.

The KPI Evaluation Report shall contain, amongst others, details of each KPI, the evaluation method of each KPI and whether each KPI is met. If the KPI Evaluation Report is unable to provide a complete evaluation of each KPI or if the KPI Evaluation Report is not provided to Khazanah, the Sukuk Trustee and the Facility Agent at least six (6) months prior to the maturity date of the Retail Sukuk Ihsan, the KPIs will be deemed to be not met.

For the avoidance of doubt, the evaluation and opinion of the Independent Auditor shall be conclusive and binding on all the Retail Sukukholders, the Issuer and Khazanah.

##### **(b) Issuance of tax voucher if KPIs are met**

In the event the KPIs are met, the Retail Sukukholders are entitled to receive tax vouchers for an amount which is equal to the reduction in the nominal value of their respective Sukukholdings, provided that the Retail Sukukholders submit Notice for Tax Voucher. The Notice for Tax Voucher is also available for download on Bursa Securities' website at [www.bursamalaysia.com](http://www.bursamalaysia.com) and at Khazanah's website at [www.khazanah.com.my](http://www.khazanah.com.my).

The duly completed Notice for Tax Voucher shall be delivered to the Registrar's office at the address below within fourteen (14) Market Days from the date Khazanah and the Facility Agent makes available the KPI Evaluation Report via Bursa Securities and FAST, respectively ("**Expiry Date**").

Symphony Share Registrars Sdn Bhd  
Level 6, Symphony House  
Pusat Dagangan Dana 1  
Jalan PJU 1A/46  
47301 Petaling Jaya  
Selangor Darul Ehsan  
Malaysia

#### 4. INFORMATION ON THE SUKUK PROGRAMME AND RETAIL SUKUK IHSAN (cont'd)

Any Notice for Tax Voucher received by the Registrar after the Expiry Date shall be regarded as null and void. Please note that proof of posting cannot be construed or deemed to be proof or receipt by the Registrar of such Notice for Tax Voucher on or before the Expiry Date.

Pursuant to the Notice for Tax Voucher, the relevant Retail Sukukholders will also instruct the Registrar to confirm to the Issuer and Khazanah the Sukukholdings held by such Retail Sukukholders on the Expiry Date. The Registrar, on behalf of the Issuer and Khazanah, will then acknowledge receipt of the Notice for Tax Voucher.

The decisions of the Registrar on any other matters in relation to the Notice for Tax Voucher shall be final and binding upon the relevant Retail Sukukholders, the Issuer and Khazanah.

The tax vouchers shall be dated on the Tax Voucher Date, once the Registrar has confirmed to the Issuer and Khazanah the Sukukholdings held by such Retail Sukukholders on such date. The tax vouchers will be delivered to the relevant Retail Sukukholders within fifteen (15) Market Days from the Tax Voucher Date.

##### (c) Dissolution Distribution Amount

- I. On the Scheduled Dissolution Date, the Dissolution Distribution Amount shall be equivalent to:
  - (A) the nominal value of the Retail Sukuk Ihsan; plus
  - (B) the accrued but unpaid Periodic Distribution Amount (if any), accrued up to the Scheduled Dissolution Date; less
  - (C) in the event the KPIs are met, 3.18 per cent. of the nominal value of the Retail Sukuk Ihsan.
  
- II. On the Dissolution Declaration Date, the Dissolution Distribution Amount shall be equivalent to:
  - (A) the nominal value of the Retail Sukuk Ihsan; plus
  - (B) the accrued but unpaid Periodic Distribution Amount (if any), accrued up to the Dissolution Declaration Date; less
  - (C) in the event the KPIs are met, 3.18 per cent. of the nominal value of the Retail Sukuk Ihsan.

For the avoidance of doubt, any double counting shall be disregarded.

Further, for the avoidance of doubt, if the Dissolution Declaration Date occurs on or before the date of receipt of the KPI Evaluation Report by Khazanah, the Sukuk Trustee and the Facility Agent, the KPIs will be deemed to be not met and the Dissolution Distribution Amount shall be calculated based on the formula set out in paragraph (II) above.

#### 4.4 Summary of the Credit Rating Report of the Sukuk Programme

Rating Agency	Rating Classification	Definition (Rating of the Sukuk Programme)
RAM Ratings	Rating/Outlook: AAA(s)/Stable  RM1.0 billion Islamic Medium Term notes Sukuk Ihsan Programme (2015/2040)  Date reaffirmed: 19 June 2017	A sukuk rated AAA has superior safety for payment of financial obligations. This is the highest long-term issue rating assigned by RAM Ratings to a debt-based sukuk.

#### 4. INFORMATION ON THE SUKUK PROGRAMME AND RETAIL SUKUK IHSAN (cont'd)

##### 4.5 Expenses incurred in connection with the Retail Offering

The expenses incurred in connection with the Retail Offering are estimated to be as follows:

	Upfront (RM)	Recurring (RM per annum)
<b>Regulatory authorities</b>		
Fees to the regulatory authorities	81,500	-
<b>Professional fees</b>		
Solicitors fee	500,000	-
Rating Agency fee <sup>(1)</sup>	30,000	30,000
Facility Agent fee <sup>(1)</sup>	40,000	40,000
Sukuk Trustee fee <sup>(1)</sup>	30,000	30,000
BNM charges <sup>(1)</sup>	20,400	1,000
Issuing house fee	30,000	-
Registrar fee	89,600	89,600
<b>Other fees</b>		
Other expenses and contingencies	50,000	-

**Note:**

(1) These expenses (an aggregate amount of RM120,400 for upfront fees and expenses and RM101,000 for recurring fees and expenses) are in relation to the entire Sukuk Programme.

The above fees and expenses are merely estimations. The fees and expenses will be finalised upon the first issuance of the Retail Sukuk Ihsan under the Sukuk Programme as they have not been incurred as the date hereof. The exact figures may be different from the above estimation.

In addition, there will be future expenses for the appointment of an Independent Auditor who will prepare the KPI Evaluation Report to be made available to the Retail Sukukholders.

The fees and expenses incurred in connection with the Retail Offering will be borne by Khazanah.

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## 5. RISK FACTORS

The following is a summary of risk factors relating to the Retail Sukuk Ihsan and their possible mitigating factors where available. This section does not purport to be comprehensive or exhaustive and is not intended to substitute or replace an independent assessment of the risk factors that may affect the Retail Sukuk Ihsan. Each investor should carefully conduct his or her independent evaluation of the risks associated with investing in the Retail Sukuk Ihsan. Investors should also note that each issue of the Retail Sukuk Ihsan will carry different risks and all potential investors are strongly encouraged to evaluate each Retail Sukuk Ihsan issue on its own merit.

### 5.1 Risks relating to the Issuer

(a) The Issuer is a special purpose vehicle

The Issuer was incorporated in 2014 under the 1965 Act and deemed registered under the Act as a special purpose vehicle for the Sukuk Programme. The Issuer will be subject to all the business risks and uncertainties associated with any new business, including the risk that it will not achieve its investment objective and that the value of an investment could decline substantially. The Issuer will not engage in any activities which are not related to its principal activity specified below in Section 6.1 (*Corporate history and principal activity of the Issuer*). The Issuer will have no material assets other than the beneficial interests in the Trust Assets relating to the Sukuk Ihsan held by the Issuer on behalf of the Sukukholders.

(b) The Issuer's ability to meet its obligations under the Retail Sukuk Ihsan

The ability of the Issuer to pay amounts due under the Retail Sukuk Ihsan will solely be dependent upon Khazanah fulfilling its obligations under the Retail Sukuk Ihsan. As such, the Issuer's ability to satisfy its obligations under the Retail Sukuk Ihsan is subject to all the risks to which Khazanah is subject to, that in turn, could negatively affect its ability to satisfy its obligations under the Retail Sukuk Ihsan.

### 5.2 Risks relating to Khazanah

(a) Khazanah has no operations of its own and is dependent on investment income from its investments for revenue and to pay dissolution amounts on the Sukuk Ihsan

Khazanah is a holding company for investments in its subsidiaries and associated companies and has no operations of its own. As a result, Khazanah will depend upon its investment income, including dividends and distributions from its subsidiaries, associated companies and investee companies and proceeds from divestments, to make payments if and when required, in its capacity as Investment Wakeel under the Wakalah Agreement, in its capacity as Buyer under the Commodity Murabahah Master Agreement and in its capacity as Obligor under the Purchase Undertaking. The ability of such companies to pay dividends to their shareholders (including Khazanah) 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 Khazanah in such companies.

(b) Khazanah and its portfolio companies are subject to strategic risk

Khazanah's investment portfolio is susceptible to market movements and external risks arising from global market uncertainty and geopolitical risks. Khazanah's investment portfolio may be concentrated in certain sectors and geographic regions

## 5. RISK FACTORS (cont'd)

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.

As at 31 December 2016, the top sectors contributing to Khazanah's investment portfolio in terms of marked-to-market RAV were telecommunications, healthcare and power comprising 17.8 per cent., 16.1 per cent. and 15.7 per cent. respectively. In terms of key geographic exposure by domicile of Khazanah's portfolio, 79.2 per cent. of its investment portfolio is in Malaysia, 6.4 per cent. in China and 6.3 per cent. in Singapore, in each case in terms of RAV and as at 31 December 2016.

(c) 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, and as such 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.

(d) 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.

(e) Government ownership of Khazanah

Save for the one ordinary share owned by the FLC, all the ordinary share capital of Khazanah is owned by the Minister of Finance (Incorporated) and Khazanah is the strategic investment fund of the Government. As such, the Government, as the single largest shareholder of Khazanah (through the Minister of Finance (Incorporated)), can exercise influence over the corporate objectives, strategies or actions of Khazanah. There can be no assurance that the Government will not exercise such influence that is inconsistent with the interests of the Retail Sukukholders.

(f) Khazanah may not be able to replace the investments disposed of under Khazanah's divestment strategy and the remaining investments may not be able to generate the same levels of investment income

Khazanah is committed to a gradual and orderly divestment of its non-core companies and holdings in core strategic investments, as evidenced by its divestment track record. Khazanah's divestment strategy in relation to non-core companies is in line with the role of Government-Linked Investment Companies and GLCs under the new economic model announced by the Government on 30 March 2010 (the "**New Economic Model**") and its overall divestment strategy assists in increasing the free float and availability of shares of entities in which Khazanah invests and provides Khazanah with the opportunity to realise shareholder value. Between 2004 and 2016,



## 5. RISK FACTORS (cont'd)

Khazanah invested RM81.6 billion, including 161 new discrete investments and executed 90 divestments valued at RM52.8 billion, recording gains of RM29.4 billion on divestments. There is, however, no assurance that investments of the equivalent value or competitiveness may be found to replace the disposed investments and the new investments may not be able to deliver the same financial performance or generate an equivalent level of investment income.

### 5.3 Risks relating to the Retail Sukuk Ihsan

(a) An investment in the Retail Sukuk Ihsan is subject to interest rate risk

Retail Sukukholders may suffer unforeseen losses due to fluctuations in the prevailing interest rates in the market. Although the Retail Sukuk Ihsan are Islamic securities which do not pay interest, they are similar to fixed income securities and may therefore see their price fluctuate due to fluctuations in interest rates. Generally, a rise in interest rates may cause a fall in the prices of fixed income securities. The Retail Sukuk Ihsan may similarly be affected by rising interest rates resulting in a capital loss for the Retail Sukukholders.

(b) There are inherent risks of investing in retail securities listed on the stock market

There is potential for both risk and reward when an investor participates in the stock market. The trading price of the Retail Sukuk Ihsan is determined not only by internal factors such as the Issuer's and/or Khazanah's operating results and financial conditions, but may also be negatively affected by changes in external factors such as the macro geo-political and political, economic, financial and any other factors that can affect the capital markets in both Malaysia and the rest of the world. The trading price of the Retail Sukuk Ihsan may also be influenced by other factors such as market demand and supply conditions, prevailing interest rates, inflation, prevailing investors' sentiment and other unforeseeable events. All these factors can, directly or indirectly, affect the market value of the retail securities listed on the stock market, such as the Retail Sukuk Ihsan, which can cause the investor to suffer a financial loss of all or part of the investment sum.

(c) No prior market for the Retail Sukuk Ihsan and it is uncertain whether a sustainable market will ever develop

Prior to the Listing, there has been no public market for the Retail Sukuk Ihsan. Hence, there is a risk that upon Listing, an active market for the Retail Sukuk Ihsan may not develop, or if developed, whether such a market can be sustained. There is also no assurance as to the liquidity of any market that may develop for the Retail Sukuk Ihsan, the ability of Retail Sukukholders to sell the Retail Sukuk Ihsan or the prices at which Retail Sukukholders would be able to sell the Retail Sukuk Ihsan. A variety of factors could cause the trading price of the Retail Sukuk Ihsan to fluctuate.

Therefore, there is a risk that the market price of the Retail Sukuk Ihsan may be above or below the Retail Price.

(d) The rating of the Retail Sukuk Ihsan may change at any time and this may adversely affect the market value of the Retail Sukuk Ihsan

The Sukuk Programme has been assigned a final rating of AAA(s) by RAM Ratings (please refer to Section 4.4 (*Summary of the Credit Rating Report of the Sukuk Programme*) above). A rating is not a recommendation to purchase, hold or sell the Retail Sukuk Ihsan. There is no assurance that a rating will remain in effect for any given period of time or that a rating will not be lowered, suspended or withdrawn entirely by RAM Rating in the future, if, in its judgement, circumstances in the future

## 5. RISK FACTORS (cont'd)

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so warrant. In such circumstances, the market price and liquidity of the Retail Sukuk Ihsan may decrease, and no person or entity would be obligated to provide any additional credit enhancement with respect to the Retail Sukuk Ihsan. Any reduction, suspension or withdrawal of a rating of the Retail Sukuk Ihsan will not constitute a dissolution event with respect to the Retail Sukuk Ihsan.

(e) Investors to make their own evaluation of Shariah compliance

The Joint Shariah Advisers have issued Shariah pronouncements in respect of the Sukuk Programme and the related structure and mechanism and their compliance with Shariah principles. However, the Shariah pronouncements are only an expression of the views of the Joint Shariah Advisers based on their extensive experience in the subject and are not a binding opinion. Therefore, the Issuer, the Obligor and the Principal Adviser/Lead Arranger make no representation and do not accept any responsibility or liability in respect of the same.

Investors are reminded that, as with any Shariah views, differences in opinion are possible. Investors are advised to obtain their own independent Shariah advice as to whether the structure meets their individual standards of compliance and make their own determination as to the future tradability of the Retail Sukuk Ihsan on any secondary market.

(f) Suitability of investments

The Retail Sukuk Ihsan issued under the Sukuk Programme may not be a suitable investment for all investors. Each potential investor in the Retail Sukuk Ihsan must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Retail Sukuk Ihsan, the merits and risks of investing in the Retail Sukuk Ihsan and the information contained in this Prospectus;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Retail Sukuk Ihsan and the impact the Retail Sukuk Ihsan will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Retail Sukuk Ihsan, including where the currency of payment is different from the potential investor's currency;
- (iv) (a) understand thoroughly the terms of the Retail Sukuk Ihsan including whether the yield/price of the Retail Sukuk Ihsan sufficiently compensates the investor for the uncertainty of whether the KPIs will be met, given that the KPIs will only be evaluated one time prior to the maturity date of the Retail Sukuk Ihsan; and (b) be familiar with and mindful of the behaviour of any relevant indices and financial markets; and
- (v) 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.

## 5. RISK FACTORS (*cont'd*)

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### 5.4 Risk relating to the Retail Sukuk Ihsan Eligible SRI Project

#### The success of the Retail Sukuk Ihsan Eligible SRI Project in meeting the relevant KPIs

The success of the Retail Sukuk Ihsan Eligible SRI Project in meeting the relevant KPIs is dependent on various factors, including but not limited to the contribution of Yayasan AMIR's management team implementation of the 5-Year Plan (Gradual Release Model) for Trust Schools and appropriate performance management systems in place.

As the Trust Schools Programme focuses on improving the overall school management, curriculum and education delivery, Yayasan AMIR's management team provides expertise and experience in operations, management and programme implementation focusing on performance monitoring and reporting to the MOE at districts, states and federal levels. Yayasan AMIR's management team is responsible to ensure the sustainable model is implemented in the Trust Schools and to also ensure that the Trust Schools are afforded six areas of autonomy, namely curriculum, timetabling, finance, human resources, pupil policies and procurement. Yayasan AMIR's management team plays a key role in bridging the operational needs and development opportunities to ensure sustainability of the Trust School Programme. However, there is no assurance that Yayasan AMIR's management team may be successful in meeting their objectives above. Further, the departure of one or more of individuals from Yayasan AMIR's management team without adequate replacement or the inability to attract new qualified personnel may adversely impact the sustainability of the programme.

The Gradual Release Model aims to develop capacity and embed systems in order to gradually release responsibility to schools, Jabatan Pendidikan Negeri ("**JPN**") and Pejabat Pendidikan Daerah ("**PPD**") to ensure sustained change is maintained throughout and beyond the Yayasan AMIR Trust Schools Programme. There can be no assurance that the schools, JPN and/or PPD are able to sustain such change at the end of the 5-year period.

There can also be no assurance that schools maintain regular use of the performance management system put in place by Yayasan AMIR to set and track overall school and student KPIs and report key milestone progress throughout the Yayasan AMIR Trust Schools Programme.

### 5.5 Forward-looking statements

This Prospectus contains forward-looking statements. Such forward-looking statements in this Prospectus involve known and unknown risks, uncertainties and other factors which may affect actual outcomes, many of which are outside the control of the Issuer and the Obligor.

These factors include economic conditions in the markets in which the Issuer and the Obligor operates and achievement of the Issuer's and the Obligor's business forecasts. These factors will cause the actual results, performance or achievements of the Issuer and the Obligor to differ, perhaps materially, from the results, performance or achievements expressed or implied by those forward-looking statements.

In addition, forward-looking statements in this Prospectus relating to Yayasan AMIR involve known and unknown risks, uncertainties and other factors which may affect actual outcomes, many of which are outside the control of Yayasan AMIR. Such factors may influence and affect the implementation of Yayasan AMIR's future plans and initiatives as expressed or implied by the forward-looking statements in this Prospectus, causing them to differ and this may in turn affect Yayasan AMIR's vision and goals.

These forward-looking statements do not constitute a representation that future results will be achieved in the amounts or by the dates indicated.

## 6. INFORMATION ABOUT THE ISSUER

### 6.1 Corporate history and principal activity of the Issuer

#### (a) Corporate history

The Issuer is a special purpose vehicle incorporated in Malaysia on 12 November 2014 under the 1965 Act and deemed registered under the Act, and has its registered address at 10<sup>th</sup> Floor, Menara Hap Seng, No. 1 & 3, Jalan P. Ramlee, 50250 Kuala Lumpur.

#### (b) Principal activity

The principal activity of the Issuer is solely to undertake the issuance of Sukuk Ihsan pursuant to the Sukuk Programme.

### 6.2 Corporate structure of the Issuer

The Issuer is a special purpose vehicle established solely for the purpose of the Sukuk Programme and does not have any subsidiaries or have any associated companies as a result thereof.

### 6.3 Share capital and shareholder of the Issuer

As at the LPD, the issued and paid-up share capital of the Issuer is RM2.00 consisting of 2 ordinary shares.

As at the LPD, the shareholder of the Issuer and its shareholding are as follows:

Shareholder	No. of Ordinary Shares Held	Percentage Owned (%)
TMF Trustees Malaysia Berhad (Company No. 610812-W)	2	100

TMF Trustees Malaysia Berhad is a public company limited by shares incorporated in Malaysia on 1 April 2003 under the 1965 Act and deemed registered under the Act. All of the issued shares of the Issuer are held by TMF Trustees Malaysia Berhad as share trustee for the benefit of the World Wildlife Fund, National Cancer Society of Malaysia, Malaysian AIDS Council, Kiwanis Down Syndrome Foundation and The National Kidney Foundation of Malaysia, under the terms of a declaration of trust.

### 6.4 Directors of the Issuer

Name	Age	Address	Designation	Nationality
Norhayati Binti Azit	41	10 <sup>th</sup> Floor, Menara Hap Seng, No. 1&3, Jalan P. Ramlee, 50250 Kuala Lumpur	Non-Executive Director	Malaysian
Loke Chee Kien	47	10 <sup>th</sup> Floor, Menara Hap Seng, No. 1&3, Jalan P. Ramlee, 50250 Kuala Lumpur	Non-Executive Director	Malaysian

## 6. INFORMATION ABOUT THE ISSUER (Cont'd)

None of the Directors of the Issuer represent any of the Issuer's corporate shareholders. None of the Directors of the Issuer have any direct or indirect shareholding of the shares in the Issuer.

The Directors of the Issuer and their respective profiles as at the LPD are as follows:

### **Norhayati Binti Azit**

Norhayati Binti Azit, Malaysian, 41 years old, has a degree of Bachelor of Science in Business Administration from Drexel University USA. Prior to joining TMF Trustees Malaysia Berhad, she was in Investor Fund Administration for seven (7) years with Citi Transaction Services (M) Sdn Bhd overseeing the Malaysian and Regional portfolios. She joined Citibank Berhad's Client Executive team in 2016. Prior to her experience with Citigroup, she was a Fund Accounting Officer with PFPC (subsidiary of PNC Bank in the United States of America) for seven (7) years.

### **Loke Chee Kien**

Loke Chee Kien, Malaysian, 47 years old, is a Chartered Accountant with more than twenty (20) years' experience in corporate advisory, corporate planning, finance and equity research. He has worked in a major venture capital company, an American bank, several stockbroking firms and equity research firms and public listed companies. He has experience in corporate advisory including corporate finance, debt restructuring and fund raising exercises. He was also involved in several initial public offerings, reverse takeovers, and cross border investments in countries such as Vietnam, Cambodia, Indonesia, Africa and Papua New Guinea, and his latest fund raising exercise was for a SGD25 million waste management project in Singapore.

### 6.5 Principal directorships of the Issuer's Directors

The following table sets out the principal directorships of the Issuer's Directors as at the LPD ("**Present Directorships**") and those which were held within the past three (3) years up to the LPD ("**Previous Directorships**"):

<b>Name</b>	<b>Directorships</b>
Norhayati Binti Azit	<p><i>Present directorships:</i></p> <ul style="list-style-type: none"> <li>• Purple Boulevard Berhad</li> <li>• Duyung Capital Berhad</li> <li>• Manjung Island Energy Berhad</li> <li>• Imtiaz Sukuk Berhad</li> <li>• Imtiaz Sukuk II Berhad</li> <li>• ABHC Sukuk Berhad</li> <li>• Mumtaz Rakyat Sukuk Berhad</li> <li>• Modish Retail Holdings Berhad</li> <li>• Beribu Maya Berhad</li> <li>• DOF Sukuk SPV Berhad</li> <li>• Exim Sukuk Malaysia Berhad</li> <li>• Jana Kapital Sdn Bhd</li> <li>• Danga Capital Berhad</li> <li>• Semangkuk Berhad</li> <li>• Ara Bintang Berhad</li> <li>• Impextra Sdn Bhd</li> <li>• Maincort Capital Sdn Bhd</li> </ul>

## 6. INFORMATION ABOUT THE ISSUER (Cont'd)

Name	Directorships
	<ul style="list-style-type: none"> <li>• Special Coral Sdn Bhd</li> <li>• Tenaga Rapi Sdn Bhd</li> <li>• Pustaka Panglima (M) Sdn Bhd</li> <li>• Cova Horizon Sdn Bhd</li> <li>• Notable Vision Sdn Bhd</li> <li>• Balius Capital Sdn Bhd</li> <li>• Common Icon Sdn Bhd</li> <li>• Halcyon Capital Sdn Bhd</li> </ul> <p><i>Previous directorships:</i></p> <ul style="list-style-type: none"> <li>• Nil</li> </ul>
Loke Chee Kien	<p><i>Present directorships:</i></p> <ul style="list-style-type: none"> <li>• Imtiaz Sukuk Berhad</li> <li>• Imtiaz Sukuk II Berhad</li> <li>• ABHC Sukuk Berhad</li> <li>• Danga Capital Berhad</li> <li>• Duyung Capital Berhad</li> <li>• Beribu Maya Berhad</li> <li>• Mumtaz Rakyat Sukuk Berhad</li> <li>• Al Dzahab Assets Berhad</li> <li>• Semangkuk Berhad</li> <li>• Modish Retail Holdings Berhad</li> <li>• Ara Bintang Berhad</li> <li>• DOF Sukuk SPV Berhad</li> <li>• Exim Sukuk Malaysia Berhad</li> <li>• Manjung Island Energy Berhad</li> <li>• Purple Boulevard Berhad</li> <li>• Jana Kapital Sdn Bhd</li> <li>• TMF Trustees Malaysia Berhad</li> <li>• Impextra Sdn Bhd</li> <li>• Maincort Capital Sdn Bhd</li> <li>• Belem Holdings Sdn Bhd</li> <li>• Billion Synergy Sdn Bhd</li> <li>• Special Coral Sdn Bhd</li> <li>• Geveke Malaysia Sdn Bhd</li> <li>• Halcyon Capital Sdn Bhd</li> <li>• Tenaga Rapi Sdn Bhd</li> <li>• Pustaka Panglima (M) Sdn Bhd</li> <li>• S Asia III Malaysia Sdn Bhd</li> <li>• Tempo Scan Pacific (M) Sdn Bhd</li> <li>• Sanden Intercool (M) Sdn Bhd</li> <li>• RPS Malaysia Sdn Bhd</li> <li>• Cova Horizon Sdn Bhd</li> <li>• Anjung Bahasa Sdn Bhd</li> <li>• Mariner Seafoods International Sdn Bhd</li> </ul>

## 6. INFORMATION ABOUT THE ISSUER (Cont'd)

Name	Directorships
	<ul style="list-style-type: none"> <li>• Taiwan Cable Sdn Bhd</li> <li>• Crescendo Capital Sdn Bhd</li> <li>• Falcon Private Equity Sdn Bhd</li> <li>• Hexagon Castle Sdn Bhd</li> <li>• Notable Vision Sdn Bhd</li> <li>• Balius Capital Sdn Bhd</li> <li>• Common Icon Sdn Bhd</li> <li>• LEI Management Asia Sdn Bhd</li> <li>• GMV Innovating Solutions Sdn Bhd</li> <li>• Vantage Drilling (Malaysia) I Sdn Bhd</li> <li>• Dunnhumby (Malaysia) Sdn Bhd</li> <li>• CMEG Strategic Sdn Bhd</li> <li>• Ingenico Solutions (Malaysia) Sdn Bhd (formerly known as Nera Payment Solutions (M) Sdn Bhd)</li> <li>• GC Holdings Malaysia Sdn Bhd</li> <li>• Champion Edge Sdn Bhd</li> <li>• JDA Software Malaysia Sdn Bhd</li> <li>• Misys International Systems Sdn Bhd</li> <li>• Rock Solid Images Sdn Bhd</li> <li>• Garena Malaysia Sdn Bhd</li> <li>• TMF Global Services Malaysia Sdn Bhd</li> <li>• TMF Administrative Services Malaysia Sdn Bhd</li> </ul>
	<p><i>Previous directorships:</i></p> <ul style="list-style-type: none"> <li>• VC Concepts &amp; Solutions Sdn Bhd*</li> <li>• Mahco Malaysia Sdn Bhd (striking off in process)</li> <li>• Eternal Icon Sdn Bhd</li> </ul>

**Note:** \*This company has been struck off by the Registrar of the Companies Commission of Malaysia on 29 July 2015.

The Issuer does not have any management or technical personnel as the Issuer is a special purpose vehicle established solely for the purposes of the Sukuk Programme.

### 6.6 Material litigation

As at the LPD, the Issuer is not engaged in any current, pending or threatened material litigation and arbitration proceedings, either as plaintiff or defendant.

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## 7. INFORMATION ABOUT KHAZANAH

### 7.1 Corporate history and principal activity of Khazanah

Khazanah is the strategic investment fund of the Government entrusted to manage the commercial assets held by the Government and to undertake domestic and foreign investments. Khazanah was incorporated on 3 September 1993 under the 1965 Act and deemed registered under the Act as a public limited company and commenced operations in 1994. Save for one (1) ordinary share owned by the FLC, all of the ordinary share capital of Khazanah is owned by the Minister of Finance (Incorporated), a body corporate incorporated pursuant to the Minister of Finance (Incorporation) Act, 1957 of Malaysia.

Khazanah has a twelve (12) member Board of Directors comprising representatives from the public and private sectors. Dato' Sri Mohd Najib bin Tun Haji Abdul Razak ("**Dato' Sri Mohd Najib**"), the Prime Minister of Malaysia, is the Chairman of the Board. The Board is assisted in the discharge of its duties by an Executive Committee and an Audit and Risk Committee established by the Board.

The principal activity of Khazanah is investment holding. The primary objectives of Khazanah are:

- (a) to hold and manage the investments entrusted to it by the Government; and
- (b) to undertake new investments where there are strategic opportunities, in new sectors and in new markets.

Khazanah has interests in more than 100 companies, either directly or indirectly through ownership of shares. These companies are involved in various sectors such as agrifood, aviation, creative and media, financial services, healthcare, infrastructure and construction, innovation and technology, life sciences, leisure and tourism, power, property, sustainable development as well as telecommunications amongst others.

Historically, substantially all of the companies Khazanah has invested in were incorporated in Malaysia and conducted their principal business activities within Malaysia. However, since 2005, Khazanah has acquired substantial business interests outside of Malaysia.

Khazanah's registered office is located at Level 33, Tower 2, Petronas Twin Towers, Kuala Lumpur City Centre, 50088 Kuala Lumpur, Malaysia.

### 7.2 Share capital and shareholders of Khazanah

As at the LPD, the issued and paid-up share capital of Khazanah is RM6,643,953,229.00, divided as follows:

#### Issued and paid-up share capital

Type of Shares	No. of shares	Total (RM)
Ordinary	5,443,953,229	5,443,953,229.00
RCCPS	1,200,000,000	1,200,000,000.00



**7. INFORMATION ABOUT KHAZANAH (cont'd)**

As at the LPD, the holders of ordinary shares of Khazanah and their respective shareholdings are as follows:

<b>Shareholders</b>	<b>No. of Ordinary Shares Held</b>
FLC	1
Minister of Finance (Incorporated)	5,443,953,228

As at the LPD, the holder of RCCPS of Khazanah and its shareholding is as follows:

<b>Shareholder</b>	<b>No. of RCCPS Held</b>
GovCo*	1,200,000,000

\*All of the ordinary share capital of GovCo is owned by the Minister of Finance (Incorporated), save for one ordinary share owned by the FLC.

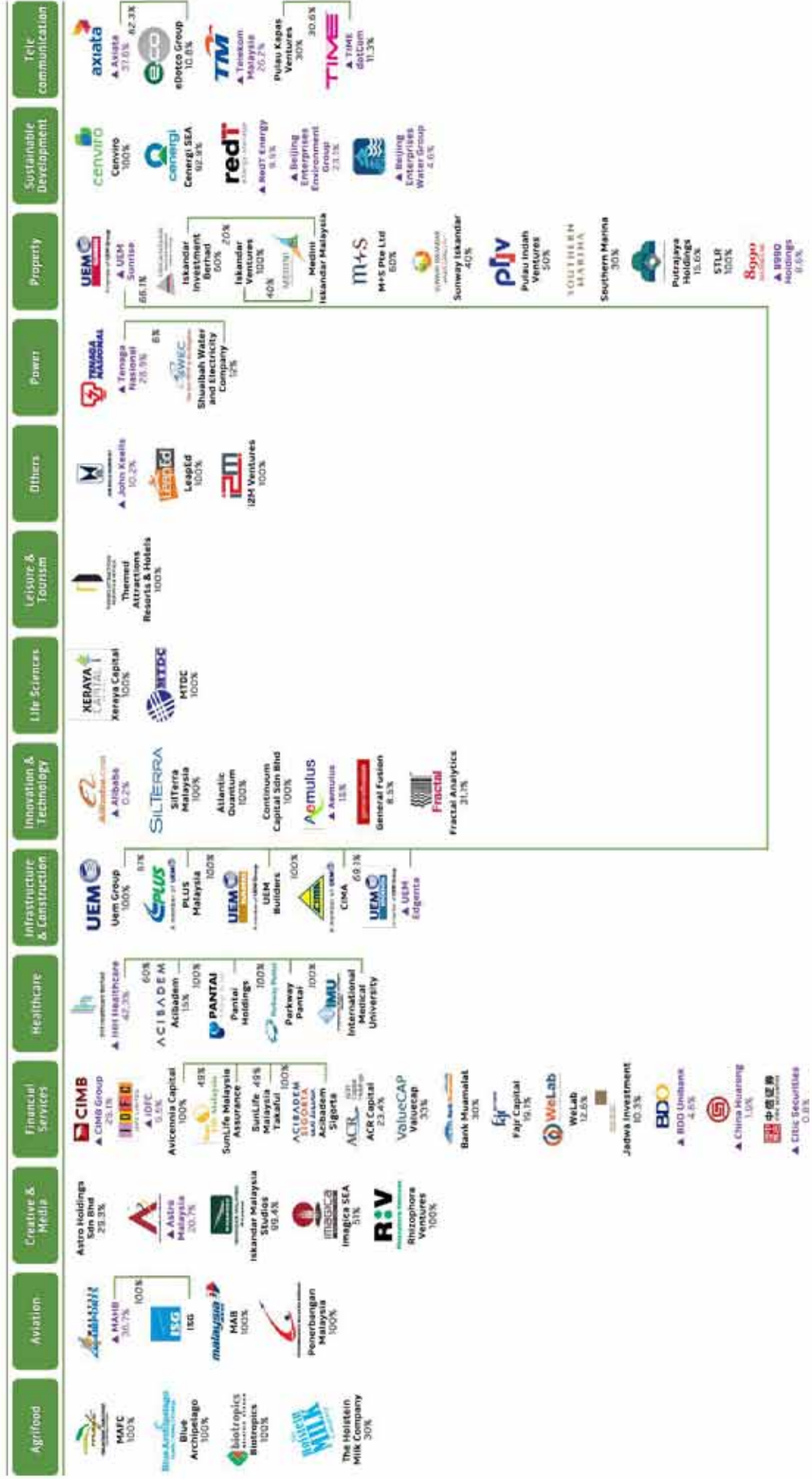
As at the LPD, the ultimate shareholders of Khazanah are the Minister of Finance (Incorporated) and the FLC.

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7. INFORMATION ABOUT KHAZANAH (cont'd)

7.3 Corporate structure of Khazanah and its key subsidiaries and associated companies

7.3.1 Investment holding structure of the key subsidiaries and associated companies of Khazanah as at LPD



## 7. INFORMATION ABOUT KHAZANAH *(cont'd)*

### 7.3.2 Operating sectors of Khazanah's key subsidiaries and associated companies

Khazanah is the strategic investment fund of the Government and is entrusted to hold and manage the commercial assets of the Government, and to undertake strategic investments on behalf of Malaysia. Khazanah's portfolio cuts across various sectors and industries. Khazanah's companies comprise some of the most significant companies in Malaysia, as measured by their strategic importance to the nation. They include GLCs in sectors such as aviation, financial services, power and telecommunications. Khazanah also invests in new sectors and geographies to support the transformation of the Malaysian economy. The sectors are as follows:

#### 7.3.2.1. Agrifood

##### Khazanah's investments in the Agrifood sector

One of Khazanah's key focuses is to improve supply chain management from production to markets. Khazanah's initiatives promote the enhancement of productivity and quality under sustainable farm practices. The key companies that Khazanah invests in are set out below:

(a) Blue Archipelago Berhad ("**BAB**")

BAB is a shrimp aquaculture company dedicated to the production of premium quality seafood for the global market. The business is built on the foundations of high quality standards, food safety, ecological sustainability and social responsibility. BAB's ultimate aim is to develop a Malaysian seafood brand that is associated with wholesomeness and integrity.

(b) Malaysian Agrifood Corporation Berhad ("**MAFC**")

MAFC is a fully-integrated food supply chain management company. It produces fresh and high quality highland vegetables under the brand "Lushious" and "Genting Garden", and distributes to retailers via its integrated cold chain logistics subsidiary, Cold Chain Network (M) Sdn Bhd. MAFC creates value by collaborating with relevant government agencies and industry players with the aim of supplying safe and top quality fresh produce for healthier living.

(c) Biotropics Malaysia Berhad ("**Biotropics**")

Biotropics develops and commercialises Malaysia's bio-resources into superior natural health products. Its products include proprietary standardised extracts, all-natural dietary supplements, ingredients for nutraceutical, functional food and cosmeceutical applications, all scientifically tested and verified to meet the highest quality, safety and efficacy standards.

(d) The Holstein Milk Company Sdn Bhd ("**Holstein**")

Holstein is one of the leading integrated dairy companies in Malaysia, producing premium grade dairy products marketed under the brand Farm Fresh and Nubian. The company's operations cover the full breadth of the dairy value chain (from grass to glass). Holstein is the appointed anchor company for the National Key Economic Area ("**NKEA**") Entry Point Project 13 for the dairy industry, which aims to reduce Malaysia's dependence on imported fresh milk.

## 7. INFORMATION ABOUT KHAZANAH *(cont'd)*

### 7.3.2.2. Aviation

#### Khazanah's investments in the Aviation sector

Khazanah's investments in this sector include holdings in the country's largest airport operator and national airline. The key companies that Khazanah invests in are set out below:

(a) Malaysia Airports Holdings Berhad ("**MAHB**")

MAHB, which is listed on the Main Market, manages and operates 39 airports in Malaysia and one international airport in Istanbul, Turkey. The 39 airports in Malaysia comprise of five international airports, 16 domestic airports and 18 Short Take-off and Landing ports. It also provides airport management and technical services for the development, operation, maintenance, and management in overseas international airports.

(b) Malaysia Aviation Group ("**MAGB**")

MAGB is the holding company of Malaysia Airlines Berhad ("**MAB**"), one of Asia's largest airlines. As at the LPD, MAB provides services to around 40,000 guests on approximately 330 flights to 70 destinations daily. As a member of the oneworld alliance, MAB offers passengers seamless travel to close to 1,000 destinations in more than 150 countries worldwide.

### 7.3.2.3. Creative and Media

#### Khazanah's investments in the Creative and Media sector

Khazanah views the creative and media industries as being essential towards establishing Malaysia as a knowledge-based economy. Apart from complementing the development of Iskandar Malaysia, Khazanah believes that its participation in this sector offers the opportunity to build local capabilities, raises Malaysia's profile as an international creative industry hub, and provides spillover economic benefits to the local tourism, financial and education industries. The key companies that Khazanah invests in are set out below:

(a) Astro Malaysia Holdings Berhad ("**AMH**")

AMH is a leading content and consumer group in Malaysia and ASEAN with a focus on ideation, creation, aggregation, distribution, and monetisation of content. As at the LPD, AMH serves around 21 million individuals through its Direct-to-Home Satellite Television, Internet Protocol Television and Over-the-top platforms.

(b) Pinewood Iskandar Malaysia Studios

Pinewood Iskandar Malaysia Studios is a state-of-the-art integrated media production studio facility offering 100,000 sq. ft. of film stages, 24,000 sq. ft. of TV studios, a full range of post-production services, 72,000 sq. ft. of workshop and production office space, backlots for outdoor filming, as well as interior and exterior water filming tanks.

(c) Rhizophora Ventures Sdn Bhd

Rhizophora Ventures Sdn Bhd is an investment holding company in creative and media content. It aims to support the development of the Malaysian creative industry towards becoming a world-class industry player.

## 7. INFORMATION ABOUT KHAZANAH (cont'd)

### 7.3.2.4. Financial Services

#### Khazanah's investments in the Financial Services sector

Khazanah's investments in this sector comprise holdings in companies involved in a range of financial activities, including banking, Islamic banking, infrastructure financing, insurance and takaful. The key companies that Khazanah invests in are set out below:

(a) CIMB Group Holdings

CIMB Group Holdings is a leading ASEAN universal bank, operating in 15 markets across ASEAN, Asia and beyond. CIMB Group Holdings' major subsidiaries include CIMB Bank Berhad, CIMB Islamic, CIMB, PT CIMB Niaga TBK, and CIMB Thai Bank PCL. Its main markets of Malaysia, Indonesia, Singapore, and Thailand primarily focus on Consumer, Commercial and Wholesale Banking. Beyond ASEAN, CIMB Group Holdings also has presence in China and Hong Kong, India, Sri Lanka, Korea, the United States and the United Kingdom.

(b) Sun Life Malaysia Takaful Berhad

Sun Life Malaysia Takaful Berhad is a provider of a comprehensive range of life insurance and Takaful products and services. It distributes these products through a range of distribution channels including bancassurance, direct marketing, telemarketing and government and corporate businesses.

(c) Acibadem Sağlık ve Hayat Sigorta A.Ş. ("Acibadem Sigorta")

Acibadem Sigorta is a leading health insurance services provider in Turkey. Headquartered in Istanbul, it has the second largest market share in the industry and as at the LPD operates six regional offices across the country.

(d) Bank Muamalat Malaysia Berhad

Bank Muamalat Malaysia Berhad is the second full-fledged Islamic bank in Malaysia after Bank Islam Malaysia Berhad. Bank Muamalat Malaysia Berhad is primarily focused on consumer and corporate banking.

### 7.3.2.5. Healthcare

#### Khazanah's investments in the Healthcare sector

Khazanah's investments in this sector are aimed at providing premium integrated healthcare services and developing domestic expertise and capability across a range of healthcare offerings. The key companies that Khazanah invests in are set out below:

(a) Acibadem Healthcare Group

Acibadem Healthcare Group is a leading private healthcare services provider in Turkey and Bulgaria. It provides integrated and ancillary healthcare businesses services across 21 hospitals and 17 outpatient clinics in Turkey, Bulgaria, Macedonia and Northern Iraq.

## 7. INFORMATION ABOUT KHAZANAH (cont'd)

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### (b) IHH Healthcare Berhad (“IHH”)

IHH, a leading premium healthcare provider is listed on the Main Market and Main Board of the Singapore Exchange Securities Trading Limited. Employing more than 35,000 people, it operates a global healthcare network of 50 hospitals with over 10,000 licensed beds across 10 countries worldwide. The IHH group offers a full spectrum of integrated healthcare services from clinics to hospitals to quaternary care and ancillary healthcare businesses. It also operates the International Medical University and the International Medical College in Malaysia which focus on health science education.

### 7.3.2.6. Infrastructure & Construction

#### Khazanah’s investments in the Infrastructure and Construction sector

Khazanah believes that its investee companies in this sector play an important role in the development of the nation’s critical infrastructure and the growth of the property sector in special economic zones. They are involved in expressway and bridge construction and operations, property development, and other related initiatives. The key companies that Khazanah invests in are:

#### (a) UEM Group Berhad (“UEM Group”)

UEM Group is one of Malaysia’s leading engineering-based infrastructure and services groups with core businesses in expressways, townships and property development, engineering and construction, and asset and facility management. Key companies within UEM Group are PLUS Malaysia Berhad (“PLUS”), UEM Sunrise Berhad, Cement Industries of Malaysia Berhad and UEM Edgenta Berhad.

#### (b) PLUS

PLUS is Malaysia’s largest highway concessionaire and has been operating the country’s toll roads since 1988. PLUS operates and maintains almost 1,000km of expressways, stretching from the border of Thailand in the North to Singapore in the South.

#### (c) UEM Edgenta Berhad (via UEM Group Berhad)

UEM Edgenta Berhad is a leading assets facilities management company in the region providing asset consultancy services, healthcare services, infra services, facilities services, industrial services, energy services, property services and environmental and material testing services. UEM Edgenta Berhad offers the healthcare, infrastructure and commercial sectors a full suite of services throughout the asset life cycle.

### 7.3.2.7. Innovation & Technology

#### Khazanah’s investments in the Innovation and Technology sector

Khazanah explores opportunities in innovation and technology that both provide strategic value to the nation and Khazanah’s existing portfolio companies as well as generate strong financial returns. Some of Khazanah’s investments to-date include:

## 7. INFORMATION ABOUT KHAZANAH (cont'd)

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(a) Aemulus Holdings Berhad

Aemulus Holdings Berhad is involved in the design, engineering and development of automated test equipment and is listed on the ACE Market of Bursa Securities. Its products are used by semiconductor manufacturers and outsourced semiconductor assembly and test companies to test semiconductor wafer and packaged devices, before they are shipped for final assembly into various electronic devices and gadgets.

(b) Alibaba Group Holding Limited ("**Alibaba**")

Alibaba's mission is to make it easy to do business anywhere. The company provides the fundamental technology infrastructure and marketing reach to help merchants, brands and other businesses that provide products, services and digital content to leverage on the power of the internet to engage with their users and customers. Alibaba's businesses comprise core commerce, cloud computing, digital media and entertainment, innovation initiatives and others. Through investee affiliates, it also participates in the logistics and local services sectors.

(c) Fractal Analytics Private Limited ("**Fractal Analytics**")

Fractal Analytics is a strategic analytics partner to Fortune 500 companies globally, helping them power decisions in the enterprise by bringing analytics and artificial intelligence to the decision making process. Over 40 productised services are delivered by the Fractal Sciences lab allowing companies to leverage defined solution frameworks and reusable model components to custom tailor analytics for its business, and integrate it into any format or platform. Fractal Analytics has its footprint across 12 global locations including the United States, United Kingdom and India and has been named a "Cool Vendor in Analytics" and a "Vendor to watch" by Gartner, Inc.

(d) General Fusion Inc. ("**General Fusion**")

General Fusion is involved in the development of commercial fusion energy. The company was established in 2002 and is supported by a global syndicate of energy venture capital funds, industry leaders, and technology pioneers.

(e) SilTerra Malaysia Sdn Bhd

SilTerra Malaysia Sdn Bhd is a wafer foundry provider that offers complementary metal-oxide semiconductor wafer technology to global semiconductor partners. It was established in 1995 to promote front-end semiconductor manufacturing and to be a catalyst for high-technology investments in Malaysia.

### 7.3.2.8. Leisure and Tourism

#### Khazanah's investments in the Leisure and Tourism sector

Investment into this sector is predicated upon the abundant and diverse natural ecological heritage, rich cultural heritage and the warm hospitality of Malaysia. Apart from creating jobs and boosting direct economic contribution to gross domestic product from this sector, Khazanah's investments complement the growth of medical tourism and the healthcare sector in general and the growth and development of economic regions such as Iskandar Malaysia. By undertaking pioneering investments, Khazanah aims to catalyse new investment into Malaysia's

## 7. INFORMATION ABOUT KHAZANAH (cont'd)

leisure & tourism products and services. A key company that Khazanah invests in is Themed Attractions Resorts & Hotels Sdn Bhd (“**TAR&H**”).

TAR&H focuses on developing and operating world-class destination resorts, integrated theme parks and attractions and on growing a resort management business based on the esteemed “The Datai” brand. TAR&H’s operating assets and pipeline projects under development, within the three main business streams, include:

- Destination Resorts - Desaru Coast, a premium integrated destination resort on the southeastern coast of Johor, and a mixed development housing Hotel Jen and a retail precinct, located at the luxury waterfront of Puteri Harbour, Iskandar Puteri, Johor.
- Integrated Theme Parks and Attractions – LEGOLAND® Malaysia Resort, the sixth LEGOLAND® in the world and the first in Asia and KidZania Kuala Lumpur and KidZania Singapore, indoor family education and entertainment centres.
- Resort Management – The award winning “The Datai Langkawi”.

### 7.3.2.9. Life Sciences

#### Khazanah’s investments in the Life Sciences sector

Khazanah believes that the Life Sciences sector has the potential to play a major role in driving the growth of the economy. It is also poised to be a key growth sector for the future given scarce resources globally. Khazanah’s investments in this sector are geared towards providing a strategic fit to Malaysia, with both nation-building and catalytic potential. Khazanah invests in Life Sciences companies through its 100% owned subsidiary, Xeraya Capital Sdn Bhd.

Xeraya Capital Sdn Bhd is a private equity and venture investor in life sciences that focuses on medical technologies, healthcare biotechnology, bio-renewables and bio-industrials.

### 7.3.2.10. Power

#### Khazanah’s investments in the Power sector

Khazanah is the largest shareholder of Tenaga Nasional Berhad (“**TNB**”) as at the LPD, one of the largest companies listed on the Main Market. In addition, Khazanah also has an equity interest in Shuaibah Water and Electricity Company (“**SWEC**”) and Shuaibah Expansion Project Company (“**SEPCO**”) (collectively known as Shuaibah Independent Water and Power Project) in the Kingdom of Saudi Arabia.

#### (a) TNB

TNB is Malaysia’s national electric supply company, with RM133 billion worth of assets across its generation, transmission and distribution business units. In 2016, TNB served an estimated 9.2 million customers nationwide, while also beginning to widen its international footprint.

#### (b) SWEC and SEPCO

SWEC was established as a close joint-stock company responsible for the construction, commissioning and operation of 900MW of power and



## 7. INFORMATION ABOUT KHAZANAH (cont'd)

880,000m<sup>3</sup>/day of desalinated water in the Kingdom of Saudi Arabia. SEPCO is an expansion project to produce 150,000m<sup>3</sup>/day using Reverse Osmosis technology to meet the high water demand in the Holy City of Makkah, Jeddah, Taif and Al-Baha. Shuaibah Independent Water and Power Project was the first Independent Water and Power Project in the Kingdom of Saudi Arabia, supplying power and water to several major cities in the western region of the Kingdom of Saudi Arabia.

### 7.3.2.11. Property

#### Khazanah's investments in the Property sector

Khazanah's investments in the property sector cut across a broad array of platforms including in Iskandar Malaysia, where Khazanah is involved in catalytic developments, and in the Philippines, where Khazanah's investee company is developing innovative housing projects. The key companies that Khazanah invests in are set out below:

(a) Iskandar Investment Berhad ("**IIB**")

IIB is a long-term strategic developer of catalytic projects in Iskandar Puteri (previously known as Nusajaya) in Iskandar Malaysia, Johor. It promotes investments in identified sectors and facilitates the development of infrastructure, including at Medini, the future Central Business District for Iskandar Puteri. One of IIB's focus areas is "EduCity", a first-of-its-kind and fully-integrated international education hub that covers the entire education spectrum, as well as offering student accommodation and sports and recreational facilities.

(b) UEM Sunrise Berhad ("**UEM Sunrise**")

UEM Sunrise is listed on the Main Market and one of Malaysia's leading property developers. Its core competencies include macro township development and high-rise residential, commercial, retail and integrated developments. UEM Sunrise is the master developer of Iskandar Puteri, one of the five flagship zones and a key driver of Iskandar Malaysia. It also has developments in Australia and is the appointed Project Manager (Marketing) for M+S Pte. Ltd. for its Marina One and DUO mixed-use developments in Singapore.

(c) Medini Iskandar Malaysia Sdn Bhd ("**MIMSB**")

MIMSB focuses on property development, township management services and property investment, and is the master developer of Medini – a developing sustainable city in Iskandar Puteri. MIMSB promotes Medini locally and globally and works closely with GLCs and agencies such as Khazanah, Iskandar Regional Development Authority and IIB as well as investors and developers to establish Medini as the central business district of Iskandar Puteri.

(d) Pulau Indah Ventures Sdn Bhd ("**PIVSB**")

PIVSB is a 50:50 joint venture between Khazanah and Temasek Holdings (Private) Limited. It is the developer of two wellness-themed development projects in Medini Iskandar Malaysia, namely Afiniti Medini and Avira, a 50:50 joint development between PIVSB and Eastern & Oriental Berhad.

## 7. INFORMATION ABOUT KHAZANAH *(cont'd)*

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- (e) 8990 Holdings, Inc.

8990 Holdings, Inc. is listed on the Philippine Stock Exchange and is a leading mass housing developer in the Philippines. It caters to demand for affordable housing from the lower income population. The company has development projects throughout the Philippines.

### 7.3.2.12. Sustainable Development

#### Khazanah's investments in the Sustainable Development sector

Exposure to this sector is in line with the country's efforts to capitalise on opportunities arising from global environmental and climate change initiatives. Khazanah's investments in this sector provide Khazanah with the opportunity to promote knowledge and technology transfer to Malaysia. The key companies that Khazanah invests in are set out below:

- (a) Cenviro Sdn Bhd ("**Cenviro**")

Cenviro is a leading integrated environmental waste management solutions provider. Through its subsidiary, Kualiti Alam Sdn Bhd, Cenviro has been operating Malaysia's first integrated waste management centre in Negeri Sembilan since 1998. It is also involved in municipal solid waste management and public cleansing through its joint-venture company, E-Idaman Sdn Bhd and electronic waste management via its associated company, Shan Poornam Metals Sdn Bhd. Cenviro continues to provide innovative and sustainable waste management and renewable energy solutions through its clinical waste treatment centre, Secured Vertical Landfill, Recycle for Life Programme, soon-to-be-launched Environmental Preservation and Innovation Centre and Scheduled Waste-to-Energy Plant.

- (b) Cenergi SEA Sdn Bhd ("**Cenergi SEA**")

Cenergi SEA develops and invests in clean energy projects, with particular focus on biogas, biomass and energy efficiency projects in Malaysia and Southeast Asia. It is one of the largest grid-connected palm oil mill effluent biogas players in the country. As at the LPD, it operates three plants with a combined generation capacity of 4MW and another 1.5MW biogas plant to be commissioned in 2017. Cenergi SEA is also executing a RM40 million Built-Own-Transfer energy savings contract with a local university in 2017.

- (c) RedT Energy Plc ("**RedT Energy**")

RedT Energy, which is listed on the Alternative Investment Market of the London Stock Exchange, is a developer and supplier of energy storage systems based on vanadium redox flow battery technology.

### 7.3.2.13. Telecommunications

#### Khazanah's investments in the Telecommunications sector

Khazanah invests in the telecommunications sector. The key companies that Khazanah invests in are set out below:

- (a) Axiata Group Berhad ("**Axiata**")

Axiata is one of the leading telecommunications groups in Asia with approximately 320 million subscribers in 10 countries as at the LPD. Axiata

## 7. INFORMATION ABOUT KHAZANAH (cont'd)

has controlling interests in six mobile operators in Malaysia, Indonesia, Sri Lanka, Bangladesh, Cambodia and Nepal, with strategic interests in India and Singapore. Catering to the growing digital lifestyle, 'Axiata Digital', was established in 2012. It now has a portfolio of 29 digital brands including three subsidiaries and seven joint ventures, servicing growing demands in mobile money, mobile advertising, e-commerce, entertainment and education.

(b) Telekom Malaysia Berhad

Telekom Malaysia Berhad is Malaysia's leading converged communications service provider with approximately 2.4 million broadband customers as at the LPD. It offers a comprehensive range of communications services covering broadband, data, fixed-line, information, communications and technology, mobile, and business process outsourcing.

(c) TIME dotcom Berhad

TIME dotCom Berhad is a communications service provider with businesses in fixed-line, data centres and global networks. It is primarily focused on the wholesale and enterprise segments across the ASEAN region.

(d) edotco Group Sdn Bhd ("**edotco**")

edotco is the first regional and integrated telecommunications infrastructure services company in Asia, providing end-to-end solutions in the tower services sector from tower leasing, co-locations, built-to-suit, energy, transmission and operations and maintenance. As at the LPD, its regional portfolio includes over 17,000 towers across its core markets of Malaysia, Sri Lanka, Bangladesh, Cambodia, Pakistan and Myanmar.

### 7.3.2.14. Education

#### Khazanah's investments in the Education sector

Khazanah believes that education is a high growth sector critical to Malaysia's human capital development. In line with national efforts to drive the services sector and education-related objectives of the Government's Economic Transformation Programme (ETP), Khazanah aims to improve access to quality education.

(a) LeapEd Services Sdn Bhd ("**LeapEd**")

LeapEd, a wholly-owned subsidiary of Khazanah, is Malaysia's first home-grown education services provider. It is a social enterprise with a mission to innovate and enable implementation of education transformation in the interest of unleashing all children's potential to grow in the challenging global landscape. Its flagship programme is working in partnership with Yayasan AMIR and MOE in implementing the nation's pioneer public school transformation programme, Yayasan AMIR Trust Schools Programme. The Yayasan AMIR Trust Schools Programme is a comprehensive school transformation model that sustainably improves student outcomes through four strategic goals focusing on school leadership, teachers, students, and parents and community. It is currently being implemented across 83 public schools in 10 states.

## 7. INFORMATION ABOUT KHAZANAH (cont'd)

### 7.3.3 Details of Khazanah's subsidiaries and associated companies

The details of Khazanah's subsidiaries and associated companies as at the LPD are as follows:

Sector	Company Name	Country of Incorporation	Khazanah's effective interest (%)
<b>Agrifood</b>	Agrifood Resources Holdings Berhad	Malaysia	100.0
	Malaysian Agrifood Corporation Berhad	Malaysia	100.0
	Cold Chain Network (M) Sdn Bhd (via Malaysian Agrifood Corporation Berhad)	Malaysia	91.1
	Blue Archipelago Berhad	Malaysia	100.0
	Biotropics Malaysia Berhad	Malaysia	100.0
	The Holstein Milk Company Sdn Bhd	Malaysia	30.0
<b>Aviation</b>	Malaysia Airlines Berhad	Malaysia	100.0
	Istanbul Sabiha Gokcen International Airport Investment Development and Operation Inc. (via Malaysia Airports Holdings Berhad)	Turkey	36.7
	Malaysia Airports Holdings Berhad	Malaysia	36.7
	Penerbangan Malaysia Berhad	Malaysia	100.0
<b>Creative &amp; Media</b>	Astro Holdings Sdn Bhd	Malaysia	29.3
	Astro Malaysia Holdings Berhad	Malaysia	20.7
	Iskandar Malaysia Studios Sdn Bhd	Malaysia	99.4
	Imagica South East Asia Sdn Bhd	Malaysia	51.0
	Rhizophora Ventures Sdn Bhd	Malaysia	100.0
<b>Financial Services</b>	CIMB Group Holdings Berhad	Malaysia	29.1
	IDFC Limited	India	9.5
	Avicennia Capital Sdn Bhd (" <b>Avicennia Capital</b> ")	Malaysia	100.0
	Sun Life Malaysia Assurance Berhad (via Avicennia Capital)	Malaysia	49.0
	Sun Life Malaysia Takaful Berhad (via Avicennia Capital)	Malaysia	49.0
	Acıbadem Sağlık ve Hayat Sigorta A.Ş. (via Avicennia Capital)	Turkey	100.0
	ACR Capital Holdings Pte. Ltd.	Singapore	23.4
	Valuecap Sdn Bhd	Malaysia	33.0
	Bank Muamalat Malaysia Berhad	Malaysia	30.0

## 7. INFORMATION ABOUT KHAZANAH (cont'd)

Sector	Company Name	Country of Incorporation	Khazanah's effective interest (%)
	Fajr Capital Ltd	United Arab Emirates	19.1
	WeLab Holdings Ltd	The British Virgin Islands / Hong Kong	12.6
	Jadwa Investment Company	Saudi Arabia	10.3
	BDO Unibank, Inc.	Philippines	4.6
	China Huarong Asset Management Co., Ltd	China	1.9
	CITIC Securities Co., Ltd	China	0.8
<b>Healthcare</b>	IHH Healthcare Berhad	Malaysia	42.3
	Acibadem Saglik Yatilimlari (direct and via IHH Healthcare Berhad )	Turkey	40.4
	Pantai Holdings Sdn Bhd (via IHH Healthcare Berhad)	Malaysia	42.3
	Parkway Pantai Limited (via IHH Healthcare Berhad)	Singapore	42.3
	International Medical University (via IHH Healthcare Berhad)	Malaysia	42.3
	Continental Hospitals Group (via IHH Healthcare Berhad)	India	52.3
	Global Hospitals Group (via IHH Healthcare Berhad)	India	73.4
<b>Infrastructure &amp; Construction</b>	UEM Group Berhad	Malaysia	100.0
	Plus Malaysia Berhad (via UEM Group Berhad)	Malaysia	51.0
	UEM Builders Berhad (via UEM Group Berhad)	Malaysia	100.0
	Cement Industries of Malaysia Berhad (via UEM Group Berhad)	Malaysia	100.0
	UEM Edgenta Berhad (via UEM Group Berhad)	Malaysia	69.1
<b>Innovation &amp; Technology</b>	Alibaba Group Holding Limited	Cayman Islands	0.2
	SilTerra Malaysia Sdn Bhd	Malaysia	100.0
	Atlantic Quantum Sdn Bhd	Malaysia	100.0
	Continuum Capital Sdn Bhd	Malaysia	100.0
	Blippar.Com Limited	England and Wales	14.8
	Aemulus Holdings Berhad	Malaysia	15.0

## 7. INFORMATION ABOUT KHAZANAH (cont'd)

Sector	Company Name	Country of Incorporation	Khazanah's effective interest (%)
	General Fusion, Inc.	Canada	8.5
	Fractal Analytics Private Limited	India	31.1
<b>Life Sciences</b>	Xeraya Capital Sdn Bhd	Malaysia	100.0
	Malaysian Technology Development Corporation Sdn Bhd	Malaysia	100.0
<b>Leisure &amp; Tourism</b>	Themed Attractions Resorts & Hotels Sdn Bhd	Malaysia	100.0
<b>Power</b>	Tenaga Nasional Berhad	Malaysia	28.9
	Shuaibah Water and Electricity Company (direct and via Tenaga Nasional Berhad)	Saudi Arabia	13.7
	Shuaibah Expansion Project Company	Saudi Arabia	13.6
<b>Property</b>	UEM Sunrise Berhad	Malaysia	66.1
	Iskandar Investment Berhad	Malaysia	60.0
	Iskandar Ventures Sdn Bhd	Malaysia	100.0
	Medini Iskandar Malaysia Sdn Bhd (direct, via Iskandar Ventures Sdn Bhd and via Iskandar Investment Berhad)	Malaysia	52.0
	Pulau Indah Ventures Sdn Bhd	Malaysia	50.0
	8990 Holdings Inc.	Philippines	8.6
	M+S Pte Ltd	Singapore	60.0
	Sunway Iskandar Sdn Bhd	Malaysia	40.0
	Southern Marina Sdn Bhd	Malaysia	30.0
	Putrajaya Holdings Sdn Bhd	Malaysia	15.6
	STLR Sdn Bhd	Malaysia	100.0
<b>Sustainable Development</b>	Cenviro Sdn Bhd	Malaysia	100.0
	Cenergi SEA Sdn Bhd	Malaysia	92.9
	RedT Energy Plc	Jersey	9.5
	Beijing Enterprises Environment Group Ltd	Hong Kong	23.1
	Beijing Enterprises Water Group Ltd	Bermuda	4.6
<b>Telecommunications</b>	Axiata Group Berhad	Malaysia	37.6
	edotco Group Sdn Bhd (direct and via Axiata Group Berhad)	Malaysia	34.2
	Telekom Malaysia Berhad	Malaysia	26.2
	Pulau Kapas Ventures Sdn Bhd	Malaysia	30.0

## 7. INFORMATION ABOUT KHAZANAH (cont'd)

Sector	Company Name	Country of Incorporation	Khazanah's effective interest (%)
	TIME dotcom Berhad (direct and via Pulau Kapas Ventures Sdn Bhd)	Malaysia	20.5
<b>Others</b>	John Keels Holdings Plc	Sri Lanka	10.2
	LeapEd Services Sdn Bhd	Malaysia	100.0
	Actoserba Active Wholesale Pvt. Ltd	India	22.5
	i2M Ventures Sdn Bhd	Malaysia	100.0
	Mount Irau Ventures Sdn Bhd	Malaysia	100.0
	Malaysian Airline System Berhad	Malaysia	100.0
	Penerbangan Perdana Berhad	Malaysia	100.0
	Pulau Labas Ventures Sdn Bhd	Malaysia	100.0
	Synapse Education Holdings Sdn Bhd	Malaysia	100.0
	Think City Sdn Bhd	Malaysia	100.0
	Taman Tugu Dataran Muzium Development Sdn Bhd	Malaysia	100.0
	Pantai Support Services Sdn Bhd	Malaysia	100.0
	Khazanah Americas Incorporated	United States of America	100.0
	Khazanah Asset Management Sdn Bhd	Malaysia	100.0
	Khazanah Europe Investment Limited	United Kingdom	100.0
	Khazanah Turkey Regional Office Danismanlik Hizmetleri Anonim Sirketi	Turkey	100.0
	Khazanah Nasional Consulting (Hong Kong) Company Limited	Hong Kong	100.0
	Khazanah India Advisors Private Ltd.	India	100.0
	Khazanah Nasional Consulting (Beijing) Company Limited	China	100.0
	Aur Investments (Cayman Islands) Limited	Cayman Islands	100.0
	Aur Ventures Sdn Bhd	Malaysia	100.0
	Balok Ventures Sdn Bhd	Malaysia	100.0
	Banggi Ventures Sdn Bhd	Malaysia	100.0
	Batu Hill Development Ltd	England and Wales	100.0
	Bkt Frasers Ventures Sdn Bhd	Malaysia	100.0
	Bombalai Hill Ventures Sdn Bhd	Malaysia	100.0
	Broga Hills Investments Limited	Labuan	100.0

## 7. INFORMATION ABOUT KHAZANAH (cont'd)

Sector	Company Name	Country of Incorporation	Khazanah's effective interest (%)
	Bukit Bendera Investments Limited	Labuan	100.0
	Bukit Chini Investments Limited	Labuan	100.0
	Bukit Damar Investments Limited	Labuan	100.0
	Bukit Galla Investments Limited	Labuan	100.0
	Bukit Puteri Investments Limited	Labuan	100.0
	Carey Investments (Cayman Islands) Limited	Cayman Islands	100.0
	Cenang Capital Ltd	Labuan	100.0
	Chendering Investments Limited	Labuan	100.0
	Cosmos Friendship Limited	Hong Kong	100.0
	Dayang Bunting Ventures Sdn Bhd	Malaysia	100.0
	Dendana Investments (Mauritius) Limited	Mauritius	100.0
	Desaru Investments (Cayman Island) Ltd	Cayman Islands	100.0
	Feringghi Capital Limited	Labuan	100.0
	Gemia Investments Limited	Cayman Islands	100.0
	Glam Ventures Pte Ltd	Singapore	100.0
	Gunung Korbu Investments (Cayman Islands) Limited	Cayman Islands	100.0
	Gunung Nuang Ventures Limited	Labuan	100.0
	Jerai Ventures Sdn Bhd	Malaysia	100.0
	Kelanang Ventures Sdn Bhd	Malaysia	100.0
	Klebang Capital Limited (formerly known as Klebang Investments Limited)	Labuan	100.0
	Kuala Perlis Ventures Sdn Bhd	Malaysia	100.0
	Kuala Selangor Ventures Sdn Bhd	Malaysia	100.0
	Lankayan Ventures Sdn Bhd	Malaysia	100.0
	Layang-Layang Ventures Sdn Bhd	Malaysia	100.0
	Ledang Ventures Pte Ltd	Singapore	100.0
	Lembong Ventures Sdn Bhd	Malaysia	100.0
	Lido Capital Limited	Labuan	100.0
	Little Steps Sdn Bhd	Malaysia	100.0
	Mantanani Ventures Sdn Bhd	Malaysia	100.0
	Mataking Ventures Sdn Bhd	Malaysia	100.0



## 7. INFORMATION ABOUT KHAZANAH (cont'd)

Sector	Company Name	Country of Incorporation	Khazanah's effective interest (%)
	Mount Bintang Ventures Sdn Bhd	Malaysia	100.0
	Mount Cecil Ventures Sdn Bhd	Malaysia	100.0
	Mount Gading Ventures Sdn Bhd	Malaysia	100.0
	Mount Hatton Investments Limited	Labuan	100.0
	Mount Rajah Ventures Limited	Jersey	100.0
	Mount Raya Investments Limited	Labuan	100.0
	Mount Reskit Investments Limited	Labuan	100.0
	Mount Serudum Ventures Sdn Bhd	Malaysia	100.0
	Mount Terra Investments Limited	Labuan	100.0
	Noring Investments (Mauritius) Limited	Mauritius	100.0
	Ophir Ventures Sdn Bhd	Malaysia	100.0
	Pagon Hill Investments Limited	Labuan	100.0
	Pangkor Investments (Cayman Islands) Ltd	Cayman Islands	100.0
	Pantai Air Papan Investments Limited	Labuan	100.0
	Pantai Barat Investments (Cayman Islands) Limited	Cayman Islands	100.0
	Pantai Cahaya Bulan Ventures Sdn Bhd	Malaysia	100.0
	Pantai Juara Investments Limited	Labuan	100.0
	Pantai Melawi Ventures Sdn Bhd	Malaysia	100.0
	Pantai Morib Ventures Sdn Bhd	Malaysia	100.0
	Pantai Remis Investments Limited	Labuan	100.0
	Pantai Saujana Investments Limited	Labuan	100.0
	Pantai Sura Investments Limited	Labuan	100.0
	Pasir Salak Investments Limited	Labuan	100.0
	Payar Investments Limited	Labuan	100.0
	Perhentian Investments (Mauritius) Limited	Mauritius	100.0
	Pine Tree Hill Investments Limited	Labuan	100.0
	Ponorogo Investments Limited	Labuan	100.0
	Pulau Dinawan Investments Limited	Labuan	100.0
	Pulau Gaya Ventures Sdn Bhd	Malaysia	100.0
	Pulau Kaca Investments Limited	Labuan	100.0
	Pulau Kendi Investments Limited	Labuan	100.0

## 7. INFORMATION ABOUT KHAZANAH (cont'd)

Sector	Company Name	Country of Incorporation	Khazanah's effective interest (%)
	Pulau Kukup Investments Limited (Mauritius)	Mauritius	100.0
	Pulau Lima Ventures Sdn Bhd	Malaysia	100.0
	Pulau Manukan Ventures Sdn Bhd	Malaysia	100.0
	Pulau Melaka Ltd	Labuan	100.0
	Pulau Memutik Ventures Sdn Bhd	Malaysia	100.0
	Pulau Segantang Ventures Sdn Bhd	Malaysia	100.0
	Pulau Selingan Investments Limited	Labuan	100.0
	Pulau Sibul Ventures Sdn Bhd	Malaysia	100.0
	Pulau Tiga Ventures Sdn Bhd	Malaysia	100.0
	Rantau Abang Capital Berhad	Malaysia	100.0
	Redang Investments Limited	Labuan	100.0
	Sampadi Investments Limited	Labuan	100.0
	Santubong Ventures Sdn Bhd	Malaysia	100.0
	Satang Investments Limited	Labuan	100.0
	Sebatik Investments Limited	Labuan	100.0
	Sipadan Investments (Mauritius) Limited	Mauritius	100.0
	Suluq Investments (Mauritius) Limited	Mauritius	100.0
	Sungai Pulai Investments Limited (Mauritius)	Mauritius	100.0
	Tanjung Adang Investments Limited	Labuan	100.0
	Tanjung Bidara Ventures Sdn Bhd	Malaysia	100.0
	Tanjung Buai Ventures Sdn Bhd	Malaysia	100.0
	Tanjung Jara Investments Limited	Hong Kong	100.0
	Tanjung Rhu Investments Limited	Labuan	100.0
	Tanjung Sedili Investments Limited	Labuan	100.0
	Tanjung Tuan Investments Limited	Labuan	100.0
	Tasik Pedu Investments Limited	Labuan	100.0
	Teluk Bahang Investments Limited	Labuan	100.0
	Teluk Belanga Investments Limited	Labuan	100.0
	Teluk Cempedak Investments Limited (Mauritius)	Mauritius	100.0
	Teluk Dalam Investments Limited	Labuan	100.0

## 7. INFORMATION ABOUT KHAZANAH (cont'd)

Sector	Company Name	Country of Incorporation	Khazanah's effective interest (%)
	Teluk Gadong Investments Limited	Labuan	100.0
	Teluk Intan Investments (Cayman Islands) Limited	Cayman Islands	100.0
	Teluk Kalung Investment Limited	Labuan	100.0
	Teluk Kemang Investments (Mauritius) Limited	Mauritius	100.0
	Teluk Kumbar Ventures Sdn Bhd	Malaysia	100.0
	Teluk Nibong Ventures Sdn Bhd	Malaysia	100.0
	Teluk Nipah Investments (Cayman Islands) Limited	Cayman Islands	100.0
	Teluk Pauh Sdn Bhd	Malaysia	100.0
	Teluk Rubiah Ventures Sdn Bhd	Malaysia	100.0
	Teluk Senangin Investments Limited	Labuan	100.0
	Tioman Investments (Mauritius) Limited	Mauritius	100.0
	Titiwangsa Investments (Mauritius) Ltd	Mauritius	100.0
	Tulai Beach Ventures Sdn Bhd	Malaysia	100.0
	Western Hill Investments Limited	Labuan	100.0
	Panorama Investments (Mauritius) Limited	Mauritius	100.0
	Sungai Pulai Investments (Singapore) Pte. Ltd.	Singapore	100.0
	Mostyn Investments (Mauritius) Limited	Mauritius	100.0
	PT Pantai Damai	Indonesia	100.0
	Tanjong Aru Capital Sdn Bhd	Malaysia	100.0
	Angsana Production Services Sdn Bhd	Malaysia	100.0
	Candelon Ventures Sdn Bhd	Malaysia	100.0
	Jasmine Acres Sdn Bhd	Malaysia	86.7
	Southview Hills Sdn Bhd	Malaysia	100.0
	Tuba Investments W.L.L.	Bahrain	100.0
	KCS Green Energy International (Group) Investments Company Limited	Hong Kong	100.0
	Bagan Lalang Ventures Sdn Bhd	Malaysia	100.0

## 7. INFORMATION ABOUT KHAZANAH *(cont'd)*

### 7.4 Board of Directors of Khazanah

The Directors of Khazanah as at the LPD are set forth below. The Directors of Khazanah are all appointed by the Minister of Finance (Incorporated).

<b>Name</b>	<b>Age</b>	<b>Address</b>	<b>Designation</b>	<b>Nationality</b>
Dato' Sri Mohd Najib	63	Seri Perdana Precinct 10 62502 Putrajaya	Chairman <i>(Non-Executive Director)</i>	Malaysian
Tan Sri Dato' Seri Utama Nor Mohamed bin Yakcop (" <b>Tan Sri Dato' Seri Utama Nor</b> ")	69	No.67, Jalan Setiakasih 9 Bukit Damansara 50490 Kuala Lumpur	Deputy Chairman <i>(Non-Executive Director)</i>	Malaysian
Datuk Seri Johari bin Abdul Ghani (" <b>Datuk Seri Johari</b> ")	53	No. 11A, Jalan 14/1 Taman TAR 68000 Ampang Selangor	Director <i>(Non-Executive Director)</i>	Malaysian
Tan Sri Dr. Mohd Irwan Serigar Abdullah (" <b>Tan Sri Dr. Mohd Irwan</b> ")	60	No.26, Jalan Presint 14A Jalan1/1 62050 Putrajaya	Director <i>(Non-Executive Director)</i>	Malaysian
Tan Sri Md Nor bin Md Yusof (" <b>Tan Sri Md Nor</b> ")	69	67, Lake View Saujana Resort Seksyen U2, 40150 Shah Alam, Selangor	Director <i>(Non-Executive Director)</i>	Malaysian
Tan Sri Mohamed Azman Yahya (" <b>Tan Sri Azman Yahya</b> ")	53	1 Jalan Setiabakti 2 Damansara Heights 50490 Kuala Lumpur	Director <i>(Non-Executive Director)</i>	Malaysian
Dato' Mohammed Azlan Hashim (" <b>Dato' Azlan</b> ")	60	No.17, Lorong Setiabudi Bukit Damansara 50490 Kuala Lumpur	Director <i>(Non-Executive Director)</i>	Malaysian
Raja Tan Sri Dato' Seri Arshad bin Raja Tun Uda (" <b>Raja Tan Sri Dato' Seri Arshad</b> ")	70	16, Jalan 12 Taman Tun Abdul Razak 68000 Ampang, Selangor	Director <i>(Non-Executive Director)</i>	Malaysian
Tan Sri Andrew Sheng Len Tao (" <b>Tan Sri Andrew</b> ")	70	2A, Jalan Bunga Orchid Hillside, Tanjung Bungah 11200 Penang	Director <i>(Non-Executive Director)</i>	Malaysian
Dato' Sri Mohamed Nazir bin Tun Haji Abdul Razak (" <b>Dato' Sri Nazir</b> ")	50	No.98, Setiamurni 6, Damansara Heights 50490 Kuala Lumpur	Director <i>(Non-Executive Director)</i>	Malaysian

## 7. INFORMATION ABOUT KHAZANAH (cont'd)

Dato' Dr Nirmala Menon A/P YB Menon ("Dato' Dr Nirmala")	57	E 07-06 Sunway Vivaldi, 1 Jalan 19/70A, Desa Sri Hartamas, 50480, Kuala Lumpur	Director (Non-Executive Director)	Malaysian
Tan Sri Dato' Azman bin Hj. Mokhtar ("Tan Sri Dato' Azman")	56	Lot 357, Jalan Bayu Nyaman, Country Heights 43000 Kajang, Selangor	Managing Director (Executive Director)	Malaysian

Dato' Sri Mohd Najib, Datuk Seri Johari and Tan Sri Dr. Mohd Irwan are representatives of the Minister of Finance (Incorporated) on Khazanah's Board of Directors. Save for Dato' Sri Mohd Najib, Datuk Seri Johari and Tan Sri Dr. Mohd Irwan, none of the other Directors of Khazanah represent other shareholders of Khazanah. Further, none of the Directors have any direct or indirect shareholding of the shares in Khazanah or the Issuer.

Raja Tan Sri Dato' Seri Arshad is the Chairman of Khazanah's Audit and Risk Committee. Tan Sri Azman Yahya and Tan Sri Andrew are members of Khazanah's Audit and Risk Committee.

The biographies of the Directors of Khazanah as at the LPD are as follows:

### Dato' Sri Mohd Najib

Dato' Sri Mohd Najib, aged 63, was appointed as the Chairman of Khazanah on 7 May 2009. He is the current Prime Minister of Malaysia and Minister of Finance. He started his career at the Malaysian Central Bank, BNM, and later served at the national oil company, Petrolim Nasional Berhad ("**Petronas**"). His political career began in 1976 when he was elected as the Member of Parliament for Pekan. At 22 years old, he was then the nation's youngest Member of Parliament. He previously held various ministerial posts including Minister of Culture, Youth and Sports, Minister of Defence, and Minister of Education, as well as Deputy Prime Minister from 2004 to 2009. Dato' Sri Mohd Najib also served as the Chief Minister of Pahang from 1982 to 1986.

Dato' Sri Mohd Najib holds a degree in Industrial Economics from Nottingham University, United Kingdom.

### Tan Sri Dato' Seri Utama Nor

Tan Sri Dato' Seri Utama Nor, aged 69, was appointed as the Deputy Chairman of Khazanah on 3 June 2013 and has been a Director of Khazanah since 12 November 2002. Tan Sri Dato' Seri Utama Nor is currently the Chairman of Khazanah's Executive Committee. He was formerly Minister in the Prime Minister's Department from 2009 to 2013 and the Second Finance Minister from 2004 to 2009. He was the Special Economic Adviser to Prime Minister, Tun Dr. Mahathir Mohamad from 2000 to 2003. Apart from a short period in the private sector in the late 1990's, he was with BNM from 1968 to 2000. During his service with BNM, he was responsible for the implementation of a number of major projects, including the implementation of Islamic banking in Malaysia, the setting-up of the bilateral payments mechanism between BNM and the central banks of South-South countries and the setting-up of the Rating Agency Malaysia Berhad.

Tan Sri Dato' Seri Utama Nor graduated from the University of Malaya with a Bachelor of Economics (Honours) degree and also from the Catholic University of Leuven, Belgium, with a Masters in Business Administration (cum laude) degree.

**7. INFORMATION ABOUT KHAZANAH (cont'd)**

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Datuk Seri Johari

Datuk Seri Johari, aged 53, is the current Minister of Finance II. He was formerly the Deputy Minister of Finance. He started his career at international accounting firm, Peat Marwick & Co. (now known as KPMG) as an auditor. He went on to hold senior key positions in several public listed companies and was Managing Director in companies involved in the food and beverage, agriculture and manufacturing industries. Datuk Seri Johari is currently the Chairman of Yayasan Bena Nusa which was established to help reduce urban poverty and improve education for children from urban poor. He was also appointed Chairman of Jawatankuasa Pemakanan Negara at the Ministry of Agriculture and Agro-based Industry.

Datuk Seri Johari holds a Diploma in Accounting from Institut Teknologi MARA and is a qualified Chartered Accountant under the Chartered Association of Certified Accountants.

Tan Sri Dr. Mohd Irwan

Tan Sri Dr. Mohd Irwan, aged 60, was appointed as a Director of Khazanah on 23 June 2015. He is Secretary General of Treasury, Ministry of Finance. He serves on the Board of Directors of several key organisations including Petronas, Lembaga Tabung Haji, Mass Rapid Transit Corporation Sdn Bhd, and Bank Negara Malaysia. He is also Chairman of Retirement Fund (Incorporated), Inland Revenue Board of Malaysia, Cyberview Sdn Bhd and Malaysian Global Innovation & Creativity Centre.

Tan Sri Dr. Mohd Irwan holds a PhD in Economics from International Islamic University Malaysia, a Master of Science in Energy Management and Policy from University of Pennsylvania, and a Bachelor of Arts (Honours) in Population Studies from University of Malaya.

Tan Sri Md Nor

Tan Sri Md Nor, aged 69, was appointed as a Director of Khazanah on 1 April 2006 and currently sits on its Executive Committee. He is the Chairman of Malaysia Airlines Berhad, and sits on various Boards, including Board of Trustee of Yayasan Khazanah, Pelaburan Hartanah Berhad and several key investee companies. Tan Sri Md Nor was Chairman of the Board of CIMB Group Holdings until 31 August 2014. He spent 18 years of his working career with the CIMB group of companies, and more notably as President and Chief Executive Officer of Bank of Commerce Berhad. He was formerly the Executive Chairman of the SC and Adviser to the Minister of Finance.

Tan Sri Md Nor graduated with a Bachelors Degree in Commerce from the University of Otago, New Zealand and is a qualified chartered accountant.

Tan Sri Azman Yahya

Tan Sri Azman Yahya, aged 53, was appointed as a Director of Khazanah on 1 June 2004 and is currently a Member of Khazanah's Audit and Risk Committee. He is the founder and Group Chief Executive of Symphony House Sdn Bhd, and Executive Chairman of Symphony Life Berhad. He also sits on the Boards of Ekuiti Nasional Berhad and several Khazanah investee companies. Tan Sri Azman Yahya started his career in auditing with KPMG in London before returning to Malaysia in 1988 where he built his career in investment banking as chief executive of Amanah Merchant Bank. During the 1997- 1998 Asian financial crisis, Tan Sri Azman Yahya was appointed by the Government of Malaysia to set up and head Pengurusan Danaharta Nasional Berhad, the national asset management company. Subsequently, he also served as Chairman of the Corporate Debt Restructuring Committee, set up by Malaysia's Central Bank, to mediate and assist in debt restructuring programmes of viable companies until its closure in 2002.

**7. INFORMATION ABOUT KHAZANAH (cont'd)**

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He graduated with a first class honours degree in Economics from the London School of Economics and Political Science from the University of London. He is also a member of the Institute of Chartered Accountants in England and Wales, the Malaysian Institute of Accountants and a fellow of the Malaysian Institute of Banks.

Dato' Azlan

Dato' Azlan, aged 60, was appointed as a Director of Khazanah on 1 June 2004 and is currently a Member of its Executive Committee. He is Chairman and Board member of several public listed companies and Government-related organisations. He was formerly Chief Executive of Bumiputra Merchant Bankers Berhad, Group Managing Director of Amanah Capital Malaysia Berhad, and Executive Chairman of Bursa Malaysia Berhad.

He holds a Bachelor of Economics from Monash University and is a qualified chartered accountant. Dato' Azlan is a Fellow Member of the Institute of Chartered Accountants, Australia, a member of the Malaysian Institute of Accountants, a Fellow Member of the Malaysian Institute of Directors, a Fellow Member of the Institute of Chartered Secretaries and Administrators and an Honorary Member of The Institute of Internal Auditors, Malaysia.

Raja Tan Sri Dato' Seri Arshad

Raja Tan Sri Dato' Seri Arshad, aged 70, was appointed as a Director of Khazanah on 1 April 2006 and is currently the Chairman of Khazanah's Audit and Risk Committee. He is the Chairman of Maxis Berhad, Ekuiti Nasional Berhad and Yayasan Raja Muda Selangor. He was formerly the Executive Chairman and Senior Partner of PricewaterhouseCoopers Malaysia for 18 years. During this period, he established a more effective corporate style management structure in place of the partnership management structure and saw through the merger between PriceWaterhouse and Coopers Lybrand.

Raja Tan Sri Dato' Seri Arshad is a Fellow of the Institute of Chartered Accountants in England and Wales and a member of the Malaysian Institute of Accountants. He is a member of the Malaysian Institute of Certified Public Accountants, where he served on its Council for 24 years, including three years as its President.

Tan Sri Andrew

Tan Sri Andrew, aged 70, was appointed as a Director of Khazanah on 22 July 2008 and is currently a member of Khazanah's Audit and Risk Committee. He is the Chief Adviser to the China Banking Regulatory Commission. His previous senior appointments include Chairman of the Securities and Futures Commission of Hong Kong, Deputy Chief Executive of Hong Kong Monetary Authority, and Chief Economist and Assistant Governor of Bank Negara Malaysia.

He is a Chartered Accountant by training and holds a first class honours degree in Economics and an honorary doctorate of law from the University of Bristol, United Kingdom.

Dato' Sri Nazir

Dato' Sri Nazir, aged 50, was appointed as a Director of Khazanah on 1 September 2014. He is the Chairman of CIMB Group Holdings. He is also a trustee of Rahah Foundation. He was formerly the Group Managing Director/Chief Executive Officer of CIMB Group Holdings between November 2006 and August 2014 after having joined the banking group in 1989.

Dato' Sri Nazir holds a Bachelor of Social Science from the University of Bristol and a Master of Philosophy from the University of Cambridge. In 2010, he served as the Chevening Fellow at the Oxford Centre for Islamic Studies.

## 7. INFORMATION ABOUT KHAZANAH (cont'd)

### Dato' Dr Nirmala

Dato' Dr Nirmala, aged 57, was Executive Vice President, Head of Designated Markets & Health Asia at MetLife Asia Pacific Ltd, where she was responsible for operations in Hong Kong, Australia, Malaysia, Vietnam, Bangladesh, Nepal, and Myanmar. Prior to joining MetLife Asia Pacific Ltd, she served as Head of South Asia at ING Asia Pacific Ltd, and before that, she was President and Chief Executive Officer of ING Malaysia Berhad, becoming the first woman Chief Executive Officer in the life insurance industry in Malaysia.

Trained as a physician, Dato' Dr Nirmala obtained her Bachelor of Medicine, Bachelor of Surgery (MBBS) degree from the University of Mysore, India with a First Class Distinction.

### Tan Sri Dato' Azman

Tan Sri Dato' Azman, aged 56, was appointed as Managing Director of Khazanah on 1 June 2004. He also chairs and sits on the Boards of several key Khazanah investee companies. He is also the co-founder and former Managing Director of BinaFikir Sdn Bhd, and was previously Director and Head of Research at Salomon Smith Barney and Union Bank of Switzerland in Malaysia.

Tan Sri Dato' Azman graduated with distinction in M. Phil in Development Studies from Darwin College, Cambridge University, United Kingdom as a Chevening scholar. He is a Fellow of the Association of Chartered Certified Accountants, United Kingdom and is a Chartered Financial Analyst charter holder. He also holds a graduate diploma in Islamic Studies from the International Islamic University, Kuala Lumpur.

### 7.5 Principal directorships of the Directors of Khazanah

The following table sets out the principal directorships of Khazanah's Directors as at the LPD ("Present Directorships") and those which were held within the past 3 years up to the LPD ("Previous Directorships"):

Name	Directorships
Dato' Sri Mohd Najib	<p><i>Present directorships:</i></p> <ul style="list-style-type: none"> <li>• Yayasan Amanah Hartanah Bumiputera</li> <li>• Yayasan Ekuiti Nasional</li> <li>• Talent Corporation Malaysia Berhad</li> <li>• Yayasan Peneraju Pendidikan Bumiputera</li> <li>• Yayasan Pelaburan Bumiputera</li> </ul> <p><i>Previous directorships:</i></p> <ul style="list-style-type: none"> <li>• Nil</li> </ul>
Tan Sri Dato' Seri Utama Nor	<p><i>Present directorships:</i></p> <ul style="list-style-type: none"> <li>• Khazanah Research Institute</li> </ul> <p><i>Previous directorships:</i></p> <ul style="list-style-type: none"> <li>• Nil</li> </ul>
Datuk Seri Johari	<p><i>Present directorships:</i></p> <ul style="list-style-type: none"> <li>• Yayasan Bena Nusa</li> </ul>



## 7. INFORMATION ABOUT KHAZANAH (cont'd)

Name	Directorships
Tan Sri Dr. Mohd Irwan	<p data-bbox="651 286 895 313"><i>Previous directorships:</i></p> <ul data-bbox="651 324 727 351" style="list-style-type: none"> <li data-bbox="651 324 727 351">• Nil</li> </ul> <p data-bbox="651 400 884 427"><i>Present directorships:</i></p> <ul data-bbox="651 439 1390 741" style="list-style-type: none"> <li data-bbox="651 439 1043 465">• Permodalan Nasional Berhad</li> <li data-bbox="651 477 1011 504">• Petroliam Nasional Berhad</li> <li data-bbox="651 515 1294 542">• Syarikat Jaminan Pembiayaan Perniagaan Berhad</li> <li data-bbox="651 553 1043 580">• Wakala Global Sukuk Berhad</li> <li data-bbox="651 591 1082 618">• 1 Malaysia Development Berhad</li> <li data-bbox="651 629 1390 701">• Malaysia Aviation Group Berhad (formerly known as Pulau Mabul Berhad)</li> <li data-bbox="651 712 987 739">• Malaysia Airlines Berhad</li> </ul> <p data-bbox="651 779 895 806"><i>Previous directorships:</i></p> <ul data-bbox="651 817 1086 844" style="list-style-type: none"> <li data-bbox="651 817 1086 844">• Malaysian Airline System Berhad</li> </ul>
Tan Sri Md Nor	<p data-bbox="651 898 884 925"><i>Present directorships:</i></p> <ul data-bbox="651 936 1390 1238" style="list-style-type: none"> <li data-bbox="651 936 927 963">• Yayasan Khazanah</li> <li data-bbox="651 974 1150 1001">• Agrifood Resources Holdings Sdn Bhd</li> <li data-bbox="651 1012 911 1039">• Yayasan Hasanah</li> <li data-bbox="651 1050 1390 1122">• Malaysia Aviation Group Berhad (formerly known as Pulau Mabul Berhad)</li> <li data-bbox="651 1133 987 1160">• Malaysia Airlines Berhad</li> <li data-bbox="651 1171 1027 1198">• Pelaburan Hartanah Berhad</li> <li data-bbox="651 1209 903 1236">• CIMB Foundation</li> </ul> <p data-bbox="651 1274 895 1301"><i>Previous directorships:</i></p> <ul data-bbox="651 1312 1086 1373" style="list-style-type: none"> <li data-bbox="651 1312 1086 1339">• Malaysian Airline System Berhad</li> <li data-bbox="651 1350 954 1377">• CIMB Group Sdn Bhd</li> </ul>
Tan Sri Azman Yahya	<p data-bbox="651 1417 884 1444"><i>Present directorships:</i></p> <ul data-bbox="651 1456 1390 1872" style="list-style-type: none"> <li data-bbox="651 1456 1390 1527">• Symphony House Sdn Bhd (formerly known as Symphony House Berhad)</li> <li data-bbox="651 1538 963 1565">• Symphony Life Berhad</li> <li data-bbox="651 1576 991 1603">• Brilliant Armada Sdn Bhd</li> <li data-bbox="651 1615 903 1641">• Dexview Sdn Bhd</li> <li data-bbox="651 1653 970 1680">• Langkawi Fair Sdn Bhd</li> <li data-bbox="651 1691 1034 1718">• Tijani (Bukit Tunku) Sdn Bhd</li> <li data-bbox="651 1729 963 1756">• Vital Capacity Sdn Bhd</li> <li data-bbox="651 1767 979 1794">• Ranhill Holdings Berhad</li> <li data-bbox="651 1805 963 1832">• Ekuiti Nasional Berhad</li> <li data-bbox="651 1843 1134 1870">• Sepang International Circuit Sdn Bhd</li> </ul>

## 7. INFORMATION ABOUT KHAZANAH (cont'd)

Name	Directorships
	<p><i>Previous directorships:</i></p> <ul style="list-style-type: none"> <li>• Scomi Group Berhad</li> <li>• PLUS Expressways International Berhad</li> </ul>
Dato' Azlan	<p><i>Present directorships:</i></p> <ul style="list-style-type: none"> <li>• Scomi Group Berhad</li> <li>• D&amp;O Green Technologies Berhad</li> <li>• IHH Healthcare Berhad</li> <li>• Silk Holdings Berhad</li> </ul> <p><i>Previous directorships:</i></p> <ul style="list-style-type: none"> <li>• Sistem Lingkaran Lebuhraya Kajang Sdn Bhd</li> <li>• AQL Aman Sdn Bhd</li> <li>• Omega Semiconductor Sdn Bhd</li> </ul>
Raja Tan Sri Dato' Seri Arshad	<p><i>Present directorships:</i></p> <ul style="list-style-type: none"> <li>• Asia Capital Reinsurance Malaysia Sdn Bhd</li> <li>• Avicennia Capital Sdn Bhd</li> <li>• Ekuiti Nasional Berhad</li> <li>• Maxis Berhad</li> <li>• Yayasan Dayadiri</li> <li>• Yayasan AMIR</li> <li>• Yayasan Raja Muda Selangor</li> <li>• Yayasan Perpustakaan Raja Tun Uda (formerly known as Yayasan Raja Tun Uda)</li> <li>• Icon Offshore Berhad</li> </ul> <p><i>Previous directorships:</i></p> <ul style="list-style-type: none"> <li>• ACR Retakaful Berhad</li> </ul>
Tan Sri Andrew	<p><i>Present directorships:</i></p> <ul style="list-style-type: none"> <li>• Khazanah Research Institute</li> </ul> <p><i>Previous directorships:</i></p> <ul style="list-style-type: none"> <li>• Nil</li> </ul>
Dato' Sri Nazir	<p><i>Present directorships:</i></p> <ul style="list-style-type: none"> <li>• CIMB Group Holdings Berhad</li> <li>• PT Bank CIMB Niaga Tbk (as President Commissioner)</li> <li>• CIMB Bank Berhad</li> <li>• Pride Foundation</li> <li>• Rahah Foundation</li> </ul> <p><i>Previous directorships:</i></p> <ul style="list-style-type: none"> <li>• CIMB Group Sdn Bhd</li> </ul>

## 7. INFORMATION ABOUT KHAZANAH (cont'd)

Name	Directorships
Dato' Dr Nirmala	<p><i>Present directorships:</i></p> <ul style="list-style-type: none"> <li>• Nil</li> </ul> <p><i>Previous directorships:</i></p> <ul style="list-style-type: none"> <li>• Nil</li> </ul>
Tan Sri Dato' Azman	<p><i>Present directorships:</i></p> <ul style="list-style-type: none"> <li>• Iskandar Investment Berhad</li> <li>• Yayasan Khazanah</li> <li>• Agrifood Resources Holdings Sdn Bhd</li> <li>• Khazanah Research Institute</li> <li>• Yayasan Hasanah</li> <li>• Axiata Group Berhad</li> </ul> <p><i>Previous directorships:</i></p> <ul style="list-style-type: none"> <li>• Pemandu Corporation</li> </ul>

### 7.6 Key management of Khazanah

The key management of Khazanah as at the LPD are set forth below:

Name	Age	Designation
Tan Sri Dato' Azman	56	Managing Director
Datuk Chan Wei Beng (Ben) (" <b>Datuk Ben Chan</b> ")	50	Executive Director, Investments and Co-Head Investments (Transactions)
Dato' Noorazman Abdul Aziz (" <b>Dato' Noorazman</b> ")	61	Executive Director, Investments and Co-Head of Investments (Divisional Management)
Mohammad Izani bin Ashari (" <b>Mohd Izani Ashari</b> ")	56	Executive Director, Managing Director's Office and Head of Special Projects Office
Sheranjiv Sammanthan (" <b>Jiv Sammanthan</b> ")	49	Executive Director, Managing Director's Office and Head of Managing Director's Office
Datuk Mohamad Hishammudin bin Hamdan (" <b>Datuk Hisham Hamdan</b> ")	49	Executive Director, Investments and Head of Khazanah Research & Investment Strategy
Kenneth Shen	53	Executive Director, Investments
Tengku Dato' Sri Azmil Zahrudin bin Raja Abdul Aziz (" <b>Tengku Dato' Sri Azmil</b> ")	46	Executive Director, Investments and Overseeing Executive Director of Khazanah Americas Inc.

## 7. INFORMATION ABOUT KHAZANAH (cont'd)

Dato' Mohd Izani Ghani	49	Executive Director, Investments and Overseeing Executive Director of Khazanah Turkey Regional Office
Dato' Charon Wardini Mokhzani ("Dato' Charon")	53	Executive Director, Managing Director's Office and Managing Director of Khazanah Research Institute
Zaida Khalida Shaari	49	Executive Director, Investments
Ahmad Zulqarnain Onn	44	Executive Director, Investments and Head of Strategic Management Unit
Dato' Mohamed Nasri Sallehuddin ("Dato' Nasri")	47	Executive Director, Corporate and Support Services, Company Secretary and Head, Legal
Javier Santiso	48	Executive Director, Investments and Head of Khazanah Europe Investment Limited
Chinta Bhagat ("Chinta")	48	Executive Director, Khazanah India Advisors Private Limited
Latifah Daud ("Latifah")	54	Executive Director, Strategic Human Capital Management and Head of Strategic Human Capital Management
Serena Tan Mei Shwen	38	Executive Director, Investments
Nik Rizal Kamil bin Nik Ibrahim Kamil ("Nik Rizal Kamil")	44	Executive Director, Investments
Roni Lihawa Abdul Wahab	43	Executive Director, Investments
Suhana Dewi Selamat	44	Director, Managing Director's Office and Chief Risk Officer
Faridah Bakar Ali	44	Director, Finance and Chief Financial Officer

None of the key management in Khazanah has any direct or indirect shareholding of the shares in Khazanah or the Issuer.

## 7. INFORMATION ABOUT KHAZANAH (cont'd)

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The biographies of the key management of Khazanah as at the LPD are as follows:

### Tan Sri Dato' Azman

Tan Sri Dato' Azman, aged 56, was appointed as Managing Director of Khazanah on 1 June 2004, and chairs and sits on the Boards of several key Khazanah investee companies. Between 1994 and 1998, he was a Director and Head of Research for Union Bank of Switzerland in Malaysia. Between 1998 and 2000, he was a Director and the Head of Research at Salomon Smith Barney in Malaysia. From 2002 until May 2004, he was the Managing Director of BinaFikir Sdn Bhd.

Tan Sri Dato' Azman graduated with distinction in M. Phil in Development Studies from Darwin College, Cambridge University, United Kingdom as a Chevening scholar. He is a Fellow of the Association of Chartered Certified Accountants, United Kingdom and is a Chartered Financial Analyst charter holder. He also holds a graduate diploma in Islamic Studies from the International Islamic University, Kuala Lumpur.

### Datuk Ben Chan

Datuk Ben Chan, aged 50, joined Khazanah in June 2005 as Director of Investments and was appointed Executive Director of Investments in April 2008. Between 1992 and 1996, Datuk Ben Chan researched the China and Hong Kong markets with Cazenove & Co and ING Barings in Hong Kong, where he was the Head of China Research. He returned to Malaysia in 1996 to join Barclays as the Head of Malaysian Research, and several others investment houses, including HSBC and ECM Libra, covering the Malaysia and Singapore markets. During 2013 to 2016, he was the Adjunct Professor at The Chinese University of Hong Kong. Datuk Ben Chan is a Chartered Accountant and holds a Bachelor of Commerce (with merit) from the University of New South Wales.

### Dato' Noorazman

Dato' Noorazman, aged 61, joined Khazanah as Executive Director of Investments in May 2010 after having spent two-and-a-half years as Managing Director of Fajr Capital Ltd, a Khazanah investee company. Dato' Noorazman previously worked in international banking and finance, during which time he held positions at Citigroup, Bank Islam, the Kuala Lumpur Stock Exchange and the Labuan Offshore Financial Services Authority. He is a practising member of the Association of Chartered Islamic Finance Professional and holds a Bachelor's Degree in Finance from Louisiana State University of the United States of America.

### Mohd Izani Ashari

Mohd Izani Ashari, aged 56, joined Khazanah in April 2009. At Khazanah, he leads the work on the GLC Transformation Programme and has been pivotal in the initial development which forms the foundations of the Government Transformation Programme. He has 26 years of working experience, predominantly with multi-nationals and large companies including Shell, Maybank, Sime Darby, Petronas and Malaysian Airline System Berhad ("MASB"), covering six different industries. He spent 16 years of his career in organisation transformation/ re-engineering where he played a significant role. He holds a Masters Degree in Construction Management from Reading University, United Kingdom and a Bachelor's Degree in Quantity Surveying from John Moores University, Liverpool, United Kingdom.

**7. INFORMATION ABOUT KHAZANAH (cont'd)**

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Jiv Sammanthan

Jiv Sammanthan, aged 49, joined Khazanah in June 2010 as Director in the Managing Director's Office. He was appointed Executive Director at the Managing Director's Office in June 2011. Prior to Khazanah, Jiv spent 18 years with PricewaterhouseCoopers both in London and in Kuala Lumpur. He was a founding partner of the PricewaterhouseCoopers Performance Improvement Consulting practice in Kuala Lumpur. He holds a Bachelor's Degree in Commerce from the University of Birmingham, England and is an Associate Member of the Institute of Chartered Accountants in England and Wales.

Datuk Hisham Hamdan

Datuk Hisham Hamdan, aged 49, joined Khazanah as Executive Director of Investments in April 2011. He also assumed the role of Head of Division of Khazanah Research and Investment Strategy, on 1 September 2013. He was formerly with Sime Darby where he served for over six years and assumed several senior positions, covering strategy and business development, healthcare, energy and utilities and special projects. Datuk Hisham also has 12 years of capital markets experience in equity research and investment banking. He started his career as a process engineer in the United States of America. He holds two degrees in Chemical Engineering and Industrial Management from Purdue University in the United States of America. He has also attended the Harvard Business School's Advanced Management Programme.

Kenneth Shen

Kenneth Shen, aged 53, joined Khazanah as Executive Director of Investments in July 2011. Prior to joining Khazanah, he was based in Doha with Qatar Investment Authority ("QIA") where he most recently was Advisor to the Chief Executive Officer and a member of the Board of Qatar Holding LLC. In addition, he was responsible for QIA's direct investments in public and private companies as well as its investments in private equity, special situations and venture capital funds. Prior to that, he was based in Hong Kong with Salomon Brothers Inc and its successor companies where his most recent role was Co-Head, Corporate Finance at Citigroup Global Markets Asia Limited. Prior to Salomon Brothers, he was with Lehman Brothers in their Merchant Banking and Principal Investments Groups in New York. Kenneth Shen holds a Bachelor of Arts degree (magna cum laude) in East Asian Languages and Civilisations (Japanese) and Economics from Harvard College and a Masters in Business Administration from the Harvard Graduate School of Business Administration.

Tengku Dato' Sri Azmil

Tengku Dato' Sri Azmil, aged 46, joined Khazanah as an Executive Director of Investments in October 2011. His main role is overseeing new investments and divestments in sectors within his portfolio. Prior to joining Khazanah, he was the Managing Director/Chief Executive Officer of MASB. He joined MASB as Executive Director/Chief Financial Officer in August 2005 after having served as a Non-Executive Director since August 2004. Prior to his time at MASB, he was the Chief Financial Officer and then Managing Director/Chief Executive Officer of Penerbangan Malaysia Berhad. He was also with PricewaterhouseCoopers in their London and Hong Kong offices where he was in the Audit and Business Advisory Services division, specialising in financial services. He holds a first class Masters in Economics from the University of Cambridge. He is a Chartered Accountant and an Associate Member of the Malaysian Institute of Accountants and the Institute of Chartered Accountants in England and Wales. He is also an Associate Member of the Association of Corporate Treasurers, United Kingdom.

**7. INFORMATION ABOUT KHAZANAH (cont'd)**

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Dato' Mohd Izani Ghani

Dato' Mohd Izani Ghani, aged 49, joined Khazanah in March 2005 and was appointed Director and Chief Financial Officer (CFO) in April 2010 and June 2010, respectively. He was subsequently promoted to Executive Director on 1 October 2012. He is also Non-Executive Non-Independent Director of Bank Muamalat Malaysia Berhad and Malaysia Airports Holdings Berhad. At Khazanah, he was involved in the issuance of the world's first exchangeable sukuk for US\$750,000,000 in 2006, followed by other landmark exchangeable sukuku in 2007 and 2008. Prior to Khazanah, he worked at Putrajaya Holdings Sdn Bhd and Renong Group. He graduated from the London School of Economics and Political Science with BSc (Economics) specialising in Accounting and Finance. He subsequently pursued his professional accounting qualification from the Association of Chartered Certified Accountants and was admitted to the fellowship in 2000. He is also a member of Malaysian Institute of Accountants.

Dato' Charon

Dato' Charon, aged 53, joined Khazanah in November 2013 as an Executive Director, Managing Director's Office. He has been appointed as the Managing Director of the Khazanah Research Institute. A former investment banker and lawyer, he joined Khazanah from the CIMB Group where he headed investment banking globally for the group as the Deputy Chief Executive Officer, Investment Banking of CIMB Group and the Chief Executive Officer of CIMB. Prior to that he was the Managing Partner of Messrs. Zaid Ibrahim & Co. He has also been in corporate finance at Rashid Hussain Securities and an advocate and solicitor at Shearn Delamore & Co. Dato' Charon read Philosophy, Politics and Economics at Balliol College, University of Oxford and Law at the School of Oriental and African Studies, University of London. He is a non-practising barrister of the Middle Temple and advocate and solicitor of the High Court of Malaya.

Zaida Khalida Shaari

Zaida Khalida Shaari, aged 49, joined Khazanah in January 2007 as a Senior Vice President of Investments. She was appointed as Director of Investments in April 2009 and currently serves as Executive Director, Investments. Prior to joining Khazanah, she was Company Secretary and Head of Legal at Permodalan Nasional Berhad, after having been in legal practice for several years. She is a barrister-at-law and a member of Gray's Inn, London, having graduated with LLB (Honours) from the University of Warwick, United Kingdom. She also holds a Masters in Business Administration from the University of Strathclyde, United Kingdom.

Ahmad Zulqarnain Onn

Ahmad Zulqarnain Onn, aged 44, joined Khazanah in May 2014 as an Executive Director of Investments. He was then appointed as the Head of Strategic Management Unit in January 2015. Previously, he was Chief Executive Officer of Danajamin Nasional Berhad. He has over 18 years' experience in both the banking and corporate sectors, including tenures with UBS Warburg, Pengurusan Danaharta Nasional Berhad, CIMB Group and Symphony Group. He graduated with a Bachelor's Degree in Economics from Harvard University.

**7. INFORMATION ABOUT KHAZANAH** *(cont'd)*

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Dato' Nasri

Dato' Nasri, aged 47, is currently the Executive Director, Corporate Support and Services, Company Secretary and Head, Legal at Khazanah. Dato' Nasri holds an LLB (Honours) degree from Aberystwyth University (Wales) and a Masters in Business Administration from the University of Strathclyde Business School. He was called to the degree of an Utter Barrister by the Honourable Society of Gray's Inn in 1995 and admitted to the High Court of Malaya as an advocate and solicitor in 1996. Prior to joining Khazanah in 2009, Dato' Nasri 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.

Javier Santiso

Javier Santiso, aged 48, joined Khazanah on 1 August 2015. He heads Khazanah Europe Investment Limited, a wholly-owned subsidiary which provides advice and support on investments in Europe which are of strategic interest to Khazanah. Previously, he was Managing Director, Global Affairs & New Ventures at Telefonica. He has also served as Director General and Chief Economist at OECD Development Centre. Javier Santiso has a doctorate in Economics and Finance from Oxford University in the United Kingdom. He also holds a doctorate and a Masters in International Economics from Sciences Po in Paris, France.

Chinta

Chinta, aged 48, joined Khazanah on 15 July 2015. He leads Khazanah's India operations based in Mumbai. Previously, he was Managing Partner at McKinsey & Co in Singapore. Chinta has broad experience in investments, driving portfolio company performance, and designing and implementing governance systems. Prior to McKinsey, he held various positions at an engineering and construction firm in India, culminating in his role as Chief Executive Officer. Chinta holds a Masters in Strategic Management & International Business from Insead Business School, France.

Latifah

Latifah, aged 54, joined Khazanah on 1 April 2015 and leads the Strategic Human Capital Management Division. She has over 20 years' experience in human resources with a track record in multinational companies. Prior to joining Khazanah, Latifah was a Senior Staffing Director for Honeywell Inc., based in Shanghai, China for over seven years. Latifah helped Honeywell in their strategic expansion in High Growth Regions covering specific assignments in Greater China, India, Japan, Korea, Australia and South East Asia. She was also responsible for supporting talent acquisition for Global Honeywell Technology Solutions function with operations in Bangalore, Shanghai and Brno in the Czech Republic. From 1994 to September 2007, Latifah worked in various human resource functions in Motorola/Freescale Semiconductor. Prior to that, she worked in a consulting firm in Singapore, Hatibudi Nominees/Renong Group and Arab Malaysian Bank in Kuala Lumpur. Latifah holds a Masters in Business Administration and Bachelor of Science Degree in Computer Management from Eastern Illinois University, United States of America.

Serena Tan Mei Shwen

Serena Tan Mei Shwen, aged 38, joined Khazanah as Vice President, Investments in 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 Masters in Business Administration under the MIT Sloan Fellows Program at the Massachusetts Institute of Technology.



**7. INFORMATION ABOUT KHAZANAH** *(cont'd)*

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Nik Rizal Kamil

Nik Rizal Kamil, aged 44, joined Khazanah in April 2011 as Senior Vice President, Investments. He started his career as an accountant and auditor with Coopers & Lybrand United Kingdom before joining Arthur Andersen & Co. He has also served with several Royal Dutch Shell companies in the region and the United Kingdom. He holds a B.Sc. (Hons) in Economics and Accounting from University of Bristol, and a M.Sc. (Finance) from London Business School. He is also a Fellow of the Institute of Chartered Accountants in England and Wales.

Roni Lihawa Abdul Wahab

Roni Lihawa Abdul Wahab, aged 43, re-joined Khazanah on 1 May 2017 after having served HSBC Bank Malaysia Berhad as its Managing Director, Head of Global Banking. His previous stint at Khazanah was as Director, Investments from 2005 to 2010. He started his career in investment banking with Capstar Partners Inc. and J.P Morgan Securities Inc. in New York. He has also worked at UEM Group and at Credit Suisse, where he was Director, Head of Malaysia Coverage. He holds a B.Sc. (Economics) majoring in Corporate Finance and Actuarial Science from The Wharton School, University of Pennsylvania.

Suhana Dewi Selamat

Suhana Dewi Selamat, aged 44, 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 also serves on the Board of Trustees of WWF Malaysia as its Honorary Legal Adviser. Suhana Dewi Selamat holds a LLB (Honours) degree from the London School of Economics and Political Science.

Faridah Bakar Ali

Faridah Bakar Ali, aged 44, joined Khazanah in 2006. Prior to joining Khazanah, she was with PricewaterhouseCoopers Malaysia and BP Malaysia Berhad. She graduated from Lancaster University, United Kingdom with a Bachelor's Degree in Accounting and Finance. She is also a Fellow of the Institute of Chartered Accountants in England and Wales and a member of the Malaysian Institute of Accountants.

**7.7 Material litigation**

As at the LPD, Khazanah is not engaged in any current, pending or threatened material litigation and arbitration proceedings, either as plaintiff or defendant.

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## 8. INFORMATION ABOUT YAYASAN AMIR

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In relation to the Retail Sukuk Ihsan Eligible SRI Project, the Issuer has complied with the environmental, social and governance standards or recognised best practices and shall ensure continuing compliance with such governance standards or recognised best practices throughout the tenure of the Retail Sukuk Ihsan. Information about Yayasan AMIR is set out in the sections below.

### 8.1 Description of Yayasan AMIR

Yayasan AMIR is a not-for-profit foundation set up by Khazanah, incorporated in Malaysia under the 1965 Act and deemed registered under the Act in the form of a public company limited by guarantee. Its principal activity is to collaborate with the MOE in response to the Government's call for a greater Public-Private Partnership in the education sector, to address the quality of education in Government schools via the Trust Schools Programme. Trust Schools are Government schools that are jointly managed by Yayasan AMIR and school principals, under the umbrella of the MOE. The inception of the Yayasan AMIR Trust Schools Programme is in line with the aspiration of the Malaysian Education Blueprint 2013-2025 which aims to provide opportunities for students to flourish and become knowledgeable Malaysians who think critically and creatively, and are equipped with leadership and communication skills.

In 2010, the MOE and Yayasan AMIR had entered into a strategic partnership under which Yayasan AMIR has been entrusted to develop a comprehensive public transformation model that focuses on improving holistic student outcomes in Government schools. The Trust Schools Programme revitalises the learning environment in schools in a sustainable, replicable and scalable manner by focusing on improvements in overall school management, curriculum and delivery of education. In this way, Yayasan AMIR promotes excellence in the schooling system by creating a leading network of integrated and sustainable Trust Schools and thereon, provides a "model" for replication to the district and state education officers to effect change at nearby schools.

The partnership grants six (6) autonomies to the Yayasan AMIR Trust Schools that are managed by the School Leadership Team comprising of the *Pengetua/Guru Besar* (Principals/Headmasters) and all the *Penolong Kanan* (Senior Assistants) to align to their school improvement plan with the advice by Yayasan AMIR. The autonomies are:

- Timetable and school calendar – the ability to determine the timetabling of each subject as long as the minimum time allocation for certain subjects are met, as well as to add on to the number of school days in a term;
- Utilisation of funds allocated – the ability to reallocate operating funds provided by the Government to the school to support its strategic goals as it deems fit;
- Curriculum – the ability to introduce additional subjects on top of the current curriculum;
- Pupil policies – the ability to determine the policy for the admission of up to 20% of new students subject to Government admission criteria;
- Staffing – the ability to participate in the selection, appraisal and professional development of school staff; and
- Procurement – the ability to administer the procurement policies and procedures for Trust Schools.

As of the end of 2016, there are eighty-three (83) schools which have been designated as Yayasan AMIR Trust Schools, which span the states of Johor, Sarawak, Selangor, Terengganu, Perak, Negeri Sembilan, Pahang, Sabah, Kelantan and the Federal Territory of Kuala Lumpur. This surpasses the initial target as set out in the Malaysian Education

## 8. INFORMATION ABOUT YAYASAN AMIR *(cont'd)*

Blueprint 2013 to 2025 of twenty (20) schools by 2015. The existing Trust Schools comprise of low/mid/high performance bands, urban, suburban and rural schools. They are:

- Cohort 2011 (Pilot): Ten (10) schools in Johor and Sarawak, comprising six (6) primary schools and four (4) secondary schools;
- Cohort 2013: Three (3) primary schools in Kuala Lumpur;
- Cohort 2014: Seventeen (17) schools in Johor, Kuala Lumpur and Selangor, comprising eleven (11) primary schools and six (6) secondary schools;
- Cohort 2015: Thirty-two (32) schools in Selangor, Sarawak, Negeri Sembilan, Perak, Sabah, Terengganu and Pahang, comprising of seventeen (17) primary schools and fifteen (15) secondary schools; and
- Cohort 2016: Twenty-one (21) schools in Selangor, Sarawak, Terengganu, Perak and Kelantan, comprising fourteen (14) primary schools and seven (7) secondary schools.

The Government aims to set up a total of five hundred (500) Trust Schools across the country by 2025.

### 8.2 Trustees of Yayasan AMIR

#### Raja Tan Sri Dato' Seri Arshad

*Chairman, Board of Trustees*

Please refer to Section 7.4 of this Prospectus for further details.

#### Dato' Noor Rezan Bapoo Hashim

Dato' Noor Rezan Bapoo Hashim was appointed as a Trustee on 10 February 2012. She is the former Deputy Director-General of the MOE and headed a Committee under the purview of the Prime Minister to strengthen English language in Malaysian schools. She was also the Ministry's Lab Leader under the National Key Result Areas (NKRA) in Education. Dato' Noor Rezan is currently the Education Advisor to Khazanah, providing guidance on several educational initiatives, namely the PINTAR Foundation, the Trust Schools Programme and Teach for Malaysia.

#### Kenneth Shen

Kenneth Shen was appointed as a Trustee on 10 February 2012.

Please refer to Section 7.6 of this Prospectus for further details.

#### Zailah Tun Dr Ismail Al-Haj

Zailah Tun Dr Ismail Al-Haj was appointed as a Trustee on 18 July 2016, bringing over twenty (20) years' of experience in public relations, spanning across the fields of corporate, financial and academia in England, Turkey, Sultanate of Oman and Malaysia. She was appointed as the Public Relations Advisor to the Governor of Bank Negara Malaysia in 2000. During her stint at Bank Negara Malaysia, she was instrumental in forming Malaysia's first Deposit Insurance. She also served as government relations consultant for Burson-Martsteller Sdn Bhd. Zailah has held various directorship portfolios over twenty (20) years with several Japanese companies. Currently, she is a director of Total Logistic Sdn Bhd and Indah Delegasi Sdn Bhd.

## 8. INFORMATION ABOUT YAYASAN AMIR (cont'd)

### 8.3 Yayasan AMIR's Trust Schools Programme

#### 8.3.1 Strategic Goals

The four (4) strategic goals of the Yayasan AMIR Trust Schools Programme are:



(a) Develop high quality leadership and management

The schools' senior leadership team engages in regular professional learning and development, and incorporates these new learning in their daily tasks.

The schools also learn to link their financial planning to strategic goals, and performance management systems are put in place to monitor the individual growth and performance of all staff members.

(b) Improve the quality of learning and teaching

Teachers are exposed to new methods and techniques to make both teaching and learning more engaging and fun, and to encourage students to be more active and collaborative during lessons. They are also taught effective ways to create positive and safe environments that make learning much more effective.

(c) Maximise student achievement and potential

The schools put together an effective co-curriculum framework that supports the development of more well-rounded students. There are also activities and engagement plans that help students develop positive values and attitudes, with emphasis on the principles of Modal Insan.

Modal Ihsan is a collection of traits including knowledge, talent, skills, abilities, experience, intelligence, training, judgment and wisdom possessed individually and collectively by individuals in a population. These resources are the total capacity of the people that represent a form of wealth, which can be directed to accomplish the goals of a nation or state.

**8. INFORMATION ABOUT YAYASAN AMIR (cont'd)**

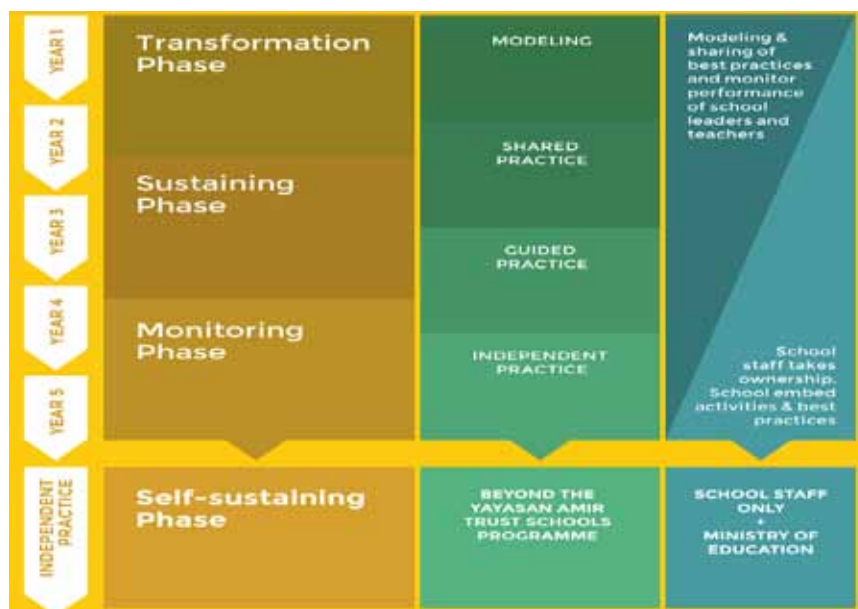
(d) Strengthen the engagement of parents, community and other stakeholders

The schools actively engage with parents, keeping them well informed on the children’s progress and regularly inviting them to participate in activities. They also reach out to local businesses and institutions to involve them in school programmes.

**8.3.2 Selection of Schools**

Yayasan AMIR and the MOE engage with school principals to determine alignment in vision and interest in the programme. Yayasan AMIR then conducts public dialogue sessions with the rest of the school community including teachers, parents and students to better gauge the response on the ground. The schools are then chosen based on several criteria such as geographical locations, dimensions of the schools and school types. Additional factors such as schools with the greatest transformational potential, combination of rural and urban areas, high- and low-performing schools and balanced social equity, are also taken into consideration.

**8.3.3 Phases of the Trust Schools Programme**



The Yayasan AMIR Trust Schools Programme was developed to take a long-term view on school transformation. It is carried out using a gradual release implementation model over the course of five (5) years to ensure that continuous school improvement practices are firmly embedded into the school culture. Sustainability factors such as the development of in-school pedagogical support will be built in to ensure that there will be no ‘roll back’ after the fifth year.

The Yayasan AMIR Trust Schools Programme focuses on building the capacity of school leaders and teachers towards creating sustainable learning practices and culture in Government schools. Students and surrounding communities, including parents, are also engaged through an integrated school improvement plan so as to ensure a holistic learning environment.

## 8. INFORMATION ABOUT YAYASAN AMIR (cont'd)

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Although each Trust Schools Programme will be customised based on their needs per the baseline findings, the Trust Schools Programme will incorporate the following core elements:

(a) Integrated school transformation programme to achieve the four strategic goals of the Trust Schools Programme

- (i) Effective leadership and management
- (ii) Raising the quality of teaching and learning
- (iii) Maximising student potential and outcomes
- (iv) Increased involvement of parents and community

(b) Providing training and support

- (i) Deliver Continuous Professional Development (“CPD”) training to the senior leadership teams and teachers in the schools
- (ii) Encourage student development through an integrated co-curriculum framework, leadership training, cooperative learning and creativity

*Note: CPD is a set of comprehensive training modules provided to senior leadership teams and teachers and monitored periodically.*

(c) Establishing performance monitoring systems

- (i) Set and track overall schools’ and students’ KPTs
- (ii) Set and track individual performance management system targets for school staff through lesson observations, CPD training attendance, application of learning and implementation of teacher targets
- (iii) Report progress of key milestones throughout the programme

*Note: The KPTs is a self-evaluation process to identify school’s take-off value and determine the target at the end of 5 years. The KPTs are set against the four programme standards and looks at two dimensions, which is school progress and students’ outcome.*

(d) Embedding sustainability factors

- (i) Develop in-school pedagogical support through the development of Middle Leaders
- (ii) Establish Professional Learning Communities (“PLCs”) within the school and surrounding areas
- (iii) Implement the Gradual Release Implementation Model with increased independence and ownership for schools to ensure sustainable change practices

*Note: PLCs involves a group of educators coming together regularly with two broad objectives which are to (1) improve educators through collaborative study, expertise exchange and professional dialogue, and (2) improve the educational aspirations, achievement and attainment of students through shared experiences.*

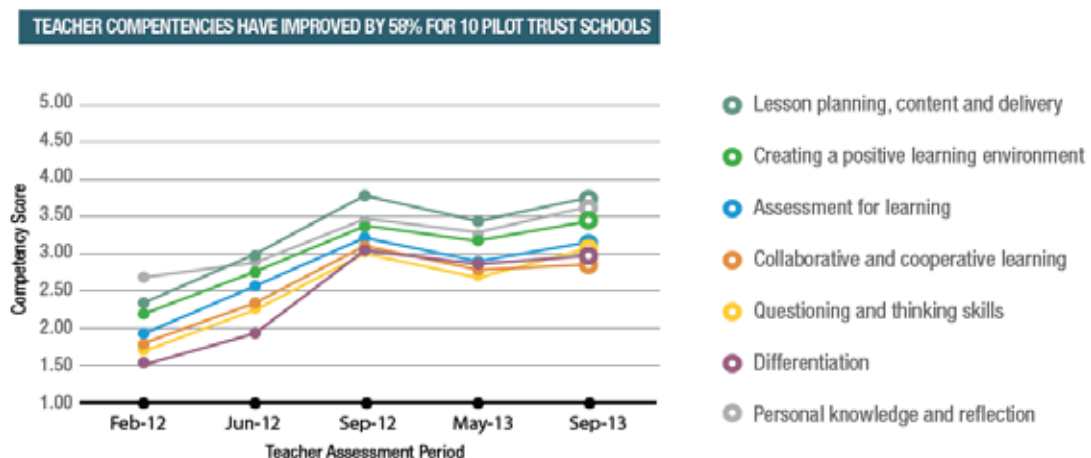
## 8. INFORMATION ABOUT YAYASAN AMIR (cont'd)

- (e) Improving overall school management
- (i) Capability building in Data and Information Management
  - (ii) Capability building in Financial Management
  - (iii) Capability building in Human Resource, Talent and Succession Management

### 8.3.4 Achievements of the Trust Schools Programme to-date

In 2013, Yayasan AMIR commissioned the University of Melbourne's Centre for Programme Evaluation to independently assess the progress of the pilot cohort of ten (10) Trust Schools which commenced the programme in 2011, and the assessment found:

- (a) **an increasing trend in all teaching competencies**, suggesting that the impact of the Trust Schools Programme on the teachers are most readily seen in their increased proficiency as educators and leaders of learning;
- (b) **principals are more satisfied, engaged and enthusiastic**, and are moving towards strategic planning roles; and
- (c) **students are more confident and engaged**, and are learning through a more collaborative and independent process, with pockets of improved academic achievements.



Whilst the emphasis of the Yayasan AMIR Trust Schools Programme is on the holistic development of students beyond mere academic results, it is important to note that prior experience and research by the University of Melbourne has shown that academic achievements as a result of school or system based interventions may only be evident after 8 to 10 years. This is consistent with the current varying academic improvements recorded for the Trust Schools in the pilot cohort, based on the tracking of the major government school examinations.

## 8. INFORMATION ABOUT YAYASAN AMIR (cont'd)

### 8.3.5 Initiatives for 2017 and beyond

Over and above the expansion of the Trust Schools Network, Yayasan AMIR will also be looking into the following work-tracks:

(a) Deepening and sustaining the Trust Schools Programme at school and network levels

Developing and implementing various measures such as the following to ensure that the transformation initiatives at the schools are self-sustainable beyond the Trust Schools Programme:

- (i) state and districts network support via the focused and strategic deployment of a Working Guidelines for Trust Schools Programme, with an in-built capacity development programme;
- (ii) student empowerment and progress standards as a holistic outcomes tool; and
- (iii) periodic networking engagement with all school leaders through a regularised networking programme (Rangkaian Sekolah Amanah).

(b) Influencing wider education system initiatives

Examples are as follows:

- (i) partnerships with the MOE to pilot alternative transformational models for scaling-up focusing on both schools and systems;
- (ii) articulating progress of the Trust Schools Programme and rallying external champions to support the Trust Schools Programme (within the Government, the education system and the wider public); and
- (iii) continuous engagement of the MOE to align the relevant stakeholders in overseeing the planning, delivery, monitoring/inspection and training at the Trust Schools.

### 8.4 KPIs for the Retail Sukuk Ihsan Eligible SRI Project and Evaluation of KPIs

The KPIs for the Retail Sukuk Ihsan Eligible SRI Project are as follows:

(a) Enabling scaling up of Identified Schools (in areas in need)

The KPI is measured based on the number of schools under Yayasan AMIR's Trust Schools Programme for a 5-Year Intervention Period during the term of the Retail Sukuk Ihsan. This KPI is deemed to be met if a minimum of twenty (20) Identified Schools are selected during the term of the Retail Sukuk Ihsan.

(b) Teachers of the Identified Schools are highly proficient in the required pedagogical mastery

The KPI is measured based on the percentage of teachers of the Identified Schools rated at the Establishing level or above in their observations after the end of their respective Identified Schools' 5-Year intervention period. This KPI is deemed to be met if at least fifty per cent. (50%) of the teachers of the Identified Schools are rated at the Establishing level or above during the said period. For the purposes of this KPI, a Trust School teacher is rated at the Establishing level if he/she is proficient in the following areas, as evidenced by a robust performance management system



## 8. INFORMATION ABOUT YAYASAN AMIR *(cont'd)*

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evaluation process which shall be conducted by a third party engaged by Yayasan AMIR and the data shall be used for the purposes of generating the KPI Evaluation Report:

(i) *Pedagogy*

A good understanding of the Trust School Pedagogical Pillars, and is able to demonstrate the relevant teacher competencies in their teaching practice and planning.

The seven (7) Trust School Pedagogical Pillars are:

- (A) Lesson planning and content delivery
- (B) Creating a positive learning environment
- (C) Assessment for learning
- (D) Collaborative and cooperative learning
- (E) Questioning and thinking skills
- (F) Differentiation
- (G) Professional knowledge and reflection

(ii) *Curriculum and subject knowledge*

A secure knowledge of the relevant subject(s) and curriculum areas, foster and maintain students' interest in the subject, and address gaps in students' understanding.

(iii) *Planning and teaching effective three-part lessons*

Lessons are linked to Learning Objectives with the relevant Success Criteria and integrated resources that support student learning.

(iv) *Creating a positive learning environment*

Develop a student-friendly, positive emotional and physical learning environment that features displays of students' work and enables learning.

(v) *Collaborative and cooperative learning*

Integrates opportunities for collaboration and cooperation to develop peer learning, communication, teamwork and social skills.

(vi) *Problem-solving and thinking skills*

Plans for enquiry-based learning and the selection of relevant thinking strategies to support learning and encourage thinking.

(vii) *Differentiation*

Provides opportunities for all students to learn through differentiating the learning content and by providing multi-modal activities.

## 8. INFORMATION ABOUT YAYASAN AMIR (cont'd)

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(viii) *Professional learning*

Reflects on the impact of the teachers' teaching on student progress and participates actively in professional learning opportunities, including PLCs, to continuously improve on practice.

(c) The senior leadership of the Identified Schools are highly proficient in enabling positive and relevant learning environment in schools

The KPI is measured based on the percentage of the senior leadership of the Identified Schools rated at the Establishing level or above in their observations after the end of their respective Identified Schools' 5-Year intervention period. This KPI is deemed to be met if at least fifty per cent. (50%) of the senior leadership of the Identified Schools are rated at the Establishing level or above during the said period. For the purposes of this KPI, the senior leadership of a Trust School are rated at the Establishing level if they are able to, upon the evaluation of a third party engaged by Yayasan AMIR, demonstrate the following abilities:

(i) *Develop and articulate the school vision*

Develop a shared vision for the school by involving identified teachers and school leaders, and communicate this compellingly to all stakeholders.

(ii) *Implement the Trust School Standards*

A reflective school leader who is knowledgeable in the four (4) Trust Schools Strategic Goals (as outlined in Section 8.3.1 above) and involves selected staff in the implementation of related Trust School standards and practices.

(iii) *School Improvement Planning*

Involves stakeholders in the development of the Trust School Improvement Plan ("TSIP") and related action plans, tracks the implementation of these plans and reviews the impact of such plans.

Note:

(A) TSIP refers to the annual plan developed by the school to achieve its individual KPTs as agreed with the MOE.

(B) KPTs refer to the agreed targets for individual schools at the programme inception that is mutually agreed by the school, Yayasan AMIR and the MOE. It is formalised in a document called the Designated Instrument ("DI").

(iv) *Distributed leadership*

Identifies leadership roles in the school and begins to distribute these roles amongst school leaders at various levels.

(v) *Exercise strategic, curriculum-led financial planning*

Ensures the equitable deployment of budgets and resources, in the best interests of the students' achievements and the school TSIP.

## 8. INFORMATION ABOUT YAYASAN AMIR (cont'd)

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(vi) *Use a range of data effectively*

Data is used effectively in order to identify and inform future planning and to evaluate the effectiveness of TSIP implementation.

(vii) *Implement talent development and performance management strategies*

Leads processes for identification and development of talent, workforce and succession planning and systems and measures for managing the performance of all staff as well as provision of CPD through structured PLCs.

(viii) *Facilitate holistic student development*

Ensures that school-wide policies for student behaviour, attendance and participation in co-curricular activities which support holistic student outcomes are developed and implemented.

(ix) *Stakeholder engagement*

Engages with parents and identified stakeholders such as District and State officials of the MOE through regular meetings and structured opportunities to obtain and provide feedback.

(d) Students demonstrate holistic outcomes that are in line with the 6 student aspirations (Knowledge, Thinking Skills, Leadership, Bilingual Proficiency, Ethics & Spirituality and National Identity) as set out in the Malaysian Education Blueprint 2013-2025

The KPI is measured based on the following two components:

(i) *Students at the Identified Schools*

The KPI is measured based on the percentage of students of the Identified Schools rated at the Establishing level or above in their observations after the end of their respective Identified Schools' 5-Year Intervention Period. This KPI is deemed to be met if at least fifty per cent. (50%) of the students of the Identified Schools are rated at the Establishing level or above during the said period. For the purposes of this KPI, the students are rated at the Establishing level if they are able to, upon the evaluation of a third party engaged by Yayasan AMIR, demonstrate the following outcomes:

(A) *Self and peer assessment of strengths*

Students are able to assess their own strengths and identify the next steps for learning which would enable them to attain their learning targets. Students are also able to articulate their learning progress and are able to discuss their progress, as well as that of their peers.

(B) *Holistic development of the students via an effective co-curriculum framework*

Students are developing their soft skills such as leadership, communication, teamwork and responsibility, through their attendance and participation in weekly co-curricular activities.

**8. INFORMATION ABOUT YAYASAN AMIR (cont'd)**

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(ii) *Total student population at the Identified Schools*

The KPI is measured based on the total student population at the Identified Schools having achieved the following after the end of their respective Identified Schools' 5-Year Intervention Period, upon the evaluation of a third party engaged by Yayasan AMIR:

(A) *Demonstrate positive values and attitudes*

Disciplinary issues as a percentage of the total student population are kept low, as follows:

- (1) Cases of student misconduct are less than eight per cent. (8%); and
- (2) Serious disciplinary cases are less than two per cent. (2%).

(B) *Literacy and numeracy*

At least seventy five per cent. (75%) of the students in the Identified Schools which are primary Trust Schools are able to pass the national literacy and numeracy test.

The KPIs for the Retail Sukuk Ihsan shall be evaluated one time prior to the maturity date of the Retail Sukuk Ihsan by the Independent Auditor. The Independent Auditor shall, on a date no later than six (6) months prior to the maturity date of the Retail Sukuk Ihsan, provide the KPI Evaluation Report to Khazanah, the Sukuk Trustee and the Facility Agent. Khazanah and the Facility Agent shall then make available the KPI Evaluation Report to the Retail Sukukholders via Bursa Securities and FAST, respectively within three (3) Market Days from the date of receipt of the KPI Evaluation Report. If the KPIs are met, the nominal value in relation to the Dissolution Distribution Amount payable to the Retail Sukukholders will be reduced, regardless of any failure and/or delay of Khazanah and/or the Facility Agent in delivering the KPI Evaluation Report to the Retail Sukukholders.

The KPI Evaluation Report shall contain, amongst others, details of each KPI, the evaluation method of each KPI and whether each KPI is met. If the KPI Evaluation Report is unable to provide a complete evaluation of each KPI or if the KPI Evaluation Report is not provided to Khazanah, the Sukuk Trustee and the Facility Agent at least six (6) months prior to the maturity date of the Retail Sukuk Ihsan, the KPIs will be deemed to be not met.

For the avoidance of doubt, the evaluation and opinion of the Independent Auditor shall be conclusive and binding on all the Retail Sukukholders, the Issuer and Khazanah.

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## 9. FINANCIAL INFORMATION OF THE ISSUER

### 9.1 Historical audited financial information of the Issuer

The historical audited financial information of the Issuer for the financial period ended 31 December 2015 and FYE 31 December 2016 presented below have been extracted from the Issuer's audited financial statements for FYE 2016.

	<b>Audited</b>	
	<b>Financial period/year from</b>	
	<b>12 November 2014 to 31 December 2015<sup>(1)</sup> (RM)</b>	<b>1 January 2016 to 31 December 2016 (RM)</b>
Income	2,302,733	4,311,845
Other expenses	(910,017)	(145,024)
<b>Profit from operations</b>	<b>1,392,716</b>	<b>4,166,821</b>
Finance costs	(2,302,733)	(4,311,845)
<b>Loss before taxation</b>	<b>(910,017)</b>	<b>(145,024)</b>
<b>Net loss for the period/year, representing total comprehensive loss for the period/year</b>	<b>(910,017)</b>	<b>(145,024)</b>
Loss before tax margin (Loss before tax/income)	39.5%	3.4%
Issued and paid-up share capital	2	2
Retained profits/(Accumulated losses)	(910,017)	(1,055,041)
Shareholders' funds	(910,015)	(1,055,039)

#### Notes:

(1) The comparative figures are from 12 November 2014 (date of incorporation) to 31 December 2015.

There is no material deficiency in the Issuer's ability to meet its cash obligations. The Issuer has not defaulted on any issuances under the Sukuk Programme throughout FYE 2016 and up to the LPD.

Furthermore, the Issuer is not in breach of any terms and conditions or covenants of the Sukuk Programme which can materially affect the Issuer's financial position and results or business operations, or the investments of the Retail Sukukholders and the Issuer does not have any contingent liabilities.

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## 9. FINANCIAL INFORMATION OF THE ISSUER *(cont'd)*

### 9.2 Key financial ratios of the Issuer

The Issuer is a special purpose vehicle established solely to undertake the issuance of Sukuk Ihsan pursuant to the Sukuk Programme and as such does not maintain or compute any financial ratios.

### 9.3 Capitalisation and indebtedness of the Issuer

The table below sets out the deposits, cash and bank balances as well as capitalisation and indebtedness of the Issuer based on the audited financial statements of the Issuer as at 31 December 2016.

	<u>Audited</u>
	<u>31 December 2016</u>
	<u>(RM)</u>
<b>Cash on hand</b>	2
<b>Indebtedness</b>	
<b>Long term borrowings</b>	
- Islamic Medium Term Notes (unsecured /guaranteed, 4.30% per annum)	(100,000,000)
<b>Total indebtedness</b>	<u>(100,000,000)</u>
Total shareholders' equity / capitalisation	(1,055,039)
<b>Total capitalisation and indebtedness</b>	<u><u>(101,055,039)</u></u>

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## 10. FINANCIAL INFORMATION OF KHAZANAH

### 10.1 Financial information of Khazanah

#### 10.1.1 Historical financial information of Khazanah

The historical audited financial information of Khazanah for the FYE 31 December 2014, 31 December 2015 and 31 December 2016 presented below have been extracted from Khazanah's audited financial statements.

	Audited		
	FYE 31 December		
	2014	2015	2016
	(RM'000)		
Revenue	5,727,155	5,031,558	4,430,143
Other income	99,271	95,646	132,059
Operating expenses	(853,636)	(550,560)	(707,166)
Net unrealised gain/(loss) on financial assets designated as fair value through profit or loss	316,388	441,880	(254,355)
Net (loss)/gain on revaluation of derivatives	(100,062)	(55,224)	424,583
Foreign exchange loss	(247,337)	(973,734)	(579,330)
Other expenses	(2,657,479)	(1,677,810)	(1,550,615)
Finance costs	(1,278,644)	(1,812,140)	(1,891,119)
<b>Profit Before Tax</b>	<b>1,005,656</b>	<b>499,616</b>	<b>4,200</b>
Tax expense	(121,569)	(117,769)	(116,498)
<b>Net profit/(loss) for the financial year</b>	<b>884,087</b>	<b>381,847</b>	<b>(112,298)</b>
<b>Other comprehensive income/(loss), net of tax</b>			
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Net (loss)/gain on available-for-sale financial assets			
- (Loss)/Gain on fair value changes, net of tax representing other comprehensive (loss)/income for the year	(156,500)	48,750	33,750
Total other comprehensive (loss)/income	(156,500)	48,750	33,750
<b>Total comprehensive income/(loss) for the financial year</b>	<b>727,587</b>	<b>430,597</b>	<b>(78,548)</b>

**10. FINANCIAL INFORMATION OF KHAZANAH (cont'd)**

	<b>Audited</b>		
	<b>FYE 31 December</b>		
	<b>2014</b>	<b>2015</b>	<b>2016</b>
	<b>(RM'000)</b>		
Equity attributable to owners of Khazanah			
Ordinary and preference shares	6,643,953	6,643,953	6,643,953
Share premium	3,840,248	3,840,248	3,840,248
Capital contribution from shareholders	2,324,423	2,324,423	2,324,423
Capital redemption reserve	1,800,000	1,800,000	1,800,000
Fair value adjustment reserve	602,500	651,250	685,000
Retained profits	12,739,100	12,070,947	11,308,649
<b>Total equity</b>	<b>27,950,224</b>	<b>27,330,821</b>	<b>26,602,273</b>

**10.1.2 Key financial ratios of Khazanah**

The following table sets forth certain key financial ratios of Khazanah based on the audited financial statements of Khazanah for the financial years indicated:

	<b>FYE 31 December</b>		
	<b>2014</b>	<b>2015</b>	<b>2016</b>
Current ratio (times)	0.1	0.2	0.3
Gearing ratio (times)	1.1	1.3	1.6

**(i) Current ratio**

	<b>FYE 31 December</b>		
	<b>2014</b>	<b>2015</b>	<b>2016</b>
	<b>(RM'000)</b>		
Current assets	1,424,957	2,364,685	2,283,198
Current liabilities	16,825,144	10,451,993	6,803,193
Current ratio (times) <sup>(1)</sup>	0.1	0.2	0.3

**Note:**

(1) Computed based on current assets over current liabilities.



**10. FINANCIAL INFORMATION OF KHAZANAH (cont'd)**


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**(ii) Gearing ratio**

	<b>FYE 31 December</b>		
	<b>2014</b>	<b>2015</b>	<b>2016</b>
	<b>(RM'000)</b>		
Total borrowings	32,027,503	35,834,955	42,244,089
Shareholders' equity	27,950,224	27,330,821	26,602,273
Gearing ratio <sup>(1)</sup>	1.1	1.3	1.6

**Note:**

(1) Computed based on total borrowings over shareholders' equity.

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## 10. FINANCIAL INFORMATION OF KHAZANAH (cont'd)

### 10.2 Financial information of Khazanah Group

#### 10.2.1. Historical financial information of Khazanah Group

The historical audited consolidated financial information of Khazanah Group for the FYE 31 December 2014, 31 December 2015 and 31 December 2016 presented below have been extracted from Khazanah Group's audited financial statements.

	Audited		
	FYE 31 December		
	2014	2015	2016
	(RM'000)		
Revenue	30,306,559	28,992,498	23,664,662
Operating expenses	(30,408,338)	(30,374,785)	(24,469,815)
Other income	1,263,805	2,049,865	1,124,431
Operating profit	1,162,026	667,578	319,278
Finance costs	(2,182,407)	(2,910,888)	(2,923,298)
Share of results of associates and joint ventures	7,115,962	3,495,852	3,881,999
Profit before exceptional items	6,095,581	1,252,542	1,277,979
Exceptional items	(3,123,987)	(3,565,330)	-
Profit/(Loss) before taxation	2,971,594	(2,312,788)	1,277,979
Taxation	(435,562)	(465,631)	(368,759)
Profit/(Loss) from continuing operations, net of taxation	2,536,032	(2,778,419)	909,220
<b>Discontinued operations</b>			
Loss from discontinued operations, net of taxation	(4,139)	-	-
Profit/(Loss) for the year	2,531,893	(2,778,419)	909,220
<b>Other comprehensive income:</b>			
Items that may/will not be reclassified subsequently to profit or loss:			
Net gain/(loss) on fair value of available-for-sale financial assets, net of tax	2,379,216	(1,822,281)	(545,256)
Foreign currency translation differences	792,920	3,028,912	587,949
Net (loss)/gain on fair value of cash flow hedges	(873,617)	412,741	23,525
Share of other comprehensive income of associates and joint ventures	717,802	1,688,283	1,233,931
	3,016,321	3,307,655	1,300,149

## 10. FINANCIAL INFORMATION OF KHAZANAH (cont'd)

	Audited		
	FYE 31 December		
	2014	2015	2016
	(RM'000)		
<b>Other comprehensive income, net of tax</b>			
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Actuarial loss on defined benefit plans	(995)	(2,276)	(186,566)
Share of other comprehensive income/(loss) of associates and joint venture	129,674	(28,654)	182
Tax impact on actuarial gain	417	63	-
	129,096	(30,867)	(186,384)
Other comprehensive income for the year	3,145,417	3,276,788	1,113,765
<b>Total comprehensive income for the financial year</b>	<b>5,677,310</b>	<b>498,369</b>	<b>2,022,985</b>
<b>Profit/(loss) attributable to:</b>			
Owners of the Company	2,989,573	(3,199,290)	885,707
Non-controlling interests	(457,680)	420,871	23,513
	2,531,893	(2,778,419)	909,220
Total comprehensive income/(loss) attributable to:			
Owners of the Company	6,383,661	(9,767)	1,919,369
Non-controlling interests	(706,351)	508,136	103,616
	5,677,310	498,369	2,022,985

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**10. FINANCIAL INFORMATION OF KHAZANAH (cont'd)****Balance Sheet of Khazanah Group**

	<b>Audited</b>		
	<b>FYE 31 December</b>		
	<b>2014</b>	<b>2015</b>	<b>2016</b>
	<b>(RM'000)</b>		
Equity attributable to owners of the Company			
Ordinary and preference shares	6,643,953	6,643,953	6,643,953
Share premium	3,840,248	3,840,248	3,840,248
Reserves <sup>(1)</sup>	50,009,296	48,984,539	50,430,158
Shareholders' funds	60,493,497	59,468,740	60,914,359
Non-controlling interests	7,071,134	8,756,553	6,130,515
Total Equity	67,564,631	68,225,293	67,044,874

**Notes:**

(1) Reserves includes capital contribution from shareholders, other reserves and distributable retained profits.

**10.2.2. Key financial ratios of Khazanah Group**

The following table sets forth certain key financial ratios of Khazanah Group based on the consolidated financial statements of Khazanah Group for the financial years indicated:

	<b>FYE 31 December</b>		
	<b>2014</b>	<b>2015</b>	<b>2016</b>
Current ratio (times)	1.0	0.5	0.7
Gearing ratio (times)	0.8	1.0	1.1

**(i) Current ratio**

	<b>FYE 31 December</b>		
	<b>2014</b>	<b>2015</b>	<b>2016</b>
	<b>(RM'000)</b>		
Current assets	30,015,763	21,557,330	25,463,203
Current liabilities	29,169,738	39,437,051	38,177,371
Current ratio (times) <sup>(1)</sup>	1.0	0.5	0.7

**Note:**

(1) Computed based on current assets over current liabilities.

**10. FINANCIAL INFORMATION OF KHAZANAH (cont'd)****(ii) Gearing ratio**

	<b>FYE 31 December</b>		
	<b>2014</b>	<b>2015</b>	<b>2016</b>
	<b>(RM'000)</b>		
Total borrowings	56,113,642	68,788,096	73,049,929
Shareholders' equity	67,564,631	68,255,293	67,044,874
Gearing ratio <sup>(1)</sup>	0.8	1.0	1.1

**Note:**

(1) Computed based on total borrowings over total shareholders' equity.

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**10. FINANCIAL INFORMATION OF KHAZANAH (cont'd)****10.3 Borrowings of Khazanah and Khazanah Group****10.3.1 Borrowings of Khazanah**

Khazanah's total outstanding borrowings, as at 31 December 2016, are as follows:

<u>Statement of total outstanding borrowings</u>	<u>Nature / type of borrowing</u>	<u>Interest Rate Terms</u>	<u>Audited Outstanding as at 31 December 2016 (RM'000)</u>
<b>Short Term:</b>			
Khazanah Bonds - secured	Secured/guaranteed	-( <sup>1</sup> )	972,741
Term Loans	Unsecured/ non-guaranteed	1.60% to 1.70%	991,627
Revolving credit facility	Unsecured/ non-guaranteed	3.71% to 4.43%	2,300,000
			<u>4,264,368</u>
<b>Long Term:</b>			
Khazanah Bonds - secured	Secured/guaranteed	-( <sup>1</sup> )	13,400,263
Periodic Payment Exchangeable Trust Certificates	Unsecured/ non-guaranteed	-( <sup>1</sup> )	4,826,253
Danga Capital Berhad (Islamic Medium Term Notes & Multicurrency Islamic Medium Term Notes)	Unsecured/ non-guaranteed	3.04% to 4.88%	11,153,205
Rantau Abang Capital Berhad (Islamic Medium Term Notes)	Unsecured/ non-guaranteed	4.14% to 5.20%	6,000,000
Term Loans	Unsecured/ non-guaranteed	4.64%	2,500,000
Ihsan Sukuk Berhad (Islamic Medium Term Notes)	Unsecured/ non-guaranteed	4.30%	100,000
<b>Sub Total</b>			<u>37,979,721</u>
<b>Total borrowings</b>			<u><u>42,244,089</u></u>

**Note:**

- (1) The Interest rates terms are nil as the Khazanah Bonds - secured and the Periodic Payment Exchangeable Trust Certificates have zero coupons.

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**10. FINANCIAL INFORMATION OF KHAZANAH (cont'd)**

The maturity profile based on the contractual undiscounted repayment obligation of Khazanah's total borrowings as of the dates indicated is as follows:

	<b>Audited</b>		
	<b>FYE 31 December</b>		
	<b>2014</b>	<b>2015</b>	<b>2016</b>
		<b>(RM'000)</b>	
<b>Khazanah Bonds – secured</b>			
Within 1 year	-	2,000,000	1,000,000
1 to 5 years	7,500,000	6,700,000	8,000,000
More than 5 years	12,500,000	11,300,000	9,000,000
<b>Total contractual cash flow</b>	20,000,000	20,000,000	18,000,000
<b>Total carrying amount</b>	15,018,863	15,682,894	14,373,004

	<b>Audited</b>		
	<b>FYE 31 December</b>		
	<b>2014</b>	<b>2015</b>	<b>2016</b>
		<b>(RM'000)</b>	
<b>Revolving credit facility</b>			
Within 1 year	-	1,404,557	2,307,239
<b>Total contractual cash flow</b>	-	1,404,557	2,307,239
<b>Total carrying amount</b>	-	1,400,000	2,300,000

	<b>Audited</b>		
	<b>FYE 31 December</b>		
	<b>2014</b>	<b>2015</b>	<b>2016</b>
		<b>(RM'000)</b>	
<b>Periodic Payment Exchangeable Trust Certificates</b>			
1 to 5 years	2,796,483	2,537,528	5,987,427
More than 5 years	1,742,131	1,513,962	-
<b>Total contractual cash flow</b>	4,538,614	4,051,490	5,987,427
<b>Total carrying amount</b>	3,748,221	3,422,853	4,826,253

## 10. FINANCIAL INFORMATION OF KHAZANAH (cont'd)

	Audited		
	FYE 31 December		
	2014	2015	2016
	(RM'000)		
<b>Islamic Medium Term Notes &amp; Multicurrency Islamic Medium Term Notes – Danga Capital Berhad</b>			
Within 1 year	3,826,494	768,384	480,890
1 to 5 years	865,893	5,724,609	9,538,775
More than 5 years	2,468,987	2,196,102	3,933,875
<b>Total contractual cash flow</b>	<b>7,161,374</b>	<b>8,689,095</b>	<b>13,953,540</b>
<b>Total carrying amount</b>	<b>6,460,419</b>	<b>6,729,208</b>	<b>11,153,205</b>

	Audited		
	FYE 31 December		
	2014	2015	2016
	(RM'000)		
<b>Islamic Medium Term Notes – Rantau Abang Capital Berhad</b>			
Within 1 year	1,532,720	276,150	276,150
1 to 5 years	2,158,400	3,542,500	3,437,400
More than 5 years	3,074,750	4,609,350	4,438,300
<b>Total contractual cash flow</b>	<b>6,765,870</b>	<b>8,428,000</b>	<b>8,151,850</b>
<b>Total carrying amount</b>	<b>4,800,000</b>	<b>6,000,000</b>	<b>6,000,000</b>

	Audited		
	FYE 31 December		
	2014	2015	2016
	(RM'000)		
<b>Islamic Medium Term Notes – Ihsan Sukuk Berhad</b>			
Within 1 year	-	4,335	4,288
1 to 5 years	-	17,188	17,200
More than 5 years	-	108,588	104,288
<b>Total contractual cash flow</b>	<b>-</b>	<b>130,111</b>	<b>125,776</b>
<b>Total carrying amount</b>	<b>-</b>	<b>100,000</b>	<b>100,000</b>



**10. FINANCIAL INFORMATION OF KHAZANAH (cont'd)**

	<b>Audited</b>		
	<b>FYE 31 December</b>		
	<b>2014</b>	<b>2015</b>	<b>2016</b>
	<b>(RM'000)</b>		
<b>Term Loan</b>			
Within 1 year	2,044,930	116,343	1,116,524
1 to 5 years	-	464,418	464,418
More than 5 years	-	3,022,907	2,906,882
<b>Total contractual cash flow</b>	<b>2,044,930</b>	<b>3,603,668</b>	<b>4,487,824</b>
<b>Total carrying amount</b>	<b>2,000,000</b>	<b>2,500,000</b>	<b>3,491,627</b>

**10.3.2 Khazanah's foreign currency borrowings**

The details of Khazanah's foreign currency borrowings are set out below:

**(i) Periodic Payment Exchangeable Trust Certificates**

Nominal Amount	SGD600 million	US\$500 million	US\$398.8 million
Issue date	24 October 2013	18 September 2014	23 September 2016
Maturity date	24 October 2018	18 September 2021	23 September 2021
Tenure	5 years with a certificate holders' optional dissolution (put option) at the 3rd anniversary of the issue date	7 years with a certificate holders' optional dissolution (put option) at the 4th anniversary of the issue date	5 years with a certificate holders' optional dissolution (put option) at the 3rd anniversary of the issue date
Profit rate	0%	0%	0%
Exchange Property	IHH Healthcare Berhad	Tenaga Nasional Berhad	Beijing Enterprises Water Group Limited
Outstanding amount FYE 2016 (RM'000)	1,352,921	1,949,096	1,524,236

**(ii) Danga Capital Berhad - Multicurrency Islamic Medium Term Notes ("MIMTN")**

	<b>MIMTN 1</b>	<b>MIMTN 2</b>
Nominal Amount	SGD900 million	US\$750 million
Issue date	11 August 2010	1 March 2016
Maturity date	11 August 2020	1 March 2021
Tenure	10 years	5 years
Profit rate	3.725%	3.035%
Outstanding amount FYE 2016 (RM'000)	2,787,945	3,365,260

**10. FINANCIAL INFORMATION OF KHAZANAH (cont'd)****(iii) Term Loan**

	<b>Term Loan</b>
Facility Amount	US\$221 million
Drawdown date	10 August 2016
Maturity date	10 August 2017
Tenure	1 year
Interest rate	1.6962% to 1.7000%
Outstanding amount FYE 2016 (RM'000)	991,627

**10.3.3 Borrowings of Khazanah Group**

Khazanah is an investment holding company with interests in over 100 companies. The details of the borrowings for these operating companies (including whether it is guaranteed or non-guaranteed and the currency the borrowings are denominated in) are separately maintained by each of these operating companies.

Khazanah Group borrowings as at 31 December 2016 are as follows:

	<b>Short term</b> <b>(RM'000)</b>	<b>Long term</b> <b>(RM'000)</b>	<b>Total</b> <b>(RM'000)</b>
Secured bonds and notes	972,741	14,265,263	15,238,004
Unsecured bonds and notes	700,372	19,160,278	19,860,650
Unsecured Exchangeable Trust Certificates	-	4,826,253	4,826,253
Other borrowings (secured)	7,511,705	11,078,806	18,590,511
Other borrowings (unsecured)	9,629,826	4,904,685	14,534,511
<b>Total</b>	<b>18,814,644</b>	<b>54,235,285</b>	<b>73,049,929</b>

Khazanah has not defaulted on payments of interest or principal sums on any of Khazanah's borrowings throughout the FYE 31 December 2016 and up to the LPD. There is no material deficiency in Khazanah's ability to meet its cash obligations.

Furthermore, Khazanah, its wholly-owned financing special purpose vehicles and wholly-owned investing special purpose vehicles are not in breach of any terms and conditions or covenants associated with the credit arrangements or borrowings which breach will impair Khazanah's ability to honour its financial obligations under the Retail Sukuk Ihsan.

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**10. FINANCIAL INFORMATION OF KHAZANAH (cont'd)****10.4 Capitalisation and indebtedness of Khazanah and Khazanah Group**

The table below sets out the deposits, cash and bank balances as well as capitalisation and indebtedness of Khazanah and Khazanah Group based on the audited financial statements of Khazanah and Khazanah Group as at 31 December 2016.

There are no significant changes in the capitalisation and indebtedness of Khazanah and Khazanah Group based on the audited financial statements as at 31 December 2016.

	<b>Audited FYE 31 December 2016 Khazanah (RM'000)</b>	<b>Audited FYE 31 December 2016 Khazanah Group (RM'000)</b>
<b>Cash and cash equivalents</b>	1,899,907	9,323,631
<b>Indebtedness</b>		
<b>Provisions, trade and other payables</b>	2,538,825	2,742,888
<b>Other liabilities</b>		23,328,267
<b>Derivatives liabilities</b>	506,368	616,362
<b>Short term borrowings<sup>(2)</sup></b>		
- Bonds and notes (include Khazanah Bonds – secured)	972,741	1,673,113
- Term Loans - unsecured	991,627	-
- Revolving Credit Facility	2,300,000	-
- Other borrowings	-	17,141,531
	<u>4,264,368</u>	<u>18,814,644</u>
<b>Long term borrowings<sup>(2)</sup></b>		
- Bonds and notes (include Khazanah Bonds – secured)	30,653,468	33,425,541
- Periodic Payment Exchangeable Trust Certificates	4,826,253	4,826,253
- Term Loans - unsecured	2,500,000	-
- Other borrowings	-	15,983,491
	<u>37,979,721</u>	<u>54,235,285</u>
<b>Total indebtedness</b>	<u>47,189,189</u>	<u>109,061,077</u>
Total shareholders' equity	26,602,273	67,044,874
<b>Total capitalisation and indebtedness</b>	<u>73,791,462</u>	<u>176,105,951</u>
Gearing ratio (times) <sup>(1)</sup>	1.6	1.1

**Notes:**

- (1) Gearing ratio is calculated as total borrowings over total equity
- (2) Khazanah's borrowings are unsecured and non-guaranteed except Khazanah – Bonds - secured which are guaranteed by the Government.

**10. FINANCIAL INFORMATION OF KHAZANAH (cont'd)****10.5 Disclosure of contingent liabilities of Khazanah and Khazanah Group**

The table below sets out the contingent liabilities of Khazanah.

	<b>FYE</b> <b>31 December 2016</b>
	<b>(RM'000)</b>
<b>Contingent liabilities</b>	
Guarantee given to certain subsidiaries for term loan facilities with licensed banks <sup>(1)</sup>	7,019,639
Guarantee given to an associated company for letter of credit facility with a licensed bank	16,800
<b>Total</b>	<b>7,036,439</b>

**Note:**

(1) Khazanah has provided guarantees for the benefit of certain financial institutions which had granted loans/credit facilities to certain Khazanah subsidiaries.

The table below sets out the contingent liabilities of Khazanah Group.

	<b>FYE</b> <b>31 December 2016</b>
	<b>(RM'000)</b>
<b>Contingent liabilities</b>	
Bank performance bonds and guarantees	735,824
Income tax assessment	73,837
<b>Total</b>	<b>809,661</b>

Save for the contingent liabilities disclosed above, Khazanah does not have any material contingent liabilities that would have an impact on financial performance and position of Khazanah upon the contingent liabilities becoming enforceable.

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**10. FINANCIAL INFORMATION OF KHAZANAH** *(cont'd)***10.6 Financial ability of Khazanah**

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

Information of Khazanah's cash and cash equivalents amount below indicates its ability to honour its obligations under the Retail Sukuk Ihsan.

	<b>Audited</b>		
	<b>FYE 31 December</b>		
	<b>2014</b>	<b>2015</b>	<b>2016</b>
	<b>(RM'000)</b>		
Cash and cash equivalents	1,313,608	1,561,342	1,899,907

In addition, Khazanah maintains a balanced and flexible funding structure. As far as possible, Khazanah raises committed funding from both capital markets and financial institutions and prudently balances its portfolio with short term funding so as to achieve overall cost effectiveness.

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