



KHAZANAH  
NASIONAL



# Strengthening Resilience, Advancing Malaysia



THE KHAZANAH REPORT  
2023

# STRENGTHENING RESILIENCE, ADVANCING MALAYSIA

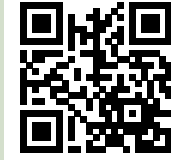
At Khazanah Nasional Berhad, we are dedicated to driving Malaysia's economic and social progress through sustainable development and long-term value creation. Celebrating over 30 years of impactful contributions, we reflect on our achievements, which have strengthened a resilient and dynamic economy. Our leaders emphasise vision and strategic foresight in navigating global challenges, ensuring economic stability and sustainable growth.

In 2023, we recorded strong financial results, reinforcing our financial strength and contributing to Malaysia's global competitiveness. Our diverse investment portfolio underscores our strategic vision, focusing on high-impact sectors to drive economic growth. We integrate ESG principles into our operations, promoting sustainability. By investing in our people's growth and fostering a high-performance culture, we empower our employees to contribute to Malaysia's advancement.

Forging ahead, Khazanah's strategic roadmap focuses on strength, inclusivity and prosperity, ensuring a thriving future for all Malaysians.

## Our Reporting Approach

The Khazanah Report 2023 (TKR2023) aims to provide a comprehensive overview of our 2023 investments, initiatives and activities that contribute to creating sustainable value for Malaysians. We are committed to transparency, maintaining the quality and depth of our disclosures to foster meaningful engagement with our stakeholders about our strategies and performance. Reflecting our sustainability principles, this report is entirely digital and accessible through our corporate website.



**SCAN HERE**  
to visit the  
TKR2023 microsite

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## TKR2023 Special Highlights



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CHAPTER 1

# THIS IS OUR STORY

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# ADVANCING MALAYSIA'S FUTURE: A STRATEGIC VISION



Khazanah's commitment to fostering enduring value for Malaysia has shaped our journey as the nation's sovereign wealth fund over the past three decades. Our long-term vision has propelled the rise of regional leaders across industries, accelerated the growth of innovators and emerging sectors, and championed the adoption of transformative technologies and approaches that safeguard our nation's future. Our strategy emphasises a diversified investment approach to mitigate the effects of economic uncertainties. The Khazanah Report 2023 (TKR2023) outlines our efforts over the past year to grow our portfolio, all driven by the ambition of nurturing Malaysia's long-term wealth.

In our quest to advance Malaysia, we focus on anticipating future opportunities and creating new avenues for the country's prosperity. Beyond ensuring long-term risk-adjusted returns through our investments, we bolster organisations and initiatives that enhance the skills of Malaysia's workforce and advance community development. Our investments in high-impact sectors unlock new growth avenues, positioning Malaysia's businesses as leaders in technological innovation and competitiveness on a global scale. Our international ventures extend these benefits by linking Malaysian companies to broader networks and new prospects, cementing Malaysia's role in the global economy.

The initiatives we have undertaken are detailed in TKR2023 and further reinforce our theme - Strengthening Resilience, Advancing Malaysia.

The cover visuals of this year's report symbolise the sustainable ecosystem we aspire to cultivate in Malaysia, where human ambition and corporate ingenuity intersect to drive economic and social progress, paving the way for a brighter future for all Malaysians.

## WHO WE ARE

**Khazanah Nasional Berhad serves as Malaysia's sovereign wealth fund.**

Established as a public limited company on 3 September 1993, we began our operations in 1994. The ownership primarily lies with the Minister of Finance (Incorporated), except for a single share held by the Federal Lands Commissioner (Incorporated). Our investment portfolio spans various facets of the Malaysian economy, from established listed companies to emerging sectors, and also extends globally across diverse markets, asset types, and geographical areas. We operate under the direct oversight of the Malaysian government, with the Prime Minister, YAB Dato' Seri Anwar Ibrahim, presiding over our Board of Directors.

## WHAT WE DO

### Our Purpose

**We invest to deliver sustainable value for Malaysians.**

Positioned at the intersection of government, private sector and the community, we are committed to advancing Malaysia's development. Our primary goal is to achieve robust, long-term returns that balance risk across our investment portfolio. Our role extends beyond financial returns. We actively foster the growth of emerging industries and businesses within Malaysia, enhancing the nation's global competitiveness and contributing to its overall prosperity. By doing so, we aim to build dynamic, thriving communities.



**Our efforts and investments are dedicated to creating a lasting, positive impact that paves the way for a better future for all Malaysians.**

# OUR JOURNEY: CELEBRATING 30 YEARS OF ADVANCING MALAYSIA

► Economic Value  
► Societal Value

As we celebrate our 30<sup>th</sup> anniversary, we reflect on our journey of Advancing Malaysia. We invest in multiple sectors, both locally and internationally, with our investee companies becoming pillars of success for us and the nation. In our commitment to deliver sustainable value for Malaysians, we focus on building capacity and fostering vibrant communities through our value-creation efforts.

**1994**

Khazanah commenced operations



Tenaga Nasional and Telekom Malaysia placed under Khazanah portfolio

**1995**

Undertook development of Putrajaya via Putrajaya Holdings 01



MAHB and STLR placed under Khazanah portfolio

**1999**

Began playing a catalytic role in new technology investments

**2001**



UEM Group became a wholly-owned company 02

**2002**



Listing of PLUS on the KLSE

**2004**

Start of Khazanah's strategic revamp



**2005**



Launch of the GLC Transformation Programme

**2006**



Launch of Iskandar Malaysia 03



Launch of PINTAR Foundation

**2007**

TM exchangeable sukuk issued (first-ever Syariah-compliant exchangeable sukuk issued by Khazanah)



Completion of CIMB's takeover of Southern Bank 04



Established Yayasan Khazanah

**2009**

Launch of the Teluk Datai master development plan

Established Yayasan Sejahtera

Launch of the Graduate Employability Management Scheme (GEMS)

**2010**

Launch of inaugural SGD sukuk



Established Teach for Malaysia



Established Yayasan AMIR

**2011**



Launch of M+S

Inaugural launch of Renminbi (RMB) sukuk (World's first RMB offshore sukuk)

# OUR JOURNEY: CELEBRATING 30 YEARS OF ADVANCING MALAYSIA

▶ Economic Value  
▶ Societal Value

## 2012

Launch of LEGOLAND Malaysia in Iskandar Malaysia



IHH enters IPO

## 2013

Established Türkiye and US regional offices

YAYASAN KHAZANAH  
HASANAH RESEARCH  
INSTITUTE  
A foundation of Khazanah Nasional

Established Yayasan Hasanah (YH) and Khazanah Research Institute (KRI) 05

Contributed RM10 million to flood relief efforts

## 2014



Cenviro became a wholly-owned company 06

Launch of MAS Recovery Plan 07

## 2015

Issued RM100 million 7-year Sustainable and Responsible Investment (SRI) Sukuk (world's first RM-denominated SRI sukuk)

Completion of the GLC Transformation Programme

Contributed RM20 million to flood relief efforts



## 2016



Established Malaysian Aviation Commission (MAVCOM)



Launch of Taman Tugu Project

## 2017

Launch of the second tranche of SRI Sukuk

Launch of Khazanah Nasional Entrepreneurship Outreach Programme

## 2018

Opening of Hard Rock Hotel & Resort, Desaru Coast

Acquisition of Prince Court Medical Center through IHH 08

Recognised in the Bretton Woods II Leaders List as one of the 25 Most Responsible Asset Allocators globally

## 2019

Opening of The Westin Desaru Coast Resort

## 2020

Opening of Anantara and One&Only, Desaru Coast 09

Launch of the GLC/GLIC Disaster Response Network (GDRN) by YH and TM Foundation for COVID-19 relief efforts

RM20 million contribution towards COVID-19 relief efforts

# OUR JOURNEY: CELEBRATING 30 YEARS OF ADVANCING MALAYSIA

▶ Economic Value  
▶ Societal Value

2021



Announced Dana Impak with RM6 billion commitment



Launch of Khazanah Impact Innovation Challenge - "Enhancing Ageing Services for Malaysians" <sup>10</sup>

Launch of the MySTEP programme in partnership with GLCs and industry players

2022



Successful IPO of Farm Fresh with a valuation of RM2.51 billion - one of the largest IPOs on Bursa Malaysia in 2022 <sup>11</sup>

Strategic partnership formed with SK ecoplant to accelerate Cenviro's growth into a regional resource management champion



Completion of the Celcom-Digi merger, forming the largest telecommunications company on Bursa Malaysia

Launch of the Khazanah Sustainability Framework and Targets



Launch of the Khazanah virtual art gallery, Galeri Khazanah

Handover of the Taman Tugu land agreements from Kuala Lumpur City Hall to Amanah Warisan Negara (AWAN)



2023



Launch of UEM Lestra as a green investment platform to undertake Khazanah's Energy Transition Strategy <sup>12</sup>



Launch of the Second Khazanah Impact Innovation Challenge - "Tackling the Climate Challenge for Malaysia's Food Security"



Established 42 Malaysia (42MY) with Sunway Education Group to develop skilled talents <sup>13</sup>



An initiative by Khazanah Nasional

Launch of the Khazanah Youth Development Programme (K-Youth)



Read more about our 30 Years of Advancing Malaysia <https://www.khazanah.com.my/>

CHAPTER 2

# OUR LEADERS LEAD WITH A VISION THAT CREATES VALUE

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## MESSAGE FROM OUR CHAIRMAN

“ Valued Stakeholders,

It is without a doubt that as a nation, we had to once again navigate a challenging year, under the shadow of persistent inflation, slower-than-normal economic growth and geopolitical uncertainty. Nonetheless, we managed to weather this storm, buoyed by robust domestic demand. While this is noteworthy, I believe that Malaysia has the potential to deliver more with the support of Khazanah and through strategic collaborations with Government-Linked Companies (GLCs) and Government-Linked Investment Companies (GLICs).”

### Empowering Malaysia's Future

The MADANI Economy Framework was unveiled in July 2023. This is a comprehensive strategy designed to restructure the economy, position Malaysia as a leading player in Southeast Asia, and to ensure that economic benefits are equitably shared by “raising the floor” and “raising the ceiling”. Key components include boosting domestic direct investments (DDI), fostering innovation and advancing up the value chain.

The launch of the National Energy Transition Roadmap (NETR) and the New Industrial Master Plan 2030 are some of the key blueprints that will help us achieve these objectives.

### Record-Setting Momentum

I am pleased to highlight that these proactive measures have been well-received and have started to bear fruit. Malaysia recorded a historical high of approved investments of RM329.5 billion in 2023, with a significantly



Dato' Seri Anwar Ibrahim

## MESSAGE FROM OUR CHAIRMAN

encouraging 35.1% year-on-year increase in DDI. This proves that companies across the entire business spectrum, including GLCs and GLICs, have responded positively to my call to deepen domestic investments. By doing so, it is my firm belief that foreign investors will be emboldened to invest more in Malaysia given the strong confidence that local investors have in our economy.

### Our Achievements in 2023

Khazanah delivered strong financial results in 2023 despite the challenging global and domestic environment, effectively putting its portfolio back on track after a challenging five-year period. It furthered the sustainability agenda with the launch of a green investment platform through UEM Lestra Berhad, further aligning with the NETR's goal of net-zero emissions by 2050. Additionally, Khazanah invested over RM800 million through Dana Impak to bolster Malaysia's digital and start-up ecosystems, reinforcing the Advancing Malaysia strategy. Internally, Khazanah met its Environmental, Social and Governance (ESG) targets by achieving carbon-neutral operations and establishing a Diversity, Equity and Inclusivity (DEI)



► Dato' Seri Anwar Ibrahim delivering his closing address at the Khazanah Megatrends Forum 2023.

framework. Celebrating a decade of philanthropic impact, Yayasan Hasanah has reached over 2.9 million people, significantly advancing education, community development, arts and knowledge.

### Sharing the Nation-Building Responsibility

In 2023, Khazanah pushed ahead with its Advancing Malaysia strategy, aligning itself closely with the MADANI Economy Framework through nation-building and sustainable development

initiatives. Strategic investments in high-growth sectors such as digital technology and renewable energy have directly contributed to enhancing Malaysia's economic competitiveness. In addition, Khazanah actively supports the MSME ecosystem by advocating digital transformation and innovation to drive economic activity across the nation.

Khazanah's focus on socio-economic impact further supported the goals of the MADANI Economy Framework by fostering inclusive growth and building national resilience. Food security was

# MESSAGE FROM OUR CHAIRMAN

addressed through projects like Dana Impak’s Khazanah Impact Innovation Challenge, while the Future Malaysia Skills initiative bridged the skills gap and prepared the workforce for future demands. Community development efforts, led by Yayasan Hasanah, enhanced socio-economic benefits for underserved populations. Finally, by integrating ESG principles into Khazanah’s operations and refining the SEMARAK impact assessment framework, we are ensuring that our initiatives deliver tangible benefits, contributing to Malaysia’s socio-economic resilience and prosperity.



► Dato’ Seri Anwar Ibrahim, Datuk Seri Amir Hamzah Azizan and Dato’ Amirul Feisal attended the gallery tour showcasing the vision for rejuvenating Bangunan Sultan Abdul Samad.

While considerable progress has been made, our collective and continued success in these endeavours hinges on the unified effort of all stakeholders. Nation-building is a shared responsibility, and Khazanah eagerly seeks collaboration with other GLICs, GLCs, the private sector and the wider Malaysian community to drive growth and secure economic prosperity.

## 30 Years and Beyond

The role of Khazanah has evolved over the past three decades, matching the progress and development of Malaysia’s economic and societal imperatives. Even so, Khazanah remains steadfast to its mission of nation-building. Through strategic investments in sustainable economic and societal value, Khazanah empowers future generations and contributes meaningfully to Malaysia’s advancement.

I believe that Malaysia, located at the heart of Southeast Asia and the epicentre of the wider Asia Pacific region, has much to offer the world. In this regard, Khazanah remains unwavering in its agenda to support Malaysia’s economic growth through strategic value creation in existing investments and by exploring new growth frontiers.



► Dato’ Seri Anwar Ibrahim at Karnival Kerjaya Program Setahun Bersama Kerajaan Malaysia MADANI held at Stadium Bukit Jalil.

## Acknowledgement

In closing, I extend my sincere gratitude to the Board Members of Khazanah for their steadfast and responsible decision-making, ensuring robust governance and performance. I also wish to express my deepest appreciation to the departing Board Members—Tan Sri Mohammed Azlan Hashim, Dato’ Zainal Abidin Putih and Lau Seng Yee—for their dedicated service. Their contributions have been invaluable and their legacy will inspire our continued progress.

**Dato’ Seri Anwar Ibrahim**  
Chairman

## MESSAGE FROM OUR MANAGING DIRECTOR

“ Dear Stakeholders,

Amid a year of economic volatility and global uncertainties, Khazanah pushed forward, steadfast in our mandate to deliver sustainable value for Malaysians. Through disciplined capital allocation, strategic investments, and an unwavering commitment to sustainability, we continued to contribute towards a more resilient Malaysia, delivering economic and societal returns for the nation.”

### Navigating a Complex Economic Landscape to Our Advantage

2023 presented a multitude of challenges and opportunities for Khazanah. Globally, high inflation forced central banks to keep interest rates elevated through tight monetary policy. At the same time, rising geopolitical tensions marked by conflicts between major powers exacerbated economic instability. Put together, these adverse forces further challenged global markets, increasing volatility and complicating economy recovery efforts. Closer to home, the emerging picture for Malaysia was one of cautious optimism.

In 2023, BNM raised OPR in step with global central banks, while the Government released multiple national blueprints and roadmaps (Ekonomi MADANI, National Energy Transition Roadmap (NETR), New Industrial Master Plan (NIMP) 2030). While some domestic pressures remain, these developments help to bolster confidence in Malaysia's economic resilience and its potential for growth amidst these global uncertainties.

Against this backdrop, Khazanah remained dedicated to Advancing Malaysia, which steered our investments toward sustainable development. We made significant strides in supporting

Dato' Amirul Feisal Wan Zahir

# MESSAGE FROM OUR MANAGING DIRECTOR

the National Energy Transition Roadmap (NETR), New Industrial Master Plan (NIMP) 2030 and KL20 Action plan, and pursued numerous initiatives aligned with creating long-term value for Malaysia.

We are energised by the prospect of working with the Government to drive the nation's growth and development. In particular, our Malaysia investment strategy and value creation plans enable Khazanah to play a crucial role in driving Malaysia's economic transformation in energy transition, connectivity, and digitalisation, among other areas.



► Sharing a light moment with Tan Sri Abdul Wahid Omar, Chairman of Bursa Malaysia, at the AVPN Global Conference 2023 at the Kuala Lumpur Convention Centre.

## Robust Financial Outcomes Amidst Volatility

Despite uncertain market conditions, Khazanah demonstrated disciplined capital allocation to deliver sustainable returns while investing for the future. Khazanah recorded profit from operations of RM5.9 billion, driven by higher dividends and distributions from investee companies, fair value gains, and capital preservation. We continue to build a strong financial position as the Realisable Asset Value (RAV) over debt ratio remained healthy at 2.7x, although there was a marginal increase in debt levels to RM50.2 billion compared to RM49.1 billion the previous year.

Our Malaysia investments are key to a resilient portfolio, and as such, Khazanah is highly committed to steward Malaysia assets and create sustainable value for Malaysians. An encouraging example is Malaysia Aviation Group Berhad ("MAGB"). In 2023, MAGB recorded its first ever net profit after interest and tax (NIAT) since its inception (to its current structure) in 2015, despite higher operational and labour costs, weaker ringgit (RM), supply chain challenges, and elevated interest rates.

MAGB's journey was not an easy one: it had to undergo financial restructuring in 2021, execute its turnaround plan, and reduce fiscal losses, all while enduring



► Together with Khazanah staff at the Karnival Kerjaya Program Setahun Bersama Kerajaan Malaysia MADANI in December 2023.

almost a decade of losses, before arriving at its 2023 decade-high performance. This success story, among others, is testament to the value of taking a longer-term view in investments, an approach which will continue to guide our strategies and actions.

## A Long-Term Perspective for Sustainable Growth

To Advance Malaysia, Khazanah invests across the entire spectrum of the Malaysian economy, from listed Malaysia companies to emerging sectors, as well as globally across markets, asset classes, sectors and geographies. Ultimately, we seek to deliver strong returns through our portfolio of investments, and in doing so, remain guided by an approach that puts long-term value first.

## MESSAGE FROM OUR MANAGING DIRECTOR



► With the organising team of Khazanah Megatrends Forum 2023 (KMF 2023).

In 2023, we adopted a mission-based approach to our Malaysia investment portfolio, enhancing our strategy to drive sustainable returns for the nation. Over 60% of our investment portfolio are focused in Malaysia. We continue to make firm progress on Dana Impak, identifying new high-impact programmes to deliver socio-economic benefits to Malaysia and impacting Malaysian stakeholders from all walks of life: from future talent, to entrepreneurs, and Micro, Small and Medium Enterprises (MSMEs), among others.

Furthermore, we pursued portfolio diversification efforts through investments in global private and public markets. By balancing exposure across Malaysia and global geographies, and among various sectors, we hope to bolster the portfolio's ability to withstand market volatility. Rebalancing efforts initiated in prior years have indeed started to yield positive outcomes, as evidenced by our 2023 portfolio performance.

Beyond portfolio resilience, our global investment approach is key for Khazanah

to facilitate flows of knowledge, network of relationships, and investment opportunities into Malaysia. We believe that the synergies of our global approach have the potential to generate spillover impact for Malaysia, be it in value creation and knowledge for our domestic companies, identifying new opportunities for Dana Impak, or catalysing expansion in other new growth areas.

Sustainability remained a core part of our strategy in 2023 and will continue to. Firstly, Khazanah aspires to play a leading role in shaping an equitable and responsible transition towards a sustainable future for Malaysia. Secondly, 2023 saw us fulfil our ESG targets in achieving carbon neutral operations, execute an organisation-wide DEI framework, and implement ESG-linked KPIs for key leadership roles across our portfolio companies.

Overall, Khazanah's long-term perspective for sustainable growth is set to be driven by our Advancing Malaysia strategy, in line with the government's Ekonomi MADANI's aspirations and national development plans. Our efforts will be centred on "raising the floor" to elevate the quality of life for Malaysians, and "raising the ceiling" to transform the national economy while boosting the nation's competitiveness.

## MESSAGE FROM OUR MANAGING DIRECTOR



▶ The top three finalists of the Khazanah Impact Innovation Challenge 2023 – Braintree Technologies, Ultimate and Kapitani – who were awarded grants of up to RM500,000 each, celebrating their success together with the Head of Dana Impak, Bryan Lim (third from left).

### Driving Socio-economic Impact through Dana Impak

In 2023, Dana Impak, Khazanah’s dedicated RM6 billion impact fund, remained a pivotal element of our Advancing Malaysia strategy. We identified approximately RM800 million worth of projects across various impact areas, all aimed at enhancing Malaysia’s economic competitiveness and fostering national resilience. Some of our key initiatives have borne fruit in the areas of start-ups and entrepreneurial landscape, MSME ecosystem, agriculture, digital ready talents and impact measurement.

To bolster the entrepreneurial landscape, we launched the Future Malaysia Programme (FMP), positioning Khazanah as a key player in strengthening the local start-up ecosystem. Collaborations with venture capital firms such as Gobi Partners and 500 Global underscore our commitment to driving growth and innovation within Malaysian start-ups through strategic support and investments.

The MSME ecosystem saw continued enhancement in 2023. We invested in PolicyStreet, a homegrown full stack insurtech company, which is set to

provide customised insurance products to over 500,000 gig workers and 50,000 SMEs, boosting financial security for these underserved groups. Additionally, our ongoing partnership with Funding Societies aims to address the RM90 billion funding gap for MSMEs, further solidifying our support for this sector critical to Malaysia’s next leg of growth.

On the agriculture front, we launched the Khazanah Impact Innovation Challenge 2023 (KIIC 2023) to bolster Malaysia’s food security capabilities in the face of climate challenges. At KIIC 2023, we were inspired by the innovative business profiles, spanning alternative protein, automation solutions and marketplace platforms. We ultimately awarded RM5.05 million in grants to support the potential of these projects in impacting the agriculture industry substantially.

To further assist smallholders in the agricultural, livestock and aquaculture sub sectors, we completed project Semai, involving a nationwide survey of over 3,300 smallholders to understand their challenges. The findings of the survey provide readily available insights into the challenges faced by smallholders, which we hope can serve as a valuable guide to future agricultural strategies and policies.

## MESSAGE FROM OUR MANAGING DIRECTOR

To thrive in an increasingly digital world, Malaysia needs future-ready talent. To that end, our Future Malaysia Skills (FMS) initiative was set up as talent generation platform to prepare Malaysia for the future of work. 42 Malaysia, our innovative peer-to-peer computer science school, aims to develop 10,000 skilled tech professionals over the next decade, with plans to expand from Kuala Lumpur to Penang, Iskandar Puteri, and other regions including East Malaysia. Additionally, we also invested in specialised skillset development programs to equip Malaysian talents for future-proof sectors such as childcare and elderly care.

Underscoring these investments is a focus on creating lasting societal impact. To facilitate the measurement of the impact we create, we refined the SEMARAK Framework, a comprehensive impact assessment tool developed in 2022. Initially implemented to track the impact of our 42 Malaysia initiative, SEMARAK has since evolved to be used in evaluation of new projects across various themes. Furthermore, we had the privilege to share the SEMARAK framework with various external stakeholders: the Asian Venture Philanthropy Network (AVPN) and our FMP partners, among others.



▶ The Khazanah Annual Review 2024 (KAR2024) media briefing with (from left) Datuk Hisham Hamdan, Faridah Bakar Ali and Datuk Amran Hafiz Affifudin.

### Empowering Communities and Enhancing Societal Impact

At the heart of our operations is our mission to continuously deliver societal value for Malaysians. Since 2006, we have undertaken initiatives to build capacity and vibrant communities nationwide, channeling our efforts into five key focus areas: Creating Opportunities, Creating a Competitive Nation, Community Development, Environmental Preservation, and Arts,

Heritage and Culture Preservation. To date, Khazanah and our supporting organisations have contributed RM2.6 billion to various initiatives under these pillars.

In 2023, our philanthropic arm, Yayasan Hasanah, continued to play a critical role in delivering societal value across Malaysia. Celebrating its decade-long journey, Yayasan Hasanah impacted more than 2.9 million individuals through programmes in education, community development and environmental

## MESSAGE FROM OUR MANAGING DIRECTOR

sustainability. Our collaboration with the Ministry of Finance through the Hasanah Special Grant (HSG) expanded our reach, supporting diverse initiatives that uplifted communities, enhanced mental health and promoted socio-economic opportunities.

Additionally, Taman Tugu, a 66-acre green lung developed through public-private collaboration, secured financial sustainability with renewed support from various entities. Hosting over one million visitors since 2018, Taman Tugu introduced new events in 2023, fostering community engagement.

On the other hand, Think City, our project delivery partner and consultancy that focuses on placemaking, social and environment, analytics and conservation continued impactful urban rejuvenation projects, including the Kita-Untuk-Kita (K2K) programme to improve public housing and partnerships to enhance Kuala Lumpur's creative district. Since 2009, Think City has implemented numerous grant programmes, reinforcing its role in city transformation.



► Transforming the Multipurpose Park at Perumahan Awam Jalan Hang Tuah, this Public Realm Improvement Programme, funded by PNB Merdeka Ventures Sdn Berhad and led by Think City, aims to create a safe, inclusive community space. It enhances amenities with climate-adaptive features like porous pavements and recycled materials.

### Strategic Direction for 2024 and Beyond

As we transition into 2024, the global economic landscape continues to face volatility and uncertainty. The key trends shaping the macroeconomic environment include sustained geopolitical tensions, evolving trade dynamics, and policy impacts resulting from a major global

election cycle, with over 76 countries going to the polls in 2024. However, we remain optimistic and strategically positioned to navigate this complex environment and continue delivering value for Malaysia.

Domestically, Malaysia is projected to experience Gross Domestic Product (GDP) growth of 4-5% in 2024, driven by robust domestic consumption and a recovery in export demand, particularly in electronics. This positive outlook is bolstered by strategic government initiatives such as the NETR, the New Industrial Master Plan 2030 (NIMP 2030), and the ongoing fiscal reforms aimed at widening the tax base and rationalising subsidies.

Khazanah's investments will continue to support these national strategies, reinforcing our commitment to spur Malaysia's economic growth. We will actively participate in and support the rollout of these policies, ensuring that our portfolio is well-positioned to benefit from the anticipated recovery and growth in key sectors.

# MESSAGE FROM OUR MANAGING DIRECTOR

Most importantly, in 2024, we will advance our new Malaysia Strategy with a focus on four key pillars:



### Connectivity

We will enhance Malaysia’s role as a strategic hub through targeted investments in infrastructure and transport, particularly in key assets like Malaysia Airports Holdings Berhad (MAHB) and Malaysia Airlines Group Berhad (MAGB). These efforts are essential for attracting capital, investors and talent, aligning with the NIMP 2030.




### Digitalisation

We will lead the digital transformation across our portfolio companies to boost productivity and enhance global competitiveness. Investments in digital infrastructure and innovative technologies will drive efficiency and unlock new growth opportunities, positioning Malaysia at the forefront of the digital economy.



### Energy Transition

Our commitment to supporting Malaysia’s net zero emissions goal by 2050 will be realised through leadership in the execution of the National Energy Transition Roadmap (NETR). Projects led by UEM Lestra, under our wholly owned subsidiary UEM Group, include the development of renewable energy and storage solutions, as well as green buildings and energy efficiency initiatives, which are central to our strategy. We will also undertake this initiative through our stewardship role in Tenaga Nasional Berhad by accelerating renewable energy (RE) integration via investments in transmission and distribution assets, with a focus on grid modernisation, among others.

 Find out more about how we are driving Malaysia’s energy transition journey in our **Special Highlight 2: Energy Transition** section on page 65.



### Catalytic/New Growth Areas

Through Dana Impak, we will revitalise key ecosystems, encourage stakeholder collaboration and influence policy for sustained economic growth. We prioritise investments in digital society, quality health and education, and food security to address immediate and long-term socio-economic challenges. Khazanah, with an initial RM1 billion allocation to the National Fund-of-Funds, will invest in innovative high-growth companies to positively impact the Malaysian economy and strengthen the nation’s venture capital ecosystem.

# MESSAGE FROM OUR MANAGING DIRECTOR

## Honouring Our Legacy and Looking Forward

As we mark Khazanah's 30<sup>th</sup> anniversary in 2024, we reflect on our journey of growth and resilience, made possible by the unwavering support of our stakeholders – the private sector, the government, and the most importantly, the rakyat. Our achievements over the past three decades underscore the collaborative efforts and shared vision that have driven our success. Moving forward, their continued engagement and support will be crucial as we strive to build a prosperous and sustainable future for Malaysia.

Our commitment to raising both the economic "ceiling" and "floor" remains constant. We will continue to champion initiatives that enhance Malaysia's economic competitiveness, foster innovation, and build resilience, ensuring that the benefits of growth and development are equitably shared among all Malaysians.

## Acknowledgement

Our 2023 achievements were made possible by the unwavering support of our stakeholders, board members, and employees.

On that note, we would like to thank our esteemed Board Members, Tan Sri Mohammed Azlan Hashim, Dato' Zainal Abidin Putih, and Lau Seng Yee, for their invaluable wisdom, all of whom have guided us until December 2023. Their contributions have been instrumental in shaping our journey.

We extend a very warm welcome to our new board member, Wong Kang Hwee, and look forward to benefiting from his expertise and fresh perspectives. We are confident that, with the support of our dedicated Board of Directors, management and employees, we will continue to achieve new milestones and thrive in the years to follow.

**Dato' Amirul Feisal Wan Zahir**  
Managing Director

# BOARD OF DIRECTORS

**Dato' Mohamed Nasri Sallehuddin**  
Company Secretary

**Datuk Azian Mohd Aziz**  
Director, Chairman of NRC,  
Member of EXCO and Member of ARC

**Dato' Seri Anwar Ibrahim**  
Chairman

**Wong Kang Hwee**  
Director, Chairman ARC,  
Member of EXCO and Member of NRC

**Dato' Amirul Feisal Wan Zahir**  
Managing Director and  
Member of EXCO

**Tan Sri Mohammed Azlan Hashim**  
Director, Chairman of NRC and  
Member of EXCO

**Lau Seng Yee**  
Director, Member of EXCO and  
Member of NRC

**Dato' Zainal Abidin Putih**  
Director and  
Chairman of ARC

**Goh Ching Yin**  
Director, Chairman of EXCO,  
Member of ARC and Member of NRC



EXCO: Executive Committee

ARC: Audit & Risk Committee

NRC: Nomination & Remuneration Committee

## BOARD OF DIRECTORS



**DATO' SERI ANWAR IBRAHIM**  
Chairman

Dato' Seri Anwar Ibrahim was appointed as the Chairman of Khazanah effective 3 January 2023. He is the current Prime Minister of Malaysia and Minister of Finance.

He was the Deputy Prime Minister from 1993 to 1998 and has also held various ministerial posts, including Minister of Education, Minister of Agriculture and Minister of Culture, Youth and Sports.



For the latest composition of the Board of Directors, please visit our website <https://www.khazanah.com.my/who-we-are/board-of-directors/>

## BOARD OF DIRECTORS



### GOH CHING YIN

Director, Chairman of Executive Committee (EXCO),  
Member of Audit & Risk Committee (ARC) and  
Member of Nomination & Remuneration Committee (NRC)

Goh Ching Yin was appointed as a Board member of Khazanah effective 31 July 2018.

He was a former Executive Director of the Chairman's Office, Strategy & Development and Market Oversight at the Securities Commission Malaysia. Prior to that, he was CEO of Southern Investment Bank, Managing Director, Corporate Finance for BNP Paribas Group and Chief Representative of BNP Peregrine Sdn Bhd. He also served at RHB Sakura Merchant Bankers Berhad, Renong Group and Price Waterhouse Associates.

He is currently the Chairman and Independent Non-Executive Director of Allianz Life Insurance Malaysia Berhad, Maybank Asset Management Singapore Pte Ltd and Maybank Securities Pte Ltd. He also sits on the boards of Maybank Investment Bank Berhad, Maybank Asset Management Group Berhad, Allianz Malaysia Berhad and Shangri-La Hotels (Malaysia) Berhad. He holds an MBA from Cranfield University, United Kingdom.



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## BOARD OF DIRECTORS



### TAN SRI MOHAMMED AZLAN HASHIM

Director, Chairman of Nomination & Remuneration Committee (NRC) and Member of Executive Committee (EXCO)\*

\* Until 5 December 2023

Tan Sri Mohammed Azlan Hashim was appointed as a Board member of Khazanah effective 1 April 2020.

He is the Chairman of Investment Panel of Employees Provident Fund. He is also currently Chairman of several public listed entities including Telekom Malaysia Berhad, D&O Green Technologies Berhad, Marine & General Berhad and IHH Healthcare Berhad.

He has extensive working experience in the corporate sectors including financial services and investments. Among others, he served as Chief Executive of Bumiputra Merchant Bankers Berhad, Managing Director of Amanah Capital Malaysia Berhad, Executive Chairman of Bursa Malaysia Berhad and a Board member of the Employees Provident Fund.

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



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## BOARD OF DIRECTORS



### DATO' ZAINAL ABIDIN PUTIH

Director and Chairman of Audit & Risk Committee (ARC)\*

\* Until 5 December 2023

He is currently the Chairman of several companies including Land & General Berhad, Tokio Marine Insurans (Malaysia) Berhad and Touch 'n Go Sdn Bhd. He also sits on the boards of several private limited companies.

He brings with him decades of extensive experience in audit, having worked as a practising accountant throughout his career covering many principal industries including banks, insurance, energy, transport, manufacturing, government agencies, plantations, properties, hotels, investment companies and unit trusts. He also has good knowledge of taxation matters and management consultancy, especially in the areas of acquisition, takeovers, amalgamations, restructuring and public listing of companies.

He is a fellow of the Institute of Chartered Accountants in England and Wales, as well as a member of the Malaysian Institute of Accountants and the Malaysian Institute of Certified Public Accountants. He is the current Chairman of the Financial Reporting Foundation. He was the past president of the Malaysian Institute of Certified Public Accountants, former Chairman of the Malaysian Accounting Standards Board and Pengurusan Danaharta Nasional Berhad, as well as a former member of the Malaysian Communication & Multimedia Commission. He is a Trustee of IJN Foundation and a Trustee of Yayasan Universiti Multimedia.



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## BOARD OF DIRECTORS



### LAU SENG YEE

Director, Member of Executive Committee (EXCO) and  
Member of Nomination & Remuneration Committee (NRC)\*

\* Until 5 December 2023

Lau Seng Yee was appointed as a Board Member of Khazanah effective 26 June 2019.

He has 25 years of extensive China market experience in the technology and media sector. He joined Tencent Holding Company since 2006, holding various key management roles such as SEVP, President of Online Media Group, Chairman of Global Branding and Group Marketing before transitioning into his current role as the Senior Management Advisor in January 2021. Prior to that, he was the CEO of BBDO and the CEO of Publicis in China.

Recognised as “Global Media Person of the Year” by Cannes Lions in 2015, he joins a list of previous recipients which includes Facebook founder Mark Zuckerberg, former Microsoft CEO Steve Balmer and former Google Chairman Eric Schmidt, among others.

A distinguished alumnus of Universiti Kebangsaan Malaysia and Rutgers University in New Jersey, where he received his Executive MBA; he completed the Advanced Management Program at Harvard Business School and now serves as Harvard Business School Asia Pacific Advisory Board member since 2015.



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## BOARD OF DIRECTORS



### DATUK AZIAN MOHD AZIZ

Director, Chairman of Nomination & Remuneration Committee (NRC)  
Member of Executive Committee (EXCO) and  
Member of Audit & Risk Committee (ARC)

Datuk Azian Mohd Aziz was appointed as a Board Member of Khazanah effective 26 June 2019. She is currently an Advocate and Solicitor of the High Court of Malaya, practising at Messrs. Mohamad Hanafiah Zakaria based in Kuala Lumpur, Malaysia. She began her career on 1 October 1987 as a Federal Counsel in Attorney General's Chambers and has held various positions throughout her career, such as a Legal Advisor to the Ministry of Transport, Senior Federal Counsel in Advisory Division and Research Division of the Attorney General's Chambers, Senior Assistant Parliamentary Draftsman and Legal Advisor of the Ministry of Defence.

In 2009, she was appointed as the Corporation Secretary of Putrajaya Corporation (PPJ) and in 2010, she was appointed as the Director General of the Judicial and Legal Training Institute (ILKAP) at the Prime Minister's Department.

She also served as the Treasury Solicitor, Ministry of Finance, Deputy Head of Advisory Division (Municipal) I of the Attorney General's Chambers, Head of International Affairs Division, Attorney General's Chambers and Head of Advisory Division, Attorney General's Chambers. She was also the Parliamentary Draftsman of the Attorney General's Chambers from 16 December 2020 until 26 June 2023.

She has also sat on the boards of various entities such as the Inland Revenue Board of Malaysia (LHDNM), Sepang International Circuit, Amanah Raya Berhad, Amanah Raya Trustees, Syarikat Perumahan Negara Berhad, Institut Jantung Negara, Syarikat Prasarana Nasional Berhad and the Board of Advisors of Institut Latihan Islam Malaysia (ILIM). She holds a Bachelor of Laws (LL.B) (Hons) degree from the University of Malaya.



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## BOARD OF DIRECTORS



### WONG KANG HWEE

Director, Chairman of Audit & Risk Committee (ARC),  
Member of Executive Committee (EXCO) and  
Member of Nomination & Remuneration Committee (NRC)\*

\* Effective 6 December 2023

Wong Kang Hwee was appointed as a Board member of Khazanah effective 5 December 2023. He was a former accountant in public practice with a broad range of experience in assurance and advisory services.

His long career extends across diverse industries, from small private firms to large public companies, including manufacturing, banking, stock broking, hotels, property development, investment holding and civil engineering. Post-retirement, he has served as an adviser and consultant in investment holding, financial services and properties.

He holds an economics degree from Leeds University, United Kingdom, and is a member of the Institute of Chartered Accountants in England and Wales, the Malaysian Institute of Accountants and the Malaysian Institute of Certified Public Accountants. He also serves as a director for various private limited companies.



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## BOARD OF DIRECTORS



### **DATO' AMIRUL FEISAL WAN ZAHIR**

Managing Director and Member of Executive Committee (EXCO)

Dato' Amirul Feisal Wan Zahir was appointed as the Managing Director of Khazanah effective 16 July 2021. Previously, he was Group Chief Financial Officer of Malayan Banking Berhad (Maybank) since July 2016 and he was also the Group Head, Global Banking of Maybank from October 2014 until June 2016. Prior to Maybank, he joined Permodalan Nasional Berhad in 2010 as Executive Vice President of Special Projects and was seconded to Chemical Company of Malaysia Berhad, a public listed company, as Group Managing Director.

In 2008, he was appointed as Managing Director, Head of Investment Banking for Maybank Investment Bank where he was responsible for the Investment Banking, Corporate Finance, Equity Capital Markets and Private Equity Divisions. He had also served as Executive Director at BinaFikir Sdn Bhd from 2004 to 2008.

He is currently the Chairman of Iskandar Investment Berhad, M+S Pte Ltd, Yayasan Khazanah and Amanah Warisan Negara (AWAN). He sits on the Board of Trustee of Yayasan Hasanah and Khazanah Research Institute. Dato' Amirul Feisal Wan Zahir is a Fellow of the Institute of Chartered Accountants England and Wales, a member of the Malaysian Institute of Accountants and a Chartered Banker, Asian Institute of Chartered Bankers.

He holds a Bachelor of Science degree in Economics majoring in Accounting and Finance from London School of Economics & Political Science, United Kingdom and completed the Advanced Management Program at Harvard Business School.



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# SENIOR MANAGEMENT TEAM



**Dato' Mohamed Nasri Sallehuddin**  
Executive Director  
General Counsel, Company Secretary and  
Head, Corporate & Support Services

**Faridah Bakar Ali**  
Chief Financial Officer

**Dato' Amirul Feisal Wan Zahir**  
Managing Director

**Datuk Amran Hafiz Affudin**  
Executive Director  
Head, Malaysian Investments

**Bryan Lim**  
Executive Director  
Head, Dana Impak and  
Head, Healthcare

**Datuk Hisham Hamdan**  
Executive Director  
Head, Public Markets

# SENIOR MANAGEMENT TEAM



**Geoff Lee**

Executive Director  
Head, Private Markets and  
Head, Technology

**Selvendran Katheerayson**

Executive Director  
Head, Real Assets & Property

**Suhana Dewi Selamat**

Executive Director  
Head, Governance, Risk & Compliance

**Wong Shu Hsien**

Executive Director  
Head, Transport & Tourism

**Latifah Daud**

Executive Director  
Head, Strategic Human Capital Management

**Wong Wai Seng**

Head, Strategy and  
Head, Asset Allocation

# SENIOR MANAGEMENT TEAM



**Effizal Faiz Zulkifly**  
Head, Consumer and Services

**Ong King How**  
Head, Telco and Media

**Sherliza Zaharudin**  
Head, Corporate Communications

**Dr Farid Mohamed Sani**  
Head, Special Projects  
(Investments)

**Nicholas Khaw**  
Head, Research

## SENIOR MANAGEMENT TEAM



**DATO' AMIRUL FEISAL WAN ZAHIR**  
Managing Director

Dato' Amirul Feisal Wan Zahir was appointed as the Managing Director of Khazanah effective 16 July 2021. Previously, he was the Group Chief Financial Officer of Malayan Banking Berhad (Maybank). He holds a Bachelor of Science degree in Economics, majoring in Accounting and Finance, from the London School of Economics and Political Science, United Kingdom, and completed the Advanced Management Programme at Harvard Business School. He is a Fellow of the Institute of Chartered Accountants in England and Wales (ICAEW), a member of the Malaysian Institute of Accountants (MIA), and a Chartered Banker with the Asian Institute of Chartered Bankers (AICB).



**FARIDAH BAKAR ALI**  
Chief Financial Officer

Faridah Bakar Ali joined Khazanah in May 2006 after building a career in accountancy and finance with PricewaterhouseCoopers Malaysia and BP Malaysia. In Khazanah, Faridah delivered several notable Islamic Finance transactions including the world's first exchangeable sukuk and the inaugural retail offering of Sukuk Ihsan, Khazanah's sustainable and responsible investment sukuk. Faridah graduated from Lancaster University in Accounting & Finance. She is a member of the Malaysian Institute of Accountants (MIA) and a Fellow of the Institute of Chartered Accountants in England and Wales (ICAEW).



**DATO' MOHAMED NASRI SALLEHUDDIN**  
Executive Director  
General Counsel, Company Secretary and  
Head, Corporate & Support Services

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



For the latest composition of the Senior Management Team, please visit our website [https://www.khazanah.com.my/who-we-are/our\\_managements/](https://www.khazanah.com.my/who-we-are/our_managements/)

## SENIOR MANAGEMENT TEAM



### DATUK AMRAN HAFIZ AFFIFUDIN

Executive Director  
Head, Malaysian Investments

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

\* Datuk Amran joined UEM Group as Managing Director in August 2024.



### BRYAN LIM

Executive Director  
Head, Dana Impak and  
Head, Healthcare

Bryan Lim joined Khazanah in December 2005. He was a key member of the team that set up Khazanah's first foreign office in Beijing in 2008 and was subsequently appointed Head of China in 2017. After serving for 13 years overseas, he returned to Malaysia in 2021 to assume his current role. Prior to Khazanah, he was with Ernst & Young, Rating Agency Malaysia Bhd (RAM) and ECM Libra Securities Sdn Bhd. He holds a Master's in Business Administration from the MIT Sloan Fellows programme at the Massachusetts Institute of Technology, United States and a Bachelor of Commerce and Management degree from Lincoln University, New Zealand. He is also a Chartered Financial Analyst (CFA) charterholder.



### DATUK HISHAM HAMDAN

Executive Director  
Head, Public Markets

Datuk Hisham Hamdan joined Khazanah in April 2011 from Sime Darby Berhad. At Khazanah, he has been involved in strategy and business development, healthcare, energy & utilities and China. He is currently the Chairman of UEM Sunrise and sits on the Board of Trustees of Khazanah Research Institute. He holds two degrees, in Chemical Engineering and Industrial Management from Purdue University, United States. He has also attended the Harvard Business School's Advanced Management Programme.

\* Datuk Hisham Hamdan was appointed Chief Investment Officer in March 2024.



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## SENIOR MANAGEMENT TEAM



### GEOFF LEE

Executive Director  
Head, Private Markets and  
Head, Technology

Geoff joined Khazanah in September 2021 after spending over 30 years in various roles in the finance and investments industries in Hong Kong and the United Kingdom. He was previously the Head of Principal Investments at Korea Development Bank Asia, Head of Asian Investments at HSBC Alternative Proprietary Investments and Managing Director and co-founder of Myo Capital Special Situations Fund. Prior to moving to the buy-side, he spent nearly a decade in investment banking as a Director of Telecommunication, Media and Technology and founding member of the Mergers & Acquisitions team at HSBC Investment Bank Asia. Geoff is a UK Fellow Chartered Accountant and a graduate of the University of Manchester.



### WONG SHU HSIEN

Executive Director  
Head, Transport & Tourism

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



### SELVENDRAN KATHEERAYSON

Executive Director  
Head, Real Assets & Property

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



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## SENIOR MANAGEMENT TEAM



### LATIFAH DAUD

Executive Director  
Head, Strategic Human Capital Management

Latifah Daud joined Khazanah in April 2015 from Honeywell International Inc. Shanghai, China. She has extensive management consulting and human resources experience gained over a 30-year career in various industries including semiconductor, aerospace and software technology solutions. Previously, she worked for a consulting firm in Singapore, as well as at Hatibudi Nominees/Renong Group and Arab Malaysian Merchant Bank in Kuala Lumpur. She once taught computer science at Yayasan Pelajaran MARA. She was a Board of Trustee of Yayasan Khazanah and a member of the Industrial Relations Panel at Malaysian Employers Federation. She also sits on the Board of Theta Edge Berhad, a Tabung Haji Group company as an Independent Director as well as the Industry Network Talent Advisory, at TalentCorp, Ministry of Human Resources. She holds a Bachelor of Science in Computer Management and an MBA from Eastern Illinois University, United States.

\* Latifah Daud retired in June 2024.



### SUHANA DEWI SELAMAT

Executive Director  
Head, Governance, Risk & Compliance

Suhana Dewi Selamat joined Khazanah in November 2012 and was appointed Chief Risk Officer on 1 February 2017. She has over 25 years of experience in legal, regulatory, compliance and risk management roles in local firms and in multinational companies, including 8 years as a Trustee of WWF Malaysia. She read law at the London School of Economics and Political Sciences.



### WONG WAI SENG

Head, Strategy and  
Head, Asset Allocation

Wong Wai Seng joined Khazanah in August 2011. He is responsible for overall corporate strategy, strategic asset allocation and strategic planning to meet Khazanah's long-term mandate and sustainability goals. He holds a Bachelor's Degree in Management (Technology), majoring in Finance from Universiti Teknologi Malaysia, Masters in Business Administration from the Thunderbird School of Global Management as a Fullbright scholar and Master of Science in Management as a Sloan Fellow from the Stanford Graduate School of Business. Wai Seng is an Associate Chartered Management Accountant (ACMA).



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## SENIOR MANAGEMENT TEAM



### **EFFIZAL FAIZ ZULKIFLY**

Head, Consumer and Services

Effizal Faiz Zulkifly joined Khazanah in July 2007 and has covered the infrastructure and telecommunication space including, the UEM Group, Telekom Malaysia and Astro Berhad. He currently serves as the Non-Executive Director of UEM Group Berhad and Farm Fresh Berhad. Before Khazanah, he was a business analyst with Citibank Berhad. He holds a Master of Commerce, Finance and Business Information System, University of Sydney, a Master of Business Administration, MIT Sloan Fellows Program, Massachusetts Institute of Technology and a Bachelor of Commerce, Accounting, University of Queensland.



### **DR FARID MOHAMED SANI**

Head, Special Projects  
(Investments)

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



### **ONG KING HOW**

Head, Telco and Media

Ong King How joined Khazanah in November 2006, working in the Managing Director's Office before joining Investments in 2008. Prior to Khazanah, he worked in PricewaterhouseCoopers Malaysia, specialising in financial services. He holds a Bachelor of Business (Accountancy) with Distinction from RMIT University, Australia and is a member of CPA Australia.



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## SENIOR MANAGEMENT TEAM



**NICHOLAS KHAW**  
Head, Research

Nicholas Khaw joined Khazanah in April 2011 from the Economic Planning Unit of the Prime Minister’s Department, where he started his career as a macroeconomist. Currently, he is a Trustee at Khazanah Research Institute and is a monthly contributor to The Edge Malaysia’s Forum column. He holds a Master in Public Administration in International Development (MPA/ID) from Harvard Kennedy School and completed his Bachelor of Arts in Economics at Harvard College, United States. He is currently a part-time PhD student in Political Economy Research at King’s College London.



**SHERLIZA ZAHARUDIN**  
Head, Corporate Communications

Sherliza Zaharudin joined Khazanah in February 2022 and has more than 20 years of experience in marketing and corporate communications which include curated campaigns, branding, media relations, crisis communications and event management. Prior to Khazanah, she worked in Pos Malaysia Berhad, Sime Darby Property Berhad, AirAsia Group, F&N Coca-Cola (M) Sdn Bhd, Sepang International Circuit Sdn Bhd and Malaysia Airports Holdings Berhad. She holds an MBA in Marketing from Universiti Putra Malaysia and Bachelor of Science in Parks, Recreation & Tourism Management from University of Missouri-Columbia, USA.



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CHAPTER 3

# FORTIFYING OUR FINANCIAL STRENGTH

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## FINANCIAL HIGHLIGHTS

**In 2023, Khazanah's overall portfolio demonstrated resilience and growth, solidifying our position amidst volatile global market conditions.**

We recorded a profit of RM5.9 billion, a significant increase from RM1.6 billion in 2022. This impressive growth was driven by higher dividends and distributions from investee companies, fair value gains and capital preservation.

For the year under review, the Net Asset Value (NAV) of our Overall Portfolio increased to RM85 billion, reflecting a compounded annual growth rate of 5.1% since 2004. This growth is attributed to disciplined capital allocation and strategic portfolio rebalancing. In terms of portfolio return, the Investments Portfolio achieved a 5-year rolling NAV Time-Weighted Rate of Return (TWRR) of 2.9% and a 1-year NAV TWRR of 5.7%, driven by gains in the developed market portfolio and a partial recovery of listed investee companies in Malaysia.

Furthermore, our Airline and Tourism assets returned a commendable performance in 2023, with a positive Net Income After Taxes (NIAT) recorded by Malaysia Aviation Group Berhad (MAGB) and the recovery of Destination Resorts and Hotels (DRH).

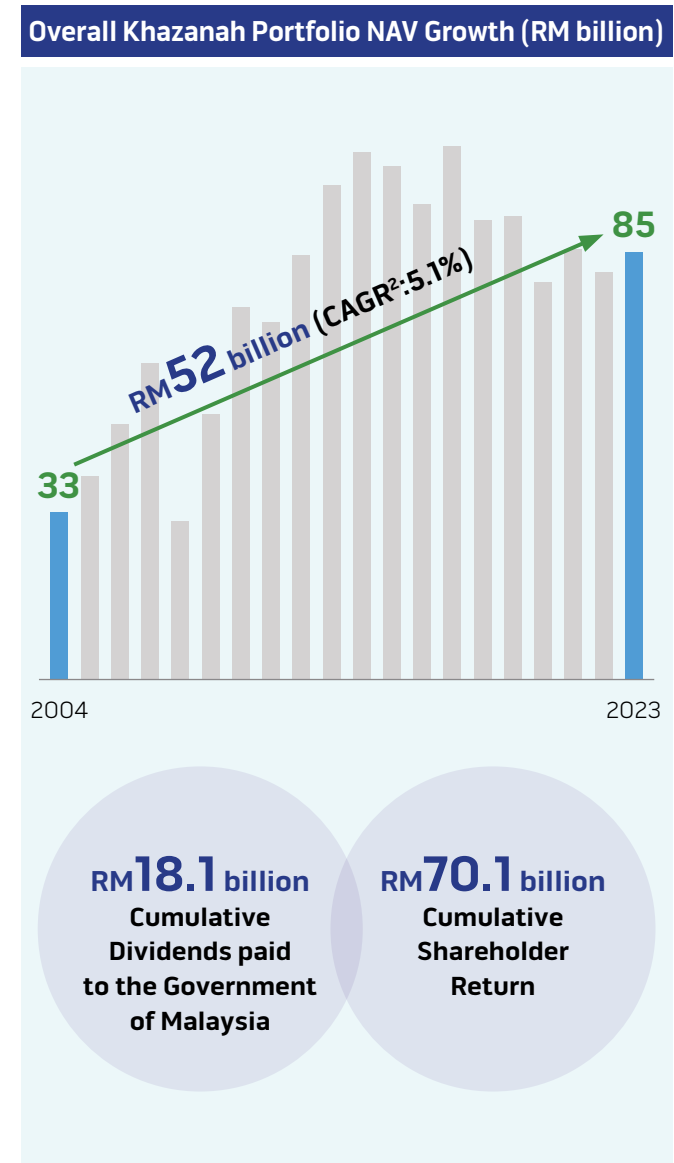
Debt increased marginally to RM50.2 billion compared to RM49.1 billion the previous year. The Realisable Asset Value (RAV) over debt ratio remained healthy at 2.7x. In April 2023, we received our first issuer credit ratings of A3 from Moody's Investors Service and A- from S&P Global Ratings. These investment grade credit ratings affirm Khazanah's strong ability to meet its financial commitments, track record of sound investment and funding policies, and important role in growing Malaysia's long-term wealth.

Khazanah paid a dividend of RM1 billion to the Government of Malaysia for 2023, with cumulative dividends declared since 2004 amounting to RM18.1 billion.

- ▶ **Khazanah recorded a profit of**  
**RM5.9 billion**
- ▶ **NAV of our Overall Portfolio increased to**  
**RM85 billion**
- ▶ **RAV over debt ratio remained healthy at** **2.7x**
- ▶ **Khazanah's first issuer credit ratings:**  
**Moody's: A3**  
**S&P Global Ratings: A-**
- ▶ **Khazanah paid a dividend of**  
**RM1 billion**  
**to the Government of Malaysia**

# FINANCIAL HIGHLIGHTS

OVERALL KHAZANAH PORTFOLIO			
Investments Portfolio	Dana Impak Portfolio	Developmental Assets	Special Situations
<p><b>RM126.2 billion</b> RAV<sup>1</sup></p> <p>Investments with commercial returns expectations</p>	<p><b>RM6.0 billion</b> allocated</p> <p>Investments with clearly defined targeted socioeconomic outcomes</p> 	<p><b>RM5.1 billion</b> RAV<sup>1</sup></p> <p>Long-term developmental investments with the potential to deliver economic impact</p>	<p>Assets which require turnaround in terms of profitability and sustainable operating cash flows</p> 
<p><b>Continue portfolio rebalancing efforts</b> towards the target Strategic Asset Allocation</p>	<p>Plan and execute investments across the 6 identified themes to deliver measurable <b>socioeconomic impact</b></p>	<p>Continue shepherding companies towards <b>long-term financial sustainability</b></p>	<p>Active management to <b>resolve</b> assets faced with severely <b>challenging situations</b></p>



<sup>1</sup> RAV: Realisable Asset Value; as at 31 December 2023

<sup>2</sup> Compounded Annual Growth Rate

## KEY FINANCIAL INDICATORS

### Income Statement (RM million)

For the years ended 31 December

	2023	2022	2021	2020	2019
Revenue	7,812	8,017	5,353	8,364	14,290
Profit/(loss) from operations	5,890	1,630	670	2,897	7,360
Taxation	61	(156)	(226)	(88)	(82)
Net profit for the year	5,951	1,474	444	2,809	7,278
Dividends declared					
- Normal dividend	(1,000)	(500)	(2,000)	(1,000)	(1,000)
- Special dividend	-	-	-	(1,000)	-
Net profit/(loss) for the year after dividends	4,951	974	(1,556)	809	6,278

### Balance Sheet (RM million)

As at 31 December

	2023	2022	2021	2020	2019
Total assets	93,924	86,819	84,822	81,888	83,066
Total liabilities [Note A]	51,187	50,101	49,504	45,474	46,584
Net assets	42,737	36,718	35,318	36,414	36,482
Share capital	12,284	12,284	12,284	12,284	12,284
Retained profits	21,044	16,093	15,119	16,675	15,866
Other reserves	9,409	8,341	7,915	7,455	8,332
Shareholders' funds	42,737	36,718	35,318	36,414	36,482

### Note A:

Included in total liabilities are borrowings as follows:

### Borrowings (RM million)

As at 31 December

	2023	2022	2021	2020	2019
Khazanah's Government-guaranteed bonds	4,009	5,767	7,943	9,878	10,639
Other bonds and notes	35,271	30,188	29,826	26,245	24,997
Term loans	6,150	5,985	5,802	3,352	2,500
Exchangeable Sukuk	-	1,015	3,283	3,135	3,133
Revolving credit facilities	4,808	6,189	1,624	456	4,500
	50,238	49,144	48,478	43,066	45,769

1. The income statements and balance sheets are derived from Khazanah's Extended Company Financial Statements, which refers to the consolidation of the financial statements of Khazanah (Company) and its Special Purpose Vehicles (SPVs). These SPVs are wholly-owned subsidiaries of Khazanah, which have been set up to actively hold investments or as funding vehicles of the Company.
2. Revenue includes realised divestment gains from investments classified as fair value through other comprehensive income that was recycled to retained earnings upon divestment.
3. Profit/(loss) from operations consist of profit/(loss) before tax, realised divestment gains and permanent reduction value of assets classified as fair value through other comprehensive income that was recycled to retained earnings.

# INDEPENDENT AUDITORS' REPORT

## Report On The Summary Financial Information

### Opinion

The summary financial information, which comprises the summary balance sheets as at 31 December 2023, 2022, 2021, 2020 and 2019, the summary income statements for the years then ended, and related notes, are derived from the audited financial statements of Khazanah Nasional Berhad and the management accounts for the years ended 31 December 2023, 2022, 2021, 2020 and 2019.

In our opinion, the accompanying summary financial information, are consistent, in all material respects, with those audited financial statements and the management accounts, in accordance with the basis described on Key Financial Indicators.

### Summary Financial Information

The summary financial information does not contain all the disclosures required by the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. Reading the summary financial information and the auditors' report thereon, therefore, is not a substitute for reading the audited financial statements of Khazanah Nasional Berhad and the auditors' report thereon. The summary financial information and those audited financial statements do not reflect the effects of events that occurred subsequent to the date of our report on those audited financial statements.

### The Audited Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on those audited financial statements in our reports for the respective years.

### Directors' Responsibility for the Summary Financial Information

Directors are responsible for the preparation of the summary financial information in accordance with the basis described on Key Financial Indicators.

### Auditors' Responsibility

Our responsibility is to express an opinion on whether the summary financial information are consistent, in all material respects, with those audited financial statements based on our procedures, which were conducted in accordance with Malaysia and International Standard on Auditing (ISA) 810 (Revised), 'Engagements to Report on Summary Financial Statements'.

**Ernst & Young PLT**

26 April 2024  
Kuala Lumpur

# GOVERNANCE, RISK AND COMPLIANCE

## Overview

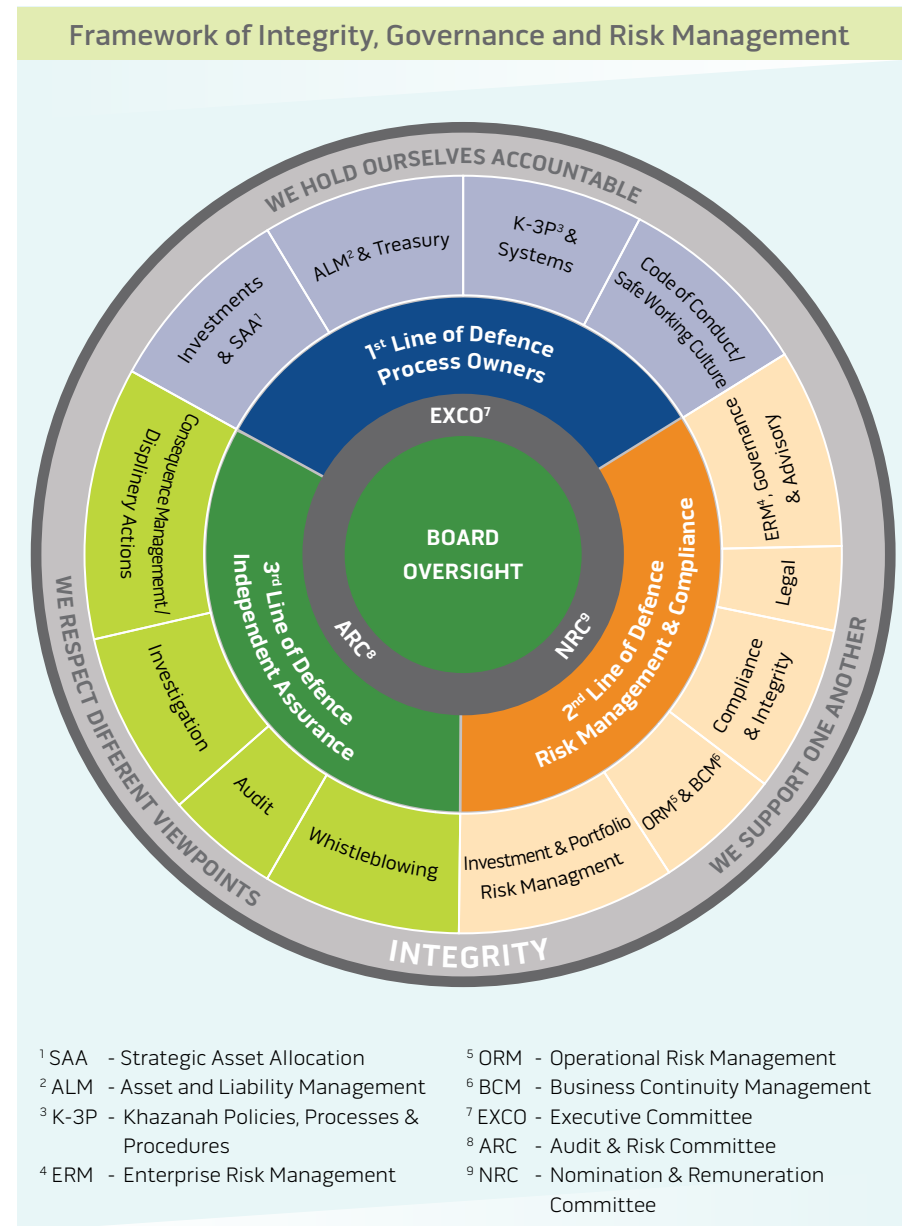
Since its inception as Malaysia’s sovereign wealth fund, Khazanah continues to uphold rigorous standards of transparency and accountability and prioritises risk management as a key component of our culture. With the refocusing of the strategic approach of our mandate in 2019, we underwent major enhancements of our governance and risk management capacity and capabilities, elevating our risk maturity level. This includes uplifting the organisational risk culture using risk tools, embedding formal risk management approaches in our core functions and building a dedicated team overseeing governance, risk and compliance.

## Governance and Accountability

### Khazanah’s Framework of Integrity, Governance and Risk Management

Our governance and risk management culture is centred on our Framework of Integrity, Governance and Risk Management (FIGR). Adopted in 2004 and enhanced in 2021 in line with growing organisational complexity, the FIGR outlines clear responsibilities, authority, and governance structure. It guides us in effectively managing risks and inculcates a culture of good corporate governance and risk management.

The Board has the ultimate responsibility and oversight over our risks, which are managed based on the traditional Three Lines Model. The FIGR is guided by our Core Values, committing us to (i) Holding ourselves accountable, (ii) Supporting one another, and (iii) Respecting different viewpoints, with integrity forming the foundation for upholding high morals and ethical principles in everything we do.



## GOVERNANCE, RISK AND COMPLIANCE

The Board, chaired by the Prime Minister of Malaysia and comprising a diverse group of highly experienced and qualified industry professionals, is supported by three key sub-committees – the Executive Committee (EXCO), the Audit and Risk Committee (ARC) and the Nomination and Remuneration Committee (NRC). The EXCO supports the Board in deliberating key strategic, financial and investment decisions, whilst the ARC oversees the implementation of sound internal controls and risk processes, including the integrity of the audit processes. The NRC is responsible for making recommendations to the Board regarding human capital management matters pertaining to directors, senior management team and employees.

At the management level, the Management Committee (MC) deliberates both strategic and operational matters, including overall organisational performance, risk management, integrity issues and financial performance, while the Investment Committee (IC) deliberates and approves matters related to investments and divestments, within the authority limits as specified in the Limits of Authority.

### **Governance Structure**

Our governance structure is anchored on the Schedule of Matters for the Board (SMB) and Limits of Authority (LOA). The SMB outlines the jurisdictions of the Board, including the sub-committees, whereas the LOA outlines the limits of authority applicable to the senior management team, ensuring a robust governance structure. Complementing the SMB and LOA, the RICA matrix, based on components of (R)ecommend, (I)nform, (C)onsult and (A)pprove, provides the appropriate check and balance across the organisation to ensure proper governance and accountability.

At the operational level, we are guided by Khazanah's Policies, Processes, and Procedures (K3Ps) that provide the relevant guidelines and processes for the Three Lines of Defence to execute their responsibilities. Key documents include the Investment Policy, Sustainable Investment Policy, Shareholder Expectations and Investment Stewardship, ESG Framework, Code of Business Ethics and Code of Conduct, all readily available on our website.

### **Governance, Risk and Compliance Division**

Whilst the ARC provides oversight over our risk management, the Governance, Risk and Compliance (GRC) division is tasked with executing the Board's strategic direction in driving the risk management approach within the organisation. GRC is solely accountable and reports directly to the ARC whilst reporting administratively to the Managing Director, ensuring independent governance through a clear separation of reporting lines.

GRC operationalises the Second and Third Lines of Defence functions for Khazanah in three verticals: Investment Risk (iRIS), Governance & Corporate Risk (GovRisk) and Internal Audit & Investigation (IAI). With clearly delineated functions, iRIS is tasked with providing risk advisory in the context of investment transactions, while GovRisk is responsible for upholding and enhancing enterprise governance practices. IAI's main objective is to provide assurance to the Board that the First and Second Lines of Defence are operating as they should and that the current governance standards and practices are appropriate and adequate.

# GOVERNANCE, RISK AND COMPLIANCE

## Risk Management

Based on the FIGR, Khazanah leverages on enterprise risk management that provides a coherent foundation for effective risk management by outlining the overarching methodology for governing risks, which includes components such as risk appetite, risk management structure, risk types, and monitoring and reporting.

Our risks are categorised into Strategic Risk, Asset and Liability Management (ALM) Risk, Investment Risk, Operational Risk, ESG Risk and Reputational Risk. Strategic Risk is the overarching risk that cascades into the other risk categories, while Reputational Risk carries a second-order effect as it is influenced by the exposure to other risks.

Our risks are identified, assessed and managed appropriately based on the risk types, after which they are diligently monitored and reported to the relevant authority platforms. Effective monitoring and reporting are key elements within Khazanah's risk management process to achieve comprehensive and effective control of all risks, with timely reporting to the ARC, which provides Board oversight over Khazanah's overall risks.

## Key risk management approaches include:

- Scenario and stress testing on our operations and portfolio arising due to potential external shocks, including but not limited to changes arising in the macroeconomic, political, societal, technological, regulatory and environmental landscapes.
- Forecasting and monitoring of our medium- and long-term portfolio performance based on Risk Appetite Statement simulations using long-term capital market assumptions.
- Implementation of ALM ratios, including Management Action Triggers (MATs) and limits, supported by sensitivity analysis to manage ALM risks.
- Conduct Investment Risk Assessments (IRAs) that provide approving authorities such as the IC, EXCO and Board with independent party assessments of the transaction proposals to enhance the decision-making process.
- Conduct Risk Control Self-Assessments (RCSAs), which identify potential operational risks and their impacts based on risk materiality and effectiveness of existing controls, relying on Likelihood and Impact criteria.
- Implementation of Business Continuity Management (BCM) and Business Impact Analysis (BIA) as part of the approach to responding to any catastrophic incidents.
- Development of ESG FIGR that provides risk management and compliance for Sustainable Investing and Enterprise Sustainability.

## Compliance and Integrity

Khazanah's compliance function is vital in ensuring our activities adhere to relevant regulatory and legal requirements, more so with our increasingly global exposure. We implement a Conflict Management Framework that focuses on personal conflicts, deal conflicts and board conflicts. The framework ensures any potential personal conflict of interest is proactively mitigated to ensure our investment transactions are conducted in a transparent and objective manner.

# GOVERNANCE, RISK AND COMPLIANCE

## Key compliance-related initiatives include:

- Implementation of the Information Barrier Policy to manage the flow of material non-public information within Khazanah to minimise insider trading and potential breaches of laws and regulations.
- Declaration of interest by employees, which ensures any company shareholdings, public trading, and directorships held do not give rise to a conflict of interest between their personal interest and our interests. These declarations are then independently reviewed and checked with the relevant regulatory authorities.
- Frequent engagements with industry experts to manage risks related to sanctions requirements, including our physical presence through regional offices.
- Talent development and upskilling focusing on regulatory and sanctions compliance, amongst others, with two Chartered Global Sanctions Compliance Leaders.

Our integrity function supports the overall governance and risk functions to ensure that Khazanah conducts itself in a moral and ethical manner. In its fifth year of implementation, the integrity and anti-corruption agenda has been incorporated into an organisation-wide compliance initiative, which is embedded into our business-as-usual activities. This reflects the growing maturity of our integrity culture following the implementation of the Integrity and Anti-Corruption Plan (IACP) in 2019, which saw the closure of nearly 100 action items which included outcome-focused activities with investee companies, Government-Linked Investment Companies (GLIC), Ministry of Finance (MOF), Malaysian Anti-Corruption Commission (MACC) and key stakeholders.



► GLICs' Integrity representatives at the GIE 2023 alongside guests speakers.

As we maintain our commitment to advocating for a strong integrity culture within the industry ecosystem and at the national level, we are proud to have continued to jointly host the GLIC Integrity Event (GIE) in 2023, with Permodalan Nasional Berhad (PNB), Kumpulan Wang Simpanan Pekerja (KWSP), Kumpulan Wang Persaraan (Diperbadankan) (KWAP), Lembaga Tabung Angkatan Tentera (LTAT), Tabung Haji (TH) and Pertubuhan Keselamatan Sosial (PERKESO), which was held for the second consecutive year. Themed 'Sustaining Corporate Governance and Integrity', the closed-door event was well attended by approximately 300 industry practitioners from 72 investee companies across the GLICs' portfolio of companies and successfully continued the efforts to strengthen the national anti-corruption agenda.

# GOVERNANCE, RISK AND COMPLIANCE

## Key integrity-related initiatives and achievements include:

- Implementation of the Code of Business Ethics, which outlines how we and our business associates should engage based on key principles of integrity, honesty, accountability, and compliance with applicable laws and regulations.
- Close collaboration and engagements with authorities such as the MACC and Securities Commission, including support of various regulatory initiatives and policy developments.
- Knowledge sharing via various engagements, including at the International Conference on Financial Crime and Terrorism Financing, organised by the Asian Institute of Chartered Bankers and supported by Bank Negara Malaysia and the Securities Commission.
- MACC conferred the prestigious *Anugerah Khas Ketua Pesuruhannya Pencegahan Rasuah Malaysia* to a Khazanah employee who was involved in the development of MACC's *Tatacara Pelaksanaan Fungsi Teras Unit Integriti Dan Governans Syarikat Berkepentingan Kerajaan*, which provides a robust procedure for integrity and governance units within GLCs to execute their functions effectively.
- Continuous training and awareness activities, such as weekly newsletters on integrity and anti-corruption related matters and e-learning syllabi mandatory for all employees.
- Continued employee certification, including participation in MACC's Certified Integrity Officer Programme.



► Suhana Dewi Selamat, Head of Governance, Risk, and Compliance (second from the right) as a panelist at the International Conference on Financial Crime and Terrorism Financing 2023.

## Internal Audit & Investigation

Based on our Internal Audit Charter, the unit supports the Board via ARC to independently assess the adequacy and effectiveness of the internal control systems put in place by Management with respect to the objectives, including providing recommendations to value add and improve Khazanah's business activities. The dedicated internal audit and investigation unit functionally reports to the ARC but sits administratively within the GRC division.

IAI has full, free and unrestricted access to all Khazanah functions, systems, records, property and employees pertinent to carrying out its internal audit functions. In addition, the head of IAI, or its representative, also has the right to attend and observe management-level meetings where business risks and issues are discussed, observing how the risk management and control environment operates.

CHAPTER 4

# BY OPTIMISING OUR PORTFOLIO TO SUSTAIN GROWTH

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## OUR INVESTMENT APPROACH

**Our core mandate is to invest for the sustainable benefit of Malaysians, striking a balance between financial growth and responsible stewardship for future generations.**

**This commitment drives us to pursue commercial investments that preserve and enhance our assets' long-term value and yield economic and societal returns for the nation.**

To this end, we focus on generating sustainable financial returns through our investment programmes while capitalising on monetisation opportunities when they emerge. We also invest in new growth areas which have the potential to enhance the nation's competitiveness. As such, our investments range from global public and private equities to locally founded start-ups.

Our Investments Portfolio comprise investments with commercial returns expectations, wherein our Strategic Asset Allocation (SAA) guides us in pursuing allocations that reduce concentration risk and insulate our portfolio against short-term market shocks. In building portfolio resilience,

we are cognisant of the dynamic macroeconomic landscape and the confluence of global megatrends, which have resulted in an increasingly volatile investment environment. However, as a multi-generational fund, we remain disciplined in deploying our capital commercially with the aim of growing our portfolio for the long-term. This long-term investment approach allows us to weather through short-term market volatilities with resilience.

We actively engage with our investee companies to ensure that they remain focused on delivering shareholder value. As active shareholders across our investments in Malaysia's capital markets, we work together with the Board and management to create value and pursue strategies and new ventures.


Our commitment to maximising returns involves avoiding undue risks while upholding responsible investment practices across our portfolio. Sustainability remains a core driver and criterion in our investment decisions. Our Shareholder Expectations and Investment Stewardship document outlines clear expectations for ESG adoption at our investee companies.




Read more about **Shareholder Expectations and Investment Stewardship in Chapter 5** on page 78.

# OUR INVESTMENT APPROACH

Our investments are based on the following structure:




**Investments Portfolio**  
Our intergenerational portfolio aims to generate long-term risk-adjusted returns to preserve and grow the long-term value of our assets.

 Read more on page 52 of this report.





**Dana Impak Portfolio**  
This impact fund aims to increase Malaysia's economic competitiveness and build national resilience while delivering socio-economic impact for Malaysians.

 Read more on page 54 of this report.



**Developmental Assets**  
These assets are intended to deliver a high economic impact through long-term developmental investments. They require a longer gestation period to realise the targeted financial returns and achieve their national and/or societal benefits and outcomes.

 Read more on page 58 of this report.



**Special Situation Assets**  
These assets require turnarounds in profitability and sustainable operating cash flows, with specific targets and action plans approved by the Board annually.

By strategically allocating investments across these four areas, we can effectively balance our goal of achieving robust and consistent returns and our responsibility to deliver long-term socio-economic value for Malaysians.

# INVESTMENTS PORTFOLIO

In 2023, our Investments Portfolio's RAV grew to RM126.2 billion, registering a 5-year rolling Net Asset Value (NAV) Time-Weighted Rate of Return (TWRR) of 2.9% and an annual return of 5.7%.

▶ **RM126.2 billion**  
2023 RAV

▶ **2.9%**  
5-year rolling NAV TWRR

▶ **5.7%**  
2023 NAV TWRR

The global markets presented significant challenges, including higher for longer interest rates, China's weak economic growth and geopolitical tensions in Europe and the Middle East.

Despite these challenges, we remained disciplined in our capital allocation plans with the aim of delivering sustainable returns and value to Malaysia.

## Performance Highlights

We delivered a stronger performance in 2023 as we continued to rebalance our portfolio to achieve diversification and build portfolio resilience to withstand short-term market shocks.

**Portfolio performance improved in 2023 due to the listed Developed Markets portfolio which we seeded in 2020 and the partial recovery of our listed investee companies in Malaysia.**

Investments Portfolio RAV TWRR by Asset Class	% of portfolio <sup>1</sup>	2019	2020	2021	2022	2023	5-Year Rolling
Public Markets - Malaysia	52.9%	3.2%	-7.4%	14.0%	-4.2%	<b>4.5%</b>	1.8%
Public Markets - Global	17.2%	27.5%	26.2%	1.6%	-16.3%	<b>15.9%</b>	9.7%
Private Markets - Malaysia	5.8%	5.9%	-4.7%	12.2%	16.8%	<b>4.4%</b>	6.7%
Private Markets - Global	14.7%	6.1%	-1.3%	19.1%	3.9%	<b>2.4%</b>	5.8%
Real Assets	9.4%	10.5%	0.1%	11.2%	23.5%	<b>8.7%</b>	10.6%

<sup>1</sup> as at 31 December 2023

# INVESTMENTS PORTFOLIO

## Public Markets

Public Markets Global saw strong growth, driven by the US equity market rally, reversing 2022's performance that was affected by global macroeconomic headwinds. Our performance in Public Markets Malaysia is a testament to our active shareholding and value-creation initiatives in our listed investee companies.

## Private Markets

Private Markets is crucial for portfolio diversification. We leverage our access to top-quartile General Partners (GPs) for co-investments and funds investment opportunities, and we have access to direct private equity deal flows through our presence in the US, China, Europe, and India via our regional offices (ROs).

## Real Assets

Our Real Assets portfolio, which covers investments in real estate and infrastructure, continued to provide stable returns, buffering against long-term inflation and contributing positively to the overall portfolio performance. These assets have shown consistent yield and act as a critical diversifier amidst market volatility.

## Portfolio Diversification and Rebalancing

Khazanah remains steadfast in its portfolio diversification efforts through systematic investments in both public and private markets. By balancing exposure across various geographies and sectors, we enhanced our portfolio's ability to withstand market volatility. The rebalancing efforts initiated in prior years yielded a positive outcome in 2023, as evidenced by the solid portfolio performance.

## Looking Forward

As we move into 2024, we will continue our capital allocation and investment strategy to remain resilient against persistent global macroeconomic challenges. We will identify and capitalise on opportunities that align with our vision of delivering sustainable returns to Malaysia. As a sovereign wealth fund, we remain committed to driving Malaysia's economic prosperity in line with our Advancing Malaysia strategy.

## Strategic Investments and Portfolio Management

Throughout 2023, Khazanah maintained a disciplined investment strategy focused on long-term capital deployment across diversified asset classes. This approach was pivotal in navigating the effects of the COVID-19 pandemic and geopolitical

tensions that influenced market conditions. In 2023, we deployed RM7.3 billion in new investments and raised RM7.2 billion from asset monetisation.

Our SAA enables us to adapt to global shifts, ensuring alignment with our overarching investment objectives of growth, resilience and sustainability.

# DANA IMPAK PORTFOLIO



**Dana Impak continued to invest in catalytic areas that strengthen Malaysia’s economic competitiveness and enhance national resilience, delivering socio-economic benefits and impact to the *rakyat* (community).**

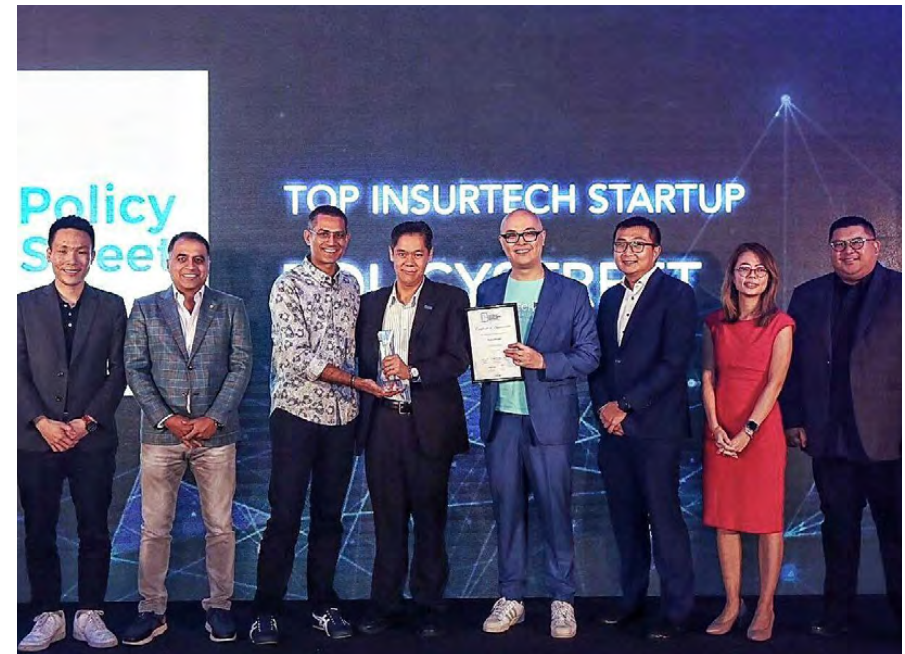
As a key pillar under our Advancing Malaysia strategy, Dana Impak is a RM6 billion allocation across six key themes:

<p><b>Digital Society and Technology Hub</b> Harness digitalisation and technological developments to boost efficiency and economic growth</p> 	<p><b>Quality Health and Education for All</b> Ensure equal access to health and education amid global demographic shifts</p> 
<p><b>Decent Work and Social Mobility</b> Narrow the income and wealth gap to ensure future social stability</p> 	<p><b>Food and Energy Security</b> Ensure the availability and security of critical resources like food and energy</p> 
<p><b>Building Climate Resilience</b> Preserve and protect the only habitat we know</p> 	<p><b>Competing in Global Markets</b> Remain competitive in a multipolar world</p> 

In 2023, Dana Impak identified projects worth over RM800 million across the six key themes. Some highlights from 2023 include:

## Fostering the Micro-, Small and Medium-sized Enterprises (MSME) Ecosystem

We have invested in a home-grown full-stack Insurtech company, **PolicyStreet**, to enhance protection for Malaysia’s underserved market, with over 500,000 gig workers and 50,000 SMEs already benefitting from PolicyStreet’s suite of products and services.



► PolicyStreet was honoured as the Top Insurtech Startup at the Fintech Frontiers Awards Malaysia 2023.

## DANA IMPAK PORTFOLIO

Together with CGC Digital, we have invested in **Funding Societies**, Southeast Asia's largest unified MSME digital finance platform, to broaden financing access to the unserved and underserved businesses. In Malaysia, Funding Societies aims to address the RM90 billion funding gap for MSMEs. Funding Societies will use the investment to expand its Malaysian coverage to areas beyond Kuala Lumpur, Selangor, Penang and Johor. By the end of 2025, it targets to serve more than 25,000 MSMEs across Malaysia. To create a more significant impact, the investment will facilitate CGC Digital's efforts to advance financial inclusion. This will include developing innovative digital guarantee products and its own guarantee scoring model that aims to narrow the gap and address pain points that MSMEs face when sourcing for financing.

### Driving Entrepreneurship – Future Malaysia Programme



► Plug and Play inaugural Malaysia Expo Day with strategic partners Khazanah Nasional, CelcomDigi, Sime Darby Plantation and EDOTCO Group, continuing to accelerate the growth of Malaysia's innovation ecosystem.

Our **Future Malaysia Programme (FMP)** continues to support entrepreneurs and the venture capital (VC) ecosystem. Its premise is to strengthen the start-up ecosystem, which is crucial in driving entrepreneurship, employment, innovation and investment nationwide.

Through FMP, we have partnered with established VC managers, corporate venture programmes and open innovation platforms. This includes key partnerships with leading VC firms such as Gobi Partners and 500 Global, leveraging their investment track record and expertise to facilitate the growth of Malaysian companies on an international scale.

In addition, our collaboration with the PETRONAS FutureTech 3.0 technology accelerator programme is a testament to our dedication to bridging corporates with the tech-driven start-up ecosystem, unlocking new synergies and enhancing business value across various industries.

Furthermore, our partnerships with global innovation platforms like Plug and Play and Antler underscore our mission to nurture Malaysia's entrepreneurial talents. These partnerships provide access to a global network of investors and advisors and open doors to new opportunities, propelling Malaysian entrepreneurs and start-ups toward international expansion and success. These strategic efforts are integral to our overarching goal of advancing Malaysia's position as a vibrant hub for innovation and entrepreneurship on the global stage.

Finally, Khazanah has been tasked with spearheading the strengthening of the VC ecosystem through the centralisation of VC agencies such as Penjana Kapital and Malaysia Venture Capital Management (MAVCAP) as announced in the MADANI Budget 2024. This mandate given by the government is aligned with the objectives of the FMP initiative.

# DANA IMPAK PORTFOLIO

## Boosting Malaysia's Talent Pool – Future Malaysia Skills

In 2023, we launched the **Future Malaysia Skills** (FMS) initiative to enhance Malaysia's talent pool across various sectors and address the growing skills gap. FMS also supports the FMP initiative by creating a crucial talent pipeline for the local start-up and corporate venture ecosystem. The aim of FMS is to drive continuous talent development and prepare Malaysia for the future of work by promoting in-demand skills and providing access to high-quality jobs, fostering competitive industries and supporting local champions in alignment with Dana Impak's key themes. Some of the digital up-skilling and re-skilling programmes introduced through Future Malaysia Skills include:

- **42 Malaysia**, an innovative peer-to-peer computer science school aiming to develop 10,000 skilled tech talents over a decade. The groundwork has been laid for 42 Malaysia to expand from our flagship campus, 42 Kuala Lumpur, to the new Penang and

Iskandar Puteri campuses in 2024. Campuses in other regions, including East Malaysia, are also in the pipeline.



► At 42KL, students participate in peer-to-peer learning, as the programme is structured to facilitate collaborative engagement among peers for learning.

- **Specialised skillset development** such as **KiddoCare**, an on-demand care service platform, with over 13,000 women empowered economically as professional carers. In line with its aspirations of becoming an end-to-end care solutions provider, KiddoCare aims to venture into eldercare, starting with its initiative to develop the next generation of eldercare carers through its partnership with the

K-Youth Development Programme. Other development initiatives include certification programmes in fields like computer information technology and engineering, in partnership with industry leaders.



► Through various upskilling programmes, KiddoCare empowers women to achieve economic sustainability, elevates the status of caregivers to professionals, and builds a resilient community for the future of care.

- Adopting an all-of-society approach to empowering the next generation of talents by partnering with philanthropic organisations, including Yayasan Hasanah, to increase the accessibility to education through financial support for lower-income groups.

## DANA IMPAK PORTFOLIO

### Strengthening Food Security through Innovation and Strategic Investments



- ▶ The Khazanah Impact Innovation Challenge 2023 also received support from our Dana Impak Programme Partners including Plug and Play APAC, Outreach Partners - Impact Circle, Cradle, MYStartup, Funding Partners 500 Global, Gobi Partners and Agrobank.

We completed Project Semai in 2023, a comprehensive nationwide survey involving over 2,500 Malaysian smallholders. The insights and findings from this survey, published on our website late last year, provide valuable data to guide future agricultural strategies and policies. In fact, one of the survey findings suggested that climate change is a major challenge for the sector, which led us to launch the Khazanah Impact Innovation Challenge 2023 (KIIC 2023).

- Find out more via <https://semai.khazanah.com.my/> and <https://www.khazanah.com.my/kiic/>

The KIIC2023 was an initiative to bolster Malaysia's food security in the face of climate challenges. It focused on generating investment ideas to address

these challenges. From KIIC2023, we selected 15 finalists from diverse business profiles, including alternative protein, automation solutions for agrifood, and marketplace platforms. These innovative projects were awarded grants totalling up to RM5.05 million, supporting their potential to significantly impact the agriculture industry.

Our commitment to future-proofing the agriculture industry is further exemplified by our investment in **BoomGrow**, a local operator of a controlled environment agriculture (CEA) company. This investment, made through the Gobi Dana Impak Ventures, underscores our dedication to cultivating sustainable solutions in the ever-evolving agricultural landscape. As we move forward, we will continue to explore agrifood related investments that involves technology adoption to increase the productivity and efficiency of food production, ensuring a resilient and secure food future for Malaysia.

### Measuring our Impact

We have continued to refine the **SEMARAK framework**, an impact assessment tool that we developed to measure the societal impact or creation of societal value in our nation-building journey. This framework integrates global methodologies while tailoring them to fit the Malaysian context, marking a crucial

step in our journey towards a comprehensive impact assessment. We have implemented this framework across all Khazanah's impact initiatives, starting with 42 Malaysia. This will involve tracking key performance metrics such as the number of graduates, successful job placement rates, employer satisfaction scores and demographic statistics, including income groups and geographic distribution.

### Going Forward

The impact of the pandemic has made it very clear that an all-of-society approach is necessary to address societal challenges effectively. Consistent with this lesson, we emphasise collaboration across all six Dana Impak themes, seeking partnerships that amplify our impact. The joint introduction of financial safety net products for gig workers in the childcare sector by PolicyStreet and KiddoCare is an example of how Dana Impak portfolio companies are collectively working towards achieving our impact goals. Moreover, our initiatives, especially in food security and talent development, are designed to address immediate needs and lay the foundation for sustainable growth and resilience in Malaysia's economy.

As we move forward, our focus remains on fostering innovation, enhancing economic competitiveness, and building a resilient nation through strategic investments and partnerships.

# DEVELOPMENTAL ASSETS

Aligned with our strategy of Advancing Malaysia, we have made significant investments in Iskandar Malaysia. This initiative is designed to enhance the socio-economic growth and competitiveness of the Iskandar Puteri region.

Since 2006, our ongoing investments in property and township development, education and a film and television production facility has transformed the area into a vibrant economic hub. Iskandar Puteri has evolved into a dynamic growth centre driven by rapid urbanisation, substantial infrastructure development and strategic investments. This has cemented Iskandar Puteri's role as a pivotal economic force in southern Malaysia.



## FUTURE READY TALENT



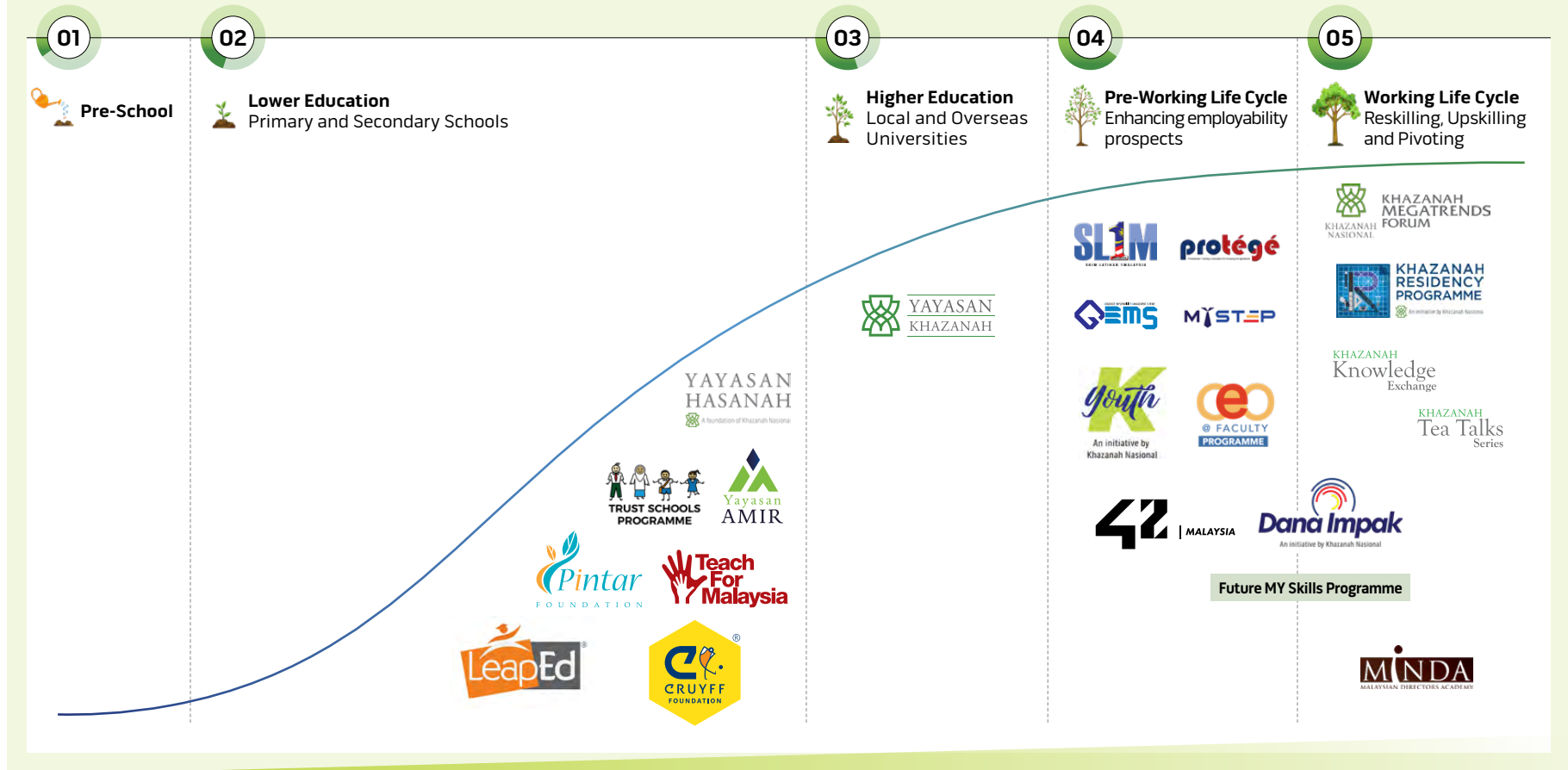
Human capital development is crucial for a nation to progress economically and socially. A well-educated and skilled workforce drives productivity, fosters technological advancements and enhances the overall competitiveness of a country. Since 2006, Khazanah has remained steadfast in nurturing Malaysia's talent pool through a comprehensive range of upskilling and empowerment initiatives.

Introduced in 2009, the Cradle-to-Grave Development Philosophy epitomises our end-to-end human capital development cycle. This philosophy depicts our involvement spanning nearly every phase of human life, from the earliest stages of education through to professional careers and beyond. By investing in a diverse array of programmes and initiatives, we aim to create a sustainable, future-ready workforce that drives Malaysia's economic and social growth.

# FUTURE READY TALENT

## Cradle-to-Grave Development Philosophy

Introduced in 2009, the Cradle-to-Grave philosophy depicts the end-to-end human capital development cycle, with Khazanah's involvement spanning nearly every phase of human life.



Central to this commitment is the creation of numerous platforms aimed at upskilling and empowering individuals. These platforms include scholarships for higher education, vocational training, leadership development courses and continuous professional education opportunities. This approach ensures that the nation's talent pool remains robust, adaptable and ready to meet the challenges of tomorrow.

# FUTURE READY TALENT

## K-Youth



An initiative by Khazanah Nasional

Launched in 2023, K-Youth is a youth employability enhancement initiative designed to develop future talents with commercially relevant skills and experiences, particularly in Technical and Vocational Education and Training (TVET). The programme is structured into three distinct tracks:



► The K-Youth booth at the Graduan Aspire 2024.

## Khazanah Residency Programme (KRP)



KRP is designed to develop Malaysian talents by equipping them with the knowledge, skills and networks necessary to excel in their respective fields. This is achieved through established short-term residencies, fellowships and courses conducted by world-renowned institutions.

KRP comprises three key initiatives: the Wolfson Press Fellowship, the Khazanah Nasional Associate Artist Residency Programme and the newly introduced KRP Sustainability Programme, which replaced the Design Residency. In line with Khazanah's sustainability goals and global megatrends, the KRP Sustainability Programme was introduced in 2023 as a pilot initiative.

The inaugural cohort of participants attended the Prince of Wales Business and Sustainability Programme – Asia, organised by the University of Cambridge's Institute for Sustainability Leadership, held in Singapore.

To learn more about KRP programme, please refer to **Our People** on page 96 of this report.

<p><b>Track A</b> Focus on three key industries – Hospitality &amp; Services, Machinery &amp; Equipment Specialist certification and Digital &amp; Technology.</p>	<p><b>Track B</b> Offers a structured two-year development programme for youths in their penultimate or final year of education.</p>	<p><b>Track C</b> Provides a structured two-year development programme for 50 career centres.</p>
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In 2023, K-Youth saw the participation of 8,381 youths, with 83% of participants securing employment post-programme.

Khazanah plays an integral role in developing Malaysia's talent pool and bridging the widening skills supply-demand gap. In addition to the K-Youth initiative, we launched the **Future Malaysia Skills (FMS)** initiative under Dana Impak. FMS is a talent generation platform to drive talent development and prepare Malaysia for the future of work by spurring in-demand skills and access to high-quality jobs.

To learn more about FMS, please refer to **Chapter 4 By Optimising Our Portfolio To Sustain Growth - Dana Impak Portfolio** on page 54 of this report.

# FUTURE READY TALENT

## Leadership Development Programmes

We are committed to strengthening our leadership pipeline through targeted development interventions designed to cultivate leaders at various levels within the organisation, through:

01

### Senior Leadership Development Programme (SLDP)

Prepares senior leaders for demanding and challenging roles by accelerating their development through personalised actions focused on closing critical skills and knowledge gaps.

02

### Khazanah Leadership Development Programme (KLDP)

Targeted at mid-level managers, this programme employs a blend of lectures, coaching, simulations and action-learning modules to develop leadership capabilities.

03


### 360 Leadership Feedback


Utilising a multi-rater survey, this initiative helps leaders understand their strengths and areas for growth by soliciting comprehensive feedback from peers, subordinates and supervisors.




Beyond our internal efforts, our philanthropic arm, Yayasan Hasanah, is dedicated to uplifting Malaysia through initiatives that address community, social and environmental challenges. These include enhancing academic and life skills, nurturing future generations and empowering marginalised communities nationwide. These initiatives allow us to reach diverse stakeholders of varying backgrounds and ages, making a meaningful impact across Malaysian society.

### Education Focus Areas

- 

**PINTAR Foundation**  
Strengthens academic and non-academic excellence, particularly for students in underserved communities nationwide, via programmes focusing on mental health literacy, financial empowerment and youth entrepreneurship.
- 

**Chumbaka**  
Nurtures a future-ready generation through three essential pillars, namely Mentor, Curriculum and Technology.
- 

**MySkills Foundation**  
Empowers students through after-school engagements to equip at-risk youths from marginalised B40 communities in Kalumpang, Selangor, with market-relevant skills.

# FUTURE READY TALENT

## Education Focus Areas



### Yayasan Food Bank Malaysia

Empowers the Bateq Orang Asli children with foundational literacy and numeracy skills through an alternative school in the jungles of Kampung Cangkung, Pahang; as well as providing access to nutritious food, healthcare, as well as water, sanitation and hygiene (WASH) facilities.



### UNIMAS

Improves science, mathematics and coding learning outcomes of B40 primary school students at Kampung Muhibbah using game-based learning.



### B-TOP

Amplifies mental health and wellbeing in Kelantan schools through access to mental health and psychosocial support (MHPSS) beyond the school.



### Project ID

Equips and empowers Pembimbing Rakan Sebaya (PRS) with the skills and confidence to support their peers' mental and socio-emotional wellbeing.



### PEMIMPIN

Builds the leadership skills of school leaders in Orang Asli Schools in Perak with various skills and knowledge to help them empower their teachers and community and ultimately improve student outcomes.



### SAORA Industries

Supports juvenile rehabilitation by addressing the mental and physical health of juveniles in hopes of reintegration into society.

# FUTURE READY TALENT

## Community Development Focus Areas



### Women of Will

Provides free skills training, entrepreneurship development support and business coaching.



### Good Shepherd Services

Amplifies leadership collectives for wider socio-economic resilience and sustainability in the Mukim of Lanas, Keningau, Sabah.



### Pepper Labs Sdn Bhd

Empowers B40 microentrepreneurs in Klang Valley by equipping them with cloud kitchen management skills and enhancing their income through a sustainable end-to-end supply chain ecosystem, including equity ownership.



### GE Nitrate Solutions

Aims to replicate a sustainable hydroponic farming model in five villages in the Keningau district, involving 20 farmers through the provision of hydroponic systems and training on farming and entrepreneurship to generate additional income for B40 farmers.

In conclusion, these initiatives underscore Khazanah's ongoing commitment to advancing socio-economic progress in Malaysia. The Cradle-to-Grave Development Philosophy, introduced in 2009, reflects our nationwide approach to nurturing human capital throughout all stages of life. By offering scholarships, vocational training, leadership courses and continuous professional education, we cultivate a dynamic talent pool ready to tackle future challenges. Recent programmes like K-Youth and Future Malaysia Skills prioritise equipping youth with relevant TVET skills, which is crucial for boosting productivity and competitiveness.

The success of these endeavours relies on a collective, nationwide effort. Realising Ekonomi MADANI's aspirations requires broad-based support and collaboration across sectors and stakeholders. We are dedicated to identifying opportunities to foster talent pipelines, bolstering our economy and increasing Malaysia's attractiveness for investment. Empowering future generations with the right skills not only nurtures personal growth but also fortifies our nation's resilience. Together, through unified action, we aim to ensure these initiatives achieve their goals, driving sustained socio-economic prosperity for Malaysia's future — a future we are all invested in building.

## ENERGY TRANSITION



**In 2023, nations around the world continued to move with greater urgency towards solving one of the most pressing challenges of our time - climate change.**

Sovereign wealth funds are increasingly acknowledging their role in speeding up the energy transition. Recognising their significant resources and influence, they are now making climate risk management and energy transition initiatives a core part of their strategies to ensure sustainable investments and long-term wealth preservation.

In Malaysia's context, the energy transition pathway has been outlined by the government with the launch of the National Energy Transition Roadmap (NETR) in August 2023. The NETR provides the blueprint and steps to increase renewable energy capacity to 70% of Malaysia's total generation capacity and to achieve net zero emissions by 2050. The NETR will also prioritise improvements in energy efficiency and pursuit of green technologies and infrastructure that will accelerate decarbonisation in tandem with the gradual phasing out of coal-fired plants.

It is against this landscape that Khazanah recognises climate change presents risks that we need to mitigate and long-term growth opportunities that we could tap into. As a sovereign wealth fund mandated to preserving and growing the nation's wealth, it is in our best interest to actively champion the energy transition and sustainability.

We fully support the government's sustainability and energy transition agenda, which will be realised through the effective implementation of the NETR. Consequently, we are coordinating with our portfolio companies – UEM Group, Tenaga Nasional Berhad and Cenergi SEA Berhad - to be at the forefront of driving initiatives that will contribute to Malaysia's transition towards a net zero future.

# ENERGY TRANSITION

## UEM Group

Under the UEM Group, we launched a new Energy Transition (ET) investment platform, UEM Lestra, to invest in new ET projects via merger and acquisition or through greenfield projects. It is envisioned that UEM Lestra will help to develop leaders in green and other energy transition-related sectors.

Launched in July 2023, UEM Lestra's short-term strategy will focus on Immediate Foundation Technologies. This will include sectors such as renewable energy and storage infrastructure, supported by its wholly owned subsidiary, Cenergi, as well as integrated energy solutions, green or electric mobility and waste management and recycling.

UEM Lestra's core business of driving the energy transition aligns with UEM Group's mission to drive and invest in the decarbonisation of industrial parks and cities across Malaysia. At the same time, other UEM Group subsidiaries, such as UEM Edgenta and UEM Sunrise, will actively pursue their own ET initiatives.

Since its launch, UEM Lestra, along with UEM Group companies, has announced the development of projects in two key areas:

# 01

### Renewable Energy and Storage

- Launched the development of a 1GW solar farm led by UEM Lestra and a renewable energy industrial park in Johor, led by UEM Sunrise, as part of the Integrated RE Zone flagship catalyst project under the NETR. Key anchor tenants for the industrial park include local engineering company ITRAMAS and the China Machinery Engineering Corporation Wuxi Co. Ltd. Additionally, UEM Lestra has collaborated with local partners to develop a 500MW solar plant in the Kulim Hi-Tech Park in Kedah and a 170MW solar plant in the Gebeng Industrial Park in Pahang.
- UEM Lestra's subsidiary, Cenergi, together with the Khazanah majority-owned company, Iskandar Investment Berhad (IIB), aims to transform the urban township of Medini into a net-zero carbon central business district.

# 02

### Green Buildings and Energy Efficiency

- UEM Edgenta - Pledged RM100 million for its 'Sustainable Zero-Capex Programme,' which aims to convert existing government assets into smart and green buildings, focusing on energy efficiency and green buildings.



- ▶ On 27 July 2023, UEM Group signed Memorandums of Understanding (MoUs) with local and foreign investors to develop a 1GW Hybrid Solar Photovoltaic Power Plant integrated with a Renewable Energy (RE) Industrial Park in Malaysia. This project aligns with strategic and high-value national flagship energy transition projects outlined in Malaysia's National Energy Transition Roadmap (NETR), with Khazanah designated as the champion for Renewable Energy Zones (REZ). The project will be developed by UEM Group in collaboration with local investor ITRAMAS Corporation Sdn. Bhd. and has attracted renowned foreign strategic investors such as Blueleaf Energy, China Machinery Engineering Wuxi Co. Ltd. and HEXA Renewables.

# ENERGY TRANSITION

## Tenaga Nasional Berhad (TNB)

As the only electric utility company in Peninsular Malaysia, TNB has a crucial role to play in Malaysia's energy transition journey. As such, TNB has in recent years rapidly pivoted towards accelerating the energy transition which will be executed through its Energy Transition (ET) Plan. TNB's ET Plan comprises three strategic pillars which aims to address challenges in dealing with the energy trilemma of energy security, sustainability and affordability.



► TNB staff at the TNB Electron Charging Points (DC) at R&R Tapah (Northbound).

### Pillar 1:

#### Delivering Clean Generation

This pillar aims to expand low-carbon generation assets and reduce coal-fired generation capacity. Although committed to halting new coal plant construction, TNB acknowledges coal's critical role in the short to medium term in managing energy trilemma. Therefore, TNB is improving the efficiency of existing thermal power plants and investing in R&D to scale up innovative solutions, including carbon capture technologies.

### Pillar 2:

#### Developing the Energy Transition Network

In 2023, TNB's Grid and Distribution Network Divisions invested over RM2.9 billion and RM5 billion to secure, maintain and modernise the national grid for the energy transition. Key initiatives include renewable energy integration, expanding advanced metering infrastructure (AMI) and implementing real-time network monitoring and control. With Malaysia's increasing solar integration, further investments are needed for a smart and flexible grid system. A flagship NETR project is the implementation of a Battery Energy Storage System (BESS), with a pilot 400MWh BESS installation expected to be operational by 2025. Additionally, TNB enhanced efforts to support the ASEAN Power Grid aspiration through strategic partnerships with ASEAN Member States.

### Pillar 3:

#### Dynamic Energy Solutions

Under this pillar, TNB aims to expand rooftop solar panel usage nationwide and invest significantly in Malaysia's transport sector electrification. By 2023, TNB expanded its network to 32 electric vehicle charging points across Peninsular Malaysia. It has also partnered with Chargeplus (Charge+) to develop a cross-border network of 30,000 charge points across Southeast Asia by 2030. TNB achieved a cumulative 340MWp capacity in rooftop solar PV by the end of 2023 and introduced innovations like the SuriaShield residential solar PV insurance. TNB also engages customers through the Malaysia Energy Literacy Programme (MELP), now a national initiative overseen by the Ministry of Energy Transition and Water Transformation (PETRA).

## ENERGY TRANSITION



- Cenergi FJP 5.5 MW Biogas Power Plant: Located in Jerantut, Pahang. This plant achieved its commercial operation date (COD) in April 2024. With a capacity of 5.5 MW, it is the largest palm oil mill effluent (POME) grid-connected biogas power plant in Malaysia, as recognised by the Malaysia Book of Records on 18 May 2024. This biogas power plant can power up to 14,000 houses annually and can avoid approximately 300,000 tons of carbon dioxide emissions.

### Cenergi SEA Berhad (Cenergi)

Cenergi is dedicated to producing and expanding the green energy sector through innovative and sustainable solutions. Its mission is to significantly reduce carbon emissions and promote environmental sustainability.

By 2024, Cenergi plans to achieve 200 MW of operational assets, preventing the emission of 500,000 tonnes of CO<sub>2</sub> equivalent annually across Southeast Asia.

The company focuses on the biogas, biomass, solar, and small hydro energy sectors to reduce reliance on fossil fuels and enhance renewable energy capacity.

A flagship project includes partnering with FELCRA Berhad to develop Malaysia's largest grid-connected biogas-to-energy project, boasting 5.5MW capacity, in Jerantut, Pahang. This initiative showcases Cenergi's innovative use of biogas technology for sustainable energy production and community development.

Cenergi also collaborates with Iskandar Investment Berhad to pioneer renewable energy initiatives, starting with creating Johor's first net-zero carbon business district in Medini. This collaboration includes purchasing Renewable Energy Certificates (RECs) and supporting IIB in developing its own RECs.

Additionally, Cenergi invests RM140 million with JLand Group in deploying rooftop solar and energy efficiency solutions across industrial parks. This joint venture promotes renewable energy adoption and enhances energy efficiency among commercial and industrial consumers, advancing Malaysia's sustainable development goals.

CHAPTER 5

# FOSTERING SUSTAINABILITY

- 70 Sustainability at Khazanah
- 72 Our Approach to Sustainability
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- 78 Shareholder Expectations and Investment Stewardship
- 80 Khazanah's Affiliations



# SUSTAINABILITY AT KHAZANAH

As Malaysia's sovereign wealth fund, we have a duty to create value beyond just monetary terms. Through our reach and influence, we actively engage with our portfolio companies to drive the adoption of sustainable practices that deliver long-term benefits for the nation, communities and natural environments.

## Our Sustainability Principles



### Do Good

We aspire for positive outcomes and ensure our actions today produce results towards a **positive economic, social, and environmental change**, for current and future generations.



### Do Better

We aim to build on the status quo, by identifying **opportunities to create shared value** through managing risks and preparing for the future.



### Do No Harm

We **manage and mitigate risks** to ensure that our actions do not expose stakeholders to negative effects on the social fabric, the economy, or the environment.

## Our Guiding Principles


- 1 **Meet legal and ethical standards**  
as responsible corporate citizens
- 2 **Be accountable to stakeholders**  
and consider what they look to us for
- 3 **Ensure returns commensurate with risks**  
so that we can manage expected outcomes
- 4 **Act fairly and judiciously**  
to uphold what is right and ensure equity
- 5 **Be practical and reasonable**  
to take into account context and potential trade-offs
- 6 **Prioritise substance over form**  
to prevent green-washing
- 7 **Create value for our investments**  
by crowding in solutions

# SUSTAINABILITY AT KHAZANAH

**Recognising the importance of sustainability while taking into consideration our stakeholders and the investment community, we continuously engage and share sustainability best practices with our portfolio companies.**

We undertook a portfolio-wide materiality assessment and formalised our Sustainability Framework in 2021 and 2022 respectively, outlining measurable targets that will guide our portfolio companies as well as our organisation towards creating positive long-term value across the ESG spectrum. By taking these actions, we are better positioned to engage effectively with our investee companies and our wider stakeholders on ESG issues.

We adopt a firm-wide approach to sustainability, covering how we behave as an investor as well as how we go about our day-to-day work. Our approach is designed to be holistic and focuses on issues which impact us and our portfolio companies most, from a business materiality point of view.

 Discover the milestones we have achieved on our sustainability journey by reading **Our Progress on Our ESG Targets** section on page 73 of this report.



## Responsible Investor

We have made public commitments towards ensuring that ESG and responsible investor practices are integrated within our investment processes, including:

- Assessment of new investments
- Monitoring of existing investee companies
- Identifying value creation opportunities



## Sustainable Organisation

As an organisation, we strive to embed sustainability within our cultural and behavioural practices. To this end, actions we have taken include:

- Driving internal enablement by creating sustainability awareness and providing training to our people



## Good Corporate Citizen

We believe that being a good corporate citizen not only drives business success but also plays a role in creating a wider impact.

To this end, we continue to catalyse positive change in the environment and surrounding communities, towards creating a better future for the nation.

# OUR APPROACH TO SUSTAINABILITY

## Our Environmental, Social and Governance (ESG) Framework

Launched in June 2022, our ESG Framework sets out an approach to sustainability that is anchored on the three pillars of ESG. The focus areas we have identified within our framework are determined based on issues that are most material to our investment portfolio, business and mandate.

### Purpose and Aspiration

### Sustainability Focus Areas

### Material ESG Issues<sup>1</sup> and Relevant SDGs

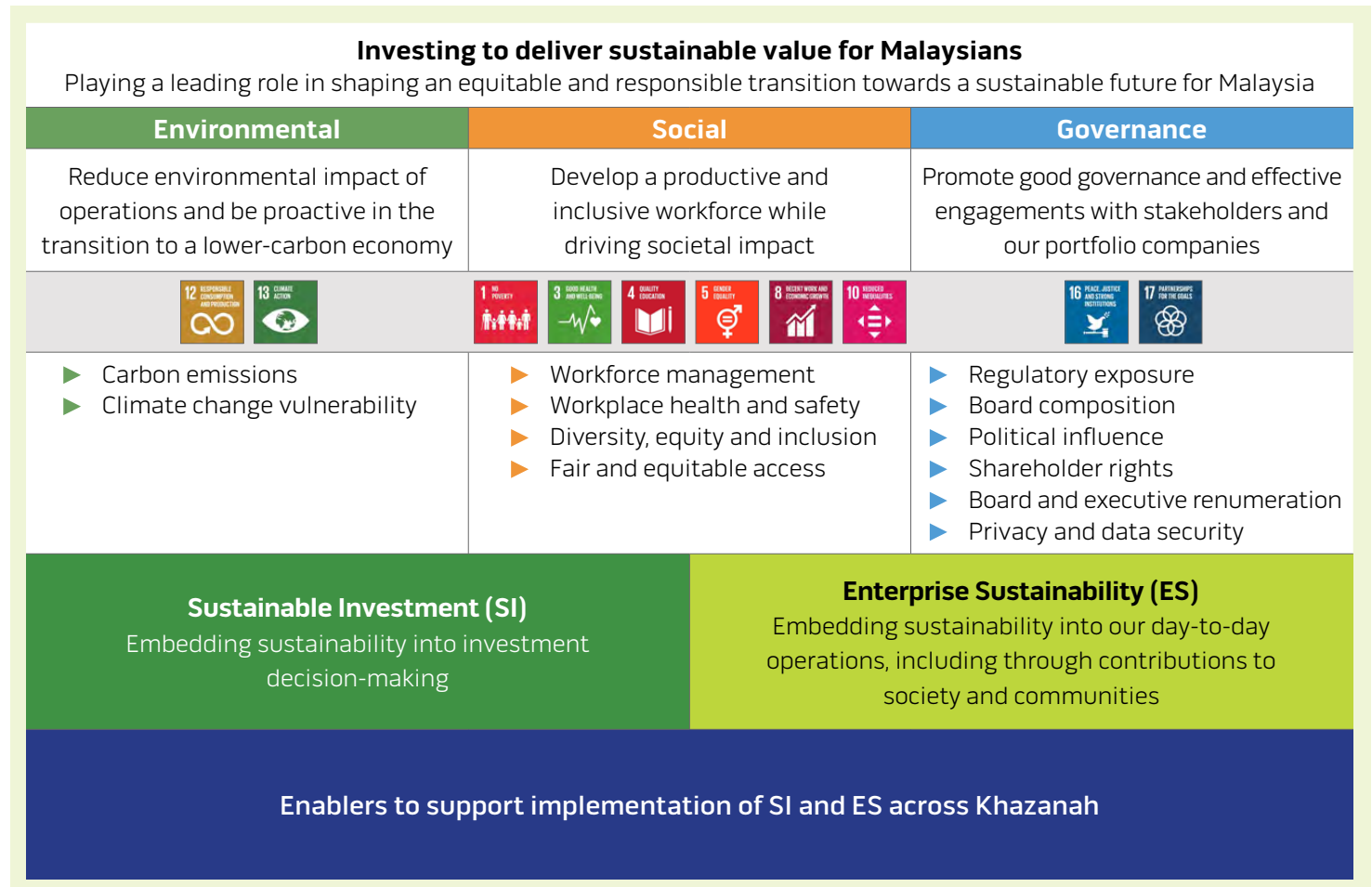
Focus areas that Khazanah is committed to address and manage – this streamlines what sustainability means to Khazanah

### Sustainability Actions

The “how” in achieving the focus areas and targets – these would be further translated into initiatives for execution

### Enablers

Enablers support effective implementation of Khazanah’s Sustainability Framework



<sup>1</sup> Material ESG issues highlighted are Khazanah’s primary focus issues.

# OUR APPROACH TO SUSTAINABILITY

## Our Progress on Our ESG Targets

To guide and focus our sustainability efforts over the coming years, we have also committed to the following short, medium and long-term targets across our three pillars. These targets align our aspirations with our stakeholders, including the Government of Malaysia, as well as other national institutions.

We acknowledge that the ESG space is evolving at a fast pace, and in response we will continue to adapt our targets and actions to ensure they remain relevant for the long-term. Since the inception of our ESG Framework in June 2022, we have focused on advancing towards our identified targets. Our commitment lies in fostering lasting and impactful change, ensuring that the measures we take contribute to a sustainable future.

Environmental	Social	Governance
<ul style="list-style-type: none"> <li>▶ <b>Net Zero emissions</b> by 2050                             <ul style="list-style-type: none"> <li>▪ Established carbon footprint baseline for our portfolio.</li> <li>▪ Develop Climate Transition Pathways by identifying decarbonisation levers for impactful emission reduction.</li> </ul> </li> <li>▶ <b>✓ Carbon neutral operations</b> by 2023                             <ul style="list-style-type: none"> <li>▪ Achieved carbon neutral operations for FY2023 by identifying high impact areas to reduce emissions, renewable energy certificates and carbon offsets.</li> </ul> <p> Learn more about <b>Carbon Neutral Operations by 2023</b> on page 75.</p> </li> </ul>	<ul style="list-style-type: none"> <li>▶ <b>30% women Board Directors and senior leadership</b> by 2025                             <ul style="list-style-type: none"> <li>▪ 15% of our Board Directors are women.</li> <li>▪ 30% of our Senior Management Team are women.</li> <li>▪ Developing internal pipeline strategies to support the advancement of women into these roles.</li> </ul> </li> <li>▶ <b>✓ Enhance diversity, equity and inclusion (DEI) framework and programmes</b> by 2023                             <ul style="list-style-type: none"> <li>▪ In 2023, we developed a DEI Framework that is currently being applied throughout the organisation.</li> <li>▪ Internal awareness of DEI has increased through internal training for all staff within the organisation.</li> </ul> <p> Learn more about our <b>DEI in Khazanah</b> on page 96.</p> </li> <li>▶ <b>✓ Measurable socio-economic impact targets</b> by 2023                             <ul style="list-style-type: none"> <li>▪ SEMARAK Framework was developed and launched in 2023.</li> <li>▪ The SEMARAK Framework underscores our focus on creating long-term societal impact through Dana Impak.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>▶ <b>Enhance Board competencies</b> (including sustainability) at our portfolio companies by 2024                             <ul style="list-style-type: none"> <li>▪ The management process for nomination of directors (including selection, nomination, and evaluation of Directors) have been formalised within the organisation.</li> <li>▪ To complement the above, we have implemented training programmes aimed at equipping our Board with skills and knowledge for effectiveness.</li> </ul> </li> <li>▶ <b>✓ Disclose general voting principles</b> by 2022                             <ul style="list-style-type: none"> <li>▪ A newly revised version of our Voting Guidelines can be found in our Shareholder Expectations and Investment Stewardship document.</li> </ul> <p> For more information on revised version of our Voting Guidelines on our website, visit <a href="https://www.khazanah.com.my/how-we-invest/investment-approach/">https://www.khazanah.com.my/how-we-invest/investment-approach/</a></p> </li> <li>▶ <b>✓ Include ESG-linked KPIs for key leadership positions</b> for our portfolio companies by 2023                             <ul style="list-style-type: none"> <li>▪ All key leadership positions for our portfolio companies have ESG-linked KPIs.</li> </ul> </li> </ul>

✓ Completed

# OUR APPROACH TO SUSTAINABILITY

## Our Sustainability Enablers

We believe in driving sustainability through:

**Sustainable Investments**  
Embedding sustainability into our investment decision-making processes

**Enterprise Sustainability**  
Embedding sustainability into our day-to-day practices, including through contributions to society and communities

We continue to implement sustainability enablers across our organisation with the aim of building our internal capabilities and capacity to address sustainability issues. The sustainability enablers we have implemented include:

Offering **training and development** opportunities to all employees, both in-house and external

Advocating **sustainability matters** with our stakeholders

Enhancing our **ESG data and analytics** capabilities

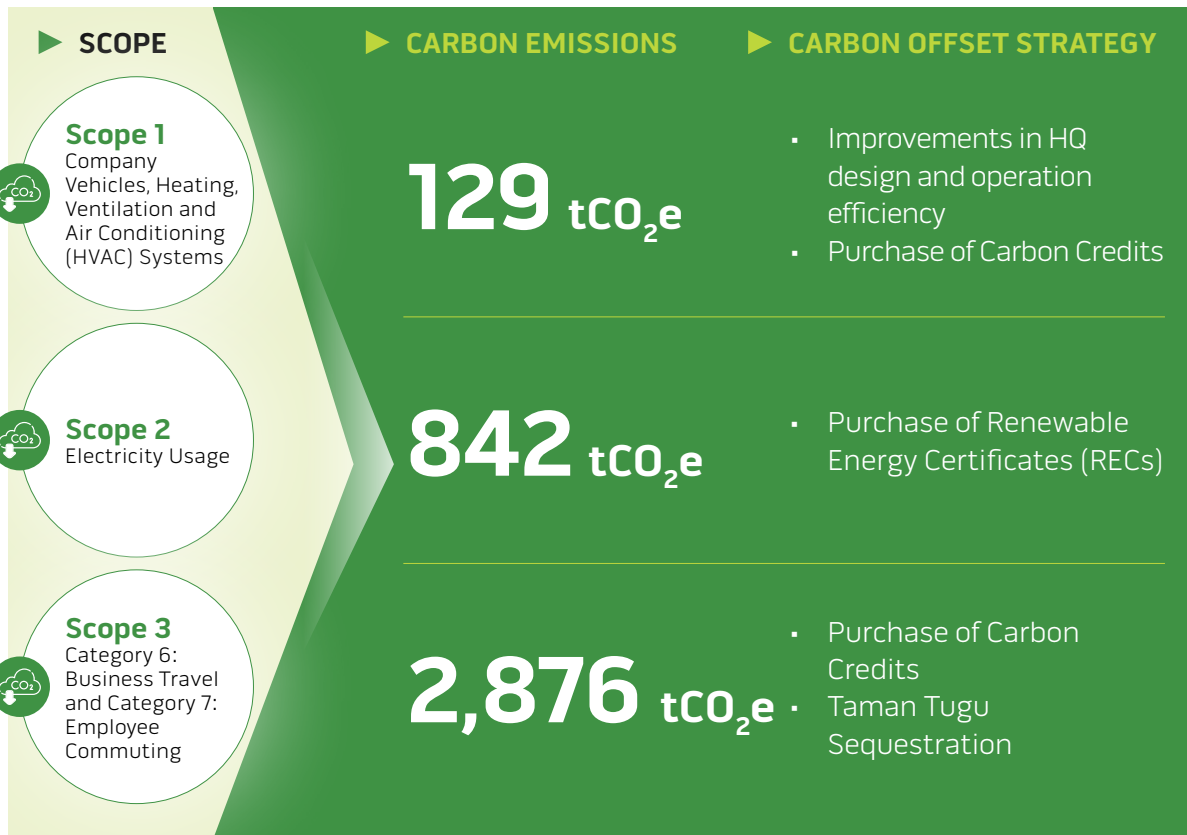
Building a **culture of sustainability** through internal initiatives to manage and reduce emissions and waste

# OUR APPROACH TO SUSTAINABILITY

## Our Commitment to Carbon Neutral Operations

Aligned with our climate targets and strategic goals, we are dedicated to facilitating the transition to a low-carbon economy, as demonstrated by our commitment to carbon neutral operations.

In 2022, we introduced ESG targets, featuring a commitment to achieve carbon neutrality in our operations by FY2023. Following a verification of our operational carbon emissions data, we have identified the following key figures for our carbon emissions:



We reached our ESG target of carbon neutrality by 2023, by utilising 4,420 tCO<sub>2</sub>e of carbon stock, obtained through a combination of carbon credits and Taman Tugu sequestration rates.

Strategies on achieving carbon neutrality:

- Identification of high impact areas to reduce carbon emissions through improvements in HQ office design and operational efficiency;
- Carbon sequestration from Taman Tugu;
- Purchase of a mixture of carbon avoidance and carbon removal credits; and
- Purchase of Renewable Energy Certificates, aligned to RE100, from each region of operations.

In alignment with our climate commitment, we have already established our ambitions for achieving Net Zero by 2050. We are actively advancing our Net Zero Pathway which will address climate-related risks and opportunities from an investment standpoint, playing a pivotal role in Khazanah’s approach to addressing climate challenges as investors.

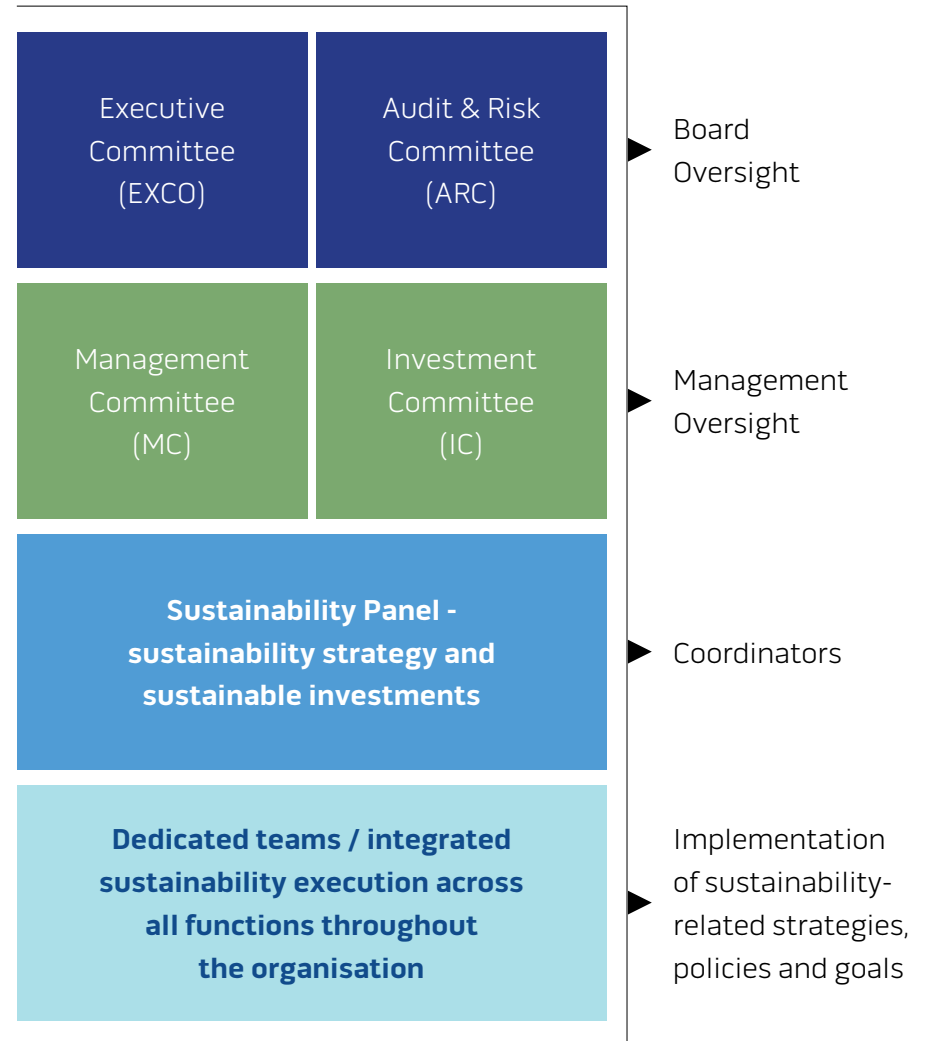
# SUSTAINABILITY GOVERNANCE

**Our sustainability governance structure provides the necessary leadership and accountability for our sustainability actions and initiatives.**

The governance structure entrusts ultimate responsibility for sustainability with our Board of Directors, which oversight is exercised through the Board Executive Committee (EXCO) and Audit & Risk Committee (ARC). At the management level, the Management Committee and the Investment Committee deliberate on the strategic direction and policies surrounding enterprise sustainability initiatives and sustainable investments while monitoring achievements and progress on all fronts.

To translate our framework into actionable sustainability strategies, we established a Sustainability Panel that comprises representatives from our Central Sustainability Team (under our Strategy Division), Sustainable Investment (SI) Team (under our Investments Division) and representatives from other support divisions. In developing sustainability strategies, the Sustainability Panel considers the potential impact of such strategies on Khazanah. Meanwhile, project-specific representatives are responsible for implementation on the ground, across their respective teams and divisions.

## Our Sustainability Governance Structure



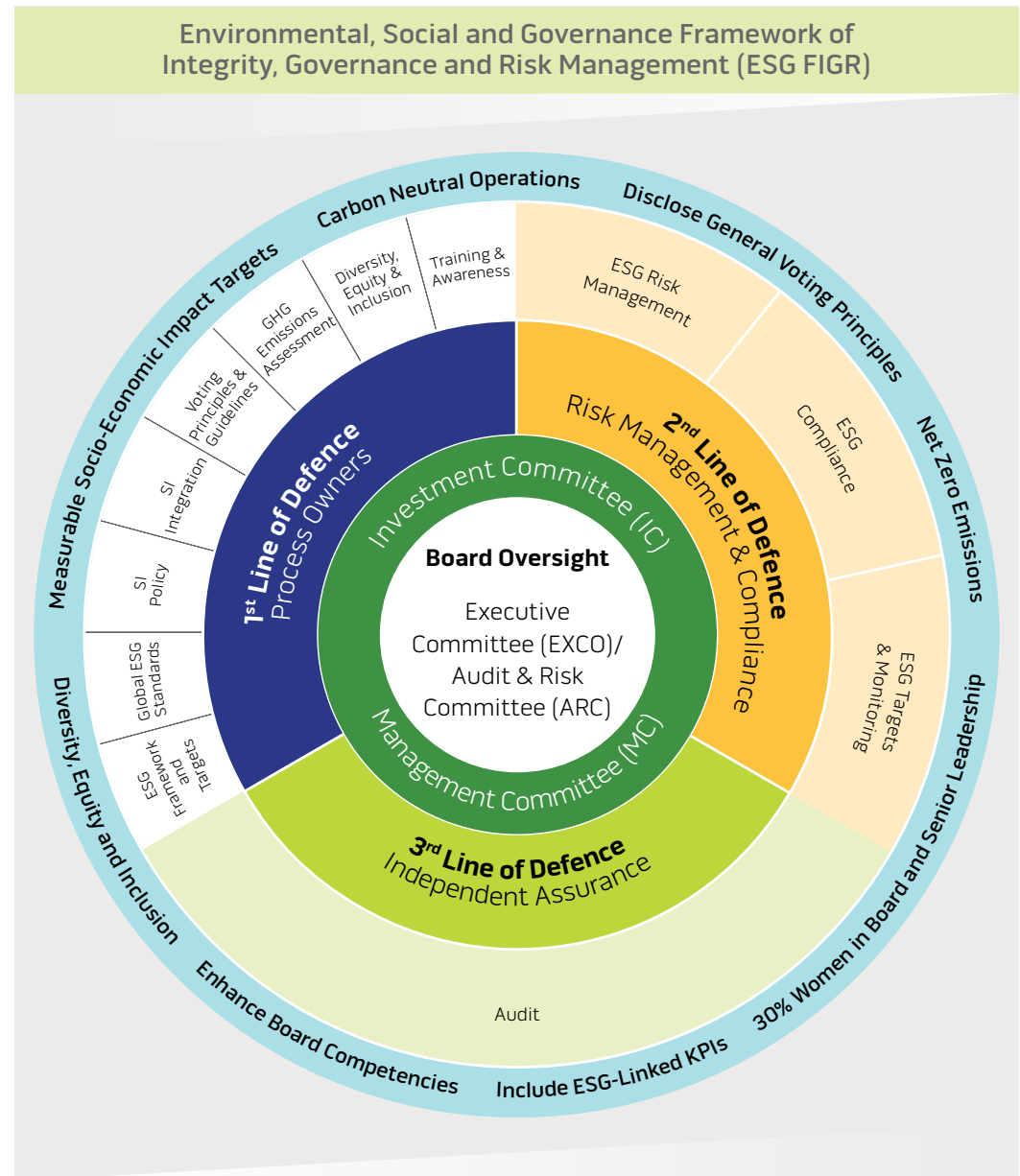
# SUSTAINABILITY GOVERNANCE

## We operationalise sustainability governance through the Three Lines of Defence based on clear and defined roles and responsibilities.

The ESG FIGR was adopted by the Management Committee in May 2023, complementing the Sustainability Framework and medium-term targets launched in June 2022. Similar to our FIGR, the ESG FIGR has established the EXCO and ARC as the Board sub-committees responsible for supporting the Board with oversight over sustainability matters. At the management level, the MC and IC serve as the platform for deliberation and monitoring of our sustainability progress, executing the Board's strategic direction.

The ESG FIGR, which covers both Sustainable Investing and Enterprise Sustainability, complements the Shareholder Expectations and Investment Stewardship (SEIS) document launched in 2022. The SEIS document outlines our expectations towards our investee companies and investment stewardship principles, including our Voting Guidelines that govern our voting at general meetings of listed companies.

Another key effort to maintain our high standard of transparency and accountability with regard to sustainability is reflected in Khazanah's Sustainable Investment Policy. This policy outlines our principles, commitments, and consideration of ESG factors to ensure we continue making responsible investments.



# SHAREHOLDER EXPECTATIONS AND INVESTMENT STEWARDSHIP



**SCAN HERE**  
to view the Shareholder  
Expectations and Investment  
Stewardship statement

**Our approach to investment stewardship is guided by our responsibility to safeguard and grow the nation's wealth for current and future generations.**

Achieving this goal dictates that we apply a long-term perspective to our investments and prioritise the creation of sustainable social and economic value for Malaysians. To this end, we adopt an active investor approach, seeking to influence outcomes via our portfolio companies through ongoing engagement, Board representation and voting at general meetings.

## Our Shareholder Expectations

The investment stewardship at Khazanah is pillared on six specific shareholder expectations that apply to all companies in our portfolios.

- 1 Companies must generate long-term value**

  - Investments should generate long-term sustainable returns as captured in the long-term Total Shareholder Returns (TSR).
  - Any focus on short-term targets should not jeopardise future value and TSR.
  - Companies should consider social and environmental dimensions of value in addition to financial targets.
  - Company strategy should be supported by capabilities and resources, with best practice internal policies, processes and controls.
- 2 The Board of Directors should hold ultimate responsibility for corporate strategy, monitoring and oversight**

  - The Board must communicate a clear vision –encompassing sustainability considerations – and translate this vision into the company's strategy.
  - The company should have a capable management team led by a competent CEO who is appointed by following a rigorous and transparent process.
  - The company should have an unconflicted board that is supported by relevant committees and its effectiveness should be evaluated regularly to ensure the appropriate mix of skills, backgrounds and experience.
- 3 The Chairperson should be a leader who sets the right culture**

  - The Chairperson should set a culture of performance, duty and integrity and engender a sense of custodianship amongst directors.
  - The Chairperson should act as the conduit for stakeholders to provide feedback, including through performance reviews of the Board and management.
  - The Chairperson should be independent, failing which there should be a Senior Independent Director to provide the necessary counterbalance.

# SHAREHOLDER EXPECTATIONS AND INVESTMENT STEWARDSHIP

## Our Sustainable Investment Expectations

Sustainability has been embedded as a foundational consideration in our investment stewardship approach. Our aim is to holistically drive sustainability across the dimensions of financial returns, strategies and impact, as depicted below:

► Deliver

**LONG-TERM  
SUSTAINABLE  
RETURNS**



► **JUST TRANSITION**

must be built in to ensure sustainable outcomes are more equitable



► Strive for **AGILITY AND GROWTH**

amidst shifts in industry structure and the impact of global megatrends



4

### The right management team must be selected and incentivised to be aligned with the company's success

- Hiring must be rigorous and transparent, with market-based talent review and sourcing policies that reflect the complexity and demands of the positions in question.
- Compensation and benefits should be linked to the delivery of sustainable strategies and performance.
- Incentive schemes should be implemented as long as incentives are tied to achievement and there should be built-in consequences for negative outcomes.

5

### Shareholder rights must be protected

- Shareholders should be treated equitably, with adequate protection for the capital they provide.
- Shareholders should have the fundamental right to vote, especially on matters impacting them and to seek clarification where appropriate.
- The company should follow a "one share one vote" policy to avoid disproportionate control amongst certain shareholders.
- Khazanah shall engage regularly with portfolio companies to communicate expectations and collaborate for best outcomes.

6

### Companies should adopt sustainability considerations to future-proof their business

- Khazanah shall actively engage with portfolio companies to provide support on their sustainability journeys, including pertaining to their responsible ESG transition.
- Sustainable business practices should be incorporated throughout the value chain and a commitment to Net Zero GHG emissions by 2050 should be adopted.
- Diversity at the Board, management and workforce levels should be maintained to drive resilience, creativity and agility. This could be achieved by ensuring that generational and gender (indicated by having at least 30% women) diversities are represented at the Board level.
- The dignity and rights of workers should be honoured at all times.
- Best practices in corporate governance should be maintained, with management KPIs linked to ESG targets set at the corporate level.

## KHAZANAH'S AFFILIATIONS

To improve our organisational practices, we continually broaden our understanding of sustainability through engagements with other organisations and partners. In pursuit of this goal, we are actively involved as a member or signatory of the following initiatives:

### Asia Investor Group on Climate Change (AIGCC)



AIGCC is an initiative to create awareness and encourage action among Asia's asset owners and asset managers about the risks and opportunities associated with climate change and low-carbon investing. AIGCC provides capacity and a trusted forum for investors active in Asia to collaborate and share best practices on investments, policies, risk management engagement and to climate action.

Khazanah has recently joined AIGCC under an observer status in 2024, with the intention of adopting a more structured approach to Paris Aligned Investments, given our role as a sovereign wealth fund. The AIGCC offers an Asian perspective on climate issues and provides us with regional networks – which can be used to leverage for collaborating and advocating for climate action.

### Joint Committee on Climate Change (JC3)



The JC3 is a regulator-industry platform, aimed at pursuing collaborative actions for building climate resilience within the Malaysian financial sector. The JC3 aims to build capacity through knowledge sharing, identify issues facing the financial sector towards climate transition, facilitate collaboration between stakeholders and support the financial sector's integration of identified solutions to address climate change or climate-related risks.

In the capacity of an observer, Khazanah actively endorses JC3 initiatives, particularly with a focus on advancing climate transition efforts in Malaysia.

# KHAZANAH'S AFFILIATIONS

## Institutional Investor Council Malaysia (IIC)



Khazanah is a member of the IIC and a signatory of the Malaysian Code for Institutional Investors 2022 (MCII 2022), whereby we support and comply with the code. We are in line with its seven principles, as outlined below, and the Stewardship Spotlight, as outlined in our Shareholder Expectations and Investment Stewardship (SEIS) document.

1

### **Institutional investors should disclose the policies on their stewardship responsibilities and review the effectiveness of their stewardship activities**

Our Framework of Integrity, Governance and Risk Management (FIGR) provides a clear responsibility, authority and governance structure for Khazanah and guides all our investments activities and business conduct. The FIGR is periodically reviewed and was last updated in 2021. We are also supported by our Investment Policy (IP) statement, our newly enhanced Sustainable Investment (SI) Policy and our newly developed SEIS document. We are continuously improving our process of reviewing the effectiveness of our stewardship activities.

2

### **Institutional investors should monitor their investee companies**

Our investment portfolios are actively monitored and managed by our Investments teams in accordance with our Management and Monitoring Manual. This includes formulating a strategy to create sustainable value, which is the basis for performance monitoring.

3

### **Institutional investors should engage with investee companies as appropriate and collaborate with investors to enhance engagement outcomes**

Our engagement framework outlines how we monitor investee companies through frequent engagements with the Board, management team and nominees, and we continuously collaborate based on our syndication process with other shareholders, investors and partners via both formal and informal platforms. Our IIC membership is a key collaboration platform for us.

4

### **Institutional investors should adopt a policy on managing conflicts of interest which should be publicly disclosed**

We have robust policies and processes to manage conflicts, which include our Staff Code of Conduct Handbook and the Supplier Code of Business Ethics. Both documents are publicly available through our website. We also implement an 'Information Barrier' policy to effectively manage insider information.

## KHAZANAH'S AFFILIATIONS

5

**Institutional investors should incorporate corporate governance and sustainability considerations, including climate-related matters into their decision-making process while seeking to deliver sustainable returns in the long-term interest of their beneficiaries or clients**

We continue to actively monitor the governance aspect of our investee companies through a diligent management and monitoring process. Our recently enhanced SI policy, newly launched Sustainability Framework and newly developed ESG FIGR will guide us in our approach to deliver sustainable value, including via our investee companies.

6

**Institutional investors should publicly disclose their corporate governance policy and voting guidelines**

Our FIGR outlines how we manage risks and instill a strong culture of corporate governance and risk management in Khazanah, whilst our SEIS document outlines our investment stewardship principles and our newly revised Voting Guidelines that govern our voting at general meetings of listed companies. These documents are available on our website.

7

**Institutional investors should collaborate where appropriate to respond to corporate governance and sustainability concerns or risks. The collective voice and views of institutional investors are important levers in shaping behaviour and promoting good corporate governance, in particular on emerging issues such as sustainability reporting and investing**

We continuously collaborate with key stakeholders of our investee companies based on our engagement framework. Formal and informal syndication with other shareholders, investors and partners ensures a collaborative approach and collective voice in addressing our concerns, both publicly and privately, depending on its nature. Examples include our IIC membership and the inaugural GLIC Integrity Event (GIE), which was jointly held by several GLICs.

## KHAZANAH'S AFFILIATIONS

### International Forum of Sovereign Wealth Funds (IFSWF)



As a member of the IFSWF, we endorse the Santiago Principles, striving to embody transparency, good governance, accountability and prudence in our investment practices. Our membership also provides us with an avenue to engage in meaningful dialogue towards driving better investment practices across the global sovereign wealth fund landscape.

### 30% Club



Khazanah is a Corporate Advocate of the 30% Club Malaysian Chapter that supports the achievement of a minimum of 30% women's participation at all senior decision-making tables across Malaysia, including Boards and the C-suite. The Club also aims to activate corporate leaders to be visible in adopting Diversity, Equity and Inclusion (DEI) best practices in their organisations and engaging wider stakeholders with market influence.

Since becoming a Corporate Advocate to the Club, Khazanah's champion, Dato' Feisal has participated as a speaker on 30% Club Malaysia webinar on 7 March 2023, entitled Embrace Equity held during the International Women's Week.

CHAPTER 6

# EMPOWERING OUR PEOPLE AND COMMUNITIES

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# DELIVERING SOCIETAL VALUE

As we mark our 30-year journey, we continue our commitment to delivering societal value while we positively impact various communities across Malaysia. In 2023, we remain steadfast in contributing to developing key socio-economic outcomes to progress our communities, develop capacity and build a resilient nation.

These initiatives are carried out through our execution arms Yayasan Hasanah, Yayasan Khazanah, Khazanah Research Institute, Think City Sdn Bhd and Taman Tugu Project Development Sdn Bhd. Additionally, we engage directly in specific areas like Galeri Khazanah and the Khazanah Residency Programme.

To enhance our contributions to society under the Building Capacity and Vibrant Communities pillar, our Societal Value Monitoring and Alignment (SMA) unit is tasked with ensuring the robustness of our mission and its alignment with the implementation of our societal value initiatives, enabling us to achieve a long-term positive impact.



2023 marks a decade of Yayasan Hasanah (YH) as a leading foundation in Malaysia’s philanthropic sector. Moving beyond traditional charity to focus on social justice for the rakyat, YH has impacted over 2.9 million people from all walks of life since its establishment in 2015.

▶ **475,624**  
**PEOPLE REACHED**  
 via programmes we supported  
 (Total since 2015: 2.9 million)

▶ **108**  
**NEW PROGRAMMES**  
 across Malaysia  
 (Total since 2015: 748)

▶ **RM245.2 million**  
**FUNDS MANAGED**  
 through our partners  
 (Total since 2015: RM1.6 billion)

▶ **232**  
**STRATEGIC PARTNERS**  
 across Malaysia  
 (Total since 2015: 527)



▶ Indigenous (*Orang Asli*) Bateq families from Kampung Cangkung, Pahang, supporting their children in the Kelas Literasi Rimba Bateq programme by Yayasan Food Bank Malaysia. This initiative motivates 34 enthusiastic children to attend school and is supported by YH in collaboration with the Ministry of Finance (MOF) through the Hasanah Special Grant (HSG).

# DELIVERING SOCIETAL VALUE

## Collaboration with the Ministry of Finance



► Meet Luciana Majana, Jamineh Lonius, and Beatrice Jaimis from Tambunan, Sabah. As skilled farmers, they grow and sell crops like ginger, fruits and vegetables at the local market. After joining Good Shepherd Services' entrepreneur training, they now process and package products such as dried fruits and ginger tea, boosting their income and leadership skills. These farmers are supported by Yayasan Hasanah and the MOF through the HSG.

In 2023, YH launched the Hasanah Special Grant (HSG) 2023 in collaboration with the Ministry of Finance (MOF). This expanded grants programme supports more partners across societal and environmental causes in Malaysia. It enhances mental health support in schools, increases income potential for Persons with Disabilities, boosts socioeconomic opportunities for the Orang Asli communities and supports sustainable recycling initiatives among youths. The MOF's continued support through HSG 2023 has made a significant impact across all layers of society.

## Innovative solutions, addressing issues at the grassroots



► Puan Rahimah Muda, a participant in the "Blind Planters" programme executed by the Society of the Blind in Terengganu. To date, the participants harvested a collective total of 387 kg of the melons. YH supports this initiative in collaboration with the MOF through the HSG.

In one of the many nationwide livelihood programmes supported by YH and the MOF, the Blind Planters Programme in Terengganu trains visually impaired individuals to cultivate Terengganu Sweet Melons, generating income and successfully harvesting 387 kg of fruit to date. This initiative challenges the stigma surrounding blindness, broadens career options for the visually impaired and inspires new perspectives in empowering other vulnerable communities, especially the B40 in the country.



► Crafting legacy: The Hasanah Gold Threads Awards (HGTA), supported by the MOF, honours Malaysia's master craftspeople, like 93-year-old Sarawakian weaver Ibu Ngot, known for her intricate Bergerang mats.

In collaboration with various ecosystem partners, this innovative spirit extends to the foundation's other focus areas. In 2023, this approach is exemplified by the Hasanah Gold Threads Awards (HGTA), launched by YH in collaboration with the MOF. This philanthropy initiative honours local textile artisans and integrates them into mainstream industries, enhancing the commercial potential of their craft and preserving arts, heritage and culture. In its debut, HGTA 2023 received 168 submissions of various textile art forms nationwide.

# DELIVERING SOCIETAL VALUE



► Trained Pembimbing Rakan Sebaya (PRS) students at SMK Badak, Kelantan, through the HOPE programme by BTOP Wellness, supported by YH in collaboration with the MOF through the HSG. Through holistic training, including parent engagement, HOPE empowers PRS students to make a difference in their community.

Similarly, our efforts in school mental health have developed various intervention models, empowering students, educators and parents to address the hidden epidemic and challenge mental health stigmas. With our partners, we raised awareness and promoted psychological health and wellbeing in schools, providing access to services and interventions. In 2023, 4,718 students and 3,290 counsellors and teachers were trained in Mental Health and Psychosocial First-Aid support to help youths in schools.

## Safe play space for youths, 8<sup>th</sup> Cruyff Court built in Malaysia



► Local children on the newly built Cruyff Court, FELDA Trolak Selatan, Perak. Since 2012, the Cruyff Court series in Malaysia, funded and developed by YH, has expanded to include 8 courts nationwide, with 7 more active courts.

Meanwhile, YH continued developing the Cruyff Court series in Malaysia, providing safe and accessible play spaces for youth and individuals with disabilities. The new Cruyff Court FELDA Trolak Selatan in Perak is the 8<sup>th</sup> nationwide, joining courts in Johor, Pahang, Kelantan, and three in low-income urban areas of Kuala Lumpur.

## Khazanah scholarship nurturing leaders of tomorrow



► Dawn Scholastica Adrian, is one of the recipients of the Khazanah Lestari scholarship, which enables outstanding local talents to further their studies in sustainable development and hone leadership skills.

Through the prestigious Khazanah scholarship programme via our scholarship arm, Yayasan Khazanah, we continue to support exceptional young people, aiming to unleash their full potential and nurture empowered, future-ready talent. In 2023, we awarded 115 scholarships to outstanding individuals in Malaysia and provided 200 study grants to secondary school students.

# DELIVERING SOCIETAL VALUE



► Anshula Pooja Lactmanan @ Rajan, Yayasan Khazanah Global Scholars 2023 recipient.



► Syahmi Fadhil Wafi Shahrudin, Special Mention Award 2023 recipient.

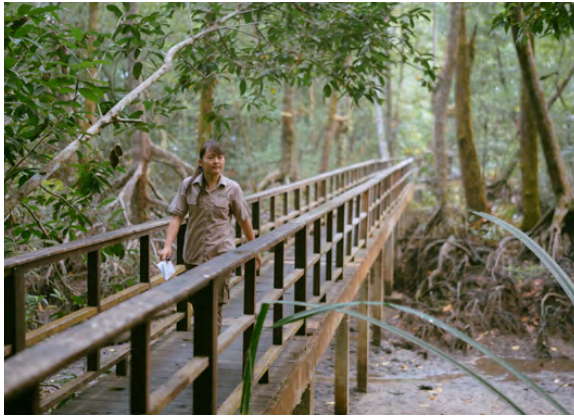
## Empowering leaders within the community for sustainable impact



► The Temiar Orang Asli community in Kampung Sungai Tonggang transformed their village into an eco-tourism destination called 'Kayuh D' Tonggang. This programme by Global Environment Centre (GEC) is supported by Yayasan Hasanah in collaboration with the MOF through the HSG.

The foundation also acknowledged the significant growth of several community leaders this year, fostered by YH-supported programmes. For instance, the Temiar Orang Asli community in Perak, led by Tok Batin, successfully transformed their village into an ecotourism hotspot. This initiative has created sustainable income opportunities, generating nearly RM40,000 in revenue within seven months of its launch.

# DELIVERING SOCIETAL VALUE



► Budding conservationist and former Roots & Shoots volunteer Chin Wen envisions a future where environmental conservation becomes second nature for everyone.

YH advocates a comprehensive approach involving government, corporations and the public in driving sustainable solutions for nature and society. Since 2019, YH has actively supported Roots & Shoots Malaysia, fostering a movement that has empowered 317 young individuals. These volunteers collaborate with various NGOs, significantly enhancing their impact on environmental causes. Notably, alums like Max Han Kai Ding, a Khazanah scholar, received the prestigious Rhodes Scholarship from the University of Oxford in 2023.

## Spurring creative economy via Arts for All Seasons (ArtsFAS)



YH upheld our commitment to preserving arts, culture and heritage (AHC) while fostering platforms to boost the creative economy. In 2023, more than 250,000 people immersed themselves in Malaysia’s rich arts, heritage and culture through events supported by ArtsFAS in collaboration with the MOF. As Malaysia’s largest AHC grant, ArtsFAS in 2023 created over 3,000 jobs through its supported programmes, catalysing the nation’s creative economy.



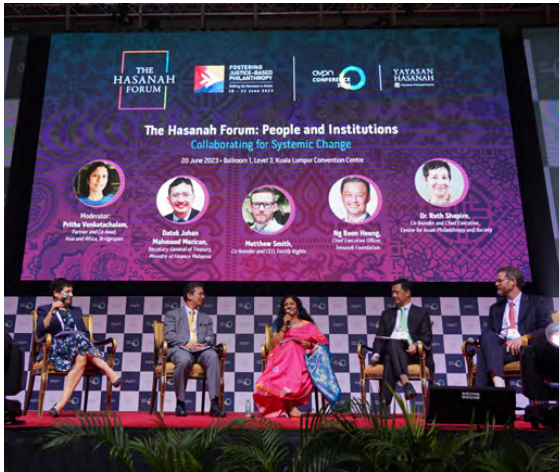
► 'Drum Up JB!' is one of the many projects supported by ArtsFAS, the country's largest grant for the arts, powered by YH in collaboration with the MOF.



► The launch of ArtsFAS 2023 featuring local artists from dance, theatre, oral tradition, music and craft. ArtsFAS partners, from left, Persatuan Cinta Seni Budaya (Persidaya), Drum Up JB, Arja Lee, Sutra Dance Theatre (M) Sdn Bhd and Pertubuhan Seni Kayangan Perak (PESKAP).

# DELIVERING SOCIETAL VALUE

## Catalysing action-oriented dialogue in the philanthropic sector



▶ THF 2023, held at the Kuala Lumpur Convention Centre from 20-23 June 2023. Themed "Fostering Justice-based Philanthropy: Shifting the Narrative to Action", the forum featured dialogues across three key levers: People and Institutions, People and Society and People and Leadership.

In 2023, The Hasanah Forum's (THF) second edition featured leaders and achievers from civil society organisations, social enterprises, corporations, policymakers and academia. Presented in collaboration with the AVPN Global Conference 2023, it urged attendees to redefine philanthropy as an act of social justice, moving beyond mere charity.



▶ The ILMU Hasanah session on Mental Health for Vulnerable Youths in May 2023 brought together experts and practitioners working in the field of mental health in Malaysia. It was attended by government agencies, associations, foundations, non-governmental organisations and academia.

Alongside this, our ILMU knowledge-sharing events led by sectoral experts and various research and discussion papers commissioned and contributed by YH delved deeper into current issues in the country. This furthers our commitment to advancing Malaysia's social sector through justice-driven thought leadership, evidence-based research and interventions.

## Partnerships beyond everyday grants

### Hasanah Social Enterprise Fund (HSEF)



▶ Ibupreneur, a HSEF recipient, empowers financially dependent and vulnerable mothers to rise with a purpose by equipping them with business opportunities to become micro-entrepreneurs from their home-grown talents.

YH, in collaboration with the MOF, established the Hasanah Social Enterprise Fund (HSEF) to empower and enhance the organisational growth of social enterprises (SEs) and social innovators. With 60% of the SEs supported that year being women-led, this signifies an inclusive and exciting space.

A total of RM7.44 million was granted to 30 SEs, with 90% of the submissions focusing on environmental and community development initiatives. The fund enables organisations to sustain their programmes, garner public support through campaigns and scale innovative solutions that positively impact Malaysians.

# DELIVERING SOCIETAL VALUE

## Partnerships beyond everyday grants

### GLC Demi Rakyat & Negara (GDRN) Sumbangan Asas Rahmah (SARA)



► GDRN Committee at GDRN's Quarterly Meeting in 2023.

The GLIC/GLC Demi Rakyat dan Negara (GDRN) was formed by Malaysian Government-Linked Investment Companies (GLIC) and Government-Linked Companies (GLC) to provide substantial support to those in need. Yayasan Hasanah and Yayasan TM act as co-secretariats, facilitating collaboration across education, community wellbeing and disaster relief efforts. In 2023, thirteen GDRN partners collectively donated RM 226.31 million, benefiting 501,276 individuals in three focus areas: *Jalinan Ilmu* (Education), *Jalinan Sejahtera* (Wellbeing) and *Jalinan Kemanusiaan* (Humanitarian Aid). Today, GDRN exemplifies effective collaboration in serving Malaysia and its people.



► A recipient of the Sumbangan Asas Rahmah (SARA) programme.

The Sumbangan Asas Rahmah (SARA) initiative by the MOF, supported by YH, provided RM100 monthly cash aid to 200,000 individuals classified as “poor” in the government’s database.

This assistance, disbursed over six months directly into recipients’ identification cards, aimed to alleviate their financial strain in meeting daily needs. In total, RM71.13 million was distributed nationwide through this programme.

### The Hasanah Report (THR) 2023 (10<sup>th</sup> Edition)



#### READ THE FULL REPORT AT THR2023.ONLINE

Themed “Reinvent Our Future: Harapan Tanpa Sempadan”, THR 2023 shines a spotlight on trailblazers, stereotype breakers and courageous dreamers. We take action and forge new possibilities together – for a progressive, hopeful Malaysia.

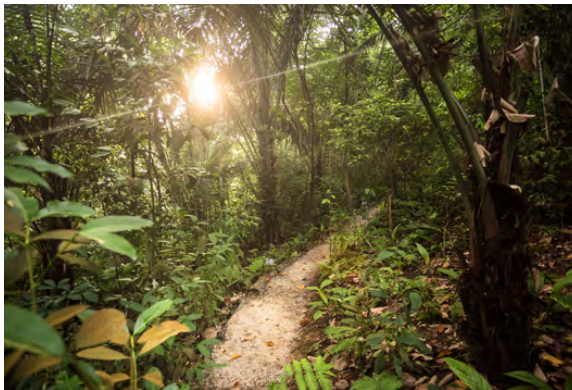
### Hasanah: A Decade of Impact



#### READ THE FULL REPORT

As the foundation enters its tenth year, we reflect on milestones, transformative achievements and collaborative work with partners in Malaysia’s social and environmental sectors.

# DELIVERING SOCIETAL VALUE



► Sunlight shining through the trees, enhancing the serenity and beauty of the Taman Tugu trails. Taman Tugu is open daily from 7:00 am to 6:30 pm, with last entry being 5:45 pm.



► Taman Tugu park-goers enjoying their walk in the Taman Tugu trails. Taman Tugu offers up to 6km of forest trails which is suitable for beginners and families.

Taman Tugu, a not-for-profit corporate social responsibility initiative under Khazanah, was developed through collaboration among various public and private sector entities, including multiple ministries and civil society groups. This 66-acre green lung in the city, established under the national public trust Amanah Warisan Negara (AWAN), aims to own, manage and protect Taman Tugu and other heritage assets.

The park is steadfast in pursuing financial sustainability, successfully securing donations from the public, individuals, and corporations. Notably, CIMB Islamic renewed its adoption of park elements and the Taman Tugu-Free Tree Society Nature Education Programme. UNIQLO Malaysia also renewed its green initiative programmes, such as the Uniqlo-Taman Tugu Plant & Hunt and Uniqlo-Taman Tugu Plant Giveaway and Canon Marketing Malaysia renewed its tree adoption at Taman Tugu. Yayasan Astro Kasih came onboard last year by adopting trees and ITMAX adopted a plot at Taman Tugu. All these adoptions demonstrate confidence in the project’s long-term viability.



► Zen and happy faces after their free yoga session as part of Taman Tugu’s International Yoga Day community event.



► In 2023, community events at Taman Tugu included themes like International Yoga Day and Celebrate Malaysia. Yoga sessions were held at The Patio, a semi-private covered open-air space, with activations and F&B at The Lawn, attracting over 700 attendees.

# DELIVERING SOCIETAL VALUE



► The Celebrate Malaysia day was held in October 2023 at the Taman Tugu Nursery. This event encompassed performances, games and food featuring the various cultures and diversity of Malaysia, which saw more than 3,000 attendees.



► Public participating and enjoying Celebrate Malaysia's performances and sing-a-long at Taman Tugu.

Since its opening in September 2018, Taman Tugu has been a hub of community engagement, attracting over 1,000,000 visitors from Malaysia and abroad. In 2023, Taman Tugu hosted a series of community events and introduced new community events such as International Yoga Day and Celebrate Malaysia, fostering a stronger sense of connection and engagement.

For more information on Taman Tugu, visit [www.tamantugu.my](http://www.tamantugu.my) and follow @friendsoftamantugu on Instagram or Facebook.

## thinkCITY

As a wholly owned subsidiary of Khazanah, Think City advocates for people-friendly, resilient and liveable cities through collaboration. Since its establishment in 2009, Think City has initiated numerous urban rejuvenation projects across Malaysia, beginning with the George Town Grants Programme (GTGP) in Penang.

In 2023, Think City continued its impactful work, aligning with our Advancing Malaysia strategy to deliver societal and economic value to Malaysian communities. Prime Minister YAB Dato' Seri Anwar Ibrahim launched the Kita-Untuk-Kita (K2K) programme to improve public housing liveability across Kuala Lumpur and Selangor. The K2K programme focuses on community empowerment, co-management, income generation and policy reform across 10 PPRs in Kuala Lumpur and Selangor. Additionally, Think City strengthened its partnership with Kuala Lumpur City Hall (DBKL) to rejuvenate Downtown

Kuala Lumpur as a creative and cultural district, supported by RM15 million from the MOF.

Further efforts included the Cultural Economy Catalytic Grants Programme, which supported 61 projects to enhance cultural heritage in the Northern Region, and the Penang Nature-Based Climate Adaptation Programme (PNBCAP), which, in collaboration with UN-Habitat, aimed to set a municipal framework for climate adaptation. Think City launched the George Town and Bayan Lepas Urban Greening Grants Programme under PNBCAP, providing grants of up to RM100,000 for green facades and rooftops.

Over the past 15 years, Think City has implemented at least 15 grant programmes nationwide, totalling RM64 million in funding. These programmes focus on community involvement and shared ownership for positive change, reinforcing Think City's role as a leader in city transformation, working hand in hand with leaders and government to catalyse positive changes and enhance the quality of life.

# DELIVERING SOCIETAL VALUE

## Visionary Leadership in Urban Regeneration: Think City Managing Director Receives UN-Habitat Special Citation



► Dato' Seri Paduka Maimunah Mohd Sharif, while serving as Under-Secretary-General of the United Nations and Executive Director of UN-Habitat, presented the Special Citation to Hamdan Abdul Majeed in the presence of Penang Chief Minister, YAB Tuan Chow Kon Yeow.

Hamdan Abdul Majeed, Managing Director of Think City, received a prestigious Special Citation from UN-Habitat for his visionary leadership in urban regeneration, marking a milestone for sustainable urban development in Malaysia.

## Coronation Avenue Project Wins Prestigious Awards



► Award-winning Avenue: The off-street parking along Coronation Avenue is reorganised and repurposed with a wider sidewalk for a more people-centric public space experience, incorporating nature-based solutions.

The Coronation Avenue project in Johor Bahru, a collaboration with the Johor Bahru City Council, won the Green Initiatives Award at the Malaysia Landscape Architecture Awards (MLAA) 2023. This project enhanced functionality and preserved the cultural heritage of one of the city's historically significant streets. Local community involvement was integral to the process, ensuring the Coronation Avenue project met the needs and values of the residents. This is made possible through collaboration with y.architect, Permata Green, Tropics Design, Total QS Services, PSB Associates and Perunding TLK.



► On 3 December 2023, a K2K Open Day was held in the playground area of Block 2, Projek Perumahan Rakyat Desa Tun Razak. The event was attended by 600 residents. Various activities, such as the Pameran K2K, K2K Idol, and Bengkel Seni, were organised to foster community participation and boost morale. The K2K Open Day serves as an initiative by K2K to unite public housing communities and celebrate solidarity as one community.



► Pentas Seni Merdeka, on Jalan Raja at Dataran Merdeka, is part of creative activations aiming to transform Downtown Kuala Lumpur into a global creative and cultural destination, in line with the Ekonomi MADANI aspirations.

# DELIVERING SOCIETAL VALUE

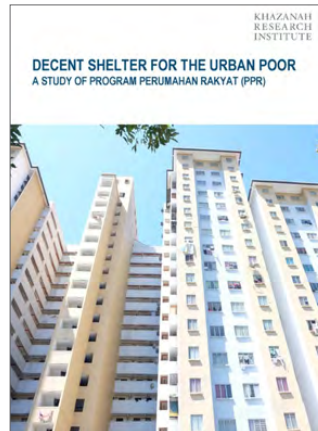
## Khazanah Research Institute

The Khazanah Research Institute (KRI) conducts in-depth research on critical national issues to provide insights and recommendations for public policies that enhance the socio-economic wellbeing of Malaysians.

KRI actively participates in shaping public policy by advocating for evidence-based policy recommendations to policymakers. In 2023, this involved directly engaging with relevant ministries and government agencies and co-hosting focus group discussions with the Ministry of Finance to obtain input for the 2024 Budget. Additionally, KRI carries out public advocacy to foster discourse and debate on pressing issues by organising knowledge events. Notable among these were the Malaysia Futures forum, co-organised with the LSE Saw Swee Hock Southeast Asia Centre (SEAC) and webinars on preventing urban slums and how neighbourhoods benefit from the agglomeration economy.

In 2023, KRI published two reports, six working papers and three discussion papers to address issues on digital access and inclusion, wage growth and inequality, labour supply and climate policy. KRI also published 25 articles on inequality and social protection, housing and cities, health and food and agriculture.

 For more information on KRI, visit [www.krinstitute.org](http://www.krinstitute.org)



► Decent Shelter for the Urban Poor: A Study of Program Perumahan Rakyat (PPR) - 15 March 2023.



► The Malaysia Futures forum, co-organised by KRI and the LSE Saw Swee Hock Southeast Asia Centre on 31 May and 1 June 2023, brought together over 300 leading scholars, policymakers, think tanks, thought leaders, and young researchers—both in person and virtually—to engage in riveting discourse on the possible ways in which “Malaysia futures” could be imagined.



► On 15 September 2023, KRI and the Ministry of Finance (MOF) jointly organised a focus group discussion addressing the issue of food security in Malaysia for Budget 2024. The session was well attended by government agencies, regulatory authorities, think tanks, private enterprises, educational institutions and farmers’ associations.

# OUR PEOPLE

As we enter our third decade of operations, we continue to place our employees as the cornerstone of our value creation. In 2023, we further enhanced high-performance standards across our workforce, enabling us to deliver greater value for the nation. We aim to achieve this by fostering collaboration and openness and offering meaningful learning and development opportunities.

To maximise our employees' potential, we continued to cultivate our culture based on three Core Values:



**We hold ourselves ACCOUNTABLE**  
Delivering results in an ethical manner



**We RESPECT different viewpoints**  
Deriving value from diverse ideas and opinions



**We SUPPORT one another**  
Being mindful of the priorities and circumstances of others

## Our Continuous Commitment to Diversity, Equity and Inclusion (DEI)

In 2023, we continued implementing initiatives aligned with the three strategies of Khazanah's DEI Framework: Awareness, Engagement and Governance. We conducted in-house DEI workshops for all employees to bridge the knowledge gap and establish a shared understanding of DEI. This workshop is also mandatory for all new employees to equip them with the fundamental understanding of DEI and its relevance to Khazanah.

We consistently review internal processes to ensure alignment with DEI values and adopt best practices where appropriate. Additionally, we ensure that internal engagement initiatives address DEI-related topics.

KHAZANAH NASIONAL

► **ASPIRATION** To embed the principles of DEI into the people and organisational culture of Khazanah while respecting local laws and cultural practices.

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► **WHAT IS DEI?**

**DIVERSITY**  
**EQUITY**  
**INCLUSION**

- Diverse workforce representation
- Fair opportunities, access and treatment
- Inclusive, respectful and supportive culture

---

► **STRATEGY**

**AWARENESS**

Raising awareness and education on DEI

**ENGAGEMENT**

Regular touchpoints with all stakeholders

**GOVERNANCE**

Integration of effective DEI strategies into Khazanah's operations

---

► **OUTCOMES**

01

Drive a diverse, equitable and inclusive **mindset**

02

DEI mindset to be consciously applied in our **behaviour**

03

Actions will positively **impact** employee performance and drive innovation

# OUR PEOPLE

## Khazanah Volunteer Network (KVN)

KVN unites our employees, their families, related companies and non-governmental organisations, providing a platform to give back to society. In 2023, volunteers participated in various initiatives such as a blood donation drive with Pusat Darah Negara, Celebrate Malaysia @ Taman Tugu, a river clean-up at Sungai Keroh and the Berbudi Bersama Buka Puasa event at Taman Tugu, which hosted 35 children from Rumah Kebajikan dan Bimbingan At-Taqwa, Puchong.



► Khazanah volunteers with children from Rumah Kebajikan dan Bimbingan At-Taqwa Puchong during a Berbudi Bersama activity.

## External Outreach

We launched the University Outreach Programme and 'Super Tuesday' to engage with public universities in Malaysia to promote a more equitable and inclusive society, aligning with nation-building objectives.

The University Outreach Programme aims to better prepare students for the working world. Tapping into the KVN, our employees share insights on internships, practical experiences, industry expectations and strategies for a successful transition from university to the professional world.

In 2023, the programme successfully reached out to students of Universiti Kebangsaan Malaysia (UKM), Universiti Islam Antarabangsa Malaysia (UIAM), and Universiti Malaysia Sabah (UMS). Additionally, we conducted a Mock Interview Day at Universiti Malaya (UM) as a continuation of the 2022 University Outreach Programme.

Our 'Super Tuesday' programme facilitated dialogues between university educators and Khazanah's alumni, who are industry leaders, to bridge the gap between academic education and corporate expectations. In 2023, this programme was successfully conducted at UM, Universiti Teknologi Malaysia (UTM) and UMS.



► The University Outreach Programme at UKM.



► The Super Tuesday that was organised at UTM.

# OUR PEOPLE

## Khazanah Graduate Trainee Programme (KGTP)

The KGTP is a rigorous 12-month programme that exposes top graduates to diverse sectors and fields. This immersive experience fosters accelerated growth within a dynamic, fast-paced environment. Exceptional graduates are offered the opportunity to advance their careers as Associates at Khazanah, which provides a unique platform to contribute their talents and progress the nation.

For more information on KGTP, visit <https://www.khazanah.com.my/careers/khazanah-graduate-trainee-programmes-kgtp/>



► Meet the graduates who joined Khazanah's Graduate Trainee Programmes. From left to right: Kelvin Wong Chern Wei (Investments), Wan Afriena Rasydan (Investments), Roshan Sivabalan (Investments), Adlan Hidayat (Investments), and Edryna Syfinaz Zarif Ahmed Zaharani (Research).

<p><b>2023 KGTP Cohort</b></p> <ul style="list-style-type: none"> <li>► <b>22</b> TRAINED UNDER GTP-INVESTMENTS</li> <li>► <b>16</b> TRAINED UNDER GTP-KHAZANAH</li> </ul>	<p><b>GTP trained from 2011 to 2023</b></p> <ul style="list-style-type: none"> <li>► <b>241</b> GTP-INVESTMENTS</li> <li>► <b>57</b> GTP-KHAZANAH</li> <li>► <b>82</b> TRAINED UNDER GT-CA* since 2010</li> </ul>
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\* GT-CA: Graduate Trainee - Certified Accountant Programme

## Khazanah Leadership Development Programme (KLDP)

The KLDP seeks to nurture effective, influential and visible mid-level leaders who embody Khazanah's values, demonstrate self-awareness, effectively lead teams, possess strong business acumen and contribute strategically to organisational growth. The programme is driven by workshops, simulations, case studies, immersion sessions and group coaching, working towards enhancing their strategic and leadership capabilities in a structured and intensive programme. It equips them with the skills to excel amidst anticipated challenges and opportunities, preparing them for larger roles in the future. To date, 87 mid-level managers have completed KLDP.



► KLDP Cohort 4 participants with Dato' Amirul Feisal Wan Zahir and Datuk Hisham Hamdan.

## Staff Development Benefit (SDB)

The SDB promotes the continuous growth of our workforce by providing financial support to employees, aiming to enhance their knowledge, skills, and competencies beyond our formal training programmes. SDB specifically facilitates part-time study for undergraduate or postgraduate courses and professional certification programmes such as Chartered Financial Analyst (CFA), Chartered Institute of Management Accountants (CIMA), and Association of Chartered Certified Accountants (ACCA), with an emphasis on job-related fields. To date, 178 employees have benefited from this initiative.

# KHAZANAH AS A LEARNING ORGANISATION

## Khazanah Megatrends Forum 2023 (KMF2023)



The KMF continues to be the premier forum for in-depth discussions of global megatrends and current issues in Malaysia. As Khazanah's flagship thought leadership event, now in its 17<sup>th</sup> edition, KMF2023 attracted over 1,000 influential members from Malaysia's academia, business and social-political communities.

With the theme, "Our Next Episode: Orchestrating a New Development Bargain for Sustainable Growth", KMF2023 explored the concept of development bargain, which is the commitment by members of a country's elite to promote a nation's sustainable growth and development. The discussion centred around what Malaysia could do to build a new development bargain, especially amid the renewed growth prospects through an all-of-society approach and public-private partnerships.

Some of the notable speakers at the event included economist Professor Stephan Dercon; venture capitalist and political scientist Dr Eric Li; the Group CEO of Yinson Holdings Berhad, Lim Chern Yuan; Managing Director of 42, Sophie Viger; Minister of Investment, Trade and Industry, YB Senator Tengku Datuk Seri Utama Zafrul Tengku Abdul Aziz; President and Pro-Vice Chancellor of Monash University Malaysia, Professor Dato' Dr Adeeba Kamarulzaman and Group CTO of Grab, Suthen Thomas.



► Keynote Address by Prof. Stefan Dercon, Author and Professor of Economic Policy at the Blavatnik School of Government, University of Oxford.



► Feature Address by Dr. Eric Li, Chengwei Capital and Guancha.cn.



► Sophie Viger, Managing Director, 42 presented in the Innovation Without Borders session.



► Special Address & Fireside Chat on 'Ekonomi Madani' by YB Senator Tengku Datuk Seri Utama Zafrul Tengku Abdul Aziz, Minister of Investment, Trade and Industry Malaysia; Dr Nungsari Ahmad Radhi, Committee Member, Advisory Committee to Finance Minister of Malaysia; Nurul Izzah Anwar, Co-Head, Secretariat for the Advisory Committee to Finance Minister of Malaysia, moderated by Dato' Mohamed Nasri Sallehuddin Executive Director, General Counsel, Company Secretary and Head, Corporate & Support Services, Khazanah Nasional Berhad.

## Khazanah Knowledge Exchange (KKE) and Tea Talk Series

The KKE and Tea Talk Series remains an essential component of our learning initiatives, serving as an important employee engagement event. In 2023, we held 35 KKE and Tea Talk sessions on a diverse range of topics that involved knowledge-sharing sessions by employees and external individuals. Some of these topics included Sustainability, ESG, Climate Change, Geopolitics, Consumer, AI and Social Entrepreneurship.



► The Impact Series Tea Talk by social entrepreneur and OiLilin founder, Redza Shahid.



► KKE on Davos 2023 by Dato' Amirul Feisal Wan Zahir, Nick Khaw and Amirul Akmal Azlin.

# KHAZANAH RESIDENCY PROGRAMME

## Khazanah Residency Programme (KRP)

The KRP develops Malaysian talents through three fully sponsored programmes at world-renowned institutions. In line with Khazanah's strategy of Advancing Malaysia, the KRP offers high-performing professionals the opportunity to enhance their learning and development at globally respected institutions, enabling them to contribute more significantly to the nation's progress. The KRP comprises three distinct programmes: the Khazanah Wolfson Press Fellowship, Khazanah Nasional Associate Artist Residency Programme and KRP Sustainability Programme, which was introduced in 2023.

 Find out more about our Khazanah Residency Programmes on instagram via <https://www.instagram.com/khazanahresidency/> and website via <https://www.khazanah.com.my/our-community/khazanah-residency-programme/>

### Khazanah Wolfson Press Fellowship

Through the Khazanah Wolfson Press Fellowship, two Malaysian journalists and corporate communication professionals from Khazanah or Khazanah-linked companies are annually awarded a 10-week media fellowship at Wolfson College, University of Cambridge. This fellowship provides participants with a valuable opportunity to step back from their daily responsibilities and immerse themselves in a specific area of interest within media and communication. Potential study modules include climate change, social issues, media ecology, media ombudsmen, media and the internet and global reporting.



► Welcoming the new Wolfson Press Fellows (from left): Reena Raj (Vice President, Corporate Communications, Khazanah), Joan Lau (Executive Editor, Malay Mail), Ida Lim Lee Ting (Malay Mail), Dato' Amirul Feisal, Luqman Hariz Ahamad Shaker (Astro AWANI), Ashwad Ismail (Head and Editor-in-Chief, Astro AWANI), Jenifer Laeng (Borneo Post), Raynore Mering (Chief Content Officer, Borneo Post), and Sherliza Zaharudin (Head, Corporate Communications, Khazanah).

Participants also benefit from the rich culture of academic debate, engaging with students and academicians from around the world in a vibrant environment that challenges assumptions and deepens knowledge. This experience empowers them to become more effective professionals and contribute more significantly to the national discourse in Malaysia upon their return. Since 2013, we have sponsored 18 Malaysian journalists and nine communications professionals for this fellowship.

# KHAZANAH RESIDENCY PROGRAMME

## Khazanah Nasional Associate Artist Residency Programme (KAAR)

The KAAR, launched in 2017, selects two Malaysian artists annually for a transformative experience that immerses them in the dynamic international art scene, elevating their craft to new heights.

Over a 12-week programme, participants are provided with studio accommodation, comprehensive artist support and professional development, with modules offered by Acme Studios in London. In this inspiring international environment, they gain fresh perspectives, the freedom to take creative risks without commercial pressures and the opportunity to showcase their work in reputable exhibitions.

These experiences empower them to grow in confidence and become thought leaders in their field. Upon their return, participants are entrusted to impart the practical knowledge they have gained to the next generation of artists, enriching the local art scene and encouraging their fellow artists to create compelling narratives of the nation's rich social and cultural heritage.



▶ KAAR 2023 Artist, Joshua Kane Gomes pictured in the studio, Acme Fire Station. Photo Credit: Joshua Kane Gomes.



▶ KAAR 2023 Artist, Mark Tan pictured on site at East London Printmakers workshop. Photo Credit: Evi, East London Printmakers.

# KHAZANAH RESIDENCY PROGRAMME

## KRP Sustainability Programme

Introduced in 2023, the KRP Sustainability Programme replaced the KRP Design Programme. In the pilot programme, four candidates from Khazanah and its investee companies were selected to attend the fully sponsored Prince of Wales Business and Sustainability Programme - Asia, offered by the Institute For Sustainability Leadership, University of Cambridge.

The candidates, each with 15 years of experience and holding executive positions within their organisations—typically C-suite or direct reports such as CFO, Director, or Chief Advisor—were chosen for their institutional influence to directly affect strategic decisions. Notably, the recipients were not from a mainstream sustainability background, meaning they had not previously been sustainability practitioners. Upon their return, they are entrusted with imparting the practical knowledge they have gained to the organisation.



► Karina Ridzuan, Director, Group Business Services, Destination Resorts and Hotels (DRH) Sdn Bhd.



► Melinda Omar, Former Senior Vice President, Strategic Human Capital Management, Khazanah Nasional Berhad.



► Nurul Iman Mohd Zaman, Director, Investments, Khazanah Nasional Berhad.



► Harman Faiz Habib Muhamad, Director, Commercial & Corporate Support Services, UEM Group Berhad.

## GALERI KHAZANAH



- Galeri Khazanah's third virtual exhibition, Embracing the Beauty Within: Unleashing Imagination, highlighted the theme of humanity that celebrates society, culture, landscape, flora and fauna.


**In August 2022, Khazanah embarked on a significant cultural initiative with the launch of Galeri Khazanah, a virtual art gallery designed to provide a profound insight into Malaysia's cultural heritage. This gallery serves as a conduit between local and global audiences, presenting a curated selection of works by both local and international artists.**

Galeri Khazanah's collection is a culmination of artistic acquisitions made since Khazanah began operations in 1994. This initiative aligns with our strategic vision of Advancing Malaysia. By integrating art into the nation's social fabric, Khazanah not only preserves but also enriches Malaysia's cultural landscape, thus contributing significantly to nation-building. The gallery aims to highlight Malaysia's cultural contributions on a global platform, fostering a deep appreciation of the nation's artistic talents and cultivating vibrant communities.

The gallery's third virtual exhibition September 2023 - February 2024, "Embracing the Beauty Within: Unleashing Imagination" focuses on the theme of humanity, celebrating various facets such as society, culture, landscapes, and the natural environment. This exhibition presents a diverse range of themes through the artists' perspectives, offering a positive outlook on life and human experiences.

The exhibition showcased over 30 artworks from distinguished Malaysian artists, including Ismail Zain, Long Thien Shih, Mad Anuar Ismail, Mustapa Ibrahim and Nadiah Bamadhaj. Their works provide insightful interpretations of topics such as identity, societal issues, environmental values and philosophical musings.

In addition to established artists, the exhibition also features innovative and conceptually driven pieces by recipients of the Khazanah Nasional Associate Artist Residency Programme. This includes the works of Izat Arif, Joshua Kane Gomes, Mark Tan, Tomi Heri and Winnie Cheng.

 Find out more about our Galeri Khazanah on Instagram via <https://www.instagram.com/galerikhazanahofficial/> and website via <https://galeri.khazanah.com.my/>

## KHAZANAH'S DIGITAL TRANSFORMATION

Khazanah's organisation-wide digital transformation, NexGen, continues to make good progress in 2023 as we strive to enhance our capacity and capabilities in Advancing Malaysia.

The NexGen strategy comprises various programmes across three pillars:

### PILLAR **Architecture**

# 01

Modernise technology architecture by implementing new digital platforms and building capabilities to improve the quality of our decisions towards generating better business outcomes with accurate data.

### PILLAR **Culture**

# 02

Accelerate awareness to adopt digital tools to be equipped with future skills and aim to be agile in improving teamwork through collaboration.

### PILLAR **Enablement**

# 03

Increase governance efficiency and monitoring structure with the shift to empower each of us to take control of our work through technology.

In 2023, we achieved significant milestones and implemented several key initiatives across the three pillars. We focused on strengthening our foundations for future operational efficiency and improved decision-making, enabling increased usage of data analytics and AI applications to enhance productivity and better business outcomes in the future.

### Pillar 1: Architecture

- 1 Implemented cloud-based Investment & Treasury and Finance & Accounting systems to streamline processes, improve accuracy and uncover insights for better decision-making.
- 2 Set up a Khazanah Data Programme by establishing future-ready, secure and efficient infrastructure that will enable the optimisation of data for analytics and potentially AI applications.
- 3 Implemented an intermediate Digital Online Curriculum that includes topics like Data Analytics, Cybersecurity and Artificial Intelligence to prepare us for the future of work.

# KHAZANAH'S DIGITAL TRANSFORMATION

## Pillar 2: Culture

- 4 Conducted Agile Mindset workshops to help teams become more fluid and improve collaboration across teams.
- 5 Rolled out an AI awareness session to the Board and Senior Management Team which covered business use cases and challenges to adopting AI.
- 6 Conducted a phishing simulation in cybersecurity to cultivate a stronger culture of cyber awareness and vigilance.
- 7 Conducted digital sharing sessions with Khazanah portfolio companies to establish a network and experience-sharing.

## Pillar 3: Enablement

- 8 Set up Information Technology (IT) infrastructure for our North America office.
- 9 Established a 24-hour operations centre to monitor and mitigate cyber threats and keep us secure.
- 10 Took a pre-emptive approach to identify and fix security weaknesses via the White Hat Hacker Programme.
- 11 Monitored and ensured all support services/systems were available and accessible to businesses within the agreed Service Level Agreement (SLA).



▶ Khazanah-wide Agile Mindset workshops.



▶ Board and Senior Management Team Awareness Session on Exploring AI.



▶ Design workshop for our implementation of cloud-based Investment & Treasury and Finance & Accounting systems.



▶ Chief Technology Officer Circle held on 21 August 2023 with 16 participants from GLCs/GLICs.

CHAPTER 7

# TO FORGE A LASTING FUTURE TOGETHER



# FORGING AHEAD

As we move forward in this rapidly evolving environment, we remain vigilant and adapt to the shifting global megatrends. Our commitment to national development remains steadfast as we implement our Advancing Malaysia strategy.

Simultaneously, we are actively executing value-creation plans for Malaysian investments, ensuring the growth of a diversified portfolio through a multi-pronged approach that includes portfolio rebalancing to navigate diverse market conditions.

We are also dedicated to supporting new economic enablers and creating long-term societal impact, particularly through implementing our Dana Impak projects.

Amidst these efforts, sustainability remains at the forefront of our agenda. We are firmly committed to creating a sustainable future by adopting sustainable practices across our operations.

Our mandate extends beyond mere economic returns. We are deeply committed to delivering societal value by Building Capacity and Vibrant Communities, collaborating closely with our affiliate entities.

As we embark on this journey, which has lasted over 30 years, our commitment to Advancing Malaysia remains unwavering. We will continue collaborating with all stakeholders and segments of society to drive progress and prosperity for all.

<p><b>Execute value creation plans</b> for Malaysian investments</p> 	<p><b>Invest globally with discipline portfolio rebalancing</b> approach to grow a diversified portfolio</p> 	<p><b>Execute Dana Impak projects</b> with a focus on creating long-term societal impact</p> 	<p><b>Create a sustainable future</b> with the adoption of sustainability practices</p> 	<p>Continue delivering societal value through <b>Building Capacity and Vibrant Communities</b></p> 
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KHAZANAH  
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