

# KHAZANAH ANNUAL REVIEW 2024






**Khazanah records  
RM5.9 billion profit for 2023,  
solidifies growth strategy  
amidst volatile market  
conditions**

- RM5.9b profit from operations, a significant increase from RM1.6b in FY2022
- Achieved a 5-year rolling of 2.9% Net Asset Value (“NAV”) Time-Weighted Rate of Return (“TWRR”) for the Investments Portfolio
- Identified RM877m of Dana Impak projects to deliver socioeconomic benefits and enhance Malaysia’s economic competitiveness
- Established green investment platform UEM Lestra, reaffirming commitment to Malaysia’s sustainability and energy transition agenda
- Demonstrated strong financial and operational performance for its Airline and Tourism assets

# In achieving our goals, we invest to optimise portfolio performance and to deliver socioeconomic impact to Malaysians



| OVERALL KHAZANAH PORTFOLIO   |  |   |   | COMMUNITY DEVELOPMENT  |
|--|--|---|---|--|
| Investments Portfolio  | Dana Impak Portfolio   | Developmental Assets  | Special Situations  |  |
| <p><b>RM126.2b</b><br/>RAV<sup>1</sup></p> <p>Investments with commercial returns expectations</p> | <p><b>RM6.0b</b><br/>allocated</p> <p>Investments with clearly defined targeted socioeconomic outcomes</p>  | <p><b>RM5.1b</b><br/>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>&gt;RM2.2b</b><br/>contributed since 2006</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 <b>deliver</b> 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>   | <p><b>Societal values focused on 5 areas</b> – Education, Community Development, Environment, Knowledge and Arts, Heritage &amp; Culture</p> |

1. Realisable Asset Value; as at 31 Dec 2023

Khazanah navigated the volatile markets with disciplined capital allocation to deliver sustainable returns whilst investing for the future and embedding sustainability in our operations

## Financial Strength and Resilience



### Portfolio Performance

- Investments Portfolio **5-year** rolling NAV TWRR of **2.9%**
- Investments Portfolio **2023** NAV TWRR of **5.7%**



### Financial Performance

- RAV cover of **2.7x**
- Recorded profit from operations of **RM5.9b**
- **Rated A3/A** - by Moody's and S&P respectively

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## Value Creation for Malaysia



### Green Investments

- Established green investment platform, UEM Lestra to invest in and build domestic champions in green sectors
- Advanced the **development of multiple renewable energy projects**



### Dana Impak

- Identified **RM877m** of Dana Impak projects
- **Awarded grants to 15 finalists** under the Khazanah Impact Innovation Challenge



### Airline and Tourism

- MAGB recorded **first full year of positive net income after tax NIAT** since 2010
- Desaru Coast **welcomed >750,000 cumulative visitors**



### Societal Values

- Yayasan Hasanah **allocated RM54m** for 119 impact-based projects
- **Policy recommendations** by KRI on *Projek Perumahan Rakyat & Malaysian Labour Wage Gap*

Khazanah navigated the volatile markets with disciplined capital allocation to deliver sustainable returns whilst investing for the future and embedding sustainability in our operations

## Sustainable Future



### Environmental

- Achieved **carbon neutral** operations



### Social

- Established **Diversity, Equity & Inclusion Framework**



### Governance

- Incorporated **ESG-linked KPIs for key leadership positions** across our portfolio companies

Recorded RM5.9b profit from operations with RAV cover of 2.7x



## PROFIT FROM OPERATIONS

**RM5.9b**  
(2022: RM1.6b)

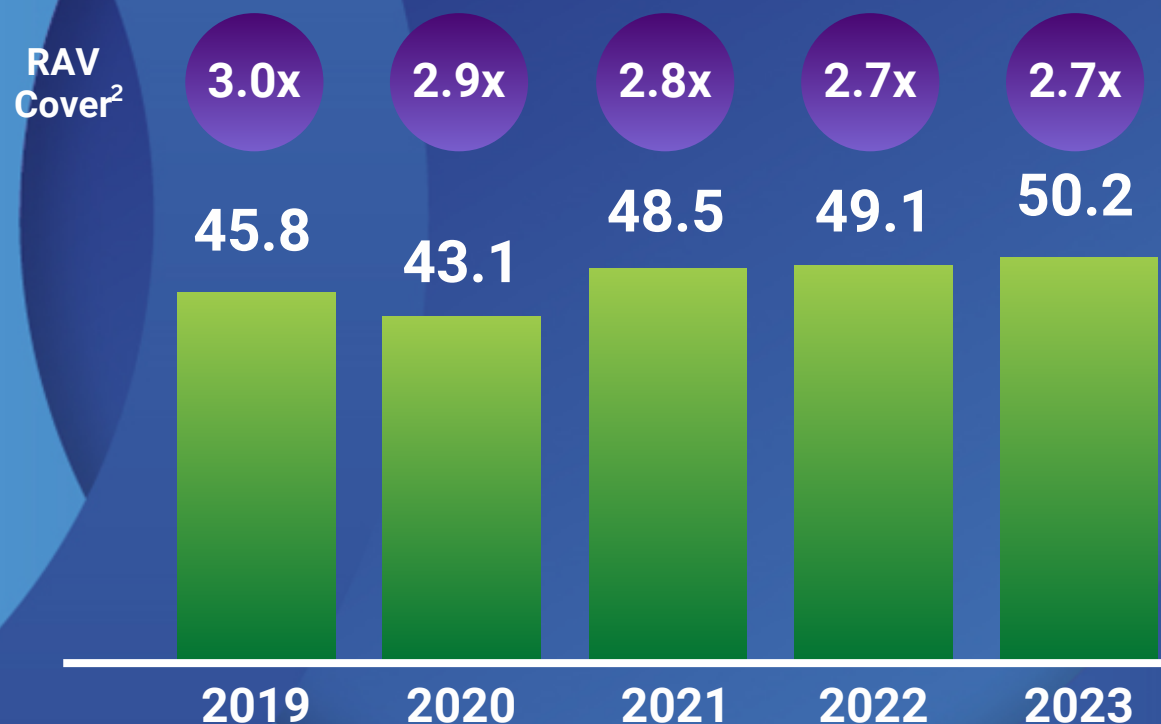
Profit increased by more than 3x contributed by:

- Higher dividends and distributions from investee companies
- Fair value gains from trading portfolio

## CONTRIBUTION TO GOVERNMENT

| RM m   | 2019  | 2020  | 2021  | 2022 | 2023  |
|--|-------|-------|-------|------|-------|
| Dividends  | 1,000 | 2,000 | 2,000 | 500  | 1,000 |
| Tax Paid   | 50    | 80    | 227   | 133  | 38    |
| Contribution to Government Request & Social Initiatives <sup>1</sup> | 50    | 70    | 101   | 166  | 142   |

## DEBT (RM b)



1. Youth Employability Initiatives (K-Youth, MySTEP), Film in Malaysia Incentives, COVID-19 and flood relief

2. RAV Cover = RAV / Debt

Long term target level of 3.0x – 4.0x.

Khazanah's Malaysia Strategy will serve as the guiding framework as we reshape the Malaysian portfolio via a mission-based approach to drive long-term returns and sustainable value for the nation



## Four (4) Key Areas of Khazanah's Malaysia Strategy

1



### Connectivity

to preserve and enhance Malaysia's integration, domestically and across borders

2



### Energy Transition

as a catalyst to achieve Malaysia's net zero emissions target by 2050

3



### Digitalisation

to keep pace with the speed of digital adoption and technological advancements globally

4



### Catalytic / New Growth Areas

to increase Malaysia's economic competitiveness and national resilience



Raising the Ceiling  
& Raising the Floor



Guide the success of the  
Malaysia Investments  
amidst evolving global  
megatrends

Moving forward, we will continue Advancing Malaysia by optimising our long-term portfolio performance & delivering socioeconomic impact whilst being mindful of the evolving global landscape

Execute value creation plans for Malaysian investments

1



Invest globally with disciplined portfolio rebalancing approach to grow a diversified portfolio

2



Execute Dana Impak projects with a focus on creating long-term societal impact

3



Create a sustainable future with the adoption of sustainability practices

4



Continue delivering societal value through Building Capacity and Vibrant Communities

5







“We are optimistic as we mark our 30-year anniversary this year, a milestone that is reflected through our collaborative efforts in nation-building as a sovereign wealth fund. As we forge ahead, we aim to grow our portfolio by executing value-creation plans for our Malaysian assets and ensuring a diversified portfolio through rebalancing and a disciplined investment approach. Our efforts and commitment to our stakeholders will continue to align with the goals of Ekonomi MADANI, fostering inclusive growth for all.”

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