



KHAZANAH
NASIONAL

THE KHAZANAH REPORT
2020



INVESTING
FOR OUR FUTURE

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A FULLY DIGITAL REPORT

As part of our sustainability efforts and move towards digitisation, we no longer print The Khazanah Report. You may now view the report via our website or click / scan the QR code to download this report in pdf format.





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INTRODUCTION & OVERVIEW

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“What we sow today seeks to grow and safeguard the nation’s long-term wealth for the benefit of future generations of Malaysians”

INTRODUCTION

The Khazanah Report 2020 outlines Khazanah Nasional Berhad’s (Khazanah) achievements, vision, goals and strategies that define our role as the sovereign wealth fund of Malaysia.

The Malay word Khazanah traces its origin from an Arabic word, which means ‘treasure’. The word is also found in other languages carrying the same meaning. Put together, the name Khazanah Nasional means ‘national treasure’, which represents the organisation’s role as one of the trustees of the nation’s commercial and strategic assets.

The cover of The Khazanah Report 2020 draws inspiration from our purpose statement of investing to deliver sustainable value for all Malaysians (more info on pg 6 ▶).





KHAZANAH
NASIONAL



— WHO WE ARE

Khazanah is the sovereign wealth fund of Malaysia.

Khazanah Nasional Berhad (Khazanah) was incorporated under the Companies Act 2016 in Malaysia on 3 September 1993 as a public limited company and commenced operations a year later. Khazanah is owned by the Ministry of Finance Incorporated, except for one share held by the Federal Land Commissioner.

Khazanah holds and manages selected commercial and strategic assets on behalf of the Government of Malaysia. Our portfolio of listed companies include Axiata Group Berhad, CIMB Group Holdings Berhad, IHH Healthcare Berhad, Malaysia Airports Holdings Berhad, UEM Sunrise Berhad, Telekom Malaysia Berhad and Tenaga Nasional Berhad.

In 2018, Datuk Shahril Ridza Ridzuan was appointed as the Managing Director of Khazanah to lead the corporate restructuring and reorganisation, and to execute a refreshed mandate. He reports to the Board of Directors, chaired by Malaysia's current Prime Minister Tan Sri Muhyiddin Mohd Yassin.



OUR PURPOSE

Khazanah invests to deliver sustainable value for Malaysians.

We achieve this by pursuing dual Commercial and Strategic funds investment objectives.

Investing to Deliver Sustainable Value for Malaysians

Through our investments, we seek to deliver sustainable economic and societal values for the nation.

As a strategic investor, we strive to balance between growing financial returns and being a responsible organisation for future generations of Malaysians to benefit from what we do today.

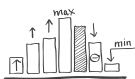
In balancing our dual objectives, we invest in **two separate investment funds**.

Commercial Fund focuses on investing responsibly and commercially to preserve and grow the long-term value of our assets.

Strategic Fund undertakes investments to deliver impactful measurable economic and societal returns for the nation and its people.

OUR PHILOSOPHIES

These **four** philosophies guide how we as an organisation execute our purpose:



Apply a long-term perspective to deliver sustainable risk-adjusted returns



Discipline in continually assessing our portfolio with an investor mindset



Advocate for responsible and sustainable actions



Develop our people

OUR VALUES



We hold ourselves accountable



We respect different viewpoints



We support one another



2020 IN REVIEW

- Khazanah activities
- External and investee companies activities

FEB



1 Feb
Toll rates reduction



24 Feb
New HQ at Mercu UEM

MAR



2 Mar
Khazanah Annual Review 2020



18 Mar
Nationwide Movement Control Order (MCO)



23 Mar
Yayasan Hasanah and Telekom Malaysia coordinated the GLC/GLIC Disaster Response Network (GDRN) support to assist Ministry of Health in responding to COVID-19 pandemic



APR



1 Apr
Appointment of Prime Minister Tan Sri Muhyiddin Mohd Yassin as Chairman, Finance Minister Tengku Datuk Seri Utama Zafrul Tengku Abdul Aziz and Dato' Mohammed Azlan Hashim as new BOD members

6 Apr
Contributed RM20 million to COVID-19 relief



13 Apr
Launch of *Implications of the Dominant Shift to Industrial Crops in Malaysian Agriculture (Phase I)*



15 Apr
Launch of Hasanah Special Grant 2020

MAY

4 May
Nationwide Conditional MCO (CMCO)



22 May
Placement of 172.3m shares in TM



2020 IN REVIEW

- Khazanah activities
- External and investee companies activities



JUN

7 Jun
Nationwide Recovery
Movement Control
Order (RMCO)

AUG



11 Aug
Launch of Anantara
Desaru Coast

SEP



6 Sept
Launch of One&Only
Desaru Coast

OCT



5 Oct
Announcement of
restructuring plan



13 Oct
Launch of *Welfare
in Malaysia Across
Three Decades*
report

14 Oct
Conditional Movement
Control Order (CMCO)

NOV



3 Nov
Launch of *Work
in an Evolving
Malaysia* report



6 Nov
Yayasan Hasanah
announced as
secretariat of
CERDIK initiative
during Budget
2021



16 Nov
Appointment of
Dato' Zainal Abidin
Putih as board
member

DEC



1 Dec
Launch of *Social
Inequalities and Health in
Malaysia* report



CHAIRMAN'S MESSAGE

Bismillahirrahmanirrahim,

As we reflect on the past year, it is evident to us that the COVID-19 pandemic has presented a challenge like no other in recent memory. The world continues to grapple with an unprecedented public health crisis, with social isolation and economic insecurities coming to the fore. The pandemic has taken an enormous toll on society and the economy, leading to the deepest global recession since the Second World War. But while the world continues to battle the grave threat to lives and livelihoods posed by the pandemic, we must and can remain hopeful that better days are ahead.

Each nation has its own story of how it has coped with the global impact of the pandemic. In 2020, the overall Malaysian economy contracted by 5.6 percent, its lowest performance since the 1998 Asian Financial Crisis, following deterioration in all economic sectors caused by several waves of the infection which necessitated the imposition of various restrictive measures throughout the year. In response, the Government proactively intervened through robust fiscal, monetary, and regulatory initiatives to mitigate the fallout. We introduced several economic stimulus measures to preserve the *rakyat's* welfare, support businesses and commerce, and lead the country towards recovery.



*In the worst of times,
we often see the best
of humanity*

And our economy is beginning to show positive signs of recovery. As reported by Bank Negara in May, for the first quarter of 2021, all economic sectors recorded improvements, especially the manufacturing sector, with GDP contracting less than the preceding quarter. This performance was supported largely by improvement in domestic demand and robust exports. While the full Movement Control Order (MCO) currently in place will have some effect on overall recovery, Malaysia remains positioned to reap gains from stronger global economic and trade activities. The trajectory of our economic growth will benefit from better global demand, increased public and private sector expenditure, as well as continued policy support, while the ongoing rollout and expansion of our nationwide vaccination programme will also be a contributing factor. Certainly, the pace of Malaysia's recovery partly hinges on our ability to interrupt the chain of transmission of the coronavirus and achieve herd immunity. At present, more than 10 percent of our population have received at least one dose of vaccine, and with the COVID-19 National Immunisation Plan moving into high gear, there is cause for optimism that we will be able to achieve our vaccination target by the end of the year.

While there are signs of recovery in 2021, we cannot let our guard down. The economy, at both the global and domestic levels, will take time to fully bounce back, and until vaccines have been extensively administered, not just in Malaysia but across the world, the pandemic will continue to have a grip on our lives. It will also be a challenging year for Khazanah, as full recovery in some key sectors, such as aviation and tourism, is not expected before 2023. Nevertheless, as Chairman, I remain confident in Khazanah's ability to ensure long-term business sustainability while continuing to appropriately manage risks and uphold good governance.

Indeed, throughout the many trials that Malaysia has had to endure since last year, we have also witnessed inspiring resilience and perseverance displayed by our fellow Malaysians, the prime example being those on the frontline. I am pleased to see that Khazanah has risen to the challenge and recorded a steady overall performance for 2020, despite the volatility in global financial markets and a difficult operating environment. It gives us confidence in Khazanah's capacity and capability to navigate the storm, continue to invest for our future, and deliver sustainable value for all Malaysians. Being resilient and persevering in the face of challenges gives us strength and hope, and this is how we, as a nation and as a people, will forge ahead. Undoubtedly, it is during the worst of times that we often see the best of humanity.





Tan Sri Muhyiddin Yassin with several Board Members at the Khazanah Board Retreat in April 2021

"I am pleased to see Khazanah reporting a steady overall performance for 2020 despite the volatility in global financial markets and an unfavourable economic environment impacted by the pandemic"

I am pleased to note that Khazanah has contributed RM20 million to support relief efforts in response to the COVID-19 pandemic. Overall, Government-Linked Investment Companies (GLIC), Government-Linked Companies (GLC) and other private sector entities have contributed more than RM90 million through the GLIC and GLC Disaster Response Network (GDRN), with the funds being used to support various medical and humanitarian aid and assistance.

It is clear that we can achieve much when we come together amidst uncertainty and do our utmost to collectively overcome adversity. On that note, I would like to express my gratitude to the Board, management, and staff for their unwavering commitment throughout these unprecedented times, and I am confident that Khazanah will continue to be resilient and determined in fulfilling its purpose for the benefit of the nation.

Together we shall prevail. *Insha-Allah.*

TAN SRI MUHYIDDIN MOHD YASSIN
Chairman, Khazanah Nasional Berhad

June 2021



BOARD OF DIRECTORS



TAN SRI MUHYIDDIN MOHD YASSIN
Chairman

Tan Sri Muhyiddin Mohd Yassin was appointed as the Chairman of Khazanah effective 1 April 2020. He is the current Prime Minister of Malaysia and was Deputy Prime Minister from 2009 to 2015. He had held various ministerial posts since 1995, including Minister of Youth and Sports, Minister of Domestic Trade and Consumer Affairs, Minister of Agriculture, Minister of International Trade and Industry, Minister of Education and his last position was Minister of Home Affairs. He was also the Menteri Besar of Johor from 1986 to 1995.



DATO' SERI MOHAMED AZMIN ALI
Director

Dato' Seri Mohamed Azmin Ali was appointed as a Board member of Khazanah effective 30 July 2018. He is currently the Senior Minister of International Trade and Industry as well as a Member of the Economic Action Council. Previously, he was the Minister of Economic Affairs and the Dato' Menteri Besar of Selangor.

He holds a Bachelor's degree in Economics and Mathematics and a Master's degree in Education and Economics from the University of Minnesota. He is currently a Director of Yayasan Pelaburan Bumiputra.



**TENGGU DATUK SERI UTAMA ZAFRUL
TENGGU ABDUL AZIZ**
Director

Tengku Datuk Seri Utama Zafrul Tengku Abdul Aziz was appointed as a Board member of Khazanah effective 1 April 2020. He is currently the Minister of Finance and a Senator of Dewan Negara, the upper house of the Malaysian Parliament.

He has over 22 years of experience in the banking and finance industry. Prior to his ministerial position, he was the Group CEO/Executive Director of CIMB Group Holdings Berhad. He had also served as CEO of Maybank Investment Bank Berhad and Maybank Kim Eng Holdings, as well as held senior positions in Citigroup Malaysia, Kenanga Holdings Berhad and Avenue Securities.

He graduated from University of Bristol, UK in Economics and Accounting. He also holds a Masters in Finance and Management from University of Exeter, UK and is a certified Fellow Chartered Banker by the Asian Institute of Chartered Bankers.





GOH CHING YIN

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 Maybank Asset Management Singapore Pte Ltd and sits on the boards of Maybank Investment Bank Berhad, Maybank Asset Management Group Berhad, Allianz Malaysia Berhad, Allianz Life Insurance Malaysia Berhad, and Shangri-La Hotels (Malaysia) Berhad.

He holds an MBA from Cranfield University, UK.



DATO' MOHAMMED AZLAN HASHIM

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

Dato' Mohammed Azlan Hashim was appointed as Board member of Khazanah effective 1 April 2020. He is a Board member and the Investment Panel Chairman of the Employees' Provident Fund. He is also currently the Chairman of several public listed entities including D&O Green Technologies Berhad, Marine & General Berhad and IHH Healthcare Berhad. He has extensive working experience in the corporate sectors including financial services and investments. Among others, he served as Chief Executive of Bumiputra Merchant Bankers Berhad, Managing Director of Amanah Capital Malaysia Berhad and Executive Chairman of Bursa Malaysia Berhad.

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, Institute of Chartered Secretaries and Administrators, and Member of the Malaysian Institute of Accountants.





DATO' ZAINAL ABIDIN PUTIH

Director and Chairman of Audit & Risk Committee (ARC)

Dato' Zainal Abidin Putih was appointed as a Board member for Khazanah effective 16 November 2020. Dato' Zainal 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 board of Petron Malaysia Refining & Marketing Berhad, as well as the boards of several private limited companies.

He brings with him decades of extensive experience in audit, having worked as a practicing 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 a past president of the Malaysian Institute of Certified Public Accountants, former Chairman of the Malaysian Accounting Standards Board and Pengurusan Danaharta Nasional Berhad, as well as a former member of the Malaysian Communication & Multimedia Commission. Dato' Zainal is a Trustee of IJN Foundation and a Trustee of Yayasan Universiti Multimedia.



LAU SENG YEE

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

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, he was the CEO of BBDO and 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 include 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.





TO' PUAN AZIAN MOHD AZIZ

Director and Member of Audit & Risk Committee (ARC)

To' Puan Azian Mohd Aziz was appointed as a Board member of Khazanah effective 26 June 2019. She graduated with a Bachelor of Laws (LL.B) (Hons) degree from the University of Malaya. Her career began on 1 October 1987 with her appointment as a Federal Counsel in Attorney General's Chambers. She has held various positions throughout her careers, such as a Legal Advisor to the Ministry of Transport, Senior Federal Counsel in Advisory Division and Research Division of the Attorney General's Chambers, Senior Assistant Parliamentary Draftsman and Legal Advisor to the Ministry of Defence. In 2009, she was appointed as the Corporation Secretary of Putrajaya Corporation.

Later in 2010, she was made the Director General of the Judicial and Legal Training Institute at the Prime Minister's Department. Subsequently in 2012, she was appointed as the Treasury Solicitor, Ministry of Finance. In 2014, she was then made the Deputy Head of Advisory Division (Municipal) I of the Attorney General's Chambers. In late 2016, she was promoted as the Head of International Affairs Division, Attorney General's Chambers and on 1 November 2018, she was appointed as the Head of Advisory Division in the Attorney General's Chambers. From 16 December 2020, she is the Parliamentary Draftsman of the Attorney General's Chambers.

She is currently a Board member of the Inland Revenue Board of Malaysia. Previously, throughout her career, she has sat as a director of various entities such as Sepang International Circuit, Amanah Raya Berhad, Amanah Raya Trustees, Syarikat Perumahan Negara Berhad, Institut Jantung Negara and Syarikat Prasarana Nasional Berhad. She has also previously sat on the Board of Advisors of Institut Latihan Islam Malaysia.



DATUK SHAHRIL RIDZA RIDZUAN

Managing Director and Member of Executive Committee (EXCO)

Datuk Shahril Ridza Ridzuan joined Khazanah on 20 August 2018 from the Employees Provident Fund where he was CEO. Prior to that, he was Managing Director of Malaysian Resources Corporation Berhad. He is currently the Chairman of M+S Pte Ltd, Iskandar Investment Berhad and Yayasan Khazanah, and is a Non-Executive Board Member of Malaysia Aviation Group Berhad and Malaysia Airlines Berhad.

He holds a Master of Arts (First Class) from Cambridge University and a Bachelor of Civil Law (First Class) from Oxford University.



MESSAGE FROM THE MANAGING DIRECTOR

Salam Sejahtera.

Welcome to *The Khazanah Report 2020* (TKR2020), a fully digital publication that reflects our commitment to sustainability and advancing a digital agenda in Malaysia.

2020 was a difficult year and the world continues to grapple with the impact of the COVID-19 outbreak on public health and the economy. The pandemic presents multiple challenges to Khazanah in our journey to build an institution that delivers sustainable value for Malaysians. The financial markets underwent significant volatility, the global and domestic aviation and tourism sectors were severely impacted, while business continuity and structural changes across multiple industries became paramount.

Against this backdrop, Khazanah recorded steady overall performance by building on our efforts in recent years. We continued our portfolio rebalancing efforts, while taking advantage of investment opportunities that arose from the market volatility and prudently managing our financial position.

RM 2.9 b
PROFITS FROM OPERATIONS IN 2020

As reported in our Khazanah Annual Review earlier this year, we achieved a profit from operations of RM2.9 billion for 2020 amidst the challenging environment. Compared to the previous year, we recorded higher dividend income of RM5.2 billion, lower divestment gains of RM2.7 billion, and made higher impairments of RM6.0 billion, which were primarily due to the impact of the pandemic on aviation and tourism.

Our financial position remained strong in 2020 with debt reduced by a further 6% to RM43.1 billion against the previous year, while operating expenditure, including a RM20 million contribution to pandemic relief efforts, remained relatively flat, and Realisable Asset Value (RAV) cover remained strong at 2.9 times.

We made further inroads into diversifying the asset mix of our Commercial Fund in 2020, two years into the portfolio rebalancing exercise. In total, investments amounting to RM5.6 billion were made across several asset classes. Overall, our efforts focused on the continued rebalancing of PIPE (Private Investment in Public Equities) assets, deployment into Public Developed Markets and taking advantage of market volatility in Emerging Markets, while maintaining discipline in executing our Private Markets investments programme.

For 2020, the Commercial Fund generated a two-year rolling time-weighted rate of return (TWRR) of 1.5% against our long-term targeted return of Malaysian Consumer Price Index (CPI) +3% on a five-year rolling basis. Our investments in the Global Public Markets asset class of the Commercial Fund continued to be the strongest performer, providing an annual return of 26.2%.

The Strategic Fund, meanwhile, was significantly impacted by the fall in the market value of key listed assets, as well as provisions on impairments to aviation and hospitality assets. We navigated the difficult period by focusing on

engaging regulators to manage the challenging operating landscape for investee companies in the portfolio, restructuring the balance sheets of selected assets to preserve value, strengthening the leadership bench of operating companies, and continuous monitoring and assessment of the pandemic's impact on investee companies. The Strategic Fund made a gain of 0.3% in 2020, against the targeted rate of return of the 10-year Malaysian Government Securities (MGS) yield on a five-year rolling basis.



A key outcome for one of our assets under the Strategic Fund was the significant progress made on the restructuring of Malaysia Airlines Group (MAGB). In February this year, MAGB successfully put in place a court sanctioned restructuring involving most of its key creditors. This restructuring exercise will achieve a reduction in MAGB's liabilities of over RM15 billion and up to RM1 billion of cost savings.

Within Khazanah, we made further progress in strengthening our overall internal processes and procedures. These include on-going initiatives to enhance our Asset-Liability Management, Enterprise Risk Management, and ESG implementation. In addition, our efforts on boosting our digital capabilities continued across multiple fronts.



“ We look forward to continuing our work in investing to deliver sustainable value for all Malaysians ”



Elsewhere, Khazanah continued to contribute to the public sphere through the internationally-recognised **Taman Tugu** ▶ which saw a 41% increase in visitors and was awarded an Honorary Recognition from World Urban Parks last year.

The Khazanah Research Institute ▶ continues to produce excellent commentary and thought pieces on the nation's most pressing issues. We are also pleased with the expanding role of **Yayasan Hasanah** ▶ in coordinating contributions between the Government and private sectors in disaster relief, education, and social development across the country.

Moving forward, we will focus on five Strategic Priorities that we've identified for the coming years. We aim to further enhance our commercial returns, deliver impactful value through our strategic investments, embed Environmental, Social & Governance considerations across our investment activities, build a strong digital and technology foundation, and continue to invest in our people.

Overall, Khazanah's achievements and progress in 2020 were the outcome of the many efforts collectively put in by our Board of Directors led by our Chairman Tan Sri Muhyiddin Mohd Yassin, the management and staff, and I would like to thank them for this. I would also like to take this opportunity to mention the generosity of our staff and thank them for contributing both time and money towards helping those most in need during the pandemic.

We look forward to continuing our work in delivering sustainable value for all Malaysians.

DATUK SHAHRIL RIDZA RIDZUAN
Managing Director, Khazanah Nasional Berhad

May 2021



— SENIOR MANAGEMENT



DATUK SHAHRIL RIDZA RIDZUAN

Managing Director

Datuk Shahril Ridza Ridzuan joined Khazanah in August 2018 from the Employees Provident Fund (EPF) where he was CEO. Prior to that, he was Managing Director of Malaysian Resources Corporation Berhad (MRCB). He is currently the Chairman of M+S Pte Ltd, Iskandar Investment Berhad and Yayasan Khazanah, and is a Non-Executive Board Member of Malaysia Aviation Group Berhad and Malaysia Airlines Berhad. He holds a Master of Arts (First Class) from Cambridge University and a Bachelor of Civil Law (First Class) from Oxford University.



TENGGU DATO' SRI AZMIL ZAHRUDDIN RAJA ABDUL AZIZ

Chief Investment Officer

Tengku Dato' Sri Azmil Zahrudin Raja Abdul Aziz joined Khazanah in October 2011 from Malaysian Airline System Berhad where he was Managing Director and CEO. Prior to that, he was Managing Director and CEO of Penerbangan Malaysia Berhad. He has also worked at PricewaterhouseCoopers in London and Hong Kong. Currently, he is the Chairman of UEM Group Berhad and Themed Attractions Resorts & Hotels Sdn Bhd. He is a graduate in Economics from University of Cambridge, United Kingdom and a Chartered Accountant.



DATO' MOHAMED NASRI SALLEHUDDIN

Executive Director

Head, Corporate & Support Services, Company Secretary and Head, Legal

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





FARIDAH BAKAR ALI
Chief Financial Officer

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



LATIFAH DAUD
Executive Director
Strategic Human Capital Management

Latifah Daud joined Khazanah in April 2015 from Honeywell Inc. where she was based in Shanghai, China. Latifah served almost eight years in the senior leadership team of Honeywell Asia Pacific supporting various industries including aerospace, oil and gas, software technology solutions and specialty materials. Prior to that, she worked 13 years in Motorola/ Freescale Semiconductors. In her early career, Latifah was at Renong Group/ Hatibudi Nominees when Malaysian Government privatisation and national infrastructure programme started in 1990s. Latifah holds a Bachelor of Science in Computer Management and an MBA from Eastern Illinois University, United States.



SUHANA DEWI SELAMAT
Head, Governance, Risk & Compliance

Suhana Dewi Selamat joined Khazanah in November 2012 and was appointed Chief Risk Officer on 1 February 2017. Previously she was the Director/Country Head of Compliance with Credit Suisse in Malaysia. She has 25 years of experience in legal, regulatory, compliance and risk management roles. She read law at London School of Economics and Political Science.



DATUK HISHAM HAMDAN
Executive Director
Head, Public Markets

Datuk Hisham Hamdan joined Khazanah in April 2011 from Sime Darby Berhad, where he served in various senior capacities, covering strategy and business development, healthcare, energy & utilities, and China. 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.





AMRAN HAFIZ AFFIFUDIN

Executive Director
Head, Energy & Infrastructure

Amran Hafiz Affifudin joined Khazanah in June 2011. He started his career with PETRONAS in corporate finance and treasury functions. Amran also has experience in the private equity industry, where he served in various roles and responsibilities with several firms. 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.



SERENA TAN

Executive Director
Head, Private Markets and Head, Financial Institutions Group (FIG)

Serena Tan joined Khazanah in February 2005. She has over 20 years of experience covering private equity and the financial services sector including secondments to Khazanah investee companies such as Bank Lippo (now CIMB Niaga) in Indonesia. She sits on the Boards of CIMB Group Holdings Berhad, CIMB Bank Berhad, Aviva Singapore and Singlife Singapore. Prior to Khazanah, Serena was with Boston Consulting Group and McKinsey & Co. She holds a Bachelor of Commerce Degree in Accounting and Finance from Macquarie University, Australia and a Master's in Business Administration under the MIT Sloan Fellows Programme at the Massachusetts Institute of Technology, and is part of the Aspen Institute's Finance Leaders Fellowship (class of 2018).



BRYAN LIM

Executive Director
Head, Private Markets (North Asia) and Head, Consumer and Healthcare

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





SELVENDRAN KATHEERAYSON

Head, Real Assets

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.



WONG SHU HSIEN

Head, Infrastructure

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 from London School of Economics and Political Science, United Kingdom.



SHAHIN FAROUQUE JAMMAL AHMAD

Head, Special Situations

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



DR FARID MOHAMED SANI

Head, Chief Investment Officer's Office

Dr Farid Mohamed Sani rejoined Khazanah in December 2018 after serving as Chief Strategy Officer at 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.





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 also responsible for overseeing operations at Khazanah Research Institute and is a monthly contributor to The Edge Malaysia’s Forum column. He holds a Masters 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.



NIK SHARIFIDIN NIK MOHAMED DIN

Head, Strategy

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



MOHD RASLAN MD SHARIF

Head, Corporate Communications

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

We would like to extend our gratitude and appreciation to the following former Senior Management Team members for their contribution to Khazanah.

AHMAD ZULQARNAIN ONN

Deputy Managing Director and Head of Strategic Management Unit

Ahmad Zulqarnain Onn left Khazanah in June 2020 after serving for six years.

NIK RIZAL KAMIL

Executive Director

Head, Private Markets (North America, EMEA and India)

Nik Rizal Kamil left Khazanah in January 2021 after serving for almost a decade.

MOHD IZANI ASHARI

Executive Director

Head, Special Projects Office

Mohd Izani Ashari left Khazanah in April 2021 after serving for 13 years.





2

CORPORATE GOVERNANCE

Governance and Accountability ▸ 25

GOVERNANCE AND ACCOUNTABILITY

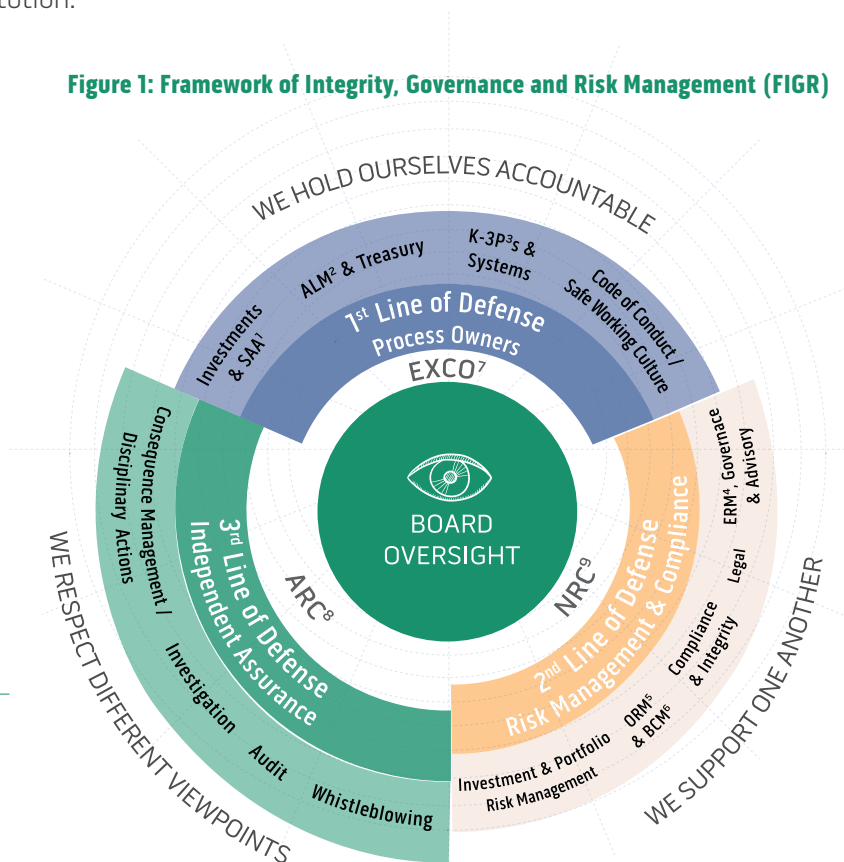
We uphold rigorous standards of transparency and accountability, guided by a framework that sets a clear responsibility, authority and governance structure.

We operate within the framework of a clearly defined mandate that is aligned with the national development objectives of the Government.

Our Framework of Integrity, Governance and Risk Management (FIGR) (Figure 1) serves as a guide for the effective management of risks, and to inculcate a culture of good corporate governance and risk management throughout the institution.

The Framework was adopted by the Board in 2004 and was updated in June 2021 to highlight the Board's oversight function and Khazanah's core values. The FIGR sets the parameters to guide our overall business operations according to our core values where we hold ourselves accountable, we respect different viewpoints and we support one another, and with accountability to the Board at its core.

Figure 1: Framework of Integrity, Governance and Risk Management (FIGR)



¹ SAA - Strategic Asset Allocation
² ALM - Asset and Liability Management
³ K-3P - Khazanah Policies, Processes & Procedures
⁴ ERM - Enterprise Risk Management
⁵ ORM - Operational Risk Management
⁶ BCM - Business Continuity Management
⁷ EXCO - Executive Committee
⁸ ARC - Audit & Risk Committee
⁹ NRC - Nomination & Remuneration Committee



The Board of Directors (Board) governs our operations and is ultimately accountable and responsible for Khazanah’s overall governance – this includes both performance and conformance matters. The Prime Minister of Malaysia is the Chairman of our Board and is supported by a group of qualified individuals with diverse professional backgrounds and expertise as Board members. A Board Charter sets out the roles and responsibilities of the Board in overseeing the management of Khazanah, and the FIGR includes a Schedule of Matters for the Board, Limits of Authority for Management, a Risk Management Policy, a Code of Conduct, and other relevant matters.

The Board is assisted by three subcommittees – the Executive Committee (EXCO), the Audit and Risk Committee (ARC) and the Nomination and Remuneration Committee (NRC). The four-member EXCO comprises three non-Executive Directors and an Executive Director; and the three-member NRC comprises three non-Executive Directors. The ARC is to have not less than three members, with a majority (including its Chairman) comprising independent non-Executive Directors.

At the management-level, a Management Committee (MC) and an Investments Committee (IC) are in place to manage operational and investment-related matters. We comply with statutory public disclosure requirements concerning our investments, divestments, and capital-raising exercises. Notwithstanding the same, we make appropriate disclosures of our performance and operations, be they required by law and the relevant authorities or voluntary dissemination of information to our stakeholders, including the public, across various platforms and forums.



Our accounts are audited by an independent external auditor, and the audited financial statements are submitted to the Companies Commission of Malaysia. Financial data is disclosed to our shareholder (Minister of Finance, Inc). We publish our audited financial statements in our official website and through annual publications including The Khazanah Report.

Stakeholder engagement remains a priority for us. Various outreach programmes are organised for the media, fund managers, government agencies, parliamentarians and civil society organisations, to inform them of our operations, activities and performance. This is intended to enhance their understanding of Khazanah.

In our ongoing efforts to further enhance our governance and accountability framework, we also support and contribute to initiatives and best practices that promote good governance, strong risk management, and long-term sustainability, at both domestic and international levels. Such initiatives include:

<p>1</p> <p>INITIATIVE</p> <p>Member of the International Forum of Sovereign Wealth Funds (IFSWF), where we voluntarily endorse the Santiago Principles promoting transparency, good governance, accountability and prudent investment practices whilst encouraging a more open dialogue and deeper understanding of SWF activities.</p>	<p>2</p> <p>INITIATIVE</p> <p>Signatory of the United Nations supported Principles for Responsible Investment (UNPRI), where we subscribe to the six principles that provide options for incorporating Environmental, Social and Governance (ESG) elements into our investment practice.</p>	<p>3</p> <p>INITIATIVE</p> <p>Signatory of the Malaysian Anti-Corruption Commission's (MACC) Corporate Integrity Pledge, which underlines our firm commitment to integrity and good governance.</p>	<p>4</p> <p>INITIATIVE</p> <p>Signatory of the Malaysian Code for Institutional Investors (MCII) and a member of the Institutional Investors Council Malaysia (IIC).</p> <hr/> <p><i>Under Khazanah's Integrity & Anti-Corruption Plan (IACP), approved by the Board's Audit & Risk Committee in April 2019, various processes and procedures have been and continue to be enhanced, including those related to investigations, the information barrier, staff training, and outreach to our investee companies.</i></p>
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COMMITMENT TO GOOD INSTITUTIONAL GOVERNANCE



Khazanah is a signatory of the Malaysian Code for Institutional Investors (MCII) and a member of the Institutional Investor Council Malaysia (IIC). We fully support the six principles of the Code and our full Statement of Compliance is publicly available on our website.

1. Institutional investors should disclose the policies on their stewardship responsibilities

Our FIGR provides a clear responsibility, authority and governance structure for Khazanah; and guides all our investments activities and business conduct.

2. Institutional investors should monitor their investee companies

Khazanah's investment portfolios are actively monitored and managed by investment teams in accordance with our Management and Monitoring Manual. This includes the development of Value Creation Strategy, where appropriate, and monitoring performance against identified targets.

3. Institutional investors should engage with investee companies as appropriate

We are guided by a Five-Point Engagement Framework in our collaborative investment approach with our investee companies. The framework helps us to monitor the progress of the companies while empowering them to become high-performing entities.

4. Institutional investors should adopt a robust policy on managing conflicts of interest which should be publicly disclosed

Khazanah has 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.

5. Institutional investors should incorporate corporate governance and sustainability considerations into the investment decision making process

Khazanah has been active in monitoring the governance aspect of our investee companies through a diligent management and monitoring process. In 2019, the environment and social aspects of corporate behaviours was included via the Responsible Investment (RI) Policy which outlines Khazanah's principles and commitments as a responsible investor, taking into account environmental, social and governance (ESG) factors to aid the management of risks and generate long-term, sustainable returns.

6. Institutional investors should publish a voting policy

Khazanah is proactive in making sure that its voting policy is updated and consistent with the latest provision in Malaysia Code of Corporate Governance. This Policy was approved in 2019 and is available on Khazanah's website.



COMMITMENT TO RESPONSIBLE INVESTMENT



Khazanah is a signatory of the United Nations-supported Principles for Responsible Investment (UNPRI). As Malaysia's sovereign wealth fund and guardian of Malaysia's inter-generational wealth, we have a duty to act in the best long-term interests of our beneficiaries. We believe that environmental, social, and governance (ESG) issues affect the performance of investment portfolios to varying degrees across companies, sectors, regions, asset classes and through time. We also recognise that applying these Principles may better align investors, including ourselves, with broader objectives of society.

1. We will incorporate ESG issues into investment analysis and decision-making processes.

Khazanah is actively reassessing our investment processes and how ESG can be further enhanced. This has translated to efforts in developing the Responsible Investment Policy which was approved in 2019. Our Investment Policy outlines our commitment to sustainability as a long-term investor and to consider environmental, social and governance factors in the investments we undertake.

2. We will be active owners and incorporate ESG issues into our ownership policies and practices.

We actively exercise our ownership rights and apply various methods of engagement with our key investee companies to drive responsible business practices and deliver sustainable returns.

3. We will seek appropriate disclosure on ESG issues by the entities in which we invest.

As part of our active engagement initiatives, we continuously advocate for better disclosure and transparency.

4. We will promote acceptance and implementation of the Principles within the investment industry.

We promote inclusive development and the sustainability agenda with the investment sector in Malaysia through sharing of insights and experience at industry events and knowledge sharing platforms.

5. We will work together to enhance our effectiveness in implementing the Principles.

We take a collaborative stance in partnering, sharing and learning best practices as we believe harnessing our collective knowledge to improve the investment ecosystem.

6. We will each report on our activities and progress towards implementing the Principles.

We started reporting to UNPRI in 2019 and will continue to enhance relevant reporting in the coming years. This includes relevant disclosures on our ESG activities and progress.





3

PERFORMANCE REVIEW

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Independent Auditors' Report ▶ **33**

Selected Financial Indicators ▶ **34**

Five Strategic Priorities ▶ **35**

FINANCIAL HIGHLIGHTS

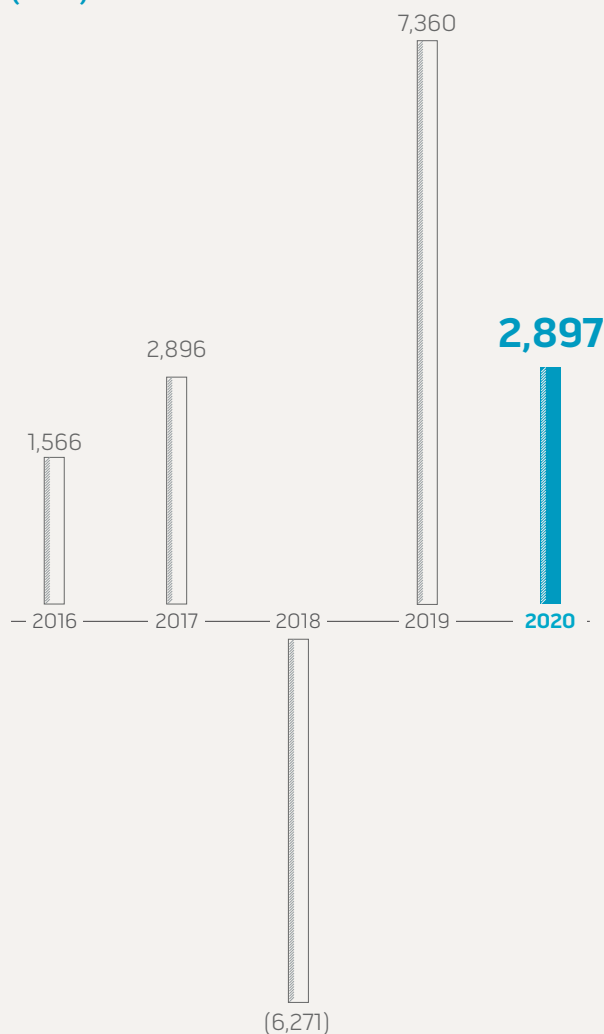
Khazanah Nasional (Khazanah) reported a steady overall performance in 2020 despite volatility in global financial markets and an uncertain economic environment impacted by the COVID-19 pandemic.

Khazanah delivered a profit from operations of RM2.9 billion, compared to RM7.4 billion in 2019. The lower profit was attributed to lower divestment gains of RM2.7 billion compared to RM9.9 billion in 2019. Khazanah declared a dividend of RM2.0 billion in 2020.

Khazanah continued to deploy investments in a prudent manner through its dual-fund investment structure.

The Commercial Fund, which focuses on preserving and growing the long-term value of assets, generated a two-year rolling time-weighted rate of return (TWRR) of 1.5% against the targeted return of Malaysian Consumer Price Index (CPI) +3% on a five-year rolling basis. The portfolio value of the Commercial Fund as measured by Realisable Asset Value (RAV) stood at RM95.3 billion as at the end of 2020.

PROFIT/(LOSS) FROM OPERATIONS (RM m)



PERFORMANCE REVIEW

Scan or click here for the full set of Financial Statements 2020 >

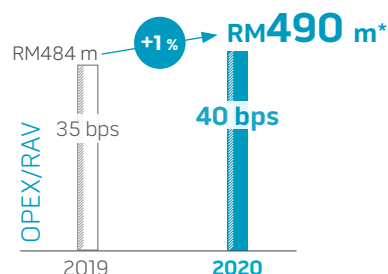


The Strategic Fund, which invests to deliver economic and societal returns for the nation, recorded a gain of 0.3%¹ in 2020, against the targeted rate of return of the 10-year Malaysian Government Securities (MGS) yield on a five-year rolling basis. The Strategic Fund's portfolio RAV stood at RM27.9 billion as at 31 December 2020 compared to RM32.9 billion a year ago. The portfolio value was heavily impacted by the fall in market value of key listed assets and impairments made on aviation and hospitality assets.

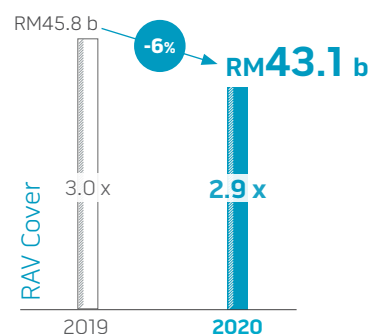
Amidst a challenging 2020, Khazanah continued to strengthen its financial position with debt reduced by 6.0% to RM43.1 billion from RM45.8 billion in 2019, while RAV cover² stood at 2.9 times.

Meanwhile, operating expenses rose by 1.0% to RM490 million from RM484 million in 2019. This includes RM20 million which Khazanah contributed as COVID-19 relief to the government.

OPERATING EXPENDITURE



TOTAL DEBT



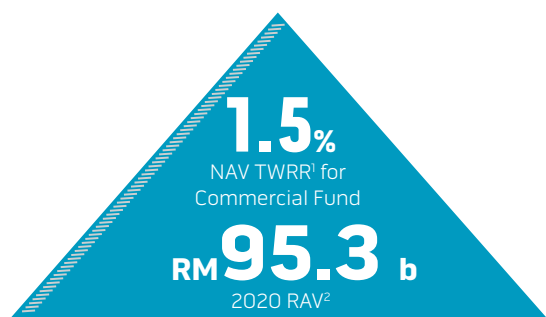
¹ Aggregate Net Profit / Net Tangible Asset ex-MAGB

² Realisable Asset Value (RAV) over Total Debt

* Includes COVID-19 relief contribution of RM20 m

PERFORMANCE OF COMMERCIAL FUND

2020 Commercial Fund performance against targeted return of Malaysian Consumer Price Index (CPI) +3.0% on a 5-year rolling basis

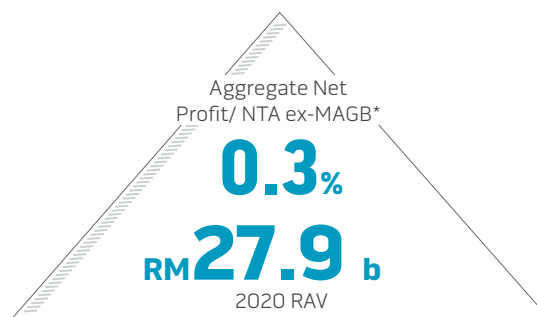


¹ Time-Weighted Rate of Return (TWRR) is calculated on a 2-year rolling basis for Net Asset Value, against 2-year rolling Consumer Price Index (2019-2020) at -0.2%

² Includes cash and cash equivalents, and other current assets

PERFORMANCE OF STRATEGIC FUND

Target Return of 10-year Malaysian Government Securities (MGS) yield on a 5-year rolling basis



*2020 Aggregate Net Profit / Net Tangible Asset ex-MAGB is a full year estimate as at 31 December 2020



INDEPENDENT AUDITORS' REPORT

Report on the Summary Financial Information

Opinion

The summary financial information, which comprises the summary balance sheets as at 31 December 2020, 2019, 2018, 2017 and 2016, 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 2020, 2019, 2018, 2017 and 2016.

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

Auditors' Responsibility

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



Ernst & Young PLT

10 April 2021
Kuala Lumpur

SELECTED FINANCIAL INDICATORS

INCOME STATEMENT (RM million)

For the years ended 31 December

	2020	2019	2018	2017	2016
Revenue	8,364	14,290	4,471	6,112	6,210
Profit / (loss) from operations	2,897	7,360	(6,271)	2,896	1,566
Taxation	(88)	(82)	(249)	(88)	(129)
Net profit / (loss) for the year	2,809	7,278	(6,520)	2,808	1,437
Dividends declared					
- Normal dividend	(1,000)	(1,000)	(1,000)	(700)	(650)
- Special dividend	(1,000)	—	(500)	(300)	—
Net profit / (loss) for the year after dividends	809	6,278	(8,020)	1,808	787

BALANCE SHEET (RM million)

As at 31 December

	2020	2019	2018	2017	2016
Current assets	7,847	8,289	3,852	6,141	5,071
Non-current assets	74,041	74,777	82,967	86,426	83,378
Total assets	81,888	83,066	86,819	92,567	88,449
Current liabilities	10,345	12,063	17,109	12,064	10,338
Non-current liabilities	35,129	34,521	38,793	39,136	40,280
Total liabilities (see Note A)	45,474	46,584	55,902	51,200	50,618
Share capital	12,284	12,284	12,284	12,284	6,644
Share premium	-	-	-	-	3,840
Retained profits	16,675	15,866	9,587	17,607	16,983
Other reserves	7,455	8,332	9,046	11,476	10,364
Shareholders' fund	36,414	36,482	30,917	41,367	37,831
Total equity and liabilities	81,888	83,066	86,819	92,567	88,449

Note A - Included in total liabilities are borrowings as follows:

BORROWINGS (RM million)

As at 31 December

	2020	2019	2018	2017	2016
Khazanah's Government-guaranteed bonds	9,878	10,639	12,626	14,013	14,373
Other bonds and notes	26,245	24,997	23,015	19,449	17,253
Term loans	3,352	2,500	5,067	5,022	5,286
Exchangeable sukuk	3,135	3,133	2,899	4,622	4,826
Revolving credit facilities	456	4,500	11,628	6,766	7,525
	43,066	45,769	55,235	49,872	49,263

- The above income statements and balance sheets are derived from Khazanah's Extended Company Financial Statements, which refers to 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.
- Revenue includes realised divestment gains from investments classified as fair value through other comprehensive income that was recycled to retained earnings upon divestment.
- Profit/(loss) from operations consist of profit/(loss) before tax, realised divestment gains and permanent reduction in value of assets classified as fair value through other comprehensive income that was recycled to retained earnings.



FIVE STRATEGIC PRIORITIES

Khazanah identified Five Strategic Priorities (5SP) in 2018 to guide us in transitioning our portfolio and organisation, focusing on:



Rebalance Commercial Fund portfolio by further diversifying across asset classes and geographies with the aim of achieving long-term strategic asset allocation and sustainable risk-adjusted financial returns.



Develop Strategic Fund portfolio to ensure we deliver impactful economic and societal outcomes.



Build Organisational Capacity by refreshing our digital and talent frameworks and initiatives.








Strengthen Financial Position by lowering Khazanah's debt to more optimal levels and prudently manage our operating expenditures.



Align Governance Structure and Framework by embedding policies and procedures to effectively govern the dual fund structure and manage any potential risks.



Our 2020 achievements against the Five Strategic Priorities

 <p>SP 1 Rebalance Commercial Fund</p>	<p>Targeted a return of Malaysian Consumer Price Index (CPI) + 3.0% 2-year rolling basis Time-Weighted Rate of Return (TWRR) at 1.5%</p>		
 <p>SP 2 Develop Strategic Fund</p>	<p>Undertook measures to preserve asset value amidst economic downturn (Tenaga Nasional Berhad (TNB), Telekom Malaysia (TM), Malaysia Aviation Group Berhad (MAGB) and Themed Attractions Resorts & Hotels (TAR&H))</p>		
 <p>SP 3 Strengthen Financial Position</p>	<p>Maintained OPEX 40bps as of 2020</p>	<p>Prudent RAV* cover 2.9x as of 2020</p>	<p>Managed debt level RM45.8 b to RM43.1 b</p>
 <p>SP 4 Align Governance Structure and Framework</p>	<p>Completed implementation of new policies and processes to enable organisation realignment to the mandate</p>		
 <p>SP 5 Build Organisational Capacity</p>	<p>Digital architecture strategy approved and commenced implementation of digital refresh across the organisation</p>		

* RAV: Realisable Asset Value



Our 2020 performance was accomplished against the backdrop of a challenging economy and unprecedented impact to the operating environment caused by the COVID-19 pandemic. Despite the challenges, we were able to build on our efforts in recent years allowing us to navigate the economic uncertainty.

In 2020, Khazanah continued with the strengthening of our financial position. OPEX remained largely stable at RM490 million from RM484 million in 2019, factoring in a RM20 million contribution towards COVID-19 relief to the government. At the same time, we were able to reduce debt levels to RM43.1 billion from RM45.8 billion, while Realisable Asset Value (RAV) cover remained prudent at 2.9 times.

Due to continuous efforts made to rebalance our Commercial Fund to more diversified global assets, the portfolio was able to navigate through market volatilities during these testing times and achieved a return of 1.5% with RAV of RM95.3 billion. For the Strategic Fund, the portfolio managed to eke out a return of 0.3% despite heavily impacted by the fall in market value in key listed assets and impairments made on aviation and hospitality assets. The Strategic Fund also focused on engaging with regulators



We identified Five Strategic Priorities (5SP) to guide us in transitioning our portfolio

to manage operating landscape for investee companies, restructuring the balance sheet of selected assets to preserve value and continuous monitoring of COVID-19 impact on investee companies.

Meanwhile, Khazanah completed the implementation of new governance policies and processes to align and support the execution of our mandate and investment strategy, such as Enterprise Risk Management, Risk Limits and General Integrity Policy.

At the same time, Khazanah ramped up initiatives in building a strong digital and technology foundation with the approval of a digital architecture strategy and commencement of the digital refreshed implementation across the organisation, which came in time for the pandemic lockdown when we executed Work From Home organisation-wide.





4

OUR INVESTMENTS

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Portfolio of Selected Companies ▶ **45**

OUR INVESTMENTS

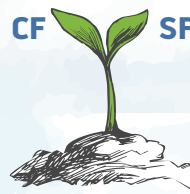
We invest only where an appropriate risk-adjusted financial return can be achieved. In addition, strategic investments must also deliver identified economic impact outcomes.

We believe in creating sustainable value through appropriate engagement with the companies we invest in and the external investment managers and advisors we use.



SOURCE OF FUNDING

Our principal funding is in the form of shareholder equity. We utilise debt financing and proceeds from our divestment activities to fund our investment activities.



INVESTMENT STRUCTURE

We operate through a dual-fund investment structure. The two funds, namely the Commercial Fund (CF) and the Strategic Fund (SF), are established with distinct objectives, policies, and strategies.



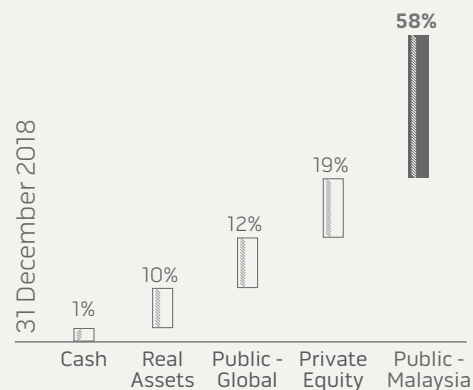
COMMERCIAL FUND

The Commercial Fund (CF), seeks to generate positive risk-adjusted returns on a long-term basis, to grow its financial assets. In 2020, the CF generated a time-weighted rate of return of 1.5% with a Realisable Asset Value (RAV) of RM95.3 billion. The Fund has the flexibility to invest across multi-asset classes in different geographies in accordance to our Long-Term Strategic Asset Allocation (SAA) with a mix of active & direct investment strategies, and external fund managers.

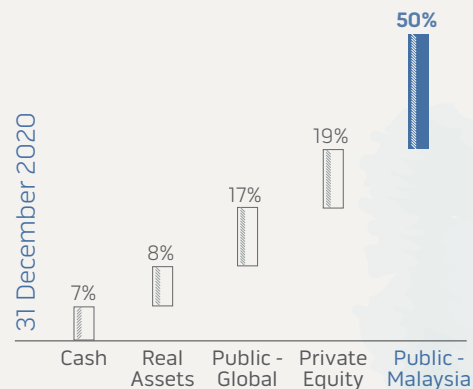
Despite a volatile year due to the worldwide pandemic, significant inroads were made into diversifying its asset mix two years into the portfolio rebalancing exercise. In 2020, Khazanah made progress across various asset classes, with continued rebalancing of our PIPE (Private Investment in Public Equities) assets, further deployment of funds into Public Equities for Developed Markets (DM) and taking advantage of market volatility in Emerging Markets (EM), while remaining disciplined in executing on our Private Markets investments programme.

We shall continue diversifying the CF portfolio towards achieving our SAA in 2028.

KHAZANAH'S ASSET ALLOCATION FOR THE COMMERCIAL FUND

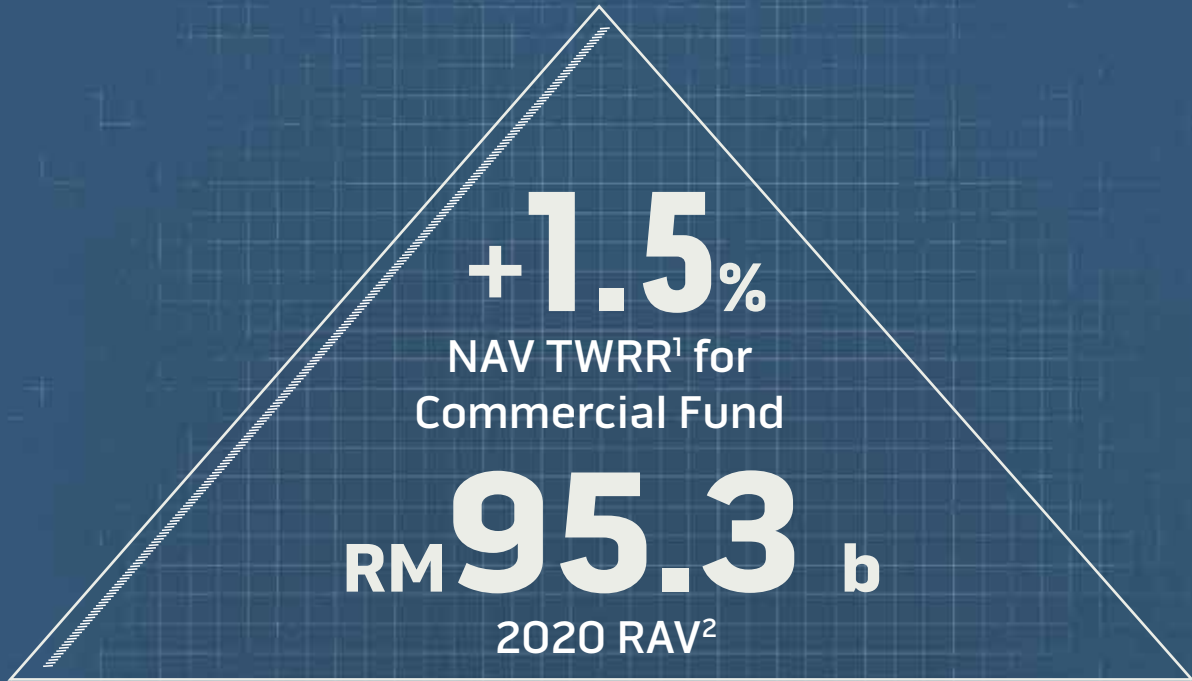


Over the last 2 years, we continue to rebalance our Commercial Fund portfolio, to diversify the portfolio and improve risk-adjusted returns



PERFORMANCE OF COMMERCIAL FUND

2020 Commercial Fund performance against targeted return of Malaysian Consumer Price Index (CPI) +3.0% on a 5-year rolling basis



¹ Time-Weighted Rate of Return (TWRR) is calculated on a 2-year rolling basis for Net Asset Value, against 2-year rolling Consumer Price Index (2019-2020) at -0.2%

² Includes cash and cash equivalents, and other current assets

³ Private Investment in Public Equities

COMMERCIAL FUND FOCUS IN 2020



Continued rebalancing of PIPEs³ in Commercial Fund portfolio



Deployment into Public DM and **taking advantage of market volatility** in EM



Discipline in executing on Private Markets investments programme

Selected Assets



STRATEGIC FUND

The Strategic Fund (SF), a developmental fund intended to be self-sustaining, seeks to undertake strategic investments, with long-term economic benefits. While the investment time horizon can be long-term, these investments are still required to provide a commercial return in line with overall SF targets. We will review the strategic investment themes on a regular basis based on global economic megatrends and national needs, and investment assets within the portfolio will be similarly reviewed and assessed for relevance to strategic targets.

In 2020, the SF portfolio generated an overall gain of 0.3%, while Realisable Asset Value (RAV) stood at RM27.9 billion, decreasing by 15% from RM32.9 billion a year ago.

The portfolio value was heavily impacted by the fall in market value of key listed assets and impairments made on aviation and hospitality assets, namely RM3.1 billion for Malaysia Aviation Group Berhad (MAGB) and RM1.8 billion for Themed Attractions Resorts & Hotels (TAR&H) to account for these effects. Hence, Khazanah navigated the difficult period in 2020 by focusing on engaging regulators to manage the challenging operating landscape for investee companies, restructuring the balance sheet of selected assets to preserve value, strengthening the leadership bench of operating companies, and continuous monitoring and assessment of the COVID-19 pandemic's impact on investee companies.

As the sole shareholder of MAGB, Khazanah continues to provide full support and close cooperation in the comprehensive efforts to ensure the national carrier's sustainability post-pandemic. On 22 February 2021, the High Court of Justice of England and Wales sanctioned a Scheme of Agreement between MAGB's leasing entity, MAB Leasing Limited, and the majority of MAGB's aircraft operating lessors, following unanimous support from the lessors. This represents an important component of the wider restructuring exercise which will achieve a reduction in MAGB's liabilities of over RM15 billion.

Moving forward, MAGB will focus on working closely with the Government and stakeholders on restarting air travel and promoting industry recovery, as well as continuing cash conservation while capturing demand recovery as part of its Internal Restructuring.

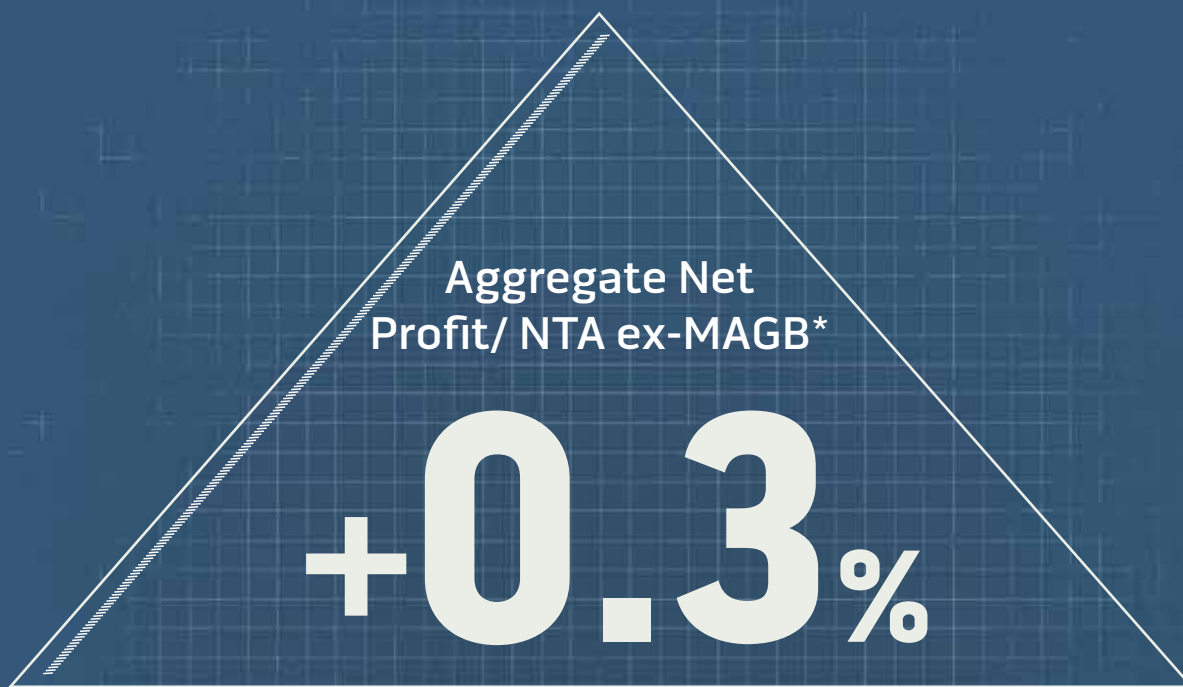
Overall, Khazanah has set long-term five-year rolling targets for CF and SF, and as a long-term investor, we will continue to execute our investment strategy towards achieving and hopefully exceeding our targets.

"We will review the strategic investment themes on a regular basis based on global economic megatrends and national needs"



PERFORMANCE OF STRATEGIC FUND

Target Return of 10-year Malaysian Government Securities (MGS) yield on a 5-year rolling basis



<p>Strategic Assets</p>	<p>Development Assets</p>
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*2020 Aggregate Net Profit / Net Tangible Asset ex-MAGB is a full year estimate as at 31 December 2020

STRATEGIC FUND FOCUS IN 2020



Engagement with regulators to manage operating landscape for investee companies



Commenced restructuring of balance sheet of selected assets to preserve value due to impact of COVID-19 and market downturn



Refreshed and **strengthened leadership bench at operating companies**



Continuous monitoring of COVID-19 impact, made provisions for impairment on several assets (RM3.1 b for MAGB, RM1.8 b for TAR&H)



RESPONSIBLE INVESTING

We abide by responsible investing practices that considers Environmental, Social and Governance (ESG) factors to better manage risk and generate sustainable, long-term returns.



We are committed to the United Nations Principles for Responsible Investment (UNPRI) and the Malaysian Code for Institutional Investors (MCII) which promote the active integration of ESG considerations into investment analysis and decision-making, and asset ownership. In addition, we have put in place various policies (refer below) that govern the way we invest.

Click or scan the QR code to view our full policies.



Investment Policy outlines our investment mandate, objectives and principles



Responsible Investment Policy provides a framework of our principles and commitments towards responsible investment, taking into account ESG factors to aid management of risk, and generate long term, sustainable returns



Voting Policy outlines the voting principles and guidelines of Khazanah, drawn from international and local codes and best practices for corporate governance, and our purpose



PORTFOLIO OF SELECTED COMPANIES

As at 31 December 2020. List is not exhaustive.

COMMERCIAL FUND STRATEGIC FUND



Ant Group
www.antgroup.com



Astro Malaysia Holdings Berhad
www.astro.com.my



Axiata Group Berhad
www.axiata.com



Bank Muamalat Malaysia Berhad
www.muamalat.com.my



Cement Industries of Malaysia Berhad
www.cima.com.my



Cenergi SEA Sdn Bhd
www.cenergi-sea.com



Cenviro Sdn Bhd
www.cenviro.com



CIMB Group Holdings Berhad
www.cimb.com



IHH Healthcare Berhad

IHH Healthcare Berhad
www.ihhealthcare.com



M+S Pte Ltd



Monoluxury Sdn Bhd
www.gentinggarden.com.my



ReGen Rehabilitation International Sdn Bhd
www.regan.rehab



Sun Life Malaysia Assurance Berhad
www.sunlifemalaysia.com



A member of UEM Group

UEM Edgenta Berhad
www.uemedgenta.com.my



UEM Group Berhad
www.uem.com.my



A member of UEM Group

UEM Sunrise Berhad
www.uemsunrise.com



The Holstein Milk Company Sdn Bhd
www.farmfresh.com.my



PORTFOLIO OF SELECTED COMPANIES

As at 31 December 2020. List is not exhaustive.

COMMERCIAL FUND STRATEGIC FUND



Malaysia Airports Holdings Berhad
www.malaysiaairports.com.my



Malaysia Aviation Group Berhad
www.malaysiaairlines.com



PLUS Malaysia Berhad
www.plus.com.my



Telekom Malaysia Berhad
www.tm.com.my



Tenaga Nasional Berhad
www.tnb.com.my



Themed Attractions Resorts & Hotels Sdn Bhd
www.tarh.com.my



Iskandar Investment Berhad
www.iskandarinvestment.com



Southern Marina Development Sdn Bhd
www.southernmarina.com.my



Sunway Iskandar Sdn Bhd
www.sunwayiskandar.com



Medini Iskandar Malaysia Sdn Bhd
www.medini.com.my





5

PEOPLE & KNOWLEDGE

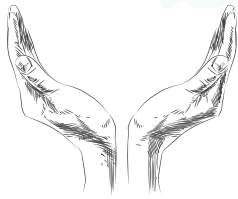
Our Values, Our People ▶ **48**

Khazanaḥ as a Learning Organisation ▶ **50**

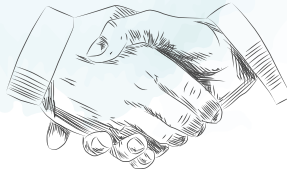
Society and Community ▶ **54**

OUR VALUES

Towards achieving our Purpose, we are guided by our core values which shape our behaviour, thoughts and actions as well as define us as an organisation, and how we operate with one another, partners, and stakeholders.



We hold ourselves accountable



We respect different viewpoints



We support one another



Khazanah staff bid farewell to KLCC, its corporate office for 15 years, in 2020



OUR PEOPLE

The strength of Khazanah lies in our people.

Through these times of uncertainties, we continue to support one another to ensure the wellbeing of employees are at the forefront. We strive to foster a positive and supportive working environment that value different viewpoints and a strong sense of accountability.

Virtual activities

One of the ways to positively engage with our employees as well as boost their emotional and mental wellbeing is through planned virtual activities that are focused on lifestyle, fitness, family-oriented activities, digital learning, and other dynamic exchange of views and knowledge.



Khazanah Careline

We are committed to provide care and support to our employees during these challenging times; and through our 24-hour hotline, the Khazanah Careline, employees have access to any support they need with regards to COVID-19 or their general wellbeing. As an extension to the Khazanah Careline, the Careline Peer Support is also established to provide further advisory and support to employees who contracted COVID-19.

As we continue to go through unprecedented challenges and adapt to new working culture, we strive to boost collaboration across all levels and activities. We remain focused in encouraging open conversations and new ideas to honour our work commitments, with emphasis on employee wellbeing and productivity.



KHAZANAH AS A LEARNING ORGANISATION

Khazanah provides various platforms to encourage continuous learning and active networking among employees and stakeholders that enable exchange of knowledge and sharing of new ideas.

Khazanah Graduate Trainee Programmes (KGTP)

KGTP aims to develop the nation's next generation of leaders. Throughout the tailored 12-month programme, trainees are challenged in a dynamic, competitive, and fast-paced environment and be exposed to various sectors and areas, promising a career that is as challenging as it is rewarding. To date, there have been 201 trainees in the programme and 100 trainees have been absorbed as staff.

KGTP has two areas of specialisation:

Graduate Trainee Programme

– Investments (GTP-I)

Programme designed to prepare talent's career as an Investments analyst in the Investments division. The programme looks for driven and intellectually curious individuals who are team players and interested in developing financial, analytical, and strategic thinking skills. Talent will gain exposure to developing and executing investment strategies across different asset classes and sectors; and value creation initiatives for our portfolio companies.



22 graduate trainees on their first day of the programme in October 2020

Graduate Trainee Programme

– Khazanah (GTP-K)

Programme designed to develop talent in a chosen area of specialisation such as Digital & Technology, Governance, Risks & Compliance, Legal, Research, Strategic Human Capital and Strategy. The programme accepts fresh graduates from any discipline with a passion for problem-solving, proficiency in handling numbers and a desire to work with multiple stakeholders.



Khazanah Leadership Development Programme (KLDP)

KLDP is a structured leadership programme to develop mid-level leaders with knowledge and skills that will enhance their leadership capabilities and help their 'readiness' to take on bigger roles in the future. KLDP cohorts will be developed over a 12-month period through a customised programme, which includes lectures, coaching, simulation and action-learning components. To date, we have a total of 40 participants in KLDP, with one cohort completed in August 2020, and another cohort in progress.



KLDP Cohort 1 participants at their graduation day in August 2020

Khazanah Scholarship Programme (KSP)

KSP is one of the development platforms available for high performing employees to pursue full-time postgraduate study in premier universities both internationally and locally. The main objective of KSP is to develop high performing talents as future leaders, to meet Khazanah's business needs. Since its inception in 2014, KSP recorded a total of 54 scholarship recipients for the following two tracks:

Track 1 (Emerging Talent) – Exceptional junior employee to study up to two years

Track 2 (Mid-Career) – Identified mid-level to senior level employee with leadership potential to study up to one year



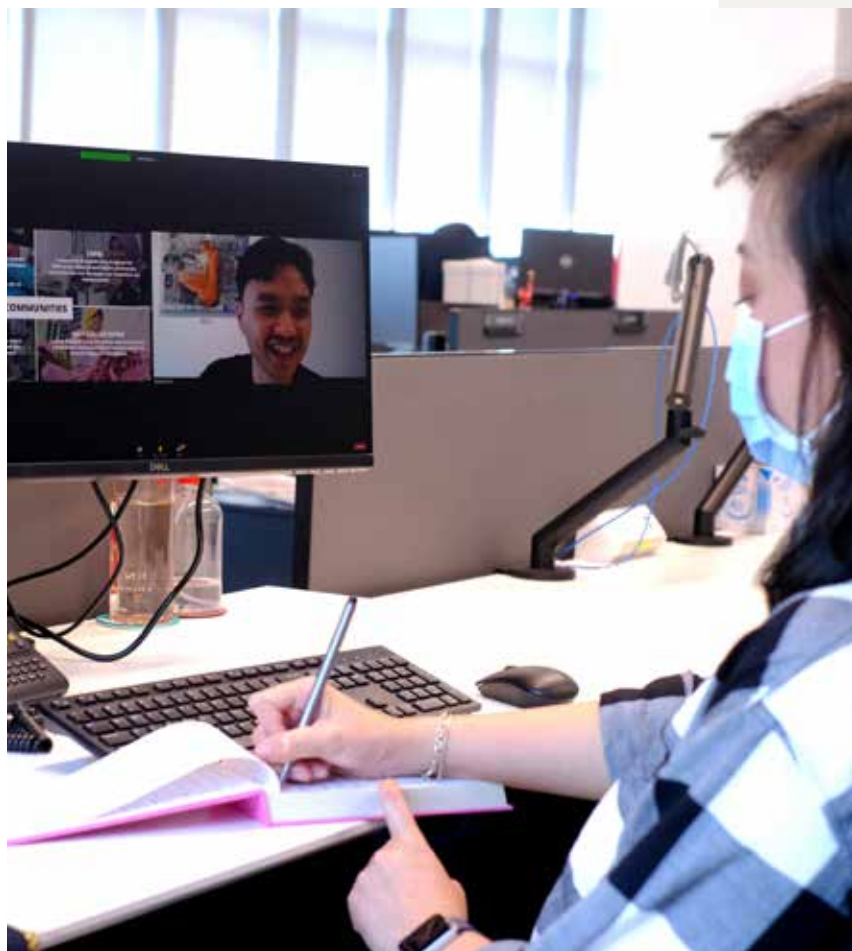
Staff Development Benefit (SDB)

SDB aims to support employees' self development initiatives to enhance their knowledge, skills and competencies; particularly in job-related fields (which are not part of the formal training opportunities available in Khazanah). SDB provides financial assistance to employee who wish to undertake part-time study (undergraduate or postgraduate programmes), or certification such as Chartered Financial Analyst (CFA), Chartered Institute of Management Accountants (CIMA), Association of Chartered Certified Accountants (ACCA) etc., which is of relevance to the employee's current and future roles in Khazanah. To date, there have been 116 assistance provided to employees under SDB.



Khazanah Megatrends Forum (KMF)

is an annual conference that gathers thought leaders from around the globe to conduct in-depth discussions of current critical issues from the perspective of markets, firms, society and people. The conference is attended by an audience of over a thousand influential participants from business, government, academia and society. In 2020, Khazanah decided not to organize the 2020 edition of the KMF due to the COVID-19 pandemic.



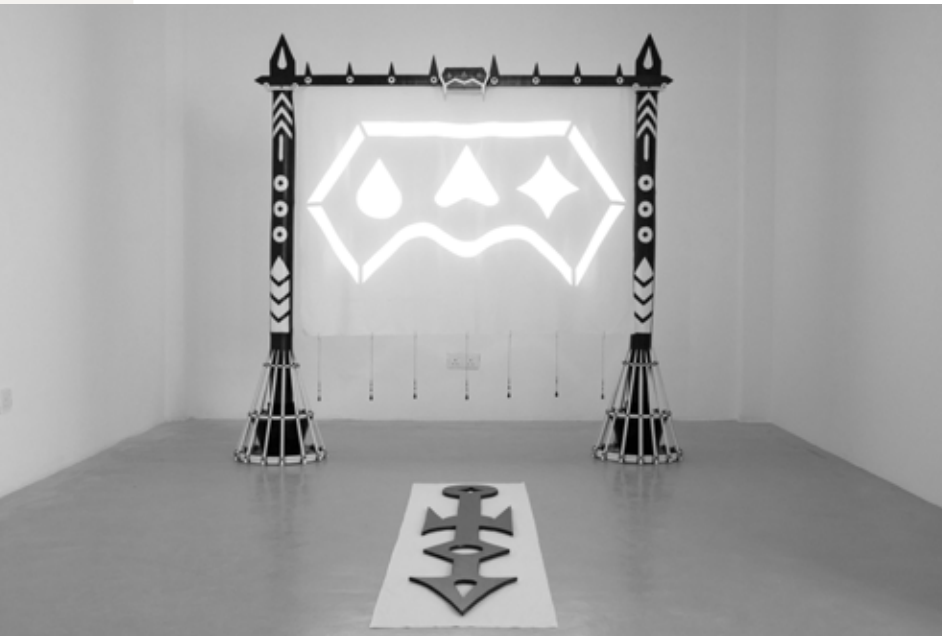
Khazanah Knowledge Exchange (KKE) & Tea Talk Series

are knowledge-sharing activities whereby speakers from various backgrounds are invited to speak to Khazanah employees on various topics of interest. Since the start of COVID-19 pandemic, KKE and Tea Talk have gone virtual as webinar sessions, enabling employees to participate remotely. A cumulative 30 KKE and Tea Talk sessions were organised in 2020 with topics ranging from artificial intelligence, culture and economic development, cybersecurity geopolitics, placemaking, and social entrepreneurship.

Khazanah Resource Centre provides leading-edge information sources and databases, both in digital and hardcopy formats, and compiles news updates to serve Khazanah's core and non-core functions.



PEOPLE & KNOWLEDGE



Visual artist, Tomi Heri, a participant of the Khazanah Nasional Associate Artist Programme at ACME Studios, London (2019), organised a solo exhibition, as part of the programme.



Khazanah Residency Programme (KRP) ▶ aims to develop young Malaysian talents in the fields of arts, media, design and public service by equipping them with the latest knowledge, skills and network in their respective areas. Participants go through programmes selected from established short-term residencies, fellowships or courses run by world renowned institutions. This is a non-binding, fully sponsored programme, whereby upon completion, participants are required to pay it forward in various forms to benefit Malaysians at large. To date, 36 Malaysians talents have benefitted from this programme including 14 mid-career journalists, six architects, six emerging artists, six Khazanah and Khazanah-related companies' employees and four public servants.

2020 was a remarkably difficult year. People all over the world were forced to contend with the new normal. Travel bans and lockdowns made it impossible for KRP to be implemented. Hence, in 2020, to deepen our relationship with our alumni, we focused on knowledge-sharing exchanges conducted by our residency alumni through the K-Residency Series Tea Talk. Three virtual tea talks were held covering topics from arts to newsroom, in how they adapt to work in the pandemic era. As we look ahead to 2021 and beyond, the experiences of the past year, give us hope for better times and new opportunities.



SOCIETY AND COMMUNITY

Khazanah contributes to the society and community through its related entities.



Yayasan Hasanah (Hasanah) is Khazanah’s flagship foundation set up in December 2013 to lead our corporate responsibility initiatives through development and implementation of solutions that empower communities, encourage social inclusivity and improve local environments. Its focus areas include Education; Community Development; Environment; Arts & Public Spaces; and Knowledge.

Although project implementation was impacted by Movement Control Order (MCO) in 2020, Hasanah managed to deploy funds amounting to RM30.07* million for 215 projects. Below are some notable projects undertaken by Hasanah in 2020.

* Funds allocated include RM25 million allocated for Hasanah Special Grant 2020 and exclude RM95.4 million contributed by GLC/GLIC for COVID-19 response under GDRN where Hasanah is part of the secretariat

GLC/GLIC Disaster Relief Network (GDRN) – As the co-secretariat along with Telekom Malaysia, Hasanah coordinated over RM95.4 million in aid across GLICs, GLCs and private companies as support to assist the Ministry of Health in responding to the COVID-19 pandemic.

Hasanah Special Grant (HSG) 2020 – Hasanah approved RM25 million for 110 initiatives supporting education, livelihoods, food aid, health & wellbeing, animal welfare, and arts & culture.

Hasanah Humanitarian Disaster Relief (HDR) – Over RM5 million worth of funds were deployed for 99 initiatives. 72% of the projects were to distribute food baskets.

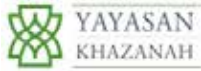


Hygiene kits being distributed by Good Shepherd Services, Sabah

For more information on Yayasan Hasanah, visit www.yayasanhasanah.org ▶

Scan or click here to view **The Hasanah Report 2020** ▶





Yayasan Khazanah (YK) empowers future talent through its scholarship programmes. Its structured leadership development intervention and high-touch engagement has proven effective with one of its scholars, Zad Chin Qi Qi, being accepted into an undergraduate programme at Harvard University in 2020 to pursue a degree in Computer Science. While YK scholars have been admitted to postgraduate programme at Harvard before, this is the first for undergraduate studies. YK is putting more efforts to help build talents for the country, especially in these challenging times and making scholarships available is one of the best platforms to do so.



Zad Chin Qi Qi, the first YK scholar accepted by Harvard University to pursue an undergraduate degree.

For more information on Yayasan Khazanah, visit www.yayasankhazanah.com.my ▸



In March 2020, YK conducted a motivational programme for form five students from the B40 community. The session included sharing on YK scholarship programmes, educational and uplifting activities.



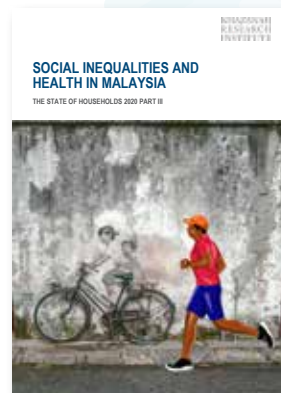


The *Social Inequalities and Health in Malaysia: The State of Households 2020 Part III* publication launched by KRI Chairman Tan Sri Nor Mohamed Yakcop on 1 December 2020 together with (left to right) KRI Research Advisor Prof Dr Jomo Kwame Sundaram and co-authors Jarud Romadan Khalidi, Puteri Marjan Megat Muzafar, and Nazihah Muhamad Noor.

**KHAZANAH
RESEARCH
INSTITUTE**

Khazanah Research Institute (KRI) was set up to undertake analyses and research on the pressing issues of the nation, and based on the research, provide policy recommendations to improve the well-being of Malaysians. In 2020, KRI published four major publications including the fourth installment of its flagship publication, *The State of Households 2020*, which was broken into three-part publications – *Welfare in Malaysia Across Three Decades*, *Work in an Evolving Malaysia* and *Social Inequalities and Health in Malaysia* – and the standalone publication on *Implications of the Dominant Shift to Industrial Crops in Malaysian Agriculture Phase 1: System Dynamics Model of The Paddy and Rice Sector*. KRI also published 13 discussion papers, three working papers and organised four knowledge sharing events.

For more information on Khazanah Research Institute, visit www.krinstitute.org ▶



PEOPLE &
KNOWLEDGE



The Taman Tugu Project is a not-for-profit corporate social responsibility initiative led by Khazanah in collaboration with various Ministries, public sector agencies and civil-society organisations.

The Project currently entails conserving a 66-acre green-lung in the heart of Kuala Lumpur and turning it into an urban forest park for the community and establishing a national public trust, Amanah Warisan Negara or “AWAN”, to own, manage and protect Taman Tugu as well as other potential assets of heritage value, including our natural heritage.

TAMAN TUGU

The Taman Tugu site was initially earmarked for development but Khazanah motioned to convert the site into a public park and protect the secondary forest contained within it based on public feedback and civil-society engagements.

All 1,000 trees within the original site including indigenous species such as Jelutong, Tembusu, Pulai, and Gaharu, some measuring more than one meter in diameter and potentially over 100 years old, have been tagged and will be preserved.

Additionally, more than 4,000 trees averaging 10 years old, consisting of more than 230 indigenous Malaysian rainforest species are being planted at the site. These trees, sourced from nurseries, include 1,000 trees that are categorised as “Endangered” or “Critically Endangered” by the International Union for Conservation of Nature, such as the Keruing, Meranti, and Mersawa species.

One of the criteria in selecting the trees is the type of fauna they will attract. An increase in fauna will enhance the biodiversity of the site and promote the ecosystem including natural pollination. It is hoped the site will eventually have more than 200 trees per acre, similar to a rainforest.



66-acre green-lung
in the heart of
Kuala Lumpur



>4,000 trees
averaging 10 years
old



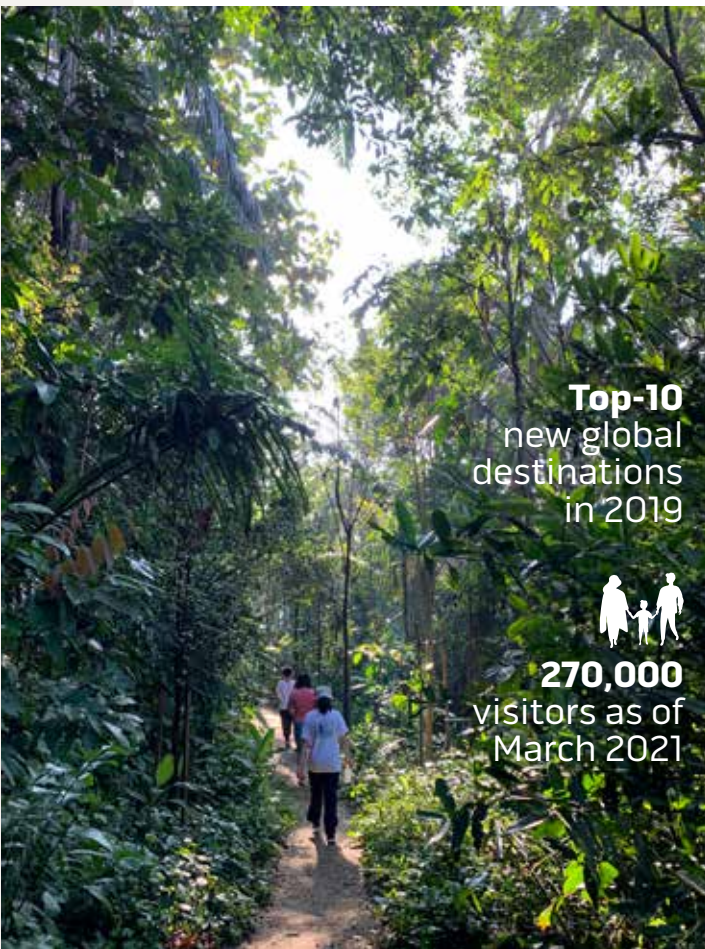
Accommodates
1,400 people

The newly opened Madrasah Bustanul Ulum Taman Tugu

COMMUNITY

As of March 2021, the free-to-access park has attracted more than 270,000 visitors from various communities who have provided positive response on the site and its numerous programmes. This has contributed to an Honorary Recognition by the World Urban Parks Association under the International Large Urban Parks category, on top of being recognised as one of the top-10 new global destinations in 2019 by Lonely Planet Magazine.

The new Madrasah Bustanul Ulum Taman Tugu was opened to the public and held its first Friday prayers in December 2020. This purpose-built facility accommodates 1,400 people and comes complete with residential quarters for religious officers. It replaces an existing surau, which was originally established to serve government officers who lived within the site since the time of the British administration.



Top-10
new global
destinations
in 2019

270,000
visitors as of
March 2021

Public can access the Taman Tugu hiking trails for free.

PROTECTION AND PRESERVATION

Efforts are currently ongoing to ensure the 66-acre Taman Tugu site is protected and preserved under AWAN. AWAN is incorporated with a longer term objective to undertake more projects involving the rejuvenation, rehabilitation and/or operations of selected public spaces together with heritage assets of national significance – as inspired by the National Trust for Places of Historic Interest or Natural Beauty or commonly known as the National Trust U.K.

For more information on the Taman Tugu Project, visit www.tamantugoproject.com.my ▶



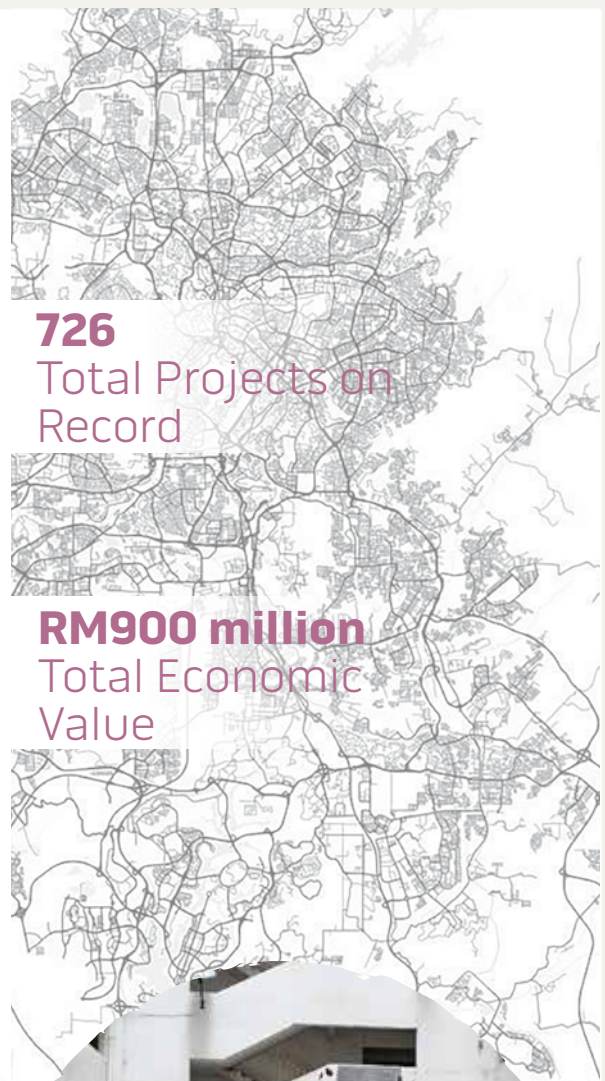


Think City is an impact-driven organisation dedicated to make cities more liveable, socially and climate resilient, and sustainable. Since inception in 2009, it has over a decade of experience and knowledge in urban rejuvenation in cities across Malaysia such as George Town, Butterworth, Johor Bahru and Kuala Lumpur by observing the United Nation’s Sustainable Development Goals as a guide.

Today, Think City is a consultancy, project delivery partner and venture builder providing urban policy thinking, management and implementation of urban solutions in Malaysia and beyond. Adopting a community-first, evidence-based approach, Think City focuses on four key areas: Placemaking, Resilience, Analytics and Conservation.

In 2020, Think City launched the Social Resilience Flagship Programme to improve the sliding standard of living and associated consequences amongst vulnerable urban poor communities, which COVID-19 has exacerbated. The programme mobilises communities and centers around a digital platform that aims to link existing initiatives by various sectors to relevant families in public housing communities, such as personal development and training as well as wellbeing.

For more information, visit www.thinkcity.com.my ▶



726
Total Projects on Record

RM900 million
Total Economic Value



Children from a low-cost housing community, PPR Hicom playing futsal as a practice of healthy living, an outcome of one of the initiatives under the Kita Untuk Kita (K2K) Aktif Bersama project, which promotes health and wellbeing for youth and community under Think City’s Social Resilience Flagship Programme.



Our focus will be on these 5 Strategic Priorities moving forward



SP1: Enhance Commercial Returns

We will continue to rebalance the Commercial Fund portfolio, which focuses on global and asset class diversification to grow Khazanah's risk-adjusted returns.

SP2: Deliver Impactful Strategic Investments

We will look to deploy capital into new investment areas that will be able to create a positive economic and social impact for Malaysia.

SP3: Be a Responsible Organisation

We are committed to becoming a more responsible organisation – going beyond how we act as investors and also reinforcing responsible business practices throughout the organisation.

SP4: Build a Strong Digital & Technology Foundation

We aspire to be at the forefront of digital and technology adoption, to drive greater efficiency and effectiveness across our business and investment processes.

SP5: Invest in Our People and Culture

We strive to achieve a culture of high performance and collaboration across the organisation, and continue to focus on the development of our people.

KHAZANAH NASIONAL BERHAD

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