



KHAZANAH
NASIONAL



BUILDING TRUE VALUE

TOWARDS A GLOBALLY
COMPETITIVE MALAYSIA

THE KHAZANAH
REPORT 2017

**Note: *The Khazanah Report 2017* (TKR2017) is dated 1 May 2018.
The information enclosed in this report is true and accurate as at this date.**

The Khazanah Report 2017 outlines the goals, strategies and vision embraced by Khazanah Nasional Berhad (Khazanah) in our role as the strategic investment fund of the Government of Malaysia.

Khazanah is a Malay word of Arabic origin, meaning 'treasure'. The same word can also be found in many other languages and carries the same meaning. The name Khazanah Nasional, meaning 'national treasure', and the design of Khazanah's logo, which draws inspiration from the *cembul*, a Malay traditional jewellery box, represent the organisation's role as one of the trustee of the nation's commercial assets. The criss-cross of lines represents our investments across multiple sectors and geographies, and highlights our role as a catalyst for new and strategic ventures. Seen as a whole, the logo embodies the holistic role Khazanah plays as the strategic investment fund of the Government.

The theme *Towards A Globally Competitive Malaysia* is reflected on the cover of this report, with overall graphic design illustrating Khazanah's base in Kuala Lumpur, with overseas presence in various parts of the world, and the multi-dimensional investments and initiatives that we are involved in.

This report is available online at
www.khazanah.com.my

1 May 2018



“Perahu bertambatan dagang bertepatan”

is an old Malay proverb that literally translates to “a ship that is moored, a trade that is fair”. The proverb is rooted in the history of the region, when Melaka was an important regional and international trading hub, attracting merchants from all around the world bringing a multitude of goods to be traded. Its underlying meaning refers to commercial endeavours that are properly organised and appropriate for its location.

The proverb captures the essence of Khazanah’s vision and mission, which is to be the leading investment house that creates true value for a globally competitive Malaysia. As the strategic investment fund for the Government of Malaysia, we strive to create long-term value that would enable us to fulfilling our role in delivering financial, strategic and societal returns to Malaysia and its people, through our operations and activities at home and across the world.

As an institution among many others who collectively contribute to the progress and development of the country, Khazanah is guided by our core values, ensuring that the appropriate structures, frameworks and best practices are in place and upheld. This is embedded in all the work we do, both as an individual organisation and through the many initiatives we undertake with our investee companies and partners globally.



Scan to watch
*The Khazanah
Report 2017*
video

TOWARDS A GLOBALLY COMPETITIVE

The theme for *The Khazanah Report 2017* (TKR2017) is *Towards a Globally Competitive Malaysia*. It is part of Khazanah's vision of being a leading strategic investment house that creates sustainable value for a globally competitive Malaysia. We undertake financial, strategic and societal initiatives to create long-term value that deliver returns for the country through our domestic and international presence, and that of our investee companies. In doing so, we support international best practices and initiatives in corporate governance and sustainable long-term value creation.

The theme is reflected on the cover of this report, where the skyline encircling the globe symbolises our international footprint, represented by our regional presence in China, India, Turkey, United States and United Kingdom, with Malaysia at the

core. The various sectors we are involved in are also featured, spread across the world.

To provide further insights into the theme, TKR2017 also features call-outs that highlight Malaysia's global competitiveness, the internationalisation of our investee companies, and quotes from our staff. This is further illustrated through three case studies, which respectively, elaborates on the work that we do in China, where the first of our regional offices is located; leveraging of regional complementarities between Malaysia and Singapore through our strategic investment in joint developments with Temasek Holdings (Private) Limited via M+S Pte Ltd; and further supporting social inclusivity and directly delivering impactful returns to individuals and communities in need through the *Hari Hasanah* initiative.



KHAZANAH NASIONAL BERHAD

Khazanah has offices in key markets abroad which allows us to tap into regional growth opportunities, advance the regionalisation strategy of Khazanah investee companies, and help strengthen Malaysia's long-term competitiveness.

Khazanah's headquarters is located in Kuala Lumpur, Malaysia.

ITIVE MALAYSIA

WORLD
ECONOMIC
FORUM

Malaysia ranks

23 / 137

countries in terms of global
competitiveness

World Economic Forum's
Global Competitiveness
Report 2017-2018

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Malaysia ranks

8/190

economies in terms of
obtaining permanent electricity
connection for business

World Bank's Getting
Electricity Index (2018)



With 63 years of existence, Tenaga Nasional Berhad (TNB) prides itself as Malaysia's leading electricity utility with a presence throughout Peninsular Malaysia, Sabah and Labuan. It has also established a name in the region, making TNB one of the largest electricity companies in Asia as it transforms into a domestic and regional champion.

CUSTOMER BASE

9.1m

CUSTOMERS IN PENINSULAR
MALAYSIA, SABAH AND LABUAN

Photo courtesy of NASA

83

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WHO WE ARE

Khazanah Nasional Berhad is the strategic investment fund of the Government of Malaysia



Tengku Dato' Sri Azmil Zahrudin Raja Abdul Aziz
Deputy Managing Director and Co-Head of Investments (Divisional Management)

I am excited about Project TIDE, which we launched in 2017. We're working with some of our key companies to help them enhance innovation, with a view to improving customer service, increasing efficiency and enhancing skill sets. We've held innovation garages to look at solving large problems, projects to improve use of data analytics, and immersion visits to companies with some of the best practices in the world.

(Refer to page 17 for more information on Project TIDE)

Khazanah Nasional (Khazanah) holds and manages selected commercial assets of the Government and undertakes strategic investments on behalf of the nation. We play a catalytic role in driving various strategic industries and national initiatives.

We are involved in sectors such as power, telecommunications, finance, healthcare, aviation, infrastructure, leisure and tourism, and property, amongst others. Our listed portfolio includes Axiata Group Berhad, CIMB Group Holdings Berhad, Tenaga Nasional Berhad, IHH Healthcare Berhad, UEM Sunrise Berhad, Telekom Malaysia Berhad and Malaysia Airports Holdings Berhad.

Khazanah was incorporated under the Companies Act 1965 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.

In 2004, Tan Sri Datuk Wira Azman Mokhtar, the present Managing Director, was appointed to lead Khazanah and undertake a strategic revamp based on its new mandate. He reports to the Board of Directors, chaired by Malaysia's Prime Minister and Minister of Finance, Dato' Sri Mohd Najib Tun Abdul Razak.



Watch the
Khazanah corporate video



OUR MANDATE

Khazanah's mission is to be a leading strategic investment house that creates true value for a globally competitive Malaysia. Our proactive investment approach includes the management of our core investments, tapping our global footprint for new growth sectors, as well as undertaking catalytic investments that strategically boost the country's economy. We are also involved in the active development of human, social and knowledge capital of the country.

BRETTON
WOODS II

Khazanah Nasional
listed amongst

top **25**

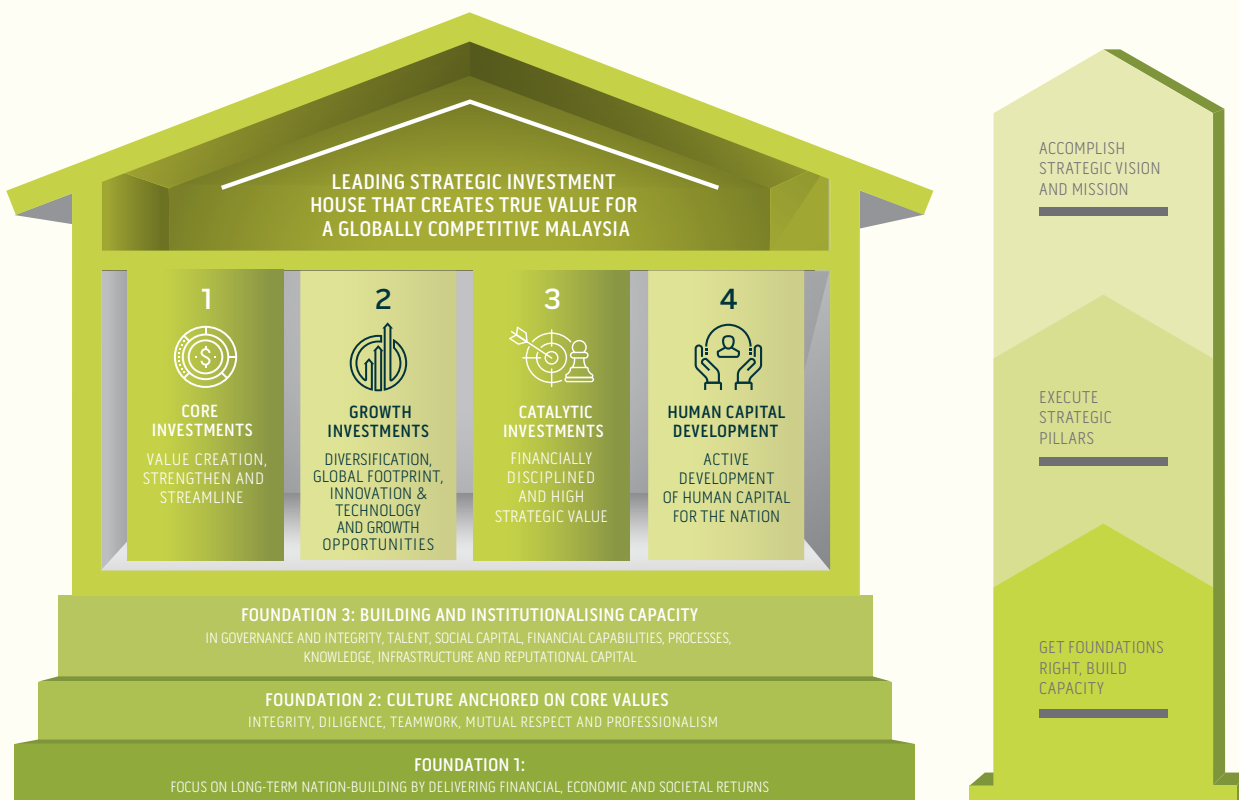
Most Responsible Asset
Allocators 2017 by the Bretton
Woods II Leaders List



Ahmad Zulqarnain Onn
Deputy Managing Director and
Head of Strategic Management Unit

The long-term success of Khazanah is defined by our ability to generate above-average risk-adjusted returns, and our Transformation 2.0 programme is a key pillar in how we steward our core investee companies towards becoming regionally and globally competitive companies. Success is defined not just by financial performance, but also in how our companies positively contribute to society as a whole.

(Refer to page 17 for more information on Transformation 2.0)



This illustration encapsulates Khazanah's mandate, with the roof representing our mission, supported by four pillars that define our work, anchored on our core foundations.



2017 IN REVIEW

2017 saw several key transactions that further underscored our role as a strategic investment fund. These include corporate exercises, restructuring activities, investments, strategic divestments to support national development objectives, acquisitions to tap into new growth areas and catalytic projects.

- Investee companies
- Internal events
- External events

Source: Khazanah compilation



2



Captain Izhom Ismail announced as Group CEO



SEA IPO debut on NYSE

CIMB
Divested 1.0% stake in CIMB

16 OCT

20 OCT

30 OCT



Signed SPA with Country View Resources of Iskandar Puteri Land

4 OCT



Divested 3.5% stake in MAHB

3 OCT



KNEO launched by Second Finance Minister

2-3 OCT



8 NOV



Why Trade Matters: Trade Issues in Non-Communicable Diseases Essentials Medicines and Education



JV with Cainiao Smart Logistics Network (HK) for development of e-commerce and logistics hub in KLIA Aeropolis

9 JUNE



Ground breaking for Gleneagles Shanghai

29 JUNE



Announced investment into Lazada

20 JULY



Divested 1.0% stake in CIMB

24 JULY



Partnered Alipay for mobile wallet solutions

19 SEP



Tan Sri Nor Mohamed Yakcop stepped down as Deputy Chairman

3 SEP



#BerbudiBersama #ToGoodTogether



Amanah Warisan Negara established

21 AUG



"Negaraku Negara Kita" campaign launched

15 AUG



Divested 61.2% stake in Opus International Consultants

9 AUG



TIDE Open Day



Second tranche of SRI Sukuk with a retail portion launched

1 AUG

25-26 JULY



13th WIEF Kuching

25-26 NOV



11 DEC



Khazanah announced Board and Deputy Managing Directors appointments

1 DEC



Amir Hamzah appointed as new CEO

14 DEC



Ground breaking for IMU Hospital

- ① Tan Sri Azman Mokhtar (centre) together with members of the Khazanah Senior Leadership team at the Khazanah Annual Review 2018 media briefing
- ② Tengku Datu' Sri Azmil Zaharuddin, Deputy Managing Director, briefing investee companies at the TIDE Open Day
- ③ Residents of Projek Perumahan Rakyat (PPR) Seri Semarak participating in Zumba organised as part of Hari Hasanah's activities on 3 September 2017



KHAZANAH NASIONAL CONSULTING (BEIJING) COMPANY LIMITED

Khazanah opened the Beijing office in 2008 to build an investment presence in China and participate in the country's growth story. The Beijing office was Khazanah's first office established overseas. It also provides a platform for building closer bilateral economic ties between Malaysia and China.

01



DiZhong Nie
Assistant Vice President,
Investments

For Khazanah, China is not only a huge emerging economy to generate investment returns, but also a place to exchange and share unique knowledge and experience to generate new ideas.

AN OVERVIEW OF AN INSTITUTION

Khazanah continues to grow as an institution, underpinned by a robust governance and accountability framework. Our Board of Directors, led by our Chairman, Dato' Sri Mohd Najib Tun Abdul Razak, guides the efforts of our management in executing our mandate.

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CHAIRMAN'S MESSAGE

Malaysia continues to grow stronger on the economic front, enhancing the wellbeing of the people

Alhamdulillah, Malaysia certainly has many things to be grateful for. We are progressing well, both at home and on the international stage. Indeed, Malaysia is moving further forward as a nation, driven by an increasingly sustainable and inclusive high-income economy and enhanced global competitiveness.

Our economy remains on its growth track, posting a stronger GDP growth of 5.9% in 2017 on the back of private sector demand with support from the external sector. Growth is expected to remain favourable in 2018, with domestic demand remaining as the key driver. The anticipated faster expansion in the global economy would continue to benefit Malaysian exports, with positive spill-overs to the domestic economic activity.

As a trading nation, we are achieving greater heights. Malaysia's trade growth in 2017 was at the highest in 13

years, surging 19.4% to RM1.774 trillion, compared to RM1.486 trillion in the previous year. Exports grew significantly by 18.9%, the strongest growth since 2005, to reach a new high of RM935.39 billion, thanks to strong demand across several economic sectors.

Our capital market, a key facilitator for financing business growth, has continued to grow from strength to strength. The benchmark index, FBM KLCI has increased 105% since 2009 while market capitalisation has jumped by 187%. In 2017, foreign net fund inflow achieved a positive RM10.8 billion, the highest since 2012. The gross issuance of corporate bonds hit a record high of RM124.9 billion in 2017 while the Malaysian Islamic Capital Market as a whole – of which our sukuk market is the largest globally – grew 11.9% to reach a size of RM1.9 trillion versus RM1.7 trillion a year ago. In addition, our ringgit was one of the best performing currencies in Asia, appreciating 10.4% against the greenback



in 2017. All these indicators reflect the positive sentiment among investors and a recognition of Malaysia's excellent economic and financial fundamentals.

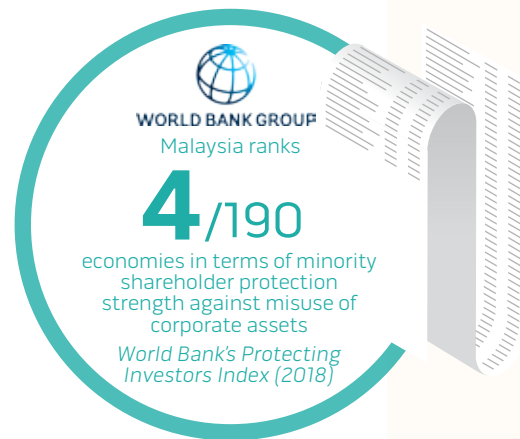
The strength of our capital economy provided us with the leverage to strengthen our people economy, including improvement of living standards, upscaling of skills and knowledge transfer among our youthful and an increasingly highly-educated population, and higher productivity. Malaysia's inflation has been kept low, averaging at 3.7% in 2017, while the diversity of the Malaysian economy has created more employment. Between 2009 and 2016, a total of 2.26 million jobs have been created, of which more than one million are high income employment. It also represents 69% of the 3.3 million jobs we target to create by 2020.

Our progress has achieved international recognition as well. The World Economic Forum's Global Competitiveness Index for 2017-2018 ranks Malaysia in third for Strength of Investor Protection, fifth for Pay and Productivity, fifth for our low Burden of Government Regulation, and 14th for our Quality of Education System. The World Bank, meanwhile, expects Malaysia to achieve high-income status in the next few years, adding that the Malaysian economy was progressing from a position of strength.

It is important to note that Malaysia's growth story is not an overnight effort. From the start, we were willing to make tough decisions, decisions that were the right ones for the Malaysian economy and the *rakyat*. For example, the gradual reduction in petrol subsidies has saved us millions of ringgit, while the introduction of GST (Goods & Services Tax) has generated higher tax income for the country. The benefits of the capital economy must always have a spill over effect on the people economy, and in this sense, we have seen the income per capita of Malaysians improving to RM40,713 in 2017 from RM27,819 in 2010, and is expected to improve further in 2018 to RM42,777.

Khazanah, as the strategic investment fund of the Government of Malaysia, has continued to play its role in our progress as an economically vibrant and globally competitive nation. Khazanah's operations and investments are located in key markets across the world, and I am pleased to note that many companies under Khazanah have become competitive regional, or even global players. These companies include IHH Healthcare Berhad, the second largest private healthcare provider in the world; CIMB Group, a leading ASEAN universal bank and one of the largest investment banks in Asia; and Axiata Group Berhad, which is one of the leading telecommunications groups in Asia with 350 million subscribers across 11 countries.

At the same time, Khazanah has been actively involved in a broad range of impactful Corporate Responsibility (CR) initiatives through its foundation, Yayasan Hasanah, and related entities Yayasan Khazanah, Khazanah Research Institute and Think City. Khazanah and



Yayasan Hasanah have collectively spent RM1.2 billion on CR initiatives since 2006, including in education, community development, and the environment. Khazanah supports the country's national development agenda by playing an active role in human capital development, including scholarships awards through Yayasan Khazanah, graduate training through its contribution to Skim Latihan 1Malaysia (SL1M), and enhancing the quality of education through the Trust School Programme. Khazanah Research Institute provides important policy inputs through its research on various pressing issues of the country. Khazanah's work in public spaces, most notably the Taman Tugu project, and urban regeneration and heritage conservation through Think City, are important initiatives to make our cities and community areas more liveable while preserving and developing their heritage, culture and architecture.

As Chairman of Khazanah, I would like to take the opportunity to thank the Board of Directors, senior management and staff of Khazanah for their efforts and contributions to Malaysia's continued progress and development. As always, we remain committed in building true value for Malaysia and the *rakyat*, *insyaAllah*.

Thank you.

**Dato' Sri Mohd Najib
Tun Abdul Razak**

Chairman
Khazanah Nasional Berhad

OUR GOVERNANCE AND ACCOUNTABILITY FRAMEWORK

We are guided by a framework that establishes 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 ultimate shareholder.

Our *Governance and Risk Management Framework* (GRMF) 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 GRMF comprises a *Risk Management Policy, Schedule of Matters for the Board, Limits of Authority for the Management, Code of Conduct* as well as *Policies and Procedures*, which guide our employees in their actions and behaviours.

The Board of Directors governs our operations. It consists of representatives from the Government and the corporate sector with diverse professional backgrounds and expertise. Dato' Sri Mohd Najib Tun Abdul Razak, the Prime Minister of Malaysia and Minister of Finance, is the Chairman of our Board.

The Board meets regularly and is ultimately accountable and responsible for Khazanah's overall governance – this includes both performance and conformance matters. A Board Charter sets out the roles and responsibilities of the Board in overseeing the management of Khazanah.

The Board is assisted by three subcommittees – the Executive Committee (EXCO), the Audit and Risk Committee (ARC) and the Nomination and Remuneration Committee (NRC). The five-member EXCO comprises four Non-Executive Directors and an Executive Director,

the four-member ARC consists of four Independent Directors and the four-member NRC comprises three Non-Executive Directors and an Executive Director. The NRC was newly established in December 2017 to assist the Board in the nomination, appointment and renewal of Khazanah's Board members and Khazanah's Managing Director, the appointment of Khazanah's management positions of Executive Directors, including review of remuneration package, as well as other human resource management matters.

Khazanah upholds rigorous standards of transparency and accountability in our governance framework that establishes a clear responsibility, authority and governance structure. These perimeters guide our overall operations. Internal systems and controls in the form of policies, procedures and guidelines on matters ranging from risk management and investment approvals to corporate values and ethical standards further strengthen our governance practice.

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

Supporting Malaysian and international best practices

Khazanah is a signatory and a member of several initiatives that further enhances governance and accountability as an institution including:

1. 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.
2. Member of the International Forum of Sovereign Wealth Funds (IFSWF), where we actively collaborate with other sovereign wealth funds (SWF) to strengthen the SWF community and promote a deeper understanding of SWF roles and responsibilities.
3. Member of FCLTGlobal (Focusing Capital on the Long Term), where we contribute to efforts in developing and encouraging a longer-term focus in business and investment decision-making.
4. Signatory of the Malaysian Anti-Corruption Commission's (MACC) Corporate Integrity Pledge, which underlines our firm commitment to integrity and good governance.



Nabiya Jasmine Anthony
Assistant Vice President,
Strategic Management Unit

Part of my work involves efforts to align Khazanah's core activities to global standards of sustainable and responsible investing. I believe that an emphasis on strong governance and adherence to societal and environmental best practices will provide our companies with comparative advantages on a global playing field.

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 are disclosed to our shareholders (Minister of Finance, Inc), Bank Negara Malaysia and the Department of Statistics on a regular basis.

We have shared key information to the Public Accounts Committee (PAC) and have been audited by the National Audit Department. We also made public key information on our official website and through annual publications including *The Khazanah Report*.

Stakeholder engagement remains a priority for us. Various outreach programmes are organised for media analysts and 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 about Khazanah.

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



Dato' Shamshun Baharin B. Mohd Jamil, Deputy Chief Commissioner (Prevention) of MACC and Tan Sri Azman at the CIP signing

Commitment to institutional good governance

Khazanah is a signatory of the Malaysian Code for Institutional Investors 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 through our website. The following summarises the principles of the Code and our compliance with the respective principles:

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

Our GRMF provides a clear responsibility, authority and governance structure for Khazanah. The framework 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 the respective investment teams, in accordance with our *Statements of Practice for Management and Monitoring*. This includes the development of *Value Creation Plans* and monitoring of performance against 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 in place in managing conflicts, as outlined in 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

6. Institutional investors should publish a voting policy

Khazanah is currently putting in place the relevant policies and frameworks for Principles 5 and 6.

BOARD OF DIRECTORS



DATO' SRI MOHD NAJIB TUN ABDUL RAZAK
Chairman

Dato' Sri Mohd Najib is the current Prime Minister of Malaysia and Minister of Finance. He previously held various ministerial posts including Minister of Culture, Youth and Sports, Minister of Defence, and Minister of Education, as well as Deputy Prime Minister from 2004 to 2009. Dato' Sri Mohd Najib also served as the Chief Minister of Pahang from 1982 to 1986.



TAN SRI MOHAMED AZMAN YAHYA
Director and Executive Committee (EXCO) Member

Tan Sri Mohamed Azman is the founder and Executive Chairman of Symphony House Sdn Bhd, and Executive Chairman of Symphony Life Berhad. He also sits on the Boards of Ekuiti Nasional Berhad and several Khazanah investee companies. He was formerly the Chief Executive of Danaharta Nasional Berhad and Chairman of the Corporate Debt Restructuring Committee.



DATO' MOHAMMED AZLAN HASHIM
Director and Executive Committee (EXCO) Member

Dato' Mohammed Azlan is Chairman and Board member of several public listed companies and Government-related organisations. Dato' Mohammed Azlan was formerly Chief Executive of Bumiputra Merchant Bankers Berhad, Group Managing Director of Amanah Capital Malaysia Berhad, and Executive Chairman of Bursa Malaysia Berhad.



RAJA TAN SRI DATO' SERI ARSHAD BIN RAJA TUN UDA
Director and Chairman of Audit and Risk Committee (ARC)

Raja Tan Sri Arshad is the Chairman of Maxis Berhad, Ekuiti Nasional Berhad and Yayasan Raja Muda Selangor. He was formerly the Executive Chairman and Senior Partner of PricewaterhouseCoopers Malaysia for 18 years.



TAN SRI ANDREW SHENG LEN TAO
Director And Audit And Risk Committee (ARC) Member

Tan Sri Andrew is Chairman of Khazanah Research Institute Board of Trustee and Chief Adviser to the China Banking Regulatory Commission. His previous senior appointments include Chairman of the Securities and Futures Commission of Hong Kong, Deputy Chief Executive of Hong Kong Monetary Authority, and Chief Economist and Assistant Governor of Bank Negara Malaysia.



**TAN SRI DATO' SERI UTAMA
NOR MOHAMED YAKCOP**
*Deputy Chairman
(until 30 September 2017)*

Tan Sri Nor was formerly Minister in the Prime Minister's Department in charge of Economic Planning Unit. He had also previously served as Minister of Finance II and Special Economic Adviser to the Prime Minister, and spent over 30 years with Malaysia's central bank, Bank Negara Malaysia in various capacities.



**DATUK SERI JOHARI
ABDUL GHANI**
Director

Datuk Seri Johari is the current Minister of Finance II. He was formerly the Deputy Minister of Finance. Datuk Seri Johari has extensive corporate sector experience having served as Managing Director and Chairman in various companies including those listed on the Main Board of Bursa Malaysia.



**TAN SRI DR MOHD IRWAN
SERIGAR ABDULLAH**
Director

Tan Sri Dr Mohd Irwan Serigar is Secretary General of Treasury, Ministry of Finance. He serves on the Board of Directors of several key organisations including Permodalan Nasional Berhad, Petroliaam Nasional Berhad, Lembaga Tabung Haji, Mass Rapid Transit Corporation Sdn Bhd and Bank Negara Malaysia. He is also Chairman of Retirement Fund (Incorporated), Inland Revenue Board of Malaysia and Malaysian Global Innovation and Creativity Centre (MaGIC).



**TAN SRI MD NOR MD
YUSOF**
*Director and Executive
Committee (EXCO)
Chairman*

Tan Sri Md Nor is the Chairman of Malaysia Airlines Berhad and sits on various Boards, including Pelaburan Hartanah Berhad and several key investee companies. He sits on the Board of Trustee of Yayasan Khazanah and was formerly the Executive Chairman of the Securities Commission and Adviser to the Minister of Finance.



**DATO' SRI NAZIR TUN
ABDUL RAZAK**
*Director and Audit and
Risk Committee (ARC)
Member*

Dato' Sri Nazir is Chairman of CIMB Group. He is also a member of the International Advisory Board of the University of Oxford's Blavatnik School of Government and inaugural Chairman of the World Economic Forum's ASEAN Regional Strategy Group. He is a trustee of CIMB Foundation and Asia Business Council. In 2015, he was the recipient of Asia House's Asian Business Leaders Award.



**DATO' DR NIRMALA
MENON**
*Director and Executive
Committee (EXCO)
Member*

Dato' Dr Nirmala brings with her over three decades of experience in the insurance and health sectors. Prior to joining MetLife, Dato' Dr Nirmala served as Head of South Asia at ING Asia Pacific Ltd, and before that, she was President and CEO of ING Malaysia Berhad, becoming the first woman CEO in the life insurance industry in Malaysia.



YEO KAR PENG
*Director and Audit and Risk
Committee (ARC) Member*

Yeo Kar Peng is currently the Chairman/Managing Partner of Kendall Court Capital Partners and one of its founders. She is also a Board member of Cenviro Sdn Bhd, a wholly-owned subsidiary of Khazanah. Prior to establishing Kendall Court, she was Managing Director at Citigroup Global Markets. She has also held the post of Head of Research at Union Bank of Switzerland in Malaysia and WI Carr, respectively.



**TAN SRI DATUK WIRA
AZMAN MOKHTAR**
Managing Director

Tan Sri Datuk Wira Azman is the Managing Director of Khazanah and chairs and sits on the Boards of several key Khazanah investee companies. He is also the co-founder and former Managing Director of BinaFikir Sdn Bhd, and was previously Director and Head of Research at Salomon Smith Barney and Union Bank of Switzerland in Malaysia, respectively.

MESSAGE FROM THE MANAGING DIRECTOR



Watch
*The Khazanah
Report 2017*
video

Welcome to *The Khazanah Report 2017* (TKR2017), the sixth annual edition of *The Khazanah Report* since its inaugural publication in 2013. The theme of TKR2017 is *Building True Value Towards A Globally Competitive Malaysia*, which incorporates two key elements that encapsulate what we do as the strategic investment fund of the Government of Malaysia. To elaborate further, Khazanah endeavours to deliver financial, strategic and societal returns (which we define as true value) for the nation and the *rakyat*, and in so doing, we play our part in enhancing Malaysia's overall competitiveness. This is our vision and mission, which you can find out more of in the section that explains the Khazanah mandate in detail.

The theme is reflected in the design and the elements that constitute the report, which we hope you will find useful and informative. We've also introduced several new features for TKR2017 to help make the information and content more accessible. These features include a 3-minute video clip on who we are, what we do, our performance and achievements. You can view TKR2017

video clip by simply scanning the QR code above with your mobile device.

Long-term value creation

Alhamdulillah, Khazanah was able to deliver strong financial performance in 2017. Our portfolio Net Worth Adjusted (NWA) rose to a record high of RM115.6 billion as at 31 December 2017, a 13.2% increase from the RM 102.1 billion posted the previous year. This represents long-term growth of 9.6% per annum (CAGR) in portfolio value since 2004, on the back of asset cover of 3.1 times over liabilities. In addition, our profit before tax (PBT) increased 81.3% to RM2.9 billion, bringing the cumulative PBT since 2004 to RM28.0 billion. We also declared dividends of RM1.0 billion for 2017, with cumulative dividends declared since 2004 amounting to RM10.11 billion.

Long-term value creation is integral to our efforts in helping to enhance Malaysia's global competitiveness. In seeking opportunities across the world, we have



“

*Long-term value creation
is integral to our efforts
in helping to enhance
Malaysia's global
competitiveness*

REALISABLE ASSET
VALUE (RAV)

RM **157.2** billion

*Our RAV represents the total value of all of
our investments on a marked-to-market
basis.*

As at 31 December 2017

NET WORTH
ADJUSTED (NWA)

RM **115.6** billion

*Our NWA is the primary mode of
measuring the value created in our
portfolio and strips out liabilities as well
as net transfers to the Government.*

As at 31 December 2017

**TAN SRI
DATUK WIRA
AZMAN MOKHTAR**
*Managing Director
Khazanah Nasional
Berhad*



Tan Sri Azman together with Deputy Managing Directors Ahmad Zulqarnain Onn (second left) and Tengku Dato' Sri Azmil Zahrudin Raja Abdul Aziz (second right), Jiv Sammanthan (far right), Executive Director and Head of Managing Director's Office and Faridah Bakar Ali (far left), Director, Finance and Chief Financial Officer, at the Khazanah Annual Review 2018 media briefing

broadened our overseas footprint, beginning with our first regional office in Beijing in 2008 to the four others that we have opened since then, the latest being in London in 2016. In addition, we continue to drive the regionalisation and internationalisation of our investee companies, some of whom are now among leaders in their respective industries. Examples include edotco Group Sdn Bhd, which operates 26,000 telecommunication towers across six countries, Axiata Group Berhad, which serves 350 million customers in 11 countries, and IHH Healthcare Berhad, which is one of the largest healthcare groups in the world by market capitalisation. Notably, last year IHH Healthcare saw through the start of operations of new hospitals in Hong Kong and Istanbul, and broke ground for new hospitals in Shanghai and Kuala Lumpur.

Khazanah also makes long-term investments that leverage regional complementarities that benefit both Malaysia and the countries we invest in. A prime example of such strategic investments is our joint development with Temasek Holdings (Private) Limited of the Marina One and DUO projects in Singapore, which were both officially launched in early 2018 and combined, have a total gross development value of SGD11 billion. As you can see in the following pages of this year's TKR as well as the reports we have issued in the previous years, Khazanah strives to create and deliver financial, strategic and societal value across the geographies that we invest and operate in, be it on the domestic front or overseas.

Through our presence overseas, we have been able to progressively internationalise our investment portfolio,

with the overseas exposure of our Realisable Asset Value (RAV) currently accounting for approximately 44.5%. This includes investments that we made in 2017, such as in e-commerce enabler Koubei in China, leading European used car marketplace Auto1 Group, and Internet-of-Things connectivity service provider Sigfox based in France. We also harvested value created from earlier overseas investments, including divestments from asset management company China Huarong, BDO Unibank in the Philippines, and cloud services provider VeloCloud.

On the domestic front, our investee companies were involved in several key projects last year, including the operationalisation of Tenaga Nasional Berhad's (TNB) Manjung 5 power plant; the launch of Telekom Malaysia Berhad's (TM) Iskandar Puteri Data Centre at Nusajaya Technology Park, Johor; the joint venture between Malaysia Airports Holdings Berhad (MAHB) and Cainiao Smart Logistics Network to develop an e-commerce hub in KLIA Aeropolis; and partnership between Touch n' Go, a subsidiary of CIMB Group Berhad (CIMB), with Alipay for mobile wallet solutions. There was also continued progress at Malaysia Airlines Berhad (Malaysia Airlines), which is now into the fourth year of its restructuring plan.

Overall, Khazanah and our investee companies continue to support domestic growth, enhance internationalisation, and tap into new growth opportunities, such as innovation and technology. As the strategic investment fund of Malaysia, we continue to play the role of active shareholder in our companies. On the back of the successful Government-Linked Companies Transformation (GLCT)



Programme, we are taking a step forward by embarking on Transformation 2.0 (T2.0) to ensure that our investee companies lead their regional peers in performance. T2.0 also serves to transform them to meet challenges of the future, including the disruptive forces that come with the advent of globalisation and rapid technological change namely the 4th Industrial Revolution.

In line with T2.0, we introduced the TIDE (Trending, Innovation, Disruption and Entrepreneurship) Programme last year to further drive the performance of our investee companies. The multi-year programme is a collaborative approach aimed at creating awareness and encouraging the adoption of innovation, disruption and entrepreneurship in company cultures. Besides TIDE Programme for our investee companies, we also launched the Khazanah Nasional Entrepreneurship Outreach (KNEO) to help unearth entrepreneurial Malaysian talent nationwide. More than 700 applications were received for this initiative, which we plan to do on an annual basis. You can find out more about KNEO at www.khazanahneo.com.my. In addition, we continue to further drive responsible investing, specifically through Project Chronos, which seeks to

measure the societal impact of our investments in addition to their financial and economic value. You will hear more of this initiative as we roll it out in the near future.

Delivering societal returns

As you well know, Khazanah's value distribution activities is a key component of our overall mandate, primarily through Corporate Responsibility initiatives undertaken by Yayasan Hasanah as well as Khazanah itself. In 2017, Khazanah and Yayasan Hasanah spent a total of RM233.5 million on CR initiatives, bringing the total spent to RM1.2 billion since 2006. These initiatives include 110 scholarships awarded by Yayasan Khazanah, the Khazanah-Skim Latihan 1Malaysia (SL1M) programme, which saw 4,220 graduates trained in 2017, and the further roll-out of the Yayasan AMIR Trust School Programme to 64 more schools. We also issued a second tranche of RM100 million seven-year Sustainable and Responsible Investment Sukuk, of which RM5 million was designated as a retail portion.



(From left) Khazanah Research Institute Managing Director Dato' Charon Mokhzani; Tan Sri Azman; Datuk Seri Johari Abdul Ghani; and Khazanah Deputy Managing Director Tengku Dato' Sri Azmil Zaharuddin at the launch of the Khazanah Nasional Entrepreneurship Outreach (KNEO) programme during KMF2017

“

We also held the inaugural Hari Hasanah on 4 September 2017 to encourage Malaysians to contribute time and effort to do good deeds for others, as part of Khazanah's "Negaraku, Negara Kita" campaign.



Tan Sri Azman and students from SK Tabuan at the *Hasanah Bersama Rakyat* event in Santubong, Sarawak. SK Tabuan is a school under the Trust Schools Programme

The Sukuk proceeds were used to fund the Trust School Programme. Other social inclusion initiatives implemented in 2017 included the commitment of RM24.0 million towards the execution and delivery of social development initiatives in affordable housing, entrepreneurship development, capacity building and liveability enhancement within Iskandar Malaysia, Johor.

In addition, 2017 saw the establishment of *Amanah Warisan Negara*, a national trust under which Taman Tugu Project will be placed. Furthermore, the Government allocated an additional 25 acres of adjacent land for the Taman Tugu Project, bringing its total land area to 91 acres. You can follow the progress of the project at www.tamantugu.com.my.

We also held the inaugural *Hari Hasanah* on 3 September 2017 to encourage Malaysians to contribute time and

effort to do good deeds for others, as part of Khazanah's "Negaraku, Negara Kita" campaign celebrating 60 years of Malaysia's independence. Over 30,000 people were impacted through more than 300 *Hari Hasanah* initiatives, including initiatives that were undertaken by our staff, all of whom participated individually or in groups. 2017 also saw the roll-out of *Hasanah Bersama Rakyat* (HBR), a *Hari Hasanah* outreach programme for B40 communities in selected regions. The HBR has been held in Iskandar Puteri in Johor, Santubong in Sarawak, Jeli in Kelantan, and Jerlun in Kedah.

Khazanah Research Institute (KRI) continued to provide support for government policy formation through its research on the pressing issues of the nation. In 2017, KRI issued several publications including "*Why Trade Matters: Trade Issues in Non-communicable Diseases, Essential Medicines and Education*", the third in a series of reports on international trade and trade policy. KRI



also published "*Building Social Capital: The George Town Experiment*", which highlights the benefits of a community development fund in alleviating the pressures of social displacements in top-down urban regeneration development.

Khazanah continued to enhance efforts in strengthening institutional integrity, corporate governance and sustainability by adopting and supporting best practices and standards, both at home and internationally. We are respectively, signatory of the Malaysian Code for Institutional Investors spearheaded by the Institutional Investor Council of Malaysia, of which we are a member; the Malaysian Anti-Corruption Commission's (MACC) Corporate Integrity Pledge; and the United Nations-supported Principles for Responsible Investment. We are also a member of the International Forum of Sovereign Wealth Funds, and FCLTGlobal (Focusing Capital on the Long Term), a not-for-profit organisation that works to encourage a longer term focus in business and investment decision-making. We are also a member of several World Economic Forum (WEF) bodies, including the Stewardship Board of the System Initiative on the Future of Economic Progress and ASEAN Regional Steering Group. In addition, Khazanah was also

A visitor making a pledge to do good deed during the Hasanah Bersama Rakyat event in Iskandar Malaysia



recognised by Bretton Woods II in its Leaders List of the top 25 Most Responsible Asset Allocators in 2017. Bretton Woods II is an initiative by some of the world's leading development institutions to promote social impact, sustainability, and good governance in investments.

Institutional integrity and corporate governance are among the key pillars of our continuing institutionalisation efforts, which also includes succession management. At its meeting in December last year, the Khazanah Board of Directors led by Chairman Dato' Sri Mohd Najib Tun Abdul Razak approved our succession plan, which saw the appointment of two Deputy Managing Directors, Tengku Dato' Sri Azmil Zahrudin Raja Abdul Aziz and Ahmad Zulqarnain Onn, effective on 1 January 2018. At this juncture, on behalf of the management and staff, I would like to thank Tan Sri Dato' Seri Utama Nor Mohamed Yakcop for his leadership, guidance and contributions as a member of the Board of Directors and Khazanah Deputy Chairman over a period spanning 15 years until September 2017. Tan Sri Nor, through his role at Khazanah and previous ministerial positions, was instrumental to the success of numerous initiatives, including the revamp and transformation of Khazanah, the 10-year GLC Transformation Programme, the development of various economic corridors including Iskandar Malaysia, as well as the formation of Yayasan Hasanah and Khazanah Research Institute. I would also like to congratulate and welcome Ms Yeo Kar Peng on her appointment to the Board of Directors in December 2017. Ms Yeo brings with her in-depth experience in the financial and capital markets sectors which I'm sure will benefit Khazanah greatly.

Overall, Khazanah has done much in the past year in our effort to uphold and fulfill the various roles and responsibilities we have been entrusted with. This has been made possible through the hard work and contribution by a great many people, including the Khazanah Board, management and staff, our peers and partners, and indeed, all of our stakeholders both in Malaysia and abroad. I would like to thank all who were involved. There is undoubtedly more that needs to be done, and I look forward to continuing our collective effort to build true value for Malaysia and the *rakyat*.

Tan Sri Datuk Wira Azman Mokhtar

Managing Director
Khazanah Nasional Berhad

1 May 2018

STRATEGIC PLANNING GROUP

We draw on the broad experience and capabilities of our people for the work that we do

The Strategic Planning Group (SPG) represents a team of about 100 senior staff from Senior Vice Presidents to Executive Directors. The diverse group of individuals, from a broad range of industries and areas of specialisation, brings to Khazanah a wealth of knowledge and experience.

The SPG, which includes the Senior Leadership Team (SLT), helps to collectively ensure the implementation and delivery of our strategic and commercial objectives, based on the direction from our Board, and in line with our mandate.

SENIOR LEADERSHIP TEAM



**TAN SRI DATUK WIRA
AZMAN MOKHTAR**
Managing Director

The team is led by Tan Sri Datuk Wira Azman Mokhtar, who has served as Managing Director since his initial appointment to the post in June 2004.



**TENGKU DATO' SRI AZMIL
ZAHRUDDIN RAJA ABDUL AZIZ**
*Deputy Managing Director and
Co-Head of Investments
(Divisional Management)*

Tengku Dato' Sri Azmil joined Khazanah in 2011 from Malaysian Airline System Berhad where he was Managing Director and Chief Executive Officer. Prior to that, he was Managing Director and Chief Executive Officer of Penerbangan Malaysia Berhad. He has also worked at PricewaterhouseCoopers in London and Hong Kong.



AHMAD ZULQARNAIN ONN
*Deputy Managing Director and
Head of Strategic Management Unit*

Zulqarnain joined Khazanah in 2014. He has over 18 years in both the banking and corporate sectors, including tenures with UBS Warburg, Pengurusan Danaharta Nasional Berhad, CIMB Group, and Symphony Group.

**DATUK BEN CHAN**

Executive Director, Investments and Co-Head of Investments (Transactions) (Until 31 May 2018)

Datuk Ben joined Khazanah in 2005. He was formerly Director of Research at several investment houses in Malaysia, covering Malaysia and Singapore. Previously, he was head of China research with Cazenove & Co and ING Barings, based in Hong Kong.

**JIV SAMMANTHAN**

Executive Director, Managing Director's Office and Head of Managing Director's Office

Jiv joined Khazanah in 2010. Prior to Khazanah, he spent 18 years with PricewaterhouseCoopers in their Birmingham, London and Kuala Lumpur offices.

**DATUK HISHAM HAMDAN**

Executive Director, Investments and Head of Khazanah Research & Investment Strategy

Datuk Hisham joined Khazanah in 2011 from Sime Darby Berhad, where he served in various senior capacities, covering strategy and business development, healthcare, energy and utilities, and China. He also has significant prior experience in equity research and investment banking.

**DATO' MOHD IZANI GHANI**

Executive Director, Investments and Overseeing Executive Director of Khazanah Turkey Regional Office

Dato' Izani joined Khazanah in 2005. Prior to joining Khazanah, he was with Putrajaya Holdings Sdn Bhd and Renong Group.

**JAVIER SANTISO**

Executive Director, Investments and Head of Khazanah Europe Investment Limited

Javier joined Khazanah in 2015. He heads Khazanah Europe Investment Limited. He was previously the Managing Director for Global Affairs and New Ventures at Telefonica. He also served as Director General and Chief Economist at OECD Development Centre.

**CHINTA BHAGAT**

Executive Director, Investments and Head of Khazanah India Advisors Private Limited

Chinta joined Khazanah in 2015 and heads Khazanah India Advisors Private Limited. He was previously the Managing Partner at McKinsey & Co in Singapore. Prior to McKinsey, he held various positions at an Indian engineering and construction firm, culminating in his role as Managing Director.

**DATO' NOORAZMAN ABDUL AZIZ**

Executive Director, Investments

Dato' Noorazman joined Khazanah in 2010 from Fajr Capital Ltd in Dubai, where he was the Managing Director. Previously, he held international banking and finance positions, including with Citigroup, Bank Islam, Kuala Lumpur Stock Exchange and Labuan Offshore Financial Services Authority.

**KENNETH SHEN**

Executive Director, Investments

Ken joined Khazanah in 2011 from Qatar Investment Authority where he held several senior positions, including Adviser to the Chief Executive Officer and member of the Board of Qatar Holding LLC. Prior to that he was with Salomon Brothers in Hong Kong and Lehman Brothers in New York.

**ZAIDA KHALIDA SHAARI**

Executive Director, Investments

Zaida joined Khazanah in 2007. Previously, she was Company Secretary and Head of Legal at Permodalan Nasional Berhad after spending several years in legal practice.

**SERENA TAN MEI SHWEN**

Executive Director, Investments

Serena joined Khazanah in 2005. Prior to Khazanah, she was with Boston Consulting Group and McKinsey & Co. She has also served with Lippo Bank in Indonesia, under secondment from Khazanah for two years.

**NIK RIZAL KAMIL NIK IBRAHIM KAMIL**

Executive Director, Investments

Nik Rizal joined Khazanah in 2011. He started his career at Coopers & Lybrand UK before joining Arthur Andersen & Co. He had a brief stint with RHB Sakura Merchant Bank before joining the Royal Dutch Shell Plc Group where he served in companies in Malaysia, Singapore, Brunei and the UK.

**RONI L. ABDUL WAHAB**

Executive Director, Investments

Roni re-joined Khazanah in May 2017. Previously, he served as Managing Director and Head of Global Banking, Malaysia for HSBC. Prior to that, Roni held several banking and corporate positions at Credit Suisse, Khazanah, UEM Group, JP Morgan, and Capstar Partners.

**BRYAN LIM TSIN LIN**

Executive Director, Investments and Head of Khazanah Nasional Consulting (Beijing) Company Limited

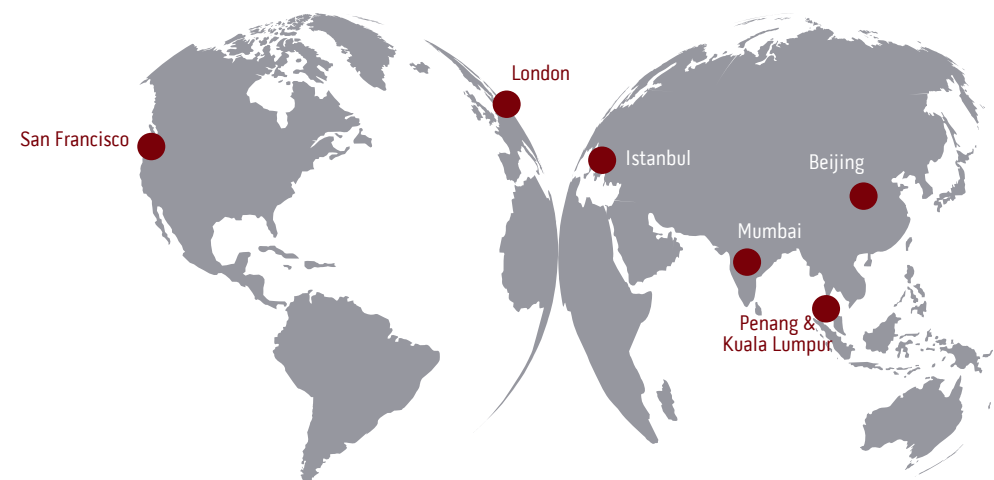
Bryan joined Khazanah in 2005. Prior to Khazanah, he was with Ernst & Young, Rating Agency Malaysia Berhad and ECM Libra Securities Sdn Bhd.

**AMRAN HAFIZ AFFUDIN**

Executive Director, Investments

Amran joined Khazanah in 2011. He started his career with Petronas in corporate finance and treasury functions. Amran also has experience in the private equity industry.

STRATEGIC PLANNING GROUP



We would like to welcome the following members to the Strategic Planning Group:



(from left)

Syed Ahmad Safarudin Syed Zainal Abidin
Senior Vice President, Investments

Diana Tee Mei Ling
Senior Vice President, Investments

Hasdina Ann Hashim
Senior Vice President,
Strategic Human Capital
Management

Managing Director's Office

<i>Executive Director</i>	<i>Senior Vice President</i>
JIV SAMMANTHAN	AHMAD KHAIRUL RAZI ISMAIL
DATO' CHARON WARDINI MOKHZANI	AILEEN BUANG
MOHAMMAD IZANI ASHARI	AMELIA WARDAH KASSIM
<i>Director</i>	FIRDAUS SUFFIAN ABDUL LATIF
CALVIN RAQEEEM R. JACOB	JASMINE KWAN CHIEW YAN
CHEE KOK LIM	SAADIAH AZIZ
IMRAN AHMAD	SITI SAFINAH SALLEH
MOHD RASLAN MD SHARIF	WAN HAFIZ HAMZAH
RAMANA RAJALINGAM	WAN HUSSIEN
SUHANA DEWI SELAMAT	
WAN AB AZIZ B ARIFFIN	

Strategic Human Capital Management

<i>Executive Director</i>	<i>Senior Vice President</i>
LATIFAH DAUD	DR RASLAN HANIFF ABDUL RASHID
<i>Director</i>	MELINDA OMAR
MOHAMMAD RAZIP	NOR HAFIZAH
MOHAMMAD ZIN	AHMAD MARZUKI

Investments

<i>Executive Director</i>	<i>Director</i>		
AMRAN HAFIZ AFFIFUDIN	ABANG RAHMAT YUSUF	LIM KOOI JUNE	SHAHIRIL IBRAHIM
AHMAD ZULQARNAIN ONN	AZRI ZAHARUDDIN	LOH TZU ANNE	STANLEY OOI KOK LEONG
BRYAN LIM TSIN LIN	BABAR KHAN	MAY QUAH BEE FONG	STEPHANIE SAW AI LIN
CHINTA BHAGAT	DR PATRICK LAU HUI PING	ONG KING HOW	SUNDHIRAJ SHARMA
DATO' MOHD IZANI GHANI	EFFIZAL FAIZ ZULKIFLY	PANG HEE MIN	WONG SHU HSIEN
DATO' NOORAZMAN ABD AZIZ	GOH KEAT SIANG	QUEK PEI LYNN	YAP KHENG HAN
JAVIER SANTISO	KENNETH WOO ZHI YING	SELVENDRAN KATHEERAYSON	ZAFER SONMEZ
KENNETH SHEN	KHOO LAY SENG	SHAHIN FAROUQUE JAMMAL AHMAD	
NIK RIZAL KAMIL	<i>Senior Vice President</i>		
NIK IBRAHIM KAMIL	AHMAD FARIZ ALI	IRWAN SHAHRIN ISMAIL	NIK MARIEN
RONI L. ABDUL WAHAB	AL-AZMY AZIZI	JUSTIN MAHMUD HASHIM	NIK AHMAD KAMAL
SERENA TAN MEI SHWEN	ANGELA CHONG YIT PHIN	KAYSE FOO SHIOU VOON	NURAZEYAN KHALIS MOHD KHALIS
TENGKU DATO' SRI AZMIL ZAHRUDDIN RAJA ABDUL AZIZ	AZZAM MOHAMED	K. GOPALAN V.P. GOVINDA PATHIYAR	PUSHKAR JAUHARI
ZAIDA KHALIDA SHAARI	ENITA AZLINA OSMAN	LOW GUAT PENG	SAMUEL OOI THEAN AUN
	HAN JUN SIEW	MANISH DAGA	VISHAL AGARWAL
	HARIS HARDI ZAKARIA	MOHD ASRUL AB RAHIM	WONG EUGENE
	HAZMAN HILMI SALLAHUDDIN	MOHD SHAFIE ISMAIL	WONG WAI SENG
	INGRID MARIKA SVARDSTROM		

Corporate & Support Services

<i>Executive Director</i>	<i>Senior Vice President</i>
DATO' MOHAMED NASRI SALLEHUDDIN	BAHARE SAMSUDIN
<i>Director</i>	HALINA JAEEL ABU BAKAR
IWAN RASHMAN GULAMOYDEEN	NORDIANA NORDIN
JAMILAH HASHIM	SAIDATUL ATIKAH OSMAN
MOHAMAD AFFENDI YUSOFF	SHAMSUDDIN ABDUL JALIL
	ZAFARIN ABD GHAFFAR

Finance

<i>Director</i>	<i>Senior Vice President</i>
FARIDAH BAKAR ALI	ERMA SURIANEE MALEK
HAFIZUDDIN SULAIMAN	JUHANA HAMZAH
	MOHD HASRI HARON
	MOHAMED ROZANI
	MOHAMED OSMAN
	NIK NAZHAN
	NIK ABDUL AZIZ

Khazanah Research & Investment Strategy

<i>Executive Director</i>	<i>Senior Vice President</i>
DATUK HISHAM HAMDAN	NICHOLAS KHAW HOCK-LU
<i>Director</i>	TAN SIAW WOAN
MOHAMED RIDZUAN MOHAMED	



The Strategic Planning Group (SPG) during its year-end retreat in Penang, October 2017



**DATO' MOHAMED NASRI
SALLEHUDDIN**

*Executive Director, Corporate & Support
Services, Company Secretary and
Head, Legal*

Dato' Nasri joined Khazanah in 2009. Previously 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.



MOHD IZANI ASHARI

*Executive Director, Managing Director's
Office and Head of Special Projects Office*

Izani joined Khazanah in 2009. He is responsible for leading Khazanah's GLC Transformation Programme. He spent a considerable number of years with large multinationals and corporations, including Shell, Maybank, Sime Darby, Petronas, and Malaysian Airline System Berhad.



DATO' CHARON MOKHZANI

*Executive Director, Managing Director's
Office and Managing Director of
Khazanah Research Institute
(Until 12 May 2018)*

Dato' Charon joined Khazanah in 2013. Previously, he was the Deputy Chief Executive Officer, Investment Banking of CIMB Group, and Chief Executive Officer of CIMB Investment Bank. Prior to that he was the Managing Partner of Messrs. Zaid Ibrahim & Co.



LATIFAH DAUD

*Executive Director and Head of Strategic
Human Capital Management*

Latifah joined Khazanah in 2015 with over 20 years of human resources experience from Honeywell China and Motorola/Freescale Semiconductor. She had worked in various functions at Hatibudi Nominees/Renong Berhad, Arab Malaysian Bank and Yayasan Pelajaran MARA.



FARIDAH BAKAR ALI

*Director, Finance and
Chief Financial Officer*

Faridah joined Khazanah in 2006 after building a career in accountancy and finance with PricewaterhouseCoopers Malaysia and subsequently BP Malaysia.



SUHANA DEWI SELAMAT

*Director, Managing Director's Office
and Chief Risk Officer*

Suhana joined Khazanah in 2012. She has more than 20 years of experience in legal, regulatory and compliance roles. Previously, she was the Director/Country Head of Compliance with Credit Suisse in Malaysia.

We would like to extend our gratitude and appreciation to the following former Senior Leadership Team member for his contribution to Khazanah.

DATUK DOMINIC SILVA
Executive Director, Investments
Datuk Dominic Silva left Khazanah in July 2017 after serving for nine years.



KHAZANAH INDIA ADVISORS PRIVATE LIMITED

Khazanah India Advisors Private Limited, which was opened in 2009, provides on-the-ground investment advisory support as well as helps to foster closer economic ties between Malaysia and India. The office also serves as a conduit for Indian companies exploring investment opportunities in Malaysia.

02



Manish Daga
Senior Vice President,
Investments

One of the key responsibilities of the India office is to strengthen Malaysia-India relationships and linkages, especially at the corporate level. We often work on assisting our investee companies as well as other Malaysian companies here, and on promoting investments in Malaysia from India.

FINANCIAL REVIEW

Strong financial capability and sustainable financial growth are vital towards fulfilling our commercial and strategic roles.

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FINANCIAL HIGHLIGHTS

Continued progress and sustained performance in long-term value creation; across financial, strategic and value distribution performance

Realisable asset value (RAV) and net worth adjusted (NWA) are the two indicators used to measure Khazanah's performance. RAV represents the total value of our investment portfolio while NWA measures the value created in our portfolio.

As at 31 December 2017, Khazanah's RAV stood at RM157.2 billion. This represents an increase of 8.2% from RM145.3 billion at the end of 2016. Meanwhile, NWA stood at RM115.6 billion, an increase of 13.2% from RM102.1 billion at the end of 2016.

Long-term value creation remains on an uptrend. As at 31 December 2017, RAV had increased by RM106.3 billion, or 3.1 times from the RM50.9 billion recorded in May 2004, with a compounded annual growth rate (CAGR) of 8.6% per annum. 2004 was the year Khazanah received our new mandate. Similarly, our NWA had gained RM82.3 billion, or 3.5 times from RM33.3 billion over the same period, with a CAGR of 9.6% which is in tandem with the FBM KLCI's CAGR of 9.7% (see *Portfolio Net Worth Adjusted Against FBM KLCI Since May 2004 Chart on page 30*).

Khazanah recorded a stronger profit before tax of RM2.9 billion in 2017, an increase of 81.3% from RM1.6 billion in 2016. Khazanah declared dividends of RM1 billion in 2017, bringing total dividends declared since May 2004 to RM10.11 billion. Our shareholders' funds rose to RM41.4 billion in 2017 from RM37.8 billion in 2016, while liabilities remained manageable at RM51.2 billion.

Our capital position remains strong with asset cover and net gearing standing at 3.1 times and 1.1 times, respectively. These financial ratios have been achieved as a result of risk management and prudential measures that have been put in place over the years, enabling our portfolio to remain strong and resilient in a volatile environment and continue focusing on long term value creation.

PORTFOLIO PERFORMANCE

	RAV ¹	NWA ²
14 MAY 2004	50.9	33.3
31 DEC 2016	145.3	102.1
31 DEC 2017	157.2	115.6
Δ 2016-17	+RM11.9 b (+8.2% p.a)	+RM13.5 b (+13.2% p.a)
Δ 2004-17	+RM106.3 b (+8.6% p.a³)	+RM82.3 b (+9.6% p.a³)

¹ RAV: Market value of all equities, securities and cash held; where no market price is available, a conservative estimate of value is used

² NWA: RAV less total liabilities and adjusted to measure value created

³ Compounded Annual Growth Rate

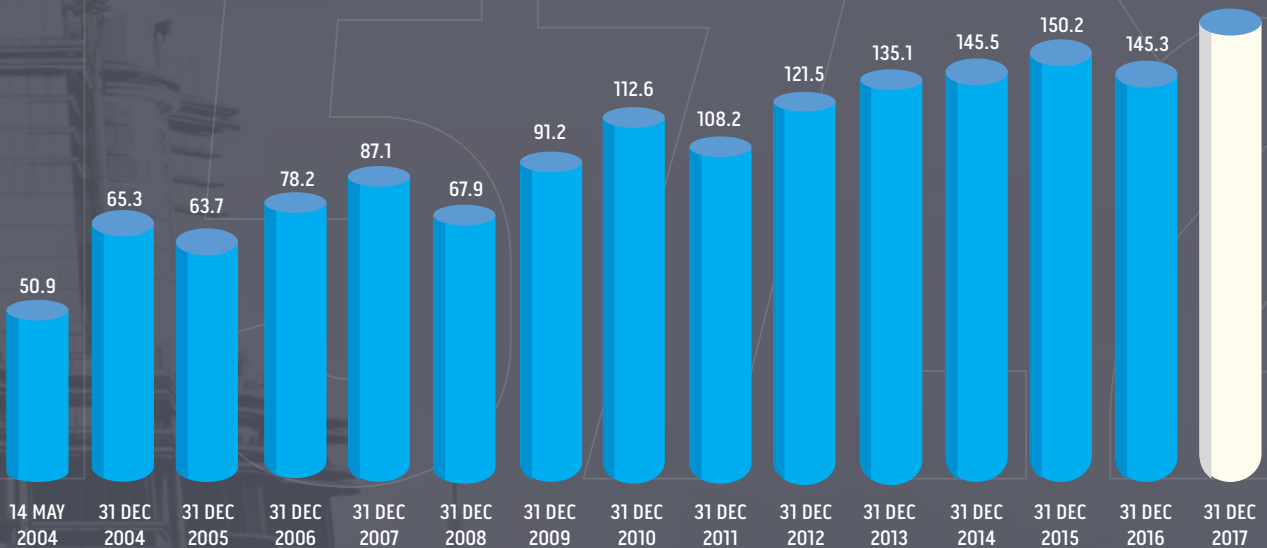
Note: Figures are rounded to nearest decimal point



REALISABLE ASSET VALUE (RAV)

Market value of all equities, securities and cash held. Where no market price is available, a conservative estimate of value is used.

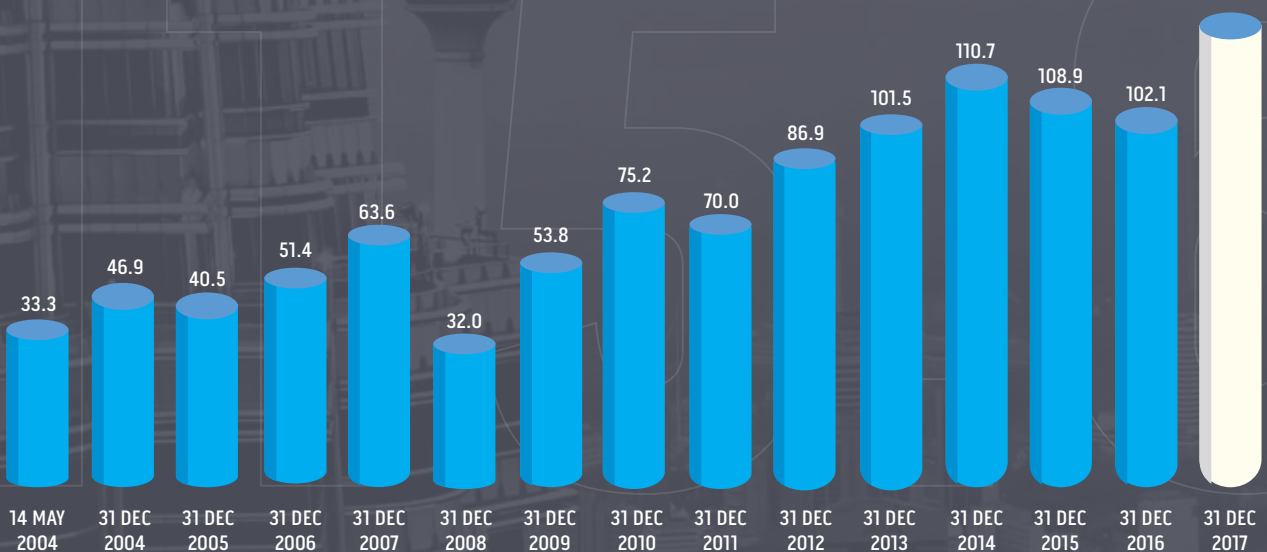
RM **157.2** b



NET WORTH ADJUSTED (NWA)

RAV less total liabilities and adjusted to measure value created.

RM **115.6** b



2017 PORTFOLIO RELATIVE PERFORMANCE

Total shareholder returns (TSR) is a measure of a company's performance that accounts for appreciation in share price as well as the dividends paid to shareholders.



FBM KLCI – FTSE Bursa Malaysia Kuala Lumpur Composite Index

	CAGR*
Khazanah NWA	9.6 %
FBM KLCI	9.7 %

*Compounded annual growth rate for the period 14 May 2004 to 31 December 2017

Source: Bloomberg; Khazanah analysis

KEY PORTFOLIO AND OTHER INDICATORS

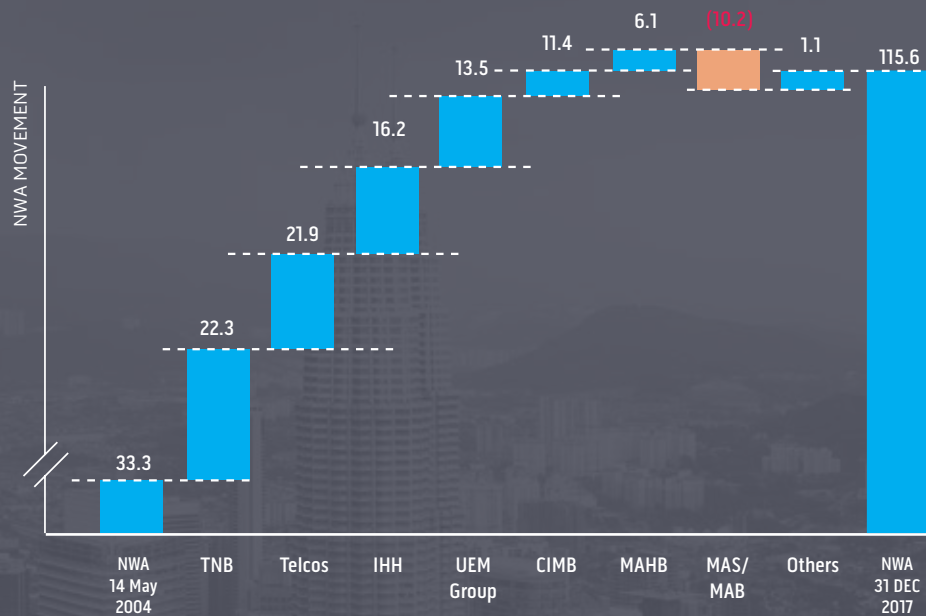
As at 31 Dec	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
RAV (RM m)	157,204	145,336	150,169	145,491	135,114	121,466	108,194	112,624	91,224	67,908	87,071	78,212	63,731	65,323
NWA (RM m)	115,562	102,115	108,890	110,716	101,513	86,901	69,957	75,223	53,770	31,955	63,611	51,437	40,549	46,868
Shareholders' Funds (RM m)	41,367	37,831	36,352	35,339	29,387	26,980	25,625	21,409	17,638	17,139	17,866	13,041	12,244	13,202
RAV / Liabilities (x)	3.1	2.9	3.1	3.6	3.7	3.3	2.9	2.9	2.4	1.9	3.6	2.9	2.7	3.5
Number of Employees	458	458	452	465	476	419	411	373	320	296	256	203	126	53
Number of Offices	8	8	8	7	7	5	5	5	5	4	2	1	1	1

Source: Bloomberg; Khazanah analysis



PORTFOLIO MOVEMENT ANALYSIS

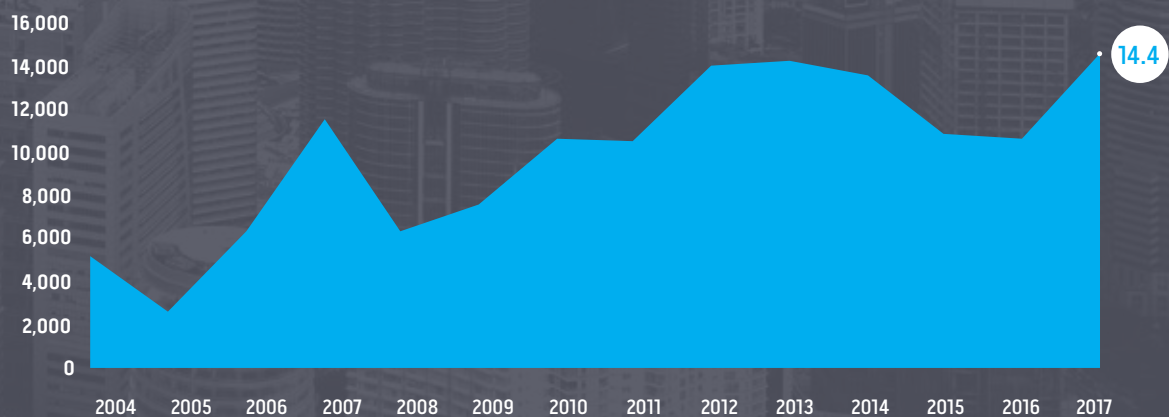
NWA MOVEMENT SINCE MAY 2004



Note: In RM terms

Source: Bloomberg; Khazanah analysis

K-8 AGGREGATE EARNING (RM b)



K-8 includes CIMB, Malaysia Airports Holdings Berhad (MAHB), Malaysia Airlines System Berhad (Malaysia Airlines Berhad from 2015), Telekom Malaysia (TM), Tenaga Nasional Berhad (TNB), UEM Group, Axiata (from 2007) and IHH Healthcare Berhad (from 2010)

Source: Bloomberg; Khazanah analysis

INDEPENDENT AUDITORS' REPORT

To the directors of
Khazanah Nasional Berhad
(Incorporated in Malaysia)

REPORT ON THE SUMMARY FINANCIAL INFORMATION

Opinion

The summary financial information, which comprises the summary balance sheets as at 31 December 2017, 2016, 2015, 2014, 2013, 2012, 2011, 2010, 2009, 2008, 2007, 2006, 2005 and 2004, 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 2017, 2016, 2015, 2014, 2013, 2012, 2011, 2010, 2009, 2008, 2007, 2006, 2005 and 2004.

In our opinion, the accompanying summary financial information are consistent, in all material respects, with those audited financial statements and the management accounts, in accordance with the basis described on pages 33 and 34.

Summary financial information

The summary financial information does not contain all the disclosures required by the 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 pages 33 and 34.

Auditors' responsibility

Our responsibility is to express an opinion on whether the summary financial information are consistent, in all material respects, with those audited financial statements and those management accounts 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".



11 April 2018
Kuala Lumpur



SELECTED FINANCIAL INDICATORS

INCOME STATEMENTS (RM million)

For the years ended 31 December

	2017	2016	2015	2014	2013
Revenue	6,112	6,210	5,763	7,949	7,685
Profit / (loss) before taxation	2,896	1,566	1,181	3,217	3,128
Taxation	(88)	(129)	(126)	(129)	53
Net profit / (loss) for the year	2,808	1,437	1,055	3,088	3,181
Dividends declared					
- Ordinary dividend	(700)	(650)	(650)	(650)	(650)
- Special dividend	(300)	—	(400)	(250)	—
Net profit / (loss) for the year after dividends	1,808	787	5	2,188	2,531

BALANCE SHEETS (RM million)

As at 31 December

	2017	2016	2015	2014	2013
Current assets	6,141	5,071	6,089	5,214	4,451
Non-current assets	86,426	83,378	78,253	72,687	61,497
Total assets	92,567	88,449	84,342	77,901	65,948
Current liabilities	12,064	10,338	13,575	13,282	6,894
Non-current liabilities	39,136	40,280	34,414	29,280	29,667
Total liabilities (see Note A)	51,200	50,618	47,989	42,562	36,561
Share capital	12,285	6,644	6,644	6,644	8,444
Share premium	—	3,840	3,840	3,840	3,840
Retained profits	17,607	16,983	16,010	16,004	15,616
Other reserves	11,475	10,364	9,859	8,851	1,487
Shareholders' fund	41,367	37,831	36,353	35,339	29,387
Total equity and liabilities	92,567	88,449	84,342	77,901	65,948

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

BORROWINGS (RM million)

As at 31 December

	2017	2016	2015	2014	2013
Khazanah's Government-guaranteed bonds	14,013	14,373	15,683	15,019	13,430
Other bonds and notes	19,449	17,253	17,123	14,760	14,734
Term loans	5,022	5,286	4,215	3,397	3,310
Exchangeable sukuk	4,622	4,826	3,423	3,748	2,127
Commercial paper	—	—	—	—	—
Revolving credit facilities	6,766	7,525	6,012	—	—
	49,872	49,263	46,456	36,924	33,601

The above income statements and balance sheets are derived from Khazanah's Proforma 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.

SELECTED FINANCIAL INDICATORS

INCOME STATEMENTS (RM million)

For the years ended 31 December

	2012	2011	2010	2009	2008	2007	2006	2005	2004
Revenue	5,324	9,445	6,237	3,594	5,087	7,683	2,269	2,267	3,395
Profit / (loss) before taxation	2,077	5,342	2,081	791	127	5,110	1,014	(831)	282
Taxation	(188)	(66)	(28)	25	(350)	(195)	(224)	(126)	(73)
Net profit / (loss) of the year	1,889	5,276	2,053	816	(223)	4,915	790	(957)	209
Dividends declared									
- Ordinary Dividend	(650)	(500)	(500)	(100)	(100)	(1,000)	(100)	(30)	(30)
- Special Dividend	(350)	(2,500)	—	—	—	—	—	—	—
Net profit / (loss) for the year after dividends	889	2,276	1,553	716	(323)	3,915	690	(987)	179

BALANCE SHEETS (RM million)

As at 31 December

	2012	2011	2010	2009	2008	2007	2006	2005	2004
Current assets	7,784	8,795	3,381	4,656	6,871	3,225	6,817	4,822	4,031
Non-current assets	56,571	56,377	56,050	50,883	46,560	38,758	33,605	31,137	26,103
Total assets	64,355	65,172	59,431	55,539	53,431	41,983	40,422	35,959	30,134
Current liabilities	7,731	9,352	6,852	7,900	8,002	5,813	10,116	7,634	760
Non-current liabilities	29,644	30,195	31,170	30,001	28,290	18,304	17,265	16,081	16,172
Total liabilities (see Note A)	37,375	39,547	38,022	37,901	36,292	24,117	27,381	23,715	16,932
Share capital	8,444	8,444	5,444	5,444	5,444	5,444	5,404	5,404	5,404
Share premium	3,840	3,840	3,840	3,840	3,840	3,840	3,300	3,300	3,300
Retained profits	13,084	12,194	10,016	8,553	7,837	8,060	4,245	3,511	4,498
Other reserves	1,612	1,147	2,109	(199)	18	522	92	29	—
Shareholders' funds	26,980	25,625	21,409	17,638	17,139	17,866	13,041	12,244	13,202
Total equity and liabilities	64,355	65,172	59,431	55,539	53,431	41,983	40,422	35,959	30,134

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

BORROWINGS (RM million)

As at 31 December

	2012	2011	2010	2009	2008	2007	2006	2005	2004
Khazanah's Government-guaranteed bonds	12,128	8,833	8,442	8,313	7,452	7,943	8,106	8,994	7,738
Other bonds and notes	16,106	18,240	14,151	9,600	7,312	6,969	4,963	1,177	915
Term loans	5,754	6,052	6,064	8,821	8,545	1,600	6,900	9,227	8,069
Exchangeable sukuk	1,292	1,889	6,117	7,815	8,528	6,149	3,604	1,568	—
Commercial paper	—	—	—	—	489	—	994	—	—
Revolving credit facilities	917	952	1,613	2,699	3,460	—	2,118	1,885	—
	36,197	35,966	36,387	37,248	35,786	22,661	26,685	22,851	16,722

The above income statements and balance sheets are derived from Khazanah's Proforma 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.



ISLAMIC FINANCE AND CAPITAL AND LIABILITY MANAGEMENT

Khazanah continues to lead in Islamic finance and building true value



Ng Eu Gin
Vice President, Finance

Khazanah is at the forefront of innovation in Islamic finance. Our efforts contribute to the development of the business ecosystem in Malaysia which has the capacity to innovate and the required market depth to continue attracting global investors, market players and talent.

Khazanah remains focused in its effort to promote understanding and deepening its offering of Islamic Finance products. The Sustainable and Responsible Investment (SRI) Sukuk is one of many of such endeavours. Issued in 2015, Sukuk Ihsan was Malaysia's first SRI Sukuk which combined the concepts of sukuk financing with philanthropy. This is in line with Khazanah's key philosophy that Islamic finance must be linked to real economic activities that emphasises socioeconomic development through innovative and fair financial policies and products. Proceeds from Sukuk Ihsan were channelled to Yayasan AMIR, a not-for-profit organisation incorporated to improve the accessibility of quality education in Malaysian government schools.

In June 2017, Khazanah issued the second tranche of RM100 million SRI Sukuk which includes a RM5.0 million retail offering. This was the first time individual investors in Malaysia were presented with a unique opportunity to invest in a social impact sukuk. Investors of Sukuk Ihsan could also give back to society via exercising the sukuk's unique waiver option which will waive the principal and profit invested at any time during its tenure. Additionally, Khazanah launched a reward crowdfunding campaign to cater to individuals who wish to participate in Sukuk Ihsan but were unable to subscribe to the sukuk directly.

Khazanah's strong credit standing and reputation have been key to preserving our capability in securing competitive funding. Recently, we priced our eighth Exchangeable Sukuk exchangeable into CITIC Securities Co. Ltd shares on 17 January 2018 which garnered strong investor support across Asia and Europe. Such transactions continue to highlight Malaysia as

a competitive and preferred sukuk destination, as evidenced by Malaysia's prestigious position as the world's biggest Islamic debt market with 37.5% of global sukuk issuance as at end December 2017¹.

At Khazanah, we are disciplined in managing our liability, and actively match our borrowings with our assets. All our capital market activities are strictly driven by investment requirements with the nation's long-term economic interest in mind. We are also meticulous in our divestment approach enabling us to reinvest monetised value from our portfolio into new sectors and geographies.

Khazanah does not receive regular infusions of capital from the Government, nevertheless we diligently assist the Government to reduce its contingent liabilities. In 2016, we issued a USD750 million Sukuk to refinance Penerbangan Malaysia Berhad's USD1.0 billion guaranteed notes. In October 2017, we redeemed RM1.0 billion Khazanah Government Guaranteed Sukuk, making our total redemption to date to RM3.0 billion out of our RM20.0 billion programme. We will continue the Government Guaranteed Sukuk redemptions until the final redemption date in 2032.

Our fundraising activities have advanced and redefined the landscape of Islamic finance since we structured and issued the first Exchangeable Sukuk into Telekom Malaysia Berhad and Axiata Group Berhad shares in 2006. Khazanah went on to issue many world's firsts including the first Singapore Dollar-denominated Sukuk in 2010 and the world's first Renminbi-denominated Sukuk in 2011. Khazanah, together with our investee companies, will continue to pave the development of Islamic capital markets by embracing Islamic finance as a preferred method to raise capital and to maintain Malaysia's position as a global and competitive Islamic finance marketplace.

¹ Source: RAM Ratings' press release "Malaysian sukuk performance remained resilient in 2017", published on 21 February 2018

KHAZANAH'S SUKUK ISSUANCES

2017

Second Tranche of SRI Sukuk

- Size: RM100 million
- First SRI sukuk in Malaysia to feature a retail portion for individual Malaysians to participate
- Received 3 awards to date



Islamic Social Responsibility Award - 7th Global Islamic Finance Awards (GIFA)



Best Sukuk Deal of the Year in Southeast Asia 2017



IPO (Sukuk) Deal of The Year

2016

US Dollar-Denominated Straight Sukuk

- Size: USD750 million
- First USD straight sukuk issuance by Khazanah
- Third foreign currency issuance under its Multicurrency Islamic Securities Programme
- Attracted demand of 1.5x booksize
- Received 1 award to date

Beijing Enterprises Water Group Limited (BEWG) Exchangeable Sukuk

- Size: USD398.8 million
- First Sukuk to offer exposure into China's growing water utility sector
- Highest exchange premium achieved for an exchangeable Sukuk by Khazanah
- Achieved the highest exchange premium for a zero coupon and zero yield exchangeable Sukuk since 2007
- Received 2 awards to date

2015

Sustainable and Responsible Investment (SRI) Sukuk

- Size: RM100 million
- World's first RM-denominated SRI sukuk
- Received 8 awards to date

2006

Government Guaranteed Sukuk Programme by Khazanah

- Size: RM20 billion

Islamic Commercial Paper (ICP) / Medium Term Notes of (IMTN) by Rantau Abang Capital Berhad

- Size: RM10 billion
- One of the largest ICP / IMTN Programme set up by a corporate
- Received 1 award

TM/Axiata Exchangeable Sukuk

- Size: USD750 million
- World's first Shariah compliant exchangeable sukuk
- Received 17 awards

2007

PLUS Exchangeable Sukuk

- Size: USD850 million
- 13 times book cover and priced at the tightest end of the range
- Tight pricing was achieved despite being priced amidst an environment of volatile interest rates
- Largest equity-linked issue of Malaysia in 2007
- Third largest equity-linked issue out of Asia-Pacific excluding Japan/Australia in 2007
- Received 3 awards

2008

Parkson Exchangeable Sukuk

- Combined offering of USD550 million exchangeable sukuk and USD97 million equity placement
- 11 times book cover attracting more than 200 investors reflecting strong demand for quality Malaysian credit
- The first sukuk that offers Islamic investors exposure to China's retail consumption growth story, continuing the innovation in structured Islamic financial products
- Received 11 awards



Nurul Iman
Vice President,
Investments

We explore overseas opportunities and cultivate relationships with conglomerates, such as those in Japan. We look outwards in order to develop internally, by exchanging best practices with our Japanese peers and creating opportunities for knowledge transfer to become globally competitive.



2014

Tenaga Exchangeable Sukuk

- Size: USD500 million
- First internationally distributed sukuk structured based on Mudarabah and Murabahah principles
- Received 3 awards

2013

IHH Healthcare Exchangeable Sukuk

- Size: SGD600 million
- First SGD-denominated exchangeable sukuk
- First exchangeable sukuk in Asia offering exposure to the healthcare sector
- Oversubscribed by 5.5 times
- Achieved tightest end of pricing and premium guidance
- Received 7 awards

2012

Parkson Exchangeable Sukuk

- Size: USD357.8 million
- Achieved tightest end of pricing and premium guidance
- World's first sukuk to be priced at negative yield
- First Malaysian equity-linked deal since early 2010
- Oversubscribed by 3 times
- Received 3 awards

2009

Multicurrency Islamic Securities Issuance Programme by Danga Capital Berhad

- Size: RM10 billion
- Structure: Musyarakah (Profit Sharing Agreement) and Wakalah (Agency Agreement)

2010

Islamic Medium Term Notes Issues by Danga Capital Bhd

- Size: SGD1.5 billion
- Largest sukuk issuance in Singapore
- Largest SGD issuance by a foreign issuer in Singapore
- First SGD sukuk issuance out of the Malaysian International Islamic Financial Centre initiative
- Longest-tenured SGD sukuk
- Largest sukuk to date by Khazanah
- Received 8 awards

2011

Islamic Medium Term Notes Issues by Danga Capital Bhd

- Size: CNH500 million
- World's First Offshore RMB sukuk
- First CNH offering by an ASEAN quasi-sovereign issuer
- Oversubscribed by 3.6 times
- Upsized from CNH300 million to CNH500 million due to investor demand
- Received 6 awards



KHAZANAH TURKEY REGIONAL OFFICE

The Khazanah Turkey Regional Office (KTRO) which opened in 2013, is Khazanah's fourth regional office after the Beijing, Mumbai and San Francisco offices. KTRO serves as a platform to enhance and strengthen regional investment and business links, including in the Middle East and North Africa, Central Asia and Europe.

03





Ecem Altioğ
Assistant Vice President,
Investments

Turkey and the surrounding region are strategic and attractive geographies for Malaysia to succeed against international competition. Turkey acts as a bridge between Malaysia and the key emerging markets, hence we facilitate investment activities to help make Malaysia "future ready" on a global scale.

CREATING TRUE VALUE THROUGH OUR INVESTMENTS

Khazanah adopts an active role and macro-management approach as shareholder in its drive for transformative results. We partner our investee companies in a collaborative manner to venture into new markets and work with public and private sector entities to help catalyse growth and development of Malaysia.

Investing in Growth and Development **40**

Empowering Our Companies **42**

Driving Performance and Charting
New Paths **44**

Portfolio of Companies **46**

Building a Regional Footprint **64**

Government-Linked Companies (GLC)
Contribution Towards Nation Building **66**

INVESTING IN GROWTH AND DEVELOPMENT

Khazanah's investment strategy is aligned to the national development agenda. Our approach is driven by our mission to create true value for a globally competitive Malaysia.

Our investments are primarily commercially driven, anchored on financial value creation while also taking into account economic contribution, in terms of job creation, technological content, societal returns and other forms of economic multipliers.

Our investments cut across different types of transactions, from corporate exercises to large-scale development projects. All investments are rigorously evaluated and submitted to the Board of Directors for consideration and approval.

Part of our investment strategy can be seen in efforts to further strengthen our Core Investments, which are chiefly the Government's commercial assets that we hold and manage. Our investee companies are some of Malaysia's largest companies and leading players in their respective sectors.



REGIONAL PRESENCE

A growing theme of our investment, is regionalisation, which enables us to tap into growth in markets outside Malaysia



OUR INVESTMENTS

Our investments are broadly, categorised into Core Investments, Growth Investments and Catalytic Investments



ACTIVE INVESTOR

Since 2004, we have invested RM87.9 billion in our companies including 175 discrete new investments



STRATEGIC DIVESTMENTS

We undertake strategic divestments to enhance private sector participation and build entrepreneurial capacity in key economic sectors



We are active shareholders, collaborating with our investee companies, supporting them where necessary to help them achieve their strategic objectives, including becoming regional players in their own right.

To support the country's aspiration to become a developed nation, we also participate in a broad array of Catalytic Investments on the home front that are able to deliver financial as well as strategic and societal returns to develop new growth areas, build capacity for the nation and effect transformative changes in the economy in the long term. This can be seen in our initiatives in Iskandar Malaysia, Johor, where we have invested significant resources into the growth corridor's development, as well as various strategic and developmental sectors.

We also invest – both directly and through our investee companies – in new sectors and geographies that offer strong potential to help build the country's long-term competitiveness. These Growth Investments, as they are called, include investments that we believe will shape the economy of the future, provide strategic linkages, and enable the nation to tap into new growth areas.

Our investments in Innovation & Technology (I&T) are part of our mandate to create long-term value

for Malaysia. While there are certain risks ascribed to such investments, our I&T portfolio is prudently managed to mitigate those risks.

Overall, our investment strategy has allowed us to have a robust investment portfolio that is well-balanced and poised for growth. The net worth adjusted (NWA) of our portfolio stood at RM115.6 billion as at 31 December 2017, having grown at compounded annual growth rate of 9.6% per annum since 2004. This growth has been achieved by balancing an appropriate risk appetite and return-on-investments outlook with the national strategic imperative of having strong, sustainable and inclusive economic growth.

In an ever globalised and evolving environment, Khazanah's relentless pursuit for national growth has identified innovation as key for Malaysia's journey towards a high-income economy. We believe investing in innovation will scale the efficiency frontiers and subsequently the nation's productivity and growth. As a whole, innovation will create a new wave of industries and contribute to the creation of new jobs which is critical for Malaysia's long-term economic expansion in the global arena.



Malaysia ranks

1/28

emerging markets in terms of its ability to produce unique and diverse innovations

BCA Research -
Economic Complexity and
Innovation Score

UEM Group's collaboration with Google Malaysia in organising coding, circuitry and robotics makerthons for school going students aged between 13 and 17. The initiative is part of UEM Group's education initiative named Project STAR (Share, Think, Ask, Respond).



EMPOWERING OUR COMPANIES

Khazanah collaborates with investee companies to drive greater performance

We are guided by a *Five-Point Engagement Framework* in our collaborative investment approach with our investee companies.

As an active shareholder, we help to ensure that there is strong and capable leadership within each investee company that will execute the appropriate business strategies. We work with them to implement key systems and controls such as governance and risk management frameworks and talent and performance management systems.

We also contribute to and support the development of regulatory structures and competitive environments, while promoting collaborations and synergies between our investee companies.

The framework helps us to monitor the progress of the companies while empowering them to become high-performing entities.



Latifah Daud
Executive Director and
Head of Strategic Human
Capital Management

Business performance and growth go in tandem with talent optimisation, particularly in today's fast paced and technologically driven environment where disruptions are the norm. Good talent management is critical to ensure Khazanah's resilience in sustaining performance whilst being agile in creating new growth opportunities.





FIVE-POINT ENGAGEMENT FRAMEWORK



LEADERSHIP BENCH

Assist in ensuring the presence of a professional, capable, and experienced Board of Directors and Senior Management Team



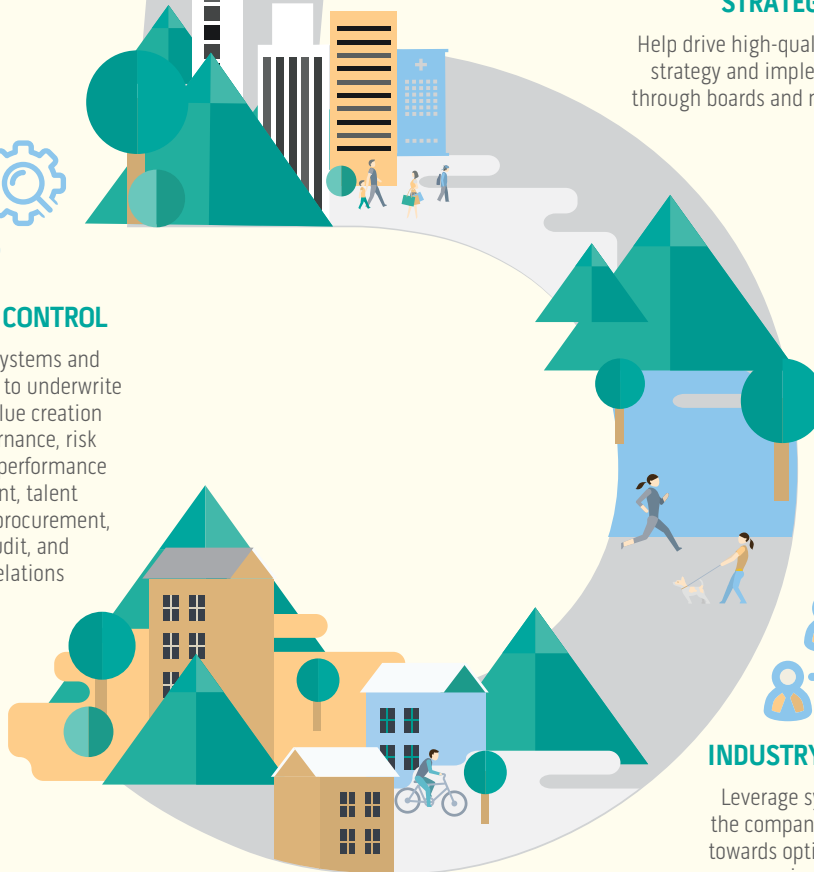
STRATEGY

Help drive high-quality business strategy and implementation through boards and management



SYSTEMS & CONTROL

Help put key systems and controls in place to underwrite growth and value creation through governance, risk management, performance management, talent management, procurement, internal audit, and investor relations



INDUSTRY STRUCTURE

Leverage synergies within the company and contribute towards optimal competitive environment and regulatory structure



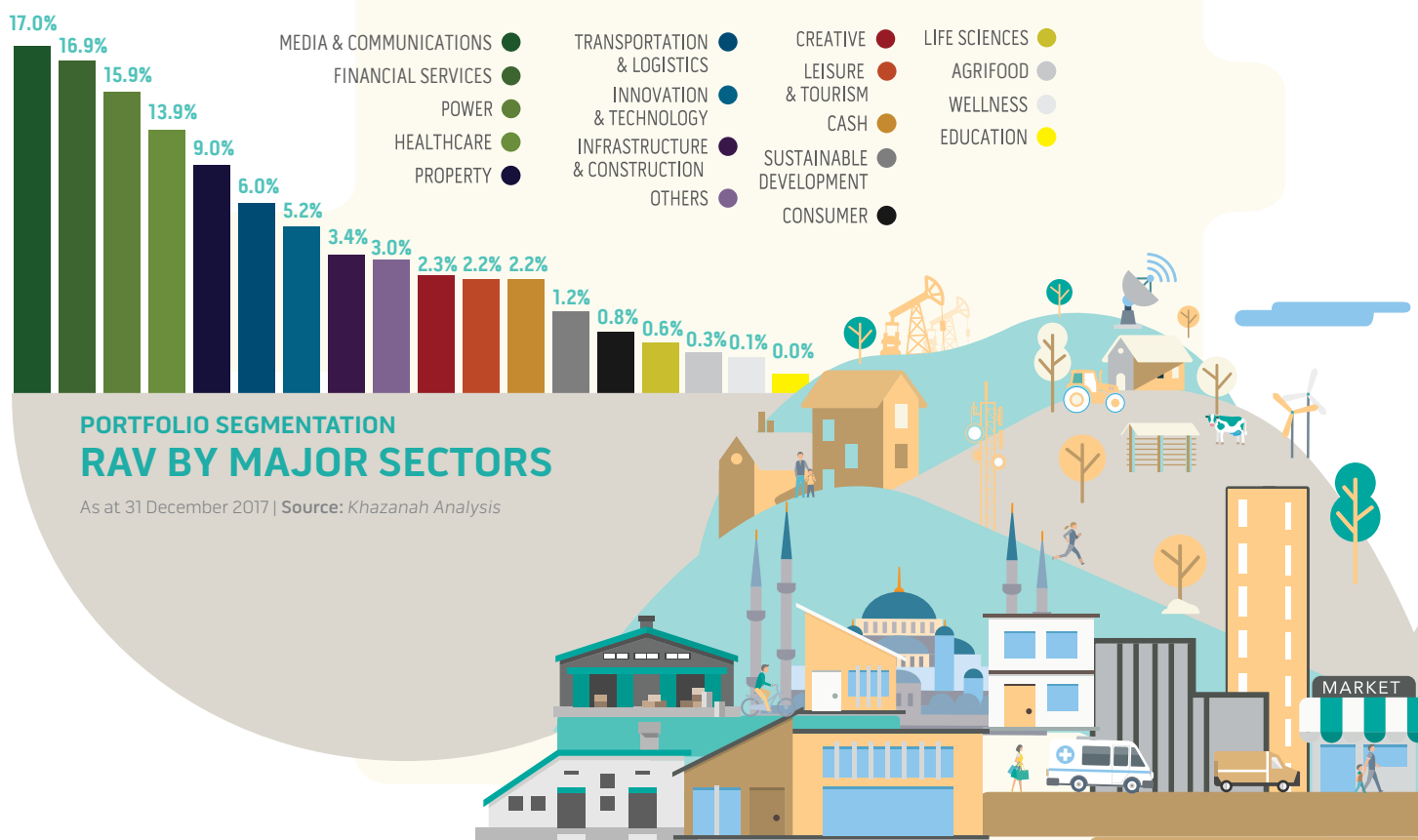
MONITOR PERFORMANCE MANAGEMENT & EMPOWER

Provide for continuous monitoring, performance management through KPIs and endorsement of management

DRIVING PERFORMANCE AND CHARTING NEW PATHS

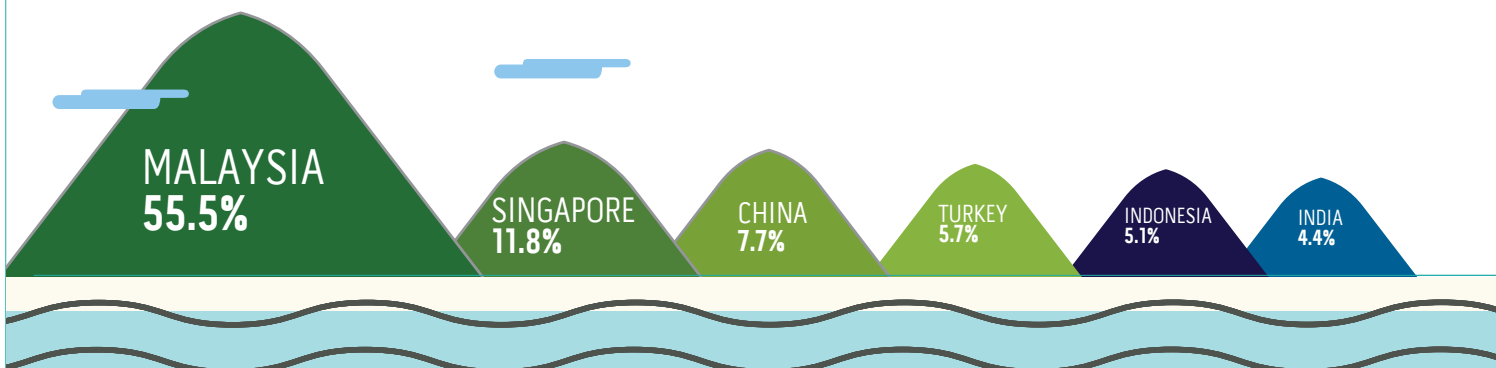
Khazanah supports and contributes to the Government's national transformation initiatives

Our investment portfolio comprises interests in more than 100 companies across multiple sectors, industries and geographies, either directly or indirectly through ownership of shares. This diverse portfolio reflects the work we do to create value, economic impact and linkages for Malaysia. Approximately 55% of our Realisable Asset Value (RAV) by geographic exposure is in Malaysia, with the remaining 45% located overseas.



RAV BY GEOGRAPHIC EXPOSURE³

As at 31 December 2017 | Source: Khazanah Analysis





Ong King How
Director, Investments

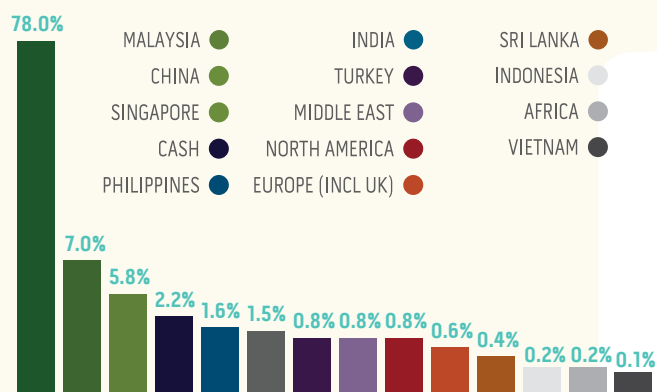
Edotco is a good example of innovation in a traditional sector like telecommunications and our drive to build regional champions among our investee companies. While relatively young, edotco is a leading telecommunications infrastructure services company in Asia in a fast growing industry.

TOTAL INVESTMENTS

	No. of Transactions ¹	Investment Amount (RM b)
2004-2017	175	87.9

TOTAL DIVESTMENTS

	No. of Transactions	Divestments Proceeds (RM b)	Gains on Divestment (RM b)
2004-2017	102	59.2	27.4



PORTFOLIO SEGMENTATION RAV BY DOMICILE OF COMPANIES²

As at 31 December 2017 | Source: Khazanah Analysis

¹ Number of discrete new investments

























² Value of investments is allocated by the holding company's country of domicile

³ An estimate of attributable value according to the countries where investee companies have operations










PORTFOLIO OF COMPANIES

As at 31 December 2017 | List is not exhaustive

AGRIFOOD	TRANSPORTATION & LOGISTIC	CREATIVE & MEDIA	FINANCIAL SERVICES	HEALTHCARE & WELLNESS	INFRASTRUCTURE & CONSTRUCTION	INNOVATION & TECHNOLOGY
 MAFC 100%	 Malaysia Airports Holdings Berhad 33.2%	 ASTRO Malaysia Holdings 20.7%	 CIMB Group 27.3%	 ValueCAP 33.3%	 IHH Healthcare Berhad 42.3%	 Alibaba 0.2%
 Blue Archipelago 100%	 Malaysia Airlines Berhad 100%	 Granatum Ventures 100%	 IDFC 9.5%	 Fajr Capital 19.1%	 PLUS Malaysia 51% OWNED BY UEM GROUP	 SiiTerra Malaysia 100%
 Biotropics Malaysia 100%		 Iskandar Malaysia Studios 99.4% OWNED BY GRANATUM VENTURES	 Avicenna Capital 100%	 WeLab 11.5%	 UEM Builders 100% OWNED BY UEM GROUP	 Fractal Analytics 35.9%
 The Holstein Milk Company 30%			 Sun Life Malaysia Assurance 49% OWNED BY AVICENNA CAPITAL	 BDO Unibank 3.9%	 ReGen 60%	 SEA 2.3%
			 Acicademy Sigorta 100% OWNED BY AVICENNA CAPITAL		 CIMA 100% OWNED BY UEM GROUP	 General Atlantic 1.3%
			 ACR Capital 24%		 UEM Edgenta 69.1% OWNED BY UEM GROUP	 Koubei 1.0%
			 Jadwa Investment 10.3%			 Infosys 0.2%
			 Bank Muamalat 30%			 Palantir 0.3%





LIFE SCIENCES	LEISURE & TOURISM	POWER	PROPERTY	SUSTAINABLE DEVELOPMENT	TELE-COMMUNICATIONS	OTHERS	
<div> Xeraya Capital 100%</div>	<div> Themed Attractions Resorts & Hotels 100%</div>	<div> ● Tenaga Nasional 28.9%</div>	<div> A member of UEM Group ● UEM Sunrise 66.1 % OWNED BY UEM GROUP  Iskandar Investment Berhad 60%  Medini Iskandar Malaysia 40% 20% OWNED BY ISKANDAR INVESTMENT BERHAD  M+S Pte Ltd 60%  SUNWAY ISKANDAR NATURE'S CAPITAL CITY™ Sunway Iskandar 40%  Pulau Indah Ventures 50%</div>	<div> Southern Marina 30%  Putrajaya Holdings 15.6%  ● 8990 Holdings 8.6%  ● Beijing Enterprises Water Group 4.6%</div>	<div> Cenviro 100%  Cenergi SEA 92.9%  ● Beijing Enterprises Water Group 4.6%</div>	<div> Axiata 37.3%  enabling connectivity edotco 10.6% 63% OWNED BY AXIATA  ● Telekom Malaysia 26.2% Pulau Kapas Ventures 30%  ● TIME dotCom 11.2% 30.5% OWNED BY PULAU KAPAS VENTURES</div>	<div> JOHN KEELLS HOLDINGS PLC ● John Keells 10.2%  LeapEd 100%</div>

● Listed company



Source: Khazanah Analysis

CORE INVESTMENTS

Khazanah's portfolio includes some of the most significant companies in Malaysia, as measured by their strategic importance to the nation. They are GLCs that are involved in diverse sectors such as aviation, financial services, healthcare, infrastructure & construction, power, property and telecommunications.



POWER



Tenaga Nasional Berhad (TNB) is Malaysia's national electric supply company, with RM142 billion worth of assets across its generation, transmission and distribution business units. In 2017, TNB served an estimated 9.1 million customers nationwide, while also beginning to widen its international footprint.



www.tnb.com.my



PROPERTY



A member of UEM Group

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



www.uemsunrise.com

Artist impression of UEM Sunrise's third project in Melbourne, Mayfair, an ultra-luxurious apartment designed by the late architect Zaha Hadid





TNB completed a 50% interest acquisition in one of Britain's largest solar portfolios, Vortex Solar UK LTD, with a combined net installed capacity of 365MW



TELECOMMUNICATIONS



Axiata Group Berhad (Axiata) is one of the largest telecommunications groups in Asia with about 350 million subscribers in 11 countries. Axiata has controlling interests in mobile operators in Malaysia, Indonesia, Sri Lanka, Bangladesh, Cambodia and Nepal, as well as strategic interests in India and Singapore. The Group's infrastructure company, edotco, operates in five countries to deliver telecommunications infrastructure services, and operates and manages a regional portfolio of over 25,000 towers. It also owns Axiata Digital Services, which was established in 2012 and has a portfolio of 29 digital brands built over the years.



www.axiata.com



Telekom Malaysia Berhad (TM) is Malaysia's leading converged communications service and solutions provider with 2.3 million broadband customers. It offers a comprehensive range of communications services and solutions covering broadband, data and fixed-line.

www.tm.com.my



FINANCIAL SERVICES



CIMB Group, is a leading ASEAN universal bank, operating in 15 markets around the globe. CIMBG operates across ASEAN under several corporate entities including CIMB Bank, CIMB Islamic, CIMB Investment Bank, CIMB Niaga, CIMB Securities and CIMB Thai. Its main markets of Malaysia, Indonesia, Singapore, and Thailand primarily focus on Consumer, Commercial and Wholesale Banking.



www.cimb.com



Winners of the CIMB ASEAN Stock Challenge 2.0, National Level Award Ceremony on 21 November 2017



INFRASTRUCTURE & CONSTRUCTION



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



www.uem.com.my



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



www.plus.com.my



UEM Edgenta Berhad UEM Edgenta Berhad is Malaysia's largest total asset solutions provider, offering a full suite of services to the healthcare, infrastructure and real estate sectors.



www.uemedgenta.com



“
Acibadem Holdings is
Turkey's leading private
healthcare provider



HEALTHCARE



IHH Healthcare Berhad

IHH Healthcare Berhad (IHH), is a leading premium integrated healthcare provider in markets where the demand for quality care is strong and growing. It is one of the largest healthcare groups in the world by market capitalisation and listed on the Main Market of Bursa Malaysia and the Main Board of SGX-ST.

Employing more than 35,000 people and operating over 10,000 licensed beds across 49 hospitals in 9 countries worldwide, the Group offers the full spectrum of integrated healthcare services from clinics to hospitals to quaternary care and a wide range of ancillary services.



www.ihhhealthcare.com



Acibadem Altunizade Hospital
opened on 14 March 2017



Jack Siah Boon Kiat
Assistant Vice President,
Investments

Efficient infrastructure, such as airports, is crucial in ensuring the global competitiveness of a country. MAHB's strong focus in improving its operational efficiency and customer experience would not only attract more tourists into Malaysia, but also improve ease of doing business and facilitate foreign investments into the country.



AVIATION



Malaysia Airlines Berhad (MAB) carries 40,000 passengers to, from and around Malaysia daily. As a member of the oneworld alliance, MAB offers connectivity with seamless journeys to 1,000 destinations across more than 150 countries, and access to over 650 airport lounges worldwide.

www.malaysiaairlines.com



Malaysia Airports Holdings Berhad (MAHB) manages and operates 39 airports in Malaysia and one international airport in Istanbul, Turkey. The 39 airports in Malaysia consist of five international airports, 16 domestic airports and 18 Short Take-off and Landing (STOL) ports. It also provides airport management and technical services for the development, operation, maintenance and management in overseas international airports.



www.malaysiaairports.com.my



Malaysia Airlines Chief Executive Officer Izham Ismail (left) at the launch of the inaugural A350-900 service from Kuala Lumpur to London

GROWTH INVESTMENTS

We invest in new growth sectors and geographies to support transformation of the Malaysian economy. Via these investments, we hope to build new industry linkages and help boost national growth and development.



INNOVATION & TECHNOLOGY



Fractal Analytics is a strategic analytics partner to Fortune 500 companies globally and helps companies power decisions in the enterprise by bringing analytics and artificial intelligence (AI) to the decision. Fractal Analytics has more than 1,200 people across 14 global locations including the United States, UK and India. Fractal has been featured as a leader in the 'Customer Analytics Service Providers Wave' 2017 by Forrester Research, a 'Great Place to Work' by The Economic Times in partnership with the Great Place to Work Institute, and recognised as a 'Cool Vendor' and a 'Vendor to Catch' by Gartner.

www.fractalanalytics.com



Cainiao Network the logistics affiliate of Alibaba Group, operates a logistics data platform that leverages the capacity and capabilities of logistics partners to fulfill transactions between merchants and consumers at a large scale. Cainiao Network uses data insights and technology to improve efficiency across the logistics value chain. Their proprietary data platform provides real-time access to data for merchants to better manage their inventory and warehousing and for consumers to track their orders. In addition, Cainiao Network's data platform helps logistics service providers to improve the efficiency and effectiveness of their services, such as leveraging data to optimise the delivery routes used by express courier companies.

www.global.cainiao.com



Garena Star League is the largest eSports event held annually in Thailand with a live audience of 180,000



Sea, in Singapore, was founded in 2009 by Forrest Li with the mission to better the lives of consumers and small businesses in the region with technology. Since inception, Sea, previously known as Garena, has grown swiftly to become a leading platform provider for online PC and mobile digital content, e-commerce and payments across Southeast Asia and Taiwan, serving millions of users. Sea is listed on the New York Stock Exchange in October 2017.

www.seagroup.com

generalfusion

General Fusion is involved in the development of the fastest and most practical path to commercial fusion energy. The company was established in 2002 and is supported by a global syndicate of energy venture capital funds, industry leaders, and technology pioneers, including Chrysalix Venture Capital, Bezos Expeditions, Khazanah, Cenovus Energy, Growthworks, Braemar Energy Ventures, BDC, Entrepreneurs Fund, and SET Ventures.

www.generalfusion.com



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

www.aemulus.com



Alibaba Group's mission is to make it easy to do business anywhere. The company provides the fundamental technology infrastructure and marketing reach to help merchants, brands and other businesses to leverage the power of the Internet to engage with their users and customers. Alibaba Group's businesses comprise core commerce, cloud computing, digital media and entertainment, innovation initiatives and others. Through its subsidiary Cainiao Network and investee affiliate Koubei, respectively, Alibaba Group participates in the logistics and local services sectors. In addition, Alibaba Group have a strategic relationship with Ant Financial Services, the financial services group that operates mainly through Alipay, the leading third-party online payment platform in China.

www.alibaba.com

The office building of Alibaba (China) Technology Co. Ltd on the outskirts of Hangzhou, China



HEALTHCARE & WELLNESS

ACIBADEM

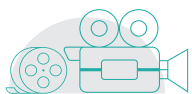
Acibadem Healthcare Group is a leading private healthcare services provider in Turkey and Bulgaria. It provides integrated and ancillary healthcare businesses services across 21 hospitals and 16 outpatient clinics in Turkey, Bulgaria and Macedonia.

www.acibadem.com.tr



ReGen Rehabilitation International Sdn Bhd is a private, specialty hospital company dedicated to the provision of inpatient and outpatient rehabilitation medicine. It is a joint venture between Khazanah Nasional Berhad and Select Medical International, one of America's leading rehabilitation companies.

www.regen.rehab



CREATIVE & MEDIA



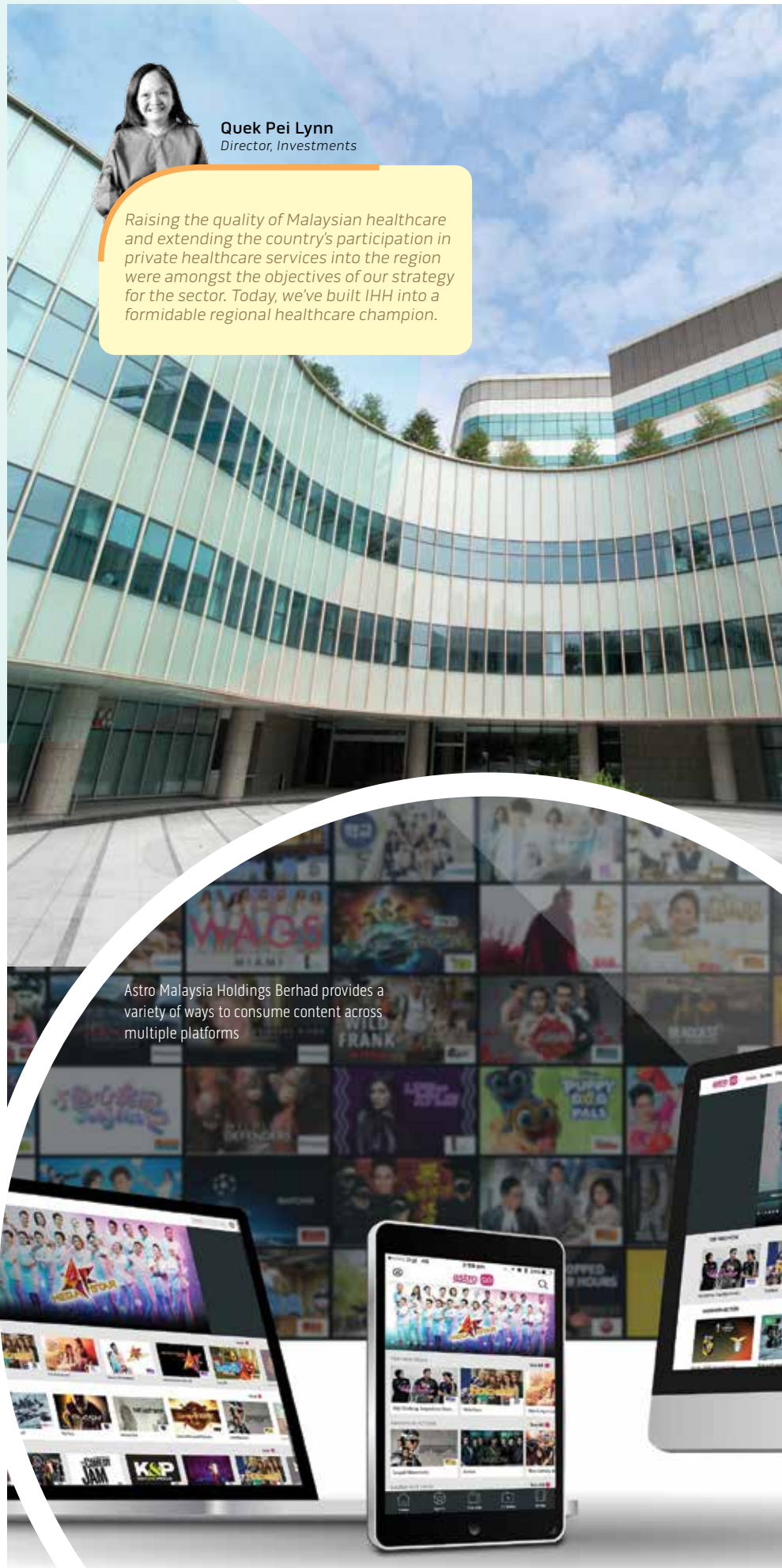
Astro Malaysia Holdings Berhad (AMH) is a leading content and consumer group in Malaysia and ASEAN that serves 5.3 million households, 21 million individuals across all screens and 7 million monthly unique visitors in the Digital, TV, Radio and e-Commerce space.

www.astromalaysia.com.my



Quek Pei Lynn
Director, Investments

Raising the quality of Malaysian healthcare and extending the country's participation in private healthcare services into the region were amongst the objectives of our strategy for the sector. Today, we've built IHH into a formidable regional healthcare champion.



Astro Malaysia Holdings Berhad provides a variety of ways to consume content across multiple platforms



Gleneagles Hong Kong opened its doors in March 2017



FINANCIAL SERVICES



ACR Capital Holdings Pte Ltd specialises in providing reinsurance solutions for large and specialist risks in the Pan-Asian region. Its wholly-owned subsidiary Asia Capital Reinsurance Group is one of the world's top 50 reinsurers.

www.asiacapitalre.com



Acibadem Sigorta is the only independent health insurance pure-play and the 2nd largest healthcare insurance platform in Turkey. Acibadem Sigorta has a large provider network of hospitals, clinics, laboratories, medical centres, and pharmacies across Turkey and a strong commercial contract with Acibadem Healthcare Group, the leading premium private hospital network in the country.

www.acibademsigorta.com.tr



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

www.sunlifemalaysia.com



PROPERTY



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

www.8990holdings.com



TELECOMMUNICATIONS



edotco Group Berhad (edotco) is the first regional and integrated telecommunications infrastructure services company in Asia, providing end-to-end solutions in the tower services sector from tower leasing, co-locations, built-to-suit, energy, transmission and operations and maintenance (O&M). Its regional portfolio includes over 26,000 towers across its core markets of Malaysia, Sri Lanka, Bangladesh, Cambodia, Pakistan and Myanmar.

www.edotcogroup.com



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

www.time.com.my



Shuaibah Independent Water and Power Plant in Jeddah, Saudi Arabia



POWER



Shuaibah Independent Water and Power Project was the first IWPP in the Kingdom of Saudi Arabia, supplying power and water to several major cities in the western region of the Kingdom.

www.shuaibahiwpp.com



LIFE SCIENCES



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

www.xeraya.com



Cenergi SEAs biogas facility in Pahang



SUSTAINABLE DEVELOPMENT



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

www.cenviro.com



redT Energy, specialises in the design, manufacture, installation and operation of energy storage systems for businesses, industry and electricity distribution networks. Using patented vanadium redox flow technology to store energy in liquid, redT's own energy storage machines can be run continually with no degradation: charging and discharging for over 25 years, matching the lifespan of renewable assets in on-grid, off-grid and weak-grid settings. redT energy plc is listed on the London Stock Exchange (AIM:RED) and has offices in the UK, Africa and the USA.

www.redtenergy.com



Cenergi SEA develops and invests in clean energy projects, with particular focus on biogas, biomass, solar PV, mini hydro, and energy efficiency projects in Malaysia and Southeast Asia. It is one of the largest grid-connected palm oil mill effluent biogas players in the country. It currently operates four biogas plants with a combined generation capacity of 5.5MW and another 1.5MW biogas plant to be commissioned in the fourth quarter of 2018. Cenergi is also executing a RM40 million Built-Own-Transfer (BOT) energy savings contract with a local university, which will be completed over four phases by the end of 2018.

www.cenergi-sea.com

CATALYTIC INVESTMENTS

In supporting Malaysia's aspiration to become a developed nation, Khazanah embarks on a broad array of investments that seek to generate commercial returns, develop strategic advantages, and build capacity for the nation, especially on the domestic front.



AGRIFOOD



Blue Archipelago Berhad (BAB) is an integrated shrimp aquaculture company dedicated to the production of premier quality seafood for the global market. The business is built on the foundations of high quality standards, food safety, ecological sustainability and social responsibility.

www.bluearchipelago.com



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

www.biotropicsmalaysia.com



MAFC's Controlled Environment Farms (CEF) greenhouse in Tanah Rata, Cameron Highlands



Malaysian Agrifood Corporation Berhad (MAFC) is a fully integrated food supply chain management company. It produces fresh and high quality highland vegetables under the brands Lushious, Genting Garden and Village Garden. MAFC distributes to retailers via its integrated cold chain logistics subsidiary. MAFC creates value by collaborating with relevant government agencies and industry players with the aim of supplying safe and top quality fresh produce for healthier living.

www.mafc.com.my



Holstein's Farm Fresh Yogurt is produced in Larkin, Johor



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



Iskandar Investment Berhad (IIB) is a strategic developer of catalytic projects in Iskandar Puteri - the only greenfield in Iskandar Malaysia at the time of its inception. IIB promotes investments in identified promoted sectors through collaborative efforts with federal and state agencies, global partners and key industry players and has invested in billion-Ringgit world-class infrastructure network. IIB is also master planning its land banks to develop Iskandar Puteri into a sustainable and liveable metropolis. IIB's game-changing projects such as Medini Iskandar, EduCity, Iskandar Space, Academy of E-Sports and DHL Global Centre of Excellence have transformed the landscapes and ecosystems, providing potent ingredients for success and sustainable growth for Khazanah's investee companies in Iskandar Malaysia.

www.iskandarinvestment.com



Medini Iskandar Malaysia Sdn Bhd (MIMSB) is the master planner and master developer of the 2,230-acre urban township Medini, located in the heart of Iskandar Puteri. A Central Business District of Iskandar Puteri, Medini City offers incentives uniquely available to Medini. MIM welcomes investors who are seeking investment opportunities in a prime destination strategically located near Singapore.

Established in 2007, MIM is owned by Jasmine Acres Sdn Bhd (60%), United World Infrastructure (20%) and Mitsui & Co. Ltd (20%). MIM's largest shareholder, Jasmine Acres, is jointly owned by Khazanah Nasional Berhad and Iskandar Investment Berhad.

www.medini.com.my



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



M+S Pte Ltd was set up on 27 June 2011 to develop two mixed-use developments in Singapore, namely Marina One in Marina South and DUO in Ophir-Rochor, following the full implementation of the Points of Agreement (POA) between Malaysia and Singapore in 2011. It is owned 60:40 by Khazanah and Temasek Holdings (Private) Limited, Singapore's state-owned investment company. Both iconic projects, which are worth a combined SGD11 billion in gross development value, were completed at the end of 2017 and officially opened by the Prime Ministers of Malaysia and Singapore on 15 January 2018.

“
Marina One, an award winning integrated development, within the prestigious Marina Bay financial district, is set to usher in a new concept of living, working and entertaining at the heart of Singapore's vibrant new CBD



CREATIVE & MEDIA



Granatum Ventures Sdn Bhd is an investment holding company in creative and media content, with three focus areas: content, ecosystem and infrastructure. It supports the development of the Malaysian creative industry towards becoming a world-class industry player.

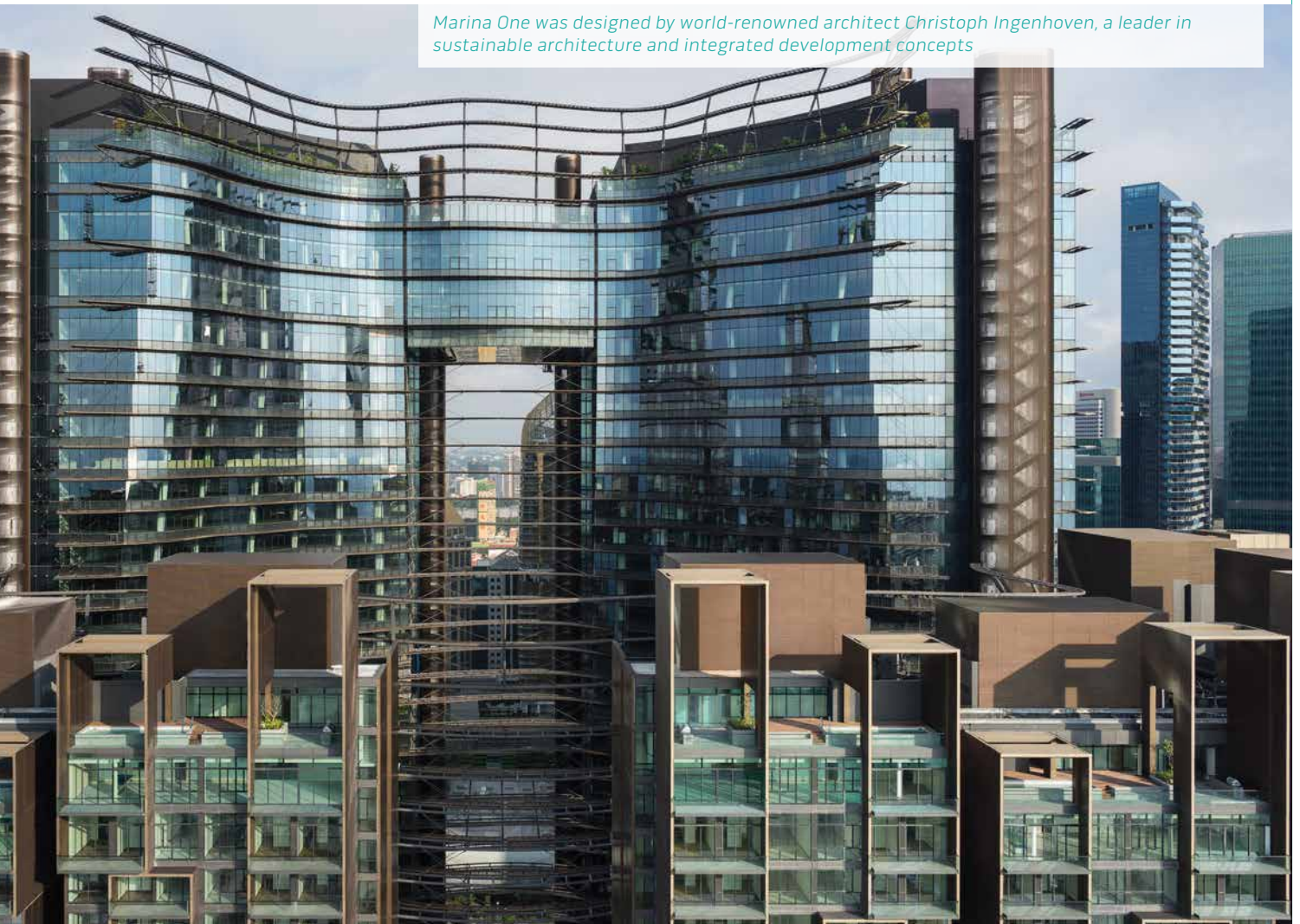


ISKANDAR MALAYSIA
STUDIOS

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

www.pinewoodgroup.com/studios/pinewood-iskandar-malaysia-studios

Marina One was designed by world-renowned architect Christoph Ingenhoven, a leader in sustainable architecture and integrated development concepts





Students during class at Sekolah Menengah Kebangsaan Maung, a school under the Trust Schools Programme



EDUCATION



LeapEd Services Sdn Bhd (LeapEd), a wholly-owned subsidiary of Khazanah, is Malaysia's first home-grown Education Service Provider to undertake school-wide education transformation. It is a social enterprise with the distinction of being the designer and implementation partner to Yayasan AMIR Trust Schools Programme (TSP), the nation's pioneer public school transformation programme, operating in partnership with Ministry of Education Malaysia.

Since its incorporation in 2010 and through the various transformation initiatives, LeapEd has impacted more than 250 public schools and 70,000 students by supporting more than 6,000 teachers and 600 Education Officers in the Malaysian Education System.

www.leapedservices.com



LEISURE & TOURISM



THEMED ATTRACTIONS
RESORTS & HOTELS

Themed Attractions Resorts & Hotels Sdn Bhd (TAR&H)'s aim to grow the leisure and tourism economy are predicated upon the abundant and diverse ecological and cultural heritage of Malaysia and the multilingual abilities and warm hospitality of the people. Apart from creating jobs and boosting direct economic contribution to Malaysian GDP, the investments complement the growth of other sectors including consumer, property and construction, and economic regions such as Iskandar Malaysia. By undertaking catalytic investments of scale, TAR&H aims to also spur private investment into leisure & tourism products and services in Malaysia.

TAR&H focuses on developing and operating world-class destination resorts. Their operating assets and projects under development include Desaru Coast destination resort, LEGOLAND® Malaysia Resort and The Datai Langkawi.

www.tarh.com.my



Fizulin Mohamed Zin
Vice President,
Investments

The leisure and tourism sector is a strategic investment and development sector that will continue to positively impact Malaysia's economic growth. Our work includes partnering with experienced global brand operators and investors to fully realise and maximise the country's potential in this sector.



The Els Club in Desaru Coast one of the TAR&H development in Johor, Malaysia

BUILDING A REGIONAL FOOTPRINT

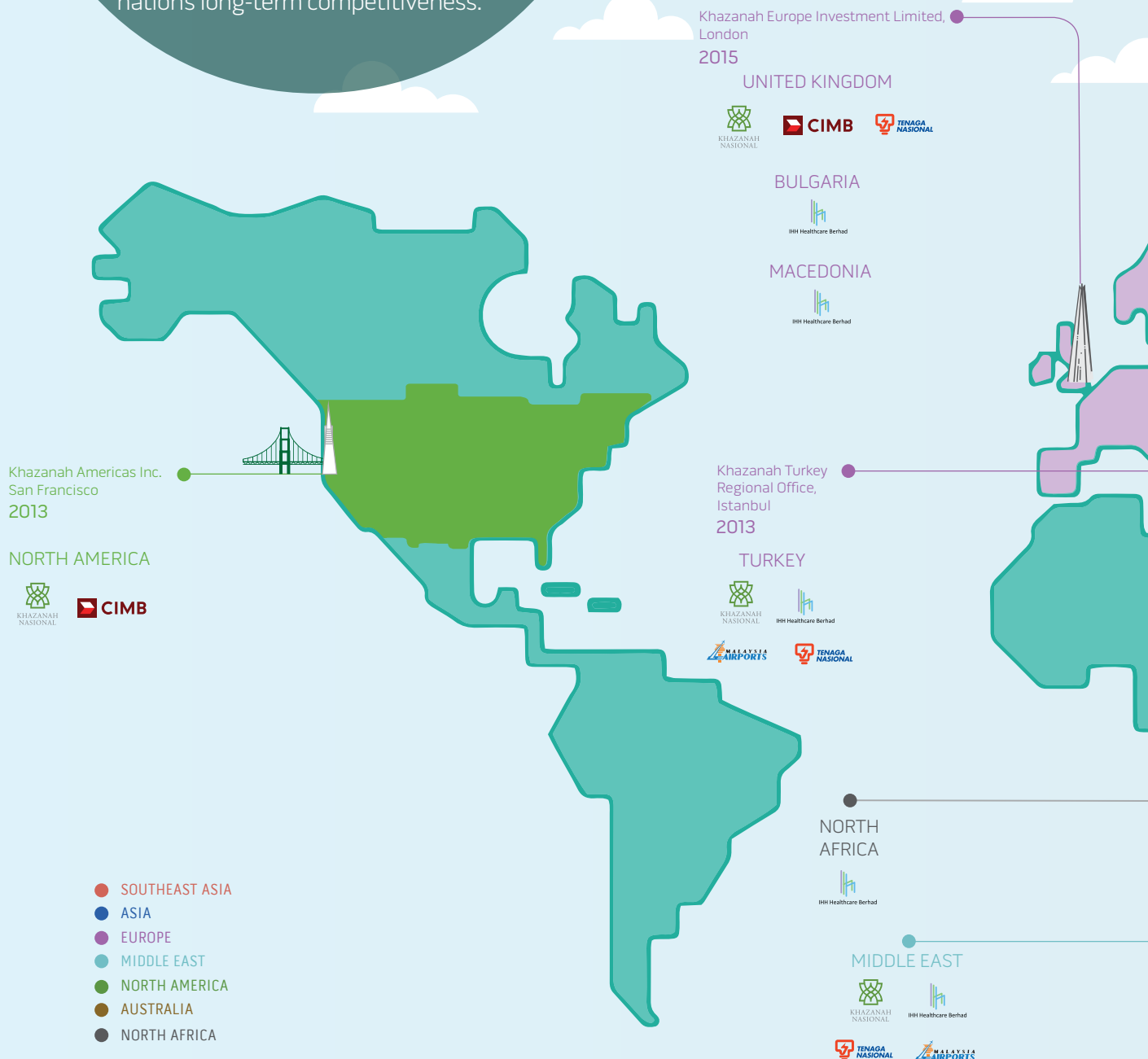
We have established a presence in key markets abroad, enabling us to tap into regional economic growth, identify opportunities that promote the regionalisation of our investee companies and contribute towards building the nation's long-term competitiveness.



The Honorable Deborah L. Wince-Smith
President & CEO, Council on Competitiveness



In today's innovation driven global economy, all nations must embrace the profound transformations wrought by the digital revolution and the rapid transition to 21st century production systems powered by sustainable energy and a skilled workforce. Malaysia has a tremendous strategic asset in Khazanah Nasional with its proven track record of investments in the infrastructure, innovation capacity, and human capital to enable future productivity, sustainable growth, and inclusive prosperity.





BRUNEI



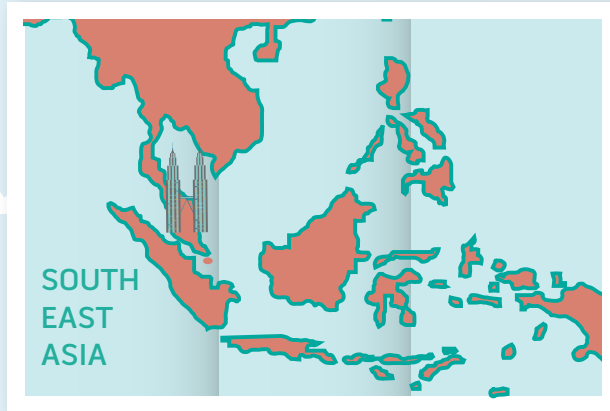
CAMBODIA



INDONESIA



MYANMAR



LAOS



PHILIPPINES



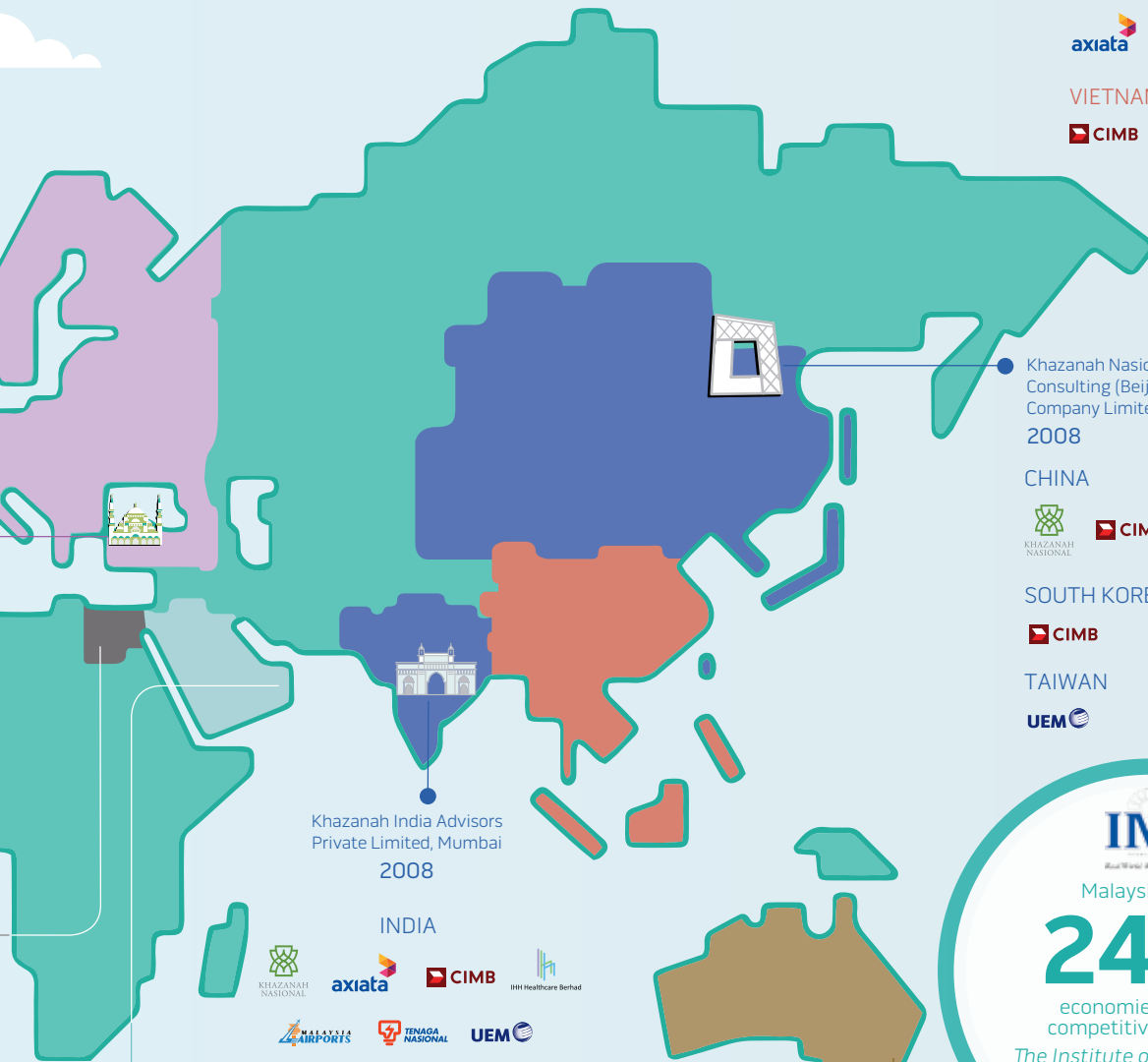
SINGAPORE



THAILAND



VIETNAM



Khazanah Nasional Consulting (Beijing)
Company Limited, Beijing
2008

CHINA



SOUTH KOREA



TAIWAN



Khazanah India Advisors
Private Limited, Mumbai
2008

INDIA



BANGLADESH



PAKISTAN



NEPAL



SRI LANKA



AUSTRALIA



Malaysia ranks

24 / 63

economies as most
competitive countries

The Institute of Management
Development's (IMD)
World Competitiveness
Yearbook 2017

Source: Khazanah Analysis

GOVERNMENT-LINKED COMPANIES (GLC) CONTRIBUTION TOWARDS NATION BUILDING

Continuous Support in Nation Building through Bumiputera Empowerment Agenda (BEA)

Bumiputera Empowerment Agenda (BEA)

The GLC Transformation Programme (GLCT), which was implemented from 2004 to 2015, had three underlying principles, one of which is the National Development Agenda. The Bumiputera agenda is part of this (Figure 1), where various initiatives towards nation building were implemented over the years, achievements made and benefits delivered to the target groups by the Government-Linked Investment Companies (GLIC) and the G20¹.

Following the launch of the Bumiputera Economic Empowerment Agenda by the Prime Minister of Malaysia on 14 September 2013, and in response to his expectations of the GLICs and G20 delivered in his speech at the launch, the then Putrajaya Committee of High Performing GLCs (PCG) established the Bumiputera Empowerment Agenda (BEA) to continue with the nation building initiatives related to the Bumiputera community.

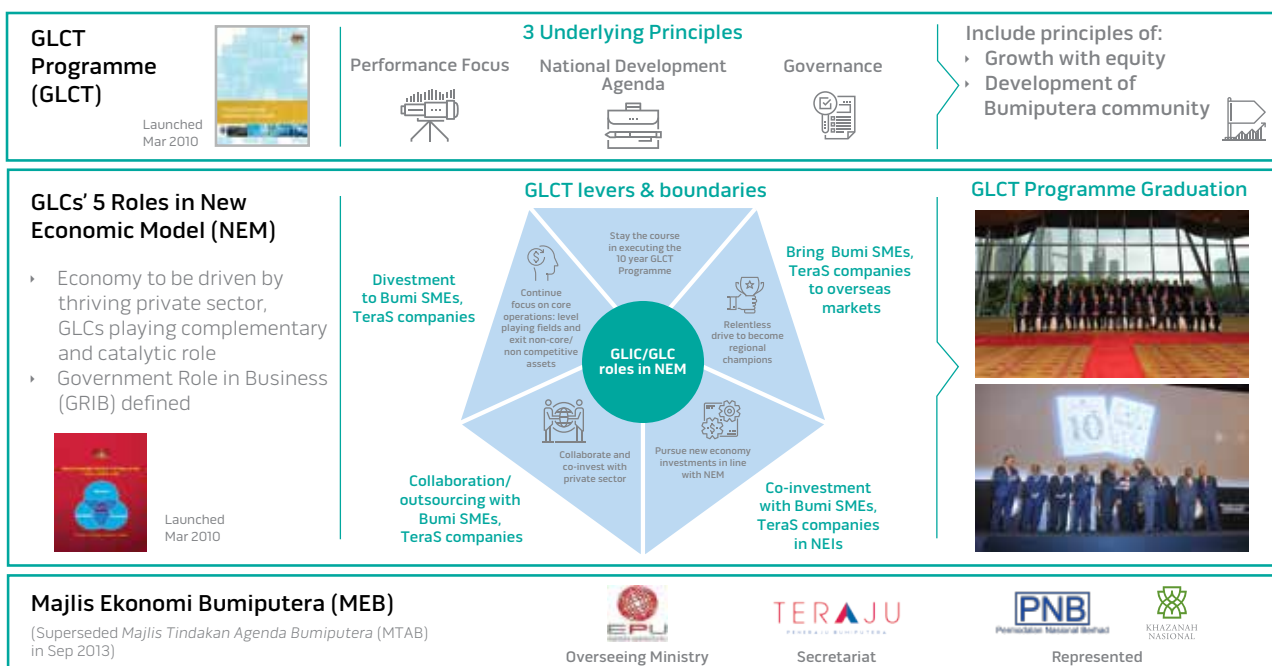
With the graduation of the GLCs and the graduation of the 10-year GLCT in July 2015, Khazanah was mandated by the Government to continue its role as the Secretariat of the BEA Programme until 2020.

In executing the intention and to facilitate effective programme management, the implementation of BEA programme was planned over three phases (Figure 2) illustrating the aspirations, expected outcomes and level of engagement required during each phase of the programme.

In executing the intentions of the BEA and to facilitate effective programme management, the implementation of the programme was planned over three phases (Figure 2) illustrating the aspirations, expected outcomes and level of engagement required during each phase of the programme.

Phase 1 involved establishing policies and getting the programme started during the first two years of the programme. Under this phase, specific key performance indicators (KPIs) were set out and imposed, various initiatives were successfully implemented by the

GLCS IN ADVANCING BUMIPUTERA AGENDA ARE GUIDED BY :



Source: BEA Secretariat

Note: TeraS - High Performing Bumiputera Companies

¹ The 20 Government-Linked Companies (GLC) that participated in the GLC Transformation Programme.

Figure 1



GLICs and G20. Phase 2 focuses on strengthening and deepening the BEA initiatives to provide impact to the targeted stakeholders and the Bumiputera community. Leveraging on the current momentum, GLICs and G20 are enhancing current BEA initiatives and establishing new collaborative game-changing initiatives (GCIs) via the BEA network that has been developed. Entering Phase 3, the emphasis is to build institutions at the personal and entity levels, as well as catalysing and extending initiatives further. Under this phase, GLICs and G20 will institutionalise current initiatives to ensure sustainability, gearing them to deliver the expected outcomes of the programme.

Enhanced BEA Programme

Realising the need to enhance the programme further, a holistic approach was developed and four key levers were identified in order to “quantum leap” the BEA and ensure better delivery of the intended impacts as well as better outcomes by 2020.

Lever 1: BEA Mandate Chart

The Mandate Chart (Figure 3) was developed as the overarching guide to the focus areas and the intended outcomes for the targeted stakeholders. The chart is also to promote common understanding, clarity and consistency of the programme.

Lever 2: Robust and Intense Governance

The BEA governance is structured such that the programme is given serious commitment, rigour and intensity, including regular reporting to the Majlis Ekonomi Bumiputera (MEB) chaired by the Prime Minister.

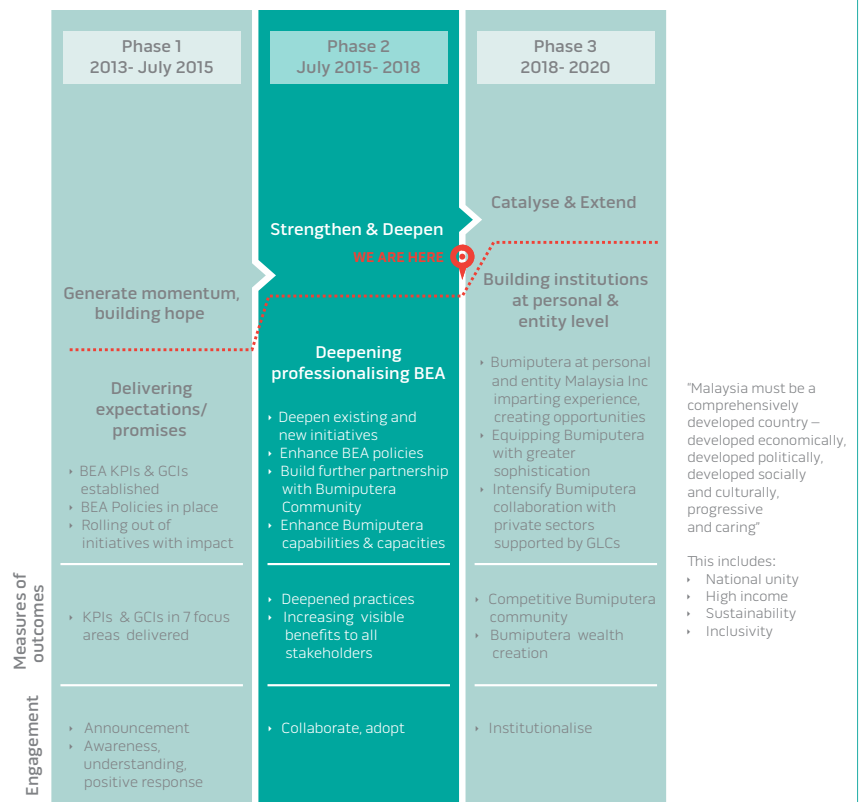
Lever 3: BEA Plans to 2020

The BEA Plans to 2020 are being enhanced as a future guide and to provide direction for GLICs and G20 in creating impactful outcomes by 2020. Such plans require new shifts in approach and thinking, as well as and GCIs to elevate the Bumiputera community to a higher level. GLICs and G20 are also encouraged to embark on collective and collaborative initiatives that can provide complementary advantages for their respective companies and for various stakeholders.

Lever 4: Orchestrated Engagements

In order to garner support and advocacy from various stakeholders, BEA engagements need to be orchestrated, paced and sequenced to ensure increasing understanding and commitments towards the institutionalisation of the BEA. Leadership-led key engagements via multiple platforms are also key to strengthening and reinforcing BEA messaging to the various key stakeholders.

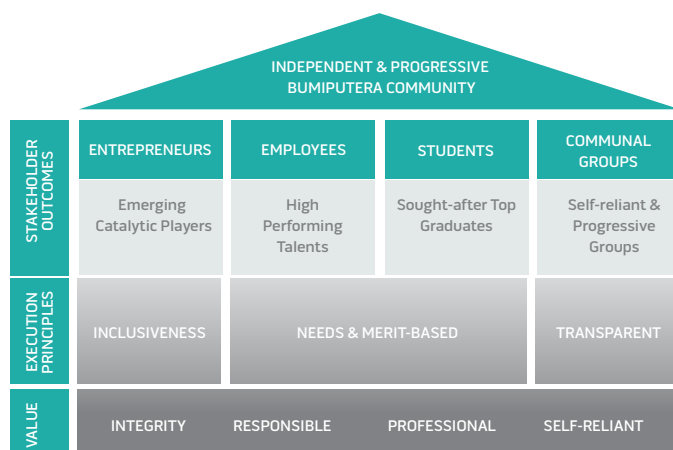
PROGRAMME MANAGING GLCs ON BEA



Source: BEA Secretariat

Figure 2

BUMIPUTERA EMPOWERMENT AGENDA (BEA) MANDATE CHART

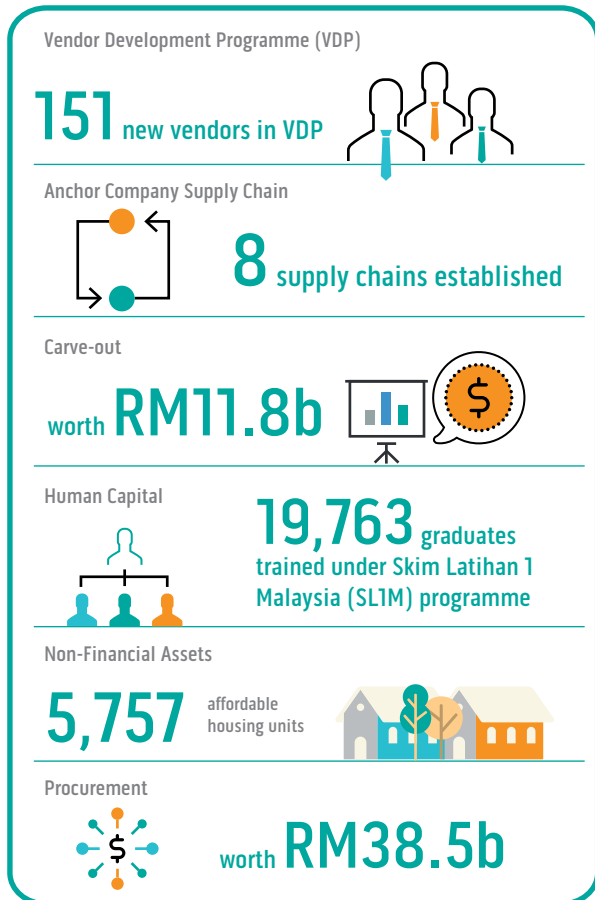


Source: BEA Secretariat

Figure 3

Overall BEA Achievements Thus Far...

The overall BEA programme has showed encouraging results, with GLICs and G20 delivering KPIs above 90.0% in 2014 and 2015, followed by significant improvement in achieving 95.3% delivery in 2016. Some of the key achievements thus far (2014 - 2016) by GLICs and G20 (Figure 4) include:



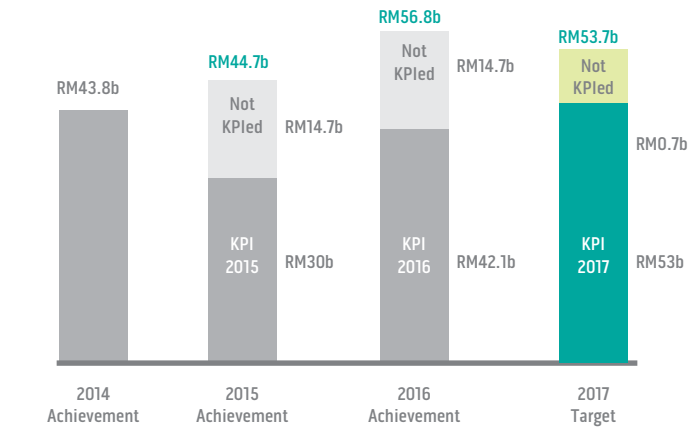
Source: BEA Secretariat

Figure 4

For 2017, GLIC and G20 initiatives for the Bumiputera community (both KPI and non-KPI initiatives) are targeted to deliver value approximately RM53.7 billion in total (Figure 5). There is an increase in KPI target monetary value in 2017 compared to the KPI achievements in 2016. The programme is dedicated to ensuring more holistic, institutionalised and sustainable initiatives that would provide greater impact and benefits to the Bumiputera community in general.

Some of the key commitments and achievements between January and September 2017 by GLICs and G20 (Figure 6) include:

ANALYSIS OF COMMITMENTS BY YEARS (BASED ON SUBMISSIONS)



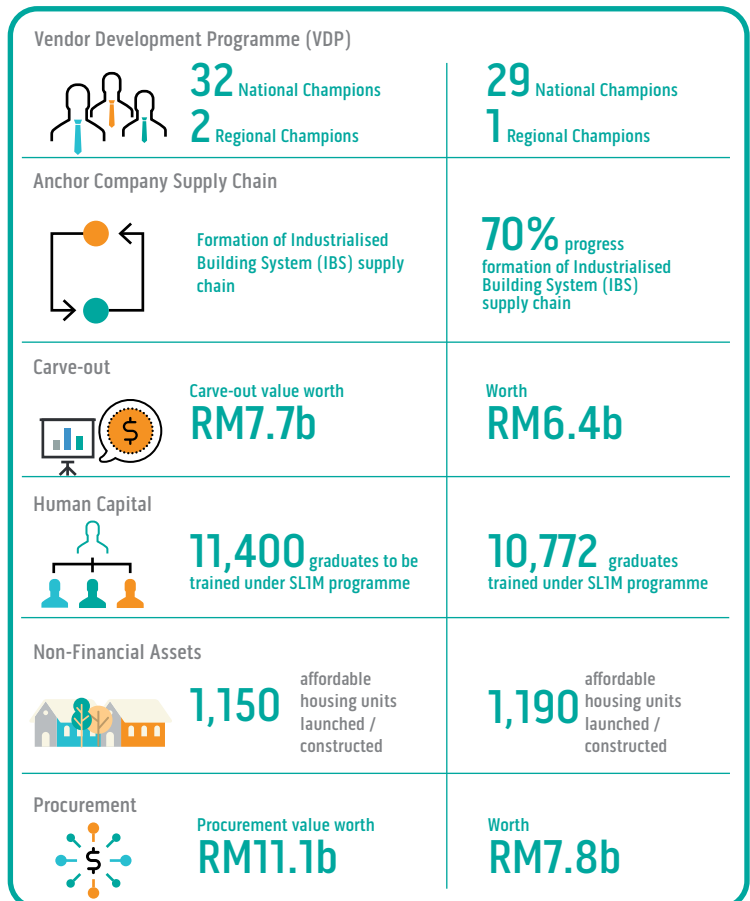
Note: Values calculated exclude Amanah Saham Bumiputera 2, corporate equity and other non-monetary value KPIs (e.g number of affordable homes, SLIM trainees expenditure, etc.)

Source: BEA Secretariat

Figure 5

KEY BEA KPI COMMITMENTS 2017

KEY BEA KPI ACHIEVEMENTS FROM JANUARY TO SEPTEMBER 2017



Source: BEA Secretariat

Figure 6



Khazanah's Contribution for BEA

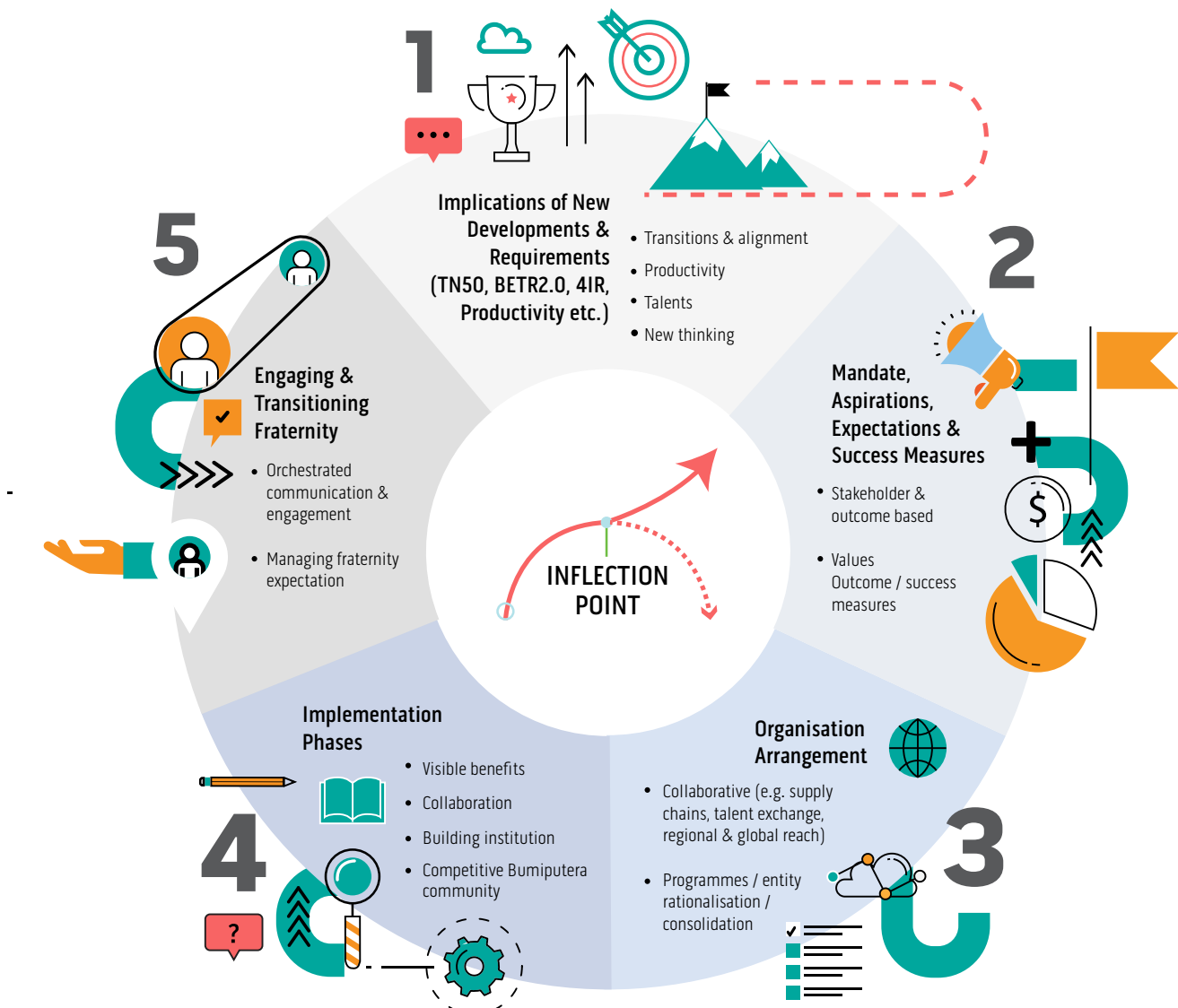
At the company level, Khazanah supported the BEA via various initiatives which contributed to the development of Bumiputera community. These initiatives including Yayasan AMIR Trust Schools Programme, Yayasan Khazanah scholarships, Khazanah-Skim Latihan 1 Malaysia (SL1M) programme, and various other contributions via Yayasan Hasanah and its collaborative partners.

In 2017, 64 schools were identified in Kedah for the roll out of the Trust Schools Programme, bringing the overall total to 147 schools to-date. Through Yayasan Khazanah, Bumiputera students comprised at least 75% of the total number of students who were awarded scholarships, after a rigorous selection process. Besides helping to provide educational opportunities, Khazanah has also been a supporter of graduate training programmes such as SL1M. In 2017, Khazanah spent RM78.1 million to train 4,220 graduates, bringing the total to 9,380 to-date, the majority of whom were Bumiputera graduates. In 2018, Khazanah was awarded the SL1M Programme Platinum Award by the Prime Minister. The award is given to organisations that contributed significantly to the SL1M programme.

Moving Forward

The onset of major initiatives, developments and trends impacting the nation, such as the Fourth Industrial Revolution, Transformasi Nasional 2050, and Transformasi Kesejahteraan Bumiputera, places the BEA at an inflection point that necessitates a change in the way we think and adapt the BEA programme as we drive it further forward. At this juncture, a new framework (Figure 7) to capture the various requirements, linkages, and thinking needs to be deliberated by GLICs and G20. This would help ensure that the BEA aspiration of producing an independent and progressive Bumiputera community remains true and relevant.

Khazanah, as the Secretariat of the BEA Programme, will continue to work with the GLICs and G20 to generate new and innovative ideas, as well as enhance current initiatives in our collective responsibility to manage and help deliver the intended outcomes.



Source: BEA Secretariat

Figure 7



KHAZANAH AMERICAS INC

Khazanah Americas Inc, which was opened in 2013, helps to facilitate investments in the Americas which are of strategic interest to Khazanah, its investee companies, and Malaysia in general. Located in San Francisco, a premier hub for innovation and technology, the office provides Khazanah with the platform to better evaluate opportunities in the global technology sector.



Shahril Ibrahim
Director, Investments

Khazanah Americas acts as a sensor, connector and investor in the Americas, primarily for technology related areas. As a sensor, we see the upcoming trends that can both enhance or disrupt industries. As a connector, we bridge cultures and centers of excellence in Malaysia and the US. As an investor, we have successfully established our brand and reputation, and see top tier technology deals.

04



DELIVERING BENEFITS TO STAKEHOLDERS

Khazanah's mandate goes beyond value creation in the financial and strategic spheres. We are also tasked with delivery of societal returns, as part of our role in helping Malaysia to achieve developed nation status with a high-income, sustainable and inclusive economy.

Inclusion and Sustainability **72**

Selected Highlights of Corporate
Responsibility Initiatives in 2016 **80**

Supporting National Transformation **82**

INCLUSION AND SUSTAINABILITY

Our long-term investments are not just about financial and strategic returns, but also include societal value creation. We do so by balancing capital economy with people economy, which ultimately would lead to higher quality of life for the *rakyat*. Below are selected Khazanah driven initiatives that promote inclusion and sustainability.

Value Distribution through Yayasan Hasanah

Incorporated in December 2013, Yayasan Hasanah (Hasanah) is set up to lead Khazanah's corporate responsibility (CR) initiatives, an enhanced and strategic approach to value distribution to the nation for years to come. Hasanah's mandate is to support the development and implementation of solutions that empower communities, encourage social inclusivity and improve local environments.

Hasanah's yearly budget is financed through an annual return that is generated from the Khazanah RM3 billion endowment fund. This is largely channelled towards supporting and funding the programmes of its partners, with a minimal allocation for the operations of Hasanah.

As a grant-giving organisation, Hasanah goes beyond ringgit and cents to facilitate an ecosystem of transformation, working in collaboration with multiple stakeholders that includes civil society organisations, communities, corporates, and government agencies, infusing a spirit of advocacy and building capacity in five key focus areas: Education; Community Development; Environment; Arts, Heritage and Culture; and Knowledge. Collectively

“
Hasanah goes beyond ringgit and cents to facilitate an ecosystem of transformation, working in collaboration with multiple stakeholders.

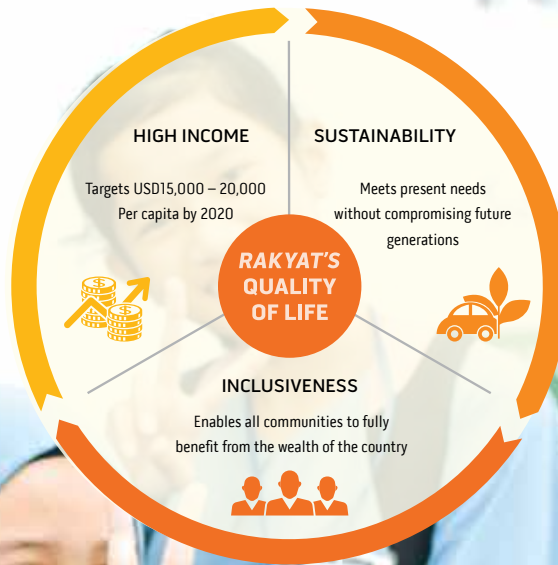
and collaboratively, Hasanah hopes to shift the needle of social and community reform to deliver long-term social impact for Malaysians, towards a better Malaysia.

In 2017, Hasanah continued to deepen its impact through support provided to programmes that increase number of final beneficiaries; innovate ways and methodologies to achieve long term social impact; and have potential to influence institutional structures and frameworks.

For more info on Yayasan Hasanah, visit www.yayasanhasanah.org



Balancing Capital Economy and People Economy

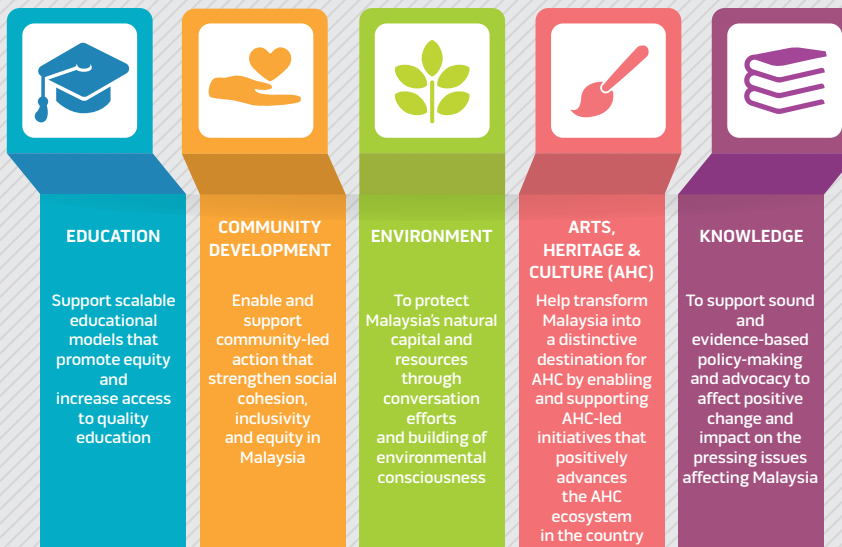


YAYASAN HASANAH

A foundation of Khazanah Nasional

BUILDING TRUE VALUE

Leading foundation that promotes Malaysia's global sustainability through solutions that empower communities, encourage social inclusivity and improve the environment



HORIZONTALS

Capacity Building of Civil Society, Social Enterprises and Public Spaces

OUR COMMITMENT TO STAKEHOLDERS

Transparency, Innovation, Empowerment, Inclusiveness

OUR ATTRIBUTES

High Execution Capability, Collaborative and Strategic Partner, Catalysing and Transformative, Internalisation of Khazanah's Core Values

FOUNDATION

A focus on long-term nation-building

EDUCATION



Yayasan Khazanah ("YK") is entrusted to select, support, groom and nurture exceptional individuals' who will eventually take on high-level positions in the best organisations including government-linked companies (GLCs) in Malaysia. Apart from offering scholarships at premier universities around the world or in Malaysia, YK also provides a broad range of opportunities for Khazanah scholars including leadership and character development programmes, volunteering opportunities with non-governmental or non-profit making bodies and job attachment in companies including GLCs, GLICs or Government Agencies.

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



Intan Zalila
Senior Vice President,
Yayasan Khazanah

We play a catalytic role in supporting in capability building efforts for the country. We help to increase access to quality education, with the aim of developing Malaysia's human capital to its fullest potential and therefore propel the nation to much greater heights.



Yayasan AMIR is a not-for-profit foundation incorporated on 26 October 2010 by Khazanah Nasional Berhad to improve accessibility of quality education in Malaysian Government schools through a Public-Private Partnership with the Ministry of Education.

The Yayasan AMIR Trust Schools Programme aims to be a leading network of Trust Schools across Malaysia, with the goal of setting up a replicable school transformation model on a nationwide scale. Yayasan AMIR Trust Schools are holistic in nature, inclusive and representative of Malaysia's diverse ethnic background. We aim to transform student outcomes by promoting enhanced school management practices, and championing improvements to curriculum and delivery of education.

For more info on Yayasan AMIR, visit www.yayasanamir.org.my



① Trust Schools students learning to set up a tent at the Outward Bound School in Lumut, Perak

② The launch of Cruyff Court at Projek Perumahan Rakyat (PPR) Seri Semarak, Kuala Lumpur, during Hari Hasanah on 3 September



PROMOTING PUBLIC SPACES

Khazanah is involved in the promotion of public spaces as part of its contribution towards sustainable development by creating more sustainable and liveable cities.



Malaysia is the second Asian country after Japan to have the Cruyff Courts Programme, a collaboration between Yayasan Hasanah and the Johan Cruyff Foundation. Cruyff Court Iskandar Malaysia was launched in 2012 while Cruyff Court Kuala Lumpur in Brickfields was opened in 2013. The programme provides a unique football experience to disadvantaged children, youths and the larger community. Cruyff Courts brings old playing fields that are lost to urbanisation back to the community to restore social unity, as they serve as playing fields as well as meeting places where themes like mutual respect, health, integration, development and teamwork are nurtured. In 2017, two new courts were launched at *Projek Perumahan Rakyat* (PPR) Air Panas & PPR Seri Semarak in Setiawangsa, Kuala Lumpur.



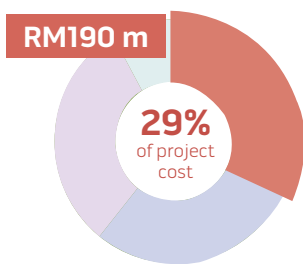
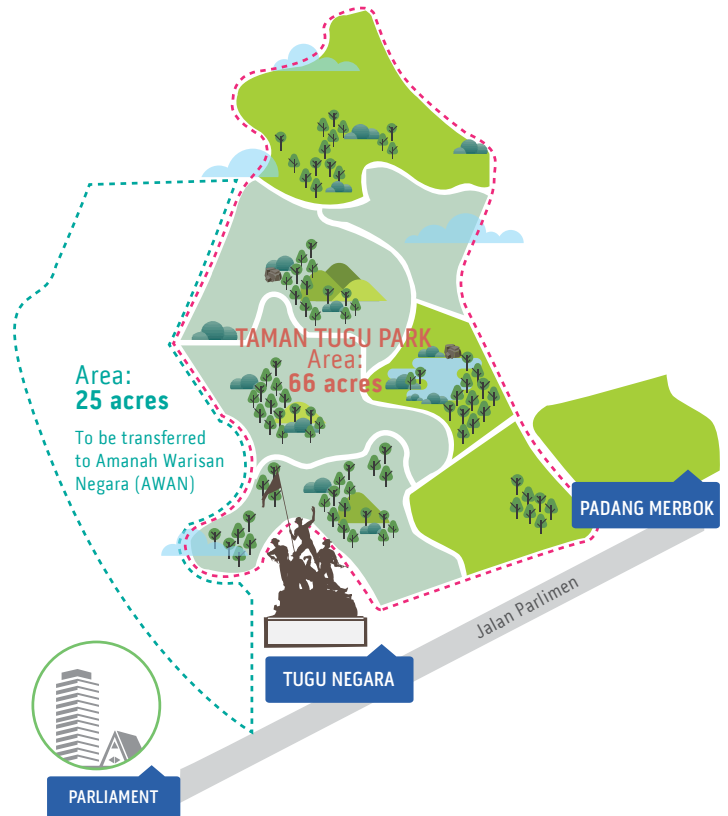
Nik Fahmee
Programme Director,
Yayasan AMIR

The Trust Schools Programme is a maverick initiative that takes on transformation based on actual school's needs and builds school's capacity. With our partners, we set schools on its transformation journey, so that Malaysia's next generation of graduates are able to meet the workplace demands of a competitive globalised economy.

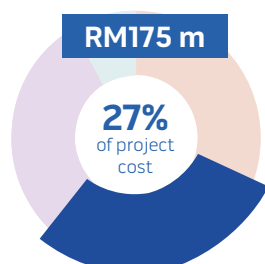


The Taman Tugu Project is a multi-component not-for-profit corporate social responsibility (CSR) initiative led by Khazanah Nasional Berhad in collaboration with various public sector agencies, private sector companies and civil society organisations through a Public-Private-Civil Society Partnership. They include amongst others, Ministry of Natural Resources and Environment, Ministry of Federal Territories, Economic Planning Unit (EPU), Public Private Partnership Unit (UKAS), Dewan Bandaraya Kuala Lumpur (DBKL), Forest Research Institute of Malaysia (FRIM), Institute of Landscape Architects Malaysia (ILAM) and Malaysian Nature Society (MNS).

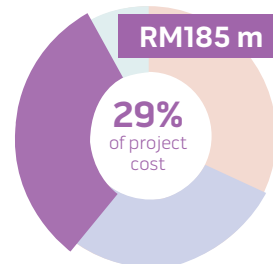
On an overall basis, up to RM650 million has been set aside for the project covering the following components:



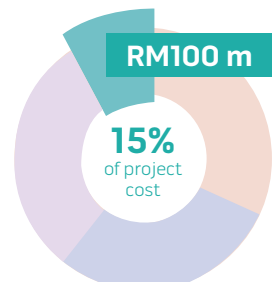
PARK: Conserving and activating an urban forest park – it'll be home to approximately 1,000 species of ethnic Malaysian rainforest flora & fauna



CONNECTORS: Connecting the surrounding area to activate Taman Tugu park and further stitch the urban fabric of the city



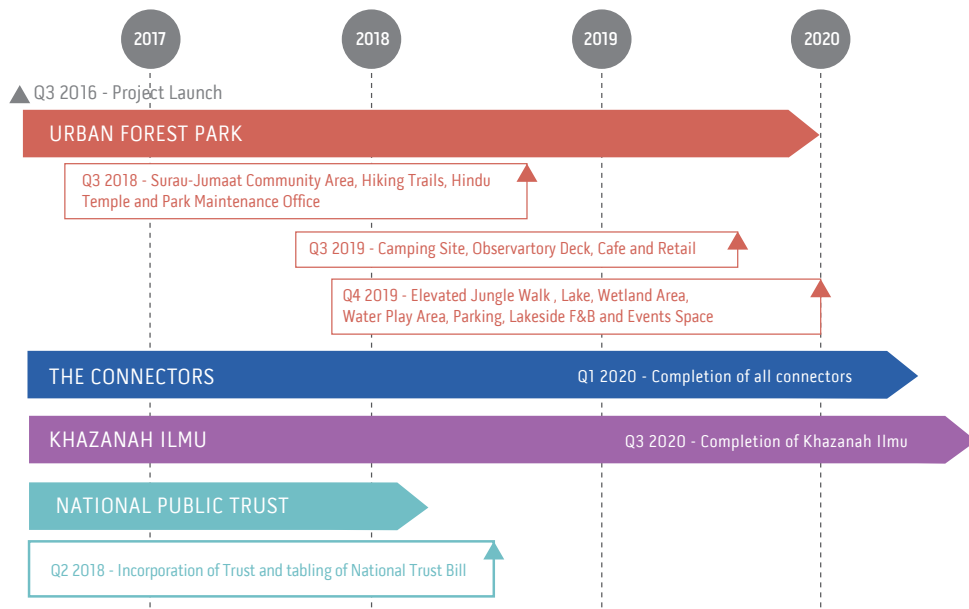
ILMU: Development of a learning and innovation centre, Khazanah ILMU, contributing to continuous learning and encouraging local start ups



TRUST: Establishment of a National Public Trust including operations, maintenance, partnerships and community development up to 2030

TIMELINE OF COMPLETION

Dato' Sri Mohd Najib planting a 6-foot Belian Tree at the Taman Tugu Project site





PUBLIC ENGAGEMENT AND COMMUNITY DEVELOPMENT



More than **50 engagement sessions** conducted with the general public, government, various NGOs, schools and the private sector



Onsite and online surveys as well as "Rakyat Touch Points" held at shopping malls and LRT stations to provide better clarity and gather **feedback**



Working with FRIM, Malaysia Nature Society ("MNS") and ILAM to **ensure** preservation and conservation works are done well



More than **200 volunteers** participated in "Transplanting Exercises" with various organisations aimed at better conserving the existing plants

Urban Forest Park



An urban public green space for the community to experience and own



More than **4,000 ethnic rainforest trees** from nurseries will be transplanted



Home to about **1,000** species of ethnic Malaysian rainforest flora and fauna

Construction of the **Surau-Jumaat Community Area** and the **Hindu Temple** commenced

Preparation of the **forest trails** in tandem with the planting of trees and cleaning of rubbish and construction debris is ongoing

The Environmental Impact Assessment (EIA) and Environmental Management Plan (EMP) finalised and **approved** by Jabatan Alam Sekitar (JAS)

Implementation of the EMP is being **monitored** on an ongoing basis by JAS

On-track for completion by end 2019

Connectors



Part of a broader initiative to stitch the urban fabric of the city and seeks to fix the 'last-mile-connection' gap from public transportation hubs to the Taman Tugu Park

Feasibility studies of possible connectors are currently being conducted

Satellite carparks are also being considered to ease access to the urban forest park

On-track for completion by early 2020

Khazanah ILMU



A publicly accessible space within the Park and is envisaged to cultivate the spirit of **Innovation, Learning, Mentoring and Unity**



Consist of a rainforest education centre, an art gallery, a library with study areas, co-working and maker spaces and areas for **programmed** public knowledge events

Finalised preliminary programming and activation plan, space-use plan and concept design

Currently refining concept plans to ensure it **complies** with Platinum standards of the Green Building Index (GBI) and Leadership in Energy and Environmental Design (LEED) standards

On track for completion by third quarter of 2020

National Public Trust



Immediate intent is to own, protect and manage the Park into perpetuity



With a long term objective of protection, rejuvenation, rehabilitation and operations of other public spaces and heritage assets

Officially incorporated as Amanah Warisan Negara (AWAN) under the Trustees Incorporation Act (1952)

The 66-acre Park is being transferred into the Trust while an **additional 25 acres** of land, adjacent to the Park, has been approved to be transferred into AWAN

A new act specifically to **govern** AWAN is being finalized

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

SOCIAL INCLUSION

KHAZANAH RESEARCH INSTITUTE

Evidence-based Policy Research

Khazanah Research Institute (KRI), which started operations in February 2014, aims 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 2017, KRI published two major publications, the first one being *"Building Social Capital: The George Town Experiment"*, launched at the Khazanah Megatrends Forum 2017 in October. This report highlights the benefits of a Community Development Fund in alleviating the pressures of social displacements in top-down urban regeneration development. In November 2017, KRI also published *"Why Trade Matters: Trade Issues in Non-communicable Diseases, Essential*

Medicines and Education", the third in a series of reports on international trade and trade policy. This series examines how international trade and trade policy integrate the effects of globalisation into the domestic economy and our daily lives. This report addresses: (1) Trade and policies targeting 'lifestyle' diseases; (2) Trade and access to essential medicines; and (3) Trade and access to education. In 2017, KRI also worked alongside the Ministry of Urban Wellbeing, Housing and Local Government to formulate a new National Housing Policy for Malaysia.

For more info on KRI, visit
www.krinstitute.org



Driving Urban Rejuvenation

Think City is a community-focused urban regeneration organisation based in George Town, Penang, with operations in Kuala Lumpur, Butterworth and Johor Bahru. Focused on historic city centres, we were first established in 2009. Through the George Town Grants programme, Think City demonstrated the benefits of a community-focused and collaborative approach to regeneration of cities. The success in Penang deepened existing relationships with local and national institutions and opened up further opportunities to widen our partnerships base locally and internationally. Today, working closely with local authorities, communities, institutions, private entities and global experts, Think City continues to trial, plan and implement programmes to rejuvenate cities.

For more info on Think City, visit
www.thinkcity.com.my





Malaysia ranks

1/28

emerging markets in terms of potential to achieve a higher sustainable economic growth rate in the next three to five years

BCA Research - Potential Productivity Score



① An artistic rendering of the micro houses being installed at Medan Pasar in Kuala Lumpur

② KONSTRUK, a bamboo installation art project by 15 artists and architects, is part of a place-making initiative to increase the livability of Iskandar Puteri, Johor

Development of Iskandar Puteri Public Transport System

The next phase of development for Iskandar Puteri is the setting up of a bus service system that inter-connects all key nodes in the area. According to Iskandar Regional Development Authority (IRDA), work on the Iskandar Malaysia Bus Rapid Transit system is expected to start in early 2019 and will cover 90% of the economic growth corridor.

Affordable Housing in Iskandar Malaysia

In support of the Johor state's affordable housing scheme, *Rumah Mampu Milik Johor*, UEM Sunrise has developed Taman Nusantara, Bayu Nusantara, and Denai Nusantara within Iskandar Malaysia.

SUSTAINABILITY

Our philosophy of Building True Value means adopting an inclusive and sustainable approach to meet the needs of our stakeholders, both current and future generations; and is measured by the financial, economic and societal value created through our investments.

Measuring True Value

As the value of inclusiveness and sustainability is subjective with various interpretations, Khazanah has embarked on an internal initiative, called Project Chronos, to objectively measure the value of sustainable practices. Project Chronos will provide a proprietary framework to measure the value impact, including defining indicator benchmarks as the baseline to assess True Value performance. A reflection of good performance can be determined by a positive score by indicator, a positive total score and a positive directional growth over a period of time.

Investing in True Value

Khazanah is constantly on the look-out for investments that fulfil the commercial mandate at the same time create a high social development and inclusion impact. Our impact investments include 8990 Holdings, which focuses on building homes for lower income groups in the Philippines; Cenviro, which is involved in sustainable waste management; and Cenergi SEA in the clean energy sector.

In 2015, Khazanah also successfully demonstrated responsible investing when it successfully combined education and Islamic finance along with socially responsible investments through the issuance of the world's first Ringgit-denominated Sustainable and Responsible Investment (SRI) Sukuk. This innovative structure, while relatively new, is a powerful concept with investor awareness and responsiveness expected to increase over time. In 2017, the second tranche of the SRI sukuk was launched and featured for the first time a retail portion for individual Malaysians to participate in supporting the cause.

As an institution that advocates sustainability, inclusiveness and responsiveness, Khazanah will continue to strive and push the boundaries of impact investing and find more ways to do so in the future.

SELECTED HIGHLIGHTS OF CORPORATE RESPONSIBILITY INITIATIVES IN 2017



RAISING OUR NATION'S EDUCATION STANDARDS

EDUCATION



- 83** Trust School across **10** states
- 8.3%** average increase in SPM Gred Purata Sekolah for **75%** of schools that had completed the 5-year Trust School Programme cycle
- 3.1%** increase in UPSR passing rate
- 102.8%** average increase in holistic development of students through co-curricular activities



ARTS, HERITAGE AND CULTURE (AHC)



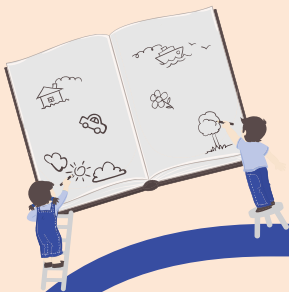
CONNECTING THE ARTISTIC AND CULTURAL COMMUNITY



PROMOTING ARTS, HERITAGE AND CULTURAL AWARENESS IN EARLY AGE EDUCATION

22,000 visitors of Arteri website since April 2016 to date

Access of AHC education provided to **156** marginalised children through Alam Kreatif



COMMUNITY DEVELOPMENT



DOING GOOD DEEDS FOR THE BENEFIT OF OTHERS

Hari Hasanah

Over **100** initiatives across Malaysia, impacting a total of **20,000** people

Hasanah Bersama Rakyat (HBR)

An outreach programme in the spirit of Hari Hasanah. HBR events were held in Iskandar Puteri, Johor; Santubong, Sarawak; Jeli, Kelantan; and Jerlun, Kedah, impacting a total of over **20,000** people



PUBLIC SPACES



SAFE, INCLUSIVE AND ACCESSIBLE PUBLIC SPACES

Total ongoing and completed projects (January 2015 - December 2017):

410 projects encompassing Placemaking, Arts, Heritage & Culture, Research, Advocacy, Capacity Building and Inclusive Spaces

2 Conservation Management Plans completed

- Fort Cornwallis
- Muzium Negara

1 Urban Regeneration Plan completed: Butterworth Baharu Plan



CREATING SAFE PLAYING FIELDS IN URBAN NEIGHBOURHOODS



2 courts were completed in 2017, in PPR Kampung Baru Air Panas and PPR Seri Semarak, Kuala Lumpur.

This brings the total number of Cruyff Courts in Malaysia to **4** courts, developed by Yayasan Hasanah in collaboration with the Johan Cruyff Foundation



KNOWLEDGE

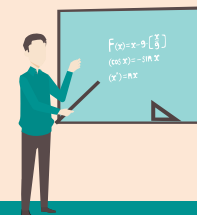
KHAZANAH RESEARCH INSTITUTE

EVIDENCE-BASED RESEARCH

Organised **1** Public Talk 'Housing as Habitat: A Case of Market Failure or Institutional Limitation'

Launched **2** reports:

- **Building Social Capital:** The Georgetown Experiment
- **Why Trade Matters Series:** Trade Issues in Non-Communicable Diseases, Essential Medicines and Education





REDUCING EDUCATIONAL INEQUALITY

84% principals rated Teach For Malaysia fellows as effective

78 fellows in **29** secondary schools, impacting **11,700** students in 2017

47% from 2016 Cohort stayed on as teachers in schools

66% of **299** Teach For Malaysia alumni are involved in education, social development, sector and student empowerment initiatives



NURTURING TOMORROW'S LEADERS

110 scholarships awarded in 2017
Since 2006, **756** Yayasan Khazanah scholarships have been awarded:

- **341** Khazanah Global Scholarship
- **170** Khazanah Watan Scholarship
- **157** Khazanah Asia Scholarship
- **88** Khazanah Bestari Scholarship



CONNECTING RURAL SCHOOLS TO CORPORATE MALAYSIA

94% school satisfaction rate on PINTAR School Adoption Programme

177 schools adopted by corporate members

539 number of schools adopted (2008-2017)



COMMITTED TO GRADUATE RETRAINING AND PLACEMENT

RM78.1 m spent and **4,220** graduates trained in 2017

9,380 total graduates trained to date



ALLEVIATING POVERTY, IMPROVING LIVES

Total Beneficiaries Impacted

93 adults
58 youths
121 children

- Income increase **30%**
- UPSR **83.7%** passing rate
- PT3 **50%** improved grades



INCOME GENERATING SKILLS TRAINING TO IMPROVE SKILLSETS OF NON-ACADEMICALLY INCLINED YOUTHS

25 scholars employed in related industry as a junior machinist within one (1) month after completion of training with minimum gross income of RM1,100

ORPHANCARE (OC)
(CIVIL SOCIETY PARTNER ORGANISATION)

Supporting orphans and abandoned babies, and the 'Deinstitutionalisation of Children' (DI):

- **13** children successfully reintegrated with their families
- **14** out of **47** women decided to keep their babies
- **163** abandoned babies matched with adoptive parents (2011-2017)
- **114** parents and individuals attended training on parenting
- **100** civil society and government participants attended the Deinstitutionalisation (DI) conference/workshop



PROMOTE MANAGEMENT OF BIODIVERSITY AND WATER RESOURCES

6 organisations selected and awarded direct seed grants based on applications from public

4 success stories posted on GEC website by June 17

3 organisations selected and awarded small grants based on training conducted



PROMOTING ECOLOGICAL SUSTAINABLE CO-EXISTENCE

27 community leaders participated in **4** capacity building sessions

12 villagers elected to the Governance Council for Babagon

Engaged **14** government agencies



CONSERVING RAINFOREST, FRESH WATER AND MARINE ECOSYSTEM

Engaged **72** stakeholders to develop and operationalise roadmap for the Marine Resource Management Plan

70% of the **0.83** tons daily waste on Mantanani Island are made of compostable organic materials

Alternate livelihood training for **17** local islanders as Eco Friendly Snorkel guides

ENVIRONMENT



Source: Khazanah Analysis

SUPPORTING NATIONAL TRANSFORMATION

Khazanah supports and contributes to the Government's national transformation initiatives



Khazanah was part of the working team supporting the National Economic Advisory Council in developing the New Economic Model (NEM). Khazanah helped the formation of the Performance Management and Delivery Unit (PEMANDU), which was established to oversee the implementation of the Economic Transformation Programme (ETP) and Government Transformation Programme (GTP), two of the NEM's key pillars.

Some of Khazanah's corporate responsibility programmes and those undertaken by GLCs fall under the GTP's National Key Result Areas (NKRAs) related to education and raising the standards of living of low-income households. As a strategic investor, Khazanah and its investee companies are involved in nine of the ETP's 12 National Key Economic Areas (NKEAs), including tourism, education, and healthcare. In addition, Khazanah's initiatives in Iskandar Malaysia are in support of the Government's growth corridor concept.

Khazanah supports the Bumiputera Economic Transformation Programme managed by Unit Peneraju Agenda Bumiputera (TERAJU) via various programmes (covering vendor, student, employee and society) while promoting business opportunities at our investee companies, and through strategic divestments under Bumiputera Economic Council's initiatives to encourage Bumiputera entrepreneurship and equity growth. Through our role as the Secretariat of the Bumiputera Empowerment Agenda (BEA), Khazanah helps develop key performance indicators (KPI) which are implemented by GLCs and G20 under the Government's Bumiputera Economic Empowerment Agenda.

Former Khazanah Deputy Chairman Tan Sri Dato' Seri Utama Nor Mohamed Yakcop, Managing Director Tan Sri Azman Mokhtar and Board members Tan Sri Mohamed Azman Yahya, Tan Sri Andrew Sheng and Dato' Sri Nazir Tun Abdul Razak were members of the Special Economic Committee set up by the Government in August 2015. The committee was tasked to develop immediate and medium-term measures to strengthen the country's economic fundamentals amid global economic volatility.

In 2017, staff under 40 years of age from Khazanah and our investee companies participated in a National Transformation 2050 (TN50) dialogue organised by the Ministry of Youth and Sports (*see photo below*). Youth and Sports Minister Khairy Jamaluddin was on hand to listen to views from the participants, moderated by Tan Sri Azman Mokhtar.



CASE STUDIES

Each year, *The Khazanah Report* features case studies to illustrate and give further clarity and depth on how we approach the demands of our mandate. This year, we discuss how Khazanah contributes towards a globally competitive Malaysia through our internationalisation efforts and leverage on regional complementarities. We also look at our value distribution effort back to the *rakyat*.

China: Tapping into Global Opportunities

Bryan Lim Tsin Lin

*Executive Director, Investments and
Head of Khazanah Nasional Consulting (Beijing)
Company Limited*



M+S: Creating Strategic Value For Two Countries

Zaida Khalida Shaari

Executive Director, Investments

&

Jiv Sammanthan

*Executive Director,
Head of Managing Director's Office*



Hari Hasanah: Sharing True Value with the Rakyat

Shahira Ahmed Bazari

Trustee and Managing Director, Yayasan Hasanah

&

Mohd Raslan Md Sharif

Director, Managing Director's Office

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China: Tapping into Global Opportunities

As the strategic investment fund for the Government of Malaysia, regionalisation and internationalisation is an important aspect of what we do. It is a way to diversify our investment portfolio as well as build regional and global presence, partnership and networks, which in turn helps bring direct investments into Malaysia.

Bryan Lim Tsin Lin
*Executive Director, Investments and
Head of Khazanah Nasional Consulting (Beijing) Company Limited*



One of the first Khazanah forays overseas was into China. For Khazanah, the Chinese market is an integral part of our investment footprint overseas. Besides being the second largest economy in the world and an undisputed rising economic and political super power globally and regionally, China has also been Malaysia's biggest trading partner for the last nine consecutive years. The close bilateral relationship between the two countries is also premised upon deep historical and cultural linkages.

2018 marks the 13th anniversary of Khazanah's coverage of China. As early as 2005, Khazanah acquired a 9.9% in the largest retailer in China then, Parkson when the company conducted an initial public offering (IPO). The initial investment was just one of a string of subsequent investments that Khazanah has made in multiple sectors in China, including in the education, renewable energy, finance, retail, innovation & technology and healthcare sectors. These investments in growth sectors and new geographical markets are long-term initiatives, as set out broadly by our mandate to invest outside Malaysia to create strategic value.



The then Chairman and Prime Minister Tun Abdullah Ahmad Badawi (centre) officiating the opening of Khazanah's office in Beijing with Tan Sri Azman Mokhtar (left) and Datuk Ben Chan, the then Executive Director, Khazanah Nasional Consulting (Beijing) Company Limited

Following our maiden investment, we opened the Beijing Representative Office, Khazanah's first international office, in 2008 with the aim of deepening coverage and building long-term presence in China. The Beijing office also serves as a base to support Government-Linked Companies (GLCs) exploring business opportunities in China. Thanks to our early investments into China, we were also poised to reap greater opportunities in the Chinese market and beyond. Our investment in Chinese stockbroker China Galaxy Securities in 2013 was one such example. Our existing relations with China Galaxy opened the doors to the eventual joint-venture between our investee company CIMB Group and China Galaxy, which heralds the beginning of a pan-Asian brokerage led by two formidable groups, both tapping into one another's network in ASEAN and in China.

Khazanah recognised in 2011 that the next phase of growth would need to address the issues of technology, innovation and disruption. It is a powerful megatrend that is both a challenge and a great opportunity. One of our first major forays in technology internationally was in the pre-IPO investment of Alibaba Group, which preceded its record USD25 billion IPO in 2014, the world's largest ever IPO to date. This remains one of Khazanah's most profitable investments; we have subsequently recycled part of the gains into several technology companies in China and other part of the world.

Khazanah's early investment in Alibaba provided us with an in-depth view of how e-commerce could benefit SMEs and transform a nation's consumer market. In this regard, we are excited by Alibaba's setting up of its first electronic-World Trade Platform (e-WTP) hub in Malaysia, which involves amongst others, the strategic collaboration of Alibaba's logistic subsidiary, Cainiao Smart Logistics Network (Hong Kong) and Malaysia Airports Holdings Berhad (MAHB) to develop a regional e-commerce and logistics hub in Kuala Lumpur International Airport (KLIA) Aeropolis Digital Free Trade Zone (DFTZ).

The two cases above are examples of how Khazanah's investment foresight in China provided us with the knowledge, insights and relationships necessary to cooperate with China, the rising powerhouse which is playing an increasingly active role in the region.



Ground breaking ceremony of Digital Free Trade Zone (DFTZ)

In April 2012, Khazanah obtained the Qualified Foreign Institutional Investor (QFII) license and expanded our investment operations to cover the A-Share equity markets as well. Obtaining the much-sought after QFII license back then was recognition by Chinese capital market regulators of Khazanah's international standing, as well as representation of our positive views and long-term commitment to China. Today, Khazanah has USD500 million of QFII quota, expanded our public markets coverage to include both the Shanghai/Shenzhen as well as Hong Kong stock markets, and grown our portfolio value to by 80% to USD903 million as at end of 2017.

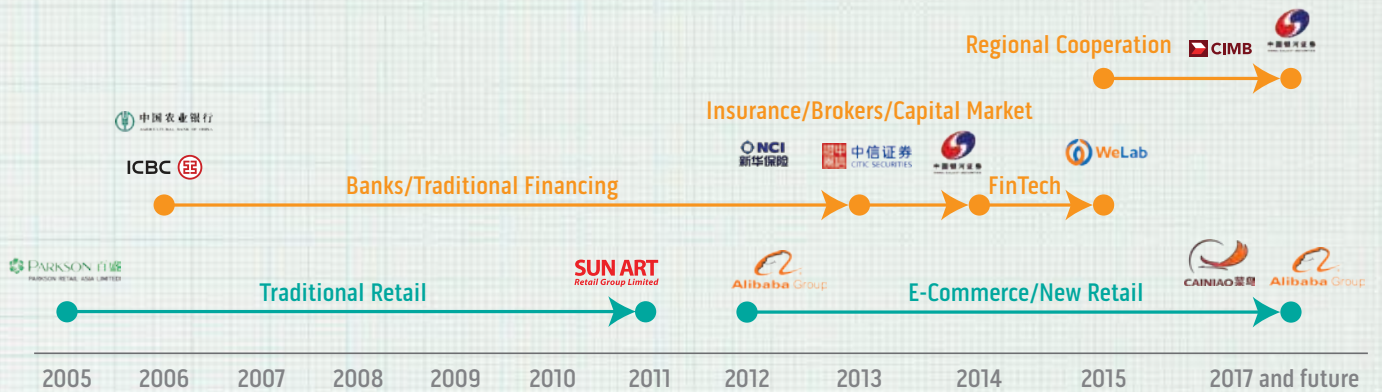
Besides investments, Khazanah also provides a platform for cross-investments within the region. For example, Khazanah's issuance of the world's first sukuk exchangeable into shares of Khazanah's stake in Parkson in 2008 was successful in creating a 'New Silk Road', before the current 'Belt-Road Initiative' was launched, allowing investors from the Middle East to participate in the retail consumption growth of China. In line with Khazanah's commitment in deepening the Islamic finance market in Malaysia and beyond, Khazanah also issued the world's first offshore RMB-denominated sukuk in 2011 and the world's first sukuk to offer exposure into China's growing water utility sector in 2016.

While Khazanah has been expanding into other geographies in a gradual manner in the last 14 years, China remains one of our most important and profitable markets, contributing USD2.3 billion in returns to date. In terms of geographic exposure on a see-through basis, about 45% of our portfolio Realisable Asset Value (RAV) is foreign, with China making up 7.6%.

Khazanah remains committed to further exploring opportunities into China's continuing growth, which will see us expanding our presence there with the opening a second office to be located in Shanghai.

Riding on Megatrends

Having a local presence in China enables Khazanah to be ahead of the curve in identifying budding trends and position our investments accordingly. For example, even in the early days, we identified the rise of the middle-class and consumption upgrade as a megatrend in China. As such, we invested in brick-and-mortar retail companies in the form of Parkson and Sun Art Retail, which we selectively monetized and recycled the gains into Alibaba when e-commerce was at the cusp of taking off; we have subsequently positioned ourselves to benefit from the growth of new tech-enabled Chinese retail and consumption formats. This investment philosophy, has also played out in our investments in the financial sector.



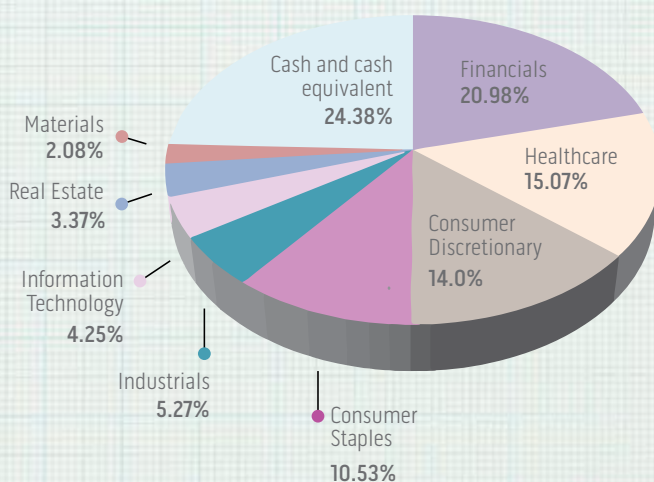
QFII Portfolio Net Asset Value (NAV) Movements

(Since inception at 31 Dec 2017)



QFII NAV breakdown by sector

(as at 31 December, 2017)



Source: Khazanah Analysis

Sukuk Issuance

2008

Combined offering of USD550 m Parkson Exchangeable Sukuk + USD97 m equity placement

2011

World's first RMB denominated Sukuk

2012

USD358 m zero-coupon & negative YTM Parkson Exchangeable Sukuk

2016

USD399 m zero-coupon & zero YTM Exchangeable Sukuk of Beijing Enterprises Water Group

M+S: Creating Strategic Value For Two Countries

2017 was a meaningful milestone year with regards to Malaysia and Singapore bilateral relations, when both countries witnessed the successful completion of two landmark development projects – Marina One and DUO. It represents the resolution of a 20-year longstanding Points of Agreement (POA) that was inked in 1990.

Zaida Khalida Shaari
Executive Director, Investments



Jiv Sammanthan
*Executive Director,
Head of Managing Director's Office*



The developments of Marina One and DUO, located in Marina South and Ophir-Rochor in Singapore respectively, were undertaken by M+S Pte Ltd (M+S), which is owned 60:40 by Khazanah Nasional (Khazanah) and Temasek Holdings (Private) Limited (Temasek).

M+S was established in 2011 to develop land parcels in the Marina South and Ophir-Rochor areas, following the full implementation of the Points of Agreement (POA) between Malaysia and Singapore in 2011. Earlier at the Malaysia-Singapore Leaders' Retreat on 24 May 2010, the Prime Ministers of the two countries had announced several undertakings, including the exchange of four land parcels in Marina South and two in Ophir-Rochor for the three parcels of POA land in Tanjong Pagar, Kranji and Woodlands as well as three pieces of land in Bukit Timah.

The official opening of the two landmark developments in January 2018, worth a combined SGD11 billion in gross development value, was the result of mutually beneficial cooperation between Malaysia and Singapore, arising from the two countries' strong and longstanding bilateral relationship.

COLLABORATIVE APPROACH

Marina One and DUO serve as a testament to the close collaboration between Khazanah and Temasek, and their commitment and capabilities to jointly deliver two major iconic projects that ultimately benefit both countries. In addition, Khazanah and Temasek are undertaking joint developments in Iskandar Malaysia through Pulau Indah Ventures Sdn Bhd, a 50:50 joint venture that developed the Afiniti Medini and Avira integrated wellness projects. Afiniti Medini was completed in 2016.



Official opening of Marina One and DUO developments by Dato' Sri Mohd Najib and the Prime Minister of Singapore, Lee Hsien Loong

These positive outcomes were clearly a result of and facilitated by the collaborative approach adopted at the bilateral level in the preceding years. The Prime Ministers of Malaysia and Singapore had at their meeting on 20 September 2010 announced that while the two countries have different views relating to the development charges payable on the three parcels of POA land in Tanjong Pagar, Kranji and Woodlands, it was agreed to settle this issue amicably through arbitration under the auspices of the Permanent Court of Arbitration, and to accept the arbitration award as final and binding. Equally significant, the two leaders also agreed that arbitration would proceed on its own track, and therefore not affect the continued implementation of the POA, including the joint development between Khazanah and Temasek. This enabled M+S to forge ahead.

Several Government-Linked Companies in both Singapore and Malaysia were also involved in various stages of the iconic projects. Singapore real estate companies Mapletree and CapitaLand were appointed as the project manager for the development of Marina One and DUO respectively, while UEM Sunrise Bhd was tasked with marketing for both developments. The project was further supported by the strong partnership and smooth collaboration between the Khazanah and Temasek teams, as well as M+S management team that provided the impetus for the swift completion of both projects.

M+S Joint Development Timeline





3.67 million sq. ft. premier mixed development at Marina Bay area

Gross development value: SGD7 billion

Office

Two 25-storey prime Grade A office towers with NLA of approximately 1.9 million sq. ft.

Retail

Five floors with NLA approximately 140k sq. ft.

Residential

Two 34-storey towers with 521 units each

LEED Platinum pre-certified; efficient in use of water and energy, as well as greenhouse gas emission

Green Mark Platinum certified; use of sustainable design, construction and operations practices

Confirmed tenant

Julius Baer, PwC Singapore, Prudential, Grab, Olam International, BP Global, Daiwa Capital, Mitsubishi UFJ Financial Group and JustCo.

* NLA: Nett lettable area



Christoph Ingenhoven
Architect of Marina One

“Marina One is a role model for the globalised mega cities of Asia. It provides a vital mixture of uses and amenities. The green heart in the middle of Marina One will be the potential heart of the new business district.”

m+s



DUO AND MARINA ONE

Khazanah and Temasek laid the building blocks of the successful collaboration from the outset, nominating experienced and highly-capable board members at M+S. This helped to forge a common vision grounded upon good governance and focussed on delivering world-class, commercially-successful developments. Project components were awarded through a competitive process, including the selection of architects, which also saw submissions from Malaysian and Singaporean architects, as well as for various construction packages.

Internationally renowned architect, Ole Scheeren, was selected for his concept of DUO. The name DUO reflects the two towers that stand seamlessly side by side, symbolising the close relationship between Malaysia and Singapore. Located in the heart of Ophir-Rochor, DUO is envisioned to shape the district into a vibrant residential,



1.73 million sq. ft. premier mixed development at Ophir-Rochor district

Gross development value: SGD4 billion

Andaz Hotel

15-storey tower luxury 5-star hotel with 325 rooms

Office

24-storey Grade A office space with NLA of 570k sq. ft.

Retail

NLA of 56k sq. ft.

Residential

49-storey tower with 660 units

International award in the “Best Futura Project” category at the 2012 MIPIM Asia Awards

Confirmed tenants

Andaz Hotel, Sumitomo Chemical, Abbott Laboratories, Mastercard, Regus Serviced Offices, Amcor, Chevron and Virgin Active

* NLA: Nett lettable area



Ole Scheeren
Architect of DUO

“DUO is a joint venture between two countries, and the project has come to represent this important duality. Our architecture articulates the dynamic relationship of two urban figures and generates symbiotic effects beyond the project itself with a positive impact on the larger context.”



The success of Khazanah and Temasek in delivering the developments serves as testimony to the outcomes that can be achieved through strategic investments that leverage individual strengths and mutual complementarities

business, retail and entertainment cluster to complement the existing Marina Bay and Raffles Place CBD. It has since bridged the connectivity between the Bugis and Kampong Glam conservation areas, providing the district with a thriving cultural scene.

The competition for Marina One's design concept was won by another world-renown architect, Christoph Ingenhoven, who is a leader in sustainable architecture. The aim of the design is to provide liveable space close to nature. The project's centrepiece is the 'Green Heart', the largest green urban sanctuary within Singapore's central business district, featuring multiple stepped gardens, walkways, waterfalls and flanked by two green parks – Marina Station Square and Central Linear Park.

In a further manifestation of the collaborative approach between the two countries, several Malaysian and Singaporean artists were commissioned to design and create sculptural artworks for DUO and Marina One, including top Malaysian artist Latiff Mohidin. Latiff's contribution Harmony, a nine-metre freestanding outdoor modern sculpture, is the focal point within DUO's Central Plaza. Inspired by the interlocking motif of plant leaves, the design reflects the concept of balance to symbolise two forces that come together and complement each other, in reference to the relationship between Malaysia and Singapore.

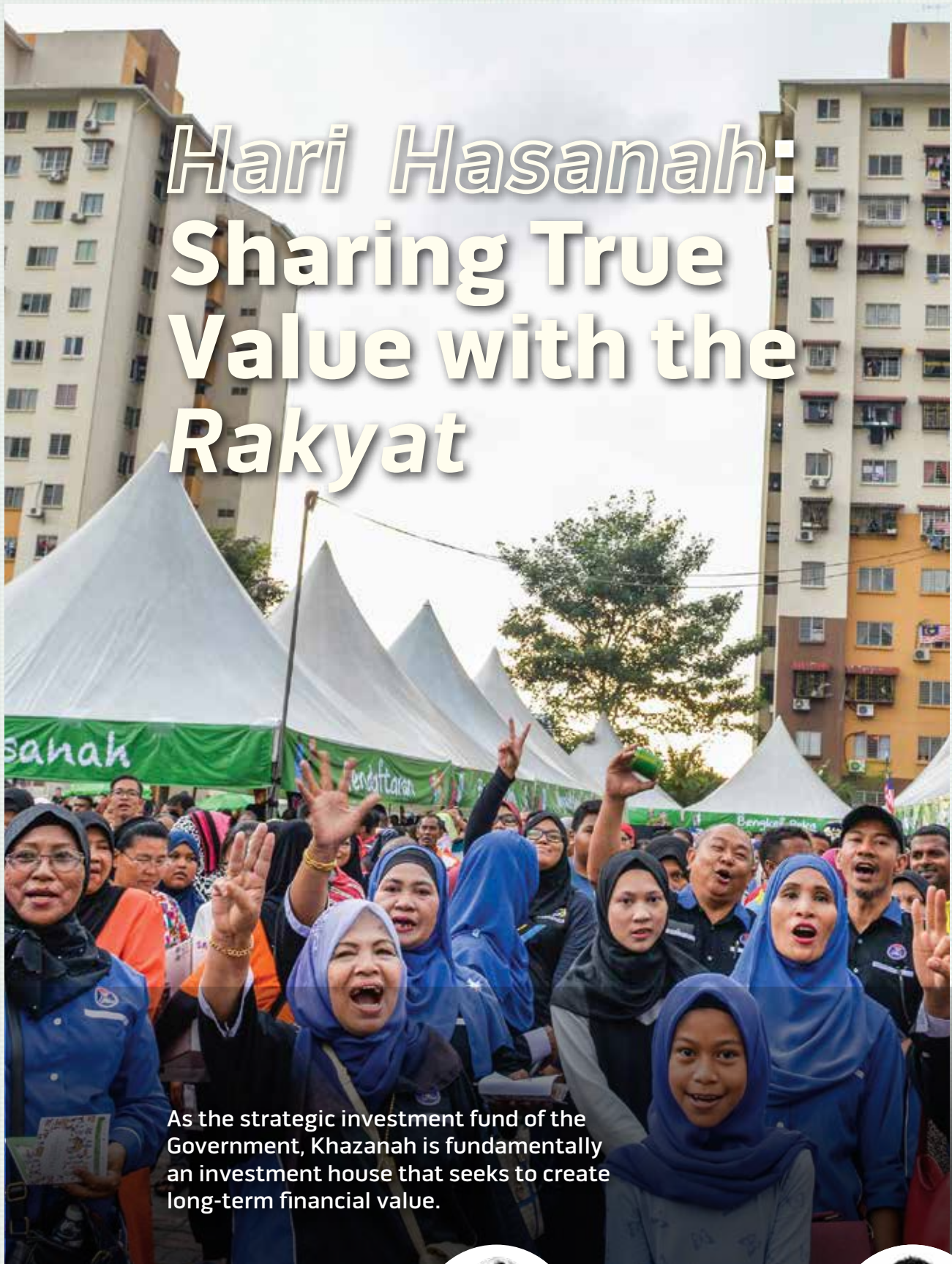
The status of Marina One and DUO as award-winning iconic buildings is also reflected in their commercial success to date. At the time of their launch, both developments had attracted significant occupancy rates for their respective office components, attracting many Fortune 500 companies, as well residential components.

Overall, the success of Khazanah and Temasek in delivering the developments serves as testimony to the outcomes that can be achieved through strategic investments that leverage individual strengths and mutual complementarities. In addition, it also forms the building blocks for greater things to come for both Malaysia and Singapore, and their respective peoples.



Tan Sri Azman Mokhtar and M+S Development Chairman Tan Sri Mohamed Azman Yahya, in front of the "Harmony" sculpture by Latiff Mohidin in the DUO Central Plaza

Hari Hasanah: **Sharing True Value with the Rakyat**



As the strategic investment fund of the Government, Khazanah is fundamentally an investment house that seeks to create long-term financial value.

Shahira Ahmed Bazari
Trustee and Managing Director, Yayasan Hasanah



Mohd Raslan Md Sharif
Director, Managing Director's Office



Our mandate extends beyond strictly commercial pursuits and goals. We have been entrusted to collectively deliver financial, strategic and societal returns to Malaysia and its people. In this regard, sustainable financial performance is a key enabling component in fulfilling our roles and responsibilities overall, including the work that we do in the societal sphere. We recognise that we need to continue to do "well" so that we can be in a position to do more "good". This approach is detailed in the *Khazanah Report 2014* case study, "Building an Inclusive Institution".

Khazanah's Corporate Responsibility (CR) initiatives form a significant component of our efforts to deliver societal returns that meet the country's nation-building needs. In 2013, we established Yayasan Hasanah (Hasanah), our foundation that would lead our CR efforts. We provided Hasanah with an endowment of RM3 billion from the returns generated through our investment activities. The endowment is ring-fenced and invested to provide a minimum 5% returns annually, enabling the foundation to tap into a sustainable source of funding for its initiatives.



Hasanah's vision is to be a leading foundation that promotes Malaysia's global sustainability through solutions that empower communities, encourage social inclusivity and improve the local environment. Over the four years since it was set up, the foundation has supported multiple initiatives through a network of civil society partners focused on several key areas, namely, education, community development, environment, arts, heritage and culture, knowledge, and public spaces. More information on Hasanah's focus areas and the work that it does with its various partners is available at www.yayasanhasanah.org.my



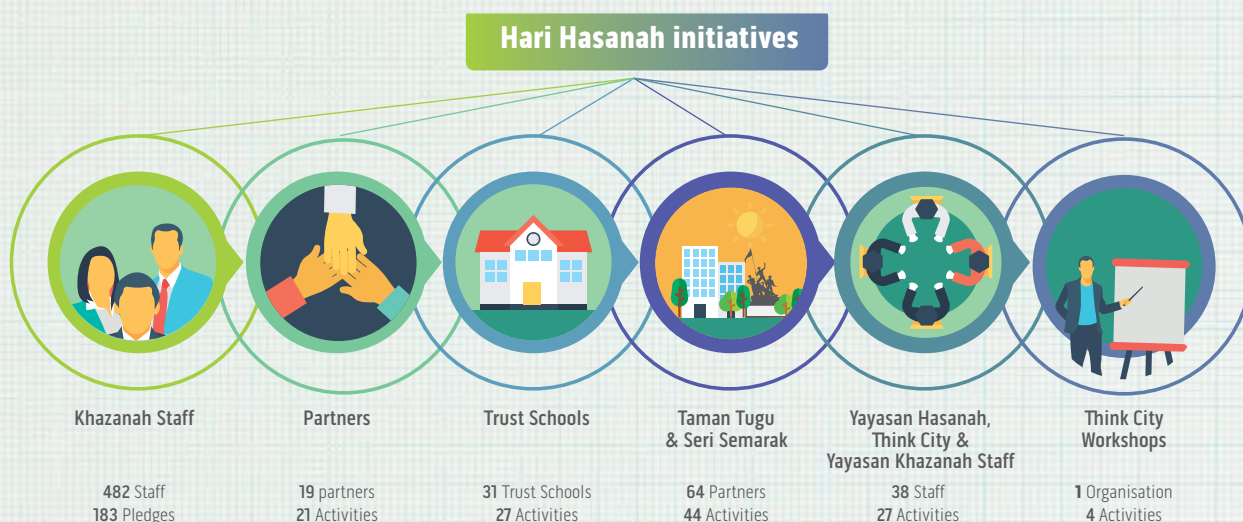
One of the civil society partner booths participating in the Hari Hasanah event at PPR Seri Semarak, Kuala Lumpur

Hari Hasanah

#BerbudiBersama
#DoGoodTogether

HARI HASANAH

As part of efforts to further support social inclusivity on a broader scale, Khazanah and Hasanah last year jointly organised *Hari Hasanah*, meant to encourage Malaysians to do good deeds for the benefit of others. Intended as an annual event to be held between National Day and Malaysia Day, the inaugural *Hari Hasanah* was held on 3 September 2017 as one of the initiatives under Khazanah's "Negaraku, Negara Kita" campaign which celebrated and commemorated Malaysia's 60-year journey and progress as nation. Ultimately in the years to come, it is hoped that *Hari Hasanah* would become a movement where all Malaysians come together and in their own way, undertake acts of kindness that collectively would help to foster togetherness and promote unity in our multi-cultural, multi-ethnic society.



Besides Khazanah and Hasanah, the inaugural *Hari Hasanah* saw Yayasan Khazanah, Khazanah Research Institute, Think City, civil society partners, non-governmental organisations (NGOs), Government-Linked Companies (GLCs), and staff, at both the organisation and personal levels, contributing time and effort to reach out and help make a difference in the lives of others, especially for those in need.

For the inaugural *Hari Hasanah*, more than 100 initiatives and activities in 12 states were undertaken by the various participants (further information on the initiatives and activities is available at www.harihasanah.com.my). An anchor initiative was held at *Projek Perumahan Rakyat* (PPR) Seri Semarak in Kuala Lumpur. PPR Seri Semarak is a community housing project for low income earners.

The half-day event comprised various activities and a bazaar with free services, provided by Hasanah, Think City and their network of partners, as well as several GLCs. The initiative attracted more than 3,000 people from the surrounding community, including residents of PPR Seri Semarak and those from nearby community housing projects.

The Prime Minister of Malaysia also participated in the initiative, where he officially launched Cruyff Court Seri Semarak located at the PPR Seri Semarak, and Cruyff Court Kampung Baru Air Panas, which is located at the adjacent PPR Air Panas community housing. The Cruyff Court programme is a collaboration between Yayasan Hasanah and Johan Cruyff Foundation to provide a unique football experience for children, youths and the surrounding community. The first Cruyff Court in Malaysia was opened in Kampung Melayu Majidee, Johor Bahru in 2012, followed by Cruyff Court Brickfields in Kuala Lumpur in 2013.



Children from PPR Seri Semarak enjoying one of the many free activities provided at the *Hari Hasanah* bazaar



Watch the *Hari Hasanah* at
Seri Semarak video



The Prime Minister announced that *Amanah Warisan Negara*, a national public trust, would hold and manage Taman Tugu in perpetuity as an urban forest park for Malaysians to enjoy

The Prime Minister also participated in a *Hari Hasanah* initiative at the Taman Tugu Project site, where he planted a Belian tree, to underline the Government's commitment to heritage and environmental conservation for the benefit of future generations of Malaysians. The 66-acre Taman Tugu Project is a Public-Private-Civil Society corporate responsibility initiative spearheaded by Khazanah, in collaboration with Dewan Bandaraya Kuala Lumpur and various partners from the public and private sectors, as well as civil society organisations. (For more information on the Taman Tugu Project, visit www.tamantuguproject.com.my)

At the event, the Prime Minister announced that *Amanah Warisan Negara*, a national public trust, would hold and manage Taman Tugu in perpetuity as an urban forest park for Malaysians to enjoy. In addition, he also announced that an additional 25 acres of land adjacent to Taman Tugu would be transferred to Amanah Warisan Negara, to be preserved as a public green space.

Hasanah Bersama Rakyat 2017 - 2018

**Hasanah
bersama Rakyat**
#BerbudiBersama
#DoGoodTogether

Hasanah Bersama Rakyat
at Iskandar Puteri, Johor

1,200 people

40 activities & workshops

Hasanah Bersama Rakyat at Jeli,
Kelantan

10,000 people

64 activities & workshops

4
Sept
2017

Hari Hasanah at Seri Semarak,
Kuala Lumpur

7,000 people

42 activities & workshops

Official launch of Cruyff Courts Seri
Semarak and Air Panas

25
Nov
2017

13
Jan
2018

Hasanah Bersama Rakyat at Santubong,
Sarawak

4,000 people

70 activities & workshops

10
Mar
2018

17
Mar
2018

Hasanah Bersama Rakyat at Jerlun, Kedah

5,000 people

70 activities & workshops



Watch the *Hasanah Bersama
Rakyat* at Santubong video



'Do good together' pledges by visitors at one of the *Hasanah Bersama Rakyat* events

Following the positive feedback we received from the communities, partners and organisations that attended and participated in *Hari Hasanah*, we decided to organise "mini" events to bring the spirit of *Hari Hasanah* to other regions of Malaysia. This outreach programme, called *Hasanah Bersama Rakyat* (HBR), would be grounded on the same principle of everyone coming together to do good deeds for the benefit of others, primarily low-income communities.

Four HBR events have been held, in Iskandar Puteri, Johor; Santubong, Sarawak; Jeli, Kelantan; and Jerlun, Kedah. Similar to the *Hari Hasanah* initiative at PPR Seri Semarak. Each of the HBR events brought together local community leaders, civil society partners, GLCs, NGOs, government agencies and local authorities, as well as staff and volunteers. Collectively, they organised various activities and provided free services, including financial, health, education, employment, entrepreneurship and public services for the surrounding community.



MOVING FORWARD

The inaugural *Hari Hasanah* and its outreach programme, *Hasanah Bersama Rakyat*, was a milestone in our efforts to further support social inclusivity on a broader scale. Both initiatives expand the platform that enables us to play our part in delivering societal returns to *Rakyat* through a direct and impactful approach. In this regard, we gained invaluable experience, insights and input that would help us to further improve delivery and better achieve intended outcomes.

Ultimately in the years to come, we hope that *Hari Hasanah* would become a movement where all Malaysians come together and in their own way, undertake acts of kindness that collectively would help to foster togetherness and promote unity in our multi-cultural, multi-ethnic society.



KHAZANAH EUROPE INVESTMENT LIMITED

Khazanah Europe Investment Limited (KEIL) is our first physical presence in the United Kingdom and extends our presence in the European continent. The choice of London as our regional office complements the acceleration of Malaysia's innovation agenda and acts as a bridge to strengthen current and future collaborations between Malaysia and European countries.

05





Javier Santiso
Executive Director, Investments
and Head of Khazanah Europe
Investment Limited

Our work here in London office plays a part in accelerating Malaysia's innovation agenda through specific mandate and contribution in area of innovation and technology. Our presence in the European continent continues to deepen the network with the investment institutions, family offices as well as academic and institutional partners in Europe.

BUILDING AN INSTITUTION

Strong institutions are the foundation of a strong nation. At Khazanah, we are dedicated to doing our part in consolidating our achievements and experiences into an institution that will continue to deliver with consistency. Our people are our key asset, we nurture an environment of integrity, professionalism, diligence, teamwork and mutual respect. To develop our employees, we invest significantly in the necessary processes and infrastructure required to grow and support human capital.

Khazanah as a Learning Organisation **100**

Our People, Our Values **107**

KHAZANAH AS A LEARNING ORGANISATION

Khazanah provides various platforms for active networking to encourage continuous learning among employees and stakeholders, enabling a dynamic exchange of views and knowledge, and therefore connecting us more widely to business academia, and society in general





Diana Tee Mei Ling
Senior Vice President,
Investments

Our global lens in innovation and technology broadens our horizon on disruptive trends and forces shaping the world and provokes our minds to think about, not just the threat we face, but more importantly, the opportunities created from harnessing the potential of these trends.



From right:
Martin Skancke, Chair, Principles of Responsible Investment (PRI); Tariq Al-Sudairy, Managing Director and CEO, Jadwa Investment; Jan Metzger, Managing Director, Global Co-Head IB Technology and Head of Asia Pacific TMT, Citigroup; speaking at a core session at KMF2017 moderated by Mohamed Ridzuan Mohamed, Director, Khazanah Research and Investment Strategy

Dr Emiliana Simon-Thomas, neuroscientist; and Science Director, Greater Good Science Centre, University of California Berkeley, presenting a special address at the KMF2017



Simon Kuper
Author and Columnist,
Financial Times



Lynette Wallworth
Interactive media artist

EVENTS

Khazanah hosts several series of knowledge events.



The Khazanah Megatrends Forum (KMF) is held annually, preceding Khazanah's strategy and business planning cycle. The KMF brings together thought leaders from around the world – in front of an audience of more than a thousand influential participants from business, government, academia and society – and conducts in-depth discussions of current critical issues from four key perspectives: markets, firms, society and people. The Forum entered its 13th annual instalment in 2017 with the theme "Cerebrum X Algorithm: Building True Value in a Post-Truth World". In addition to the four Core Sessions on Markets, Firms, Society and People, as well as several keynote addresses, the KMF2017 also saw two Special Sessions on ASEAN and Technology.

SELECTED SPEAKERS FOR KMF2017



Dr Ngozi Okonjo-Iweala
Chairman Global Alliance for
Vaccines and Immunisation (GAVI)



Joseph C. Tsai
Executive Vice Chairman
Alibaba Group



Jimmy Wales
Founder Wikipedia



Kent J. Thiry
Chairman and CEO, DaVita Inc



Tan Sri Dato' Dr Michael Yeoh
Co-Founder and Chief Executive
Officer, Asian Strategy & Leadership
Institute (ASLI)



Tan Sri Dato' Sri Dr Zeti Akhtar Aziz
Co-Chair, Board of Governors,
Asian School of Business (ASB)



The Khazanah Global Lectures (KGL) are delivered by outstanding individuals of global repute, who have influenced the way people live, work and think. Past speakers include: Dame Dr Jane Goodall DBE, Boris Johnson, Victor Fung, Mary Robinson, Dr Manmohan Singh, Sir John Bond, the late Dr APJ Abdul Kalam, Tun Abdullah Hj Ahmad Badawi, Carlos Ghosn, Professor Joseph Stiglitz, Dr Muhammad Yunus and Kofi Annan.

SELECTED PAST KGL SPEAKERS



Dr Jane Goodall DBE
Founder - The Jane Goodall Institute & United Nations Messenger of Peace



Mary Robinson
Former and first female President of Ireland



Dr APJ Abdul Kalam
Former President of India



Carlos Ghosn
Chairman of Nissan Motor



Dr Muhammad Yunus
Nobel Laureate



Professor Dr Joseph Stiglitz
Economist



Kofi Annan
Former Secretary-General of the United Nations



① Dr Jane Goodall DBE, world-renowned primatologist, ethologist, conservationist and United Nations Messenger of Peace, one of the past speakers of the Khazanah Global Lectures

② British conservationist Dr Gathorne Gathorne-Hardy, Fifth Earl of Cranbrook speaking at one of Khazanah's Tea Talks





Tea Talks is a long Khazanah tradition dating back to 2005 whereby speakers from various backgrounds are invited to speak to Khazanah staff on topics of interest, ranging from markets to healthcare to corporate finance to the environment to entrepreneurship. Some of the distinguished speakers who have given Tea Talks include: Sir Bob Geldof, Tan Sri Michelle Yeoh, the late Johan Cruyff, Jeff Immelt, Frank Gardner, Professor Sir Michael Barber and Professor KS Jomo.

PAST TEA TALK SPEAKERS



Sir Bob Geldof



Tan Sri Dato' Seri Michelle Yeoh



Johan Cruyff



Professor Sir Michael Barber



Professor KS Jomo



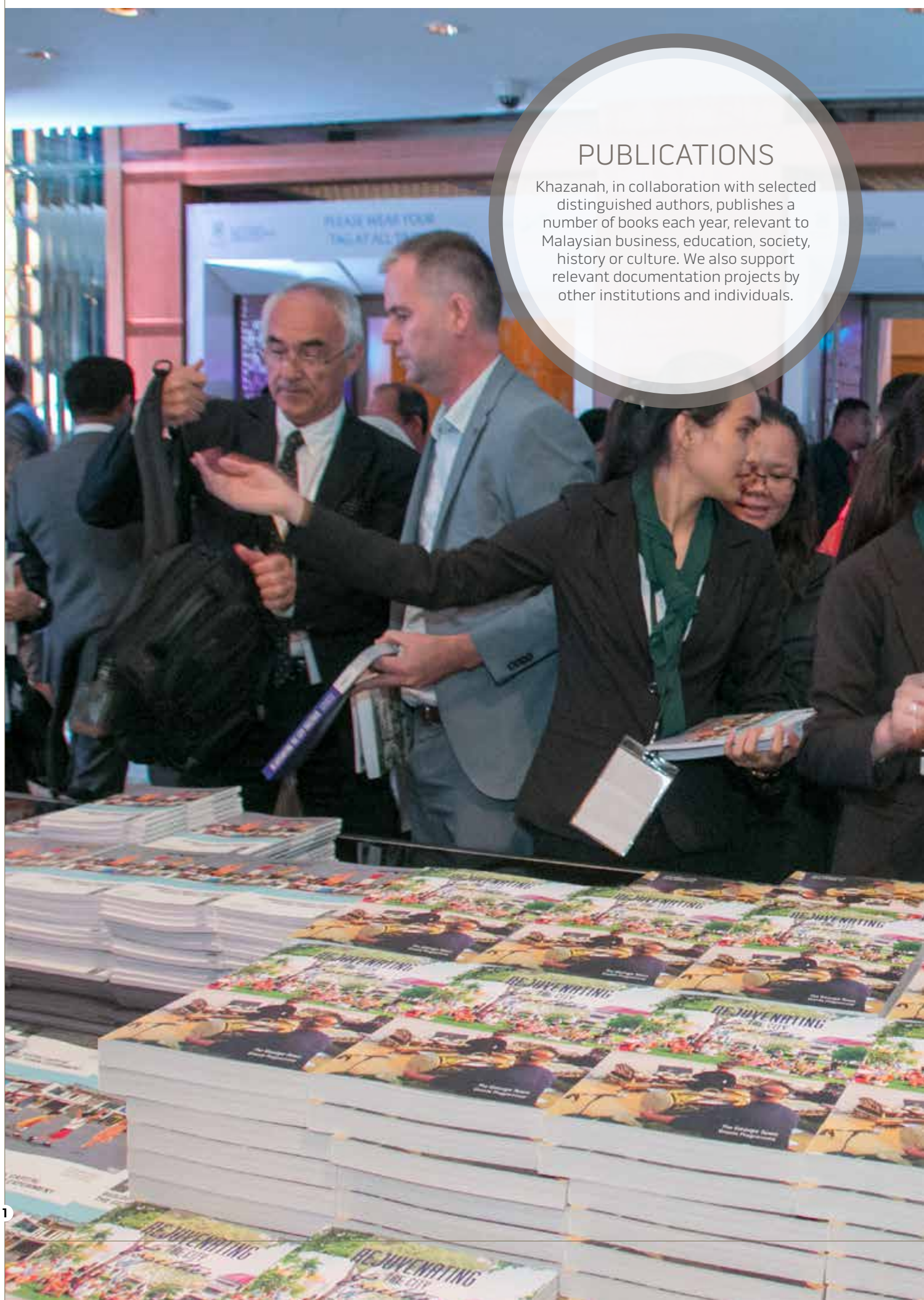
Ramesh A/L Raguan
Associate, KRIS

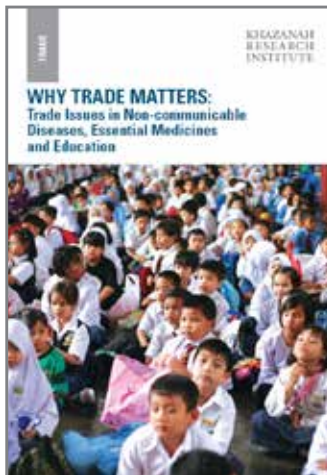
A crucial component of our mandate is to actively develop knowledge capital for the country. We try our best to create enabling platforms and forums for diverse views and information to be exchanged so that we have a global perspective in how we see the world.

Khazanah Knowledge Exchanges are internal events that enable different teams or units within Khazanah to share experience, knowledge and analysis.

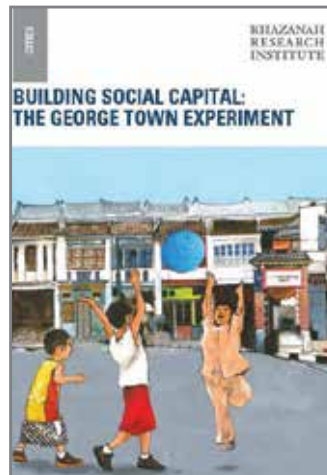
PUBLICATIONS

Khazanah, in collaboration with selected distinguished authors, publishes a number of books each year, relevant to Malaysian business, education, society, history or culture. We also support relevant documentation projects by other institutions and individuals.





Why Trade Matters: Trade Issues in Non-communicable Diseases, Essential Medicines and Education



Building Social Capital: The George Town Experiment



Together Finding Purpose at the Crossroads of Me+We

HUMAN CAPITAL AND KNOWLEDGE NETWORK

Khazanah has formed strategic partnerships and created networks with various institutions of higher learning to enhance the cross-fertilisation of knowledge, strengthen leadership, and develop talent.

Various intellectual capacity-building programmes have also been conducted for the public and our staff, aimed at raising the level of discourse regarding national development.

Khazanah founded and works closely with the Institute of Corporate Directors Malaysia (ICDM) (formerly known as Malaysian Directors Academy (MINDA)) to contribute towards the development of corporate boards, especially among Government-Linked Companies. Khazanah Knowledge Exchanges are internal events that enable different teams or units within Khazanah to share experience, knowledge and analysis.

KHAZANAH RESOURCE CENTRE

The Khazanah Resource Centre maintains a well-stocked business library, provides leading-edge information sources, and compiles regular news and information updates.



① Khazanah publications distributed to participants during KMF2017

② Negeri Sembilan Crown Prince Dato' Sri Tunku Ali Redhuaddin ibni Tunku Muhriz with Tan Sri Azman launching the *Grit & Grace: The Grandeur of Monochrome Malaysia* photobook by photojournalist SC Shekar





OUR PEOPLE, OUR VALUES

Khazanah's employees is a crucial source of strength of this institution. We count on our people to deliver on our mandate and be an effective strategic investment fund of the Government. From a staff strength of 30 employees in 1994, we have grown to more than 468 talented individuals in five regional offices today.



Khazanah Senior Leadership Team at the Board retreat in Langkawi in December 2017



Shamsuddin Abdul Jalil
Senior Vice President,
Corporate and Support Services

As we aspire to fully embrace digitalisation, it is imperative that the appropriate frameworks, policies and technologies are applied to ensure that we remain both competitive and secure on the home front and overseas.

AWARD WINNING CORPORATE & SUPPORT SERVICES TEAM



**2014 International Team
Excellence Award (ITEA)**
Silver award winner at the American
Society of Quality (ASQ) World Conference
on Quality and Improvement (WCQI)

Corporate & Support Services division won Silver at the International Team Excellence Award (ITEA) competition during the ASQ World Conference on Quality and Improvement (WCQI) held in Texas, United States, on May 2014. WCQI is a global competition that recognises the best quality improvement teams worldwide. The submission looked at ways of improving internal current payment processing cycle, which is able to reduce processing steps from eight to two and cut processing time by 1,070 hours, translating into a cost benefit of over RM181,000.



Ashwini Menon
Associate, Finance

Competitiveness involves disrupting the norm, which is a principle encapsulated in Khazanah's fundraising initiatives as we continuously push the envelope. It's a virtuous cycle that enriches the Malaysian capital market, and in turn, serves as a platform for us to compete globally.

1



OUR VALUES

We are guided by our core values which govern our conduct, shape our culture and define who we are as an organisation. Our core values delineate what we advocate and how we operate with one another, our partners and stakeholders.

TEAMWORK

Our strength is our people. As a group of highly motivated individuals, we are committed to working together to achieve true value. We encourage cooperative efforts across all levels and activities, and will continually share ideas and knowledge towards a common goal.

MUTUAL RESPECT

We value differences and treat everyone with the same respect that we expect from others. We are fair and honest in all our dealings, and always maintain confidentiality. We inspire and enable our people to achieve high performance and we believe all individuals want to achieve their fullest potential.

DILIGENCE

We strive for speed and accuracy. We give every task our full degree of care and commitment, and attend to matters with a sense of immediacy. We boldly seek out new opportunities in pursuit of our nation's economic interests while ensuring sustainability in each of our investment and initiatives.

INTEGRITY

We do what is right without exception. We believe in good governance and operate with ethics; always staying within the letter and spirit of the law.

PROFESSIONALISM

We are accountable and responsible for all that we do. Timeliness is fundamental to our work processes: we always keep to our word and promises made. To ensure the best value possible for our partners and stakeholders, we do not wait for opportunities to arise but take pro-active measures to make them happen.



2



3

Internal Meetings and Events

Our people do not just work for Khazanah, they help define it.

Employees are encouraged to participate in sharing the culture and ethos of Khazanah. Engagement sessions with the Senior Leadership Team are regularly scheduled where our employees gain first-hand information on the direction and performance of the organisation and are able to express their thoughts and raise questions.

Around the Office

We try to foster a culture of hard work and quality of delivery, but in a supportive environment with strong teamwork, mutual respect and a spirit of good humour. A positive and enjoyable workplace is not only healthy for employees and the organisation, it delivers better results.



4



① Team Blitz on the stage at ASQ International Team Excellence World Conference on Quality and Improvement receiving their award

② Fatih Sarıkahya, Vice President, Investments, Khazanah Turkey Regional Office

③ Ahmad Fariz Ali, Senior Vice President, Investments, Khazanah Europe Investment Limited

④ James Zairen Pang, Vice President, Investments; Lim Kooi June, Director, Investments; both from Khazanah Nasional Consulting (Beijing) Company Limited

⑤ Effizal Faiz Zulkifly (left), Director, Investments, at the Khazanah year-end town hall



5



Outside the Office

Our people are more than just Khazanah employees – they excel in other spheres of life. We encourage them to receive continuing education and to contribute to civil society organisations. Khazanah organises regular events such as our annual family days and multi-event sports carnival, and group retreats. Our employees are individuals with diverse talents and actively participate in many extracurricular activities including music, writing, sports, environmentalism, and community activism.



2



① Khazanah staff participating in The Bursa Bull Charge 2017

② Khazanah staff and family having fun at the Khazanah Family Retreat 2017

③ Nicholas Khaw, Senior Vice President, Khazanah Research and Investment Strategy, performing with his division colleagues at the Khazanah Annual Dinner 2017



OUR ALUMNI

Today there are over 590 Khazanah Alumni, venturing into new fields and record significant professional as well as personal achievements. This is testimony to great talents that Khazanah attracts, and also the results of its success in developing highly motivated people. Talents at Khazanah are guided by our values of teamwork, mutual respect, diligence, integrity and professionalism.

From CEOs of listed companies and important national agencies to social entrepreneurs and authors, our alumni are beginning to significantly and positively shape the growth and development of the socioeconomic, institutional and cultural landscape of Malaysia and beyond. This is in line with the fourth strategic pillar of our mandate to actively develop strong human capital for the nation and for the countries that we invest in.

A selection of our Alumni...

Ong Yee Lynn

Elaine Tan Lee Imm

Elanjeljan A/L

Nadziq Intan Nadia Jalil

Mohd Noor Iqbal

Mohd Azrai Erika Mustarina

Mat Ariffin Ershad

Mohd Radzidin Farizal Mohd

Gavin Kanan A/L Narayan

Aidil Morzaian Haikel Ismail

Johari Hamri Tuah Hanif

Johari Hafifah ti Abdul

Nasirah ti Zul Bahari Herza

Zainal Mokhtar Hissam

Kamarulzaman

Zao Siang Kamal

Kamalia ti Ibrahim

Noor Kartini

Thamby Raja

A/P Thirujan

Noor Khairul

Hashim

Kushnoor Lee

Elanjeljan A/L

Dev Anand A/L Dorasamy

Devendran A/L Nadaraja

Dr Jasmin Idris

Dr Nungsi Ahmad Radhi

Dr Sufian @ Sofian

Dr Farid Mohamed Sami

Dr Said

Dr Rezal Khairi

Ahmad Dzofrain Azmi

Zaki

Venugopal Elena ti Abdul Rahim

Elena ti Ahmad

Ali K.K.J. Mohamed Ali

Ethan Li Ming

Fadhilah Daud

Razali Fazlinda ti Kassim

Fazryatul

Glenice

Hairil Nizam

Hamzah

Rahman

Hasnida

Kamal Hassan

Intan Suhana

DarusSelamat

Jalila Haron

Johar Jenn

Mohamad

Zainal Abidin

Said Junaidi

Redzuan

Kamarul

Mohamed ti A Karim

Katrina Tan

Kevin Ng Eng

Anas Shafei

Komala

Subramanian

Sahar Lau

Mun Yen Lee

(Alan)

Lee

Liaw Yit Ming

Hian Lim Eng

Fung Ee Lim

(Clarence)

Young Lim

Luqmanulhakim

Shareen Shariza Dato' Abdul Ghani

Shareen was appointed as the Chief Executive Office of Talent Corporation Malaysia (TalentCorp) on 1 June 2016. She has been part of TalentCorp since its early years, in her capacity as Khazanah's representative on the board of directors of GEMS Malaysia Sdn Bhd, the TalentCorp subsidiary responsible for upskilling Malaysian graduates. Prior to Khazanah, she was Chief Operations Officer at MERCY Malaysia.

Previous position in Khazanah: Director, Managing Director's Office
July 2007 – May 2016

Sufyan Abdul Jabbar

Sufyan is currently the Head of Investment Banking for UBS Investment Bank in Malaysia. He joined the Switzerland-based financial services firm on January 2014. Prior to joining UBS, Sufyan was at CIMB Investment Bank Berhad and the Investments division at Khazanah. Sufyan is a Chartered Accountant and a Chartered Financial Analyst.

Previous position in Khazanah: Senior Vice President, Investments
September 2006 – November 2009

Saovane Chan-Somchit

Saovane is currently Regional Brand Partnerships Manager with Shopee, an e-commerce platform by SEA Group. Prior to that, she was a founding team member and Chief Operating Officer at WORQ Coworking Space. She started her career at Khazanah first as an economist with Khazanah Research and Investment Strategy, then transitioning to an investment role covering the airlines and airport sectors.

Previous position in Khazanah: Assistant Vice President, Investments
May 2009 – October 2016

Jerry Zhang


Jerry is the Co-founder of Sodatone, a platform for the music industry, which was acquired by Warner Music Group in March 2018. He also started Finchway Group and was named one of PROFIT Magazine's 30 Most Fabulous Canadian Entrepreneurs. He was one of Khazanah Americas' investment interns and is currently at the University of Waterloo taking a year off. He has interned at the World Bank, Yahoo!, CPP Investment Board, and CIBC World Markets with the University's coop program.

Previous position in Khazanah: Intern, Khazanah Americas Inc.
May 2016 – 26 August 2016

Murugesh Rao Ramasamy

Murugesh is currently a Portfolio Manager in the Research department of iFAST Capital, a wealth management platform in Malaysia. He started at Khazanah as a Graduate Trainee in Investments, and thereafter was posted to Khazanah India Advisors Pte Ltd in Mumbai, India, for two years.

Previous position in Khazanah: Associate, Investments
October 2013 – August 2017



IHH Healthcare Berhad is a leading international provider of premium integrated healthcare services operating in the home markets of Malaysia, Singapore, Turkey and India. It is one of the largest healthcare groups in the world by market capitalisation.

TOTAL HOSPITALS

49

globally



As one of Asia's leading telecommunications groups, Axiata has investments in mobile network operations, network infrastructure and digital internet companies.

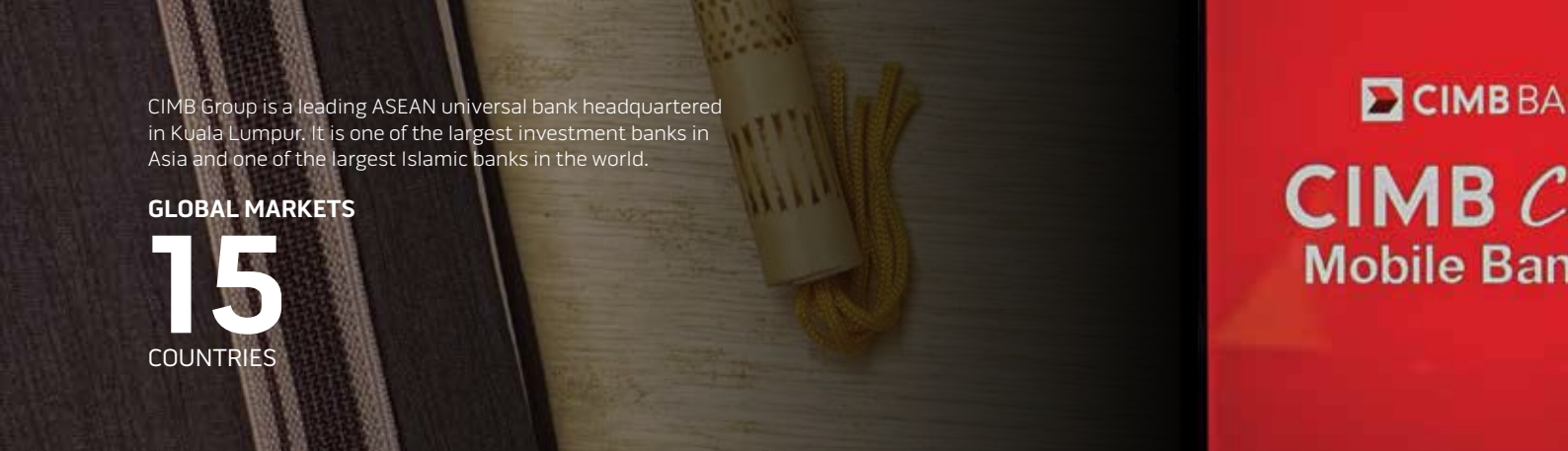
CUSTOMER BASE

350 million

subscribers


axiata

'Prisms by Axiata'



CIMB Group is a leading ASEAN universal bank headquartered in Kuala Lumpur. It is one of the largest investment banks in Asia and one of the largest Islamic banks in the world.

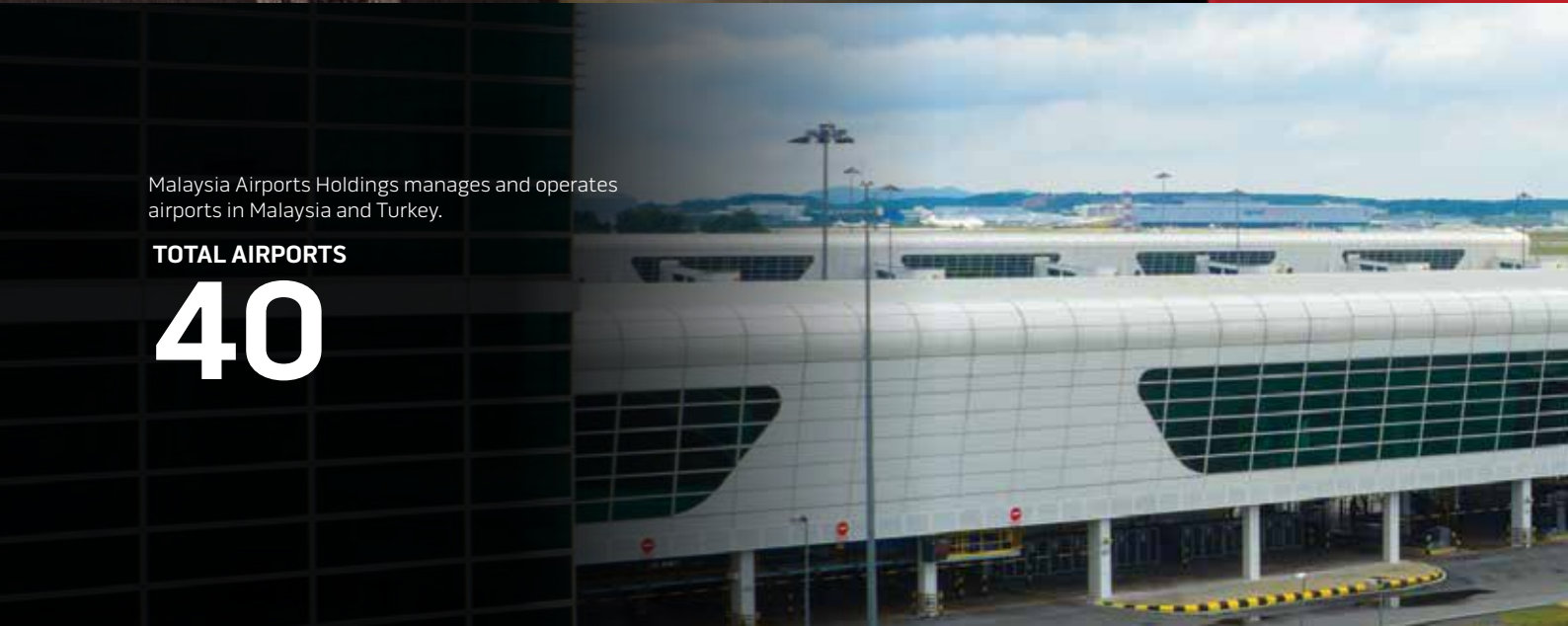
GLOBAL MARKETS

15

countries

 **CIMB** BANK

CIMB 
Mobile Banking



Malaysia Airports Holdings manages and operates airports in Malaysia and Turkey.

TOTAL AIRPORTS

40



OUR GLOBAL PRESENCE ALLOWS US TO FORM STRONGER TIES WITH PARTNERS AROUND THE WORLD, IDENTIFY OPPORTUNITIES THAT ENHANCE THE REGIONALISATION OF OUR INVESTEE COMPANIES, AND CONTRIBUTE TOWARDS BUILDING THE NATION'S LONG-TERM COMPETITIVENESS.

ANK
licks
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