



KHAZANAH
NASIONAL



THE KHAZANAH REPORT 2018

GROWING MALAYSIA'S
LONG-TERM WEALTH





The Khazanah Report 2018 highlights the goals, strategies and vision embraced by Khazanah Nasional Berhad (Khazanah) in our role as the sovereign wealth fund of Malaysia.

Khazanah is a Malay word of Arabic origin, which means "treasure". The word can also be found in other languages carrying the same meaning. The name Khazanah Nasional put together means "national treasure". The cover of *The Khazanah Report 2018* draws inspiration from the Khazanah logo, which is a *cembul*, a Malay traditional jewellery box. The *cembul* represents the organisation's role as one of the trustees of the nation's assets.

The horizontal chevrons symbolise our investments across multiple asset classes, and our mandate to grow the nation's long-term wealth.

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

May 2019

THE KHAZANAH REPORT 2018



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2018 microsite



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Khazanah Nasional Berhad

CONTENTS

INTRODUCTION

- 3 Who We Are and Our Mandate
- 4 2018 In Review



CHAPTER 01

OVERVIEW OF AN INSTITUTION

- 8 Message from the Chairman
- 10 Governance and Accountability Framework
- 14 Board of Directors
- 16 Message from the Managing Director
- 18 Senior Management

CHAPTER 02

FINANCIAL REVIEW

- 24 Financial Highlights
- 26 Independent Auditors' Report
- 27 Selected Financial Indicators



CHAPTER 03

OUR INVESTMENTS

- 30 Growing Malaysia's Long-Term Wealth
- 33 Selected Companies in Our Portfolio



CHAPTER 04

PEOPLE & KNOWLEDGE

- 36 Our People, Our Values
- 38 Khazanah As A Learning Organisation
- 40 Society and Community





GROWING

MALAYSIA'S LONG-TERM WEALTH

WHO WE ARE

KHAZANAH IS THE SOVEREIGN WEALTH FUND OF MALAYSIA.

Khazanah Nasional 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.

Our listed portfolio includes Axiata Group Berhad, CIMB Group Holdings Berhad, IHH Healthcare Berhad, Malaysia Airports Holdings Berhad, UEM Sunrise Berhad, Telekom Malaysia Berhad and Tenaga Nasional Berhad.

In 2018, the Government of Malaysia initiated a corporate restructuring and reorganisation of Khazanah, which involved leadership changes in the Board of Directors and Management, as well as a refresh of Khazanah's mandate and objectives. Datuk Shahril Ridza Ridzuan was appointed as Managing Director, reporting to the Board of Directors, chaired by Malaysia's Prime Minister, Tun Dr Mahathir Mohamad.

OUR MANDATE

KHAZANAH'S MANDATE IS TO GROW MALAYSIA'S LONG-TERM WEALTH.

Grow in this context is to sustainably increase the value of investments while safeguarding financial capital injected into the fund. Long-term refers to a period spanning generations and focuses on ensuring future generations' ability to meet their needs. Wealth refers to the value of Khazanah's financial assets and economic development outcomes for the nation.

To achieve the mandate, Khazanah will pursue the following investment objectives:

- **Commercial objective**
Achieve optimal risk-adjusted returns, to grow financial assets and diversify sources of revenue for the nation.
- **Strategic objective**
Undertake strategic investments with long-term economic benefits for Malaysia or Malaysians, including holding strategic national assets.



Scan here to view
The Khazanah
Report 2018 video

2018 IN REVIEW

2018 saw several key transactions undertaken by Khazanah. These include corporate exercises, strategic investments and divestments.

JAN

15 JAN

Official opening of Marina One and DUO developments in Singapore



18 JAN

Issuance of USD320.8 million exchangeable sukuk referenced to CITIC Securities



Khazanah Annual Review 2019



MAR

22 MAR

Khazanah announced the acquisition of Prince Court Medical Centre



PUSAT PERUBATAN
PRINCE COURT
MEDICAL CENTRE

APR

22 APR

Investment in Ping An Good Doctor



平安好医生
要健康上平安好医生

JUL

30 JUL

Appointment of a new Board of Directors, chaired by Prime Minister, Tun Dr Mahathir Mohamad

AUG

20 AUG

Appointment of Datuk Shahril Ridza Ridzuan as Managing Director

MAY



3 MAY

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

14 MAY

Khazanah Nasional Entrepreneurship Outreach Demo Day



JUN



7 JUN

Investment in Ant Financial



OCT



8 - 9 OCT

Khazanah Megatrends Forum 2018



NOV



29 NOV

Khazanah announced the divestment of a 16% stake in IHH Healthcare to Mitsui



IHH Healthcare Berhad

OVERVIEW OF AN INSTITUTION



CHAPTER 01

- 8 Message from the Chairman
- 10 Governance and Accountability Framework
- 14 Board of Directors
- 16 Message from the Managing Director
- 18 Senior Management

MESSAGE FROM THE CHAIRMAN



Alhamdulillah, it's been a year since Malaysians voted for a change in government and a new administration was elected. It is a victory of the people, for the people and by the people, especially as it was achieved peacefully. Not many countries go through transition of Governments peacefully. The new Malaysia that we are crafting has since strived to uphold the principles of fairness, good governance, integrity and the rule of law.

The new Government is committed to end corruption and to put in efforts to fight graft. Integrity is fundamental to a thriving business environment. It gives confidence to the business

community that they can invest in Malaysia safely without unsavoury and illegal practices. The Government, while saddled with many legacy issues that need fixing, is focused on policies and measures to reduce the country's debt levels and rebalance the distribution of wealth. This is because the previous administration failed to focus on equitability in the distribution of wealth; that instead, corruption and cronyism abounded and only a select few benefitted and prospered. The country was on the brink of ruin when the new Government took over. We were forced to take measures to prevent that from happening and to reverse several actions of the previous government that would have been

detrimental to the well-being of the economy and the *rakyat*.

We also conducted a comprehensive review of all megaprojects, of which some have either been renegotiated, postponed or cancelled to reduce the financial stress on the country's borrowings. We expect Malaysia's debt levels to stabilise and become more manageable moving forward, and with that, the country's economy to be reset for growth.

The Government has also considered the welfare and roles of mothers in our community, especially those who have given up careers to take care of their children and households. An

MESSAGE FROM THE CHAIRMAN

EPF scheme targeted for housewives was introduced to assist them in their retirement planning. In addition, minimum wage was raised to RM1,100 nationwide from 1 January 2019, as part of measures to help Malaysians cope with the rising cost of living. We intend to continue to increase minimum wages in stages over the next few years. The Government will also review labour laws to empower the labour market and enhance employee welfare. All these we hope will spur Malaysians to strive for higher productivity.

One year is not a long time, yet it is also not too short for changes to take place. And all these changes are necessary if we want to see Malaysia return as an Asian Tiger. The challenges are not for the Government alone. It is crucial for all Malaysians to unite and chart the nation's destiny together. Our hope and ambition are to reach a developed nation status by 2025, and we need to put in greater effort towards that goal.

The year 2019 marks the 25th anniversary of Khazanah Nasional (Khazanah). When we set up Khazanah, the vision was to enable national assets to be held and managed responsibly, so that they will continue to generate wealth for all Malaysians in generations to come. I am glad that this vision remains true.

In 2018, along with my appointment as Chairman of Khazanah, several other changes were made to the Khazanah Board of Directors and Management. Khazanah is now undergoing an organisational wide transformation and refocusing itself on its refreshed mandate to grow Malaysia's long-term wealth, with clear commercial and strategic investment objectives. The changes at Khazanah will ensure that it is set on a strong footing to sustainably deliver on the roles and responsibilities that it has been entrusted with as Malaysia's sovereign wealth fund.

I would like to express my appreciation to the Board of Directors, management and staff of Khazanah for their collective contribution towards the organisation. Khazanah's success is crucial, as it plays an important part in supporting Malaysia's economic growth. The tasks ahead are not without challenges but with continuing hard work, I'm confident we will continue to achieve success in the future.

Dr Mahathir Bin Mohamad
Chairman
Khazanah Nasional Berhad
May 2019



Dr Mahathir Mohamad delivering his closing address at the Khazanah Megatrends Forum (KMF) 2018

When we set up Khazanah, the vision was to enable national assets to be held and managed responsibly, so that they will continue to generate wealth for all Malaysians in generations to come.

GOVERNANCE AND ACCOUNTABILITY FRAMEWORK

WE ARE GUIDED BY A FRAMEWORK THAT ESTABLISHES A CLEAR RESPONSIBILITY, AUTHORITY AND GOVERNANCE STRUCTURE.

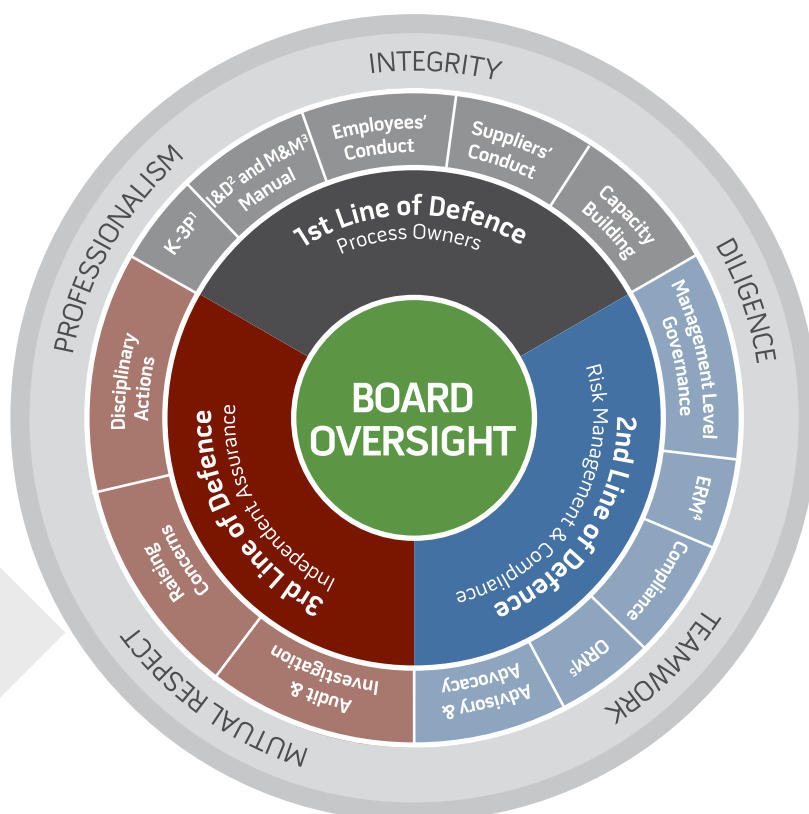
We operate within the framework of a clearly defined mandate that is aligned with the national development objectives of the Government.

The Board of Directors (Board) governs our operations and is ultimately accountable and responsible for Khazanah's overall governance – this includes both performance and conformance matters. Tun Dr Mahathir Mohamad, the Prime Minister of Malaysia, is the Chairman of our Board and supported by a group of qualified individuals with diverse professional backgrounds and expertise as Board members. A Board Charter sets out the roles and responsibilities of the Board in overseeing the management of Khazanah.

The Board is assisted by three subcommittees – the Executive Committee (EXCO), the Audit and Risk Committee (ARC) and the Nomination and Remuneration Committee (NRC). The four-member EXCO comprises three Non-Executive Directors and an Executive Director; the three-member ARC consists of three Independent Non-Executive Directors; and the three-member NRC comprises three Non-Executive Directors. In addition, a Management Committee (MC) and a newly formed Investments Committee (IC) were established in September 2018 to assist the Board in managing and overseeing operational and investment-related matters.

Our *Framework of Integrity, Governance and Risk Management* (FIGR) (**Figure 1**) serves as a guide for the effective management of risks, and to inculcate a culture of good corporate governance and risk management throughout the institution. The Framework, adopted by the Board in 2004, was updated in November 2018 to highlight the Board's oversight function and Khazanah's core values. The FIGR includes a *Risk Management Policy, Schedule of Matters for the Board, Limits of Authority for the Management, a Code of Conduct* and the appropriate policies and procedures.

Figure 1: Framework of Integrity, Governance and Risk Management



¹ K-3P - Policies, Processes & Procedures

² I&D - Investment & Divestment

³ M&M - Management & Monitoring

⁴ ERM - Enterprise Risk Management

⁵ ORM - Operational Risk Management

GOVERNANCE AND ACCOUNTABILITY FRAMEWORK

We comply with statutory public disclosure requirements concerning our investments, divestments, and capital-raising exercises. Further to the same, we make appropriate disclosures of our performance and operations, be they required by law and the relevant authorities or voluntary dissemination of information to our stakeholders, including the public, across various platforms and forums.

Our accounts are audited by an independent external auditor, and the audited financial statements are submitted to the Companies Commission of Malaysia. Financial data are disclosed to our shareholders (Minister of Finance, Inc), Bank Negara Malaysia and the Department of Statistics on a regular basis. We also make public key information on our official website and through annual publications including *The Khazanah Report*.

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

1. Member of the International Forum of Sovereign Wealth Funds (IFSWF), where we voluntarily endorse the Santiago Principles promoting transparency, good governance, accountability and prudent investment practices whilst encouraging a more open dialogue and deeper understanding of SWF activities.



Gemma James, Senior Manager, Principles for Responsible Investment (PRI) sharing her views at the Khazanah Sustainability Circle #1 on 19 July 2018

2. 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.
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.
5. Signatory of the Malaysian Code for Institutional Investors (MCII) and a member of the Institutional Investors Council Malaysia (IIC).



GOVERNANCE AND ACCOUNTABILITY FRAMEWORK

COMMITMENT TO INSTITUTIONAL GOOD GOVERNANCE

KHAZANAH IS A SIGNATORY OF THE MALAYSIAN CODE FOR INSTITUTIONAL INVESTORS AND A MEMBER OF THE INSTITUTIONAL INVESTORS COUNCIL MALAYSIA.



We fully support the six principles of the Code and our full Statement of Compliance is publicly available through our website.

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

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

2. Institutional investors should monitor their investee companies

Khazanah's investment portfolios are actively monitored and managed by investment teams in accordance with our *Statements of Practice for Management and Monitoring*. This includes the development of *Value Creation Plans* and monitoring of performance against identified targets.

3. Institutional investors should engage with investee companies as appropriate

We are guided by a *Five-Point Engagement Framework* in our collaborative value creation

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 to manage conflicts, which include our *Staff Code of Conduct Handbook* and the *Supplier Code of Business Ethics*. Both documents are publicly available through our website.

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

6. Institutional investors should publish a voting policy

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



Suhana Dewi Selamat, Chief Risk Officer of Khazanah, graduates as a Certified Integrity Officer accredited by the Malaysia Anti-Corruption Academy on 6 September 2018

GOVERNANCE AND ACCOUNTABILITY FRAMEWORK

COMMITMENT TO RESPONSIBLE INVESTMENT

KHAZANAH IS A SIGNATORY OF THE UNITED NATIONS-SUPPORTED PRINCIPLES FOR RESPONSIBLE INVESTMENT. AS MALAYSIA'S SOVEREIGN WEALTH FUND AND GUARDIAN OF MALAYSIA'S INTERGENERATIONAL WEALTH, WE HAVE A DUTY TO ACT IN THE BEST LONG-TERM INTERESTS OF OUR BENEFICIARIES.



We believe that environmental, social, and corporate governance issues affect the performance of investment portfolios to varying degrees across companies, sectors, regions, asset classes and through time. We also recognise that applying these Principles may better align investors, including ourselves, with broader objectives of society.

Therefore, where consistent with our fiduciary responsibilities, we commit to the following:



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

Our *Investment Policy* outlines our commitment to sustainability as a long-term investor and to consider environmental, social and governance factors in the investments we undertake.



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

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



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

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



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

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



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

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



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

We will start reporting on our responsible investment measures and progress on an annual basis in 2019.

BOARD OF DIRECTORS



TUN DR MAHATHIR MOHAMAD

Chairman

Tun Dr Mahathir Mohamad is the current Prime Minister of Malaysia. He previously served as Prime Minister from 1981 to 2003. He had also held various ministerial posts including Minister of Education, and Deputy Prime Minister from 1976 and 1981.



DATO' SERI MOHAMED AZMIN ALI

Director

Dato' Seri Mohamed Azmin Ali is the current Minister of Economic Affairs. He is a Member of the Economic Action Council, sits on the Board of Trustees of Yayasan Pelaburan Bumiputra and is the Chairman of the Kelantan State Action Council. He was previously the Chief Minister of Selangor. He holds a Bachelor's degree in Economics and Mathematics and a Master's degree in Education and Economics from the University of Minnesota.



TAN SRI MOHD HASSAN MARICAN

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

Tan Sri Mohd Hassan Marican has over 30 years of experience in the energy sector, finance as well as management. He was the former President & CEO of PETRONAS. Currently, he is Chairman of Singapore Power, Sembcorp Marine Ltd and Pavilion Energy, and director of Sembcorp Industries, Sarawak Energy, Lambert Energy Advisory, and MH Marican Advisory. He is also a senior international advisor at Temasek International Advisors. He was previously director with ConocoPhillips. He is a Fellow of the Institute of Chartered Accountants in England and Wales (ICAEW), and holds an honorary doctorate from the University of Malaya and Universiti Teknologi MARA.

BOARD OF DIRECTORS

**GOH CHING YIN**

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

Goh Ching Yin was a former Executive Director of the Chairman's Office, Strategy & Development, and Market Oversight at the Securities Commission Malaysia. Prior to that, he was CEO of Southern Investment Bank, Managing Director, Corporate Finance for BNP Paribas Group, and Chief Representative of BNP Peregrine Sdn Bhd. He also served at RHB Sakura Merchant Bankers Berhad, Renong Group and Price Waterhouse Associates. He currently sits on the boards of Maybank Investment Bank Berhad, Maybank Asset Management Group Berhad, Allianz Life Insurance Malaysia Berhad, Allianz General Insurance Company Malaysia Berhad and Shangri-La Hotels Malaysia Berhad. He holds a MBA from Cranfield University, United Kingdom.

**DR SUKHDAVE SINGH**

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

Dr Sukhdave Singh was formerly Deputy Governor of Bank Negara Malaysia in charge of monetary policy and economics. During his 31-year tenure, he was on the Investment Panel of Employees Provident Fund and Chairman of Payments Network Malaysia Sdn Bhd. He chaired several regional taskforces, was co-chair of the Southeast Asian Central Banks (SEACEN) Experts Group on Capital Flows, was on the Board of Directors of SEACEN Research and Training Centre, as well as being Malaysia's representative to the meetings of the ASEAN, ASEAN+3 and EMEAP Central Bank Deputies. He was also a Supervisory Committee member for the ABF Pan Asia Bond Index Fund. He holds a doctorate in Monetary and International Economics from Vanderbilt University, United States.

**DATUK SHAHRIL RIDZA RIDZUAN**

Managing Director

Datuk Shahril Ridza Ridzuan joined Khazanah on 20 August 2018, from the Employees Provident Fund (EPF) where he was CEO. Prior to that, he was Managing Director of Malaysian Resources Corporation Berhad (MRCB). He is currently the Chairman of M+S Pte Ltd and sits on the board of Pengurusan Danaharta Nasional Berhad. He holds a Master of Arts (First Class) from Cambridge University and a Bachelor of Civil Law (First Class) from Oxford University.

MESSAGE FROM THE MANAGING DIRECTOR



2018 WAS A HIGHLY EVENTFUL YEAR FOR KHAZANAH.

Following the General Election in May, the new Government ushered in reforms and changes that have had a significant impact on Khazanah as the sovereign wealth fund of Malaysia.

In July 2018, we welcomed a new Board of Directors comprising Prime Minister Tun Dr Mahathir Mohamad as Chairman, Minister of Economic Affairs Dato' Seri Mohamed Azmin Ali, Tan Sri Mohd Hassan Marican, Mr Goh Ching Yin, and Dr Sukhdave Singh. Over the rest of the year, the Khazanah Board of Directors and senior management worked together on the refresh of our mandate and objectives, which you can read more about in the following pages of this report.

Fundamentally, Khazanah has been tasked with growing the nation's long-term wealth by pursuing distinct commercial and strategic objectives. Reflecting this refocusing of the mandate, Khazanah today operates both a Commercial Fund and a Strategic Fund, each with its own investment rationale, commercial and/or strategic objectives and target portfolio returns.

Ultimately, our goal is to sustainably increase the value of our financial assets and enhance economic outcomes to meet the nation's needs over the generations to come.

As part of the overall reset of Khazanah, we also undertook a comprehensive review and evaluation of our investments. One of the outcomes of this exercise is that our portfolio is now better aligned with the refreshed mandate and objectives.

MESSAGE FROM THE MANAGING DIRECTOR



Datuk Shahril at the launch of Khazanah Research Institute's (KRI) "The School-to-Work Transition of Young Malaysians" report in December 2018. With him are (far right) Dr Lim Lin Lean, author of the report; (second from right) Dr Nungsari Ahmad Radhi, KRI Chairman and (far left) Datuk Hisham Hamdan, KRI Trustee

Ultimately, our goal is to sustainably increase the value of our financial assets and enhance economic outcomes to meet the nation's needs over the generations to come.

To better prepare our portfolios for this shift in mandate, Khazanah made provisions for impairments totaling RM7.3 billion in 2018. The impairments, together with lower dividend income from our investments and fewer divestments undertaken by Khazanah last year, were the primary contributors to the RM6.3 billion loss before tax that we reported for 2018, compared to a profit before tax of RM2.9 billion recorded for 2017.

That said, we expect to return to profitability in 2019 on the back of more active management of our portfolios. Our full financial statements for 2018 can be downloaded from our website, www.khazanah.com.my or by scanning the QR code on page 24 in this report.

Economic uncertainties and disruption due to geopolitical tensions and a pessimistic outlook for emerging markets in 2018 led to the underperformance of global markets. Domestically, the subdued earnings outlook for Malaysian corporates, market volatility and regulatory changes have had an appreciable impact on the performance of the investments in our portfolio.

Largely due to these factors, our portfolio's value on a Net Worth Adjusted basis declined 21.6% to RM91 billion from RM116 billion in 2017. However, long-term growth remains positive, with a 10-year compound annual growth rate of 11% per annum. Despite the difficult macro environment, we had some notable achievements, highlighted by new investments in the healthcare and financial services sector, as well as the successful completion and launch of joint-development projects in Singapore. In addition, several of our investee companies were successfully listed on NASDAQ and the New York Stock Exchange.

Khazanah continues to roll out several initiatives in the social development and research spheres, including the official opening of Taman Tugu, the release of important research on households and school-to-work transitions by Khazanah Research Institute (www.krinstitute.org), and further corporate responsibility efforts in education, public spaces and knowledge via Yayasan Hasanah (www.yayasanhasanah.org).

Following the reset of Khazanah, we will be focusing on several key transitional priorities over the next

five years. We need to strengthen our financial position, rebalance our Commercial Fund and further develop the Strategic Fund, review and enhance our governance structure and framework, and build the capacity of the organisation to execute the refreshed mandate. We believe that these efforts will put Khazanah on the appropriate footing to achieve the long-term goals that have been set.

The Board of Directors, management and staff have put in a tremendous effort to lay the strategic groundwork for us to move forward in the short space of time since the revamp was initiated.

In this regard, I would like to thank our Board of Directors led by Tun Dr Mahathir Mohamad for their steer and guidance, and our staff for their hard work. Obviously, there is still much more to do. Khazanah is blessed with people who collectively have the capability and the drive to see this through over the coming years and to deliver on the long term vision for our country.

Datuk Shahril Ridza Ridzuan
Managing Director
Khazanah Nasional Berhad
May 2019

SENIOR MANAGEMENT

Our Senior Management comprises professionals with backgrounds from various industries and areas of specialisation. Their collective wealth of knowledge and experience helps to ensure the implementation and delivery of our strategic and commercial objectives, based on the direction from our Board, and in line with our refreshed mandate.



DATUK SHAHRIL RIDZA RIDZUAN

Managing Director

Datuk Shahril Ridza Ridzuan joined Khazanah on 20 August 2018. He was previously CEO of the Employees Provident Fund (EPF). Prior to that, he was Managing Director of Malaysian Resources Corporation Berhad (MRCB).



TENGKU DATO' SRI AZMIL ZAHRUDDIN RAJA ABDUL AZIZ

Deputy Managing Director

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



AHMAD ZULQARNAIN ONN

Deputy Managing Director

Ahmad Zulqarnain Onn joined Khazanah in May 2014. He was previously the CEO of Danajamin Nasional Berhad, Malaysia's first financial guarantee insurer. He has also held roles with UBS Warburg, Pengurusan Danaharta Nasional Berhad, CIMB Group and Symphony Group.



DATO' MOHAMED NASRI SALLEHUDDIN

Executive Director

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

Dato' Mohamed Nasri Sallehuddin joined Khazanah on 1 September 2009. Prior to that, he was a partner with a leading law firm in Malaysia, advising clients on corporate law and the legal aspects of corporate restructuring, take-overs and mergers. He obtained his Bachelor of Laws (Hons) degree from University of Wales, Aberystwyth, United Kingdom in 1993. He sat for his bar examination in 1994 and was admitted to Gray's Inn as a barrister-at-law in 1995. Having completed his pupillage, he was admitted to the High Court of Malaya as an advocate and solicitor in 1996. He also holds an MBA from University of Strathclyde, United Kingdom.

SENIOR MANAGEMENT

**FARIDAH BAKAR ALI**

*Executive Director
Chief Financial Officer*

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

**SUHANA DEWI SELAMAT**

Head, Governance, Risk & Compliance

Suhana Dewi Selamat joined Khazanah in November 2012 and was appointed Chief Risk Officer on 1 February 2017. Previously she was the Director/ Country Head of Compliance with Credit Suisse in Malaysia. She has more than 20 years of experience in legal, regulatory and compliance roles.

**LATIFAH DAUD**

*Executive Director
Head, Strategic Human Capital Management*

Latifah Daud joined Khazanah on 1 April 2015. She has over 20 years of experience in human resources in multinational companies including Honeywell Inc., and Motorola/Freescale Semiconductor. She has also worked in a Singapore-based consulting firm as well as Hatibudi Nominees/Renong Group and Arab Malaysian Bank.

**DATUK HISHAM HAMDAN**

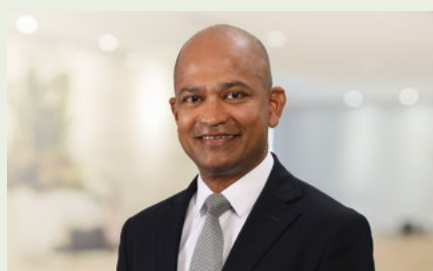
*Executive Director
Head, Public Markets and Head, Research*

Datuk Hisham Hamdan joined Khazanah in 2011 from Sime Darby Berhad, where he served in various senior capacities, covering strategy and business development, healthcare, energy & utilities, and China. He is also the Chairman of UDA Holdings Berhad.

**MOHD IZANI ASHARI**

*Executive Director
Head, Special Projects Office*

Mohd Izani Ashari joined Khazanah in April 2009 and had 34 years cumulative working experience mainly with multi-nationals/large companies including Shell, Maybank, Sime Darby, Petronas Dagangan, Petronas Carigali and Malaysia Airlines.

**JIV SAMMANTHAN**

*Executive Director
Head, Aviation*

Jiv Sammanthan joined Khazanah in June 2010. He was previously a Partner at PricewaterhouseCoopers, where he spent 18 years based in London and later in Kuala Lumpur.

SENIOR MANAGEMENT

**RONI LIHAWA ABDUL WAHAB**

*Executive Director
Head, Leisure & Tourism*

Roni Lihawa Abdul Wahab re-joined Khazanah on 1 May 2017 after having served HSBC Bank Malaysia Berhad as Managing Director, Head of Global Banking. His previous stint at Khazanah was as Director, Investments from 2005 to 2010. He started his career in investment banking with Capstar Partners Inc. and J.P Morgan Securities Inc. in New York. He has also worked at UEM Group and Credit Suisse, where he was Director, Head of Malaysia Coverage.

**AMRAN HAFIZ AFFIFUDIN**

*Executive Director
Head, Power and Head, Iskandar*

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

**BRYAN LIM**

*Executive Director
Head, Private Markets (North Asia)*

Bryan Lim joined Khazanah in December 2005 and was a key member of the team that set up Khazanah's first foreign office in Beijing in 2008. Prior to Khazanah, he was with Ernst & Young, Rating Agency Malaysia Bhd (RAM) and ECM Libra Securities Sdn Bhd.

**CHINTA BHAGAT**

*Executive Director
Head, Private Markets (South Asia)*

Chinta Bhagat joined Khazanah on 15 July 2015. Prior to that, he was Managing Partner at McKinsey & Co in Singapore, where he leveraged on his experience in investments, driving portfolio company performance, and designing and implementing governance systems. Prior to McKinsey, he held various positions at an engineering and construction firm in India, culminating in his role as CEO.

**SERENA TAN MEI SHWEN**

*Executive Director
Head, Private Markets (ASEAN and Private Funds Group)*

Serena Tan 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.

SENIOR MANAGEMENT

**NIK RIZAL KAMIL***Executive Director**Head, Private Markets (North America and EMEA)*

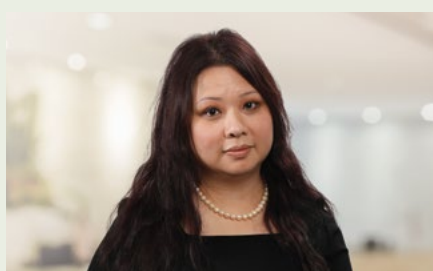
Nik Rizal Kamil joined Khazanah in April 2011. He started his career as an accountant and auditor with Coopers & Lybrand United Kingdom before joining Arthur Andersen & Co. After a stint with RHB Sakura Merchant Bankers, he joined the Royal Dutch Shell Group serving companies in Malaysia, Asia Pacific region and in the UK.

**DR FARID MOHAMED SANI***Head, Telecommunications*

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

**SELVENDRAN KATHEERAYSON***Head, Real Assets*

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

**WONG SHU HSIEN***Head, Infrastructure*

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

**MOHD RASLAN MD SHARIF***Head, Corporate Communications*

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

FINANCIAL REVIEW



CHAPTER 02

- 24 Financial Highlights
- 26 Independent Auditors' Report
- 27 Selected Financial Indicators



FINANCIAL HIGHLIGHTS

Khazanah's portfolio value as measured by its Net Worth Adjusted (NWA) declined to RM91 billion on 31 December 2018, a 21.6% drop from RM116 billion on 31 December 2017.

Realisable Asset Value (RAV) also declined to RM136 billion from RM157 billion during the same period. The long-term portfolio performance remained on an upward trajectory, with NWA achieving an 11.0% return per annum over the last 10 years.

Khazanah's portfolio was affected by global economic uncertainty in 2018, which saw markets underperform due to geopolitical tensions and a pessimistic growth outlook for emerging markets. In addition, the portfolio was further impacted by domestic developments, including a subdued earnings outlook, market volatility, and regulatory changes during the period under review.

Khazanah recorded a Loss Before Tax of RM6.3 billion in 2018, compared to a Profit Before Tax of RM2.9 billion a year earlier. Profitability was affected due to fewer divestments, reduced dividend income and higher impairments, during a period of transition for Khazanah in an unfavorable market. Khazanah declared a dividend of RM1.5 billion for 2018.

Last year, the Government initiated a restructuring and reorganisation of Khazanah involving leadership changes in the Board of Directors and management, as well as a refreshed mandate and objectives. As part of this, Khazanah undertook a review and revaluation of its investments, which is reflected in its 2018 results.



Scan here for the full set of
Financial Statements 2018

PORTFOLIO PERFORMANCE

	RAV ¹ (RM billion)	NWA ² (RM billion)
31 Dec 2008	68	32
31 Dec 2017	157	116
31 Dec 2018	136	91
△2017-2018	-22 (-13.8%)	-25 (-21.6%)
△2008-2018	+68 (+7.2% p.a. ³)	+59 (+11% p.a. ³)

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

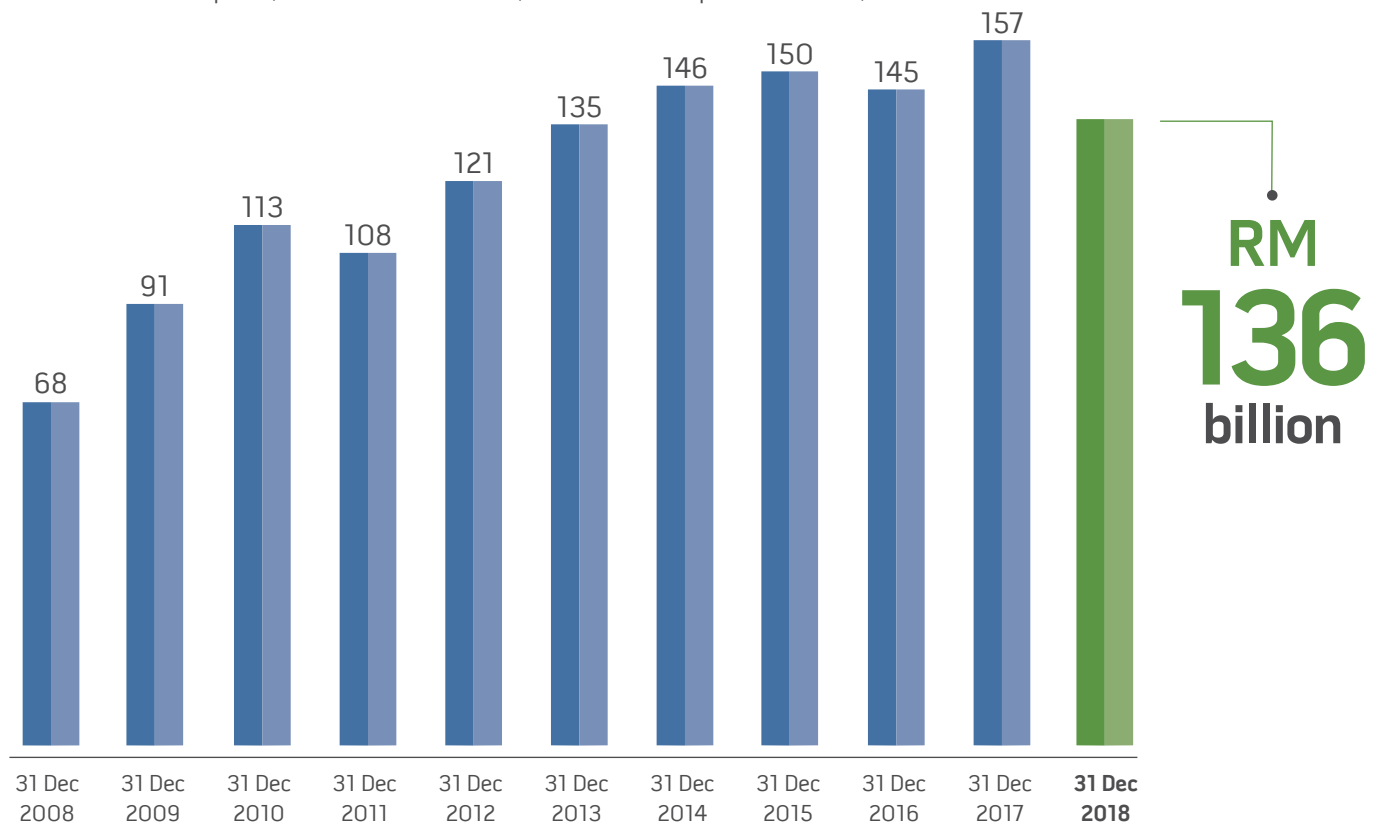
³ Compounded Annual Growth Rate

Note: Figures are rounded to nearest decimal point

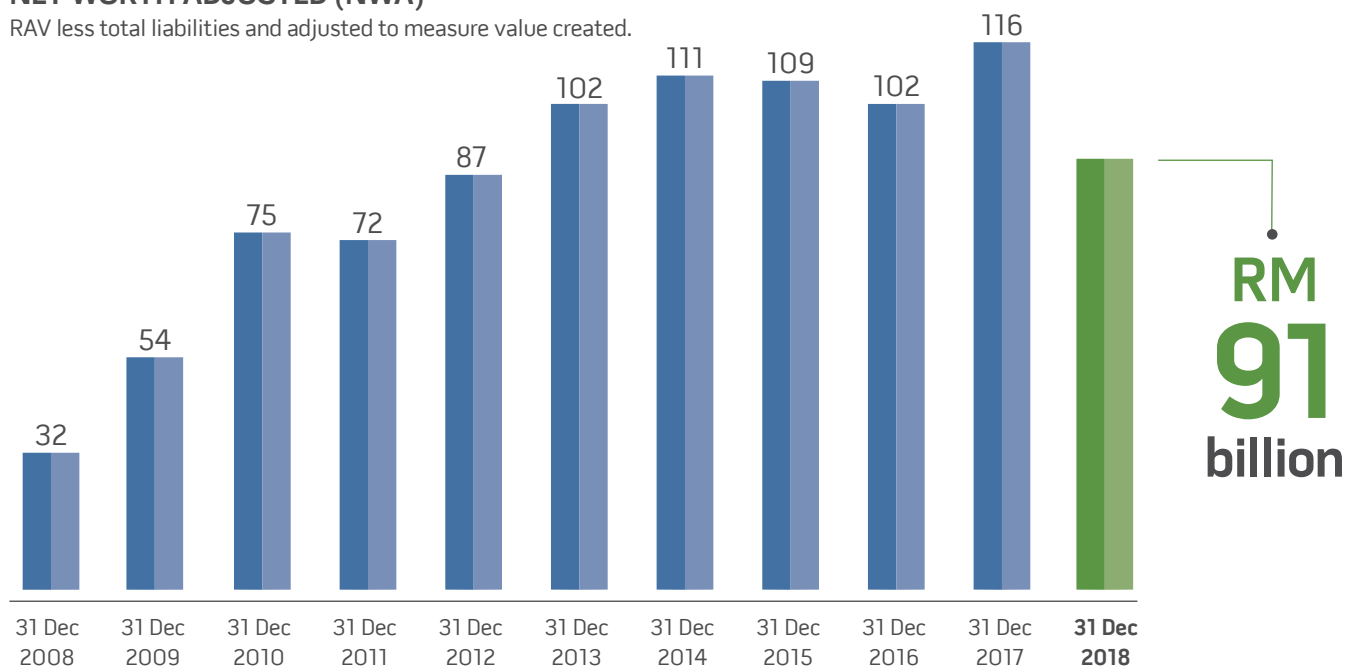
FINANCIAL HIGHLIGHTS

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.

**NET WORTH ADJUSTED (NWA)**

RAV less total liabilities and adjusted to measure value created.



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 2018, 2017, 2016, 2015 and 2014, 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 2018, 2017, 2016, 2015 and 2014.

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 page 27.

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 page 27.

Auditors' responsibility

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



Ernst & Young
19 April 2019
Kuala Lumpur

SELECTED FINANCIAL INDICATORS

INCOME STATEMENTS (RM MILLION)

For the years ended 31 December

	2018	2017	2016	2015	2014
Revenue	4,471	6,112	6,210	5,763	7,949
Profit/(loss) before taxation	(6,271)	2,896	1,566	1,181	3,217
Taxation	(249)	(88)	(129)	(126)	(129)
Net profit/(loss) for the year	(6,520)	2,808	1,437	1,055	3,088
Dividends declared:					
- Normal dividend	(1,000)	(700)	(650)	(650)	(650)
- Special dividend	(500)	(300)	-	(400)	(250)
Net profit/(loss) for the year after dividends	(8,020)	1,808	787	5	2,188

BALANCE SHEET (RM MILLION)

As at 31 December

	2018	2017	2016	2015	2014
Current assets	3,852	6,141	5,071	6,089	5,214
Non-current assets	82,967	86,426	83,378	78,253	72,687
Total assets	86,819	92,567	88,449	84,342	77,901
Current liabilities	17,109	12,064	10,338	13,575	13,282
Non-current liabilities	38,793	39,136	40,280	34,414	29,280
Total liabilities (see Note A)	55,902	51,200	50,618	47,989	42,562
Share capital	12,284	12,284	6,644	6,644	6,644
Share premium	-	-	3,840	3,840	3,840
Retained profits	9,587	17,607	16,983	16,010	16,004
Other reserves	9,046	11,476	10,364	9,859	8,851
Shareholders' funds	30,917	41,367	37,831	36,353	35,339
Total equity and liabilities	86,819	92,567	88,449	84,342	77,901

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

BORROWINGS (RM MILLION)

As at 31 December

	2018	2017	2016	2015	2014
Khazanah's Government-guaranteed bonds	12,626	14,013	14,373	15,683	15,019
Other bonds and notes	23,015	19,449	17,253	17,123	14,760
Term loans	5,067	5,022	5,286	4,215	3,397
Exchangeable Sukuk	2,899	4,622	4,826	3,423	3,748
Revolving credit facilities	11,628	6,766	7,525	6,012	-
	55,235	49,872	49,263	46,456	36,924

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.

OUR INVESTMENTS





CHAPTER 03

- 30** Growing Malaysia's Long-Term Wealth
- 33** Selected Companies in Our Portfolio



GROWING MALAYSIA'S LONG-TERM WEALTH

GROWING MALAYSIA'S LONG-TERM WEALTH

In accordance with our mandate to grow Malaysia's long-term wealth, we will invest only where an appropriate risk-adjusted financial return can be achieved. In addition, strategic investments must also deliver identified economic impact outcomes.

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

We will abide by responsible investing practices that take into account environmental, social and governance (ESG) factors to better manage risk and generate sustainable, long-term returns. We are committed to the UN Principles for Responsible Investment (UNPRI) and the Malaysian Code for Institutional Investors (MCII) which promote the active integration of ESG considerations into investment analysis and decision-making, and asset ownership.

Source of Funding

Our principal funding is in the form of shareholder equity. Khazanah may also receive additional inflow of capital. We may also utilise debt financing and proceeds from our divestment activities to fund our investment activities.

Investment Structure

Khazanah will pursue its overall mandate through a two-fund investment structure. The two funds, the Commercial Fund and the Strategic Fund, are established with distinct objectives, policies and strategies, and are to be managed separately via separate investment management divisions.

Commercial Fund

The Commercial Fund is intended to be an intergenerational fund that seeks to generate risk-adjusted returns on a long-term basis, to grow financial assets and diversify sources of revenue for the nation.

The Fund targets to generate a return of at least the Malaysian Consumer Price Index plus 3% on a 5-year rolling basis with a moderate risk tolerance level as follows:

- **Underperformance**
No more than 10% chance of a 30% annual loss.
- **Funding**
No more than 10% chance of not achieving 1.5% portfolio yield.

The return target and risk tolerance are set by the Board and may be reviewed from time to time.

The annual returns of the Fund will be reinvested into the Fund and distributed to the Government based on an identified payout ratio. Any additional inflow of capital will be subject to approval of the Board.

The Fund has the flexibility to invest across multi-asset classes in accordance to the strategic asset allocation and different geographies with a preference for active and direct investment strategies.

Strategic Fund

The Strategic Fund is intended to be a developmental fund that seeks to undertake strategic investments, with long-term economic benefits, including holding strategic national assets.

The Fund targets to generate a return of at least the yield of the 10-year Malaysian Government Securities on a 5-year rolling basis and achieve its strategic objectives. The Fund's return target is set by the Board and may be reviewed from time to time.



COMMERCIAL FUND

An intergenerational wealth fund to meet Khazanah's commercial objective

Targets a return of:
Malaysian Consumer Price Index (CPI)
+ 3% on a 5-year rolling basis



STRATEGIC FUND

A developmental fund to meet Khazanah's strategic objective

Targets a return of:

- 10-year Malaysian Government Securities (MGS) yield on a 5-year rolling basis; and
- Measureable economic benefits

GROWING MALAYSIA'S LONG-TERM WEALTH

The Fund intends to be self-sustaining, with the primary source of funding for the Fund's activities to be generated from any internal surplus; any additional capital required above this available amount will be subject to the approval of the Board.

The Fund will invest and manage strategic assets as defined and classified below:

- **Strategic assets:**

- > Domestic assets of national importance, such as critical infrastructure.
- > Held on behalf of the Government of Malaysia for the long-term.

- **Developmental assets:**

- > Long-term developmental investments with potential to deliver high economic impact.
- > These assets will be developed to achieve commercial viability at which point value realisation options may be considered.

- **New strategic assets:**

- > Either national infrastructure related or developmental in nature.
- > Clearly defined economic benefit targets and commercial viability plan identified.

The Fund will pursue opportunities with the potential to become commercially viable or will earn sufficient returns to operate without recourse to its shareholders. It is anticipated that larger-value transactions will generally be undertaken by the Fund.

The Fund has the flexibility to invest across capital structures. There is a preference for co-investment and partnerships in entering all new developmental investments. Value realisation options can be considered when possible, on commercial arms' length basis.

The investment themes will be reviewed on a regular basis based on global economic megatrends and national needs, and investment assets within the portfolio will be similarly reviewed and assessed for relevance to strategic targets.

SELECTED COMPANIES IN OUR PORTFOLIO

As at 31 December 2018. List is not exhaustive.

COMMERCIAL FUND

Public Assets



CIMB Group
www.cimb.com



Axiata Group Berhad
www.axiata.com



IHH Healthcare Berhad
www.ihhhealthcare.com



Alibaba Group
www.alibaba.com

Private Assets



The Holstein Milk Company
www.farmfresh.com.my



GEMS Menasa
www.gemseducation.com



Sun Life Malaysia
www.sunlifemalaysia.com



Palantir Technologies
www.palantir.com



Ant Financial
www.antfin.com

STRATEGIC FUND

Strategic Assets



Telekom Malaysia Berhad
www.tm.com.my



Tenaga Nasional Berhad
www.tnb.com.my



Malaysia Airports Holdings Berhad
www.malaysiaairports.com.my



Malaysia Airlines Berhad
www.malaysiaairlines.com



PLUS Malaysia Berhad
www.plus.com.my

Developmental Assets



SilTerra Malaysia Sdn Bhd
www.silterra.com



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



Iskandar Investment Berhad
www.iskandarinvestment.com



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

PEOPLE & KNOWLEDGE



CHAPTER 04

36 Our People, Our Values

38 Khazanah As A Learning Organisation

40 Society and Community

OUR PEOPLE

THE STRENGTH OF KHAZANAH LIES IN OUR PEOPLE.



Khazanah employees at the year-end townhall

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.



OUTSIDE THE OFFICE

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

Khazanah employees participating in the 2018 Hari Kebangsaan parade in Putrajaya

OUR VALUES

OUR CORE VALUES GUIDE US IN OUR CONDUCT, SHAPE OUR CULTURE AND DEFINE US AS AN ORGANISATION, AND HOW WE OPERATE WITH ONE ANOTHER, PARTNERS AND STAKEHOLDERS.



A

TEAMWORK

As a group of highly motivated individuals, 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 look for new opportunities 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.



B



C

- A Staff competing in a volleyball match organised by Khazanah Sports & Recreation Club (KSRC)
- B Dayana Rogayah Omar, Vice President, Investments reading to a student of SK Seri Bonus, Setapak, Kuala Lumpur
- C Employees from different divisions in a project discussion to improve on work efficiencies

KHAZANAH AS A LEARNING ORGANISATION

KHAZANAH PROVIDES VARIOUS PLATFORMS FOR ACTIVE NETWORKING TO ENCOURAGE CONTINUOUS LEARNING AMONG EMPLOYEES AND STAKEHOLDERS, AND ENABLING A DYNAMIC EXCHANGE OF VIEWS AND KNOWLEDGE.



KHAZANAH
MEGATRENDS
FORUM 2018

ON BALANCE

Recalibrating Markets, Firms,
Society and People

The **Khazanah Megatrends Forum** is held annually, preceding Khazanah's strategy and business planning cycle. The conference brings together thought leaders from around the world to speak to an audience of influential participants from business, government, academia and society on current critical issues from four key perspectives: markets, firms, society and people. The Forum entered its 14th annual installment in 2018 with the theme "On Balance: Recalibrating Markets, Firms, Society and People".



(From left to right) Prof. Jomo Kwame Sundaram, Prof. Jayati Ghosh, Dr. Nungsari Ahmad Radhi and Prof. Ravi Kanbur in a panel discussion on "Growth and Development"



Professor Joseph Stiglitz delivering a special address on "Striving for Balance in Economics, Politics and Society"



Animation Director, Ronnie del Carmen shares his experience on "What Makes Movie Real - A Storyteller's Non-Fiction Account of Making Fictional Stories"

KHAZANAH AS A LEARNING ORGANISATION

The Khazanah Residency Programme aims to develop young Malaysian talents in the fields of arts, media, design and public service by equipping them with the latest knowledge, skills and network in their respective areas. Our Fellows go through programmes selected from established short-term residencies, fellowships or courses run by world renowned institutions. This is a non-binding, fully-sponsored programme, whereby upon completion, participants are required to pay it forward in various forms to benefit Malaysians at large. To date, 27 Malaysian talents have benefitted from this programme including 12 mid-career journalists, four architects, four emerging artists, five Khazanah and Khazanah-related employees and two public servants.



Haffendi Anuar, Cohort 2 of Khazanah Nasional Associate Artist Residency Programme undergoing his residency at Acme Studios, London



Wolfson Press Fellows with Professor John Naughton (far right) and Michelle Searle (far left) at Wolfson College, University of Cambridge

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.



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



SOCIETY AND COMMUNITY

KHAZANAH CONTRIBUTES TO THE COMMUNITY THROUGH ITS RELATED ENTITIES.



Shahira Ahmed Bazari, Managing Director of Yayasan Hasanah, at the Community Development Day at PPR Lembah Subang organised by non-profit organisation Women of Will

YAYASAN HASANAH

A foundation of Khazanah Nasional

Yayasan Hasanah (Hasanah) was set up in December 2013 to lead Khazanah's corporate responsibility (CR) initiatives through development and implementation of solutions that empower communities, encourage social inclusivity and improve local environments. Its focus areas include Education; Community Development; Environment; Arts, Heritage and Culture; and Knowledge.

In 2018, Hasanah continued to support more beneficiaries; innovate ways and methodologies to achieve long term social impact; and influence institutional structures and frameworks.

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



YAYASAN
KHAZANAH



YK scholars at a Leadership Development Programme

Yayasan Khazanah (YK) supports future talent through its scholarship programmes at premier universities around the world or in Malaysia. Its scholars are also provided with leadership and character development programmes, volunteering opportunities with non-governmental or non-profit making bodies and job attachment in companies including Government-Linked Companies, Government-Linked Investment Companies or Government Agencies.

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

KHAZANAH RESEARCH INSTITUTE



(From left to right) KRI Executive Chairman, Dr Nungsari Ahmad Radhi together with research assistants, Tan Zhai Gen, Musaddiq Adam Muhtar and Siti Aiyssyah Tumin at the launch of *The State of Households 2018: Different Realities*

Khazanah Research Institute (KRI) was set up in February 2014 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 2018, KRI published two reports - *The State of Households 2018: Different Realities*; and *The School-to-Work Transition of Young Malaysians*.

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

SOCIETY AND COMMUNITY



The Taman Tugu Project is a not-for-profit CSR effort led by Khazanah with the support of various public sector agencies, private sector companies, and civil-society organisations. Its scope and budget has been rationalised and currently entails the following two components:

Taman Tugu

Conserving a 66-acre green-lung in the heart of Kuala Lumpur and turning it into an urban forest park for the community

National Public Trust

Establishing a public trust to own, manage and protect Taman Tugu as well as other potential assets of heritage value, including our natural heritage

About 40 acres of the Park consisting of approximately 4-kilometre of forest trails is open free of charge daily to the public from 7.00am – 6.30pm. The rest, which includes a Surau-Jumaat, Hindu temple, campsite and events space, will be completed progressively over 2019 to 2020.

The public trust, known as Amanah Warisan Negara ("AWAN") or National Heritage Trust, has been officially



Prime Minister Tun Dr Mahathir Mohamad and his wife Tun Siti Hasmah Ali at Taman Tugu Park to commemorate Earth Day

established under the Trustees Incorporation Act (1952). We are now working with the relevant ministries on the transfer of the Taman Tugu site into AWAN, and to develop a new act to better govern AWAN.

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



Think City, which was established in 2009, is a community-focused urban regeneration organisation based in George Town, Penang, with operations in Kuala Lumpur, Butterworth and Johor Bahru. Think City works closely with local authorities, communities, institutions, private entities and global experts to trial, plan and implement programmes to rejuvenate cities.

In 2018, Think City was tasked by the Government to carry out an urban regeneration project to redevelop and restore the Sultan Abdul Samad building in Kuala Lumpur into an arts, cultural and heritage hub.

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



A micro house being displayed in conjunction with the 9th World Urban Forum (WUF9) at Medan Pasar in Kuala Lumpur



Khazanah's goal is to sustainably increase the value of our financial assets and enhance economic outcomes to meet the nation's needs over the generations to come.



