

FINANCIAL HIGHLIGHTS

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

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

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

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

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

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

▶ **Khazanah recorded a profit of**
RM5.9 billion

▶ **NAV of our Overall Portfolio increased to**
RM85 billion

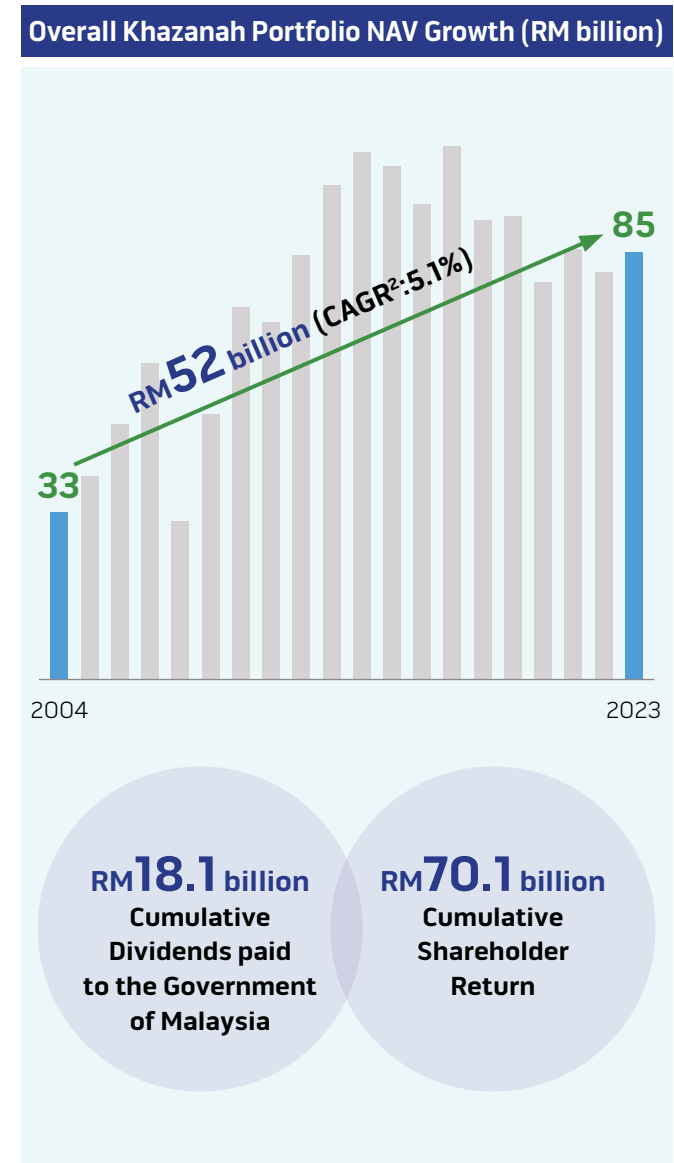
▶ **RAV over debt ratio remained healthy at** **2.7x**

▶ **Khazanah's first issuer credit ratings:**
Moody's: A3
S&P Global Ratings: A-

▶ **Khazanah paid a dividend of**
RM1 billion
to the Government of Malaysia

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OVERALL KHAZANAH PORTFOLIO			
Investments Portfolio	Dana Impak Portfolio	Developmental Assets	Special Situations
<p>RM126.2 billion RAV¹</p> <p>Investments with commercial returns expectations</p>	<p>RM6.0 billion allocated</p> <p>Investments with clearly defined targeted socioeconomic outcomes</p> 	<p>RM5.1 billion RAV¹</p> <p>Long-term developmental investments with the potential to deliver economic impact</p>	<p>Assets which require turnaround in terms of profitability and sustainable operating cash flows</p> 
<p>Continue portfolio rebalancing efforts towards the target Strategic Asset Allocation</p>	<p>Plan and execute investments across the 6 identified themes to deliver measurable socioeconomic impact</p>	<p>Continue shepherding companies towards long-term financial sustainability</p>	<p>Active management to resolve assets faced with severely challenging situations</p>



¹ RAV: Realisable Asset Value; as at 31 December 2023

² Compounded Annual Growth Rate

KEY FINANCIAL INDICATORS

Income Statement (RM million)

For the years ended 31 December

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

Balance Sheet (RM million)

As at 31 December

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

Note A:

Included in total liabilities are borrowings as follows:

Borrowings (RM million)

As at 31 December

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

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

INDEPENDENT AUDITORS' REPORT

Report On The Summary Financial Information

Opinion

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

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

Summary Financial Information

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

The Audited Financial Statements and Our Report Thereon

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

Directors' Responsibility for the Summary Financial Information

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

Auditors' Responsibility

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



Ernst & Young PLT

26 April 2024
Kuala Lumpur