

# MESSAGE FROM OUR MANAGING DIRECTOR



## Executing with Purpose, **Investing in Malaysia's Future**

**Dear Stakeholders,**

2024 was a pivotal year for Khazanah, as we marked our 30<sup>th</sup> anniversary against a backdrop of global economic volatility, rapid technological disruption, and shifting geopolitical landscapes. In the face of these challenges, we sharpened our focus on the future — staying true to our mandate of delivering long-term value for Malaysia through sound investment strategies and purposeful nation-building that meets the moment and shapes what comes next.

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# Sharpening Our Role in Building National Resilience

The global economy in 2024 was shaped by tighter financial conditions, elevated inflation and ongoing geopolitical tensions. Against this backdrop, Malaysia's economy remained resilient, recording growth of 5.1% for the year. This was driven by steady domestic consumption, a recovery in tourism and continued strength in key export sectors such as electrical and electronics (E&E). Inflation moderated to 1.8%, offering some relief to households, while the Ringgit's appreciation against the US Dollar signalled improving investor confidence in the country's fundamentals.

These outcomes reflected a combination of resilient domestic fundamentals and the early impact of policy reforms, aimed at strengthening the economy's long-term position. For Khazanah, this macroeconomic stability provided a constructive environment for our domestic portfolio and reinforced our focus on positioning for future-oriented growth aligned with national priorities.

Through our refined Malaysia Investment strategy anchored on 'A Nation That Creates' ("ANTC") framework, we deepened our focus across five strategic pillars — Transforming Firms, Energy Transition, Connectivity, Digitalisation and Community Development — embedding greater purpose in how we deploy capital, drive transformation and bring together collaborators across the public and private sectors to deliver long-term value for the country and communities.

National policy frameworks such as the New Industrial Master Plan (NIMP 2030) and the National Energy Transition Roadmap (NETR) have provided important strategic reference points for Khazanah's investment approach, particularly in transforming firms, energy transition, connectivity and digitalisation. Our aim is to raise both the ceiling and the floor, in line with the Ekonomi MADANI framework, by deepening national competitiveness and innovation while building the foundations for long-term, sustainable growth.

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Whether we are catalysing new industries through Dana Impak; modernising legacy sectors through Malaysia Aviation Group (MAG), Malaysia Airports Holdings and UEM Lestra; or equipping young Malaysians with future-ready skills through our Khazanah Youth Development Programme (K-Youth), our goal is the same and that is to ensure Malaysia thrives in an increasingly complex and dynamic world.

Read more about our initiatives in these areas on pages 73-101 in this report.

Our international portfolio plays an important role in this equation. It provides diversification benefits and also serves as a buffer against domestic economic volatility. In times of global uncertainty, it gives us the resilience to withstand shocks and in periods of growth, it allows us to participate meaningfully in the upside, ensuring we have the capacity to fund our mandate and support national priorities over the long term.

Our international portfolio not only deliver returns. Our partnerships with global institutions open important pathways for knowledge transfer, capability-building and innovation. By bringing in global expertise and insights, we are better able to nurture local industries, strengthen talent development and accelerate Malaysia's transition into higher-value, future-oriented sectors.

In line with the evolving ESG landscape, climate risks and rising expectations, we undertook a refreshed materiality assessment to ensure we remain focused on what matters most. By adopting a double materiality lens, we considered not only the financial risks posed by ESG factors, but also the broader impact of our investments on the environment, economy and society. These insights will serve as a key input into the refreshed Sustainability Framework in 2025, reinforcing our role as long-term stewards of value for Malaysia.



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# Strong Financial Performance Anchored on Discipline and Strategic Focus

Khazanah delivered its highest-ever time-weighted rate of return (TWRR) in 2024, achieving 24.6% — a milestone that underscores the strength of our investment strategy and execution. This exceptional performance reflects our disciplined capital allocation, long-term stewardship and agility in navigating a complex global environment.

Equally noteworthy, our six-year rolling NAV return reached 6.2%, exceeding our long-term target of CPI + 3%. This consistent performance reaffirmed Khazanah's ability to deliver sustainable value across market cycles. In tandem, we recorded a profit from operations of RM5.1 billion, supported by robust dividend income, strategic portfolio realignments and positive equity market performance. Our Net Asset Value (NAV) rose by RM18.8 billion to RM103.6 billion.

Domestically, the recovery of Malaysian public equities was bolstered by improving investor sentiment and clearer policy direction, which contributed significantly to the outperformance

of our domestic Investments Portfolio. At the same time, we maintained a measured approach in private markets, especially in light of ongoing valuation pressures in key international markets. In light of this, we remain focused on deepening our Malaysia investment strategy while continuously sharpening our global investment approach, strengthening partnerships and directing capital towards areas that drive sustained growth.

Our Realisable Asset Value (RAV)-to-debt ratio stood at 3.2x, maintaining a strong balance sheet position. We declared a dividend of RM1.0 billion to the Government, bringing cumulative dividends since 2004 to RM19.1 billion.

As we look ahead, we will continue to strengthen portfolio resilience while ensuring that financial performance supports Khazanah's dual mandate: generating sustainable returns and delivering catalytic impact for Malaysia's long-term transformation.



Read more about our financial performance at 23-26.

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# Creating Value Through Purpose and Partnership: Advancing Societal Contributions

At Khazanah, we believe progress begins with people. In 2024, our K-Youth programme trained 8,222 young Malaysians — 76% of them from B40 communities — with more than 80% securing employment after completing the programme. Additionally, Yayasan Khazanah awarded 113 scholarships, fellowships, residencies and executive short course funding, while 42 Malaysia is shaping the next generation of tech talent, with around 400 students enrolled.

Through Yayasan Hasanah, we reached over 814,000 people via 214 new projects, welcomed 147 new partners and managed RM213.5 million in total funds. We also continued to invest in urban regeneration initiatives and rejuvenation of public spaces through Think City. The Khazanah Research Institute published 15 policy papers on vital issues such as climate change and inequality, while Taman Tugu welcomed over 334,737 visitors in 2024 as a hub for community engagement and environmental preservation.

These efforts reaffirm our belief that long-term prosperity must be inclusive, multi-dimensional and collaborative.

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Outlook:

# Remain Focused and Enabling Progress

The global outlook remains challenging, shaped by shifting geopolitical dynamics, more fragmented trade relationships, and policy recalibrations across major economies. External demand and capital flows continue to adjust in response to global realignments, including the restructuring of supply chains, the acceleration of technological change, and evolving industrial strategies.

Financial markets are expected to remain volatile, reflecting tighter liquidity conditions, cautious risk appetite and a greater premium on long-term fundamentals. In this environment, Khazanah continues to navigate market shifts and focus the portfolio on resilience, long-term value, and alignment with structural growth opportunities.

At home, Malaysia's economy is expected to remain on a steady footing, supported by firm domestic consumption and a continued pickup in investment activity. As the global landscape grows more complex, the priority will be to ensure that growth translates into meaningful domestic outcomes by strengthening competitiveness, creating quality jobs and laying stronger foundations for long-term resilience.

Our focus remains on strengthening national competitiveness, particularly in future-oriented industries such as semiconductors, digital services, renewables and advanced manufacturing. Our efforts are aligned with the Madani Economic Framework, NIMP 2030, NETR, National Semiconductor Strategy and GEAR-UP Programme — frameworks that chart Malaysia's long-term transformation.

Khazanah ensures that its investments support the broader mission of advancing Malaysia while safeguarding the country's economic interests. We look forward to working closely with all stakeholders — government, industry, investors, civil society and the *rakyat* — as we continue in our mission of Advancing Malaysia. Our role is not to lead every initiative, but to empower those creating lasting impact. We move forward with humility, conviction and a shared sense of purpose.

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### Acknowledgements

I would like to express my deepest appreciation to the Board of Directors for their steadfast guidance and oversight throughout the year. Their wisdom and counsel have been instrumental in shaping our strategic direction, while upholding the standards of governance and integrity expected of a national institution.

To the management team and people of Khazanah, thank you for your continued dedication, professionalism, and sense of purpose. The progress we achieved in 2024 is a testament to your collective effort, and to the values you bring to our work every day. It is your unwavering commitment that enables us to deliver on our mandate with clarity and conviction.

I am also grateful to our partners across government, regulatory bodies, GLICs, GLCs, the private sector and civil society. Your collaboration has been vital in enabling us to deliver initiatives with scale and impact, and we look forward to strengthening these partnerships as we move forward together.

To all Malaysians, whose trust we are privileged to uphold, we remain fully committed to managing the nation's assets with care, responsibility and a long-term view. Your trust is our foundation, and we do not take it lightly.

Khazanah's 30<sup>th</sup> anniversary reminded us that while institutions may evolve, the values that define them must endure. The dedication of our people — past and present — has shaped the Khazanah we know today. It is with this same spirit of service that we carry our mission into the future.

**Dato' Amirul Feisal Wan Zahir**  
Managing Director, Khazanah Nasional Berhad