

FOR IMMEDIATE RELEASE

Kuala Lumpur, 1 November 2024

Khazanah Nasional clarifies its divestment in FashionValet

Khazanah Nasional (“Khazanah”) had invested RM27m to acquire a 9% stake in FashionValet (“Company”) in 2018. At the time, the Company was a promising homegrown e-commerce fashion platform with more than 400 brands and 15,000 products on its platform and expecting revenue growth of ~60% annually. Our investment rationale was anchored on the theme of Offline-to-Online e-commerce, as well as a commitment to support Malaysian entrepreneurs and promising early-stage companies.

Over the years, the Company faced challenges, most of which were exacerbated by COVID-19, including in expanding its platform. This required FashionValet, under the guidance of its Board of Directors and shareholders, to shift focus from being an e-commerce platform for Southeast Asian brands to growing its wholly-owned in-house brands, Duck and Lilit, in order to preserve the Company’s operating margins and cashflow. The Company also took measures to rationalise costs and streamline operations, but continued to face challenges, including in securing capital during the difficult fundraising environment in 2022-2023.

In late 2023, NXBT Partners, led by a seasoned Malaysian entrepreneur, offered to acquire existing shareholders’ stakes and inject capital into the Company. In view of the Company’s urgent need for funds to continue operations, and the fact that the investment had reached the end of its targeted holding period, Khazanah considered and accepted the offer. The divestment represented a responsible exit to transfer ownership to a party who could help guide the Company to a new growth trajectory.

As the sovereign wealth fund of the nation, Khazanah will continue to invest responsibly and manage assets towards sustainable multigenerational returns for the country. As part of Khazanah’s *Advancing Malaysia* strategy anchored on “*A Nation that Creates*” framework, we remain committed to transforming Malaysian firms of all sizes to increase national productivity and competitiveness, aligned with the GEAR-uP programme, led by the Ministry of Finance.

We believe that the start-up ecosystem is a vital engine for innovation, economic growth and job creation in Malaysia. Despite the higher inherent investment risks and challenges with early-stage companies, Khazanah is fully dedicated to supporting local start-ups and will continue to promote their success and expansion.

We appreciate the continued trust and support from our stakeholders as we work towards the nation’s economic objectives in line with the government’s Ekonomi MADANI aspirations.

END

For further information on Khazanah, please visit www.khazanah.com.my or contact Sherliza Zaharudin at Tel: +603 2034 0000, or e-mail at sherliza.zaharudin@khazanah.com.my



About Khazanah Nasional Berhad

Khazanah Nasional Berhad (“Khazanah”) is the sovereign wealth fund of Malaysia entrusted to deliver sustainable value for Malaysians. In line with its long-term strategy of Advancing Malaysia, Khazanah aims to deliver its purpose by investing in catalytic sectors, creating value through active stewardship, increasing its global presence, as well as building capacity and vibrant communities for the benefit of Malaysians. For more information on Khazanah, visit www.khazanah.com.my