



Transformation Management Office (TMO)
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MEDIA STATEMENT

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GLCs PRIMED TO SUPPORT NATION'S GROWTH WITH INCLUSION INITIATIVES

- Under the Bumiputera Economic Empowerment, new business opportunities worth an estimated RM5.0bn for the Bumiputera community in 2014 will potentially be created through the implementation of Bumiputera-related key performance indicators (“KPIs”) and game-changing initiatives (“GCI”)
- Market value of G20¹ has trebled from 14 May 2004 to 25 April 2014 to RM421bn on a Total Shareholder Returns (“TSR”) of 13.4% p.a., outperforming KLCI by 0.2%
- G20 have paid a total of RM94bn in dividends and RM57bn in taxes between FY2004 and FY2013, significantly benefiting all segments of Malaysian society

YAB Prime Minister, Dato’ Sri Mohd Najib Tun Abdul Razak, at the 26th meeting of the Putrajaya Committee on GLC High Performance (“PCG26”) today, called on all Government-Linked Investment Companies (“GLICs”) and Government-Linked Companies (“GLCs”) to support the nation’s growth with inclusion initiatives by professionalising Bumiputera Agenda (“BA”) and properly implementing various initiatives.

Dato’ Sri Mohd Najib said that the BA is a national agenda and should be supported by all companies including GLCs. He stressed that if the majority of Malaysians are professionally nurtured under the BA, this will create a more dynamic population and workforce, which in turn will help drive further growth of the country.

Recapping the tenure and objective of the GLC Transformation (“GLCT”) Programme, the Prime Minister also urged the GLICs and GLCs to stay the course in delivering the programme’s goals, with inclusivity. These organisations, he added, should continue churning high performance long beyond the programme mandate to play a critical role in driving the development of Malaysia, in pursuing the nation’s Vision 2020.

GLCs continue growth trajectory

G20 TSR grew at 13.4% p.a., outperforming KLCI by 0.2% from 14 May 2004 to 25 April 2014. Market capitalisation increased by 3.0x from RM140bn to RM421bn over the same period. G20 Net Income moderated to RM25.6bn in FY2013, from an all-time high of RM26.1bn in FY2012, but is expected to reach a new high of RM27.4bn² in FY2014. As a result of this strong financial performance, G20 have been able to return RM94bn in dividends and RM57bn in taxes from FY2004 to FY2013. These dividends and taxes have directly and indirectly benefitted the Malaysian public.

¹ G20 is a selection of large GLCs controlled by GLICs under the GLCT Programme and is used as a proxy for performance of the GLCs. This list originally comprised 20 GLCs. It currently consists of 17 GLCs due to various mergers, demergers and other corporate exercises over the years.

² Principally based on Bloomberg consensus analyst forecast for FY2014.



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Growth with inclusion

The BA KPIs and GCIs of GLICs and G20 were presented and discussed with the Prime Minister at PCG26. GLICs and G20 will be looking to professionalise and operationalise BA in a market-friendly, merit-based and transparent manner while promoting inclusivity and equitability. These BA KPIs and GCIs are envisaged to create business opportunities with an estimated value of RM5.0bn in 2014. These initiatives are in addition to various existing BA initiatives and programmes that GLCs are already undertaking. The new 2014 initiatives comprise, among others, 25 new vendors for vendor development programmes, five new potential consortium/anchor companies, RM2.3bn worth of contracts carved out from projects, 1,300 new scholarships, 1,800 units of non-financial assets, RM1.2bn additional properties including affordable housing and RM500mn allocation of entrepreneurship funds. In terms of ownership in the corporate sector, Permodalan Nasional Berhad (“PNB”) had launched Amanah Saham Bumiputera 2 worth RM10bn in early April this year. Moving forward, GLICs and G20 will be fine-tuning their BA KPIs and GCIs further and the respective announcements will be made in due course. The progress of implementation of BA KPIs and GCIs of GLICs and G20 will be tracked and reported to the Prime Minister on a regular basis through the PCG secretariat.

At the meeting, GLCs were also urged to promote greater diversity at the workplace in terms of gender, ethnicity and age. Diversity is a source of strength and it ensures that as the country pursues a high-income status, it also attains its inclusiveness and sustainability aspirations.

The high powered meeting was chaired by the Prime Minister and attended by PCG members including the Finance Minister II, Dato' Seri Ahmad Husni Mohamad Hanadzlah; Minister in the Prime Minister's Department, Dato' Sri Abdul Wahid Omar; Chief Secretary to the Government, Tan Sri Dr. Ali bin Hamsa; senior Ministry of Finance officials, leaders from the GLICs and the G20 Chairmen and CEOs.

END

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About The Putrajaya Committee on GLC High Performance (“PCG”)

The GLC Transformation (“GLCT”) Programme was announced on 14 May 2004 and officially launched on 29th July 2005. The PCG was formed in January 2005 as a steering committee for the programme and drives the transformation of GLCs into high-performing entities. PCG is currently chaired by the Prime Minister and consists of representatives from the Minister of Finance Incorporated and the Prime Minister’s Office as well as participation from the heads of the Government-Linked Investment Companies (“GLIC”) namely Employees Provident Fund, Khazanah Nasional Berhad, Lembaga Tabung Angkatan Tentera, Lembaga Tabung Haji and Permodalan Nasional Berhad. Khazanah is the secretariat to the PCG and manages the roll-out and implementation of the GLCT Programme via its Transformation Management Office (“TMO”).

Current G20 Companies

1. Affin Holdings Berhad
2. Axiata Group Berhad
3. BIMB Holdings Berhad
4. Boustead Holdings Berhad
5. Chemical Company of Malaysia Berhad
6. CIMB Group Berhad
7. Malayan Banking Berhad
8. Malaysia Airports Holdings Berhad
9. Malaysian Airline System Berhad
10. Malaysian Building Society Berhad
11. Malaysian Resources Corporation Berhad
12. Sime Darby Berhad
13. Telekom Malaysia Berhad
14. Tenaga Nasional Berhad
15. TH Plantations Berhad
16. UEM Group Berhad
17. UMW Holdings Berhad