



Transformation Management Office (TMO)
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MEDIA STATEMENT

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GLCs DELIVERING HIGH PERFORMANCE AND CATALYSING INCLUSIVE GROWTH

- G20¹ market capitalisation tripled to RM425 billion on 16 May 2014 from RM140 billion on 14 May 2004
- Total shareholder returns (“TSR”) grew 13.4% p.a. over the same period
- G20 net profit grew at a compounded annual growth rate (“CAGR”) of 11.1% from FY2004 to FY2013
- G20 have paid RM93 billion in dividends and RM57 billion in taxes from FY2004 to FY2013, benefiting the *rakyat*
- G20 supports the Bumiputera Economic Empowerment (“BEE”) through their respective Bumiputera Empowerment Agenda (“BEA”) key performance indicators (“KPIs”) and game-changing initiatives that are envisaged to create various opportunities worth an estimated RM5.0 billion for the Bumiputera community in 2014

In the penultimate year of its 10-year plan, the GLC Transformation Programme (“GLCT Programme”) continues its trajectory towards successful graduation in 2015, where Government-linked Companies (“GLCs”) are expected to be at par with competitors in the country, with several GLCs emerging as regional champions. GLC high performance is important in supporting Malaysia to become a developed nation by 2020. To date, GLCs have achieved wide-ranging results, strengthened their financial capacity, and contributed significantly to the national economy and all stakeholders. Growth with diversity, inclusivity and sustainability is also critical and GLCs have been supporting this agenda and is primed to do more.

GLCs Continue to Deliver High Performance

G20 market capitalisation tripled to RM425 billion on 16 May 2014 from RM140 billion on 14 May 2004 while TSR grew at 13.4% p.a. over the same period. G20 net profit grew at a CAGR of 11.1% from FY2004 to FY2013, moderating to RM25.6 billion in FY2013 from the all-time high of RM26.1 billion in FY2012 and is expected to reach a new high of RM27.1 billion² in FY2014. Meanwhile, G20 delivered a return on equity (“ROE”) of 12% in FY2013 and achieved an economic profit of RM2.6 billion in the same year, up RM8.4 billion from an economic loss of RM5.8 billion in FY2005.

Providing Benefits to All Stakeholders

The GLCT Programme has delivered benefits on all fronts, reaching out to all Malaysians. G20 have paid RM93 billion in dividends, from FY2004 to FY2013, thus enriching the investing public and those

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, as at 19 May 2014



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contributors to trust agencies such as the Employees Provident Fund and Permodalan Nasional Berhad. G20 have also paid RM57 billion in taxes from FY2004 to FY2013 with the ultimate beneficiary being the *rakyat*. The progress achieved by GLCs is also shared with all stakeholders, including customers, employees, suppliers and society at large. G20 have made a positive impact on consumers through their quality products and services, many of which have won local and international awards. GLCs have also been ensuring that their employees are growing professionally and a Programme-wide initiative to enable upward mobility of non-executives, PR1ME, was launched late last year, touching 128,934 non-executives in the grouping. G20 have also spent approximately RM4 billion on corporate responsibility initiatives from 2004 to 2013, benefiting the society at large.

Growing with Diversity, Inclusivity and Sustainability

GLCs are primed to elevate diversity, inclusivity and sustainability practices in their organisations and will be enhancing the diversity of their workforce in terms of gender, ethnicity and age. GLCs are also evolving from corporate responsibility to sustainability practices to ensure long-term value creation, and will be expected to report their sustainability practices in line with international best practices.

Inclusivity is also about ensuring that when the country becomes a high-income nation, many among the *rakyat* will enjoy the benefits. Therefore, as we develop the “capital economy” (e.g. GNI), we also need to take care of the “people economy” (e.g. household income, cost of living, well-being index). It is within this context that YAB Prime Minister has introduced the BEE initiatives to ensure that the majority of Malaysians will benefit from our pursuit of growth. Government-linked Investment Companies (“GLICs”) and G20 are committed to this important cause via their BEA KPIs and game-changing initiatives. These BEA KPIs and game-changing initiatives are envisaged to create various opportunities worth an estimated value of RM5.0 billion in 2014.

Moving Forward

With the completion of the Programme drawing near, this is the last opportunity for GLCs to push themselves to achieve the Programme’s goals of operating at par with competitors in Malaysia, with several GLCs becoming regional champions. The Putrajaya Committee on GLC High Performance (“PCG”) Secretariat is currently finalising a stock-take exercise to assess Programme performance to-date and to propose recommendations moving forward.

Beyond 2015, GLCs are expected to enhance their value creation through strong performance and execution. To mark the completion of the Programme, GLCs will showcase their activities and achievements via a GLC Open Day event in 2015 to engage the public and to report the Programme’s final outcomes.

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.

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