



Transformation Management Office (TMO)
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MEDIA STATEMENT

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GLCs Continue to Make Significant Progress

GLCs deliver strong financial results, actively supporting national transformation programmes and delivering benefits to all stakeholders

The Secretariat to the Putrajaya Committee on GLC High Performance (“PCG”), today released the GLCT Progress Review 2013, reporting that the Government-linked Companies (“GLCs”) under the GLC Transformation (“GLCT”) Programme continue to make strong progress towards the end of the eighth year of its 10-year implementation plan.

The Programme, which was officially launched on 29 July 2005¹, continues to record successes, ensuring that GLCs remain on a robust growth trajectory and become fundamentally stronger. This is reflected by the strong financial results of GLCs, the further inroads they have made in regional markets and their significant contribution to the national economy since the start of the Programme.

Key highlights of the GLCT Progress Review 2013 are:

A. GLCs’ financial results on a strong upward trajectory

Since the Programme’s inception, GLCs have delivered a strong and consistent growth in financial results, with key financial indicators such as Total Shareholder Return (“TSR”), market capitalisation, Net Profit, Return-On-Equity, Economic Profit and other balance sheet numbers showing significant improvements as follows:

- G20² market capitalization grew to RM405b as at 31 May 2013, an all-time high
- G20 Net Profit reached a record of RM25.8b in FY2012, up by RM5.2b or 25% from FY2011
- G20 delivered a Return on Equity of 13% in FY2012, up from 12% in FY2011
- G20 Economic Profit increased to RM5.3b in FY2012, up seven-fold from FY2011

Since the start of the Programme:

- G20 TSR grew at 15% p.a. from 14 May 2004 to 31 May 2013, outperforming FBMKLCI by 1% p.a.
- G20 market capitalisation almost trebled from RM140b to RM405b over the same period

¹ The GLC Transformation Programme was first announced on 14 May 2004.

² 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.



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- G20 Net Profit grew at a Compounded Annual Growth Rate (“CAGR”) of 12% from FY2004 to FY2012

As a result of a series of operational and financial restructuring initiatives, GLCs are today more resilient, successfully riding out the Global Financial Crisis of 2008, and are now fundamentally stronger:

- Non-bank G20 Operating Cash Flow grew from RM14.9b in FY2004 to RM22.3b in FY2012
- Non-bank G20 Debt-to-Equity ratio has improved from 51% in FY2004 to 36% in FY2012
- Bank G20 Net Non-Performing Loans ratio has improved from a range of 6%-18% in FY2004 to less than 3% in FY2012.

GLCs are also advancing further in their regional expansion aspirations. From FY2004 to FY2012, G20 foreign sales contribution to total sales grew from 28% to 33% respectively while their foreign assets contribution to total assets grew from 12% to 25% respectively.

B. GLCs continue to significantly contribute to the various national transformation programmes

The GLCT Programme has seen the Government-Linked Investment Companies (“GLICs”) and GLCs successfully playing a key role in contributing to the Malaysian economy. Over the past eight years, G20 has paid more than RM78b in dividends and RM49b in annual taxes, contributing significantly to the people of Malaysia.

GLICs and GLCs have also continued to invest and provide on-going support for the various national transformation programmes and initiatives. They spur domestic investments in various new industries under the New Economic Model, Economic Transformation Programme and corridor developments. The on-going divestments of non-core assets and collaboration with the non-GLC private sector continue to assist in the building of a more robust and inclusive corporate landscape. G20 have also been a net creator of 12,518 jobs in 2012.

C. Providing benefits to all stakeholders

The progress achieved by the GLCs is being shared equitably with all stakeholders, including customers, employees, suppliers and society at large. This has been achieved through various human capital development initiatives to increase employee value propositions; enhanced delivery and quality of products and services; vendor development programmes; and contributions to society through programmes such as PINTAR Foundation, Yayasan Sejahtera and the Graduate Employability Management Scheme (“GEMS”).



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D. Gearing Up for Programme Completion in 2015

The GLCT Programme is entering its ninth year of the 10-year programme that is scheduled to be completed in 2015. In this regard, it is important for GLCs to sustain its trajectory of strong growth. Notwithstanding the strong financial performance, GLCs should enhance their transformation efforts so that they continue to be robust in an increasingly uncertain and competitive environment. GLCs are also encouraged to embrace new, dynamic and breakthrough ideas to further accelerate performance. Finally, GLCs should lead the way in ensuring that good profits and prosperity can co-exist and flourish by being inclusive and having sustainable practices.

End

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

The GLC Transformation (“GLCT”) Programme was soft launched 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.