



Transformation Management Office (TMO)
The Putrajaya Committee on GLC High Performance (PCG) Secretariat
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MEDIA STATEMENT

Kuala Lumpur, 23 April 2015

GLCs DELIVER STRONG ALL-ROUND PERFORMANCE

On track to successfully “graduate”¹ from 10-year GLCT Programme

- G20² market capitalisation grew 3.2 times from RM133.8 billion to RM431.1 billion from 14 May 2004 to 7 April 2015
- Total Shareholder Return (“TSR”) grew by 12.6% per annum (“p.a.”), outperforming the FTSE Bursa Malaysia Kuala Lumpur Composite Index (“FBM KLCI”) ³ by 0.4% p.a. over the same period
- G20 net profit hit RM26.2 billion in FY2014, close to the all-time high of RM26.3 billion in FY2013
- G20 made RM153.9 billion worth of domestic investments from FY2004 to FY2014
- G20 have contributed RM108.3 billion in dividends and RM63.5 billion in taxes from FY2004 to FY2014
- GLC Open Day to be held to mark the “graduation” of Government-Linked Companies (“GLCs”) under the 10-year GLC Transformation (GLCT) Programme which concludes this year

Government-Linked Companies (“GLCs”) continue to deliver strong all-round performance as the GLC Transformation (“GLCT”) Programme approaches the completion of its final year on 28 July 2015. GLCs are on track to successfully “graduate” from the 10-year programme and together with Government-Linked Investment Companies (“GLICs”), will showcase their growth, impact, and contribution to the economy and the *rakyat* at the GLC Open Day 2015 (“OD15”), scheduled to be held from 7 August to 9 August 2015.

Highlighting the broad impact that GLCs have had on the nation in his keynote address at the Invest Malaysia 2015 Conference today, Y.A.B. Dato’ Sri Mohd Najib Tun Abdul Razak, Prime Minister of Malaysia said that GLCs under the GLC Transformation Programme have been key contributors to the nation’s economic growth and development over the past 10 years, and played a major role in the strategic execution of economic structural change, as laid out in the New Economic Model. The Prime Minister, who chairs the Putrajaya Committee on GLC High Performance (“PCG”), also said that GLCs are professionalising the Bumiputera Empowerment Agenda by implementing various initiatives in a market-friendly, merit-based and transparent manner.

¹ The term “graduation” is used to signify that GLICs and GLCs will continue to deliver the GLCT Programme’s three underlying principles or ideals (performance focus; nation building; governance and providing benefits to all stakeholders) post the programme.

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. It currently consists of 17 GLCs (from the original 20) due to various mergers, demergers, divestments and other corporate exercises over the years.

³ FBM Kuala Lumpur Composite Index (“KLCI”) is a capitalisation-weighted stock market index, comprising the 30 largest companies on Bursa Malaysia by market capitalisation that meets the eligibility requirements of the FTSE Bursa Malaysia Index Ground Rules.



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Tan Sri Dato' Azman Hj. Mokhtar, Managing Director of Khazanah Nasional Berhad ("Khazanah"), said: "GLCs today are on a much stronger financial footing and have become an important component for national development, which has enabled them to both deliver gains to investors as well as benefits to the public at large. These achievements are testimony to and the result of the 10 years of the GLC Transformation Programme." Khazanah is the secretariat of the PCG.

GLCs Deliver High Performance and Growth

G20 market capitalisation grew 3.2 times (or RM297.3 billion) from RM133.8 billion to RM431.1 billion from 14 May 2004 to 7 April 2015. Over the same period, G20 TSR grew 12.6% p.a. outperforming the FBM KLCI by 0.4% p.a. Despite the uncertain global economic outlook, G20 net profit hit RM26.2 billion in FY2014, close to the all-time high of RM26.3 billion in FY2013. G20 net profit grew at a compounded annual growth rate ("CAGR") of 10.2% from FY2004 to FY2014, while G20 return on equity hit 11.5% p.a. on average over the same period. Meanwhile economic profit increased by RM6.1 billion from FY2005⁴ to FY2014.

Supporting National Development

GLCs have significantly contributed to nation building through various efforts such as supporting the Government Transformation Programme and Economic Transformation Programme; developing new, knowledge-based and service-oriented industries and sectors which are catalytic in nature and aimed at moving the nation further up the economic value chain; and developing the economic corridors. GLCs have been supporting the local economy, with G20 spending RM153.9 billion in domestic investments from FY2004 to FY2014, and providing employment to 225,050 Malaysians in 2014. At the same time, G20 has increased its international presence and now operates in at least 42 countries, drawing 34% of its revenue from abroad with an overseas asset base of 27% (compared to 28% and 12% in FY2004 respectively).

GLCs are also promoting growth with inclusivity by enhancing diversity of their workforce in terms of gender, ethnicity and age and improving their work-life practices (for example, family-friendly facilities and flexible work arrangements). In supporting and professionalising the Bumiputera Empowerment Agenda, G20 have implemented various initiatives and programmes. These initiatives are tracked through key performance indicators and reported to the Prime Minister on a regular basis through the PCG Secretariat.

Providing Benefits to All Stakeholders

As a result of G20's strong financial performance, they have been able to contribute RM108.3 billion in dividends and RM63.5 billion in taxes from FY2004 to FY2014, providing returns to the investing public (including contributors to trust agencies such as Employees Provident Fund and Permodalan Nasional Berhad) and the *rakyat*. The progress achieved by GLCs has also benefitted other stakeholders including customers (through enhanced service standards and products), employees (through training and development including programmes to help

⁴ Economic profit started being tracked since the official launch of the GLCT Programme in FY2005.



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non-executives grow professionally), suppliers (through vendor development programmes) and society (through corporate responsibility initiatives).

GLC Open Day 2015

OD15 will be held from 7 to 9 August 2015 at the Kuala Lumpur Convention Centre with the theme “*Graduating to a Higher Class: Nation Building, Touching Lives*”. It is intended to engage the public on GLICs and GLCs’ significant growth over the past 10 years and their contributions to nation building and all stakeholders, especially the *rakyat*. OD15 will comprise the 29th (and final) PCG meeting and a “graduation” ceremony to be officiated by the Prime Minister. There will also be an exhibition showcasing individual GLICs’ and GLCs’ booths, as well as five themed clusters on how GLICs and GLCs have been touching the lives of all stakeholders. Other activities will include a spotlight corner for personality appearances, launching of corporate responsibility initiatives, talks and activities for the general public.

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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 29 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 heads of the Government-Linked Investment Companies (“GLICs”) namely Employees Provident Fund, Khazanah Nasional Berhad (“Khazanah”), 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