



Transformation Management Office (TMO)  
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**MEDIA STATEMENT**  
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## **GLCs SUCCESSFULLY COMPLETE AND GRADUATE FROM 10-YEAR GLC TRANSFORMATION PROGRAMME**

*10-year GLC Transformation Programme has delivered strong financial performance, catalysed nation-building, and touched lives*

- Prime Minister officiates graduation ceremony of Government-linked Investment Companies (“GLICs”) and Government-linked Companies (“GLC”) under the GLC Transformation Programme, after a decade of transformative progress
- GLCs show strong 10-year track record in delivering financial performance, catalysing nation-building, and benefitting all stakeholders:
  - G20<sup>1</sup> market capitalisation grew almost three times to RM386 billion from 14 May 2004 to 28 July 2015 (the last day of the Programme), hitting an all-time high of RM431 billion on 7 April 2015. Total shareholder return grew 11.1% per annum (“p.a.”) over the same period
  - G20 net profit hit RM26.2 billion in FY2014, and grew at a compounded annual growth rate (“CAGR”) of 10.2% from FY2004 to FY2014
  - G20 made RM153.9 billion worth of domestic investments from FY2004 to FY2014, employing 225,050 Malaysians in 2014
  - G20 contributed RM108.3 billion in dividends and RM63.5 billion in taxes from FY2004 to FY2014
- *GLC Transformation Programme Graduation Report*, the final report on the 10-year Programme, and *Voices – Reflections on a Transformation Journey*, a collection of essays by personalities involved in the Programme, launched by Prime Minister
- Successor entity to the Programme to be established, to spearhead continued GLC efforts to help Malaysia achieve developed nation status
- GLC Open Day 2015 kicks off, showcasing GLIC and GLC progress and contributions

Government-linked Investment Companies (“GLICs”) and Government-linked Companies (“GLCs”) today “graduated”<sup>2</sup> from the 10-year GLC Transformation Programme, after a decade of transformative progress focused on enhancing financial performance, institutionalising good governance, and delivering broader, impactful contributions to national socioeconomic development.

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<sup>1</sup> G20 is a selection of large GLCs, controlled by GLICs under the GLCT Programme and is used as a proxy for the 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.

<sup>2</sup> The term “graduation” is used to signify that GLICs and GLCs will continue to deliver the GLC Transformation Programme’s Three Underlying Principles [i.e. 1) performance focus; 2) nation building; 3) governance and providing benefits to all stakeholders] post the Programme.



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Prime Minister of Malaysia Dato' Sri Mohd Najib Tun Abdul Razak, who is also chairman of the Putrajaya Committee on GLC High Performance ("PCG"), officiated the graduation ceremony, which was attended by among others, current and former Government ministers, GLIC and GLC board members and senior management, heads of public sector agencies and regulatory authorities, as well as various individuals who played key roles in the GLC Transformation Programme over the years. Prior to the ceremony, the PCG held its 29<sup>th</sup> and final meeting, chaired by the Prime Minister.

"Ten years on since the official launch of the GLC Transformation Programme, the GLCs today are much more dynamic, performance driven and well-governed organisations run by professionals. GLCs have also become more vibrant, stronger institutions with well managed balance sheets and greater regional and international presence," the Prime Minister said.

The Prime Minister also announced that a successor entity to the GLC Transformation Programme, a GLIC and GLC club, will be established. It will play a role in spearheading the continued commitment of the GLCs, guided by the Three Underlying Principles of the GLC Transformation Programme, to help Malaysia achieve developed nation status.

"Moving forward, GLCs should strive to become not only regional champions but also to become pacesetters in the industries where we operate to help Malaysia accomplish her 2020 ambition; continue to not only support nation-building but also to actively help shape the national agenda; and elevate themselves from being well governed companies to become strong, responsible and great model institutions to serve as forces of good for the country and society," he said.

Tan Sri Dato' Azman Hj. Mokhtar (PCG Secretariat and Managing Director of Khazanah) said: "At the outset in 2004, the GLC Transformation Programme had ambitious, even audacious multi-dimensional goals. Today, we are very grateful that we have been able to complete and graduate the Programme with strong financial performance, concurrently playing a significant role in catalysing national development and touching society in major and positive ways. Alhamdulillah, while there remain gaps and challenges, GLCs in this Programme have risen to the challenge and can look forward to the future from a position of relative strength."

The graduation ceremony also saw the Prime Minister launch the *GLC Transformation Programme Graduation Report* and *Voices – Reflections on a Transformation Journey*, which is a collection of more than two dozen essays by a broad range of personalities who were involved in the GLC Transformation Programme, including Government ministers; GLIC and GLC leaders and executives; external advisors, and media.

The graduation ceremony kicked off the 3-day GLC Open Day 2015, which is being held from 7 to 9 August 2015. Themed *Graduating to a Higher Class: Nation Building, Touching Lives*, the exhibition showcases how GLICs and GLCs have progressed and catalysed the development of the country and impacted the lives of all Malaysians.

Five GLICs and 17 GLCs under the GLC Transformation Programme are participating in the GLC Open Day 2015, which also features five clusters that highlight the 10-year journey and corresponding achievements of the Programme, as well as provide a glimpse of GLC offerings



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in the future. Other activities include forums, competitions, and children's activities. (For more information on the GLC Open Day 2015, go to [www.glcopenday.com.my](http://www.glcopenday.com.my))

### **Strong 10-year financial track record**

Over the past 10 years, GLCs have delivered significant financial results and are today more dynamic, performance driven and well-governed organisations. From 14 May 2004 to 28 July 2015, the final day of the GLC Transformation Programme, G20 market capitalisation grew almost three times from RM134 billion to RM386 billion and hitting an all-time high of RM431 billion on 7 April 2015. Over the same period, total shareholder return increased 11.1% per annum ("p.a.").

Meanwhile, G20 net profit hit RM26.2 billion in FY2014, close to the all-time high of RM26.3 billion in FY2013, and grew at 10.2% p.a. from FY2004 to FY2014. GLCs have also become more vibrant, stronger institutions with a greater regional and international presence. This is reflected in G20 now having revenue generating operations in 42 countries, drawing 34% of its total revenue from abroad with an overseas asset base of 26% (compared to 28% and 11% in FY2004 respectively).

### **Catalysing nation-building**

GLCs have also significantly contributed to nation-building through various efforts, such as supporting the New Economic Model ("NEM"), Government Transformation Programme ("GTP"), and Economic Transformation Programme ("ETP"); developing new, knowledge-based and service-oriented industries and sectors; and being involved in the development of the economic corridors, in their capacity as master planners, developers, and investors.

GLCs have delivered large scale infrastructure projects such as the Sultan Abdul Halim Muadzam Shah Bridge in Penang, klia2, Kuala Lumpur Sentral, national High Speed Broadband ("HSBB"), and rural electrification, as well as contributed to making Malaysia a global Islamic finance hub.

In addition, GLCs have made a mark regionally and globally through projects such as the Battersea Power Station in London and the Shuaibah Independent Water and Power Project in the Kingdom of Saudi Arabia, supplying reliable power and water supply to the Holy City of Makkah and the Makkah Mukarramah Region. All of the above are catalytic in nature and aimed at moving the nation further up the economic value chain. G20 have made RM153.9 billion worth of domestic investments from FY2004 to FY2014, and employed 225,050 Malaysians in 2014.

In addition, GLCs have promoted 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 ("BEA"), GLCs and 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. In 2014, GLCs' and G20's economic activities for the Bumiputera community under the BEA Key Performance Indicator initiatives grew to RM43.9 billion, recording an increase of RM9.7 billion from a year before (or 28%), surpassing the RM7 billion target set.



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### **Benefitting all stakeholders**

As a result of their strong financial performance, G20 have been able to contribute RM108.6 billion in dividends and RM62.7 billion in taxes from FY2004 to FY2014, providing returns to the investing public (including contributors to trust agencies such as EPF and PNB) and the *rakyat*.

The progress made by GLCs has also benefitted all stakeholders including customers through enhanced service standards and products which have won numerous local and international awards; employees through competitive compensation, professional development and career progression; suppliers through vendor development programmes and business opportunities; and society through corporate responsibility initiatives. GLICs and G20 have spent at least RM6 billion on corporate responsibility initiatives and endowments from 2004 to 2014.

**END**



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

The GLC Transformation 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 drove the transformation of GLCs into high-performing entities. PCG was chaired by the Prime Minister and comprised the Minister of Finance II, the Minister in the Prime Minister’s Department in charge of the Economic Planning Unit (“EPU”), the Chief Secretary to the Government, Secretary General of Treasury 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 was the secretariat to the PCG and managed the roll-out and implementation of the GLCT Programme via its Transformation Management Office (“TMO”).

### **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