

Headline	All eyes on the seven influential GLICs		
MediaTitle	Focus Malaysia		
Date	04 Aug 2018	Language	English
Circulation	16,405	Readership	49,215
Section	News	Page No	10
ArticleSize	746 cm ²	Journalist	N/A
PR Value	RM 38,830		



All eyes on the seven influential GLICs

Ministry of Finance Inc (MoF Inc)

MoF Inc is arguably the single most powerful GLIC within the Malaysian government machinery. It reports directly to Minister of Finance (MoF) Lim Guan Eng and also controls another GLIC, Khazanah Nasional Bhd.

Via a golden share, MoF Inc exerts influence over Permodalan Nasional Bhd (PNB), another GLIC which comes under Yayasan Pelaburan Bumiputera (YPB).

As a GLIC established under the MoF Inc Act 1957, it is tasked with overseeing strategic investment into companies which require high initial investment costs and face high market barriers. Through these investments, MoF Inc is expected to stimulate economic growth and attract further foreign investments into sectors such as biotechnology, information technology, utilities and communications.

So far, MoF Inc has 68 companies under its belt. They include Petroliaam Nasional Bhd (Petronas), 1Malaysia Development Bhd (1MDB),

Bank Pembangunan Bhd, Agrobank Bhd, FELCRA Bhd, Keretapi Tanah Melayu Bhd, Malaysia Debt Ventures Bhd, Danainfra Nasional Bhd, Mass Rapid Transit Corp Sdn Bhd (MRT), MyHSR Corp Sdn Bhd, Prasarana Malaysia Bhd and Syarikat Perumahan Negara Bhd, among others.

Suria Strategic Energy Resources Sdn Bhd (SSER), a company recently embroiled in a RM9.3 bil scandal for gas pipeline projects in Sarawak, is also under MOF Inc. However, there is talk that the government is mulling abolishing MoF Inc altogether. If this happens, the fate of 68 companies under it will be in limbo.

Kumpulan Wang Persaraan (KWAP)

KWAP is one of the top three GLICs in the country in terms of fund size. It was thrust into the spotlight over its RM4 bil loan to SRC International Sdn Bhd, a subsidiary of 1MDB.

Incorporated in 2007, KWAP is Malaysia's second-largest retirement fund and manages RM125 bil in

Headline	All eyes on the seven influential GLICs		
MediaTitle	Focus Malaysia		
Date	04 Aug 2018	Language	English
Circulation	16,405	Readership	49,215
Section	News	Page No	10
ArticleSize	746 cm²	Journalist	N/A
PR Value	RM 38,830		

assets. The fund was established under the Retirement Fund Act 2007, replacing the repealed Pensions Trust Fund Act 1991.

The difference between KWAP and EPF is that KWAP only manages contributions from permanent government staff with pensionable status and those in service with regulatory bodies and local authorities. Contributing employers to the fund are, among others, Majlis Amanah Rakyat (MARA), Dewan Bandaraya Kuala Lumpur (DBKL), Lembaga Kemajuan Tanah Persekutuan (Felda), Lembaga Pemasaran Pertanian Malaysia (Fama), local government universities and government hospitals.

The retirement fund is led by board members appointed by the Finance Minister. The secretary-general of the Ministry of Finance Datuk Seri Dr Ismail Bakar is chairman while its CEO is Datuk Wan Kamaruzaman Wan Ahmad.

Permodalan Nasional Bhd (PNB)

PNB, controlled by Yayasan Pelaburan Bumiputera (YPB), is traditionally headed by the prime minister. On June 28, Prime Minister Tun Dr Mahathir Mohamad assumed the chairmanship of YPB while Tan Sri Dr Zeti Aziz, former Bank Negara governor and a member of the Council of Eminent Persons (CEP), was appointed PNB chairman effective July. Its group CEO is Datuk Abdul Rahman Ahmad.

PNB was established in 1978 and has grown by leaps and bounds since then to become the largest fund management company in the country. PNB's main task is to promote corporate share ownership among Bumiputera.

As the investment vehicle for the government through YPB, PNB's shareholdings in companies are placed in trust funds and sold to unit holders in the form of smaller units, giving Bumiputera unitholders exposure to Bursa Malaysia-listed companies.

PNB's total funds amount to over RM255 bil in over 200 companies. Some of its major investee companies are Malayan Banking Bhd (Maybank), Sime Darby Bhd, SP

Setia Bhd, UMW Holdings Bhd, Chemical Company of Malaysia Bhd (CCM), I&P Group Sdn Bhd, Goodyear Malaysia Bhd and Unilever (Malaysia) Holdings Sdn Bhd.

Lembaga Tabung Haji (LTH)

Founded in 1963, Lembaga Tabung Haji (LTH) is the pilgrims fund board, formerly known as Lembaga Urusan dan Tabung Haji (LUTH). It provides savings services to Muslims who are planning pilgrimages to Mecca. It engages in the investment of accumulated funds and monitoring of investment functions through Shariah-compliant vehicles.

The pilgrim fund is the parent company of TH Properties Sdn Bhd, TH Hotel & Residence Sdn Bhd, BIMB Holdings Bhd, TH Plantations Bhd and Theta Edge Bhd. TH properties Sdn Bhd has seven residential projects in Sydney and one in Perth through a 50:50 joint venture with local developers.

Tabung Haji was among the biggest zakat contributors in Malaysia in 2016, with a total payment of RM60.29 mil, an increase of 1.7% from RM59.26 mil in the previous year.

In mid-July, Tan Sri Mohammed Nor Md Yusof was appointed chairman with Datuk Seri Zukri Samat as CEO.

Khazanah Nasional Bhd

The nation's first sovereign wealth fund was recently shaken up when its entire board of directors offered to resign. Their resignations were accepted and a five-member board was appointed, headed by chairman Tun Dr Mahathir Mohamad, who is also prime minister.

Together with PNB and MoF Inc, Khazanah is one of the biggest GLICs. Its long-serving former managing director Tan Sri Azman Mokhtar is a savvy fund manager and was instrumental in growing its assets from RM50.9 bil in 2004 to RM157.2 bil in 2017. The value of its investments hit an all-time high of RM115.6 bil in 2017, boosted by surging stock prices at home and its investments in technology compa-

nies and stocks in China such as Alibaba.

Interestingly, Khazanah was established by Mahathir in 1994. Its portfolio of listed companies include some of Malaysia's biggest names such as Telekom Malaysia Bhd, Tenaga Nasional Bhd, Malaysia Airports Holdings Bhd, CIMB Group Holdings Bhd, UEM Sunrise Bhd, IHH Healthcare Bhd and UEM Group Bhd. In addition to holding controlling stakes in these listed companies, it also wholly owns Malaysia Airlines Bhd, and has a 51% share in highway company PLUS Malaysia Bhd.

Recently, it was highlighted that Khazanah had suffered large losses in several investments and business ventures in the past. This includes a

failed RM80 million investment into an online lingerie outfit overseas. It was also said to have suffered a write-off of RM3 bil in a Swiss bank following the collapse of Lehman Brothers in 2008.

Employees Provident Fund (EPF)

One of the required documents for Malaysians when applying for any financial facilities from the bank is the EPF statement.

The EPF is probably the biggest GLIC in terms of fund size. In 2017, the total assets of EPF exceeded RM791 bil. It is a social security institution formed under the Employees Provident Fund Act 1991, which requires employees and their employers to contribute towards their retirement savings.

Private and non-pensionable public sector employees make up the members of EPF with an annual contribution of RM65.5 bil. As of September 2017, the fund had 13.72 million members, including 7.05 million contributing active members and 493,229 active employers.

The EPF is the controlling shareholder of MBSB Bank Bhd and owns significant interest in Malaysian Resources Corporation Bhd (MRCB). It also has significant stake in Telekom Malaysia Bhd, DiGi.com Bhd, MBM Resources Bhd, IJM Corporation Bhd, Public Bank Bhd, Media Prima Bhd, BIMB Holdings

Headline	All eyes on the seven influential GLICs		
MediaTitle	Focus Malaysia		
Date	04 Aug 2018	Language	English
Circulation	16,405	Readership	49,215
Section	News	Page No	10
ArticleSize	746 cm ²	Journalist	N/A
PR Value	RM 38,830		

Bhd, Hong Leong Bank Bhd and Tenaga Nasional Bhd, among others.

EPF's chairman is Tan Sri Samsudin Osman while its CEO is Datuk Shahril Ridza Ridzuan. There has been speculation that following the change in government, that its CEO may be leaving to head the vacant top position in Khazanah Nasional Bhd.

Lembaga Tabungan Angkatan Tentera (LTAT)

Lembaga Tabung Angkatan Tentera (LTAT) is a pension fund for the Armed Forces. The fund also provides a savings scheme for officers in the Armed Forces and mobilised members of the Volunteer Forces. The fund was established in August 1972 by an Act of Parliament, Tabung Angkatan Tentera Act.

As required by the Act, LTAT invests more than 70% of its funds in trustee investments and less than 30% in non-trustee investments. Among the listed companies it controls are Boustead Holdings Bhd and Affin Bank Bhd. The fund is traditionally under the purview of the Defence Minister.

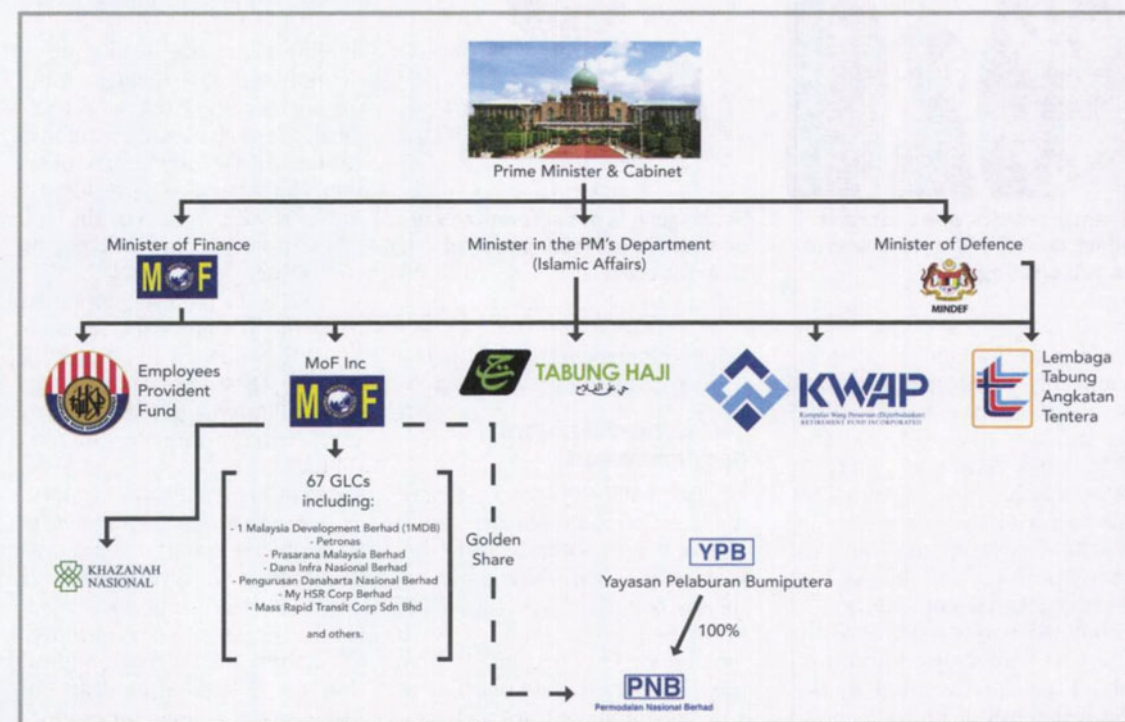
Under the superannuation scheme, the government as the employer of Armed Forces personnel will contribute 15% of their monthly salary whereas serving members of other ranks are required to contribute 10%. However, participation is voluntary for officers, with a minimum contribution of RM25 and a maximum of RM2,000 per month, with no contribution from the government.

For the financial year ended Dec 31, 2017, LTAT posted a net profit of RM667.1mil, a 12.1% increase from FY16.

LTAT's success has largely been due to the able stewardship of its CEO Tan Sri Lodin Wok Kamaruddin.

Headline	All eyes on the seven influential GLICs		
MediaTitle	Focus Malaysia		
Date	04 Aug 2018	Language	English
Circulation	16,405	Readership	49,215
Section	News	Page No	10
ArticleSize	746 cm²	Journalist	N/A
PR Value	RM 38,830		

WHO CONTROLS THE GLICs



source: Edmund Terence Gomez, various ministries

VALUATOR

Company(Brand)	Mention	Tone	ROI
100 days (100 days)	4	0	0
1Malaysia Development Bhd (1Malaysia Development Bhd)	3	0	0
ABM-Bank Loans (ABM-Bank Loans)	1	0	0
Affin Hwang Investment Bank Berhad (Affin Hwang Investment Bank Berhad)	1	0	0
Agrobank Malaysia (Agrobank Malaysia)	1	0	0
Alibaba.com (Alibaba.com)	1	0	0
Bank Negara Malaysia (Bank Negara Malaysia)	17	0	0
Bestinet Sdn Bhd (Bestinet - Industry & Government News)	8	0	0
BHIC Industry News - Defence (BHIC Industry News - Defence)	3	0	0
BIMB Holdings Bhd (BHB) (BIMB Holdings Bhd (BHB))	2	0	0
Boustead Holdings Berhad (Boustead Holdings Berhad)	1	0	0
Bursa Malaysia Berhad (Bursa Malaysia Berhad)	5	0	0
Cenviro Sdn Bhd (Cenviro Industry News)	3	0	0
Chemical (Chemical)	17	0	0
Chemical Company of Malaysia Bhd (CCM) (Chemical Company of Malaysia Bhd)	2	0	0
CIMB Group (CIMB Asset Management/Private Equity)	1	0	0
CIMB Group (CIMB Group)	1	0	0
CIMB Group Competitors (Maybank Asset Management/Private Equity)	1	0	0
CIMB Group Competitors (Public Bank Asset Management/Private Equity)	1	0	0
Cyberview Sdn Bhd (Cyberview Industry News)	1	0	0
Digi Telecommunications Sdn Bhd (Digi)	3	0	0
Eastern & Oriental Berhad - Industry News (Eastern & Oriental Berhad)	6	0	0
Economy News (Economy News)	2	0	0
Federal Agricultural Marketing Authority (Federal Agricultural Marketing Authority)	2	0	0
Federal Land Development Authority (Federal Land Development Authority)	2	0	0
Felcra Bhd (Felcra Bhd)	2	0	0
Gamuda Bhd (Gamuda Bhd Industry News)	17	0	0
Hong Leong Bank Berhad (Hong Leong Bank Berhad)	1	0	0
Human Resource (Human Resource)	1	0	0
I Berhad (I Berhad)	1	0	0
IHH Healthcare (IHH Healthcare)	1	0	0
IJM Corporation Bhd (IJM Corporation Berhad)	2	0	0
Integrated Healthcare Holdings (Integrated Healthcare Holdings)	2	0	0
Island & Peninsular Berhad (Island & Peninsular Berhad)	1	0	0
Khazanah Nasional Berhad (Khazanah Nasional Berhad)	4	0	0
KTM Berhad (KTMB) (KTM Berhad)	1	0	0
Kuala Lumpur City Hall (Kuala Lumpur City Hall)	2	0	0
Kumpulan Wang Persaraan (KWP) (Kumpulan Wang Persaraan)	5	0	0
Kumpulan Wang Simpanan Pekerja (KWSP) (Kumpulan Wang Simpanan Pekerja)	12	0	0
Lebuh Raya Malaysia (Lebuh Raya Malaysia)	1	0	0
Lembaga Tabung Angkatan Tentera (LTAT) (Lembaga Tabung Angkatan Tentera)	19	0	0
Lembaga Tabung Haji (Lembaga Tabung Haji)	20	0	0
Lim Guan Eng (Lim Guan Eng)	1	0	0
Majlis Amanah Rakyat (MARA) (Majlis Amanah Rakyat (MARA))	1	0	0
Malayan Banking Berhad (Malayan Banking Berhad)	2	0	0
Malaysia Airlines (Malaysia Airlines)	1	0	0
Malaysia Airports Holdings Berhad (MAHB) (Malaysia Airports Holdings Berhad)	2	0	0
Malaysia Building Society Bhd (MBSB) (Malaysia Building Society Bhd)	3	0	0
Malaysia Debt Ventures Bhd (Malaysia Debt Ventures Bhd)	1	0	0
Malaysia General Election (Malaysia General Election)	4	0	0
Malaysian Resources Corporation Berhad - Persons (Dato Sri Sri) (Malaysian Resources Corporation Berhad)	1	0	0
Malaysian Resources Corporation Berhad (Malaysian Resources Corporation Berhad)	2	0	0
Mass Rapid Transit (MRT) (Mass Rapid Transit (MRT))	22	0	0
MBM Resources Bhd (MBM Resources Bhd)	1	0	0
Media Prima Bhd (Media Prima Bhd)	1	0	0
Ministry of Finance (Ministry of Finance)	55	0	0
MyCC-business (MyCC-business)	1	0	0