

Khazanah, PNB to hand over businesses to boost Bumi equity
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PUTRAJAYA, Feb 9 — Khazanah Nasional Bhd and Permodalan Nasional Bhd will be asked to transfer a total of 10 non-core businesses to worthy Bumiputera-owned companies as part of Putrajaya's efforts to grow the community's equity.

Bumiputera equity stood at 22 per cent in February last year, short of the 30 per cent target set by the government.

Prime Minister Datuk Seri Najib Razak said the divested entities will be awarded to Bumiputera companies that have good potential to grow.

"Bumiputera companies will be invited to take part via an open evaluation process... and (divested) companies will be transferred to the best, most secure and capable (Bumiputera) companies," he told reporters here after attending a Bumiputera Agenda Action Council meeting here.

State investment arm Khazanah will be asked to divest five companies while PNB will let go of another five, he added.

The Najib administration's Bumiputera economic agenda, led by Teraju, intends to create a visible pool of Bumiputera companies that can take on projects worth RM1.4 trillion and divestment of government assets under the Economic Transformation Programme (ETP).

The ETP, which aims to double per capita annual income by 2020, will see government and government-linked companies divest "non-core" assets.

Last year, Khazanah made a total of eight divestments which brought in proceeds of RM7.7 billion and helped to push the company's profit before tax for the full year to RM5.3 billion from RM3 billion in 2010.

Key divestments included the sale of its 32 per cent stake in Pos Malaysia to DRB-Hicom Bhd for RM622.8 million and the complete privatisation of PLUS Bhd through a joint acquisition by UEM Group Bhd and the Employees' Provident Fund (EPF).

Last month, Khazanah also announced the sale of its 42.7 per cent stake in national carmaker Proton Holdings Bhd to DRB-Hicom for RM1.3 billion.

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