

## **Government says Khazanah gained RM13.6b from asset divestment**

**The Malaysian Insider**

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**By Shannon Teoh**

KUALA LUMPUR, March 13 — Putrajaya today defended the ongoing divestment of non-core assets by state-owned investment arms, stating that Khazanah Nasional has made profits of RM13.6 billion from the exercise over the past seven years.

The finance ministry told Parliament that from May 2004 to the end of last year, Khazanah sold RM31.7 billion worth of 'non-core' assets, making gains of about 43 per cent.

"Khazanah only reduces its holdings when the value has increased," Deputy Finance Minister Datuk Donald Lim Siang Chai said in reply to a question by Gombak MP Azmin Ali.

The PKR deputy president had questioned the parameters used by Khazanah and Permodalan Nasional Berhad (PNB) when disposing assets.

Prime Minister Datuk Seri Najib Razak had announced on February 9 that Khazanah and PNB will transfer 10 non-core businesses to Bumiputera companies that have good potential to grow after an open evaluation process.

But lawmakers across the political divide said the move mirrors the failed Mahathir-era plan to groom Bumiputera entrepreneurs in the 1990s.

"If we keep feeding the same Ali Babas which we've already helped, then this doesn't help anything," Umno supreme council member Datuk Bung Mokhtar Radin said, referring to Khazanah's recent divestment of its 32 and 42.7 per cent stake in Pos Malaysia and Proton respectively to DRB-Hicom, controlled by Tan Sri Syed Mokhtar al-Bukhary.

The state investment arm had announced last month the sale of its shares in the national carmaker for RM1.3 billion, which followed from the RM623 million divestment in Pos Malaysia to Malaysia's richest Bumiputera entrepreneur.

The Malaysian Insider also reported last week that Putrajaya may take Malaysia Airlines private by directing Khazanah buy back a 20.5 per cent stake exchanged with Tune Air Sdn Bhd eight months ago after the flag carrier failed to show any improvement and lost RM2.52 billion in 2011.

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.

This included the complete privatisation of PLUS Bhd through a joint acquisition by UEM Group Bhd and the Employees' Provident Fund (EPF).

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Lim also said today PNB's investment strategies has resulted in returns of over RM90 billion in its 30-plus years of operation.

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