

Headline	BIG DIP IN INVESTMENT VALUE SEEN		
MediaTitle	New Straits Times		
Date	14 Jan 2019	Language	English
Circulation	36,278	Readership	108,834
Section	Business Times	Page No	20
ArticleSize	632 cm ²	Journalist	AYISY YUSOF
PR Value	RM 65,357		



KHAZANAH NASIONAL

BIG DIP IN INVESTMENT VALUE SEEN

7 companies in which sovereign fund is major shareholder lost combined RM43.6b in market cap last year, data shows

AYISY YUSOF
KUALA LUMPUR
bt@mediaprima.com.my

KHAZANAH Nasional Bhd, which is due to release its annual performance review next month, will likely report a significant drop in the value of its investments in companies listed on Bursa Malaysia, in line with the weaker stock market performance last year.

Bursa Malaysia's benchmark FTSE Bursa Malaysia KLCI (FBM KLCI) registered a 5.17 per cent drop last year, losing RM192.85 billion in market capitalisation in the process.

Other markets in the region fared worse, including Japan (-12.08 per cent), South Korea (-17.69 per cent) and Hong Kong (-15.30 per cent). In the United States, the Dow Jones fell 5.6 per cent, S&P 500 was down 6.2 per cent and the Nasdaq slipped four per cent.

Against such a backdrop, seven listed companies on Bursa Malaysia in which Khazanah is a major shareholder lost a combined RM43.62 billion in market capitalisation last year, according to stock market data.

The seven companies are Axiata Group Bhd, Telekom Malaysia Bhd, CIMB Group Holdings Bhd, UEM Sunrise Bhd,

GLCs SUBSTANTIALLY OWNED BY KHAZANAH AS FOR THE FULL-YEAR OF 2018

Company	Khazanah's Ownership (YTD 2019)	Share price as of Jan 2, 2018	Share price as of Dec 31, 2018	Change in share price	Market capitalisation as at Jan 2, 2018	Market capitalisation as at Dec 31, 2018	Wipeout market capitalisation variance and valuation
axiata	36.22%	RM5.39	RM3.93	-27.09%	RM48.77 billion	RM35.65 billion	-26.90% (RM13.12 billion)
TM	26.21%	RM6.17	RM2.66	-56.89%	RM23.19 billion	RM9.99 billion	-56.92% (RM13.20 billion)
CIMB GROUP	26.80%	RM4.50	RM5.71	-12.15%	RM59.97 billion	RM54.61 billion	-8.94% (RM5.36 billion)
UEM Sunrise	66.06%	RM1.10	RM0.67	-39.55%	RM4.99 billion	RM3.02 billion	-39.47% (RM1.97 billion)
TENAGA NASIONAL	15.32%	RM15.22	RM13.60	-10.64%	RM86.24 billion	RM77.34 billion	-10.32% (RM8.9 billion)
TIME	11.19%	RM9.19	RM8.10	-10.99%	RM5.29 billion	RM4.73 billion	-10.60% (RM0.56 billion)
MALAYSIA AIRPORTS	33.21%	RM8.69	RM8.38	-3.57%	RM14.42 billion	RM13.90 billion	-3.60% (RM0.51 billion)

Total wipeout in market capitalisation for the period = RM43.62 billion

Source: Bloomberg Intelligence
INFOGRAPHIC: NST

Tenaga Nasional Bhd, Time dot-Com Bhd and Malaysia Airports Holdings Bhd.

Khazanah's total investments in 2017 had a combined realisable asset value (RAV) of RM157.2 billion and net worth adjusted value of RM115.6 billion.

When its annual report was released in January last year, the sovereign fund reported a pretax profit of RM2.9 billion, an increase of 81.3 per cent, from RM1.6 billion in 2016.

Khazanah has investments in more than 100 companies across multiple sectors, industries and geographies, either directly or in-

directly through ownership of shares.

About 55 per cent of its RAV by geographic exposure is in Malaysia.

INFO BOX

5.17pc

The decline in market capitalisation totalling RM192.85b by companies listed on Bursa Malaysia last year

The sovereign fund, by undertaking strategic investments on behalf of the nation, plays a catalytic role in driving various strategic industries and national initiatives involving sectors such as power, telecommunications, finance,

healthcare, aviation, infrastructure, leisure and tourism, and property.

MIDF head of research Mohd Redza Abdul Rahman said the

market started to pull back between May and June last year as rate hikes in the US resulted in an outflow of foreign funds from both the bond and equities markets.

He said local markets staged some recovery but external geopolitical concerns such as the S-China trade war, Brexit and a decline in commodity prices affected market sentiment.

"The friction (between the US and China) last year was apparent, affecting businesses and the overall global market sentiments," said Bank Islam Malaysia Bhd chief economist Dr Mohd Afzanizam Abdul Rashid.

Following the 14th General Election in May last year, Khazanah's board members offered to resign in July to facilitate a smooth transition of power to the new leadership under the

Pakatan Harapan government. Khazanah's current managing director is Datuk Shahril Ridza Ridzuan.

The other board members include Economic Affairs Minister Datuk Seri Azmin Ali, former Petronas chairman Tan Sri Mohd Hassan Marican, former Bank Negara Malaysia deputy governor Dr Sukhdave Singh and former Securities Commission executive director Goh Ching Yin.

In late November, Khazanah disposed of 1.4 billion shares in IHH Healthcare, representing a 16 per cent stake, to Mitsui & Co Ltd of Japan for RM8.42 billion.

The disposal at RM6 per share would reduce Khazanah's stake in IHH to 26.05 per cent.

The disposal is slated for completion in the first-quarter of this year.