Suruhanjaya Sekuriti
Securities Commission
Malaysia

SC CORPORATE CASE STUDY SERIES

Divestment of Pos Malaysia Berhad by Khazanah Nasional Berhad

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14 October 2013

A Case Study on the Divestment of Pos Malaysia Berhad by Khazanah Nasional Berhad

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Exhibit 1
Relationship between Khazanah Nasional Berhad and the Government

Relationship between Khazanah Nasional Berhad and the Government

Malaysia had pursued a policy of state-led, capitalist economic development for nearly four decades, an approach broadly similar to that of other developing Asian nations, such as South Korea and Taiwan. The Government was highly interventionist in many respects, but its actions generally favoured the growth of private industry. Although it had gradually reduced its direct participation in enterprises, the Government still retains very large industrial and commercial holdings, either directly through the Minister of Finance Inc (the division of the Ministry of Finance overseeing investments) or indirectly through several fully-state-owned entities.

The New Economic Model (NEM), announced on 30 March 2010, provides a blueprint of developments that the Government plans to implement in the period 2010–20. The objective of the NEM is for Malaysia to join the ranks of the high-income economies, and it targets a per capita annual income of US$15,000–20,000 by 2020[1]. The NEM proposed eight strategic reform initiatives: (i) enhance private initiative; (ii) develop a better-skilled workforce; (iii) increase competition in the domestic market; (iv) build a leaner public sector; (v) make affirmative-action policies more transparent; (vi) build a better knowledge base and infrastructure; (vii) allow for selective promotion of regions and economic sectors; and (viii) ensure environmental as well as fiscal sustainability. These are expected to lead to an economy that the NEM describes as, "market-led, well-governed, regionally integrated, entrepreneurial and innovative".

As the NEM is very light on details, the Government specifies its goals and policies in the various Five-year Plans (the Tenth Malaysia Plan, covering the period 2011–2015, was announced on 10 June 2010), annual budgets and other development plans (the Economic Transformation Programme, for instance, was officially unveiled on 25 October 2010). A key element of these Government plans is the shift from public investment to private investment as the driver of economic growth in 2011–2015[2].

One of the other economic plans was the Privatisation Master Plan, which the Government designed in 1991 to guide the implementation of its deregulation programme. Although the deregulation plans stalled in 2008 and 2009 during the global financial crisis, the Government, had in March and June 2010, reaffirmed its commitment to, at least partially, privatising more of its holdings. The public sector would continue to take responsibility for planning and overseeing basic infrastructure and services to encourage economic development and private initiatives, but it had recruited private companies to provide a growing share of services and financing. The Government had also transformed a range of Government institutions into profit-oriented corporations, without directly privatising them.

The Government had announced in March and June 2010 that it would steadily remove the public sector from activities directly competing with the private sector and that it would privatise four smaller state-owned companies - Percetakan Nasional Malaysia (the national

[1] Per capital income stood at around US$8,200 in 2010.

[2] It is noted that private investments grew by an average of 2.6% in 2006-2010, whereas public investments expanded by an average of 6.2% during the same period.

printing house), CTRM Aero Composites, Nine Bio and Inno Bio Ventures - at an unspecified time in 2011-2015. The authorities also planned to privatise all or parts of Penang Port during that period. The Tenth Malaysia Plan, the Government's development programme for 2011-2015 which was announced in June 2010, notes that the "Government will divest its ownership stakes in such a way to ensure that these assets are broadly held and the divestment and [privatisation] initiatives will not affect public interest".

Since 2006, the Government had been slowly reducing its stakes in companies where it had a high concentration of ownership. Though the unfavourable market conditions in 2008 and early 2009 slowed down this programme, the authorities in March and June 2010 reaffirmed their commitment to this scheme. To avoid significant market disruptions and to allow for strategic tie-ups, the Government had used a combination of private placements and structured commitments, such as the placements of convertible bonds. For example, Khazanah had raised US$850 million in June 2007, following a sale of Islamic bonds convertible into shares representing around 15% of PLUS. Khazanah's divestments in 2010 were made through private placements and sales on the open market. Khazanah had played an instrumental role in the Government's privatisation programme through the disposal of shares in corporations held by it on behalf of the Government or those Government-owned companies transferred to its portfolio.

The privatisation programme stipulates that bumiputras should take up at least 30% of the equity of a privatised entity. The privatisation plan does allow for some participation by multinational companies, as a way to upgrade efficiency, promote exports, create necessary international links and provide sufficient capital to absorb the shares offered. Foreign participation in a privatised entity is limited to 25% of share capital, though the Government may grant waivers.

Privatisation had been implemented via a variety of methods, including the sale of equity and assets; the lease of assets; management contracts; management buy-outs; and build-transfer, build-operate-own and build-operate-transfer arrangements. The last option applies mostly to road projects. The Government is actively promoting the establishment of public-private partnerships (PPPs) in developing projects. In early 2009, it established the Public Private Partnership Unit under the Prime Minister's Office to support such projects, establish guidelines and publicise tenders. The authorities aim to implement RM62.7 billion worth of PPPs in 2011- 2015, including the construction of seven toll highways.

As a prelude or an alternative to privatisation, some Government agencies had been corporatised. Examples include the following: Postal Services (1992): University of Malaya (1998); Maritime Academy (1998); Penang Water Supply Corp (1999); Federal Land Consolidation and Rehabilitation Authority (2003); Negeri Sembilan Water Supply (2008); and Agricultural Bank of Malaysia (2008).

Exhibit 2
Media Statement by Khazanah Nasional Berhad of Intended Divestment of Pos Malaysia Berhad

MEDIA STATEMENT
Kuala Lumpur, 30 March 2010

Khazanah to Undertake Strategic Divestment of Its Stake in Pos Malaysia

Background

Khazanah Nasional Berhad ("Khazanah") is pleased to announce a two-stage strategic divestment process of its controlling 32.2% stake in Pos Malaysia Berhad ("Pos Malaysia"), in line with one of the aspirations of the recently announced New Economic Model ("NEM"). Khazanah has been executing a gradual and orderly divestment of non-core holdings and non- competitive assets since mid-2004, divesting a total of RM18.4 billion over 30 transactions, generating gains of RM8.4 billion.

In selecting Pos Malaysia as a candidate for strategic divestment, due consideration was given that while some parts of Pos Malaysia's activities remains an essential public service, a large part of its activities are now deemed less core in view of the advances in modern communications and media services. Pos Malaysia's unique advantages of location and network also offers strong value creation opportunities in logistics and retail that may be better suited under a different ownership structure provided public and stakeholder interests are properly safeguarded. In this regard, an integral part of the proposed strategic divestment will involve ensuring regulatory framework is strengthened to ensure both public and commercial interests are properly balanced.

It is also important to reiterate that Khazanah's strategic divestment policy of controlling stakes will be restricted to only non-core and non-competitive assets. Hence, core assets and holdings in various strategic industries such as infrastructure, telecommunications, banking, aviation and utilities, among others, will remain under Khazanah's holdings in line with our core mandate to drive GLC Transformation and to create regional champions.

Two-stage process and outline transaction parameters

The proposed strategic divestment will be undertaken through a two-stage process. In the first stage, key aspects of Pos Malaysia's macro business environment will be addressed in order to ensure both public and commercial interests are properly balanced. As indicated by the Government, this is expected to include, inter alia, its regulatory structure, use of Government owned land currently allocated for postal infrastructure and the welfare of the company's employees. In the second stage, Khazanah will conduct a bidding process to select a new controlling shareholder based on both financial and strategic considerations.

The full set of financial and strategic evaluation criterion will be outlined in an Information Memorandum in due course. The process will be conducted in a transparent and merit-based manner and the criterion for selection is envisaged to inter alia include the proposed business and value creation plan, a fit and proper test of the bidders and the terms, price and condition of its financial offer. A key requirement is that qualifying bids should be majority controlled by Malaysian parties, with appropriate consideration and

due merit to be given to the quality of strategic and technical partners that may include foreign parties.

The first stage will commence with immediate effect, while Stage 2 will proceed officially upon the satisfaction of these key precursors being put in place under Stage 1. Both stages will be done through proper corporate governance and regulatory processes, and in consultation with all relevant stakeholder groups.

The "Time dotCom divestment template" and the next stage of Pos Malaysia's value creation journey.

This proposed strategic divestment of Pos Malaysia is building upon the template of strategic divestment first executed in the conditional divestment of Time dotCom Berhad ("TdC") in 2008, a transaction that won The Edge's "Deal of the Year" for 2008. In this case, Khazanah implemented a strategic divestment by way of a restricted tender process, whereby an entrepreneurial owner-management team has taken control through a combined purchase and "earn-out" structure, the latter of which is subject to the achievement of pre-determined performance targets. While still early, results have been encouraging thus far with TdC posting a net profit of RM33 million in FY2009, the first recorded in nine years.

Since 2005, Khazanah has been working closely with and through the board of Pos Malaysia in its ongoing revamp and business transformation as part of the broader GLC Transformation Program. Over this period, Pos Malaysia has delivered several significant operating and business improvements and is at present executing its Transformation Master Plan that was launched in August 2009. Since, Khazanah's entry as a shareholder in 2005, Pos Malaysia has delivered a holding period return of capital gains and distribution in excess of 20%.

As part of the ongoing journey of business transformation, Khazanah's Managing Director, Tan Sri Dato' Azman Hj. Mokhtar said: "To realize the economic transformation of Malaysia under the NEM, Khazanah remains committed to the creation of value in its holdings through the GLCT Programme and at the appropriate time, the orderly reduction of its non-core holdings. This proposed strategic divestment of Khazanah's controlling stake in Pos Malaysia will be executed with that in mind, whereby the mantle of value creation will be passed to new controlling shareholders that will be selected in a transparent and merit-based manner. It will be an exciting development, and Khazanah with the support of the Government will ensure that all required safeguards from a regulatory and staff welfare standpoint will be put in place".

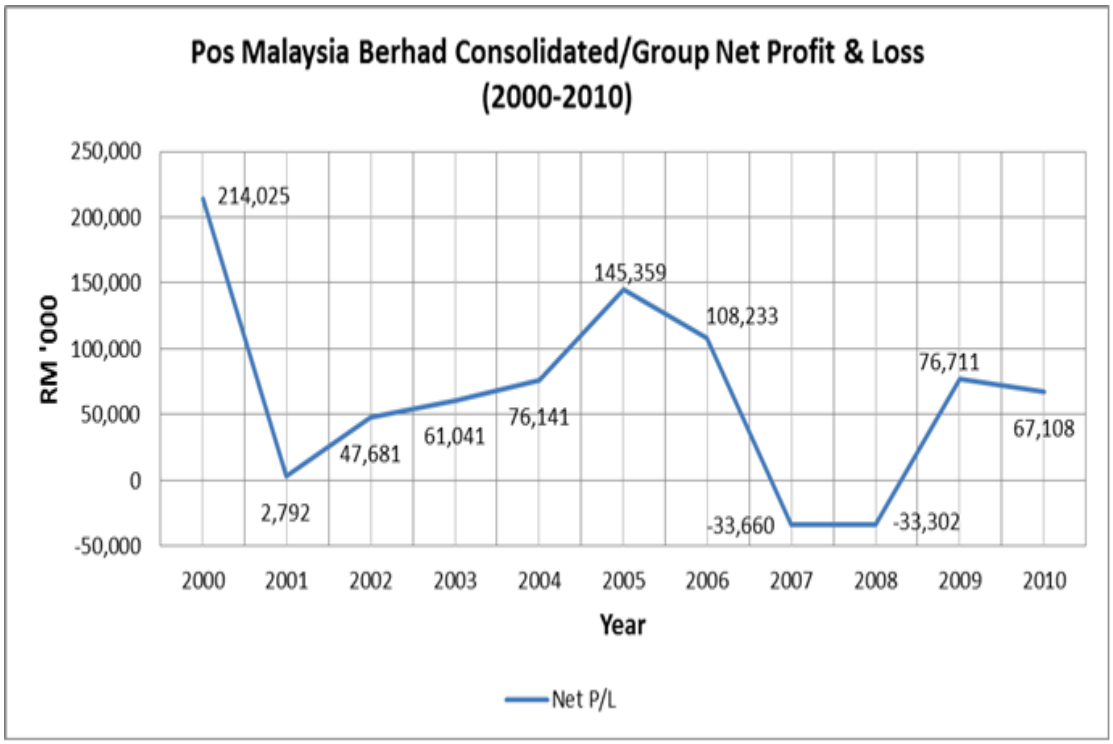
Khazanah will announce further details of the proposed strategic divestment in due course, in full consultation with and with due process working with the board of Pos Malaysia and with the respective Government regulatory authorities.

Exhibit 3
Financial Profile and Operating Environment for Pos Malaysia Berhad

Financial Profile and Operating Environment for Pos Malaysia Berhad

Pos Malaysia was one of the GLCs with a strong balance sheet. It had a healthy cash pile of RM181.7 million, excluding cash held on behalf of agents and for fuel rebate distribution. For FY2009, Pos Malaysia had turned around to post a net profit of RM76.7 million on the back of RM902.5 million in revenue from a net loss of RM33.3 million the previous year due to allowance for impairment of RM116.1 million. It had suffered losses in FY2007 and FY2008 due to the provision for its 14.9% stake in Transmile Group Berhad. This was the result of a plunge in the share price of the cargo carrier from RM12 to only 40 sen.

Source: ***Cover Story: Pos Malaysia at tipping point,*** The Edge Malaysia, 5 April 2010



Source: Pos Malaysia Berhad Audited Annual Reports 2000 to 2010

Pos Malaysia's revenue had climbed steadily from RM189 million in FY2001 to RM902.6 million in FY2009 despite the general belief that the internet had replaced snail mail. The revenue in FY2009 saw a small decline of 2% from RM921.7 million in FY2008 as sales in all its business segments, excluding courier and logistics, declined. Analysts were upbeat on Pos Malaysia, however, with its share upgraded to a buy with a target price of between RM3.52 to RM3.80. This was a sudden turnaround for a stock which was considered illiquid and boring just a couple of weeks ago pre the announcement of the divestment plan.

Source: ***Cover Story: Pos Malaysia at tipping point,*** The Edge Malaysia, 5 April 2010

For FY2010, Pos Malaysia reported RM67.1 million in net profit on the back of RM1 billion in revenue. The company's earnings per share (EPS) was 12.5 sen. In FY2009, Pos Malaysia registered a net profit of RM76.7 million on the back of RM902.6 million in revenue, while EPS was 14.3 sen. In its notes accompanying its financials, Pos Malaysia explained that the

FY2010 results had to take into account provisions for bad investments, including a one-off impairment provision relating to capital expenditure incurred for a postal counter system costing RM22.3 million. Without providing for bad investments, Pos Malaysia would have registered a higher profit. But it should be noted that Pos Malaysia had increased its rates by about 100% in some weight categories in July 2010. The rate hike was followed by an increase in employees' wages.

While Pos Malaysia was the dominant player, the operating environment was competitive. For instance, ACE Market-listed[1] GD Express Carrier Berhad posted a net profit of RM2.9 million on the back of RM44.7 million in revenue for the six months ended June 2011. GD Express, in its notes accompanying its financials, said that "while competition is expected to remain intense, the Group will continue to focus ... to ensure the long-term sustainability of the Group". The emergence of Singapore Post as a shareholder in GD Express, with 27.1% equity interest, augured well for the company. For the nine months ended December 2010, Nationwide Express registered a net profit of RM1.2 million on the back of RM67.6 million in revenue. In its notes, Nationwide Express said it "expects the business environment for the coming quarter to continue to be challenging". Being in the same industry, Pos Malaysia expected to face the same issues.

Source: ***Cover Story: Bidders for Pos come under intense scrutiny***, The Edge Malaysia, 11 April 2011

[1] ACE is a secondary stock market in Bursa Malaysia. It came into being following the revamp of the Mesdaq Market. The acronym stands for "Access", "Certainty" and "Efficiency". Its main objective is to facilitate early access to market for capital raising among emerging companies across all sectors. It is a sponsor-driven initiative to provide guidance and expertise to growing companies and offers a streamlined process for listing, creating a more efficient listing environment.

Exhibit 4
Financials and Share Prices of Pos Malaysia Berhad

Exhibit 4

Financials and Share Prices of Pos Malaysia Berhad

Income statements for the year ended 31 December 2008

		Group		Company	
		2008	2007	2008	2007
	Note	RM'000	RM'000	RM'000	RM'000
Revenue	18	921,666	859,329	874,171	832,859
Raw materials and consumables used		(21,580)	(15,573)	(6,535)	(7,330)
Staff costs		(513,282)	(464,962)	(503,539)	(455,166)
Rental,communication and utilities		(47,250)	(41,621)	(45,658)	(40,045)
Transportation		(125,706)	(109,875)	(121,437)	(109,204)
Maintenance and supplies		(50,213)	(46,180)	(47,101)	(43,072)
Depreciation of property, plant and equipment		(29,098)	(31,951)	(26,964)	(29,189)
Amortisation of prepaid lease payments		(11,369)	(12,038)	(10,977)	(11,588)
Other operating expenses		(36,939)	(36,095)	(30,910)	(31,934)
Results from operating activities		86,229	101,034	81,050	105,331
Other operating income					
- interest income		18,919	36,093	17,956	22,832
- others		12,307	20,432	11,950	19,293
Allowance for impairment losses		(116,098)	(140,854)	(97,647)	(254,285)
Share of results after tax of equity accounted associate		(1,043)	(1,179)	-	-
Finance cost		(833)	-	(831)	-
(Loss) / profit before tax	19	(519)	15,526	12,478	(106,829)
Tax expense	21	(32,783)	(49,186)	(31,237)	(45,685)
Loss for the year		(33,302)	(33,660)	(18,759)	(152,514)
Attributable to:					
Equity holders of the Company		(35,876)	(33,660)		
Minority shareholders		2,574	-		
Loss for the year		(33,302)	(33,660)		
Basic earnings per ordinary share (sen)	22	(6)	(6)		

Source: Pos Malaysia Berhad Audited Annual Report 2008

Income statements for the year ended 31 December 2009

	Note	Group 2009 RM'000	Group 2008 RM'000	Company 2009 RM'000	Company 2008 RM'000
Revenue	19	902,561	921,666	872,220	874,171
Raw materials and consumables used		(13,582)	(21,580)	(6,182)	(6,535)
Staff costs		(512,271)	(513,282)	(501,926)	(503,539)
Rental, communication and utilities		(53,012)	(47,250)	(51,276)	(45,658)
Transportation		(108,590)	(125,706)	(107,531)	(121,437)
Maintenance and supplies		(46,862)	(50,213)	(44,111)	(47,101)
Depreciation of property, plant and equipment		(37,589)	(29,098)	(35,446)	(26,964)
Amortisation of prepaid lease payments		(11,366)	(11,369)	(10,993)	(10,977)
Other operating expenses		(36,936)	(36,939)	(34,612)	(30,910)
Results from operating activities		82,353	86,229	80,143	81,050
Other operating income					
- interest income		12,860	18,919	12,624	17,956
- others		10,964	12,307	8,462	11,950
Write back of / (Allowance for) impairment losses		4,892	(116,098)	1,978	(97,647)
Share of results after tax of equity accounted associate		-	(1,043)	-	-
Finance cost		(1,805)	(833)	(1,802)	(831)
Profit / (Loss) before tax	20	109,264	(519)	101,405	12,478
Tax expense	22	(32,553)	(32,783)	(32,333)	(31,237)
Profit / (Loss) for the year		76,711	(33,302)	69,072	(18,759)
Attributable to:					
Equity holders of the Company		75,415	(35,876)		
Minority shareholders		1,296	2,574		
Profit / (Loss) for the year		76,711	(33,302)		
Basic earnings (loss) per ordinary share (sen)	23	14	(6)		

Source: Pos Malaysia Berhad Audited Annual Report 2009

Income statements for the year ended 31 December 2010

	Note	Group 2010 RM'000	Group 2009 RM'000	Company 2010 RM'000	Company 2009 RM'000
Revenue	18	1,014,975	902,561	982,026	872,220
Raw materials and consumables used		(16,026)	(13,582)	(6,158)	(6,182)
Staff costs		(559,395)	(512,271)	(546,461)	(501,926)
Rental , communication and utilities		(55,545)	(53,012)	(53,019)	(51,276)
Transportation		(119,099)	(108,590)	(118,385)	(107,531)
Maintenance and supplies		(49,421)	(46,862)	(45,403)	(44,111)
Depreciation of property, plant and equipment		(57,126)	(48,955)	(54,606)	(46,439)
Other operating expenses		(52,695)	(36,936)	(49,600)	(34,612)
Results from operating activities		105,668	82,353	108,394	80,143
Other operating income					
- interest income		13,234	12,860	12,382	12,624
- others		13,437	10,964	13,561	8,462
Reversal of impairment loss on financial assets		15,537	4,892	-	1,978
Impairment loss on financial asset designated as available-for-sale		(25,098)	-	(25,098)	-
Impairment loss on property, plant and equipment		(22,273)	-	(22,273)	-
Fair value through profit or loss: held for trading		1,489	-	1,489	-
Finance cost		(2,928)	(1,805)	(2,926)	(1,802)
Profit before tax	19	99,066	109,264	85,529	101,405
Income tax expense	21	(31,958)	(32,553)	(30,810)	(32,333)
Total comprehensive income for the year, net of tax		67,108	76,711	54,719	69,072

Source: Pos Malaysia Berhad Audited Annual Report 2010

Balance sheets at 31 December 2008

	Note	Group 2008 RM'000	Group 2007 RM'000	Company 2008 RM'000	Company 2007 RM'000
Assets					
Property, plant and equipment	4	232,901	156,876	213,679	139,717
Prepaid lease payments	5	273,707	283,450	193,407	202,584
Investment properties	6	15,071	15,071	-	-
Investments in subsidiaries	7	-	-	32,784	32,784
Investments in associates	8	-	1,043	-	-
Other investments	9	219,951	307,544	211,215	298,808
Deferred tax assets	15	376	700	-	-
Total non-current assets		742,006	764,684	651,085	673,893
Other investments	9	7,643	77,856	7,643	78,209
Inventories	10	6,215	3,185	3,659	1,753
Receivables, deposits and prepayments	11	179,004	157,947	246,777	207,790
Current tax assets		2,715	935	1,327	-
Cash and cash equivalents	12	600,258	242,537	579,656	224,626
Total current assets		795,835	482,460	839,062	512,378
Total assets		1,537,841	1,247,144	1,490,147	1,186,271

Balance sheets at 31 December 2008 (continued)

		Group		Company	
		2008	2007	2008	2007
	Note	RM'000	RM'000	RM'000	RM'000
Equity					
Share capital	13	268,513	268,369	268,513	268,369
Share premium	13	385	-	385	-
Retained earnings	14	495,557	591,022	438,206	516,554
Total equity attributable to equity holders of the Company		764,455	859,391	707,104	784,923
Minority interest		2,574	-	-	-
		767,029	859,391	707,104	784,923
Liabilities					
Deferred tax liabilities	15	10,655	7,660	10,203	7,220
Hire purchase creditors	16	27,066	-	27,016	-
Total non-current liabilities		37,721	7,660	37,219	7,220
Payables and accruals	17	725,469	368,696	738,933	383,399
Current tax liabilities		718	11,397	-	10,729
Hire purchase creditors	16	6,904	-	6,891	-
Total current liabilities		733,091	380,093	745,824	394,128
Total liabilities		770,812	387,753	783,043	401,348
Total equity and liabilities		1,537,841	1,247,144	1,490,147	1,186,271

Source: Pos Malaysia Berhad Audited Annual Report 2008

Exhibit 4

Balance sheets at 31 December 2009

		Group		Company	
	Note	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Assets:					
Property, plant and equipment	4	273,694	232,901	256,999	213,679
Intanglible asset	5	4,630	-	-	-
Prepaid lease payments	6	262,135	273,707	182,414	193,407
Investment properties	7	15,071	15,071	-	-
Investments in subsidiaries	8	-	-	41,284	32,784
Investments in associates	9	-	-	-	-
Other investments	10	208,492	219,951	210,654	211,215
Deferred tax assets	16	85	376	-	-
Total non-current assets		764,107	742,006	691,351	651,085
Other investments	10	4,967	7,643	4,967	7,643
Inventories	11	8,692	6,215	4,736	3,659
Receivables, deposits and prepayments	12	177,507	179,004	237,077	246,777
Current tax assets		1,453	2,715	-	1,327
Cash and cash equivalents	13	317,861	600,258	276,554	579,656
Total current assets		510,480	795,835	523,334	839,062
Total assets		1,274,587	1,537,841	1,214,685	1,490,147

Balance sheets at 31 December 2009 (continued)

	Note	Group 2009 RM'000	Group 2008 RM'000	Company 2009 RM'000	Company 2008 RM'000
Equity:					
Share capital	14	268,513	268,513	268,513	268,513
Share premium	14	385	385	385	385
Retained earnings	15	530,695	495,557	467,001	438,206
Total equity attributable to equity holders of the Company		799,593	764,455	735,899	707,104
Minority interest		-	2,574	-	-
		799,593	767,029	735,899	707,104
Liabilities:					
Deferred tax liabilities	16	14,503	10,655	13,657	10,203
Hire purchase creditors	17	23,829	27,066	23,792	27,016
Total non-current liabilities		38,332	37,721	37,449	37,219
Payables and accruals	18	422,212	725,469	427,098	738,933
Current tax liabilities		6,054	718	5,856	-
Hire purchase creditors	17	8,396	6,904	8,383	6,891
Total current liabilities		436,662	733,091	441,337	745,824
Total liabilities		474,994	770,812	478,786	783,043
Total equity and liabilities		1,274,587	1,537,841	1,214,685	1,490,147

Source: Pos Malaysia Berhad Audited Annual Report 2009

Balance sheets at 31 December 2010

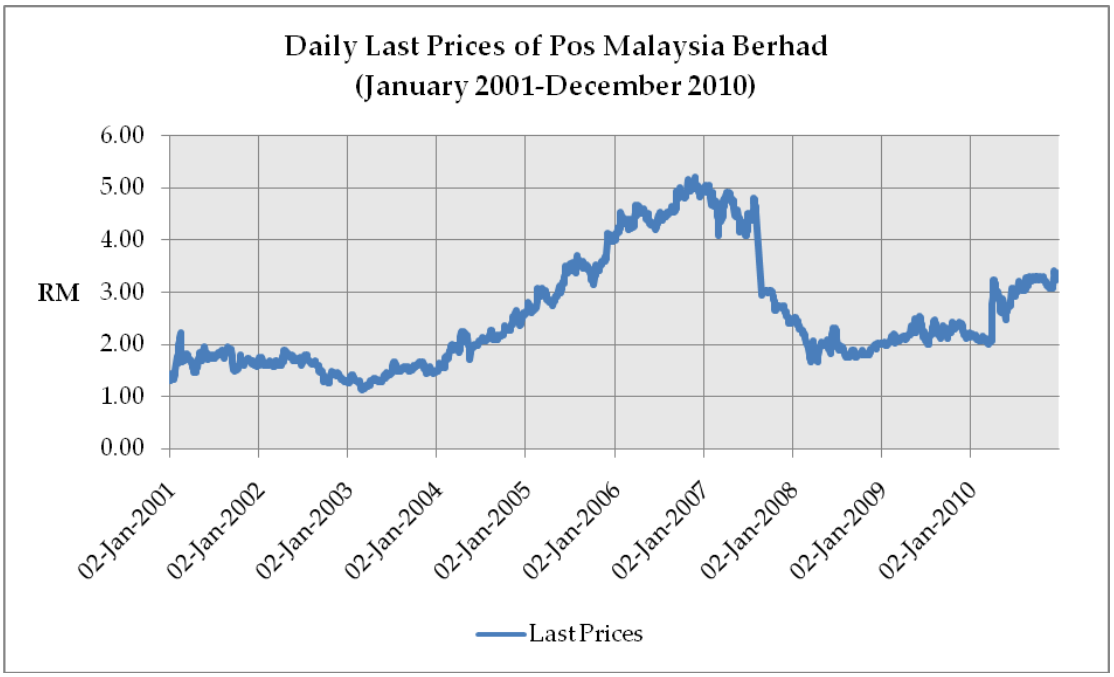
		Group		Company	
	Note	2010 RM'000	2009 RM'000	2010 RM'000	2009 RM'000
Assets			restated		restated
Property, plant and equipment	4	551,960	535,829	459,819	439,413
Intangible asset	5	4,630	4,630	-	-
Investment properties	6	15,071	15,071	-	-
Investments in subsidiaries	7	-	-	62,344	41,284
Investments in associates	8	-	-	-	-
Other investments	9	96,468	208,492	96,079	210,654
Deferred tax assets	15	417	85	-	-
Total non-current assets		668,546	764,107	618,242	691,351
Other investments	9	104,306	7,267	103,164	4,967
Inventories	10	8,761	8,692	5,457	4,736
Receivables, deposits and prepayments	11	196,570	177,507	251,096	237,077
Current tax assets		1,503	1,453	-	-
Cash and cash equivalents	12	395,533	315,561	354,443	276,554
Total current assets		706,673	510,480	714,160	523,334
Total assets		1,375,219	1,274,587	1,332,402	1,214,685

Balance sheets at 31 December 2010 (continued)

	Note	Group 2010 RM'000	Group 2009 RM'000 restated	Company 2010 RM'000	Company 2009 RM'000 restated
Equity					
Share capital	13	268,513	268,513	268,513	268,513
Share premium	13	385	385	385	385
Reserves	14	559,695	530,695	482,784	467,001
Total equity		828,593	799,593	751,682	735,899
Liabilities					
Deferred tax liabilities	15	12,282	14,503	11,372	13,657
Hire purchase creditors	16	30,762	23,829	30,738	23,792
Total non-current liabilities		43,044	38,332	42,110	37,449
Payables and accruals	17	471,849	422,212	506,377	427,098
Current tax liabilities		18,497	6,054	19,011	5,856
Hire purchase creditors	16	13,236	8,396	13,222	8,383
Total current liabilities		503,582	436,662	538,610	441,337
Total liabilities		546,626	474,994	580,720	478,786
Total equity and liabilities		1,375,219	1,274,587	1,332,402	1,214,685

Source: Pos Malaysia Berhad Audited Annual Report 2010

Share Prices of Pos Malaysia Berhad



Source: Bloomberg

Exhibit 5

Media Statement by Khazanah Nasional Berhad on the Process of its Strategic Divestment of Pos Malaysia Berhad

MEDIA STATEMENT
Kuala Lumpur, 20 February 2011

Khazanah enters second stage of Pos Malaysia strategic divestment

Khazanah Nasional Berhad ("Khazanah") is pleased to announce that it has entered into the Second Stage of the divestment process of its 32.21 percent stake in Pos Malaysia Berhad ("Pos Malaysia").

Whilst still working on Stage One pertaining to Pos Malaysia's macro business environment, the Second Stage will run concurrently, commencing with the restricted tender process that will emphasize on sound strategies and business plans that are sustainable to bring Pos Malaysia to the next level of growth.

The assessment would also include bidders' ability to ensure Pos Malaysia continues with its Universal Service Obligations ("USO") as well as the commitment to retain staff.

The divestment will undergo a fair and transparent process. This process will provide a level playing field, giving all proposals submitted by bidders an equal opportunity.

An independent evaluation panel comprising five professionals from the public and private sector with extensive postal and corporate experience will evaluate all bidders' proposal on an anonymous basis.

The bidders will be considered based on their strategy and business plan followed by the offer price. The name of the shortlisted bidders will be revealed to the panel after the shortlisting process is completed.

These shortlisted bidders will then be invited to submit their revised strategy and business plan as well as their final offer. Hence, contrary to recent speculations in the media, there is neither a leading nor lagging bidder at the current stage of the bid process.

Bidders must be 51 percent owned and controlled by Malaysians, with a profile that fits the goal of diversity in terms of ownership under the "1 Malaysia" concept including Bumiputera participation. They must also possess strong entrepreneurship and management capabilities with proven track record.

Exhibit 6

Media Statement by Khazanah Nasional Berhad on its Strategic Divestment of Pos Malaysia Berhad to DRB-HICOM Berhad

MEDIA STATEMENT
Kuala Lumpur, 22 April 2011
Strategic Divestment Stake in Pos Malaysia to be Sold to DRB-HICOM

Khazanah Nasional Berhad ("Khazanah") is pleased to announce that after an extensive two-stage process, the strategic divestment of its 32.21% stake in Pos Malaysia Berhad ("POS") will be made to DRB-HICOM Berhad ("DRB-HICOM"). This decision was made following a rigorous selection process initiated by Khazanah to ensure that the new shareholder will be able to bring POS to the next level of growth.

The divestment is made via a conditional offer with a price consideration of RM3.60 per share or RM622.79 million. The offer price of RM3.60 per share is subject to the modification of the Special Rights Redeemable Preference Share in POS ("Special Share") held by Minister of Finance (Incorporated) ("MoF Inc.") This modification inter alia includes the reservation to appoint up to two Board members in POS; and the removal of rights to appoint the Chairman and Managing Director of POS and fix their respective remunerations such that these become matters for determination by the Board of Directors of POS. This condition precedent is not within Khazanah's control, as it is the sole prerogative of MoF Inc to make any modification on the Special Share.

The conditional offer price is also subject to the variation in the use of 16 plots of identified lands owned by the Federal Lands Commissioner ("FLC") and leased to POS. The current terms of the lease allows for only postal services use, while the variation provides for the inclusion of commercial use, over and above the mandatory postal use. In the event the variation does not happen by 31 December 2011, DRB-HICOM will be refunded 10 sen per share or RM17.30 million.

Khazanah's Managing Director, Tan Sri Dato' Azman Haji Mokhtar said: "DRB-HICOM was chosen based on their overall bid, which offers not only a defined strategy but also an executable business plan and an acceptable offer price. Their proposed strategy and business plan in turn provides an effective platform for POS's growth, if adopted by the Board of POS as a whole."

Deemed as a landmark divestment as it is Khazanah's first divestment of its entire stake in a major GLC, Khazanah adopted a robust strategic divestment process which involved an open bidding process and a merit-based and transparent selection process.

Conducted in two stages - the first stage involved addressing key aspects of POS's macro business and regulatory environments, while the second stage revolved around the restricted tender process. Both stages ran concurrently.

Stage One saw the resolution of the long-running issue relating to the salary of postmen and revision of postal tariffs. The postal rate revision took effect in 1 July 2010 and subsequently, POS also resolved a long outstanding pay revision for postmen in the same month.

Stage Two started with the Pre-Qualification phase, where Khazanah appointed CIMB Investment Bank ("CIMB") and McKinsey & Company ("McKinsey") as advisors for the

transaction. CIMB assisted Khazanah in identifying parties who would be interested in purchasing Khazanah's stake in POS, including both local and foreign parties. A total of 48 parties were approached to submit their respective proposals, out of which 10 parties expressed their interest to participate and were pre-qualified at the Pre-Qualification phase. Khazanah then proceeded to the Indicative Bid phase where all 10 parties were invited to submit their bids. Out of this, five parties reverted with their respective bids.

The five bidders were all given detailed and equal opportunities to meet up with Khazanah's advisors to explain their respective strategy and business plan submission. The bidders also had one-on-one meetings with the managements of Khazanah and POS. With respect to the meeting with POS management, which was requested by all the bidders, only publicly available information were shared with the bidders, i.e. information shared at analysts' briefings and shareholders' general meetings. POS's Board's prior approval was obtained for these one-on-one meetings with POS management.

With Khazanah, the bidders were given an opportunity to better understand the bidding process and received detailed feedback to help each of them improve their bid submission. Subsequently, all five bidders proceeded to the Binding Bid phase. Out of the five bidders, four parties submitted their Binding Bids. The bidders submitted their bids in separate envelopes containing; (i) the strategy and business plan, and (ii) the offer price.

An independent evaluation panel comprising five senior professionals from the public and private sector with extensive postal and corporate experience had evaluated all the bidders' proposal on the basis of anonymity, where the bidders' names were coded. This ensured that the Panel members performed their evaluation of the strategic and business plan component purely on the basis of the content of the submission, without being prejudicial to the identity of the bidders.

The panel, with the assistance of Khazanah's advisors, evaluated the strategy and business plans first. Based on this, the bidders were shortlisted to a final two. Subsequently, the offer price envelopes were opened and evaluated compositely. Both shortlisted bidders were given the opportunity to present to the panel. The panel's evaluation was based on a composite score between strategy and pricing, whereby strategy accounted for 60% and pricing 40%. Based on the composite score, the panel unanimously recommended DRB-HICOM.

Tan Sri Azman explained: "There was a fit and proper test of the new majority shareholder which includes promoting the sustainable development of the Universal Service Obligations ("USO"), as well as the commitment to retain existing staff in their business plan." The commitment to fulfil the social obligations under the USO (as required under the Postal Services Act, 1991) is crucial as postal services have an impact on the Rakyat, especially for those residing in remote or rural areas.

Khazanah's emphasis on strategy and business plans within the evaluation process does not in itself make any assumption of control or otherwise. The process required bidders having to state, in their own opinion, whether a general offer ("GO") would be necessary or not as their own circumstances dictate.

Khazanah's Executive Director of Investments, who was the Project Director for this strategic divestment, Mohammed Rashdan Mohd Yusof explained: "It is the buyer's prerogative, and not of the seller, to determine whether a GO is necessary, as only the buyer can ascertain the extent of control they exert over POS after they acquire the 32% stake. Furthermore, the divestment process did not reveal any information to the bidders beyond readily available market information."

Tan Sri Azman concludes: "As a responsible seller to stakeholders including minorities and the Rakyat, our emphasis on business strategies and credibility of the bidders was to ensure that the successful bidder, via the Board members they intend to proportionately install with their 32% stake, have a robust business plan to both deliver on their USO and unlock value and for them to discuss at the POS Board."

For further clarification, please contact Mohd Asuki Abas at +603 2034 0000, or via e-mail to asuki.abas@khazanah.com.my.

About Khazanah Nasional Berhad
Khazanah is the investment holding arm of the Government of Malaysia entrusted to manage the assets held by the Government and to undertake strategic investments. Khazanah was incorporated under the Companies Act 1965 on 3 September 1993 as a public limited company. The share capital of Khazanah is owned by the Minister of Finance, a body corporate incorporated pursuant to the Minister of Finance (Incorporation) Act, 1957.

About DRB-HICOM
DRB-HICOM is one of Malaysia's leading conglomerate with core businesses in the Automotive, Services and Property, Asset & Construction sectors. DRB-HICOM's aim is to continue adding value and propelling the nation's development. In the Automotive sector, DRB-HICOM is involved in the manufacturing, assembly and distribution of passenger and commercial vehicles, including the national motorcycle. In Services, DRB-HICOM is involved in various businesses, including concession and financial related services. In Property, Asset & Construction, DRB-HICOM is involved in residential and commercial development

Exhibit 7
Timeline of Key Events

Timeline of Key Events

Date	*Event*
March 2010	Khazanah first announced its intention to divest its entire stake in PMB using a two stage process, i.e. first stage – company to be divested was specifically groomed for sale and future growth; second stage – an open bidding, merit-based and transparent extensive selection deployed
18 January 2011	Bidding process officially started with Khazanah announcing opening of tender for its PMB shares through its advisers, CIMB Investment Bank Berhad and McKinsey & Co.
February 2011	Assessment of the business plans submitted by bidders had commenced
End March 2011	Shortlisting process completed and Khazanah informed the short-listed bidders that they had to make a presentation to independent panels, which would in turn make a recommendation to Khazanah
April 2011	Khazanah had identified DRB-HICOM as a strategic partner to acquire its 32.12% stake comprising of 172,997,399 ordinary shares of RM0.50 each in PMB for consideration of approximately RM622.8 million based on RM3.60 per PMB share
22 April 2011	Khazanah announced that it would divest its entire 32.21% controlling stake in PMB to DRB-HICOM for RM622.8 million
1 July 2011	DRB-HICOM finally announced that it had completed the acquisition of the 32.21% stake in PMB from Khazanah