GLC TRANSFORMATION PROGRAMME PROGRESS REVIEW

PUTRAJAYA COMMITTEE ON GLC HIGH PERFORMANCE (PCG) SECRETARIAT

31 MARCH 2010

FOREWORD

This is the 6th year of the GLC Transformation Programme and we have just entered the second half of a 10-year Programme. The Programme has made significant progress to-date and we are on track and staying the course. However challenges remain.

The world was recently gripped by the financial crisis of 2008/2009. All companies were forced to get down to business but it was a good experience. The GLCs have shown resilience in weathering the crisis. This was in part due to various crisis management measures which were swiftly put in place. In addition, GLCs were stronger entering this crisis as a result of all the restructuring and transformation efforts done in the prior years. GLCs have resumed its growth trajectory and are expected to grow in line with the broader Malaysian economy.

GLCs have also taken up YAB Prime Minister's call to go regional. You will see in this report that GLCs have a bigger presence in the region today compared to when the Programme started. Indeed the GLC Transformation Programme targets to create regional champions by 2015. Equally important is for the Programme to support the Government's New Economic Model (NEM), 10th Malaysia Plan and the Government Transformation Programme (GTP). Moving forward, collective action and greater collaboration is needed between the public sector, GLCs and non-GLC private sector. This is imperative, in the spirit of 1Malaysia and will help us take a big step towards becoming a developed high income nation.

As Secretariat for and on behalf of the Putrajaya Committee on GLC High Performance (PCG), we would like to extend our heartfelt gratitude for the support and guidance from the Government, the broad GLC community and all stakeholders and society at large. Staying true to the noble aspirations of this 10-year journey that remains undiminished would not have been possible otherwise.

In particular, the Secretariat's sincere thanks to the Prime Minister, YAB Dato' Sri Mohd Najib Tun Hj Abdul Razak and our previous Prime Minister, YABhg Tun Abdullah Hj Ahmad Badawi being the current and previous (and founding) Chairman of the PCG respectively. And to YB Tan Sri Nor Mohamed Yakcop and YB Dato' Seri Ahmad Husni Mohamad Hanadzlah, senior officials from the Ministry of Finance, and GLICs, headed by Tan Sri Dato' Hamad Kama Piah Che Othman, Tan Sri Dato' Lodin Wok Kamaruddin, Tan Sri Azlan Zainol and Datuk Ismee Ismail respectively. Any success attained to-date for the Programme would not have been possible without their tremendous support and that of their staff.

TAN SRI DATO' AZMAN HJ MOKHTAR &
MOHD IZANI ASHARI
Secretariat to the PCG

HIGHLIGHTS

The Government-Linked Companies ("GLCs") Transformation ("GLCT") Programme passed the half-way mark of its 10-year journey. Phase 3 concluded in 2009 and the Programme continues on its trajectory towards achieving full national benefit by 2015.

GLCs have successfully weathered the global financial crisis. Restructuring and transformation efforts under the earlier phases of the GLCT Programme resulted in more resilient GLCs that passed the test of the global financial crisis and the Malaysian recession in 2009. G-20[1] total shareholder returns ("TSR") generated a 5-year compound return of 14.2% to February 2010, out-performing non G-20 FBM KLCI by 2.9% per annum. While G-20 FY2009 aggregate earnings declined 20% from the previous year, it remained at RM2.1bn or 22% above 2004 levels when the Programme started.

GLCs have resumed its growth trajectory. Historically, GLCs have been a good proxy to the broader Malaysian economy, due to the pro-cyclicality of sales and a sticky fixed-cost structure. G-20 earnings therefore is set to recover, returning to peak-earnings by FY2011 on the back of Malaysia's growth forecast. G-20 price targets and analyst ratings have markedly improved over the last six months, by 30% and 20% respectively.

GLCs continued to catalyse domestic economic growth and deliver benefits to all Malaysians. G-20 net domestic capital expenditure totaling RM15.4bn in 2009 translated into high economic multipliers and structural transformation content for new growth drivers. Much of this expenditure was in support of the country's Second Economic Stimulus Package. Active divestment of non-core and non-competitive assets by G-20 totaling RM782m in 2009 provided new business opportunities for the private sector. Efforts to increase "crowding-in" via collaboration and co-investment opportunities with local players were pursued. Over and above the achievement of stronger financial and operating performance, GLCs continued to deliver benefits to all Malaysians which includes customers, suppliers, employees and the society. GLCs won numerous awards in 2009 for improving its service levels and provision of higher quality products and services. GLCs have also actively supported SEJAHTERA, a programme to raise the livelihood of lower-income groups. Through the Vendor Development Programme ("VDP") aimed at helping vendors to become more competitive, a total of 130 vendors have graduated since 2004.

Regionalisation and building for the future. GLCs have been steadily expanding their geographic footprint. G-20 overseas revenue has grown from 26% of total revenue in FY2004 to 32% in FY2009. In the same period, share of G-20 overseas assets grew from 9% to 23%. Meanwhile, GLCs continue to build human capital by supporting ongoing programmes such as Promoting Intelligence, Nurturing Talent and Advocating Responsibility ("PINTAR"), the Graduate Employability Management Scheme ("GEMS"), the Leadership Development Circle ("LDC") under Orange Book initiative, Government-GLC Cross Fertilisation Programme and Accelerated Development Programme ("ADP") under the Orange Book initiative and Malaysian Directors Academy ("MINDA") programmes. GEMS has trained 5,000 unemployed graduates in 2009. All of them have undergone industrial training and thus far, 3,000 or 60% have secured permanent employment.

Staying the course, creating champions and supporting the New Economic Model ("NEM"). Phase 4 of the GLCT Programme aims to have all GLCs performing on par with domestic peers, with several becoming regional or global champions by 2015. YAB Prime Minister has reaffirmed this ambition, stating the Government's commitment to ensure that the GLCT Programme continues to be implemented, with greater urgency and focus. The Programme will increasingly shift towards execution at the GLIC and GLC levels, away from the centre and Programme level in the earlier phases. Moving forward, collective action and greater collaboration between various transformation agents is needed to ensure achievement of Programme aspirations. They should also support execution of NEM, the 10th Malaysia Plan and Government Transformation Programme ("GTP") to ultimately realise our ambition of becoming a developed high income nation.

1. A selection of 20 GLCs controlled by the Government-Linked Investment Company ("GLIC") constituents of the Putrajaya Committee on GLC High Performance ("PCG"). As at 28 February 2009, there are 19 GLCs following the Sime Darby merger and TM demerger. UEM Group has replaced UEM World following UEM's restructuring exercise

INTRODUCTION

In May 2004, the transformation of GLCs was identified as a national priority and integral to Malaysia's aspirations of achieving developed country status. The GLCT Programme was subsequently launched that year, anchored on three key underlying principles:

- **National Development Foundation** – Growing equity, improving total factor productivity, developing human capital and Bumiputera community
- **Performance Focus** – Creating economic and shareholder value through improved GLC performance
- **Governance, Shareholder Value and Stakeholder Management** – Enhancing governance within GLCs through implementation of GLCT Initiatives, and engaging and managing stakeholders

The Programme was established as a 10-year programme encompassing four phases as outlined in Exhibit 1 below.

The Programme passed the half-way mark of its 10-year journey. Phase 3 concluded in 2009 and the Programme continues on its trajectory towards achieving full national benefit by 2015.

This March 2010 Progress Review is an annual update prepared by the PCG Secretariat to report on the performance of the G-20 during 2009, while also taking stock of the overall progress of the Programme.

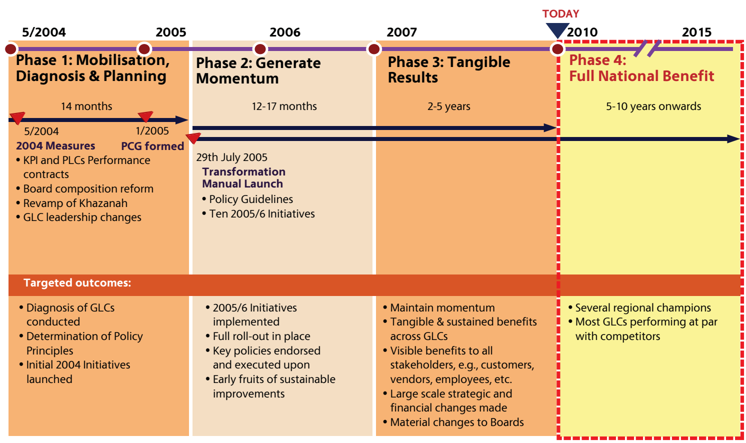
The corporate scene at the beginning of 2009 faced some uncertainty as a result of the raging global financial crisis and the bleak expectations for the global and Malaysian economy for the year. Hence, throughout 2009, GLCs focused on implementing a three-pronged strategy:

1. To weather the crisis and be ready for economic growth
2. To catalyse growth in the domestic economy and deliver stakeholder benefits
3. To regionalise and continue building for the future

The above was underpinned by strong fundamentals instituted since the inception of the Programme in 2004 through restructuring and transformation efforts.

The following sections will review in greater detail the work carried out under each of the above areas.

EXHIBIT 1: Four Phases of the GLCT Programme



Source: GLCT Manual launched in July 2005

1. GLCs WEATHERED THE CRISIS AND HAVE RESUMED ITS GROWTH TRAJECTORY

GLCs RESILIENT THROUGHOUT THE CRISIS

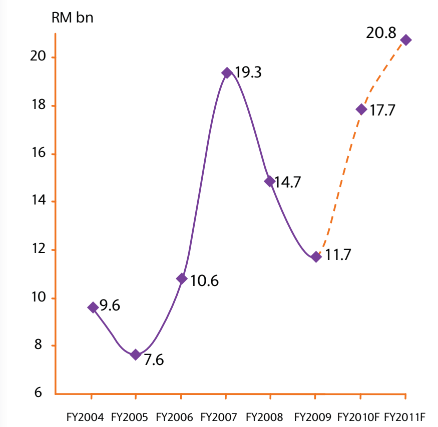
The global crisis of 2008 and 2009 saw GLCs undertaking various **crisis management** measures. This involved carrying out several rounds of stress-testing key economic and operational metrics to assess the company's financial position against various adverse scenarios. This resulted in a series of defensive actions by GLCs including further cost cutting initiatives, rearrangement of financing lines, active management of cashflow position, and even to the extent of reviewing of material counterparty impact. A number of companies, namely Maybank, Axiata, MAS, UEM Land and Boustead, in recognition of stress-points resulting from expansion activities in previous years, took pre-emptive measures of "armour plating" their balance sheets via strengthening their capital base through rights issues and other capital management measures.

In addition, GLCs entered the crisis from a position of strength due to the restructuring and transformation work undertaken, including implementation of the 10 GLCT Initiatives[2].

As a result, the G-20 companies have weathered the challenges of 2009. The debt-to-equity ratio at 2009 year-end stood at 42%, consistent with 2004 ratio. Generally, the debt-to-equity levels remained fairly stable between 40% (2008) and 44% (2005) except 2007 where the ratio dropped to 28%. Net interest cover stood comfortably at 5.4 times in 2009 while operating cashflows have increased since inception of the Programme.

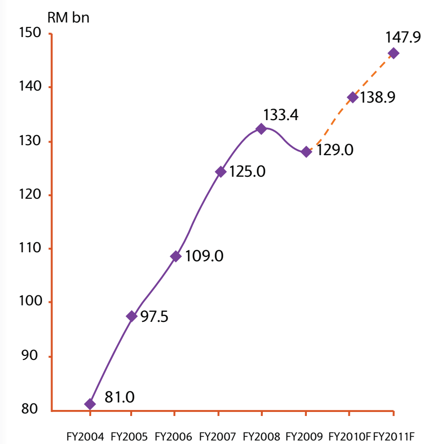
Aggregate earnings for FY2009 were recorded at RM11.7bn, 20% down from the previous year and 39% down from the high of RM19.3bn for FY2007, in line with the reduced GDP growth of 1.7% in 2009. The lower profitability was mainly attributable to lower aggregate revenues (down 3.4% from RM133.4bn in FY2008 to RM129.0bn in FY2009) and specifically, higher coal prices for TNB, impact of provisioning for Maybank and lower crude palm oil ("CPO") prices for Sime Darby and Boustead. It is noteworthy that the earnings is still above 2004 levels when the Programme started and is evidence of operational improvements having taken place within the companies.

EXHIBIT 2: G-20 Aggregate Net Profit



Source: Company reports; Bloomberg consensus estimates; PCG analysis

EXHIBIT 3: Non-bank G-20 Aggregate Revenue



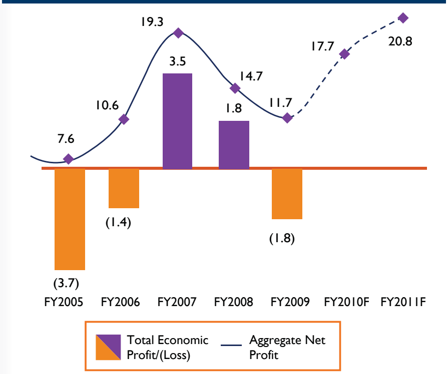
Source: Company reports; Bloomberg consensus estimates; PCG analysis

2. The 10 GLCT Initiatives consist of (1) Enhancing Board Effectiveness (Green Book), (2) Strengthening Directors Capabilities (MINDA), (3) GLIC Monitoring and Management Functions, (4) Improving Regulatory Environment (White Book), (5) Achieving Value Through Social Responsibility (Silver Book), (6) Reviewing and Revamping Procurement Practices (Red Book), (7) Optimising Capital Management Practices (Purple Book), (8) Strengthening Leadership Development (Orange Book), (9) Intensifying Performance Management Practices (Blue Book), (10) Enhancing Operational Efficiency and Effectiveness (Yellow Book)

1. GLCs WEATHERED THE CRISIS AND HAVE RESUMED ITS GROWTH TRAJECTORY

Economic Profit as a tougher hurdle rate: Having achieved an aggregate Economic Profit of RM3.5bn in FY2007, this measure has retreated back to an aggregate Economic Loss of RM1.8bn for FY2009, as the economic downturn caused lower accounting profits to be insufficient to cover the market-implied cost of equity. Despite this setback, even during the worst of the global economic crisis, the aggregate Economic Loss is smaller than the starting position in 2005.

EXHIBIT 4: G-20 Economic Profit (RM bn) & Aggregate Net Profit (RM bn)

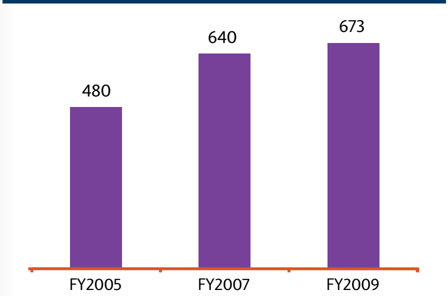


Source: Company reports; PCG analysis

Cyclical results mask efficiency gains: Much headway has been made in increasing productivity in the G-20. Operating costs were broadly stable despite rising revenue, and this manifested itself in higher employee output. As an indication, non-bank G-20[3] revenue per employee rose from RM480k in FY2005 to RM673k in FY2009, a compound productivity increase of 8.8% per annum. This has been accomplished largely through revenue accretion and natural employee attrition, without resorting to mandatory employee redundancies.

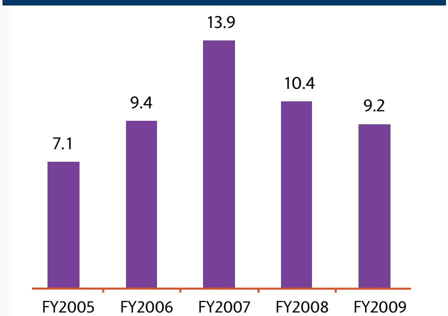
Capital productivity has also improved. Aggressive cost management and rising output prices have raised cashflow and earnings at a compound annual rate of 8% per annum over the past 5 years. G-20 average Return On Equity ("ROE") rose from 7.1% in FY2005 to 9.2% in FY2009 after peaking at 13.9% in FY2007, owing to revenue growth and capital structure optimisation. This average ROE comfortably surpassed the cost of debt (averaging between 5.4% and 6.5% for non-bank G-20), thus demonstrating the value created by the companies.

EXHIBIT 5: Non-bank G-20 Revenue per Employee (RM '000)



Source: Company data; PCG analysis

EXHIBIT 6: G-20 Average ROE (%)



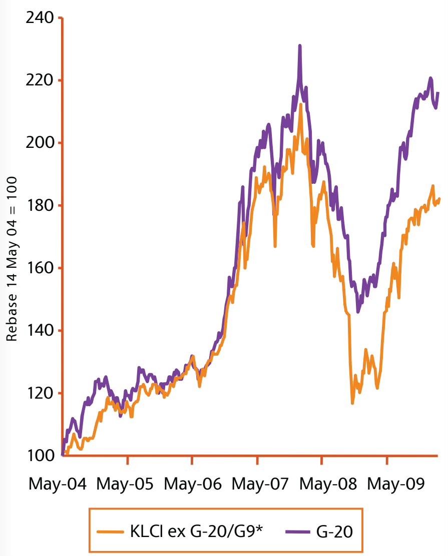
Source: Company data; PCG analysis

3. Excludes Sime Darby, UEM Group and THP as historical comparatives were unavailable

1. GLCs WEATHERED THE CRISIS AND HAVE RESUMED ITS GROWTH TRAJECTORY

Improving shareholder returns: The operational and financial improvements in the G-20 over the duration of the Programme to-date has translated into better outperformance of the broader market. As an indication, G-20 TSR have generated a 6-year compound return of 14.2% per annum to February 2010, vs. 11.3% per annum for the non G-20 KLCI, an out-performance of 2.9% per annum. The index of G-20 TSR rose 116% between May 2004 and February 2010 (vs. an increase of 87% for the non G-20 KLCI). G-20 paid RM33.0bn in net dividends over 2005-2009, representing a payout ratio of 52% of earnings, in line with the market average payout ratio.

EXHIBIT 7: G-20 TSR (%)



Source: Bloomberg; PCG analysis
* KLCI ex G-20 pre 10 July 2009, FBM KLCI ex G-9 after 10 July 2009

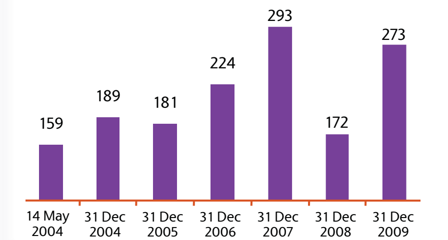
GLCs IN STRONG POSITION FOR GROWTH

Promising outlook for 2010-2011: GLCs have historically been a good proxy to the broader Malaysian economy and therefore expected to recover over the next two years, in line with the growth projections for the country. The real GDP turned positive in the fourth quarter of 2009, with Bloomberg consensus estimates for 2010 full year growth of 4.9%. Assuming its historical two times leverage to GDP growth, G-20 revenue should recover strongly.

Based on Bloomberg consensus estimates, equity analysts expect non-bank G-20 revenue to increase 7.7% in FY2010 and 6.5% in FY2011. This then translates to 51% increase in G-20 net profit in FY2010 and a further 18% in FY2011. The disproportionate increase in profitability is expected to be driven by a doubling of banking earnings due to margin expansion and lower provisioning and higher revenue from non-banks. At the time of printing, analysts expect just 2 of the G-20 companies to report declines in earnings i.e. MAS (due to broader industry concerns) and TM (arising from cashflow requirements over its High Speed Broadband ("HSBB") project).

Growing market interest in GLCs: Market capitalisation rose from RM114bn in May 2004 to RM273bn in 2009, an increase of RM128bn or 72%, even after the market shock in 2008. This performance is due in large part to capital appreciation as well as successful equity capital raising exercises at some the G-20. Larger market capitalisation for the G-20 as well as improving liquidity over the period have resulted in increased participation from both local and foreign investors.

EXHIBIT 8: G-20 Market Capitalisation (RM bn)



Source: Bloomberg; PCG analysis

1. GLCs WEATHERED THE CRISIS AND HAVE RESUMED ITS GROWTH TRAJECTORY

Better analyst coverage, cyclically-positive ratings: In 2005, just 8 of the G-20 stocks were covered by sell-side analysts, but this had increased to all G-20 stocks by early-2010. This increase in analyst coverage was driven by a mix of consistent share price outperformance and greater disclosure initiatives, such as the publicly-announced Headline Key Performance Indicators ("KPIs"). While analyst recommendations have fluctuated in tandem with sentiment across the broader KLCI and economic cycle, both price targets and ratings have markedly improved over the last six months, by 30% and 20% respectively.

EXHIBIT 9: G-20 Analyst Coverage and Ratings

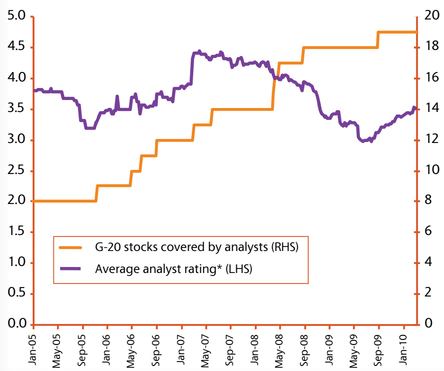
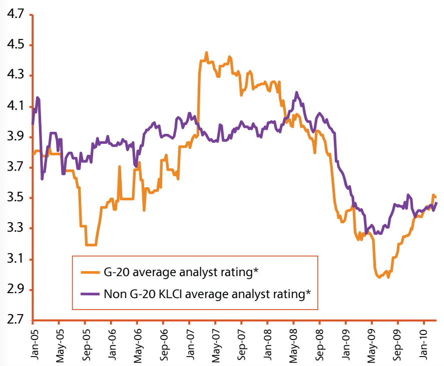
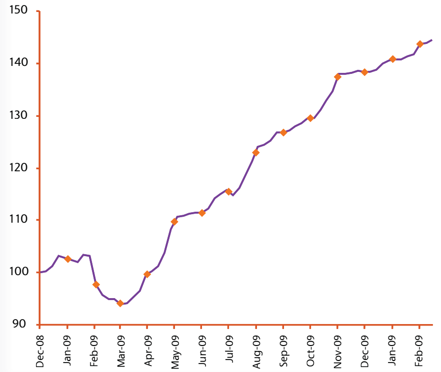


EXHIBIT 10: G-20 vs. non G-20 Analyst Ratings



Source: Bloomberg; PCG analysis
*Rating Scale (1 = Sell; 3 = Hold; 5 = Buy)

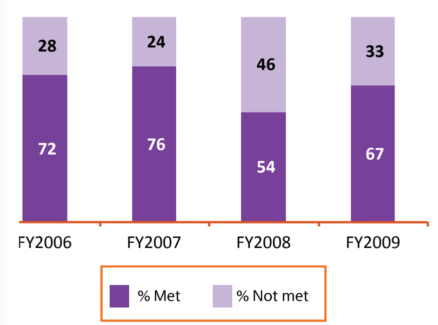
EXHIBIT 11: G-20 Change In Analyst Price Targets since December 2008



Source: Bloomberg; PCG analysis

Explicit Headline KPIs provide signalling discipline to shareholders: Headline KPIs were introduced in 2006 and created a significant disclosure change amongst the G-20 companies, providing greater clarity to minority investors. For FY2009, G-20 companies collectively set a total of 57 Headline KPI targets, of which 46 were financial KPIs and the remaining 11 were operational KPIs. 7 GLCs (Boustead, MAS, Sime Darby, Axiata, UMW, MBSB, CIMB) achieved all pre-set targets, 10 GLCs achieved some targets, and just 2 GLCs did not achieve any targets. Of the 57 Headline KPI targets, the G-20 met 38 i.e. a 67% success rate, with the other targets missed as a result of the economic slowdown.

EXHIBIT 12: Percentage of G-20 Headline KPIs Met and Not Met



Source: Company reports; PCG analysis

2. CATALYSING DOMESTIC ECONOMIC GROWTH, DELIVERING STAKEHOLDER BENEFITS

GLCs CONTINUE TO INVEST DOMESTICALLY, DIVEST NON-CORE ASSETS AND COLLABORATE WITH NON-GLC PRIVATE SECTOR

In recognition of the role of GLCs in the development of the nation and also in supporting the Government's stimulus actions to contain the impact of the economic crisis, GLCs contributed significantly in **catalysing domestic economic growth** on several fronts.

Domestic capital expenditure: In 2009, G-20 spent a total of RM18.8bn on capital expenditure, of which RM15.4bn (82%) was spent domestically. Much of this expenditure was in support of the country's Second Stimulus Package. Significant project spending include implementation of the HSBB project by TM and spending on the Bakun project by TNB. This domestic focus is expected to have a positive multiplier effect on the local economy as the expenditure trickles down the supply chain.

Divestments in non-core and non-competitive assets: In response to the YAB Prime Minister's call in June 2009 for GLCs to pare down their non-core and non-competitive assets, in order to enhance competitiveness and promote a level-playing field, G-20 made asset divestments totalling RM782.3m in 2009, including CCM's disposal of non-core land and building and Pos' disposal of non-core asset G-Force Sdn Bhd. This has provided new business opportunities for the private sector, especially in areas where the private sector have better capabilities or synergies to execute, resulting in an overall gain to the domestic economy.

Collaboration with non-GLC private sector: In an effort to encourage "crowding-in" in the sectors where GLCs are involved, the G-20 have proactively sought partnerships with non-GLCs. Recent examples of such cross-sector collaboration include Boustead's joint venture ("JV") with Tacorp Holdings Sdn Bhd to develop the Royale Cherating Resort and Spa in Kuantan, Sime Darby's partnership with Sunrise Berhad to jointly develop an integrated commercial project in the Bukit Jelutong township valued at RM1bn, MRCB's JV with Pelaburan Hartanah Berhad to develop Lot G integrated green development at KL Sentral valued at RM1.4bn, the Shuaibah Independent Water and Power Project ("IWPP"), a collaboration between TNB, Khazanah and Malakoff Corporation Berhad completed and commissioned in 2009 and Khazanah's JV with Usaha Tegas Sdn Bhd to take Astro All Asia Networks PLC private.

GLCs DELIVER BENEFITS TO ALL MALAYSIANS

Over and above the achievement of stronger financial and operating performance and creation of shareholder value, GLCs continue to remain on track in delivering benefits to various stakeholders based on the underlying principle of national development. To this end, GLCs have also received various notable awards and achievements in recognition of outstanding results in business activities and significant contribution to all Malaysians.

Vendors/Suppliers: GLCs have been focusing their efforts in addressing cost, governance, transparency and efficiency in their procurement process. Vendors/suppliers have also benefitted from VDP carried out by GLCs to elevate their performance to become more competitive. Since 2004, a total of 130 vendors have graduated from the VDP, an indication of having attained a required level of maturity, thus developing the domestic eco-system. Examples of some VDPs include:

MAHB: Establishment of Jonker Walk Kopitiam and Sky Travel Mart at KLIA under the Entrepreneur Development Programme in partnership with the Ministry of Entrepreneur Development and Co-operative Development to support the development of Small Medium Enterprises by providing retail and food and beverages businesses opportunities in an international airport

TM: Launched a three-year VDP to ensure that its external local contractors have the requisite capacity and capability to undertake the national HSBB related works

2. CATALYSING DOMESTIC ECONOMIC GROWTH, DELIVERING STAKEHOLDER BENEFITS

Customers: GLCs' have generally enhanced the quality of products and services and this has benefitted their customers. Notable awards and achievements obtained include:

AFFINBANK: Lowest credit card finance charge in the country as part of the Bank's effort to offer products and services with tangible value to consumers

Axiata: Awarded "Frost & Sullivan's 2009 Asia Pacific ICT Award for Best Telecom Group" of the Year; launched an initiative offering the cheapest data roaming services across six countries in the region, the first ever for Malaysians

BIMB: Winner of the "Platinum Award for Islamic Financial Services" at the annual Reader's Digest Trusted Brands Award 2009 based entirely on consumer voting through a survey among readers

MAHB: Recipient of "Airport Investment Company of the Year" and "Asia Pacific Airport of the Year" (above 15m annual passengers) awards at the 2010 Frost & Sullivan Asia Pacific Aerospace & Defence Awards. Received "Best Airport Immigration Service and Staff Service Excellence in Southeast Asia" in recognition of quality in front-line customer service and general airport customer facilities by Skytrax 2010 World Airport Awards

MAS: Awarded the "5-Star Airline Award 2009/2010 "and "World's Best Cabin Staff 2009" by Skytrax and "Asia's Leading Airline 2009" by World Travel Award

Maybank: Awarded the "Best Private Banking Services Overall in Malaysia" and the "Best Local Bank providing Private Banking Services" by Euromoney Private Banking & Wealth Management Poll 2009

MBSB: Introduced the Musharakah programme, the first in the country which offers collaboration in the management of properties, contract financing and asset financing for developers, property owners and contractors

Pos: Recipient of the "Domestic Express Service Provider of the Year (Malaysia)" at the 2009 Frost & Sullivan Asia Pacific Transportation & Logistics Awards, a first time recipient at the awards for demonstrating outstanding commitment to customers

Proton: The new Proton Saga was named "Malaysia's Best Model of the Year" at the 2009 Frost & Sullivan Asia Pacific Automotive Awards; Proton Savvy ranked 2nd in the Compact Car segment for J.D. Power Asia Pacific's 2009 Malaysia Initial Quality Study

TM: "2009 Broadband Service Provider of the Year" award for the fifth consecutive year, "2009 Data Communications Service Provider of the Year" and "2009 Managed Service Provider of the Year" awards in the 2009 Frost & Sullivan Telecoms Awards acknowledging the company's services and value propositions to customers

> **"With this new infrastructure and all the incentives announced, we are more bullish on Malaysia achieving and even exceeding the 50% household penetration target..."**
>
> Intel Malaysia Country Manager on HSBB Project, The Star, 26 March 2010

2. CATALYSING DOMESTIC ECONOMIC GROWTH, DELIVERING STAKEHOLDER BENEFITS

Employee and Human Capital: GLCs have actively supported in Programme level activities focused on human capital development such as PINTAR, GEMS, LDC, ADP and MINDA, further detailed in the next section. Improved talent management practices and better employee development opportunities were also a key focus for GLCs in 2009. Notable achievements of GLCs in the field of human capital development are:

CIMB: Received "Best Employer's Award (Banking & Financial Services Institutions Category)" by Malaysia HR Awards 08-09 and "Leading Graduate Recruiter Award for the Banking and Financial Services Sector" at Malaysia's 100 Leading Graduate Employers 2009 Awards by GTI Specialist Publishers

Sime: "Leading Graduate Recruiter Award for the Property & Development Sector" at Malaysia's 100 Leading Graduate Employers 2009 Awards by GTI Specialist Publishers

Society: GLCs are embracing contributions to society as an integral part of their business by maintaining a commitment towards education, poverty alleviation, assisting vulnerable communities and improving and conserving the environment. GLCs have also actively supported SEJAHTERA, a programme launched in September 2009 aimed at supporting sustainable livelihood, provision of basic services and building homes. Two pilot projects were rolled out in Pahang and Kelantan to assist 150 families. Phase 2 covering an additional 7 states benefitting 850 families will be implemented in 2010.

2. CATALYSING DOMESTIC ECONOMIC GROWTH, DELIVERING STAKEHOLDER BENEFITS

Examples of GLC specific corporate responsibility ("CR") activities are as follows:

Boustead: The Boustead Pelita Kanowit plantation in Sarawak covering 14,000 hectares of Native Customary Rights land is an oil palm development project where the natives are both employees and shareholders with a 30% stake in the project

CCM: "Sahabat Korporat Tabung Haji" programme supported Haj pilgrims by providing 29,000 health kits worth RM600,000 to ensure the pilgrims are cared for health

MRCB: In collaboration with Balai Seni Lukis Negara, Maybank and the Ministry of Education, MRCB ventured into an art programme with environmental consciousness to support the visual Malaysian arts and to help the needy generate income and encourage people with disabilities to pursue the arts

THP: Ongoing progress of a sustainable plantation development in Beladin, Sarawak covering 1,500 hectares of Native Customary Rights land, is aimed at eradicating poverty and benefitting 700 natives

UEM: The "Respect Your Limits" road safety campaign organised to raise awareness on road safety nationwide involved speakers from PLUS, Jabatan Keselamatan Jalan Raya and the Malaysian Institute of Road Safety Research benefitted more than 1,000 drivers and operators of heavy vehicles

UMW: Presented three Toyota Vehicles to MERCY Malaysia as part of a Community Service grant worth RM798,400 to assist vulnerable communities in Peninsular Malaysia, Sabah and Sarawak; launched its Community Champions Programme, a volunteer programme that gives UMW employees the opportunity to participate in the Group's corporate social responsibility efforts including environmental education programmes and neighbourhood "gotong-royong" projects

3. REGIONALISATION AND BUILDING FOR THE FUTURE

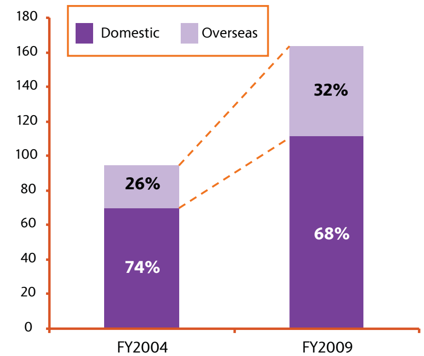
STEADY EXPANSION OF GEOGRAPHIC FOOTPRINT

The need to build greater scale and cement two way linkages between Malaysia and regional markets: Malaysia is well positioned geographically and has historical and cultural linkages with the most dynamic economies in the region (e.g. China, India, Indonesia and the Middle East). GLCs have started to leverage on this strategic advantage.

Expansion in overseas revenue base: In FY2004, 26% of G-20 aggregate revenue was derived from overseas operations, almost entirely from export revenues from MAS and Sime Darby. This rose to 32% in FY2009, translating into RM27.4bn in incremental revenue after five years. This overseas expansion accounted for 40% of revenue growth during the period, and 6 of the G-20 companies (CCM, Axiata, MAS, Sime Darby, CIMB, Maybank) reported overseas operations accounting for more than 20% of revenue in FY2009 vs. just 2 in FY2004.

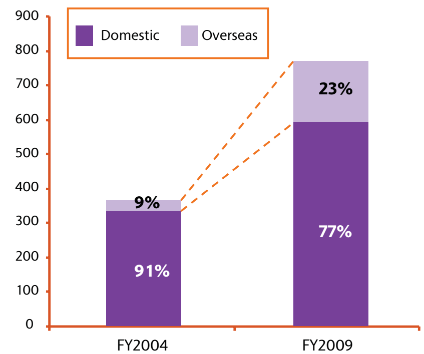
Asset build-up, especially in Indonesia: G-20 companies added RM145bn in total assets overseas over FY2004-FY2009, of which approximately RM60bn went to Indonesia. Among the G-20, the biggest Indonesian plays have been CIMB (Bank Niaga), Maybank (BII) and Axiata (Excelcomindo). Overseas asset accumulation accounted for 36% of total asset growth during the period, and 7 of the G-20 companies (CCM, Sime Darby, TM, Axiata, UMW, CIMB, Maybank) have more than 20% of their total assets invested overseas.

EXHIBIT 13: G-20 Revenue Distribution



Source: Company reports; PCG analysis

EXHIBIT 14: G-20 Asset Distribution



Source: Company reports; PCG analysis

3. REGIONALISATION AND BUILDING FOR THE FUTURE

BUILDING HUMAN CAPITAL

MINDA and Orange Book initiatives continue to collectively drive and enhance the human capital development. GLCs are also actively contributing to education initiatives through PINTAR school adoption scheme and GEMS, the Government's initiative to equip graduates with commercially useful skills and experiences to enhance their employment opportunities. In addition, GLCs contributed to various national level projects including the National Key Results Areas ("NKRAs") and various national human capital initiatives including the cross assignment programme between Government and GLCs.

The PINTAR Programme was launched in December 2006 to support and build capacity for schools through a school adoption approach with 17 pioneer members adopting 34 schools. The success of the programme has resulted in its significant expansion to 25 members adopting 185 schools, benefitting 92,500 students throughout Malaysia. The percentage of students from PINTAR adopted schools who scored straight A's exceeded the National average in 2007, 2008 and 2009.

The GEMS programme established in March 2009 aimed at addressing unemployment amongst Malaysian graduates targets to help 12,000 unemployed graduates by 2011. In 2009, GEMS trained 5,000 unemployed graduates with 100% placement for industrial training across 700 companies and agencies. Of these, thus far 3,000 or 60% have secured permanent employment.

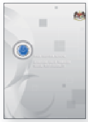
PROGRAMME ACTIVITIES CONTINUE WITH INTENSITY

The majority of the GLCT Programme Initiatives were organised into 'Execution Books' which outline the terms of reference, guiding principles and best practices for GLCs to adopt and execute. All the 10 GLCT Initiatives were launched in 2005-2006. Subsequently, various workshops, training and knowledge sharing sessions were conducted to enhance capabilities in the GLCs and has continued into 2009. Currently, GLCs are at various stages of adopting and implementing the Initiative Books.

3. REGIONALISATION AND BUILDING FOR THE FUTURE

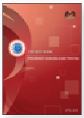
In comparison to 2008, the Programme in 2009 saw a significant increase of 88% and 128% for Programme Days and Man Days respectively, increasing to 333 Programme Days[4] and 5,644 Man Days[4]. This translates to 970 Programme Days and 14,562 Man Days since 2005 and indicates the continued intensity and commitment from all parties towards the Programme to ultimately deliver tangible and sustainable results. A high proportion of this activity can be attributed mainly to the increase in activities under MINDA, Silver Book, Red Book and Orange Book as elaborated below.

INITIATIVE	ACTIVITIES
 **Malaysian Directors Academy ("MINDA"):** Strengthen the Board's capabilities by equipping Directors with world class knowledge, mindset and skill	♦ In October, Dato' Abdul Aziz Abu Bakar was appointed as Chief Executive Officer ♦ In April, a series of awareness and networking events by Egon Zehnder were conducted and attended by 34 GLC Board members and 24 Company Secretaries ♦ In October, Sir John Bond, Chairman of Vodafone (formerly Chairman of HSBC) spoke on "The Creation of a Global Company and Its Pitfalls – Leadership Matters" at a CEO Roundtable and Dialogue session ♦ In November, MINDA held its inaugural Directors' Forum entitled "Board's Response to Turbulent Times" and was attended by 12 Directors ♦ To-date, 99 GLIC and GLC Directors have attended MINDA programmes

INITIATIVE	ACTIVITIES
 **Silver Book:** Achieving value through social responsibility provides guidance to GLCs to be a responsible corporation integrating social and environmental stewardship into their core business and mandate	♦ In July, a workshop focusing on improving CR Reporting was held where participants were given the opportunity to practice and apply globally accepted CR reporting frameworks and guidelines. At the conclusion, participants recognised the importance of having the CR report verified by a credible third-party assurance provider ♦ Sustainability reports published by MRCB, PLUS, TM and UEM Environment in 2009 are based on Global Reporting Initiative ("GRI") G3 Guidelines

4. Programme level activities, measured in terms of 'Programme Days', refers to meetings or any form of sessions between multiple parties conducted to develop the Programme, build awareness and understanding of the Programme and enhance knowledge and execution capabilities. 'Man Days' refer to the participation rate from the GLCT fraternity consisting of PCG members, GLICs and GLCs.

3. REGIONALISATION AND BUILDING FOR THE FUTURE

INITIATIVE	ACTIVITIES
 **Red Book:** Enhancing the effectiveness and efficiency of procurement practices in GLCs to increase procurement value creation and to support national development through use of local content	♦ Several GLCs took the initiative to setup SWAT teams to achieve cost savings as well as enhance efficiency and effectiveness ♦ A Vendor Development Circle was also setup to share best practices in relation to capacity building, evaluation and graduation ♦ GLCs have agreed to take ownership of Procurement Circles to be conducted on a quarterly basis and moving forward. ♦ GLICs and the Procurement Circle will lead the stewardship of procurement best practices and monitor the progress of the agreed procurement value creation targets of RM4.9bn from 2007 to 2010

INITIATIVE	ACTIVITIES
 **Orange Book:** Strengthening leadership development outlines the best practices to attract and retain high performance individuals and recognises talent as the key competitive advantage of an organisation	♦ The 3rd Orange Book LDC ("LDC3") was held on 4 March 2009 and involved participation from G-20 CEOs. The session emphasised the importance of continued leadership development despite challenging economic conditions which prevailed at that time. The session endorsed the deepening and further development of the following existing pan-GLC initiatives: ◊ The Cross Assignment Programme received increase participation in the 2nd cycle. Its success led to the development of the GLC-Government Cross Fertilisation Programme. Its objective of promoting transfer of knowledge and expertise between Government and GLCs. It was launched by YAB Prime Minister in September 2009 and has 38 participants ◊ The G-20 have also continued their Leadership Development Audit (LDA) exercises to measure the leadership gap in GLCs and develop action plans based on the results ◊ The ADP is aimed at developing the next generation of C-Suite leaders over the next two to five years that has the depth and breadth of leadership experience ◊ Continued support for the Centres of Expertise work

4. STAYING THE COURSE, CREATING CHAMPIONS AND SUPPORTING THE NEM

EXHIBIT 15: GLCT Programme Phase 4 Framework

THE GLCT PROGRAMME TO CONTINUE, WITH GREATER URGENCY AND FOCUS

Phase 4 of the GLCT Programme aims to have all GLCs performing on par with domestic peers, with several becoming regional or global champions by 2015. YAB Prime Minister has reaffirmed this ambition, stating the Government's commitment to ensure that the GLCT Programme continues to be implemented, with greater urgency and focus.

> **"GLCs must aspire to greater heights, whether in terms of being best in class or emerging as future regional if not global champions"**
>
> YAB Dato' Sri Mohd Najib Tun Hj Abdul Razak, Invest Malaysia 2009 Keynote Address, 30 June 2009

After five years of restructuring and transformation, substantial capacity has been built at the GLIC and GLC levels. Therefore moving forward, the Programme will increasingly shift towards execution at the GLIC and GLC levels, away from the centre and Programme level in the earlier phases. The point of accountability for execution will have to move towards the Boards and management of GLCs.

COLLECTIVE ACTION AND GREATER COLLABORATION NEEDED

At the 20th PCG meeting ("PCG20") on 15 September 2009, the Phase 4 Framework was presented and deliberated as a way forward for the Programme. It shows how the five transformation agents of the Programme (i.e. GLC Board, GLC Management, GLICs, Government and PCG) need to work together to ensure achievement of Programme aspirations.

National Agenda: The country needs pivotal transformation to drive the final stage of development before 2020. To achieve this, all Malaysians must unite and work together. This has been well articulated in the 1Malaysia concept. We also need a new plan for continued economic growth. The NEM,10th Malaysia Plan and GTP will put in place the required strategies to achieve this. All parties, including GLICs and GLCs should support implementation of these strategies. Drawing on our relative strengths, we can identify and focus on sectors and industries that will propel us to a higher income economy.

Creating Champion Firms: A developed nation is synonymous with competitive firms and vice versa. Therefore some Malaysian companies, including GLCs, should rise to the challenge and emerge as champions.

4. STAYING THE COURSE, CREATING CHAMPIONS AND SUPPORTING THE NEM

"We see global benchmarking as both unavoidable and a prerequisite into the post-crisis "new normal" and in this regard, will continue driving, inter alia, the orderly regionalisation of our leading companies ."

YBhg Tan Sri Dato' Azman Hj Mokhtar, "New Platform for a Higher Equilibrium", The Edge Malaysia, 28 December 2009

However, the harsher economic environment and the short time-frame to 2015 elevate the challenge considerably. The basics, such as the 10 GLCT Initiatives, will no longer be sufficient. Breakthroughs in performance are required. Among others, innovation, inorganic growth, branding, process integration, corporate entrepreneurship and transformative transactions may be adopted. GLCs will need to determine their ambitions (be it becoming a domestic, regional or global champion) and formulate their key business activities. In executing these plans, GLCs could leverage and work together with their network.

Government's Role: The Government's performance has a major bearing on the nation's competitiveness. They enable growth beyond Malaysian borders through direct Government-to-Government discussions, promote public-private partnerships and ensure industrial policy stability and a sound regulatory environment. They also introduce appropriate policies to encourage innovation, growth and competition, while ensuring the national development goals are met. With the GTP, extensive work has commenced to improve the public service delivery.

Programme Support: GLCs comprise of a significant network of companies. A lot of advantages can be derived from harnessing this network. This includes learning best practices from each other, promoting synergies (e.g. "coopetition" - cooperating and competing at the same time), having unity with 1 voice especially in addressing common issues, sharing and exchanging resources.

"... Biologically, the best chance of survival is really about being adaptive and cooperative. Survival of the fittest is not so much about being best at competing individually but as a community of those best at working together."

YB Tan Sri Nor Mohamed Yakcop, Khazanah Megatrends Forum Keynote Address, 5 October 2009

Apart from becoming role models and successful corporations in their own right, GLCs should also support the success of other companies that make up Malaysia Inc. There needs to be more collaboration between GLCs and non-GLC private sector in order to leverage relative strengths and create greater wealth together. For example, as GLCs grow and regionalise, they should bring along their partners and suppliers with them. GLCs should also focus on core activities and dispose of non-core and non-competitive activities. In areas which are core and competitive, GLCs must compete on a level playing field and should catalyse and develop the domestic eco-system. Widening the circle further, the Government, GLCs and private sector, including multinational companies, must join hands and collaborate to fully unleash the dynamism of Malaysia Inc and enhance the competitiveness of the country. On a demand basis, a central body (e.g. the Government or PCG) could coordinate a network for a specific purpose.

PCG Stewardship: PCG has been fundamental in ensuring the GLCT Programme travels on the right trajectory. At the start of the Programme, PCG was focused on creating high-performing companies. It should now focus on providing stewardship for creation of regional and global champions. On a demand basis, PCG discussions could include thought leadership, especially on areas that will help GLCs become champions.

To ensure greater alignment and cohesion, PCG20 saw the inclusion of three new members in 2009. These are Minister in the Prime Minister's Department in charge of the Economic Planning Unit, Chief Secretary to the Government and Secretary General of Treasury, who are expected to provide valuable contribution to the PCG discussions. PCG will continue to provide stewardship going forward and drive the next wave of breakthroughs to ensure that GLCT objectives are achieved by 2015.

"At the 19th PCG meeting, it was reported that the G-20 made significant progress through financial and operation improvements, as well as from the restructuring of balance sheets. While this is very commendable, it is no longer enough. The Prime Minister had said, "Business is not as usual"."

YB Dato' Seri Ahmad Husni Mohamad Hanadzlah, Official launch of MINDA website and brochure, 24 February 2010

CONCLUSION

The GLCT Programme has achieved considerable progress since its launch in 2004. The effects of the recent global financial crisis have resulted in some expected set-backs. Nevertheless, the crisis preparedness measures that GLCs started in late 2008 have been successful in helping them weather the storm. Key 2009 indicators of the programme such as market capitalisation, earnings and ROE remain above 2004 levels. G-20 TSR continues to outperform FBM KLCI.

The GLCT Programme is now in its final phase. Programme ambitions to have several regional or global champions by 2015 remain. YAB Prime Minister has reaffirmed this ambition and the Government remains committed to ensure that the GLCT Programme continues to be implemented, with greater urgency and focus. At the PCG20, YAB Prime Minister has called on GLCs to accelerate their transformation to high performance.

However, becoming a regional or global champion is no easy task. The harsher economic environment and the short time-frame to 2015 raise the challenge considerably. Other constrains include gap in talent management, striking the right balance between commercial and social obligations, need for broader support from all key stakeholders and enhancement of public sector transformation.

Therefore, the five key agents of the Programme will need to step-up and engineer breakthrough solutions and "game-changing" strategies. Incremental steps alone will not be enough.

- GLC Boards will need to focus on upgrading the capabilities of the Board, CEO and Senior Management
- GLC CEOs and senior management should craft winning business transformation plans and strengthen execution momentum
- GLICs to catalyse and accelerate change as active shareholders and institutionalise capabilities at GLCs
- Government to continue providing visible support, create a conducive business environment and successfully execute national level programmes such as GTP and NEM
- PCG to continue providing Programme stewardship

The country needs pivotal transformation to drive the final stage of development before 2020. As GLCs continue to form a major part of the nation's economic structure, in terms of their size and the business critical functions they provide, the GLCT Programme must continue without any letup in momentum and support the execution of NEM, 10th Malaysia Plan and GTP. To succeed and in the spirit of 1Malaysia, the Government, GLCs and private sector must join hands in order to fully unleash the dynamism of Malaysia Inc, enhance the country's competitiveness and ultimately realise Vision 2020.

"Malaysian quality, efficiency and productivity have all been matched or surpassed. Our pool of highly trained workers remains small relative to the needs of the industry. The list goes on. We need to regain our competitive edge and become more business friendly if we want to attract investors. It is not that we must choose to change, we have no choice but to change."

YAB Dato' Sri Mohd Najib Tun Hj Abdul Razak,
Invest Malaysia 2009 Keynote Address, 30 June 2009

APPENDIX 1: G-20 COMPANIES AND THEIR GLICs

GLICs

Kumpulan Wang Simpanan Pekerja (KWSP)	Khazanah Nasional Berhad (KNB)	Lembaga Tabung Angkatan Tentera (LTAT)	Lembaga Tabung Haji (LTH)	Permodalan Nasional Berhad (PNB)

G-20

KWSP	KNB	LTAT	LTH	PNB
Malaysian Building Society Berhad	Axiata Group Berhad	Affin Holdings Berhad	BIMB Holdings Berhad	Chemical Company of Malaysia Berhad
Malaysian Resources Corporation Berhad	CIMB Group Holdings Berhad	Boustead Holdings Berhad	TH Plantations Berhad	Malayan Banking Berhad
	Malaysia Airports Holdings Berhad			Sime Darby Berhad
	Malaysian Airline System Berhad			UMW Holdings Berhad
	Pos Malaysia Berhad			
	Proton Holdings Berhad			
	Telekom Malaysia Berhad			
	Tenaga Nasional Berhad			
	UEM Group Berhad			

APPENDIX 2: STRUCTURE AND ROLES OF PCG AND JOINT WORKING TEAM ("JWT")

- **Provide Programme stewardship**
- **Review progress**
- **Help resolve road-blocks**

PCG

- YAB Prime Minister, Dato' Sri Mohd Najib Tun Hj Abdul Razak - Chairman
- Minister of Finance II, Dato' Seri Ahmad Husni Mohamad Hanadzlah
- Minister in the Prime Minister's Department, Tan Sri Nor Mohamed Yakcop
- Chief Secretary to the Government , Tan Sri Mohd Sidek bin Haji Hassan
- Secretary General of Treasury, Tan Sri Dr. Wan Abdul Aziz Wan Abdullah
- Deputy Secretary General of Treasury, Dato' Puteh Rukiah Abdul Majid
- President and Group Chief Executive, Permodalan Nasional Berhad, Tan Sri Dato' Hamad Kama Piah Che Othman
- Chief Executive Officer, Lembaga Tabung Angkatan Tentera, Tan Sri Dato' Lodin Wok Kamaruddin
- Chief Executive Officer, Employees Provident Fund, Tan Sri Azlan Zainol
- Group Managing Director and Chief Executive Officer, Lembaga Tabung Haji, Datuk Ismee Ismail
- Managing Director, Khazanah Nasional Berhad, Tan Sri Dato' Azman Hj Mokhtar - Secretariat

G20 Chairmen and CEOs

- **Invited to provide views and engage in dialogue sessions**

- **Oversee and coordinate Programme activities**
- **Track, monitor and report progress**

JWT

Secretariat:
Khazanah Nasional Berhad

GLIC Representatives:

Permodalan Nasional Berhad
- Kartini Hj. Abdul Manaf
- Nik Myshani Nik Mohamed
- Mohamad Idros Mosin
- Iswan Rizal Ishak

Lembaga Tabung Angkatan Tentera
- Mohd Saubae Roslan
- Saira Banu

Employees Provident Fund
- Mohamad Nasir Ab. Latif
- Shahril Ramli

Lembaga Tabung Haji
- Abdul Ghaffor Sahul Hamid

APPENDIX 3: ECONOMIC PROFIT

What is EP?

EP is an important yardstick to measure value creation to shareholders. It shows a company's net income after deducting shareholders' opportunity cost in investing money in the firm.

There are two approaches to compute EP:

Spread Approach
EP = (ROIC – WACC) * Invested Capital; or

Residual Approach
EP = NOPLAT – (Invested Capital * WACC)

Note:
ROIC: Return on Invested Capital
WACC: Weighted Average Cost of Capital
NOPLAT: Net Operating Profit less Adjusted Tax

Why EP?

EP supplements accounting profit to provide a more accurate picture of the underlying economic performance of a company because it measures performance in two dimensions:

a) Profit vs. Capital
Takes into account the required rate of return for equity and debt capital providers while analysing profits earned by the company.

b) Risk vs. Return
Incorporates returns earned by the stakeholders based on the risk of their investments.

Independent research has shown that there is a stronger correlation between improvements in EP to shareholder value than there is to accounting profit. Improvement in the long-term trend in EP signals fundamental improvement that ordinarily lends confidence to investors.

ACRONYMS AND ABBREVIATIONS

ADP	Accelerated Development Programme
AFFIN	Affin Holdings Berhad
AFFINBANK	Affin Bank Berhad
Axiata	Axiata Group Berhad
BIMB	Bank Islam Malaysia Berhad
BHB	BIMB Holdings Berhad
Boustead	Boustead Holdings Berhad
CCM	Chemical Company of Malaysia Berhad
CIMB	CIMB Group Holdings Berhad
CR	Corporate Responsibility
EBIT	Earnings Before Interest and Taxes
EBITDA	Earnings Before Interest, Taxes, Depreciation and Amortisation
EP	Economic Profit
EPF	Employees Provident Fund
EPS	Earnings Per Share
FBM KLCI	FTSE Bursa Malaysia Kuala Lumpur Composite Index
FCF	Free Cash Flow
FFB	Fresh Fruit Bunch
FIABCI	The International Real Estate Federation
FY	Financial Year
GDP	Gross Domestic Product
GDV	Gross Development Value
GEMS	Graduate Employability Management Scheme
GLC	Government-Linked Company
GLCT	GLC Transformation
GLIC	Government-Linked Investment Company
GRI	Global Reporting Initiative
GTP	Government Transformation Programme
G-20	A selection of 20 GLCs controlled by GLIC constituents of the PCG. As of February 2009, there are 19 GLCs following the Sime Darby merger and TM demerger. UEM Group has replaced UEM World following UEM's restructuring exercise
IT	Information Technology
JV	Joint Venture
Khazanah	Khazanah Nasional Berhad
KPIs	Key Performance Indicators
LDA	Leadership Development Audit
LDC	Leadership Development Circle
LTH	Lembaga Tabung Haji
MAHB	Malaysia Airports Holdings Berhad
MAS	Malaysia Airline System Berhad
Maybank	Malayan Banking Berhad
MBSB	Malaysia Building Society Berhad
MINDA	Malaysian Directors Academy
MRCB	Malaysian Resources Corporation Berhad
MT/ha	Per Mature Hectare

ACRONYMS AND ABBREVIATIONS

NKRAs	National Key Results Areas on reducing crime, fighting corruption, improving student outcomes, raising living standards of low-income households, improving rural basic infrastructure and improving urban public transport
NEM	New Economic Model
NIM	Net Interest Margin
NPL	Non-Performing Loans
OpCos	Operating Companies
PATAMI	Net Profit after Tax and Minority Interests
PBT	Profit before Tax
PCG	Putrajaya Committee on GLC High Performance
PINTAR	Promoting Intelligence, Nurturing Talent and Advocating Responsibility
PLUS	PLUS Expressways Berhad
Pos	Pos Malaysia Berhad
PROTON	Proton Holdings Berhad
R&D	Research and Development
ROE	Return on Equity
RWCR	Risk-Weighted Capital Ratio
SEA	South East Asia
Sime Darby	Sime Darby Berhad
THP	TH Plantations Berhad
TM	Telekom Malaysia Berhad
TNB	Tenaga Nasional Berhad
TSR	Total Shareholder Return refers to the total return of a stock to an investor (capital gain plus dividends)
UEM	UEM Group Berhad
UEM Environment	UEM Environment Sdn Bhd
UMW	UMW Holdings Berhad
VDP	Vendor Development Programme
YAB	Yang Amat Berhormat
YB	Yang Berhormat
YBhg	Yang Berbahagia
Y-O-Y	Year-on-Year

EXPLANATORY NOTES

1. Net profit is defined as net profit after tax and minority interests ("PATAMI") after exceptional items

2. Operating cashflow is defined as operating cashflow after net interest receipts

3. Net cash/(debt) is defined as year-end total cash and short-term investments, less year-end total borrowings

4. Market capitalisation refers to year-end market capitalisation

5. ROE is defined as PATAMI divided by average shareholder funds for the year

6. Debt-to-assets is defined as net debt divided by the sum of net debt and total balance sheet equity, inclusive of minority interest

7. Operating margin is defined as earnings before interest, tax, exceptional items and associate income, divided by revenue

8. Net interest income is defined as bank interest income less interest expense; excludes Islamic finance and fee-based income

9. Loan assets is defined as year-end loan, financing and advances, as per balance sheet

10. Risk-weighted capital ratio ("RWCR") refers to the statutory definition based on Basel standard prevailing at the time, before dividends; Malaysian operations only

11. Net non-performing loans ("NPL") refers to the statutory definition i.e. after specific provisions but before general provisions

12. Backward-looking accounting data and derivative financial ratios may differ from prior-year Progress Review reports due to the restating of financial accounts

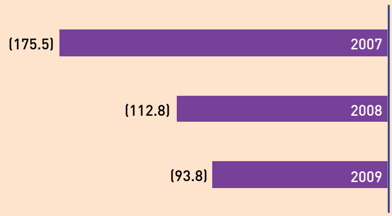
13. The Headline KPIs mentioned in this Report are targets or aspirations set by the company as a transparent performance management practice. The Headline KPIs shall not be construed as either forecasts, projections or estimates of the company or representations of any future performance, occurrence or matter as the Headline KPIs are merely a set of targets/aspirations of future performance aligned to the company's strategy

G-20 SCORECARDS

AFFIN HOLDINGS BERHAD

TSR Index

Economic Profit (RM m)



Historical Performance

FY 31 December	2007	2008	2009
Net Profit (RM m)	252	293	372
Net Interest Income (RM m)	678	724	818
Loan Assets (RM m)	17,278	19,928	22,497
Market Capitalisation (RM m)	3,851	2,271	3,766
ROE (%)	7	7	8
RWCR (%)	14	14	14
Net NPL Ratio (%)	8	3	2

Headline KPIs

FY 31 December	Target 09	Actual 09	Target 10
After-tax ROE (%)	7.5	8.1	8.4
After-tax ROA (%)	0.9	1.0	1.0
Net NPL Ratio (%)	2.3	2.2	1.9
Earnings per Share (sen)	22.7	24.9	27.5

Achievements

Financial performance meeting targets and on the rise
- Recorded a net profit of RM371.8m in FY2009, an increase of 27% as compared to RM292.8m achieved in FY2008
- Surpassed all its announced KPIs for FY2009
- Reduced net NPL ratio of the Group from 3.2% in FY2008 to 2.2% in FY2009
- The gearing ratio of AFFIN (group level) reduced from 0.16 last year to 0.06
- AFFINBANK reported an increase in net loans, advances and financing by 12.8% to register a net loans of RM22bn in FY2009
- AXA AFFIN General Insurance Bhd executed the relevant agreements with Boustead Holdings Berhad and Felda Marketing Services Sdn Bhd on 2 Mar 2010 for the acquisition of the entire share capital of BH Insurance (M) Sdn Bhd

Strengthened foothold in the region
- The present strategic partnership with Bank of East Asia ("BEA") will enable AFFIN to enhance its competitive positioning by leveraging BEA's international platform and capitalising on BEA's branch network in China to promote Islamic Banking

Increased focus on customers and society
- The Group pledged an annual contribution over RM2m to Yayasan Warisan Perajurit
- AFFIN Investment Bank received a Notable Mention in The Edge's Corporate Finance Deal of the Year 2009 for Eastern and Oriental Bhd's Rights Issue of Irredeemable Convertible Secured Loan Stocks
- AFFIN Investment Bank's Analyst won The Edge's 2009 Best Calls Award for the Consumer Sector
- AFFIN Investment Bank's Analyst won The Edge-StarMine's Top Stock Pickers 2009 for the Engineering & Construction Sectors
- AFFIN Fund Management launched the AFFIN Select Growth Fund on 22 Jul 2009
- AFFINBANK is presently undertaking various bold initiatives such as rebranding and strengthening of human capital through the implementation of new and dynamic systems and technology to enhance operations and improve on its quality products and services
- AFFINBANK's long term credit rating was graded upward another notch to A1 in Nov 2009 by Rating Agency Malaysia Berhad ("RAM")
- AXA AFFIN Life Insurance Berhad was the first insurance company in the market to launch the Unemployment Premium Refund Programme ("UPRP") in May 2009 as a proactive response to the economic slowdown situation

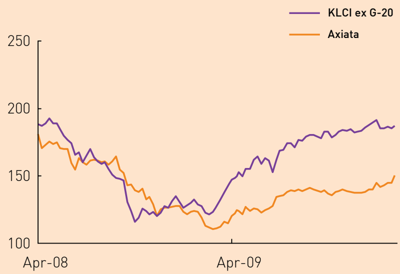
Challenges

Staying at par with the industry
- Reducing the Group's net NPL ratio further to below the present level of 2.2%
- Thriving in an increasingly competitive environment given relatively smaller size
- To be in line with the Financial Sector Master plan as announced by Bank Negara Malaysia
- To improve its efficiency and effectiveness to be at par with the best domestic as well as international players
- To become one of top five domestic banking group through organic growth and/or acquisitions domestically/regionally
- To achieve a minimum pretax ROE of 20% while remaining adequately capitalised
- To develop efficient capital structure for the Group to enhance shareholder's value

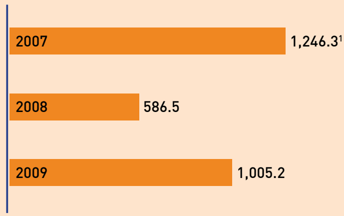
Improving further the delivery platform
- Continuously enhancing service quality via introduction of Service Level Agreements and branch reorganisation exercise
- Develop human capital and strengthen ability to attract and retain best talents and inculcate a performance based work culture
- Identify, anticipate and satisfy customer needs and sustain customer satisfaction level
- Maximise strategic alliances and collaboration with business partners, shareholders, correspondent banks and Government Agencies
- Improving existing as well as developing new product offerings that are attractive and innovative
- Attracting and retaining top talent in the industry

AXIATA GROUP BERHAD

TSR Index



Economic Profit (RM m)



Historical Performance

FY 31 December	2007	2008	2009
Net Profit (RM m)	1,782	498	1,653
Operating Cashflow (RM m)	4,263	2,487	4,746
Net Cash/(Debt) (RM m)	(3,100)	(12,629)	(10,317)
Market Capitalisation (RM m)	N/A	13,587	25,758
ROE (%)	18	5	11
Debt-to-Assets (%)	23	52	35
Operating Margin (%)	27	19	25

Headline KPIs

FY 31 December	Target 09	Actual 09	Target 10[3]
Revenue Growth (%)	6 – 11[2]	15.5	–
EBITDA Growth (%)	4 – 6[2]	18.4	–
ROE (%)	4[2]	11	–

Achievements

All round strong financial results and growth:

- Group revenue (15%), EBITDA (18%), PATAMI (44% normalised) & ROE (2.5 ppts normalised) improvements with 3 OpCos performing very well
- Exceptional market performance better than most, if not all competitors with Celcom & XL performing better than most competitors
  - Turnaround situations resulted in Axiata (Bangladesh) Limited ("AxB") turning profitable (revenue grew 36% & EBITDA by 58%) and Dialog had four consecutive quarters of EBITDA improvements
- Axiata's and XL's balance sheet significantly improved (Axiata's gross debt/EBITDA improved from 4.6x to 2.4x); Axiata turned FCF positive, up 265% to RM2.1bn; three out of five OpCos are FCF positive

Other highlights for 2009:

- OpCo engagement model significantly improved
- Top management across the group significantly enhanced with strong diversity
- Performance management process, measurements (including KPIs) & reporting improved significantly
- Human capital philosophy and processes instituted with many key initiatives implemented especially talent management & leadership development
- Synergy focusing primarily on cost management programmes in 2009 across the Group showing tangible results
- New brand identity launched at headquarters and across all OpCos (except Bangladesh) with initial survey showed regional awareness within a short period of time
- Mergers and acquisitions with financial disciplines exhibited
- Governance processes including Limits of Authority implemented across all OpCos
- The overall strategic direction is on track for Phase 1 (2009 vs. 2007) where group revenue has increased by 31% & EBITDA by 25%

Challenges

Macro economic environment

- Double dip impact, both from local environment and global economic crisis
- Foreign currency exchange rate fluctuation remains a challenge
- Regulatory environment remains a challenge in Bangladesh, Cambodia and Sri Lanka
- Overall uncertainty in economic environment of operating countries
- Size of addressable market shrinking due to economic constraints

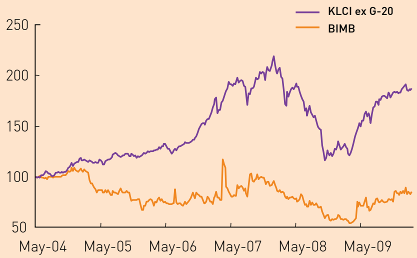
Competition

- Very competitive landscape in countries of operation
- Prices will fall, driving average revenue per user and revenue per minute down further and eventually affecting revenue growth, with significant pressure on margins

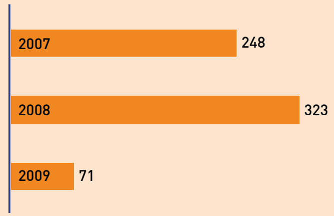
1. Includes one-off gains from Dialog Shares (RM235m), Spice IPO (RM71m) and Spice Tower sale (RM129m)
2. 2009 Headline KPIs as announced on 27 April 2009
3. 2010 Headline KPIs expected to be announced in April/May 2010

BIMB HOLDINGS BERHAD

TSR Index



Economic Profit (RM m)



Historical Performance

FY 30 June	2007	2008	2009
Net Profit (RM m)	788	236	114
Net Income from Depositors Funds (RM m)	428	494	591
Loan Assets (RM m)	8,403	9,055	9,662
Market Capitalisation (RM m)	1,203	780	1,280
ROE (%)	40	25	10
RWCR (%)	12	13	14
Net NPL Ratio (%)	11	8	5

Headline KPIs

FY 30 June	Target 09	Actual 09	Target 10[1]
Revenue Growth (%)	20.0	4.4	–
Expense Growth (%)[2]	5.0	(2.5)	–
ROE (%)	5.0	9.7	–

Achievements

Strong strides in financial performance by the BHB Group despite adverse market conditions

- The BHB Group recorded a revenue of RM1.49bn in FY2009, a y-o-y increase of 4.4% whilst its total assets expanded 15.7% to RM31.9bn
- BIMB (a 51% subsidiary of BHB) continued to reduce its net NPL ratio; which stood at 4.9% as at FY2009 (FY2008: 7.8%)
- BIMB's capital adequacy was further strengthened upon the completion of the RM540m Islamic Convertible Redeemable Non-Cumulative Preference Shares rights issue
- BHB's 65%-owned listed subsidiary, the Takaful Malaysia Group earned an investment income of RM171.4m (FY2008: RM150.8m) amidst lower returns from equity portfolio and declining profit rate from fixed placements

BIMB continues its momentum to be recognised as the premier Islamic finance provider

- Several innovative products were introduced, including the An Najah NID-i (a healthcare-based capital protected structured investment product) and Al-Awfar (Islamic banking's first-of-its kind savings-i and investment-i account which rewards customers with cash prizes)
- Initiated the "Sinar Letrik Home Campaign" where BIMB will help home owners pay their electricity bills for five years under a collaboration with TNB
- BIMB successfully concluded its journey of the Turnaround Plan. The efforts were duly recognised as it was awarded with the prestigious Platinum Award for the "Most Trusted Brand for Islamic Financial Services" by Reader's Digest
- Launched the three-year Sustainable Growth Plan for a faster and sustainable growth track

The Takaful Malaysia Group bolstered its strategic initiatives during the financial year by embarking on a rebranding exercise

- The Wakalah model, involving recruitment of retail agents or Takaful Financial Consultants were introduced to further develop its Takaful Family retail model
- Introduced the Takaful myDesk at selected Tabung Haji offices
- Investments in IT solutions and improvements in human capital were intensified to elevate customer service to a new level
- The Takaful Malaysia Group launched a CSR umbrella brand called Takaful myJalinan, dedicated to supporting a particular underprivileged group in the community
- In conjunction with its 25th year anniversary, the Takaful Malaysia Group carried out a rebranding exercise to reaffirm itself in the market as a Shariah-compliant entity that is modern, young & energetic

Challenges

External challenges

- The banking industry may experience deterioration in asset quality across a number of segments caused by a downgrade in ratings, negative growth in business (especially export-oriented manufacturing and increased lay-offs)
- Further liberalisation initiatives in the Islamic banking and takaful industry will further intensify competition
- Competition for talent with the right skill set

Internal challenges

- Ability to generate high returns and develop new financial solutions and product offering that are comprehensive, competitively priced and innovatively packaged to suit evolving customer needs whilst continuing to exercise prudence in financing activities
- Focusing on financing of recession-proof economic sectors and non-fund based income activities
- Balancing act in improving cost efficiency and rationalisation whilst not sacrificing on long term growth and non-financial metrics
- Further strengthening Corporate Governance and Risk Management by building a solid foundation for sustainable revenue generation and resilient asset portfolio as well as bolstering the Risk Management infrastructure, system and processes

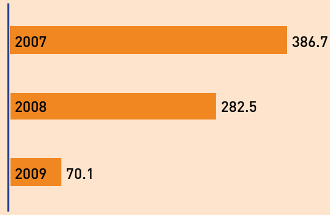
1. With effect from 2010, BHB has changed its financial year to 31 December to be coterminous with its major shareholder Lembaga Tabung Haji, resulting in an 18-month financial period for FY2010. In this regard, the targets for FY2010 have yet to be determined and approved by the BHB Board of Directors
2. The target for FY2009 is to Capitalisation year-on-year increase in expenses at a maximum rate of 5%

BOUSTEAD HOLDINGS BERHAD

Boustead Holdings Berhad

TSR Index

Economic Profit (RM m)



Historical Performance

FY 31 December	2007	2008	2009
Net Profit (RM m)	478	579	342
Operating Cashflow (RM m)	298	509	424
Net Cash/(Debt) (RM m)	(2,629)	(2,834)	(2,548)
Market Capitalisation (RM m)	4,057	2,227	3,154
ROE (%)	22	22	10
Debt-to-Assets (%)	45	46	35
Operating Margin (%)	13	9	8

Headline KPIs

FY 31 December	Target 09	Actual 09	Target 10
ROE (%)	10.0	10.1	10.0
Pre-tax ROA (%)	7.0	7.1	7.0
Net dividend per share[1] (sen)	15.0	22.1	18.0

Achievements

Financial performance for FY2009

- Boustead has posted a revenue of RM5.3bn and recorded a net profit of RM418.4m
- The company has also surpassed all its KPI

Continued focus on enhancing shareholder value

- Boustead plans to develop a resort hotel in Kuantan to be known as "Royale Cherating Resort and Spa". Boustead Hotels and Resorts Sdn Bhd has signed an agreement with Tacorp Holdings Sdn Bhd to set up a JV company, Midas Mayang Sdn Bhd for the purpose of the development
- Boustead and Khazanah has entered into a JV deal to invest RM50m on the development of an indoor educational theme park "KidZania" in Mutiara Damansara which is scheduled to be completed in 2012
- The JV company, Boustead DCNS Naval Corporation Sdn Bhd, has been awarded a contract for the Integrated Service and Support ("ISS") of Scorpene Class Submarines in Malaysia
- Boustead has divested its non-core businesses such as Boustead Bulking Sdn Bhd and Riche Monde Sdn Bhd

Achieved breakthroughs in innovation and R&D

- BH Petrol market its RON 95 – infinity 95x which comprise an additive package that is made up of "detergent and anti-corrosion component together with friction modifier"

Achieved industry recognition

- Boustead was awarded "Brand Laureate Conglomerate Award" by Asia Pasific Brands Foundation
- Boustead Properties Berhad was awarded "Best Commercial Building" for The Curve by Petaling Jaya City Council and"FIABCI Malaysia Property Award 2009" by FIABCI Malaysia
- Idaman Pharma was awarded "Pharmaniaga's Vendor Excellence Award" by Pharmaniaga

Challenges

Managing impact of external factors

- To continuously pursue the company's strategy of focusing on its core business activities
- Fluctuations in crude palm oil prices affect the plantation business, which is a major contributor to profitability
- Ensuring operational efficiencies which include improving service, quality and delivery and sustaining organic growth within the Group in the current economic situation

Strengthening market position

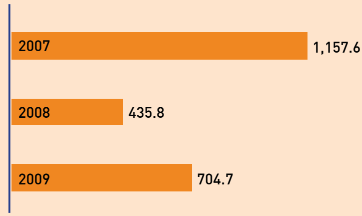
- To expand the property development and shipbuilding business through land acquisition and securing more government contract

1. Previously gross dividend per share. Now, reflected as net dividend per share given the inclusion of a single tier dividend

CIMB GROUP HOLDINGS BERHAD

TSR Index

Economic Profit (RM m)



Historical Performance

FY 31 December	FY2007	2008	2009
Net Profit (RM m)	2,793	1,952	2,807
Net Interest Income (RM m)	4,396	4,661	6,069
Loan Assets (RM m)	95,904	117,382	142,218
Market Capitalisation (RM m)	37,116	20,932	45,348
ROE (%)	19	11	15
RWCR (%)	13	14	15
Net NPL Ratio (%)	4	2	2

Headline KPIs

FY 31 December	Target 09	Actual 09	Target 10
After-tax ROE (%)	14-15[1]	15	16
Total Loans Growth (%	8	14	12
TSR	Outperform KLCI TSR	74% above KLCI	Outperform FBM KLCI TSR

Achievements

Expansion of regional footprint
- Recognised as a regional universal banking stock
- Completed CIMB Thai's acquisition and launched transformation
- Niaga-Lippo merger completed
- Vietnam stockbroking JV
- Acquisition of 19.99% in Bank of Yingkou, China
- Completed regional bank harmonisation
- Plan for Stock Exchange of Thailand listing

Investment Banking Business gaining prominence in the region
- Largest South East Asia IPO for Maxis Berhad
- Largest Asia-ex Japan corporate bond for Petronas Capital Ltd
- Largest IPO in Indonesia for Bank BTN
- No. 1 in ASEAN domestic currency bonds
- Singapore: No. 1 advisor for mid market M&A in terms of number of deals with 1.7% market share
- Indonesia: No. 2 ranked for IPO with 24.5% market share
- Thailand: No. 2 ranked for Equity Capital Market with 15.2% market share

Other Key Highlights
- FY2009 net profit at RM2,807m, up 43.8% y-o-y
- Positive contribution from CIMB Thai of RM47m compared to a loss of RM41m in FY2008
- Corporatisation of Bad Bank consolidating ownership of regional NPL
- Net dividend of 18.5 sen per share
- Proposed 1:1 bonus issue

Challenges

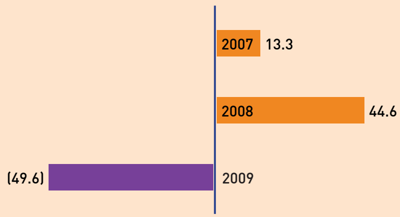
- Adoption of FRS 139 Financial Instruments: Recognition and Measurement
- Adoption of Basel II
- Pressures on NIMs
- Global banking reforms
- Domestic political developments
- Consumer bank sales affected by budget 2010 taxes and higher rates for mortgages

1. Revised from 12.5% in Aug 2009

CHEMICAL COMPANY OF MALAYSIA BERHAD

TSR Index

Economic Profit (RM m)



Historical Performance

FY 31 December	2007	2008	2009
Net Profit (RM m)	63	65	(6)
Operating Cashflow (RM m)	16	(256)	286
Net Cash/(Debt) (RM m)	(249)	(758)	(701)
Market Capitalisation (RM m)	1,155	886	919
ROE (%)	8	9	(1)
Debt-to-Assets (%)	23	47	46
Operating Margin (%)	8	7	3

Headline KPIs

FY 31 December	Target 09	Actual 09	Target 10
Turnover (RM m)	1,800	1,572	1,900
PBT (RM m)	120.0	15.6	94.0
ROE Target for 2010 (%)	12-15	0.6	7-8

Achievements

Emerging as a leader in local pharmaceuticals market

- Registered RM244m revenue, achieving 4.6% growth despite global economic downturn
- Small Volume Injectable upgraded plant to meet International Good Manufacturing Practice standard
- Installed Malaysia's 1st Inert Vaccines Fill & Finish facility which comes with a pharmaceutical-grade Lyophiliser (Freeze Dryer)
- Started the construction of 4,000 pallet space pharmaceutical warehouse at Klang site to cater for business expansion and Good Storage Practice compliance
- Pharmaceuticals Division was awarded the "Best Halal Products : Pharmaceuticals" at the International Islamic Tourism & Halal Week (IISTHAL) 2009

Enhancing leadership in local and Indonesian fertilisers market

- Successfully commissioned NPK compound fertilisers plant in Medan, Indonesia in July 2009. This is the second NPK compound fertilisers plant outside Shah Alam, after successfully commissioning the Bintulu Plant in 2008. The Lahad Datu Plant, the third plant outside Shah Alam is currently under construction and scheduled to be commissioned in March 2011
- The Fertilisers Division achieved a turnover of RM897.3m in FY2009 despite demand disruption which was estimated to be between 25% to 30% in the country

Defending chemicals position amid the global economic downturn

- With a sudden conservatism in the market compared to 2008, contracting market demand and very cost cautious, the Division has managed to seize all possible opportunity in the most opportunistic manner, hence defending Chemicals market share and profitability
- The Division had embarked on an aggressive Operational Efficiency programmes targeting key operational areas on cost optimisation during the year
- With the opportunistic approach in the market coupled with cost optimisation measures, Chemicals Division has managed to defend its position well against 2009 economic backdrop

Recognised for creating a safer environment for employees and the community

- Platinum Award on Community Awareness & Emergency Response Code by Chemical Industry Council of Malaysia ("CICM")
- Platinum Award on Pollution Prevention Code by CICM
- Malaysian Society of Occupational Safety and Health ("MSOSH") Gold Award (Class 1) by MSOSH

Challenges

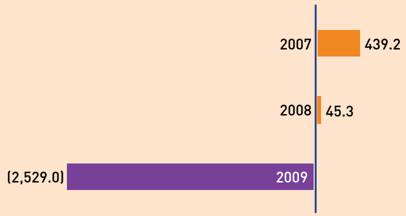
Susceptible to changes in external environment

- Price competition for base volume continue to be intense in the local market
- Continued volatile fertiliser prices resulted in cautious approach adopted by the customers in making commitment on fertiliser purchases for 2010, in anticipation of further correction in fertiliser prices
- Commodity price fluctuation
- Stiff competition in the government market (pharmaceuticals industry) due to emerging new "adoption" players

MALAYSIAN AIRLINE SYSTEM BERHAD

TSR Index

Economic Profit (RM m)



Historical Performance

FY 31 December	2007	2008	2009
Net Profit (RM m)	851	244	490
Operating Cashflow (RM m)	2,462	(436)	(1,629)
Net Cash/(Debt) (RM m)	4,400	2,948	633
Market Capitalisation (RM m)	8,154	5,113	4,545
ROE (%)	29	6	20
Debt-to-Assets (%)	N/A	N/A	N/A
Operating Margin (%)	4	2	(6)

Headline KPIs

FY 31 December	Target 09	Actual 09	Target 10
Net Loss/Income (RM m)	(499) to 50	+490	N/A
Operating Profit/Loss (RM m)	N/A	N/A	100 to 325

Achievements

- Achieved net profit of RM490m for FY2009, mainly due to derivative gains
- Breakeven operating profit of RM4m for Q42009, improved performance despite challenging operating environment
- Operating costs reduced by 13%, non-fuel costs reduced by 4%
- Rebound in cargo demand – revenue increased by 7%
- Passenger traffic increased by 12%, with 3.4m passenger carried – the highest since Q12008
- FY2009 internet sales grew by 68% compared to previous year
- Y-o-y improvement in load factors for Q4 2009 of 77% vs. 65% in Q42008
- Awards won in 2009:
  - "Asia's Leading Airline" by World Travel Awards
  - "5-Star Airline" for the 5th consecutive year by Skytrax
  - "World's Best Cabin Staff 2009" by Skytrax
  - "Aircraft Leasing Deal of the Year – Asia" by Jane's Transport Finance
  - "2009 Best Asia-Pacific Airline Maintenance, Repair and Overhaul ("MRO") Operation Award" by Aviation Week and Overhaul & Maintenance
  - "Best MRO Centre in Asia Pacific 2009" by Frost and Sullivan
  - "Best Air Cargo Carrier in Asia" by 23rd annual Asian Freight and Supply Chain Awards 2009 (AFSCA), HK
- Successful completion of RM2.7bn rights issuance exercise. Rights issue oversubscribed
- Investment in new aircraft to remain competitive (reduced operating cost and lower cost structure) – will have the youngest fleet in Asia by 2015
- Continued investment in systems and infrastructure – Passenger Services System and Enterprise Resource Platform ("ERP"). Implementation of new customer services – e.g. Web Check-In and Mobile services
- Successful delivery of new aircrafts (ATR72) for subsidiaries (seven for Firefly and seven for MASWings)

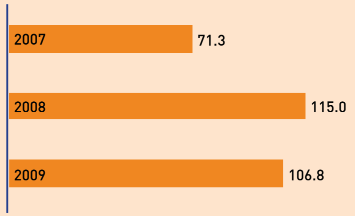
Challenges

- Continued uncertain economic outlook for some key markets expected to prolong recovery of travel demand and yield improvement. Highly competitive market conditions as carriers fight for smaller demand pool
- Fuel price volatility expected to continue, trends indicate continued increase in fuel prices
- Ageing product/aircraft a challenge in pushing for further operational excellence and increased productivity. Impacts market perception of the product
- Current credit and financing environment expected to pose challenges to seeking funding for large investments such as aircraft
- Intense competition arising from excess capacity within Asia and key routes, ASEAN liberalisation and aggressive growth of low cost carriers in the region
- Investors perception impacted by recent changes in KLCI top 30 indexing where MAS was moved to KLCI 100 as a result
- Lower liquidity of MAS shares has dampened foreign investor demand

MALAYSIA AIRPORTS HOLDINGS BERHAD

TSR Index

Economic Profit (RM m)



Historical Performance

FY 31 December	2007	2008	2009
Net Profit (RM m)	289	305	377
Operating Cashflow (RM m)	285	468	(507)
Net Cash/(Debt) (RM m)	680	674	(244)
Market Capitalisation (RM m)	3,322	2,431	4,367
ROE (%)	10	10	12
Debt-to-Assets (%)	N/A	N/A	7
Operating Margin (%)	29	29	30

Headline KPIs

FY 31 December	Target 09	Actual 09	Target 10
	Assume at 0% pax growth		
EBITDA (RM m)	610	642	620
ROE (%)	10.3	11.55	9.22[3]
Airport Service Quality Award	Top 5 worldwide	Rank No. 4[1] / Rank No. 16[2]	Top 5 worldwide

Achievements

Performance Highlights

- Successfully went through a restructuring process into an innovative and unique public-private partnership arrangement that allows transformation from a government entity into a world-class full-range profitable airport operator
- Commendable performance despite the tough economic environment, and the passenger traffic performance was well beyond expectation
- Malaysia is considered as the best performer in the region for international traffic, where significant contribution has come from low cost travel
- Aircraft movements increase driven by government tourism initiatives, increased airlines frequencies and routes, and fare promotion
- Total pax grew 8.19% in 2009 to 51.34m passenger where international passenger sector grew 9.57% while domestic passenger grew 7.10%
- Retail Optimisation Plan ("ROP") was delivered in stages with the final stage completed in Nov 2009
- MAHB's international ventures are Delhi Airport, India (30 + 30 years concession); Hyderabad Airport, India (30 + 30 years concession); to provide expertise in the area of operations and management of Sabiha Gocken Airport, Istanbul, Turkey (20 years concession)

Awards & Accolades

- MAHB was awarded the Distinction Award in the Malaysian Corporate Governance Index 2009
- MAHB received IATA's prestigious Eagle Award for Best Airport 2009
- Received Best Practice Award for Public Listed Company of the National Award for Management Accounting (NAfMA) 2009
- Awarded Airport Investment Company of the Year in 2010 Frost & Sullivan Asia Pacific Aerospace & Defense Awards
- StarBiz-ICR Malaysia Corporate Responsibility Award 2009 Environment and Community categories
- KLIA Ranked at no. 4 in the Airports Council International ("ACI") Airport Service Quality passenger survey Best Airport by size 25-40m

Financial Highlights

- MAHB Group achieved record results for the seventh consecutive year, with revenue growth outperformed passenger growth
- MAHB continues to surpass its Headline KPIs for 2009
- Higher EBITDA margin due to operational efficiency & costs optimisation through internal initiatives carried out throughout the year
- 21.15% improvement in aeronautical revenue resulting from higher passenger growth
- Non-aeronautical revenue grew 12.64% underpinned by higher rental derived from additional commercial space and increased spend per passenger – primarily driven by the ROP

Challenges

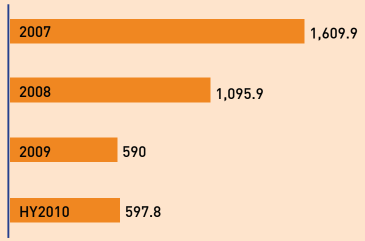
- Passenger traffic and aircraft movement continues to grow in FY2010E as airlines increase their capacity and continue to deliver new routes and services
- Rapid expansion of Low Cost Carrier ("LCC") and demands for LCC Terminal
- Developing the right portfolio of attractive, profitable projects and to attract investors for land development
- In depth analysis of overseas ventures especially in terms of partnering, funding and market selection
- Internal capability building and manpower resource must be adequate to support overseas ventures
- Inculcation of performance driven mindset and culture among staff to align with the transformation programme objectives

1. 25-40m pax category
2. Worldwide category
3. With FRS139, MAHB expects a decline in ROE from 9.22% to 6.57%

MALAYAN BANKING BERHAD

TSR Index

Economic Profit (RM m)



Historical Performance

FY December 31	2007	2008	2009
Net Profit (RM m)	3,178	2,928	692
Net Interest Income (RM m)	5,133	5,427	5,920
Loan Assets (RM m)	140,865	164,614	185,783
Market Capitalisation (RM m)	44,822	24,894	48,555
ROE (%)	18	15	7
RWCR (%)	15	13	15
Net NPL Ratio (%)	3	2	2

Headline KPIs

FY 31 December	Target 09	Actual 09	Target 10	Actual HY2010[3]
ROE (%)	16.1	3.1[1] 10.4[2]	11.0	14.6
Revenue Growth (%)	7.4	10.0	8.0	21.8

Achievements

Financial performance recovered with strong momentum

- For FY2009, core net profits excluding the impairment charge for investments in BII and MCB and allowances for non refundable deposit was RM2.18bn. For the first half of FY2010 ended 31 Dec 2009, Maybank Group posted PATAMI of RM1.88bn, an increase of 43.5% y-o-y against corresponding period due to stronger performance by consumer, corporate, investment banking, insurance and global markets as well as Islamic Banking and Indonesian operations
- Overall revenue for the 1H2010 grew 35.5% y-o-y due to:
  - 17.7% increase y-o-y in net interest income on the back of improved loans growth and stable NIM;
  - 24.9% y-o-y growth from Islamic Banking income; and
  - 78% increase in fee income, boosted by higher fee from investment banking and loans, brokerage fees, net insurance premiums earned and gains from disposal of debt securities
- Group loans grew 9.9% on annualised basis in the 1H2010 contributed by Malaysian operations' loans growth of 8.8%, 23.5% loans growth in BII and 10.8% in Singapore. As at 31 Dec 2009, Group assets stood at RM331bn
- Asset quality as at 31 Dec 2009 continued to improve with Net NPL ratio declining to 1.43% from 1.60% the preceding quarter and 1.80% a year ago
- Maybank achieved a corporate milestone with a record RM6bn rights issue undertaken in Apr 2009 to reinforce our capital strength to support growth and as a pre-emptive move amidst the recent global financial crisis. Maybank Group's Capital Adequacy Ratio remains healthy at 14.61% as at 31 Dec 2009. Maybank Group remains one of the best capitalised banks in the region
- 1H2010 annualised ROE of 14.6% (after dividend) exceeds our Headline KPI

Regional expansion

- With the completion of the acquisition of 97.5% of BII, and 20% of MCB and An Binh Commercial Joint Stock Bank respectively, Maybank Group expanded its network to well over 1,700 branches and offices in 14 countries

Aspirations

- To be a leading financial services Group in South and SEA and anchor our strategic thrusts on securing leadership in the Malaysian financial services, strengthening regional presence and being a talent and execution focused company. This transformation programme has been a success thus far

Challenges

Liberalisation and competition

- Liberalisation of the industry to new players as announced by the Central Bank will bring about greater competition, but will catalyse Maybank to better prepare to meet the challenges in maintaining its leadership position

New regulatory capital framework

- The new Basel Committee's proposals to strengthen global capital and liquidity regulations with the goal of promoting a more resilient banking sector will require banks to think about the balance between assets growth, liquidity and capital positions, though details of the regulations are not available as yet

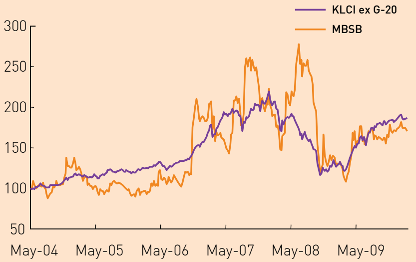
Value creation from overseas operations

- Maybank's overseas strategic acquisitions in Vietnam, Pakistan and Indonesia has enhanced the regional footprint of the Group. Maybank is committed to creating value from these investments and the other footprints that it already has

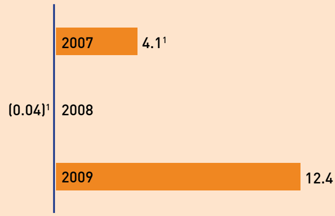
1. Based on Annual Report
2. Based on core net profit excluding one-off impairment charge of Bank Internasional Indonesia ("BII") and MCB Bank Limited ("MCB") and allowance for non-refundable deposits
3. Annualised

MALAYSIA BUILDING SOCIETY BERHAD

TSR Index



Economic Profit (RM m)



Historical Performance

FY 31 December	2007	2008	2009
Net Profit (RM m)	53	33	57
Net Interest Income (RM m)	94	103	162
Loan Assets (RM m)	6,041	6,783	8,118
Market Capitalisation (RM m)	462	571	707
ROE (%)	12	7	11
Net NPL Ratio (%)	23	23	N/A

Headline KPIs

FY 31 December	Target 09	Actual 09	Target 10
ROE (%)	8.0	14.0	10.0
Revenue Growth (%)	15.0	29.3	15.0
Retail Loan Growth (%)	25.0	27.1	-[2]

Achievements

Financial performance meeting targets and on the rise
- Recorded a group maintainable operating profit of RM190m FY2009, an increase of 133% as compared to FY2008
- Achieved all three headline KPIs for FY2009
- Raised RM1.0bn fund through Mortgage-Backed Securitisation (Cagamas)

Enhancing customer value proposition and improving service level
- Increased product offerings for corporate business by introducing Contract Financing under Musharakah Business-i. For mortgage customers, MBSB introduced Easy Home Financing, 2nd Generation Home Package and Home Link E-Z Savers. A special product was designed for Government staff under the Personal Financing that offered attractive profit rates. MBSB also launched Jom Raya Deposits campaign for retail depositors
- Continued developing the key sources of fee-based income from retail and corporate business through process improvement
- Opened two more branches and planned to set up representative offices throughout Peninsular, Sabah and Sarawak

Increased focus on customers and society
- Setting up of Customer Service Committee to further enhance service culture
- Championing the Home Safety Campaign – in collaboration with Polis Diraja Malaysia, Bulan Sabit Merah and TV3 to give awareness on home safety
- Enhancing education level of MBSB's adopted schools i.e. SRK Machang Bubuk and SRK Bukit Teh, Kedah
- MBSB and Padiberas Nasional Berhad ("BERNAS") collaboration to distribute basic necessities i.e. foods to the needy in rural areas of Sabah and Sarawak

Challenges

Staying at par with the industry
- Funding capabilities and inadequate liquefiable assets deterring assets growth
- Inherits legacy and low assets quality
- To be able to sustain and react to the impact of the sub-prime economic crisis
- Thriving in an increasingly competitive environment given relatively smaller size

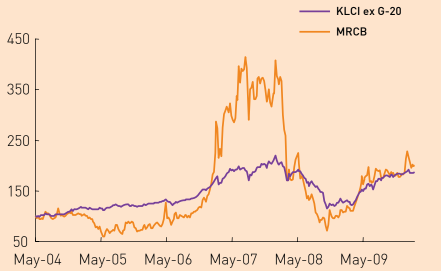
Improving further the delivery platform
- Limited distribution channels leads to opening up of Business Representative Offices in strategic areas
- Human capital development and strengthening the ability to attract and retain best talents and inculcate a performance based work culture
- Intense challenges in positioning Mortgage product
- Maximise strategic alliances and collaboration with business partners, shareholders, correspondent banks and Government Agencies

Enhancing operating platform
- Improve assets quality
- To increase brand recognition
- Improve IT infrastructure

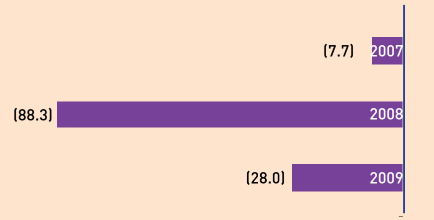
1. Previously reported without Deferred Tax Asset adjustments: 2007 (RM2.0m); 2008 RM0.04m
2. Retail loan growth is no longer a KPI for FY2010

MALAYSIA RESOURCES CORPORATION BERHAD

TSR Index



Economic Profit (RM m)



Historical Performance

FY 31 December	2007	2008	2009
Net Profit (RM m)	41	(57)	35
Operating Cashflow (RM m)	191	167	(243)
Net Cash/(Debt) (RM m)	(315)	(541)	(825)
Market Capitalisation (RM m)	2,314	640	1,243
ROE (%)	7	(8)	5
Debt-to-Assets (%)	29	45	54
Operating Margin (%)	20	9	7

Headline KPIs

FY 31 December	Target 09	Actual 09	Target 10
Group Revenue (RM m)	1,000	921	1,100
New Property Development (RM m)	268	499	300
New Order Book Growth for Engineering, Infrastructure and Others (RM m)	1,500	151	1,000
Group PBT (RM m)	23.0	46.5	80.0

Achievements

Major infrastructure project delivery, commencement of works and strong capital management practices

- Duta-Ulu Klang Expressway ("DUKE") highway completed in Apr 2009, completing Kuala Lumpur inner-loop road systems
- As at Dec 2009, completed 29% of the construction of Eastern Dispersal Link ("EDL") highway from CIQ Complex to PLUS highway & 37% of Permai Hospital in Johor Bahru
- Commencement of over 4m sq ft/RM3bn GDV in KL Sentral until 2012

Continuous support to Malaysia's economic development and growth in Islamic Financing

- JV with Pelaburan Hartanah Berhad ("PHB") to develop an integrated transportation hub in Penang that will stimulate economic growth in Northern Peninsula Malaysia
- Commenced construction for the EDL highway to improve traffic flow between Singapore into Malaysia & vice versa
- Major property development in KL Sentral should stimulate local economy and contractors
- Promote Islamic financing – Award winning innovative Islamic financing structure for EDL and financing for other projects totalling over RM2.6bn of Islamic Debt

Focused on employee welfare

- Continued support of the High Achiever Award to reward employees' children that achieve excellent results in their PMR, SPM and STPM

Continuous support for environmental development and maintaining lifestyle standards

- River and beach rehabilitation works in Tioman Island, Sungai Pahang, Sungai Kuantan and Sungai Perai

Challenges

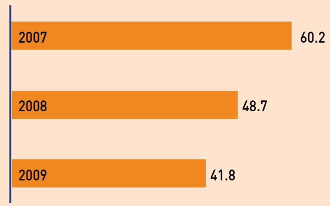
Susceptibility to external factors

- Weakness of demand for overall property in particular high-end residence due to economic conditions/excess supply
- Slow down in Government projects awards
- Increase in cost of raw materials and imported goods expected to negatively impact profit margins (particularly when contract prices are fixed regardless of the increase in the world commodities market)
- Availability of funding at reasonable cost may adversely impact project financials
- Slow payments from clients affecting work progress and cashflow
- Hold back on private capital expenditure spending leading to slower demand in property sales, office relocations/purchase and private infrastructure builds

POS MALAYSIA BERHAD

TSR Index

Economic Profit (RM m)



Historical Performance

FY 31 December	2007	2008	2009
Net Profit (RM m)	(34)	(36)	75
Operating Cashflow (RM m)	154	112	123
Net Cash/(Debt) (RM m)	243	566	286
Market Capitalisation (RM m)	1,310	1,085	1,192
ROE (%)	(4)	(4)	10
Debt-to-Assets (%)	N/A	N/A	N/A
Operating Margin (%)	14	13	12

Headline KPIs

FY 31 December	Target 09	Actual 09	Target 10
Revenue (RM m)	940	903	930
EBITDA (RM m)	130	132	110
ROA (%)	4.5	5.8	3.3
Staff Costs to Operating Expenses (%)	N/A	N/A	60

Achievements

Good growth and capital management practices

- Recorded a net profit of RM76.7m FY2009, an increase of more than 100% as compared to FY2008
- Disposal of investment in marketable securities and unquoted investment resulted in net gain of RM3m
- Improved Pos market price from RM2.02 in 2008 to RM2.22 as at 31 Dec 2009

Improved customer service levels and service offerings

- Completion of installation of a service quality monitoring system at Pusat Mel dan Kurier ("PMK") Kuala Lumpur International Airport ("KLIA"), developed based on radio frequency identification (RFID), which is a tool to measure service quality for letter mail delivery
- ISO 9001 : 2000 Certification for 10 mail processing centres effective from Feb 2009
- Pos' first Postal Automated Machine (PAM) was opened to public in Nov 2009 located at General Post Office Kuala Lumpur
- Extension of Shared Banking Services marketing of financial products via RHB desktop to another 8 post offices in Klang Valley
- Extension of Western Union services from 150 to 480 outlets
- Awards:
    - Mail was awarded with the Gold Level Award as part of Universal Postal Union's quality management certification system
    - PosLaju was awarded with:
        - Reader's Digest Trusted Brand Gold Medal
        - Frost & Sullivan's Asia Pacific Transportation & Logistics Award (Domestic Express Service Provider)
        - The Brand Laureate Awards for Courier and Express Service in 2009

Focused on employee and community

- Established the "Employee of the Month/Year Award" to recognise individuals who have demonstrated exceptional qualities in their work, eligible for both Clerical and Uniformed levels
- Conduct the "Safe Motorcycle Riding for Workers Programme" (20 series) to educate postmen on the correct and safe method to ride their motorcycles
- Involved in "Tabung Untuk Gaza" campaign for fund raising
- Created 'To My Friends In Gaza' project (collaboration with UNICEF), where thousands of letters, cards, and drawings were received from young Malaysians, dedicated especially to the children of Gaza

Challenges

Rising costs

- The costs of maintaining an ever-expanding postal network are rising faster than revenue despite gains in productivity through automation of mail
- Operating costs growth has been outstripping revenue growth since 2007

Growing competition

- Liberalisation has forced postal organisations to compete for revenue and sources of capital

Regulatory challenges

- Limited pricing flexibility and expanding universal service obligation requirements are creating pressure on profitability
- Pressure for Pos to play a significant role in developing infrastructure to facilitate communication and payment activities to support economic and social objectives especially in rural areas

Eroding mail volume & retail transaction

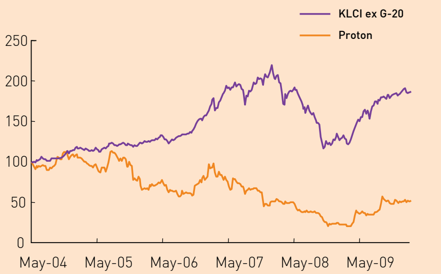
- Electronic alternatives to mail, particularly electronic bill presentment and payment are reducing mail volumes
- Competitive pressures from substitutes due to technological advancements resulted in negative growth of the traditional mail volume
- Recent entrants such as myEG, Telco & Post, Mailboxes Etc have posed serious threats to Pos business
- Mobile phone is also posing threat for remittance

Changing customer needs

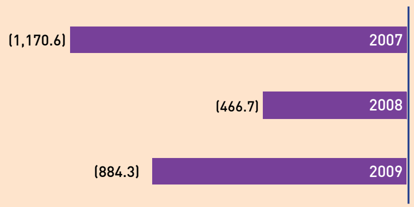
- With access to more information and more options than ever before, customers have a broader range of choices for delivery

PROTON HOLDINGS BERHAD

TSR Index



Economic Profit (RM m)



Historical Performance

FY 31 March	2007	2008	2009
Net Profit (RM m)	(590)	185	(302)
Operating Cashflow (RM m)	(97)	844	222
Net Cash/(Debt) (RM m)	354	977	553
Market Capitalisation (RM m)	2,021	994	2,147
ROE (%)	(11)	3	(6)
Debt-to-Assets (%)	N/A	N/A	N/A
Operating Margin (%)	(13)	3	(5)

Headline KPIs

FY 31 March	Target 09	Actual 09	Target 10
Domestic Market Share-Passenger Vehicle Segment (%)	38[1]	33[1]	31
Contribution of Export Sales to Revenue (%)	15.7	6.7	7.7
Revenue Growth (%)	60.2	15.4	29.5
Customer Satisfaction Index (x/1000 points)	750	683	700

Achievements

Domestic sales and market share
- Sales jumped 19.7% from 116,807 units in 2008 to 139,816 units in 2009
- Market share (total industry volume) has increased from 26% in 2008 to 29% in 2009

New models
- Launched Satria Neo CPS in Jan 2009 and Exora in Apr 2009. Exora is the first Malaysia multi-purpose vehicle ("MPV") with total sales (as at year-to-date Feb) of 23,008 units, equivalent to average of 2,091 units per month

Awards in 2009
- Frost & Sullivan Asia Pacific Automotive Awards-Best Model of the Year (Malaysia) 2009 for Proton Saga
- Reader's Digest Trusted Brand in 2009 Gold Award for Car Category
- Asian Auto-VCA Auto Industry Awards 2009-Best Local Assembly MPV for Exora
- Asian Auto-VCA Auto Industry Awards 2009-Best Local Assembly Sports Car for Satria Neo CPS

Strategic initiative moving forward 2009
- PROTON collaborated with Saipa Co. of Iran to explore the possibility of joining forces for the Iran market in areas of engine manufacturing, model development and R&D
- In China, PROTON has shipped more than 4,000 completely-built-up Gen.2 units to Youngman
- PROTON entered into a product collaboration arrangement with Mitsubishi Motors Corporation (MMC) for the development of a new vehicle
- Entered into strategic relationship with Hong Kong based Detroit Electric Holdings Ltd for the licensing and provisioning of product and manufacturing services with the objective of mass producing pure electric cars ("PEVs") for the United States and European Union ("EU") markets

Network consolidation
- Reduction of domestic sales network from 282 as of 2008 to 244 in 2009 to improve network efficiency
- Distribution of PROTON cars is currently being solely undertaken by PROTON Edar Sdn Bhd (EDAR). Edaran Otomobil Nasional Berhad (EON) was previously appointed as a 'Super Dealer' since 1 Apr 2003 and the Agreement lapsed on 31 Dec 2009

Challenges

Domestic markets
- Economic slowdown affected demands for cars
- More stringent financing requirements by banks
- Changes in consumer preferences for small-size & fuel-efficient cars
- Competition intensifies as other brands introduce newer, more attractive models at competitive prices

Export markets
- Weaken demands due to economic slowdown which negatively impacted the automotive industries worldwide, high competition coupled with the credit crunch faced by PROTON's subsidiaries and distributors particularly in the Australian and United Kingdom markets
- Implementation of new emission regulation for Euro5; EU on Sept 2009, Turkey 2010 and China 2015

Material cost
- Adverse movements in material cost lead by robust growth in China, as well as structural constraints on the supply side

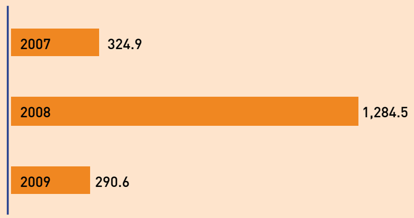
National Automotive Policy ("NAP")
- PROTON to form strategic alliances with global original equipment manufacturer ("OEMs") and a local assembler to enhance its competitiveness and long term capabilities
- Encouragement from Government in the development of green technologies and fuel efficient vehicles

1. 2009 based on passenger cars segment

SIME DARBY BERHAD

TSR Index

Economic Profit (RM m)



Historical Performance

FY 30 June	2007	2008	2009
Net Profit (RM m)	3,136	3,512	2,280
Operating Cashflow (RM m)	2,801	3,794	836
Net Cash/(Debt) (RM m)	(440)	1,165	(2,297)
Market Capitalisation (RM m)	71,510	31,249	53,905
ROE (%)	15	15	11
Debt-to-Assets (%)	1	N/A	9
Operating Margin (%)	11	15	10

Headline KPIs

FY 30 June	Target 09[1]	Actual 09	Target 10
Returns on Average Shareholders' Funds ("ROSF") (%)	8.8	10.6	11.0
Net Profit (RM m)	1,900	2,280	2,500

Achievements

Financials

- Net Profit of RM2.3bn, exceed KPI of RM1.9bn by 20%
- ROSF of 10.6% exceeded KPI of 8.8%
- Recorded a pre-tax profit of RM1.8bn for 1HFY2010, an increase of 7% over the same period last year
- FFB yield in Indonesia has improved by 24% since 2QFY2008 up to 2QFY2010 from 4.19MT/ha to 5.2MT/ha
- Property Division has been awarded The Edge Top Property Developers Award for overall performance
- Motors Division has turnaround their business from RM113m to RM148m; an increase in profit of 31% from the same period last year

Merger synergies

- Realised RM259m in merger synergies in the plantation and property businesses for FY2009. Target to achieve merger synergies of RM400-500m by FY2010

Quantum leap R&D initiatives

- Leapfrog to the forefront of global palm oil research through the successful deciphering and sequencing of the oil palm genome
  - Aim to commercialise seed in the next 4-5 years

Sustainability

- Issued Roundtable on Sustainable Palm Oil ("RSPO") certification for five Strategic Operating Units ("SOU")
  - Targeting 65 SOUs by 2011
    - 15 SOUs currently reviewed by the RSPO Executive Board
    - 21 SOUs completed auditing process

Sime Darby recycles all its biomass waste in the form of

- Mulching and fertilising our plantations
- Internal usage of energy

Focused on CSR

- Current CSR initiatives valued at RM225.7m for FY2008/2009. Among some of the key initiatives:
  - Environmental conservation – e.g. Project 'Big 9' to preserve endangered animals, Ulu Segama Forest Rehabilatation, Stability of Altered Forest Ecosystem (SAFE)
  - Community Development – e.g. The Royal Ungku Aziz Chair for Poverty Eradication, Employee Welfare Programme, Safe City Initiative, Women's Aid Organisation
  - Education – e.g. PINTAR & Humana Programmes, Yayasan Nur Salam Youth Hub

Challenges

Group: Ability to adapt to changing business landscape

- Identifying and executing opportunities as well as deployment of capital to growth and stable cash flow sectors
- To execute the corporate strategies in the uncertain environment
- Focus on core businesses and continue to divest non-core and non-performing assets
- Sustainability – Operationalising the sustainability culture throughout the Group
  - Our current portfolio which is invested in resources and lifestyle puts us in a unique position to achieve and develop sustainable futures
  - Carbon footprint ("CFP") – committed to reduce Sime Darby's CFP by 20% by 2015 from 2009 levels
- Innovation – To foster an innovative culture that would ensure the Company's competitiveness

Divisional challenges:

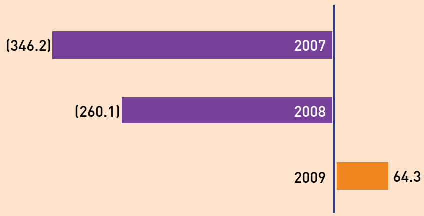
- Plantation:
  - To continue improving productivity and reducing costs in all our operations to ensure that we meet our synergy targets
  - To execute our strategies to become more integrated along the value chain
    - Refineries/Downstream business
- Industrial:
  - Capitalising on long-term growth prospects in resource-rich Xinjiang province
  - Expanding on rental and complementary businesses
- Property:
  - To manage rising construction costs due to higher material and labour costs
  - To accelerate Sime Darby Vision Valley ("SDVV") development
    - SDVV – Expected to develop a total of 80,756 acres with estimated GDV of RM30,785m within the next 20-25 years
    - Within the next 5 years, expected to cover 2,577 acres with estimated GDV of RM9,809m
- Energy & Utilities:
  - Oil & Gas – Increase operational efficiency and improve project management capabilities with new management team on board
  - Expand our stable cashflow businesses in Malaysia and China
    - Ports management in Weifang & Jining, China
    - Water treatment plant in Weifang, China
    - Groundwater expansion in Perak, Malaysia
- Motors:
  - Grow with existing partners/manufacturers especially BMW
  - Expand value chain/revenue streams – used car sales, insurance and financing

1. Revised targets as per announcement to Bursa Malaysia on 28 Nov 2008 to reflect prevailing economic conditions

TELEKOM MALAYSIA BERHAD

TSR Index

Economic Profit (RM m)



Historical Performance

FY 31 March	2007	2008	2009
Net Profit (RM m)	857	229	643
Operating Cashflow (RM m)	N/A	2,890	3,224
Net Cash/(Debt) (RM m)	N/A	(4,627)	(2,928)
Market Capitalisation (RM m)	N/A	11,018	10,947
ROE (%)	9	2	7
Debt-to-Assets (%)	30	31	29
Operating Margin (%)	7	12	12

Headline KPIs

FY 31 March	Target 09	Actual 09	Target 10
Revenue Growth (%)	1.0-2.5	(0.8%)	2.0%
EBITDA Margin (%)	Low to mid 30s	35.4%	33.0%
Customer Quality Perspective	Spend at least 3% of revenue for improvement in quality of customer experience	3.6%	Spend at least 5% of revenue for improvement in quality of customer experience

Achievements

"TM delivered commendable performance in 2009 despite challenging operational environment and stiff competition"

Intense year with several key milestones delivered
- Maintained leadership position in the broadband segment with 1.43m customers, a growth of 11.8% from 1.28m customers in FY2008
- Improved EBITDA of RM3,102.9m, up 6.4% from FY2008
- PATAMI up by 180.4% to RM643.0m
- Exceeded 2009 headline KPI by spending 3.6% of total revenue or RM308m to give customers a better customer experience

Continuing commitment to shareholders
- Delivered dividend commitment of RM706.5m

Revenue improvements
- Normalised full-year revenue was 0.9% higher than the revenue recorded in FY2008 (excluding the exceptional revenue from special project MERS999 of RM235.2m in FY2008 against RM94.9m in FY2009)
- Non-voice (data, internet and multimedia) contributed 54% of revenue, surpassing voice with registering a y-o-y growth of 16.0% and 8% respectively

Cost management
- TM recorded a lower direct cost to revenue ratio of 20.6% in FY2009 as compared to 21.4% in FY2008
- Bad debt to revenue ratios improved to 1.9% due to more effective enforcement of credit management policies

Balance Sheet Management
- Improved cash collection by reducing Account Receivable collection days from 106 to 101 days.
- Monetised RM398.6m worth of staff housing loans

HSBB contribution to Malaysia's digital footprint
- Achieved 152k premises passed surpassing target of 150k
- Completed physical upgrade work in four exchanges at Subang Jaya, Bangsar, Shah Alam and Taman Tun Dr. Ismail

Sustaining green efforts
- Inaugural "Sustainability Report" accorded GRI score A+

Challenges

"Performance Improvement Programme (PIP) 2.0 will continue to drive TM strategic thrust in a challenging business environment for 2010"

Decline of voice services revenue
- Continuing decline in voice revenue largely due to lower usage from both business and residential customer
- Mitigating through growth from broadband and data
- Improving voice offering (simplified and more competitively priced)

Intensifying competition in broadband space
- Competition from mobile and Wimax service providers
- Still headroom for market growth – 2009 penetration rate at 31.7%, up from 21.1% in 2008

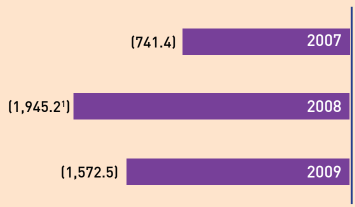
As HSBB investment moves into top gear, efficiency in capital expenditure spend and balance between "Business-as-Usual" requirements and HSBB commitments remain crucial

Industry structure requires strong regulatory support e.g. to ensure equitable and balanced industry structure and fair returns on HSBB network investments

TENAGA NASIONAL BERHAD

TSR Index

Economic Profit (RM m)



Historical Performance

FY 30 June	2007	2008	2009
Net Profit (RM m)	4,061	2,594	918
Operating Cashflow (RM m)	8,639	6,413	6,396
Net Cash/(Debt) (RM m)	(18,639)	(17,335)	(16,431)
Market Capitalisation (RM m)	41,594	27,092	36,465
ROE (%)	19	10	4
Debt-to-Assets (%)	44	40	39
Operating Margin (%)	24	16	13

Headline KPIs

FY 30 June	Target 09	Actual 09	Target 10
ROA (%)	3.7[2]	4.0	4.5
Gearing (%)	48-50	46.5	44-46
Unplanned Outage Rate ("UOR") (%)	3-3.5	2.9	3.6-4.0
Transmission and Distribution ("T&D") Losses (%)	9-9.5	9.7	9.0-9.5
Transmission System Minutes (mins)	6.5-7.0	1.0	5-7
Distribution System Average Interruption Duration Index ("SAIDI") (mins)	75-80	68.6	68-72

Achievements

- Ongoing cost savings measures have realised around RM462.6m in 2009 alone, mainly contributed by savings made from effective inventory stock management. This results in a total cost savings of RM3.1bn since 2005. Debt reduced to RM22.6bn in FY2009 compared to an earlier amount of RM22.7bn in FY2008 (RM32.4bn in 2004). Outstanding debt of TNB's major deliquent customers reduced to RM486.8m (from RM884.3m in 2004)
- TNB won the Anugerah Kualiti Perdana Menteri ("AKIPM"), two years ahead of the target date
- TNB has emerged as the best ranked Electric Utilities in ASEAN in Platts Top 250 Company for 2009, a prestigious energy industry award that recognises the outstanding financial performance of top energy companies. Among Electric Utilities in Asia, TNB took the 4th position
- TNB achieved a net profit of RM853m in FY2009, despite the challenges in terms of increasing operating costs (fuel and Independent Power Producers ("IPP") payments)
- Achieved UOR of 2.9%, thereby surpassing the world class industrial benchmark of 4.0% for the fourth year running
- Reduced SAIDI from 71.3 minutes to 68.6 minutes and Transmission System Minutes reduced to 1 minute from 6.7 minutes
- An independent session conducted by PCG in 2007 rated TNB as one of the top practitioners amongst GLCs in implementation of the Blue Book guidelines on Intensifying Performance Management
- TNB invested RM62.1m in training programmes and organised 1,307 mandatory training programmes. Under the talent pool initiative, total number of potential talents being assessed had been increased from 333 (from the earlier cycle) to 600
- Two TNB employees won the Anugerah Tokoh Pekerja Cemerlang (executive & non-executive) during the 2009 Labour Day Celebration organised by Ministry of Human Resources
- The Group has been actively exploring partnerships and collaboration opportunities with our international utility services counterparts around the region
- Successful commercial operation of Units 1,2 and 3 of the Shuaibah III Independent Water and Power Project (Shuaibah III IWPP)
- The CEO was awarded "CEO of the Year" by Business Times
- Awarded the "South East Asia Growth Strategy Leadership Award" by Frost & Sullivan
- "Business of the Year – Superior Company Category" by the SMI & SME Worldwide Network
- Top 3 Most Admired Asean Enterprise in Employment by the ASEAN Business Award

Challenges

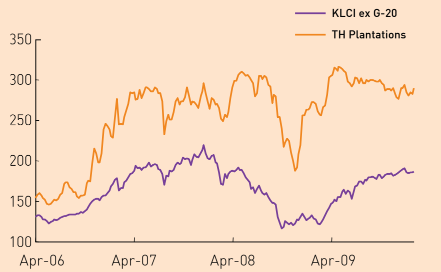
- TNB will face profit pressure in the face of volatility of fuel prices (namely coal), additional IPP capacity payments from new plants coming on stream and fluctuation in foreign exchange
- Growth in electricity demand is highly dependent on global financial crisis
- TNB needs to continue lobbying for fuel cost pass-through mechanism in its tariff structure to manage the fuel cost in the future
- Due to heavy reliance on gas and coal for its power generation and potential rising in the cost of these fuels, TNB will also need to actively pursue the use of alternative energy sources (like hydro, nuclear and liquefied natural gas) to meet future power demand. At the moment, gas and coal represent 65.3% and 28.3% respectively in TNB's generation fuel mix
- Future planting up based on competitive bidding will remain a challenge to push through. The past practice of awarding new IPPs by way of direct negotiation has not given TNB the optimal deal. TNB needs to ensure future planting up is made through competitive bidding to ensure optimal policy and low tariff regime

1. Revised based on adjusted weighted average cost of capital
2. Revised from preliminary target of 2.8

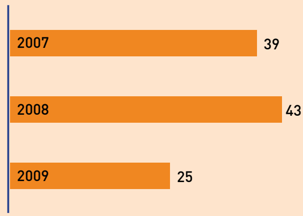
TH PLANTATIONS BERHAD

TH PLANTATIONS BERHAD

TSR Index



Economic Profit (RM m)



Historical Performance

FY 31 December	2007	2008	2009
Net Profit (RM m)	61	84	54
Operating Cashflow (RM m)	973	204	7
Net Cash/(Debt) (RM m)	4	41	(77)
Market Capitalisation (RM m)	663	558	712
ROE (%)	34	28	13
Debt-to-Assets (%)	N/A	N/A	11
Operating Margin (%)	46	47	26

Headline KPIs

FY 31 December	Target 09	Actual 09	Target 10
ROE (%)	7.5	12.6	12.0
FBB Yield (MT/ha)	22.50	21.48[2]	21.60
Dividend distribtution[1]	To distribute approx. 50% of Group's PATAMI	8.50 sen/share less tax at 25% (subject to shareholders' approval)	To distribute approx. 50% of Group's PATAMI
Landbank Increase	Exceeded one fold[3]	Exceeded one fold[3]	To expand our land bank to 50,000 ha by 2012

Achievements

Steady financial performance
- Stand-by credit line of approximately RM120m through issuance of Bai Murabahah Medium Term Notes to LTH as the sole subscriber
- Reported accumulated net profit FY2009 of RM57.1m

Achieved growth through acquisitions and expansion
- Acquired two companies as part of THP's rationalisation and streamlining of activities in order to achieve greater operational and financial efficiency
- Managed LTH's plantation; to jointly develop native lands totalling 1,500ha in Beladin, Sarawak with Land Custody and Development Authority (LCDA is the custodian of the natives) with shareholding of 55% (LTH), 10% (LCDA) and 35% (Natives). An estimated 700 natives benefiting from this JV

Continued support for regional economic growth plans
- Contributed to Terengganu and Sarawak economic growth, creating employment opportunities for the local Bumiputera community

Achieved industry recognition
- Winner of the 2008 KPMG Shareholder Value Award under the industry category of Agriculture & Fisheries

Challenges

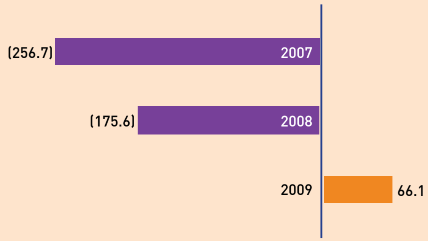
- The shortage of foreign workers at the estates for nurturing of seedlings, tree planting, manuring, harvesting as well as other routine maintenance work to ensure optimal yield
- Enhancing productivity and increasing operational efficiencies via sustainable plantation operation
- Attracting, mentoring, nurturing and retaining the best talent to increase effectiveness and competitiveness

1. THP Group achieved its dividend policy of distributing approx. 50% of the Group's PATAMI for FY2006, FY2007, FY2008 & FY2009 (subject to shareholders' approval)
2. THP Group's FFB production fell short by 4.5% to 21.48 MT/ha from the targeted FFB yield of 22.50 MT/ha due to unfavourable weather conditions and biological tree stress
3. THP Group has surpassed its medium term KPI FY2007 – FY2009 of positioning the Group as a medium siz plantation company of 32,000 ha by 2009, one year ahead of time by achieving land bank size 39,059 ha in 2008

UEM GROUP BERHAD

TSR Index

Economic Profit (RM m)



Historical Performance

FY 31 December	2007	2008	2009
Net Profit (RM m)	826	548	761
Operating Cashflow (RM m)	3,194	2,159	2,112
Net Cash/(Debt) (RM m)	(7,922)	(9,993)	(9,607)
Market Capitalisation (RM m)	N/A	N/A	N/A
ROE (%)	11	7	10
Debt-to-Assets (%)	38	46	44
Operating Margin (%)	27	30	35

Headline KPIs

FY 31 December	Target 09	Actual 09[1]	Target 10
Revenue Growth (%)	Min 8	(4.7)	8.9
ROE (%)	Approx. 7-8	9.7[2]	7.5

Achievements

- PLUS Expressways Berhad has surpassed its KPI target by achieving 33.5% growth in terms of lane – kilometer, surpassing its target of 30%
- Nusajaya's up-market mixed golf residential development Horizon Hills was awarded the Best Asia Pacific Golf Development by CNBC's Property Awards 2009
- UEM Land Berhad was awarded the FIABCI Malaysia Property Award for the Master Plan category, for its Puteri Harbour Waterfront Development, one of the seven signature developments in Nusajaya
- UEM Builders Berhad ("UEM Builders") was awarded the construction contract in Brunei involving 4,000 houses with the necessary supporting infrastructure over the next four years
- UEM Builders was conferred the Industry Excellence Award in the Construction Sector by BASIS Publications House, the publisher of Malaysia 1000, the Malaysia External Trade Development Corporation (MATRADE) and the national news agency, Bernama
- Faber Group Berhad was awarded a contract in relation to improvement, development, upgrading and maintenance of infrastructure facilities and projects at Madinat Zayed – Zone-1 by the Department of Municipal Affairs, Western Region Municipality (WRM), Emirate of Abu Dhabi
- UEM Environment Sdn Bhd is the overall winner of ACCA Malaysia Sustainability Reporting Awards (ACCA MaSRA) 2009

Challenges

Human capital

- To ensure that UEM Group's talent force continually reinvents its skills and capabilities to remain highly effective and competitive

Global/regional economic environment

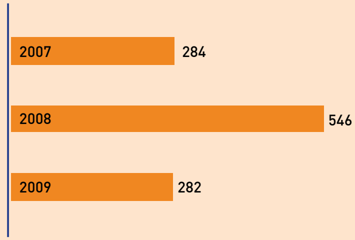
- UEM Group to intensify its role in nation building as Government continues to invest in infrastructure and key people-centric projects for an economically vibrant and remodeled nation
- UEM Group has to continue to reinforce its presence in markets such as India where there are promises of huge growth potential
- For Nusajaya to arrive at the "tipping point" of accelerated growth, investment has to continue to converge into Nusajaya, especially from within the region
- UEM Group to resolve several significant disputes involving litigations and claims arising from past projects

1. As per draft financial statements dated 1 Mar 2010
2. Actual ROE for 2009 inclusive of one-off exceptional items and write backs

UMW HOLDINGS BERHAD

TSR Index

Economic Profit (RM m)



Historical Performance

FY 31 December	2007	2008	2009
Net Profit (RM m)	469	566	371
Operating Cashflow (RM m)	981	649	804
Net Cash/(Debt) (RM m)	837	290	(448)
Market Capitalisation (RM m)	8,388	5,625	7,108
ROE (%)	16	17	10
Debt-to-Assets (%)	N/A	N/A	8
Operating Margin (%)	6	8	7

Headline KPIs

FY 31 December	Target 09	Actual 09[1]	Target 10
Return on Shareholders' Funds (%)	10.0	10.2	10.0
Dividend Payout Ratio (%)	50.0	60.5	50.0
Dividend Yield (%)	N/A	3.4	N/A

Achievements

- UMW achieved it's target Headline KPIs as stated below:
  - Target minimum annual return on shareholders' funds of 10%. Actual achievement was 10.2%
  - Target annual dividend payout ratio of at least 50% of net profit attributable to shareholders. Actual payout for 2009 will be 60.5% of net profit (actual payout for 2008 was 57.6%)
- Registered total Toyota and Perodua vehicle sales of 248,825 units or 46.3% of total industry volume despite initial economic uncertainties in 2009
- UMW ranked Top 5 of Malaysia's Most Admired Companies in Malaysia awarded by the Wall Street Journal survey in their 2009 Asia 200 Survey. UMW was also ranked amongst Top 3 in Quality category, Top 5 in Corporate Reputation and Top 5 in the Innovation Category
- Naga 1, UMW's 50%-owned semi-submersible drilling rig, made a remarkable milestone by clocking in 9 years & 3 million man-hours with no lost time incident in 2009
- Zhongyou BSS commenced operation in 2009 and started supplying Spiral Submerged Arc Welded and Longitudinal Submerged Arc Welded pipes to the 2nd West-East Gas Pipeline from Khazakhstan to Shanghai

Challenges

The Malaysian Economy continues to show signs of recovery with the progressive implementation of the 2 economic stimulus packages totalling RM67bn together with other fiscal measures. However competition will remain intense

In automotive division
- Consumers will increasingly have broader product choices. Greater incentives remain a possibility
- Perodua/UMW Toyota to introduce new/variant/facelift models to enhance our product line-up
- Sales of Toyota vehicles in Malaysia have not so far been affected by recent recall issue because relevant components are manufactured by different suppliers from those in the USA markets

In equipment division
- Domestically, more active level of private sector-led construction related activities will enhance the Division's performance

In oil & gas division
- Contribution from oil & gas sector expected to increase in 2010 as we begin to enjoy the fruit of our investment in Zhongyou BSS, new oil country tubular goods plant in India, land rigs and ultra premium jack up rigs Naga 2 and Naga 3

In manufacturing
- New automotive components plant in India and Advanced micro electronic in Penang are scheduled to commence production in 2010

1. Based on unaudited results

NOTES

Putrajaya Committee on GLC High Performance (PCG)
Transformation Management Office,
Level 33, Tower 2, Petronas Twin Towers,
Kuala Lumpur City Centre,
50088 Kuala Lumpur, Malaysia
Tel: +(603) 2034 0000 Fax: +(603) 2034 0300
Website: www.pcg.gov.my